

Sustainability report

A close-up photograph of an electric vehicle charging station. The charging cable and its handle are highlighted with a vibrant green glow, contrasting with the dark, industrial background of the station. The text 'Sustainability report' is overlaid in the top left corner in a clean, white, sans-serif font. A thin white line extends from the text towards the glowing handle, visually connecting the report to the sustainable technology.

Sustainability

We support and encourage portfolio companies to improve their sustainability performance over time, resulting in long-term value creation.



As active owners, we use our influence to accelerate responsible business practices across the portfolio. Working closely with management teams, we help integrate sustainability into strategy, enhance governance frameworks and navigate changes in regulations and stakeholder expectations.

Effective integration of sustainability into strategy and operations supports long-term value creation by enhancing a company's ability to grow revenue, manage costs, attract and retain talent, as well as improving access to capital and achieving higher valuations at exit.

Based on our investment approach, mandate and sector exposure, we have identified three sustainability themes as being of strategic importance and have focused our engagement activities across these topics:



Carbon and climate



Strategy and leadership



Health & safety and people

This report outlines our work to advance sustainability and highlights key initiatives across the portfolio that demonstrate the progress being made.

Responsible investing

3i's Responsible Investment policy sets out the minimum ESG requirements that new portfolio companies are expected to meet or commit to meeting within a reasonable time period. It also sets out activities that, if undertaken by a company, prevent 3i from investing in it. The policy applies to all investments.

It outlines clear expectations across key areas, including environmental management, business integrity, fair and safe working conditions and good governance.

An assessment of ESG risks and opportunities is embedded at every stage of the investment lifecycle. We identify significant ESG factors prior to investment and implement robust plans to mitigate risks or capture opportunities throughout the ownership period and up to exit.

The Responsible Investment policy is reviewed regularly. In May 2024, it was updated to, amongst other things, incorporate new considerations that will support 3i in achieving its science-based emissions reduction targets over time.

To access the Responsible Investment policy and for more information on the Investment Manager's other sustainability policies, please refer to the 3i Group website: www.3i.com/sustainability.

Sustainability continued

Q&A

with 3i Investments Partner Anna Dellis

Q Where do you see sustainability creating the most value for the 3iN portfolio?

AD Our portfolio companies are identifying and pursuing opportunities to support their customers to meet their own decarbonisation ambitions and to participate in the energy transition. With our capital and expertise, we help them capture these opportunities. TCR is supporting its customers to increasingly use ground support equipment powered by electricity; ESVAGT and Tampnet are supporting the offshore wind sector and the emerging carbon capture and storage sector; Infinis is investing in solar energy generation; Future Biogas is supporting corporates like AstraZeneca to procure energy created by biogas; Oystercatcher's storage terminal in Singapore is storing and blending sustainable aviation fuel for Changi Airport as well as for export to other countries.

Q In March 2024, the SBTi validated 3i Group's emissions reduction targets. Has 3iN's portfolio made progress on target setting since then?

AD We want our portfolio companies' targets to be credible and underpinned by a plan that management can follow and be confident it can deliver.

Since March 2024, Joulz and Ionisos have secured SBTi validation of their targets, and SRL and TCR have submitted targets for validation. We are now leveraging the experience and learnings of these first movers for the benefit of other portfolio companies. In this way we support portfolio companies that, due to their size for example, might not otherwise have been in a position to commit to a science-based target, to be able to do so. This demonstrates a real benefit of 3iN ownership for our portfolio.

“
With our capital and expertise, we help our portfolio companies capture opportunities to play a role in the energy transition.”

Anna Dellis

Partner, 3i Investments plc



Q How does 3iN drive improvements in health and safety performance across its portfolio?

AD We expect that health and safety is at the top of the board agenda. We ensure that portfolio company board reporting is fit for purpose and includes leading indicators, such as near misses, to allow effective oversight of health and safety risk and accident prevention. 3iN's representatives on portfolio company boards receive health and safety training to increase their effectiveness in this role. We believe it is critical that they lead by example – showing management teams and employees that health and safety is a key priority for 3iN.



Watch video online

Sustainability continued

Sustainability in action

A number of our portfolio companies are continuing to contribute to the energy transition, either through the production and supply of renewable energy, or through the offering of services and products which enable their customers to decarbonise, including the following examples:



In February 2025, Future Biogas and AstraZeneca announced that the UK's first unsubsidised biomethane plant was operational. The plant in Gonerby Moor, Lincolnshire, will supply 100 GWh of renewable energy annually to AstraZeneca UK. This is equivalent to 20% of AstraZeneca's total gas consumption, displacing approximately 18,000 tCO₂e per year. The plant will provide clean biomethane for all of AstraZeneca's R&D and manufacturing in the UK, supporting the sustainable production of medicines.



In January 2025, TCR was selected to provide a centralised all-electric GSE pool at JFK International Airport's New Terminal One, scheduled to open in 2026. Through this contract, TCR will deliver the world's first fully electric GSE pool.

In delivering the project, TCR will collaborate with local communities and partners, fostering a diverse workplace and creating around 50 local jobs, including roles for electric GSE maintenance technicians.



In 2024, Joulz implemented a Virtual Power Grid ('VPG') at the new distribution centre in Maarsse for Albert Heijn, a large Dutch supermarket chain. Designed to address grid congestion challenges common across the Netherlands, this VPG solution integrates solar panels and a Battery Energy Storage System, all managed by an intelligent Energy Management System. The solution helps minimise dependence on the grid network, and reduces emissions by maximising the use of on-site renewable energy by up to 24%.



Sustainability continued

Sustainability in action continued

Many of our portfolio companies are demonstrating progress through sustainability projects or achievements in areas of high importance to their industries, including the following examples:

FLAG

Gender diversity was a key leadership priority at FLAG in 2024, embedding action across the organisation. Female representation in FLAG's workforce increased from 21% to 26% in the year. This progress was driven by targeted graduate recruitment, increased focus on attracting experienced female talent and the successful launch of a Women in Tech forum. Looking ahead, the company will focus on female representation in management, enhancing inclusive hiring practices and reviewing internal policies to further support a gender-inclusive culture.



infinis

In 2024, Infinis was awarded the prestigious Royal Society for the Prevention of Accidents Order of Distinction, recognising 16 consecutive Gold Awards. The award is an external recognition of Infinis' safety culture and commitment to operational excellence.

As Infinis continues to expand its portfolio of solar and battery storage sites, in line with the UK's net zero ambitions, continuous improvement in safety practices remains a key focus.



ESVAGT

In 2025, a number of ESVAGT vessels were certified as 'Biofuel Ready' by a leading ship classification organisation. This confirms that each vessel meets key technical standards to operate safely on biofuel, supporting ESVAGT's broader transition to low-emission fuels. Efforts are underway to secure similar certifications from other maritime safety bodies, with approvals expected later this year. These advancements support ESVAGT's commitment to integrating biofuel capabilities across its fleet, aiding offshore industries in reducing operational emissions.



Sustainability continued

Our sustainability pathway guides companies as they progress ESG maturity during our ownership

Ensure the business aligns with governance best practice

Why is this material to 3iN?

Good governance is essential to appropriate risk management and ensuring compliance with laws and regulations at all times.

Engagement approach

- Review of policies alongside 3i Legal team
- Support to comply with incoming regulations

Performance metrics

82%

had all recommended governance policies in place² (2023¹: 73%)

91%

had health and safety as the first topic on the board agenda (2023¹: 64%)

Next steps

- Continued engagement on Anti-Trust policy implementation (new focus for 2024; 64% of portfolio companies currently have an Anti-Trust policy in place)
- Help companies prepare for CSRD as applicable



Identify appropriate senior individuals to lead on sustainability

Why is this material to 3iN?

Internal accountability and appropriate resourcing ensures executive management oversight and execution.

Engagement approach

- Annual in-person Sustainability Forum for the portfolio sustainability leads to meet each other and receive tailored upskilling
- Regular webinars to share best practice, upskill and build a network of ESG leads

Performance metrics

91%

had a resource with ESG responsibility (2023¹: 91%)

100%

gave regular board updates on sustainability (2023¹: NA)

Next steps

- Continued support of ESG leaders through portfolio networking events and upskilling opportunities



Measure GHG emissions and develop decarbonisation strategies aligned with SBTi where possible

Why is this material to 3iN?

By implementing a plan to decarbonise we ensure our investments are well placed to leverage opportunities in the transition to the low-carbon economy.

Engagement approach

- Introduction of portfolio company teams to specialist advisers for GHG emissions baselining and independent certification bodies for GHG emissions auditing, to improve data quality
- Bespoke support to prepare SBTi applications

Performance metrics

4

companies had set or submitted science-based targets for SBTi validation (2023¹: 2)

91%

had their emissions data verified by a third party (2023¹: 82%)

Next steps

- Continued improvements in emissions data quality and Scope 3 emissions baselining
- Sharing of best practice on decarbonisation planning and SBTi target validation



¹ Figures show percentage of companies by number as at 31 December. The 2023 figures exclude Valorem (exited in FY25). Where 2023 data is not provided a comparable is not available due to changes in data collection.

² Recommended governance policies initially included health & safety, anti-bribery & corruption, data protection, cyber security, sanctions and whistleblowing. Policies on human rights and anti-trust will be incorporated in due course.

Sustainability continued

Our sustainability pathway continued

Develop a materiality-based sustainability strategy approved by the CEO

Why is this material to 3iN?

A materiality-based sustainability strategy ensures risks and opportunities are proactively identified and managed, and ensures a clear strategic direction aligned with the overall business strategy.

Engagement approach

- Support with the development of strategy through sharing of examples and competitor analysis

Performance metrics

73%

had a Sustainability strategy in place
(2023¹: 73%)

64%

published a Sustainability report
(2023¹: 45%)

Next steps

- Best practice sharing on performing a double materiality assessment for companies in scope of the CSRD where applicable



Fully embed sustainability objectives in the organisation

Why is this material to 3iN?

Integrating ESG objectives in the remuneration model of executive management aligns their incentives with the achievement of the company's sustainability strategy targets.

Engagement approach

- Ongoing engagement with portfolio company senior executives on sustainability strategy and targets
- Annual review of target progress

Performance metrics

82%

had ESG-related remuneration objectives
(2023¹: 64%)

64%

actively manage climate-related risks
(2023¹: NA)

Next steps

- Continued monitoring of performance on sustainability objectives



Put in place a Human Rights policy in line with UN Guiding Principles ('UNGP')

Why is this material to 3iN?

Exposure to human rights breaches represents unmitigated risk where companies have not assessed the management of human and labour rights in their own operations and supply chains.

Engagement approach

- Proprietary human rights framework launched to support companies to reduce risk exposure
- Topic-specific webinar held to upskill portfolio companies

Performance metrics

73%

had a Human Rights policy
(2023¹: 64%)

45%

had human rights as a regular topic on the board agenda
(2023¹: NA)

Next steps

- Work with portfolio companies to align with UNGP best practice in internal processes
- Ensure the topic is discussed by the portfolio company board annually



¹ Figures show company share by number as at 31 December. The 2023 figures exclude Valorem (exited in FY25). Where 2023 data is not provided a comparable is not available due to changes in data collection.

Sustainability continued

Our strategic ESG focus areas

Our strategic ESG focus areas



Carbon
and climate



Strategy and
leadership



Health & safety
and people



Carbon and climate

Climate change and the transition to the low-carbon economy are significant macroeconomic trends impacting the sectors in which we invest.

In March 2024, 3i Group plc set science-based emissions reduction targets, which were validated by the SBTi. These targets cover both direct emissions and downstream indirect emissions associated with all the portfolio companies that 3i manages. Throughout the year, the Investment Manager has communicated these targets to portfolio companies and has supported them in developing the business case for setting their own science-based emissions reduction targets.

In FY25, one-on-one engagement activities have focused on progressing the baselining of Scope 1, 2 and 3 emissions and supporting the development of decarbonisation roadmaps. The Investment Manager has also facilitated the exchange of best practices and key learnings across portfolio companies operating within the same sector.

As of 31 March 2025, 91% of 3iN portfolio companies (by number) measured Scope 1, 2 and 3 emissions* and 91% (by number) had achieved third-party assurance for their emissions data.

* 91% of portfolio companies (by number) measure some Scope 3 categories. They do not all have a complete Scope 3 baseline.

SRL Traffic Systems and TCR submitted their emissions reduction targets for SBTi validation in FY25 and are awaiting responses. Ionisos and Joulz already had validated SBTi targets in place.

The Investment Manager supports portfolio companies in evaluating their exposure to climate-related risks and opportunities, with scenario analysis encouraged as a best practice. Findings are reported annually to the Investment Manager and reviewed by each portfolio company's board at least once a year. Where material risks are identified, companies are expected to implement suitable adaptation and mitigation measures. Climate-related risks and opportunities are also incorporated into risk registers where relevant. The Investment Manager recently selected a climate risk screening tool to enhance portfolio-wide monitoring.

3iN companies that have committed to SBTi



3i Group plc's science-based emissions reduction targets

Scope 1 and 2: Reduce absolute Scope 1 and 2 GHG emissions 42% by FY30 from a FY23 base year

Scope 3: 31% of the eligible portfolio by invested capital to set SBTi validated targets by FY28 and 100% by FY40

Energy production: Reduce GHG emissions from the electricity generation sector within the eligible portfolio by 68% per MWh by FY30 from a FY23 base year

[See the 3i website](#)
for more details

SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Planned next steps for FY26

- Continued one-on-one engagement with portfolio companies on emissions data quality, Scope 3 and setting science-based emissions reduction targets
- Continue engaging with portfolio companies on the incorporation of climate risks into their strategy and risk management

[Please see the TCFD product report](#)
for a complete TCFD disclosure for 3iN

Sustainability continued

Our strategic ESG focus areas continued



Strategy and leadership

Stakeholder expectations and regulations related to sustainability are growing. Strong sustainability governance is essential to meet these increased demands.

The Investment Manager encourages all portfolio companies to assign clear responsibility for sustainability at both board and executive management levels, supported by appropriate resourcing throughout the organisation. Linking executive remuneration to ESG objectives is one way to formalise this accountability. Each 3iN portfolio company investment team includes an ESG lead, tasked with monitoring the portfolio company's sustainability progress and following up on any incidents as they arise.

All portfolio companies are expected to conduct a materiality assessment to identify the sustainability topics most relevant to their business.

The Investment Manager actively supports companies in developing robust strategies aligned with these priorities and in progressing towards defined targets.

Ensuring compliance with incoming legislation is a priority and regulatory developments are closely monitored by the Investment Manager. In parallel to the EU legislators considering the European Commission's proposed Omnibus package on simplifying reporting requirements,

Planned next steps for FY26

- Continued upskilling of ESG leads on upcoming ESG topics
- Ongoing monitoring of the CSRD readiness of in-scope companies



some portfolio companies are preparing to report in line with the EU's Corporate Sustainability Reporting Directive ('CSRD') where applicable. This includes carrying out double materiality assessments, which are expected to inform the refinement of their sustainability strategies.

The implementation of the Corporate Sustainability Due Diligence Directive ('CSDDD') and the EU Deforestation Regulation ('EUDR') is also being actively monitored.

73%

of portfolio companies had a sustainability strategy in 2024

91%

of portfolio companies had a resource with ESG responsibility in 2024



Health & safety and people

The health and safety of 3iN portfolio companies' employees, as well as that of others impacted by the companies' activities, is the Investment Manager's top priority.

Each portfolio company board is responsible for overseeing health and safety. Incidents are reported and discussed during board meetings, while serious incidents are immediately escalated to the Investment Manager, with updates monitored as needed.

The Investment Manager encourages companies to set leading and lagging indicator targets and monitors performance monthly. Annual metrics are captured through the annual ESG survey. Where results indicate a negative trend, the issue is followed up with the management team.

In FY24, the Investment Manager's focus was on fostering a strong safety culture. In FY25, the focus narrowed in on mitigating the risk of serious incidents. In December 2024, the Investment Manager's team participated in immersive, in-person training, which included a practical workshop on safety leadership, with a particular emphasis on effective communication.

Following the training, new internal processes were introduced to ensure the effective sharing of lessons learned, promoting continuous improvement across the Investment Manager's team.

The Investment Manager also enhanced its approach to human rights in FY25. A proprietary framework, developed with specialist input, was launched through online training, with ongoing engagement focused on assessing risk exposure and enhancing company policies.

Gender diversity continued to be monitored during the year. Where portfolio companies have been particularly successful in attracting a wider range of applicants to roles, relevant learnings are shared across the portfolio.

100%

of portfolio companies had a health and safety policy in 2024

64%

of portfolio companies decreased or maintained their lost time injuries frequency rate ('LTIFR') in 2024 vs 2023



Planned next steps for FY26

- Continuous improvement on H&S, with a focus on safety culture
- Work with portfolio companies to align human rights-related processes with the UN Guiding Principles