Triton

Responsible Investment Report

2023/2024

triton-partners.com

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This Responsible Investment Report covers Triton's ESG processes, framework and reporting. We report on our private equity funds in 2023 and include forward-looking statements for 2024. Unless otherwise stated, all data refers to calendar year 2023. For our credit funds, we have not historically sought data disclosure to the same degree – however, we have increased our focus on our credit funds and will seek greater disclosure in future in line with regulatory developments, including the European Union's Principle Adverse Impact requirements and Sustainable Finance Disclosure Requirements.

Triton at a glance[1]

Founded in
1997

Professionals accross
11 offices

Integrated operating & specialist teams

€18 billion
Raised since inception

200+
Institutional investors

100+
Investment advisory professional across three investment strategies

60+
Operational and functional specialists supporting value creation through the investment life cycle

Portfolio companies

100+
Investments since inception

50
portfolio companies as at the end of 2023

€24 billion+
Combined portfolio revenues

100,000+
Full-time employees at portfolio companies

Core Triton sectors

- Business Services
- Industrial Tech
- Healthcare

Strategies
Capital raised

€15.5bn
Mid-Market PE

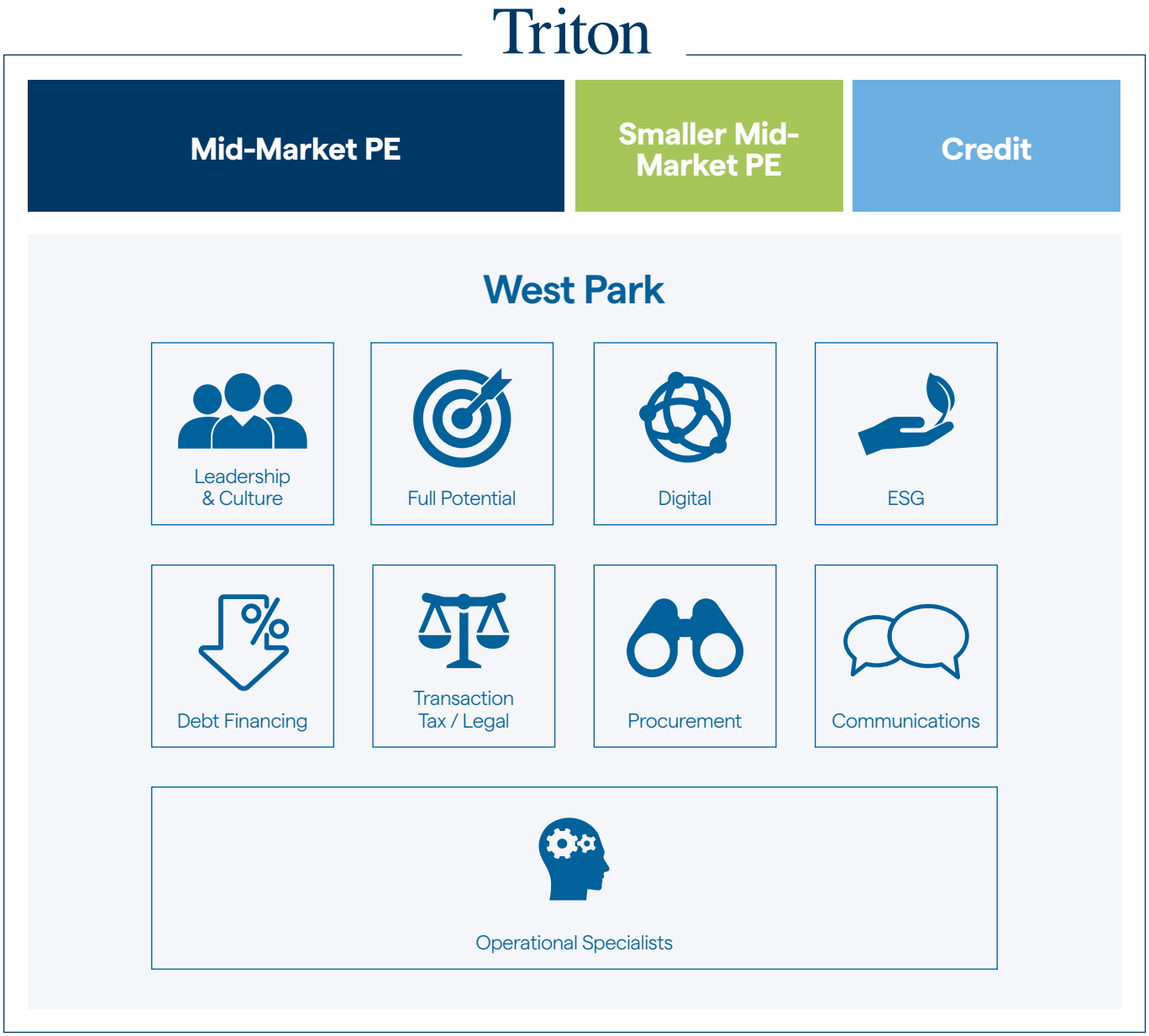
€1.3bn
Smaller Mid-Market PE

€2.1bn
Credit

[1] As of December, 2023

Triton at a glance

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



Highlights 2023/2024

Click the boxes to explore further

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

Who we are
Get to know the ESG team and its focus areas.

Water
Water has been a major focus area for the ESG team in 2023-24.

Sustainable financing
Read more about a key area of focus in 2023.

Cyber security
Read more about a key area of focus in 2023.

TCFD
Our first climate report to meet the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) was published in June 2024.

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

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

ESG portfolio performance
Triton welcomes new portfolio companies who reported for the first time on 2023 data - LeDap, Wavelynx, Techhouse, BluuUnit and Caverion.

GRI tables
Our Responsible Investment report is aligned with the Global Reporting Initiative's Standards.

Welcome from our Firm Managing Partners

Peder Prahl
CEO & Firm Managing Partner

Martin Huth
Firm Managing Partner

Dear investors, colleagues and partners,

This is our fifth Responsible Investment Report. Throughout this report, we will describe our approach to embedding environmental, social and governance (ESG) factors in our private markets' investment processes. Our Responsible Investment Framework has continued to evolve over the 11 years during which we've had an ESG team. This has been driven by Triton's desire to deliver attractive returns on all of our funds to all our investors, to contribute to the building of better, more sustainable businesses across our portfolio, and by doing so also delivering and improving in all ESG-related matters.

Societies and economies around the world, the global environment, events and political decision making, continue to throw up challenges. Major conflicts continue in Ukraine and Gaza. Famine is again a risk for entire populations. The threat of cybercrime continues to rise. In April, we published a report – Embedding Cyber Security - exploring Triton's approach to this growing category of risks, and to how we work with our portfolio companies to build resilience and mitigate these risks.

The impacts of climate change continue to mount. 2023 was the warmest year on record, with heatwaves and extreme weather events causing fatalities and destruction of property around the world. This was the year in which, for the very first time, the average global temperature rose more than 1.5C compared to pre-industrial times. This maximum warming level represents the stronger target set by the Paris Agreement. Our recent Climate report, published to meet the requirements of the Task Force on Climate-related Financial Disclosures, analyses and reports on these risks.

Against this backdrop, Triton continues its core business. We target investments in what we believe are fundamentally sound European companies that are operating below their full potential. Our portfolio companies are active in growing markets with attractive profit pools and benefit from supportive, long-term megatrends - including some with sustainability angles such as circularity, energy efficiency and cyber security - as well as from our in-depth sector expertise, operational capabilities, and local presence.

2023
was the warmest year on record, with heatwaves and extreme weather events causing fatalities and destruction of property around the world

1.5°C
higher than in pre-industrial times, this being the stronger target for maximum warming set by the Paris Agreement

Early into Triton's ownership, we seek to address potential strategic, structural or operational challenges that companies may face. In the past, these included initiatives such as supporting management as they divest non-core assets, redesign core processes (S&OP, sales, procurement), improve working capital and implement core, material ESG systems. Meanwhile, we support management teams to define and execute initiatives that fuel profitable growth in the short- and long-term. Examples have included targeted investments in product development, sales and marketing, pricing or technology. Acquisitions, both small and large, are also an important lever that our portfolio companies use to develop and grow.

"Sustainability remains pivotal to how Triton builds better, higher quality businesses."

Across Triton's portfolio, our companies have continued to work on delivering against our Responsible Investment Framework. Our Stewardship Programme drives companies to strive for more systematic and structured governance, to pivot existing businesses towards more sustainable products and services, and de-risk operational performance. Each year, we continue to recognise outstanding progress in our annual ESG Lighthouse Awards, held to recognise ESG initiatives, programmes, and projects which PCs have delivered during the year. These are described on page 28-30 – UK Healthcare portfolio company, Pharmanovia, was the overall winner this year, with further separate awards for other PCs across each of the environment, social and governance agendas.

Additionally, our focus on diversity, equity and inclusion (DEI) remains at the heart of Triton's meritocracy. Through hiring people regardless of gender, age, race, religion or other differentiating factors, and focusing on ability, we believe diversity becomes aligned with performance and results. Triton is becoming a more diverse company in many ways - the proportion of female investment professionals at Triton has grown from under 10% in 2016 to 26.7% today, while for all Triton and West Park employees, the proportion of women reached 49%.

Throughout this report, we detail how we address ESG issues to drive impact across Triton's business, colleagues, and partners. We continue to believe our approach improves outcomes for our PCs and employees and ultimately drives better investment outcomes.

Triton Responsible Investment Framework

> At Triton, we continue to be guided by the premise that investing responsibly is aligned with investing profitably. It is our firm belief that value can be created by mitigating risk. Value can also be created and realised through a deep understanding of sustainability themes and drivers. The evidence that better management of ESG factors is linked to value creation has continued to build in external studies[2].

Triton continues to aim to differentiate its investment process by deeply embedding ESG factors while being guided by perceived materiality, which can be company or sector specific. To build better, higher quality businesses we integrate analysis of environmental risks and opportunities, focus on factors affecting a range of societal stakeholders, and set robust governance programmes to underpin their delivery. To ensure effective delivery, we invest in our team, processes, and are continually improving transactional support offered to our investment teams. Triton's focus is on delivering returns to investors and we believe our Responsible Investment Framework supports PCs to deliver strong investment outcomes throughout economic cycles, as well as deliver increased earnings power and higher exit multiples.

Triton's Responsible Investment (RI) Policy was introduced in 2012 – it is reviewed at least annually and is available on our website. We have also been a signatory to the United Nations-backed Principles for Responsible Investment Initiative (UN PRI) since 2012. Our PRI Reports are available on our website: triton-partners.com.

Regulatory and industry initiatives continue to increase data and reporting requirements. We recognise that alignment and standardisation of reporting is an important step in the development of ESG, and continue to engage actively in multiple industry bodies (including Initiative Climate International, the Sustainable Markets Initiative and the British Venture Capital Association) to support this work. Across Triton's strategies, TV and TSM II are Article 8 Funds under the EU's Sustainable Finance Disclosure Regulation. In 2021, Triton committed to a portfolio coverage target to align 100% of its portfolio companies with science-based targets (SBTs) by 2040, and in 2022 have continued to work across Triton and its PCs to find paths towards greater decarbonisation. Utilisation of sustainability-linked lending – access to better finance opportunities – remains a commercial focus.

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

ESG Team

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

Graeme Ardus is Head of ESG.

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

Kathryn Bintcliffe is an ESG Professional.

Prior to joining, Kathryn worked at Deloitte UK, ESG M&A – Transaction Services. She also worked at Environmental Resources Management. Kathryn is responsible for delivery of the Stewardship programme across portfolio companies in the Industrial Technology and Healthcare sectors, and in the TSM Nordics region. Kathryn is also focused on developing a market-readiness ESG strategy for portfolio companies.

Shreya Dholakia is an ESG Professional.

Prior to joining, Shreya worked at PricewaterhouseCoopers as an Associate Director in Sustainability, Value Creation & Realisation. Shreya is responsible for delivery of the Stewardship programme across portfolio companies in the Business Services, and in the TSM DACH region. Additionally, she has expertise in climate change and a focus on regulation.

Ashim Paun is Head of Sustainable Investing.

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

Lorena Phelps is an Executive Assistant.

At Triton, Lorena supports the ESG team as well as the Head of West Park, she coordinates the team's calendars and events, including our annual ESG Forum. Prior to joining Triton, Lorena worked at KKR, several family offices and Emirates Airline.

Integrating ESG considerations

Our Responsible Investment Framework is designed to drive value and mitigate risk throughout the private equity process. The efficacy and rigour of this framework is of increasing importance to the investors who trust us to manage their capital over time.

Strategic sourcing

Triton continues to target businesses that bring goods and services to market which we believe are aligned with sustainability drivers. This is evidenced by our recent investments in companies such as OCU Group, Wavelynx, Trench, BluuUnit and Fairwind. Triton has continued to prioritise such investments – in 2024, we have already considered investments in several sectors with strong supporting environmental megatrends, such as companies across energy and utility services, infrastructure components and digital medical services sectors.

Due diligence

Our strategic sustainability focus is coupled with operational analysis during due diligence. Here, we focus on ESG risk profiles at target companies and look for appropriate systems in place to manage these. This enables us to better quantify the ESG risk profile and assess this in the context of the overall transaction.

Stewardship

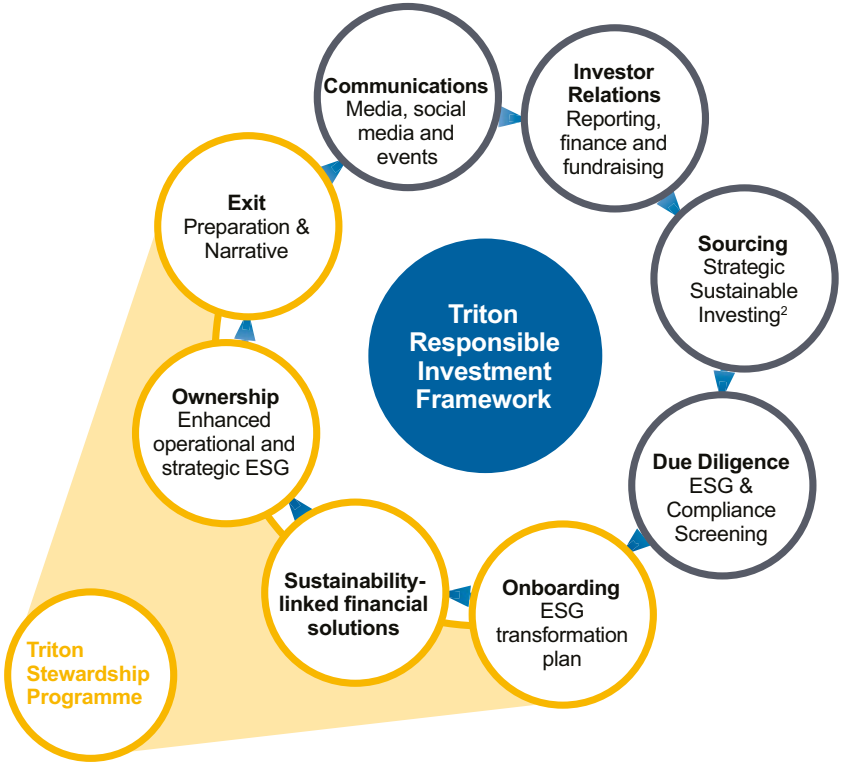
Our dedicated ESG team of four full-time professionals works closely with the management boards of our PCs and with PC employees responsible for the ESG agenda.

After an investment in a company is complete, PCs are onboarded into the Stewardship Programme. Building on due diligence, the ESG team engages further with PCs to develop Board-approved ESG Action Plans, and work to ensure adequate policies, processes, and programmes. These allow performance and reporting around ESG to meet expectations.

The ESG team also works with PCs, over time, to ensure goods and services are optimally aligned with changing consumer demand and business practices. Our PCs are thus supported in using sustainability to exploring new revenue lines in adjacent business areas, as well as seeking potential new end-markets.

"The core focus of our ESG team is to work with portfolio companies to mitigate ESG risks and realise opportunities – our Responsible Investment Framework is designed to help create and protect value, during and after our ownership."

In a subsequent section, we detail how we drive operational ESG improvements (go to page 26).



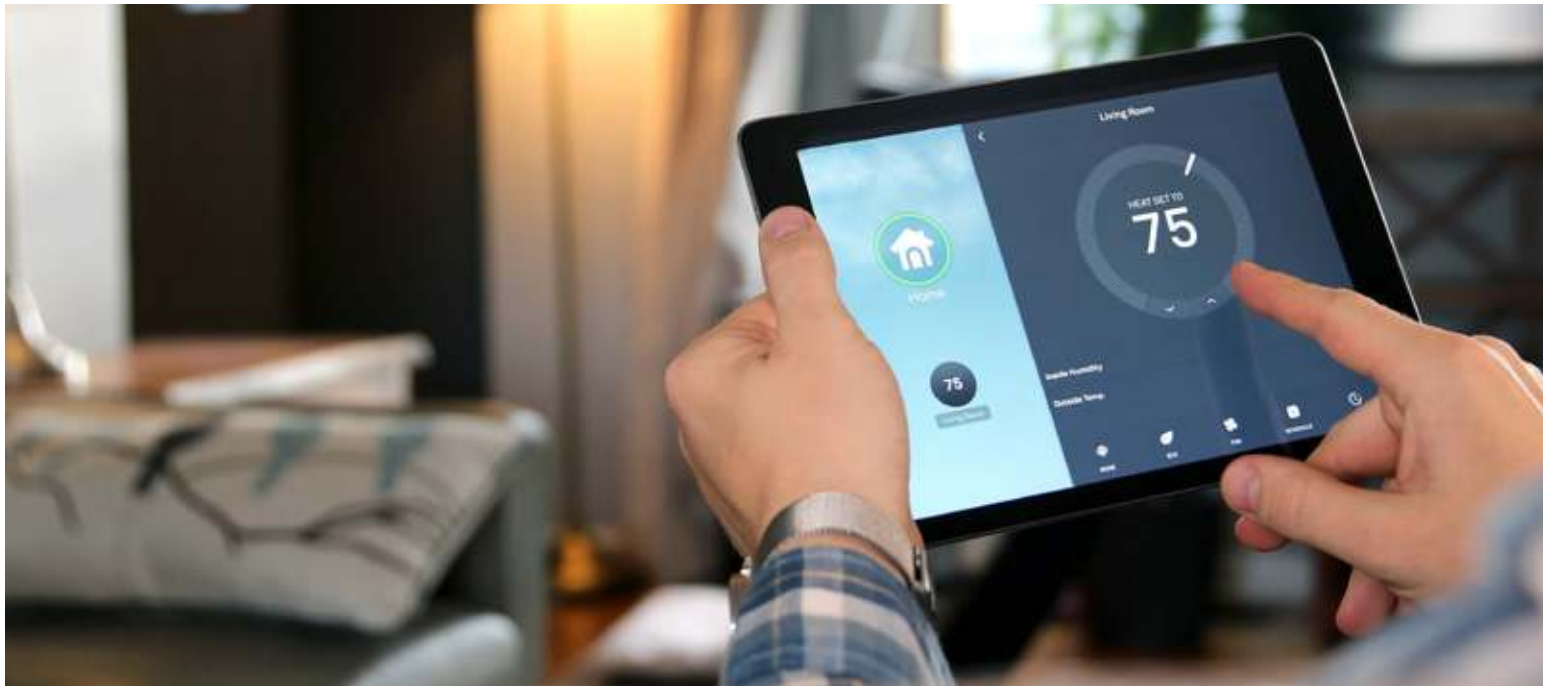
Our Responsible Investment framework applies to Triton and our investment strategies...

- Mid-Market PE
- Smaller Mid-Market PE
- Credit
- Triton

...and all sectors we invest in

- Business Services
- Industrial Tech
- Healthcare

[2] In the context described on this page, we do not use the term "sustainable investment" in the sense defined by the EU Sustainable Finance Disclosure Requirements (SFDR). Triton's working definition for sustainable investing is researching and investing in sectors with strong supporting environmental, social and governance trends and themes.



Disclosure and reporting

We think transparency is crucial – for building better businesses and for building trust with our stakeholders. We aim to be open about our ability to improve the ESG performance of PCs. ESG performance data is key, therefore, and we welcome the disclosure PCs provide (please refer to pages 31-39). Measuring and analysing this data helps us to determine where to spend time and resource. Our methodology, in turn, is under constant review as we seek to improve and evolve reporting within Triton and its PCs, striving to remain best-in-class and to meet growing demands from regulators and other stakeholders.

Triton has participated in the ESG Data Convergence Initiative (EDCI) for the second year. The EDCI is an industry-led effort by the private equity community to drive convergence of meaningful ESG metrics, and generate comparable, performance-based ESG data. Which improves transparency in private markets. In 2023, 375 GPs and LPs representing 4,300 portfolio companies and $28 trillion in assets under management participated. We utilise insights from market benchmarking to drive performance improvements and value creation initiatives.

PCs are invested in and sold to new owners on an ongoing basis, typically with multiple such transactions in a reporting year. As the portfolio is constantly evolving, year-on-year ESG data comparisons will always be challenging for us, as investors. Nevertheless, we attempt to show progress on our sustainability efforts over time. Each Spring, once data has been harvested from across the portfolio, we hold one-to-one validation and strategy sessions with our PCs to ensure data consistency. The data collected allows us to track our PC performance and forms the basis of biannual reviews with PCs and their Triton investment teams. We see these reviews as crucial, as we seek to both strategically and operationally expand ESG programs and set appropriate and stretching targets for sector and business lines.

"Triton invests capital and resources to drive positive change - we believe aligning our investment strategy with the ambition to deliver sustainability is good business"

Sustainable finance

Financing arrangements may now integrate sustainability performance. If performance meets stipulated thresholds, lenders offer lower cost-of-capital opportunities. Our commitment to transparent and consistent ESG reporting thus creates opportunities to drive tangible value. We recently issued a standalone report, Sustainable Finance, detailing our work in this area.

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

facility has been syndicated across seven banks, and forms a template for pursuing such credit facilities in future, subject to market conditions.

Metrics relate to the following KPIs:

- carbon emissions
- water
- waste
- ESG Action Plans
- board reporting on ESG progress at portfolio companies

This structured framework also supports individual PCs to issue their own, company specific sustainability-linked bonds, where greater market demand for such issues can drive better outcomes for issuers. Swedish flooring company, Kahrs, and Norwegian lighting manufacturer Glamox, were the first Triton PCs to issue such bonds. Five other PCs have since followed.

The growing demands of European sustainable finance regulation

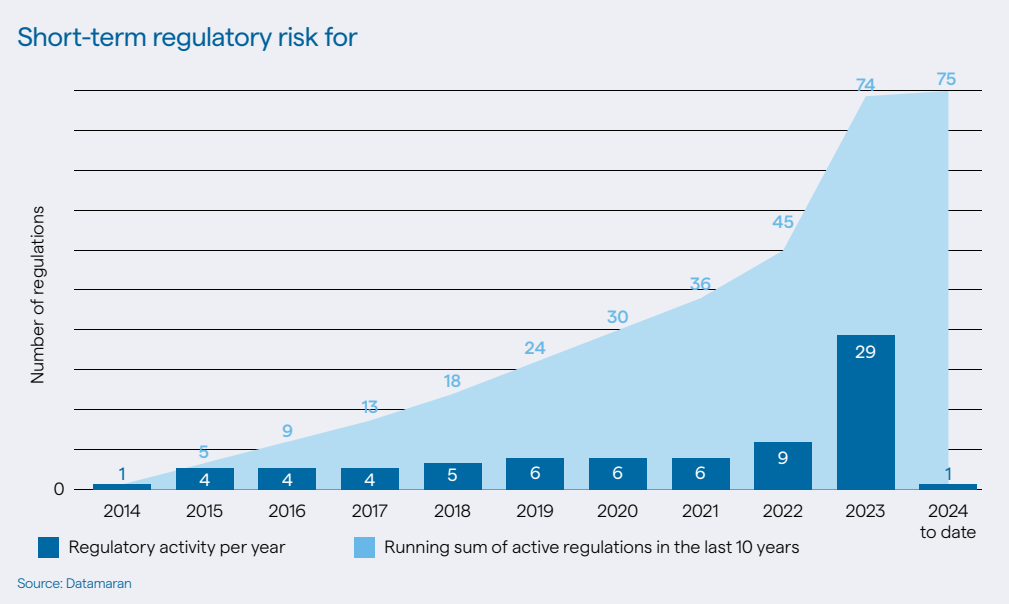
We continue to welcome the pace of change in relation to regulation of the sustainable finance industry. While this may bring new administrative and reporting requirements, we believe it is necessary to eliminate 'greenwashing', or the making of claims to sustainability which are unrepresentative of the true nature of a business line or investment decision or process. We intend to use this emergent regulatory agenda to underpin our drive for transparency, and to meet our stakeholders' priorities.

The chart (right) shows that, over the past ten years, 74 mandatory regulations have passed related to sustainable finance in the sectors in which Triton has invested and geographies, and at an increasing pace. Regulations include those listed below.

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

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

EU SFDR: The EU Sustainable Finance Disclosure Regulations introduces mandatory ESG disclosure obligations for the financial sector. This legislation applies to the financial services sector, including banks, insurers, large pension schemes,



listed companies, and the private equity sector. The SFDR allows categorisation of investment funds according to sustainability criteria. Article 8 Funds are those that promote environmental or social characteristics but do not position them as the overarching objective. We have classified our latest private equity funds as Article 8 (Triton Fund V and Triton Smaller Mid-Cap Fund II, Triton Fund 6 and Triton China Expansion Fund). We also consider the Principal Adverse Impacts (PAIs) of investment decisions on sustainability factors.

EU Taxonomy: The SFDR is connected to the EU Taxonomy, a framework that identifies and categorises environmentally sustainable investments. At Triton, we have begun rolling out an analysis of our companies' revenues and expenditure against the categorisations of this framework, beginning with those companies where such an analysis is likely to be more material, and in many instances partnering with consultants.

EU CSRD: The Corporate Sustainability Reporting Directive is a further regulatory driver increasing non-financial disclosure. It requires large companies to report on their ESG performance, supply chains,

business relationships, human rights impact and climate-related risks and opportunities. Reporting is expected to begin in 2026 for companies within scope, based on FY25 performance.

Energy Efficiency Directive: The EED is an EU regulation aimed at improving energy efficiency across Member States, with broader and aligned ambitions to lower greenhouse gas emissions, and enhance energy security while stimulating economic growth and job creation. It sets binding targets for energy efficiency improvements, mandates energy audits for many companies, and promotes energy efficiency measures across sectors including buildings, transportation, and industry.

Task Force on Climate-related Financial Disclosures (TCFD): This framework was developed to drive transparency of climate-related risks and opportunities in financial markets, as well as a greater understanding of climate change. Disclosure recommendations cover four thematic areas: governance, strategy, risk management, and metrics/targets. TCFD aims to help stakeholders make more informed decisions by integrating climate considerations into financial reporting, ultimately driving the transition to a low-carbon economy.

We believe sustainability disclosure can be linked to performance. Public market research by the Bank of England and PwC found a positive correlation between corporate stock prices and the number of TCFD disclosures made, as captured in the chart below. This could be because investors reward companies that are leaders in managing climate-related risks, because TCFD adoption identifies companies that are more naturally disposed to longer-term strategic thinking and planning, or because greater transparency generally instills confidence and hence a lower perception of risk associated with returns.

In June 2024, we released our inaugural TCFD disclosures report, which can be found at this link:

Task Force on Nature-related Financial Disclosures: The TNFD is a framework similar to the TCFD, but focused on biodiversity and nature-related risks. It provides guidelines for businesses to assess, manage, and disclose their impacts on nature.

Using third-party provider Datamaran, we mapped all mandatory regulation in Triton's geographies related to sustainable finance across the three sectors which Triton currently focusses its investments in; Business Services, Industrial Tech and Healthcare.

Driving accountability and performance

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

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

In practice, PC CEOs designate responsibility for delivery of the ESG plan to their management team. Depending on the company, this might be the CFO, in-house counsel, HR, Communications Director, Quality Health Safety Environment Director, or a dedicated Sustainability role.

Structured committees drive ESG accountability at Triton

The approach of Triton Investments Advisers LLP (TIA LLP) to governing climate-related risks and opportunities is a key part of the firm's strategy to build better, higher quality businesses. It is also a key part of ensuring the effective implementation of Triton's Responsible Investment Framework. TIA LLP's Manager Committee has ultimate accountability and oversight, and is therefore responsible for climate-related issues across the investment process and portfolio.

As the delegated portfolio manager in respect of the Triton Funds, TIA LLP is responsible for managing climate risks and opportunities as part of investment decision making and portfolio management. The Manager is responsible for overseeing climate-related risks and opportunities for the relevant Triton Fund as a whole, as part of its risk management functions.

The Manager Committee receives general and portfolio-wide ESG updates, including on climate-related topics, at least twice a year. During Manager Committee meetings, detailed strategy and targets are discussed and approved, as well as progress against climate-related targets. The board of the Manager also receives similar ESG updates, both in the context of the Manager's risk management function in respect of the Triton Funds and for the purposes of the Manager's general oversight of TIA LLP, as its delegate.

The Investment Advisory Committee (IAC) of the relevant Triton Fund provides oversight on ESG topics, including climate, as part of its advice and recommendations to TIA LLP, in the context of investments, divestments and other uses of fund capital matters. The Portfolio Committee (PoCo) oversees ESG and climate-related topics and performance in the context of private equity portfolio monitoring. The Manager Committee receives advice from the IAC and PoCo.

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

The Investment Forum (IF) acts as a second stage – a deeper consideration of specific ideas for investments. This Forum debates whether specific investment ideas give appropriate exposures to themes, within mandates and risk parameters.

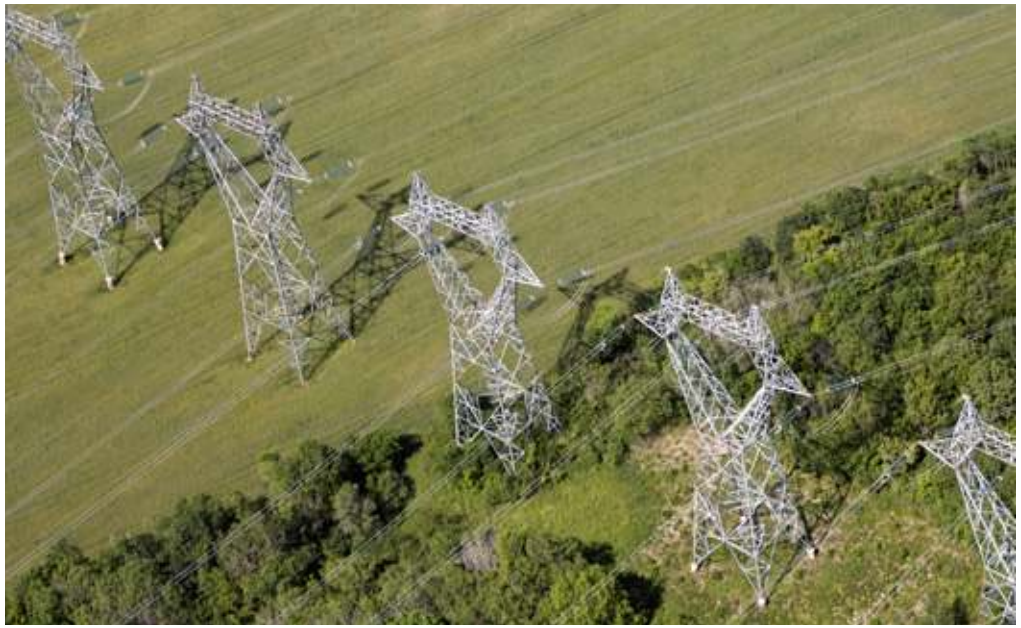
As the decision to structure and make an investment recommendation comes into focus, the next stage of the process is for the IAC to give input on whether and how to proceed. ESG factors are considered at all stages of the process.

Internal and external engagement

ESG training is mandatory for Triton employees, and included in new joiner inductions. Training sessions are customised for participating functions or teams. The training, which is reviewed and refreshed regularly, focuses on:

- The importance of ESG to Triton
- How ESG is integrated into transactions, including sourcing and commercial due diligence
- Engagement with PCs to deliver our ESG programme
- How value is created and realised through sustainability, including case studies

Teams that are critical in delivering Triton's RI policy, including management boards and managers, receive programme updates at least annually.



To stay at the forefront of the ESG agenda, we engage with groups such as BVCA, SVCA, Invest Europe, the Private Equity Sustainable Markets Initiative Taskforce[3], and the Initiative Climat International (iCI). Participation in these groups brings great value not only through access to guidance on the rapidly changing regulatory environment but more importantly being able to support the development of best practice guidance for the industry.

Triton has also contributed to the development of the Science Based Target initiative ("SBTi") private equity guidance and of a carbon accounting guidance, an important step in putting the wider industry on the path to net zero.

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

Ultimately, Triton is trusted with managing invested resources on behalf of its limited partners and aims to make consistently attractive returns. When realising investments in PCs, buyers from across the spectrum – financial, trade and public market – are increasingly focused on operational and strategic sustainability. Ensuring that our PCs have strong sustainability credentials strengthens their attractiveness.

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

2023 key numbers

In 2023, we continued to improve our ESG performance.

Triton

100%
of new platform investments were diligenced and received ESG support

100%
of new joiners completed the Trust in Triton business ethics training

27%
of Investment Advisory Professionals are women

100%
of Triton's Scope 1, 2 and Scope 3 (business travel) emissions were offset

Portfolio

Triton III, Triton IV, Triton V, Triton Smaller Mid-Cap I, and Triton Smaller Mid-Cap II (2023 vs 2022)

100% 100% →
of portfolio companies reported ESG data via Triton's reporting system[4]

76% 65% ↑
of portfolio companies have an energy and emission programme

94% 88% ↑
of portfolio companies have a written code of conduct

67% 69% ↘
of portfolio companies have a waste management programme

92% 79% ↑
of portfolio companies have a cybersecurity policy in place

63% 58% ↑
of portfolio companies conduct an annual employee engagement survey

69% 69% →
of portfolio companies have an environmental compliance programme

86% 77% ↑
of portfolio companies have a supply chain programme

This Responsible Investment Report covers Triton's ESG processes, framework and reporting. Unless otherwise stated, all data refers to calendar year ending 31 December 2023 and includes forward-looking statements for 2024. For our credit funds, we do not hold controlling stakes in the businesses and therefore this data is not currently included in the reported datasets.

[4] This includes one portfolio company which reported against a subset of KPIs (the SFDR PAIs) for 2023 due to our majority exit of the Company.

Core sustainability focus areas

Key

- Environment
- Social
- Governance

Climate change

- Decarbonisation and energy transition
- Climate change adaptation

Natural resources

- Water resilience
- Soil improvement
- Clean air
- Resource efficiency and circular economy

Biodiversity loss

- Forest protection
- Healthy ecosystems
- Intact marine and aquatic systems

Housing & construction

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

Healthy people

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

Demographic change

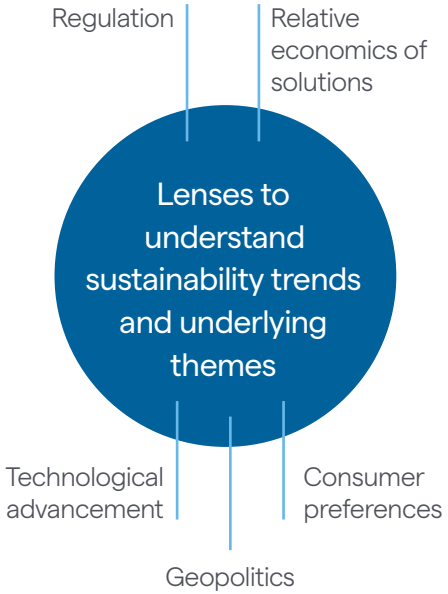
- Urbanisation
- Rise of emerging markets middle class
- Ageing populations
- Diversity & inclusion
- Social equality
- More education

Fairness & good governance

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

Transparency & accountability

- Corporate accountability
- Greater public/ stakeholder reporting
- Supply chain management



Triton believes that analysing and understanding relevant environmental, social and governance trends and underlying themes can be beneficial in evaluating investment opportunities.

Material themes

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

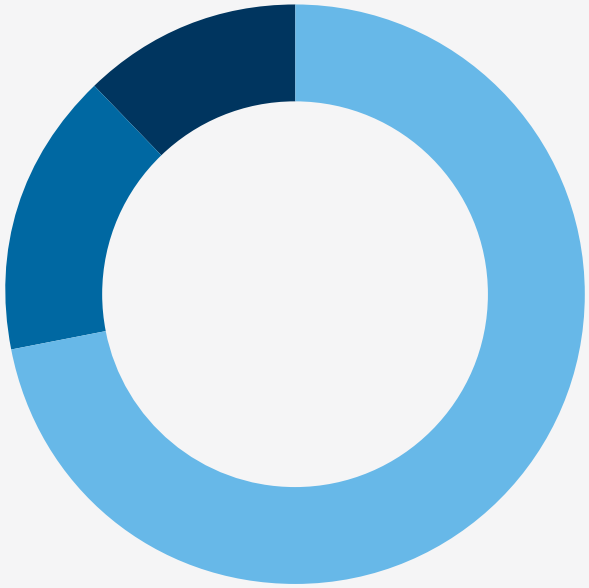
Water investments

Society needs water for domestic use, energy, manufacturing, agriculture and perhaps no ecosystem could survive without consistent patterns of availability. Yet through climate change, pollution, population growth and the demand driven by increasing affluence, we are placing ever-greater pressure on water resources.

In a 2023 Spotlight report (Investing in water), we discussed how in Europe, where Triton focuses its investment strategies, some countries face material - and accelerating - challenges to their water systems. In Southern nations in particular, including Spain and Italy, droughts are lasting longer, running through seasons other than summer and increasing pressure on economically important agribusiness sectors. In Northern European nations, such as Germany, the Netherlands, Belgium and UK, droughts are increasingly a risk, but floods are often more damaging to businesses and homes.

Triton works with portfolio companies to manage water-related risks to their operations around both scarcity and quality. Meanwhile, Triton is also focused on water-related investment opportunities. With mounting pressures caused by imbalances in water demand/supply, we think there are opportunities to invest around this theme.

Water use by type



72%	water used by agriculture
16%	by municipalities for households and services
12%	by industry

Source: UN Water, 2021

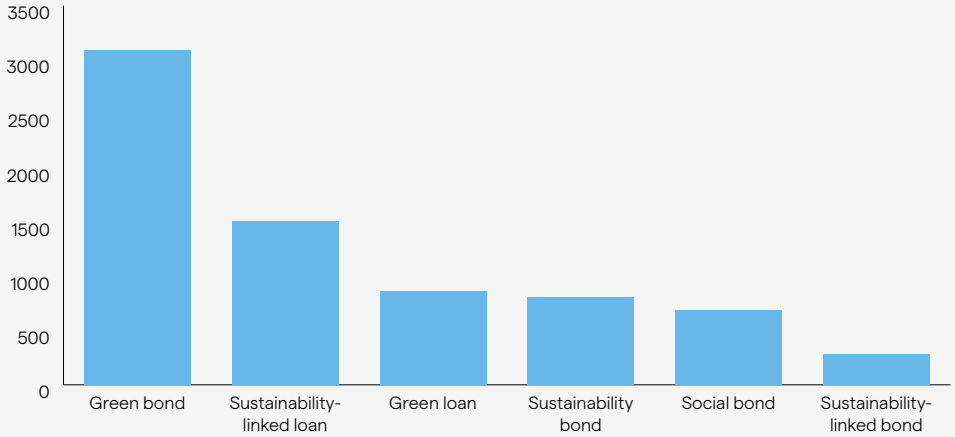
Sustainable financing

Aligned to the corporate sustainability trend is the emergence of a new variant of capital raising. Over the past 15 years, countries and multinational organisations have been joined by public and private companies in raising capital through sustainable finance solutions – most commonly bond issuance and loans.

For companies which offer sustainable products and services, and can demonstrate that they produce and operate in a sustainable manner, such solutions mean that capital can be raised at a preferential rate. This is a tangible benefit from pursuing sustainable outcomes – a win-win.

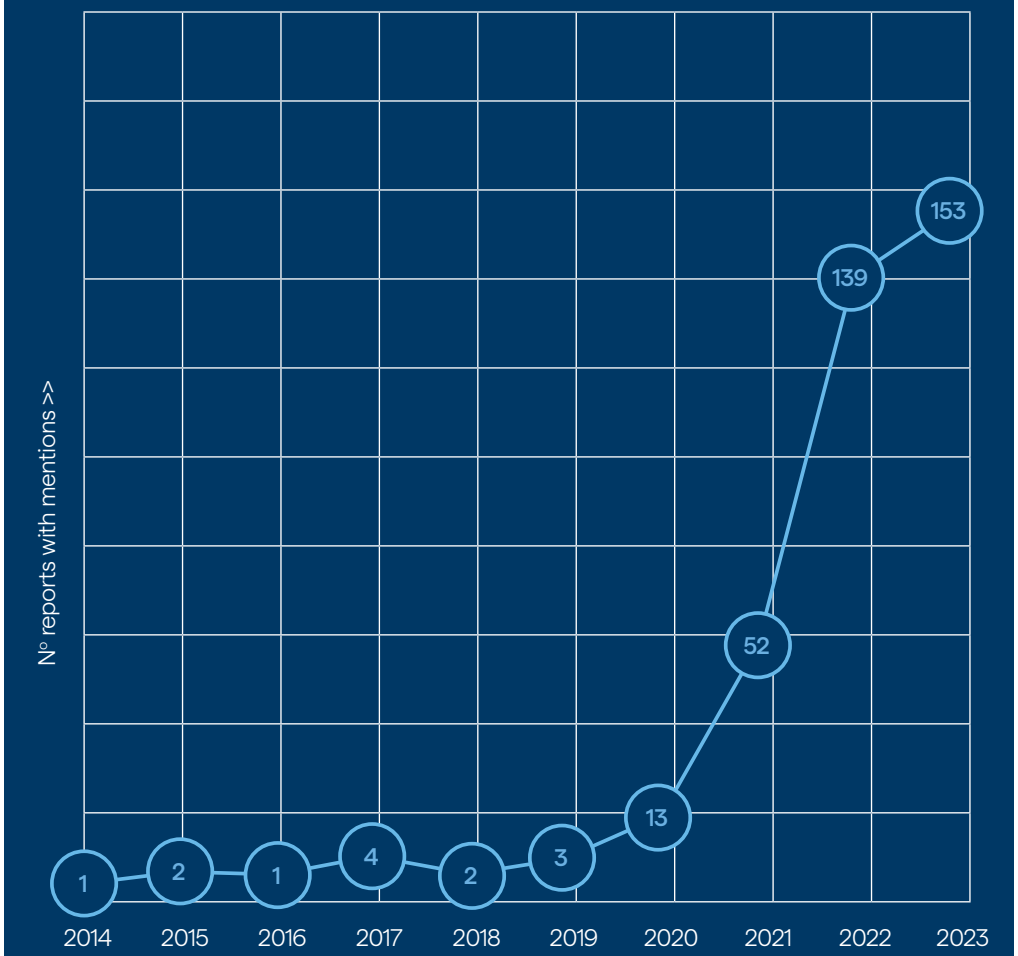
In a recent Spotlight report (Sustainable finance), we explored the emergence of the sustainable finance industry and how this has come with the development of standards, product diversification and a broadening range of issues and themes. Triton has taken several steps - including raising fund-level loans and supporting portfolio companies in issuing sustainable bonds. We think it is crucial, to the ability of the private equity industry to contribute to the global sustainability agenda, that the industry is well-positioned as sustainable financing goes from niche offering to mainstream capital markets solution.

Sustainable Debt Issued ($bn) by Instrument Type



Source: Bloomberg Finance L.P. December 31, 2023

Sustainable finance mentions in corporate disclosures



[8] Datamaran. Corporate disclosures in Europe in Triton's sectors.

Cyber security

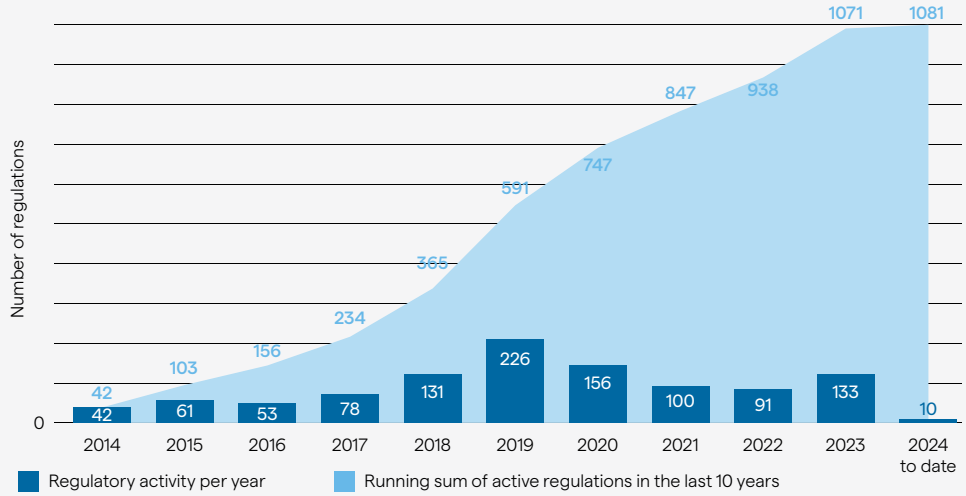
Cybercrime is a broad category of emergent risk to businesses, public authorities and individuals. It includes criminal activities that are carried out using computer networks, digital devices, and the internet. Cybercrime has grown incredibly fast and now poses a major threat to companies around the world.

The global response – is also now developing rapidly. Computing giant Microsoft reported that, in 2022 alone, it blocked 70 billion email and identity threat attacks while also blocking 2.75 million site registrations planned for use in global cybercrime.

Meanwhile, law enforcement agencies and regulators from around the world are collaborating to investigate and address risks from what is essentially a borderless category of criminal activity.

In a recent Spotlight report (Embedding Cyber Security), we consider how digitalisation of society and economic activity has led to the evolution of cybercrime. We also look at the steps being taken to counteract it and provide safeguards, before considering what Triton is doing to mitigate associated risks and what steps portfolio companies are taking.

European privacy and data regulations



Source: Datamaran

Triton ESG performance

Triton ESG performance: Environment

Triton recognises that private equity can play a critical role in driving the ESG agenda through its active ownership approach, driving operational improvements and strategic realignments at portfolio companies, and via relatively longer-term investment horizons.[5]

We strive to lead by example and, in 2023, our activities focused once again on continuing our work towards net zero, accelerating our programme to achieve greater diversity, equity, and inclusion throughout our organisation. We also continued our work in conducting ESG training for all our employees, with in-person training in all of Triton's main offices.

Topic	Key Performance Indicators (KPIs)	2022	2023	Performance update
Climate change Climate change is a top priority for Triton. Please refer to our Climate report (TCFD) 2023/2024 for full details. In 2023, we continued our work on decarbonising in line with our alignment towards net zero. We have also continued our work on integrating the EU Taxonomy into our analyses and classifying activities which contribute to climate change mitigation and adaptation. We are also supporting our existing PCs in developing sustainable products and services.	**Triton Scope 1 emissions**	-	**-**	No owned offices or fleet - all energy is purchased
	Triton Scope 2 emissions:			Decrease of 6% in relation to our Scope 2 emissions
	Location-based	350 tCO_2e	**329 tCO_2e**	
	Market-based	565 tCO_2e	**530 tCO_2e**	
	Triton Scope 3 emissions:			Other Scope 3 categories are under review for estimation. The increase in Scope 3 emissions is largely related to more accurate reporting by PCs
	Business travel	2,953 tCO_2e	**3,282 tCO_2e**	
	Investments (financed emissions)	879,819 tCO_2e	**949,762 tCO_2e**	

[5] We have decided to report the last two years of data only, due to changes in portfolio composition, increased accuracy of our reporting methods, and to maintain relevance of the data presented. This also aligns with our climate reporting.

Triton ESG performance: Social

Topic	Key Performance Indicators (KPIs)	2022	2023	Performance update
Employee engagement Triton believes in investing in its people, who we believe are foundational to achieving successful outcomes.	**Employee engagement against industry benchmark** (financial services in Peakon employee engagement survey)	Below benchmark	-	In 2023, we reviewed the structure and cadence of employee engagement surveys and intend to resume in 2024.
Training and development Training forms a crucial part in fulfilling potential and leveraging talent.	**Percentage of employees receiving training:**			We are pleased to see the percentages of employees trained in 2023 and will continue this effort in 2024.
	All Triton employees	100%	**100%**	
	Investment Advisory Professionals ("IAPs")	100%	**100%**	
Diversity equity and inclusion Embracing DEI is completely accretive to our abilities to drive higher top and bottom lines; to tap existing and new end-markets; and to achieve higher multiples when we seek to realise on invested capital.	**Percentage of women:**			We will continue to prioritise this in 2024 by working on diversity beyond gender, diverse talent attraction and retention, and inclusion. Triton continues its DEI work with its internal task force to drive improvement.
	Manager and General Partner Boards and Manager Committee of TIA LLP	37%	**40%**	
	Investment Advisory Committee	14%	**14%**	
	Investment Advisory Professionals	26%	**27%**	
	All employees at Triton and West Park	48%	**50%**	

Triton ESG performance: Governance

Topic	Key Performance Indicators (KPIs)	2022	**2023**	Performance update
Integration of sustainability risks The Triton ESG team provides transactional support to the deal teams in the form of screening, advice and ESG due diligence for targets.	**Percentage of platform investments receiving ESG support and due diligence**	100%	**100%**	ESG risks and opportunities forms an integral part of the deal decision-making.
Business ethics Triton seeks to be a responsible owner and a partner to all stakeholders; employees, customers, suppliers, management teams, board members, industrial experts and society at large. This is our ethos as outlined in our 'Trust in Triton' code of ethics. Triton believes in operating with responsibility, integrity and ethical values with respect for sound ESG practices. Triton's whistleblowing/SpeakUp system allows employees to raise concerns. Triton's Modern Slavery statement can be found here.	**Percentage of new joiners receiving mandatory business ethics training**	100%	**100%**	Triton ensures all new-joiners have completed mandatory training in business ethics.

Portfolio ESG performance

Portfolio ESG performance introduction

Portfolio company value creation

> Once Triton invests in a new portfolio company, the ESG team works with the PC and deal team to create an ESG action plan. This contains both strategic and operational actions and targets, approved by the PC's board.

Triton sets minimum requirements for PCs to implement during their first year of ownership. These include assigning responsibility for ESG, conducting a materiality assessment, and developing a set of policies, programmes, and trainings.

The ESG team tracks and monitors the actions and targets set in the action plan to follow up on progress and offer support when needed, aligned to sector and business risks and opportunities.

Ongoing support

During 2023, we continued to hold monthly calls for all our PCs on ESG topics from both a strategic and operational position. We have focused on topics such as pay equity, sustainable procurement, climate and upcoming regulations (e.g. CSRD, CSDDD etc.). Our monthly ESG call is an opportunity for PCs to network, share best practices and experiences, as well as gain knowledge from industry experts on specific topics. Triton PCs also have access to a Triton extranet site with tools, templates, and webinars on ESG-related topics.

Triton has been conducting materiality assessments since 2019 to identify material topics from both an external and internal point of view. This shapes the foundation of our strategies and decision-making. As part of the Stewardship Programme, we also support PCs in conducting their own materiality assessments, including "double materiality", which is a regulatory requirement of the CSRD. Double materiality looks at materiality from both impact (inside out) and financial (outside in) perspectives.

Some PCs have conducted their own materiality assessments. We will continue to support our PCs going forwards and expect more to undertake this assessment in 2024, given the European regulatory driver.

Data collection and quality

PCs report ESG data to Triton via an online reporting platform. When reporting is completed, the ESG team validates the data quality together with the PCs and Triton investment teams, seeking to ensure its accuracy. Next, improvement areas are identified which are fed into an annual action plan, enabling planning and budgeting to be put in place early. The action plan also establishes responsible persons, targets, and timelines/ milestones. It is subsequently presented to the PC Board for approval.

Triton ESG scoring

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

ESG Forum

Triton was very pleased to re-host its in-person annual ESG Forum (shifting from a virtual to an in-person event) in 2023, in Frankfurt, Germany. In May 2024, the Forum was held, in Amsterdam, with sessions focused on sustainable finance regulation, ESG ratings and, change strategies and wellbeing.

These events allow PCs to share their expertise, network and upskill on ESG matters. Presentations are made by a range of speakers from internal and external sources – including consultants, bankers and sustainability industry experts - as well as from PCs.

ESG Lighthouse Awards

Triton invites all PCs to submit entries to the annual ESG Lighthouse Awards. The awards are held to recognise PCs' efforts on ESG-related initiatives, programmes and/or projects which have resulted in measured value creation and a step change within the business. There are four award categories: environmental, social, governance, and an overall award for good practices across all ESG topics. Entries are judged by Triton, and winners receive a donation to a charitable cause of their choice. Here are the winners in each category for the 2023 and 2024 awards:

2023
Overall ESG Award

Ramudden Global

Chevron Traffic Management, Ramudden Global

Environment

Intellitag® innovation

In collaboration with National Highways and Highway Resource Solutions, Chevron introduced the Intellitag® digital system in a scheme on the A1 in the East region of England

Delivered a carbon-efficient solution while ensuring the safety of their workforce and road users

Eliminated the need for maintenance checks of temporary traffic management equipment

Saved 33,000 litres of diesel and 81.10 tCO_2e

Social

Enhanced mobile carriageway closure (EMCC) technique

The EMCC technique required a fundamental rethinking of existing practices, collaboration with industry leaders, and digital innovation

Integrated of Intellicone Incursion Prevention & Warning System (IIPAWS) system which immediately alerts the workforce of potential hazards

Prevented 1 million instances where operatives were within three or fewer metres of a vehicle traveling at or above 56mph

Eliminated the hazard of Impact Protection Vehicle for 2.25M road users

Governance

Embedded EMCC into the organisation and industry

Achieved integration of EMCC technique across all functions of the Group

Established higher standards of working and promoted the technique across the industry

125% improved compliance and enhanced visibility of statutory compliance

Recognised as industry-leading innovation at National Highways 2023 awards

2023 Environmental Award

Bergman Clinics

Innovative partnership with sterilisation suppliers within Bergman Clinics to recycle bluewraps into materials for new, sustainable products

Bluewraps (made of polypropelene) account for ~19% all operating room waste

7,500 kg of bluewraps are now collected in the Netherlands, a very small fraction of the total thrown away in the country each year, but, nevertheless delivering a cost saving – this is now in the process of being scaled to other clinics

Demonstrates benefits from engagement within the value chain as a material issue within the healthcare industry

2023 Social Award

Bormioli Pharma

Implemented an improved, structured approach to accident reduction through machine safety digitalisation

Introduced the use of QR codes and factory floor tablets to ensure all employees have access to relevant information for the safe operation of all machinery

QR Code allows operators to immediately verify safety documentation, safety procedure, necessary PPE, and ensure all documentation is uploaded in the system

2023 Governance Award

Clinigen

Identified the need to strengthen its approach to data protection compliance globally due to the multi-jurisdictional nature of their activities

Introduction of compliance software "ROBUS" - providing transformational impact in the way the company identify, assess and manage their privacy risk on a global scale

Development and rollout of a new global data protection policy, workshops across all business units and support functions, new data breach online reporting portal, new e-learning in five languages to all employees, and the appointment of new global Data Protection Officer

2024
Overall ESG Award

Pharmanovia

Pharmanovia

Environment

Positioned itself as a leader amongst peers

Commitment to NetZero by 2030, validated by the Science Based Target initiative (SBTi). Carbon footprinting assessment and roadmap, enabling emissions reduction as far as practicable before offsetting residual emissions.

Social

Dedication to creating a working environment free of bullying, harassment, victimisation and unlawful discrimination. As part of a commitment to social mobility and in collaboration with SEO London, Pharmanovia held a career insights day for secondary students, from underrepresented and underserved backgrounds.

Governance

Embedded ESG into governance framework and employment structure, via expansion of employee's remuneration linked annual performance programmes (APP) - enhancing the ESG objective for all employees. Supports company message that ESG is a concern for all employees within the company, and foundation to achieving real change in the business.

2024 Environment Award

Leadec

Awarded for its Green Factory Solutions new division - a new range of sustainable services to support customers in decarbonizing factories and industrial parks, increasing share of circular economy activities, and achieving sustainable transition goals. This division has grown quickly in terms of revenue and profitability.

2024 Social Award

IFCO

Awarded for its Yellow Tide Initiative – donating reusable packaging containers (RPCs) which allow producers to smoothly ship surplus fruit and vegetables to food banks, reducing waste and the environmental impact. This was seen as core to IFCO's mission to create a thriving society within a circular economy.

2024 Governance Award

Leadec

Proactive approach to the EU Green Deal, driving internal transformation and customer propositions to adapt to new regulations, including the CSRD, EU Taxonomy, CSDDD and the German Supply Chain Act and the Action Plan on a circular economy. Through striving for standards ahead of and beyond compliance, Leadec has developed customer opportunities. Its initiatives have supported a leading position in its industry regarding sustainability, as well as in their ESG ratings.

Portfolio ESG strategy

Building better businesses

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

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

Financial data guides our decision-making. The sustainability data you will find in this report allows us to measure and drive meaningful change. Given PCs will be both acquired and sold, we want our stakeholders to be confident in our ESG progress, and we believe that our methodology allows comparison over time.

People are paramount. Prioritising and protecting the health and safety of our colleagues, the more-than-100,000 employees of our businesses, their customers, partners and investors remains of the highest concern. 80% of our PCs have a group-wide safety management programme in place and 69% report their LTIFR – this is disclosed on page 35. The importance of this focus on health and safety was sadly underlined by two fatalities within our portfolio during 2023. We support those PCs to ensure robust investigations are conducted and that appropriate corrective and preventive measures are taken. Furthermore, we seek to share any learnings from this with our other portfolio companies.

In 2023, Triton conducted its first overarching climate risk assessment, covering all assets under management. The findings, which are disclosed via our separate Climate Report, against the 11 TCFD recommended disclosures within each of the four pillars set out by the Taskforce. Triton's approach to governing climate-related risks and opportunities is a central part of our strategy to build better, higher quality businesses and is key to ensuring the effective implementation of Triton's Responsible Investment Framework.

Portfolio data methodology

The 2023 reporting represents ESG data from 98% (49 of 50) of Triton's PCs [6]. New portfolio companies are expected to report, following a 6 month grace period post acquisition. The ESG performance data in this section of the report relates to the 49 portfolio companies in the following funds: Triton IV, Triton V, Triton Smaller Mid-Cap I (TSM I), and Triton Smaller Mid-Cap II (TSM II).[7]

We had five companies who were first-time reporters in 2023, and two exits during the reporting period [8]. One PC reported against a subset of KPIs (the SFDR PAIs) and therefore, has not been represented in the 2023 dataset. This shift in the mix of the portfolio towards new PCs with typically less mature ESG programmes impacts our overall performance. Integration and alignment with Triton's Stewardship programme is key for newly acquired PCs.

Our 2022 reporting represents ESG data from 48 of Triton's PCs. The ESG performance data in this section of the report relates to the 42 portfolio companies in the following funds: Triton IV, Triton V, Triton Smaller Mid-Cap I (TSM I), and Triton Smaller Mid-Cap II (TSM II).

[6] We have decided to report the last two years of data only due to changes in portfolio composition, increased accuracy of our reporting methods, and to maintain relevance of the data presented. This also aligns with our climate reporting.

[7] Portfolio company data is based on the 2023 calendar year and has not been third-party reviewed or independently assured. Metrics for 2022 have been updated to reflect more accurate data from certain portfolio companies. Climate metrics are shown based on the TCFD recommendations for asset managers.

[8] In addition to the two exits from the Triton portfolio, Ewellix and Norres, four additional companies were transacted as they were bought from Triton IV by a continuation vehicle. These four companies – Unica, Assemblin, Flokk and EQOS – continue to report within Triton's Responsible Investment framework.

Portfolio ESG performance: Environment

Triton continues to work with its portfolio companies towards alignment with a target of Net Zero emissions. Waste and water are further priorities in managing the environmental footprint of our PCs and overall portfolio

Topic	Key Performance Indicators (KPIs)	2022	2023	Performance update
Climate change Climate change continues to be a material topic for Triton PCs and presents the most significant global risk to businesses and societies. For more information please refer to our Climate Report	**Scope 1 (tCO_2e)**	1,295,238	**1,402,553**	Decarbonisation of our portfolio remains our top priority. We believe factors such as, change in portfolio composition, y-o-y fluctuations in operational outputs and improved accuracy of data capture/ foot printing are contributing to variances seen and reported increases overall.
	Scope 2 (tCO_2e)	316,231	**389,619**	
	Portfolio total carbon emission intensity (tCO_2e/€M revenue)	70	**70**	
	Percentage of PCs with an energy and emissions programme	65%	**76%**	We continue to work with PCs on implementation of energy and emissions programmes and associated decarbonisation pathways.
Environmental compliance Triton is committed to ensuring environmentally safe practices and to operating within applicable environmental laws and regulations.	**Percentage of PCs with an environmental compliance programme**	69%	**69%**	We will continue our work to improve this KPI in 2024.

Portfolio ESG performance: Environment

Topic	Key Performance Indicators (KPIs)	2022	2023	Performance update
Energy Triton is committed to energy transitioning.	**Portfolio renewable energy use**	7%	**6%**	We believe these figures are conservative and do not account for renewable energy composition of the grid or renewable energy obtained but not categorised as a Renewable Energy Certificate (REC). Many of our companies operate predominantly in countries with partially or highly decarbonised electricity generation – such as Sweden, Spain, Norway and the UK – where wind, solar and hydro technologies play a significant role in meeting power requirements. This means that in reality, the use of renewable power is (indirectly) much higher. In 2024, we will work with PCs to encourage them to improve their energy and resource efficiency, and to switch to certified renewable energy sources where possible. In the longer term, we anticipate that renewable sources will provide countries, companies and consumers with both energy security and better pricing dynamics.
Circular economy Several Triton PCs are thriving in the circular economy by transforming their business models, and as a result, leading their sectors.	**Percentage of PCs that have assessed their circular economy opportunities**	43%	**47%**	We are pleased that a number of portfolio companies are reviewing circular economy opportunities for their business. In 2024, we will continue to work with our PCs to identify further circular economy opportunities.
	Percentage of PCs with a waste management programme	69%	**67%**	We will continue the work to increase waste management and waste reduction initiatives in 2024, via a more stringent review of practices in this area.
	Portfolio recycling rate	79%	**56%**	This decrease can be attributed to the change in portfolio composition (new platform investments and bolt-on acquisitions). In 2024, waste recycling will continue to be a priority area as we work to decrease our impact in this area.
	Percentage of PCs with a water management programme	44%	**57%**	Water continues to be a strategic focus area and we are pleased that this KPI has improved Y-O-Y, although we recognise there is still more to be done.

Portfolio ESG performance: Social

Building higher quality businesses means investing in its employees. In 2023, the continuation of our work to ensure the health, safety, and wellbeing of the employees of our PCs was a priority.

Topic	Key Performance Indicators (KPIs)	2022	2023	Performance update
Employees The ESG team provides expert advice and support to PCs across the range of social topics from employee health and safety to sustainable supply chain practices. The ESG team works in partnership with the dedicated Leadership & Culture team who provide further expert advice and support to PCs. They focus on five key areas: • leadership, diversity and inclusion • employee engagement • talent attraction • organisational design • effectiveness.	**Portfolio FTEs (Full-time equivalents)**	95,357	**109,530**	Headcount across our PCs has continued a trend of growing over time, which is driven by investment and growth across our portfolio companies.
	Percentage of PCs with a group-wide safety management programme	67%	**80%**	Health and safety continues to be a core focus. We will always work to ensure our portfolio has adequate procedures and controls in place to ensure safe working conditions for all employees.
	Percentage of PCs conducting an annual employee engagement survey	58%	**63%**	Numerous PCs have identified that, instead of conducting an annual employee engagment survey, a bi-annual employee engagement survey is a suitable cadence, when considering their business operations - this brings down the overall percentage count against which we measure and report here.
	Percentage of PCs identifying high-potential employees through an annual talent review process	67%	**71%**	We, in collaboration with the Leadership and Culture team, work with PCs to ensure best practice in talent retention is utilised.
Health and safety Keeping people safe in their workplace is a critical foundation for health and wellbeing, and in turn, a thriving business.	**Percentage of employees (on average) trained in health and safety in the last two years**	86.1%	**88%**	We are pleased to see a 48% improvement of in health and safety training since 2020. We will continue to work on improving this KPI in 2024 as we view this training as a key priority.
	Portfolio average Lost Time Injury Frequency Rate (LTIFR)	6.4	**6.59**	We recognise progress is still possible. In 2024, we continue to focus specifically on procedural and behavioural safety programmes for PCs with improvement requirements.
	Portfolio average absenteeism rate	4%	**4%**	

Portfolio ESG performance: Social

Topic	Key Performance Indicators (KPIs)	2022	2023	Performance update
Diversity, equity and inclusion Triton's DEI strategy begins with its own operations, as it is essential for our vision for the company's evolution and growth over time. Triton's diversity focus since 2016 has been on gender, with a short-term goal to encourage all PCs to have at least one woman on the board and one woman in top management. We support PCs to put in place a diversity policy, trainings and initiatives, and expect each of them to set diversity targets in line with their business.	**Percentage of PCs with at least one woman on the board and/or one woman in top management**	60%	**86%**	In 2021, we set up an Inclusion and Diversity Working Group which focusses on the implementation of the Inclusion and Diversity strategy across the portfolio.
	Percentage of PCs with a diversity programme	60%	**76%**	
	Percentage of women:			We realise that change doesn't happen overnight, and we continue to prioritise this area to improve our percentages in 2024.
	Board	11%	**15%**	
	Management	22%	**21%**	
	All employees	35%	**33%**	
Supply chain Both the pandemic and the Ukraine crisis have shown how supply and distribution networks can be severely disrupted, see rapid price escalation, or even cease. International trade agreements can improve, or roll back, access to goods and services. In some cases, supply chains may get shorter and more localised. All of these factors increase the pressure on our portfolio companies to ensure that they have robust approaches to procurement in place.	**Percentage of PCs with a supply chain programme**	77%	**86%**	We continue to work with our PCs on this core topic. We support on regulatory advice affecting supply chain management, workshops focused on supply chain due diligence assessments and outlining best practices in procurement sustainability. Triton encourages all PCs to conduct a supplier ESG risk assessment and develop a supply chain programme to manage material risks.

Portfolio ESG performance: Governance

To build higher quality businesses, good governance is essential. We collaborate closely with portfolio companies to approve their governance programmes, which forms part of Triton's minimum requirements upon acquisition. In 2023, we continued our focus on board oversight, alignment with regulations and applicable sanctions.

Topic	Key Performance Indicators (KPIs)	2022	2023	Performance update
Reporting PC boards formally approve their ESG Action Plan on an annual basis. This is a Triton requirement, as we believe that leadership is crucial for positive change. PCs are also required to report in-depth and arrange regular board reporting on ESG issues. The goal is that all our PCs have ESG as a standing point on their board agendas.	**Percentage of platform investments receiving ESG support and due diligence**	100%	**100%**[6]	The dedicated PC ESG functions are provided with training during onboarding and ongoing support on the use of the data reporting tool. Triton's ESG extranet site was created in order to provide further support to our PCs. Information such as policy templates (available in English and German), webinars and information on a range of ESG topics is available. We hold monthly calls with ESG representatives for the entire portfolio. This forms part of our continuous support, including sharing best practice between PCs and notification of upcoming regulations and events. We enlist the support of external providers and subject matter experts for topic deep-dives.
	Percentage of PCs conducting a formal board review of their ESG performance at least twice a year	74%	**84%**	We are pleased to see continued board oversight on a bi-annual basis. This KPI continues to be a focus area to ensure ESG is adequately presented to, and addressed by board, at a suitable cadence.
	Percentage of PCs conducting a formal board review of their ESG performance every month	33%	**31%**	
	Percentage of PCs reporting publicly on their ESG performance	48%	**57%**	We are delighted to see the continued improvement of this KPI as it fosters transparency within our portfolio. As the majority of our PCs prepare for the upcoming CSRD, we continue to provide support on the numerous steps (e.g. conducting a double materiality assessment) involved.

[6] This includes one portfolio company which reported against a subset of KPIs (the SFDR PAIs) for 2023 due to our majority exit of the Company.

Portfolio ESG performance: Governance

Topic	Key Performance Indicators (KPIs)	2022	2023	Performance update
Business ethics The ESG team supports PCs by providing tool kits, such as template policies, example risk assessments and trainings, as well as webinars.	**Percentage of PCs with a written code of conduct**	88%	**94%**	The introduction of a written code of conduct is a Triton aim within the first year of ownership. We continue to support our new PCs in the implementation of a group-wide code of conduct.
	Percentage of PCs with a company-wide whistleblowing/SpeakUp system in place	79%	**90%**	Whilst we ensure relevant PCs are in compliance with applicable regulations, we will focus on improving overall portfolio performance for this KPI in 2024.
	Percentage of PCs with an antitrust policy	71%	**73%**	The implementation of a written anti-trust policy is a Triton requirement for all PCs and is recommended within the first year of ownership. We will continue to work with PCs on this topic in 2024.
	Percentage of PCs with a business partner policy	63%	**76%**	In 2024, we will continue our focus on this KPI and, together with our Procurement colleagues, provide support to PCs who are yet to implement a group-wide approach to this topic.
Anti-bribery and corruption Triton's approach to anti-bribery and corruption covers policies, programmes, regular training, and additional controls such as auditing, gift and hospitality pre-clearance systems, and regular reporting to the board.	**Percentage of PCs with an anti-bribery and corruption policy**	83%	**90%**	The introduction of a written anti-bribery and corruption policy is a Triton requirement in the first year of ownership. We are pleased to see improvements in training coverage, however, recognise that there is still work to be done. In 2024, we will continue to support PCs in making this training a top priority.
	Percentage of employees (on average) receiving training on anti-bribery and corruption in the past two years	85%	**86%**	

Portfolio ESG performance: Governance

Topic	Key Performance Indicators (KPIs)	2022	2023	Performance update
Cyber and data security Cybersecurity and data protection is crucial for business continuity.	**Percentage of PCs with an anti-bribery and corruption policy**	79%	**92%**	Cybersecurity continues to be a top priority for Triton and our PCs. In 2023, Triton's digital team launched Cyber 360, an initiative to review PCs cybersecurity practices. As part of this initiative we are working with each PC to implement improvement measures.
	Percentage of employees (on average) receiving training on anti-bribery and corruption in the past two years	79%	**85%**	
	Percentage of PCs with a cybersecurity officer	95%	**95%**	It is positive to see the continued high allocation of resource to this important area.
	Percentage of relevant employees receiving data protection training (on average) in the past two years	84%	**82%**	We will continue to work with PCs to improve coverage of data protection training in 2024.

GRI Disclosures

The Global Reporting Initiative's GRI Standards have been used to guide our reporting, and in preparing this report, we have applied the underlying principles and standards definitions. However, some disclosures may not fully comply with the GRI's reporting requirements for its 'Core' option.

Statement of use	Triton has reported the information cited in this GRI content index for the period 1.1.2023 – 31.12.2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

General GRI Disclosures		Page	Comment
Organisational Profile			
102-1	Name of the organisation		Triton Investments Advisers LLP
102-2	Activities, brands, products and services		About Triton
102-3	Location of headquarters		Triton Investments Advisers LLP 32 Duke Street, 3rd Floor St James's London SW1Y 6DF
102-4	Location of operations		View here
102-5	Ownership and legal form		Triton Investment Advisors LLC is a private company registered in the UK which is wholly owned by Triton Advisers Sarl.
102-6	Markets served		View here
102-8	Information on employees and other workers		View here
102-9	Supply chain		The majority of Triton's own supply chain is with professional or business services suppliers. The indirect impact in relation to the supply chain is found in the PCs within its funds.
102-10	Significant changes to the organisation and its supply chain		This is Triton's fifth Responsible Investment report.
102-11	Precautionary principle approach		This is an investment firm with 50 companies in its portfolio. The precautionary approach is relevant when investing in, owning and developing PCs.
102-12	External initiatives		View here
102-13	Membership associations		View here

GRI Disclosures

General GRI Disclosures		Page	Comment
Strategy			
102-14	Statement from the senior decision-makers		
102-15	Key impacts, risks and opportunities		
Ethics and integrity			
102-16	Values, principles, standards and norms of behaviour		https://www.triton-partners.com/about/#howwebehave
102-17	Mechanisms for advice and concerns about ethics		
Governance			
102-18	Governance structure		See page 26 of Triton's RI Transparency Report, available on the PRI website.
102-25	Conflicts of interest		See page 25 of Triton's RI Transparency Report, available on the PRI website.
Stakeholder engagement			
102-40	List of stakeholder groups		View here
102-41	Collective bargaining agreements		Only three Triton employees are covered by collective bargaining agreements, representing less than 1% of total employees.
102-42	Identifying and selecting stakeholders		View here
102-43	Approach to stakeholder engagement		View here
102-44	Key topics and concerns raised		View here

GRI Disclosures

General GRI Disclosures		Page	Comment
Reporting practice			
102-46	Defining report content and topic boundaries		
102-47	List of material topics		View here
102-50	Reporting period		Calendar year 2023.
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report		esg@triton-partners.com
102-54	Claims of reporting in accordance with the GRI Standards		Triton has applied the underlying Principles of the GRI Standards; however, some disclosures may not fully comply with all reporting requirements.
102-55	GRI content index		
Management approach			
103-1	Explanation of the material topic and its boundary		

GRI Disclosures

Specific GRI Disclosures		Page	Comment
Business ethics			
See GRI General disclosures – Ethics and integrity			
205-1	Operations assessed for risks related to corruption		PCs
205-2	Communication and training about anti-corruption policies and procedures		
Cyber and data security			
GRI 418: Customer privacy			
418-1	Substantiated complaints concerning breached of customer privacy and loss of customer data		During 2021, we have been made aware of 7 potential breaches of customer privacy involving loss of customer data that have been referred to a local data protection authority ("DPA"). These DPA investigations have either been closed or are not anticipated to require further action.
Transparency			
See GRI General disclosure – Reporting practice			
Climate change			
GRI 302: Energy consumption			
302-3	Energy intensity		473.6 kWh per '000 euro revenue.
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions		PCs
305-2	Energy indirect (Scope 2) GHG emissions		PCs
305-3	Other indirect (Scope 3) GHG emissions		Triton
305-4	GHG emissions intensity		PCs

GRI Disclosures

Specific GRI Disclosures		Page	Comment
Circular economy			
GRI 306: Waste			
306-4	Waste diverted from disposal		PCs
Health and safety			
GRI 403: Occupational health and safety			
403-1	Occupational health and safety management system		PCs
403-5	Worker training on occupational health and safety		PCs
403-9	Work-related injuries		PCs
Human capital			
GRI 404: Training and education			
404-3	Percentage of employees receiving regular performance and career development reviews		PCs
Diversity and inclusion			
GRI 405: Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees		PCs
Responsible supply chain			
GRI 308: Supplier environmental assessment			
308-1	New suppliers that were screened using environmental criteria		PCs
GRI 414: Supplier social assessment			
414-1	New suppliers that were screened using social criteria		PCs and Triton

About this report

Scope

This report covers the relevant and significant environment, social and governance (ESG) issues for the calendar year 1 January to 31 December 2023. It gives an overview of our performance in these areas, complementing the information on our website, which primarily describes our business. All data in the 'Portfolio ESG Performance' section relates to the 49 of 50 PCs in the following funds: Triton III, Triton IV, Triton IV Continuation Fund, Triton V, Triton V Continuation Fund, Triton Smaller Mid-Cap I (TSM) and Triton Smaller Mid-Cap II (TSM II). A further portfolio company was acquired in Q4 2023 (closed in Q1 2024) and therefore was not required to report ESG data to Triton. All data is for the calendar year ending 31 December 2023. Selected statements are correct as of this report's publication date. We have used the Global Reporting Initiative (GRI) Standards as guidance for our sustainability work and framing our reporting principles. We receive recommendations on our sustainability activities and reporting from our advisers while we ourselves routinely analyse global megatrends, take part in multiple industry initiatives, and assess the activities of our competitors. This ensures that we fully understand and keep up to date with key ESG issues. The report focuses on the ESG topics that we consider most important to our business and to society. It is based on a range of inputs from our stakeholders, including, but not restricted to, our materiality assessment carried out with Datamaran, the UN's Sustainable Development Goals (SDGs), and our carbon foot-printing and offsetting analysis in partnership with ClimateCare.

TIA LLP's Manager Committee has ultimate accountability and oversight, and is therefore responsible for climate-related issues across the investment process and portfolio. As the delegated portfolio manager in respect of the Triton Funds, TIA LLP is responsible for managing climate risks and opportunities as part of investment decision making and portfolio management. The Manager is responsible for overseeing climate-related risks and opportunities for the relevant Triton Fund as a whole as part of its risk management functions.

The Manager Committee receives general and portfolio wide ESG updates, including on climate-related topics, at least twice a year. During Manager Committee meetings, detailed strategy and targets are discussed and approved, as well as progress against climate-related targets. The board of the Manager also receives similar ESG updates, both in the context of the Manager's risk management function in respect of the Triton Funds and for the purposes of the Manager's general oversight of TIA LLP, as its delegate.

The Investment Advisory Committee (IAC) of the relevant Triton Fund provides oversight on ESG topics, including climate, as part of its advice and recommendations to TIA LLP, in the context of investments, divestments and other uses of fund capital matters. The Portfolio Committee (PoCo) oversees ESG and climate-related topics and performance in the context of private equity portfolio monitoring. The Manager Committee receives advice from the IAC and PoCo.

Boundary setting

Entities included in this report's performance data include the Triton vehicles referenced on the closing page of this report, West Park Management Services Limited and its affiliates and portfolio companies owned directly or indirectly by Triton Funds.

Ensuring data quality

In gathering information about our sustainability performance, we applied the principles of balance, clarity, accuracy, reliability, timeliness, and comparability. It is good practice to report year-on-year comparisons for KPIs, tracking changes in performance. This is challenging for private equity, as the number and type of companies in the portfolio changes each year, and our expectations of portfolio companies increase during our first two years of ownership, as they get up to speed with our ESG programme.

Balance

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

Clarity

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

Accuracy and reliability

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

Timeliness

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

Portfolio companies

References herein to 'Triton' in respect of 'Triton's portfolio companies' (or equivalent), 'Triton's ownership' (or equivalent), 'Triton's portfolio' (or equivalent) or 'Triton's investment' (or equivalent) are references to the relevant Triton Fund.

Broad engagement-industry reports with Triton input

In 2022, Triton worked jointly with other investment firms through the iCI platform to produce and publish a TCFD guidance for the private equity industry, a guide for greenhouse gas accounting and reporting for private equity and most recently a guidance note on the case for net zero in private equity.

We have signed up to the Terra Carta via the Private Equity Sustainable Markets Initiative Taskforce (PESMIT), which is part of the broader Sustainable Markets Initiative. Members of the ESG team have been actively engaged within two PESMIT workstreams, in collaboration with other private equity investor signatories and consultants, relating to climate change and to biodiversity. Each of these workstreams published reports in 2023:

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The information contained in this Responsible Investment Report 2022/2023 (the "Report") is made available by Triton Investment Management Limited ("TIML") (together with its associates, "Triton") for the sole purpose of providing certain information about Triton and funds, partnerships, other collective investment vehicles, managed account arrangement or separate accounts managed or advised by a Triton entity from time to time (together referred to as the "Triton Funds"). In addition to the warnings, disclosures, and undertakings below, your attention is also drawn to any other rubrics or warnings provided on the face of any documents comprising the Information.

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

This Report has not been approved by any supervisory authority and no regulatory approvals have been obtained in respect of the Report. Except as otherwise indicated herein, the information provided in the Report is based on matters as they exist as of the date of this Report and not as of any future date and may not be updated or otherwise revised to reflect information that subsequently becomes available, or circumstances existing or occurring after the date hereof.

This Report is not, and under no circumstances is it to be construed as, a prospectus or an advertisement and the issuing of this Report is not, and under no circumstances is to be construed as, an offer to sell or a solicitation of an offer to purchase an interest in the Triton Funds. Recipients of this Report should not treat the contents of this Report as advice relating to legal, taxation, ERISA, financial, investment, business, or accounting matters, or as a recommendation by Triton and are strongly advised to consult their own professional advisors concerning the acquisition, holding, or disposal of interests in a Triton Fund and the suitability of the investment for such investor.

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