

North
Edge.

2025 TCFD Report
Climate Related Risks & Opportunities



Contents

1. Introduction	3
2. Governance	4
2.1. Governance Within NorthEdge	5-7
2.2. ESG Governance Within Our Investment Process	8-10
2.3. Internal ESG Training & Knowledge Sharing	11
2.4. Team Summary	12
2.5. Case Study	13
3. Strategy	14
3.1. Risk Assessment	14-16
3.2. Public Policy & Industry Engagement	17-18
3.3. Climate-Risk Scenario Analysis	19-24
4. Risk Management	25
4.1. Identifying & Assessing Climate-Related Risks	25-26
4.2. Managing Climate-Related Risks Within Our Overall Risk Management System	27
5. Metrics & Targets	28
5.1. Data Collection	28
5.2. Review & Assessment	29
6. NorthEdge's Carbon Footprint	30-32
7. The Path Forward	33
Appendices	34
Appendix 1 – TCFD Index	34-35
Appendix 2 – Climate Risk Assessment	36
Appendix 3 – NorthEdge Portfolio Net Zero Alignment	37

1. Introduction

At NorthEdge we are committed to ensuring every investment we make has a positive impact. Given our role as investors, we are uniquely positioned to drive material change and support the achievement of a net zero economy, mitigating the effects of the climate crisis, through the influence we have in our portfolio and wider network.

In 2023 we released our [net zero plan](#), to provide a clear and transparent commitment to reducing our climate impact, alongside ensuring we hold ourselves and our portfolio accountable to achieve net zero emissions by 2050 in line with the [Paris Agreement](#). At NorthEdge, we believe that it is important for us to demonstrate transparency and take positive steps in our own firm before using our influence to encourage our portfolio and network to do the same – as such the progress we make against our net zero plan is set in our annual ESG report.

As investors, our active ownership approach allows us to monitor, and where possible mitigate, the climate risks across our portfolio – as well as identifying climate opportunities. To support this, for the fourth year in a row, we have conducted portfolio maturity assessments for all our companies where we are the lead investor (as at 31 March 2025). Utilising the data we collect from each company (See section 5), our core ESG team create tailored maturity assessments covering material risks and/or opportunities across E, S and G, including climate where applicable. We also closely assess the trends seen across the portfolio through our annual ESG data collection process.

As well as the work we do with our portfolio, we are also focused on ensuring all of our own colleagues are aware of how their activities impact climate risks and opportunities. In the last 12 months, following the implementation of an updated travel policy to include sustainability criteria, we have seen a reduction in employee commuting. However, as a result of our current business objectives, our overall travel emissions have gone up due to an increase in overseas travel. In addition, we have also undertaken a more comprehensive review of our top 20 suppliers, with a focus on sourcing more accurate data for our Scope 3 emissions measurement and reduction plan.

This is the sixth edition of our TCFD report, which we issue on a voluntary basis as we continuously look to build on how we influence the activities of our firm, our portfolio and our wider industry. This year we have evolved our report to include climate-risk scenario analysis, covering our portfolio & investment strategy, commissioning third party specialists Positive Planet to independently assess our climate risks & opportunities.

As part of our broader Responsible Investment approach, we have also remained an active member of both Initiative Climat International (iCI) and Principles for Responsible Investment (PRI) – where in 2024 we achieved 5* Policy Governance and Strategy (top decile), 5* Direct Private Equity (top decile) and 4* Confidence Building Measures (top quartile). Pleasingly, we increased our absolute score in these categories compared to previous years, with the 'Direct Private Equity' score reflecting the progress we have made with our portfolio companies. We have also continued to submit data for the ESG Data Convergence Initiative (EDCI).

In this report we are pleased to share how our internal processes and ESG Governance framework continue to advance and support us in driving positive change. At NorthEdge we recognise that the responsibility to combat climate change lies with all of us; and therefore regularly encourage everyone in our network to challenge themselves on how they too can improve their impact.

2. Governance

Climate-related risks and opportunities manifest across our business in different ways, therefore the management of these risks and opportunities is integrated into our pre-existing governance structure. This helps to ensure that climate risks and opportunities are actively managed, and that expertise from across the firm is both integrated and leveraged across relevant committees and functions.





NorthEdge Capital LLP's Management Committee (equivalent to our Board) is the ultimate owner of our internal Environmental, Social & Governance (ESG) Governance structure as described in section 2.1.

Investment and portfolio related activities are delegated to Investment Committee.

Over the last twelve months we have continued to develop our approach to tackling climate-related risks across our business and portfolio, as well as making progress across a number of wider ESG initiatives which are detailed in our latest ESG report. This work is led by our ESG Committee, who meet on a quarterly basis and take responsibility for driving ESG progress across the business and portfolio, with the support of our Core ESG team. There is representation on the ESG Committee from one member of our Investment Committee and three members of our Partner group, who report key activities/initiatives on a quarterly basis to the other Management Committee members through the NorthEdge Board meetings. Both the structure and activities we perform are reviewed at least annually by the Management Committee.

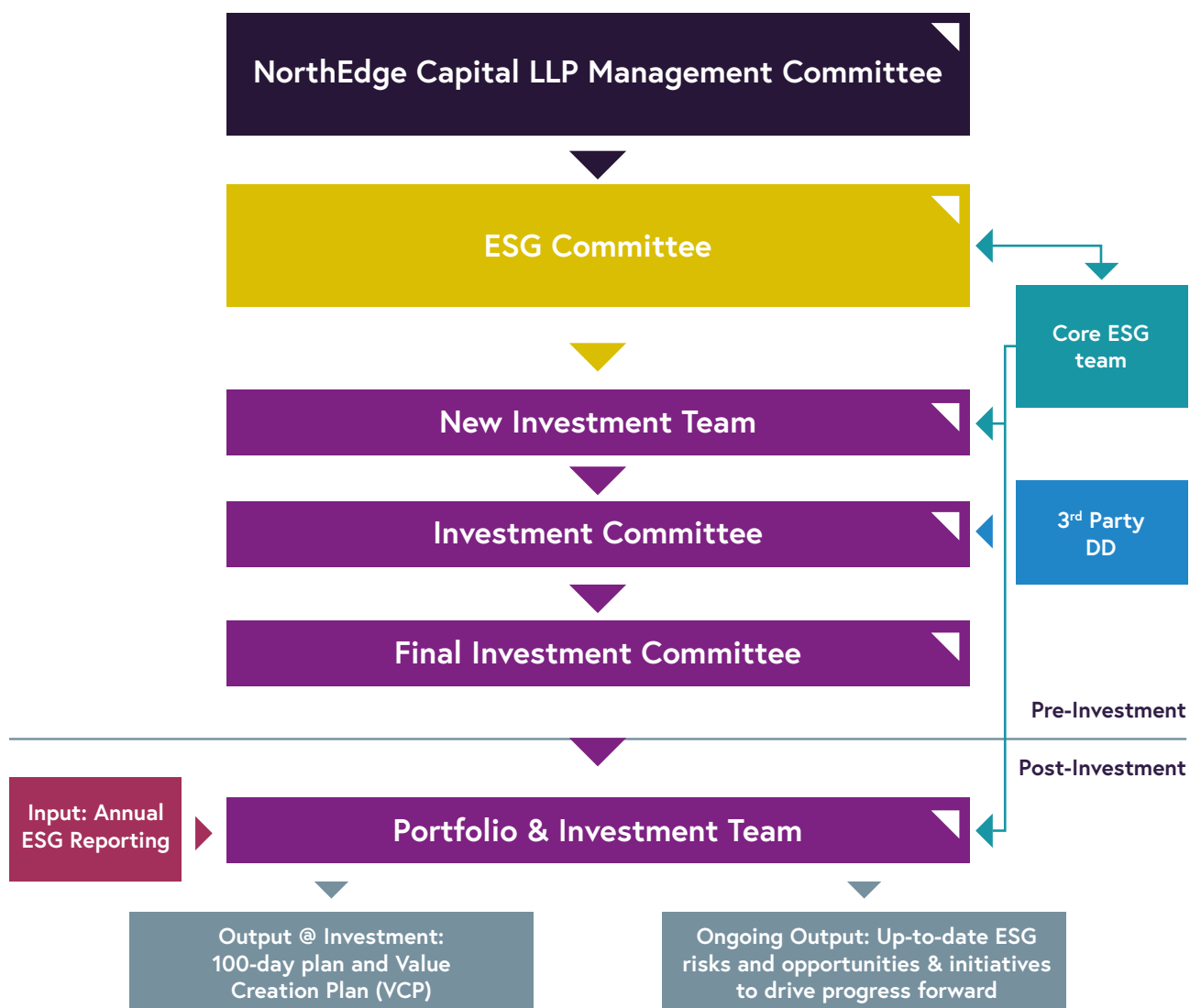
ESG Committee

					
Lucie Mills Chair ESG Committee, Partner	Ray Stenton Managing Partner	Phil Frame Partner	Jordana Cropper Investment Director	Daniel Galley Portfolio Business Partner	Charlie Page CFO

 Core ESG Team
  Investment Committee
  Partner Group
  Risk Management Committee

2.1. Governance Within NorthEdge

At NorthEdge, the LLP Management Committee has ultimate responsibility and sets the ESG governance agenda across the firm. In addition to this we have a Partner, Lucie Mills, who has defined responsibility for climate-related issues and is responsible for communicating these up to the Management Committee. The ownership of ESG objectives is delegated to the ESG Committee to cascade throughout the firm and incorporate into our overall business and portfolio management strategy. This structure is shown in the diagram below with the role of each team described in the remainder of section 2.



Source: Internal Governance structure, 2025

NorthEdge has been a signatory to the **UN Principles for Responsible Investment (PRI)** since our inception in 2012. Following their six principles for responsible investment, which have guided our own internal **Responsible Investment policy**, we have not invested in an oil & gas business or any business engaged in direct extractive industries. Additionally, every business we have invested in is headquartered in the United Kingdom - reducing the residual risk of exposure in emerging markets where risk to infrastructure from physical climate risks is higher.

As an office-based, UK private equity investor we understand that the biggest climate risks and opportunities facing our business are those of our portfolio companies. Therefore, the biggest impact we can have in addressing climate change is through the investments we make and is why much of our ESG governance is delegated to Investment Committee and embedded within the investment process.

As a firm we have managed to reduce our carbon footprint on a Scope 1, 2 and operational Scope 3 basis for three years in a row (on a like-for-like calculation basis). We have also made progress against our goal of achieving a 50% reduction in our Scope 1, 2 and operational Scope 3 carbon emissions by 2030 and reaching net zero by 2040 through:

Procurement:

After implementing our updated procurement and expense policies in the prior period, our 2024 emissions from purchased goods and services have reduced by 10% this year and 25% since our baseline year. We also engaged Positive Planet to perform a more in-depth review of our top 20 suppliers, focused on sourcing more accurate data to enable us to improve the accuracy of our Scope 3 emissions measurement and drive a further reduction in our emissions.

Travel and commuting:

This year our business travel emissions have gone up 2.6 tCO₂e, however this was anticipated as our current business objectives require overseas travel that is beyond our usual course of business. Despite this increase, employee commuting has seen a small decrease as we focus on promoting sustainable travel within the organisation.

Our employees have access to a company electric vehicle scheme, supporting a reduction in emissions from necessary business travel. We have also updated our travel & expenses policy to encourage our colleagues to consider any travel in the context of our sustainable travel hierarchy, prioritising lower emitting means of transport.

Culture and behaviours:

At NorthEdge we continue to embed ESG and sustainability as a core value within our business. ESG continues to be linked to variable remuneration, assessed through the annual appraisal process. We also provide in-house ESG training on an annual basis to all colleagues, encouraging our people to become more aware of how they can support us to reduce our emissions, as well as asking the investment team to positively influence the portfolio through engagement and active partnership.

Click [here](#) to access our Remuneration policy in relation to the integration of sustainability risks.

We will continue to ensure that we make progress against both our short-term and long-term ambitions over the coming years, and plan to report progress against our Net Zero plan annually through our ESG Report.

By 2024

100% of companies calculating Scope 1, 2 and 3 emissions⁽¹⁾



Was **100%**

2024 Performance

For a second year running, 100% of our portfolio companies⁽¹⁾ reported Scope 1, 2 and 3 carbon emissions in our 2024 annual ESG survey

By 2024

100% of portfolio companies discussing ESG including climate at a board level at least annually by 2024⁽¹⁾.




Was **58%**

2024 Performance

We have made further progress on encouraging our portfolio companies to report on ESG matters at the board with 71% now reporting. Whilst we haven't met our target of 100% by 2024, we will continue to encourage this during 2025

By 2025

100% of our teams to have dedicated ESG resource (via a team/committee, not necessarily a full-time dedicated role) who will be responsible for reporting and leading on carbon reduction initiatives in the business⁽¹⁾.




Was **63%**

2024 Performance

67% of our portfolio have dedicated ESG resource. We will actively encourage the remainder of the portfolio to implement by the end of 2025.

By 2024

100% portfolio alignment with Net Zero⁽¹⁾



Was **25%**

2024 Performance

93% of our portfolio companies have a Net Zero plan (or documented decarbonisation plan) in place. Whilst we are disappointed to have not met our 100% target⁽²⁾, we have made material progress since 2023. Pleasingly, a further two companies have completed their Net Zero Plan ahead of our two year deadline⁽²⁾ and five are in the process of building their plans.

⁽¹⁾Data based on companies where NorthEdge was the lead investor as at 31 December 2025. The data above excludes companies that exited the portfolio before the 2024 reporting period deadline (15 March 2025) or where NorthEdge is not the lead investor.

⁽²⁾This includes companies where we are the lead investor that we invested in prior to 2023. Companies receiving investment from 1 January 2023 have a completion target of two years from the date of investment.

2.2. ESG Governance Within Our Investment Process

The structure of how ESG is incorporated into our investment process is outlined below. ESG considerations include climate-related risks and opportunities.



Initial Review

During the initial review of any potential new investment, it is a mandatory requirement to identify whether the opportunity complies with our Responsible Investment Policy. In the early stages of our investment process, we will consider the high-level climate risks and opportunities, alongside a number of wider ESG risks and opportunities. This process is owned by the Investment Team members responsible for assessing and executing new investment opportunities. We ensure our team are appropriately equipped to assess these risks and opportunities through our internal training (section 2.3).

For any investment that progresses sufficiently through the investment process, third-party ESG and cyber due diligence providers are engaged to identify Environmental, Social, and Governance risks, impacts and opportunities. The findings of this due diligence are subsequently reviewed by the Investment Committee. The ESG due diligence is aligned to our annual portfolio ESG survey to ensure consistency in our approach and enable us to show progress under our ownership by providing a performance benchmark on entry.

Investment Committee (IC)

Five of our Partners sit on Investment Committee. They are responsible for overseeing the management of the firm's investment decisions, including material investment risks. Our core business function is the investment, management and subsequent realisation of our investors' capital in unlisted businesses.

Alongside seeking strong investment returns, they place significant focus on responsible investment behaviour, reputational risk and the continued operation of the firm in line with our core purpose of "building better businesses". This serves to align all stakeholder interests.

Our IC performs the following governance role in this process, with regards to climate-related risks and opportunities:

- ▶ The findings of the third party ESG due diligence report are reviewed by IC
- ▶ When the IC convenes, the committee discuss any climate-related risks and opportunities. Both IC and the Investment Team have the authority to instruct further focused internal and 3rd party due diligence, which may be inclusive of climate risk and opportunity should it be material. This provides a further control mechanism for every new investment into the NorthEdge portfolio.

Immediately prior to investment, this forum re-convenes at a Final Investment Committee (FIC), which approves, rejects or requests modification to a deal ahead of formally completing an investment. Where appropriate, this will include the evaluation of any specific climate-related due diligence and a final review of the climate-related risks and opportunities.

Deal Execution

During the deal execution phase, we will identify any material ESG and climate-related risks and opportunities through the ESG due diligence. We will then discuss the findings with management to understand how they plan to mitigate the risks or maximise the opportunities identified. Since 2024 ESG DD has been mandated across all new investment opportunities, in addition to our existing requirement for Cyber DD. ESG reporting and ongoing cyber monitoring remain requirements within the investment agreement.

NorthEdge Value-Add & Monitoring

Once within the portfolio, our investee companies benefit from the active engagement of our Investment Team and the support of our Portfolio Team. This includes the development of a company-specific Value Creation Plan (VCP). The output from the third party ESG due diligence is factored into the 100 Day Plan and the VCP for the investee company. Where any material climate-related risks or opportunities are identified, they will be included as a value creation "lever", to provide management with a specific guide and action plan to drive improvement. For more information on our value creation approach, please see our [website](#).

The Portfolio Team take an active role in the review, monitoring and implementation of ESG within the portfolio company – inclusive of climate-related risks and opportunities based on a materiality assessment.

During Q1 2025, we issued our revised portfolio ESG survey. Every year we consistently strive to build on the information we are monitoring across the portfolio, ensuring we collect the most relevant metrics and ESG performance indicators, alongside influencing positive changes regarding climate risk and opportunity. Once the results of the surveys are received, they are reviewed centrally by our core ESG team who validate and use the data to undertake a maturity assessment for every company in the portfolio, where we are lead investor. These tailored maturity assessments cover E, S and G and are used to identify material risks and opportunities for our companies to address, including climate risks and opportunities where applicable. We also undertake a trend analysis for each company to measure progress against prior submissions (either prior year or pre-investment) to ensure our companies are consistently addressing any key risks they are exposed to and exploring material value creation opportunities. Once finalised, the findings of these assessments are shared with our ESG Committee and Investment Team, with the goal of creating action plans for any significant climate related risks or opportunities identified. We also use this information to set wider ESG objectives for our portfolio and investment team, with ESG factors integrated into our internal annual appraisal and remuneration process. Read more in our [Remuneration Policy Disclosure](#).

Exit

NorthEdge will include information on a company's ESG performance in the documentation that will be disclosed to potential buyers. This information will showcase all efforts made during the ownership period with regards to ESG management/performance improvement and highlight contributions made to the investment.

2.3. Internal ESG Training & Knowledge Sharing

We have continued to use the Carbon Literacy Project accreditation as a platform to drive positive change – not only across our business and portfolio, but also the wider industry. In addition, through our engagement with the BVCA and through our regular and transparent reporting, we continue to encourage other private equity firms to take responsibility for the carbon emissions in their business and portfolios – collectively reducing Private Equity's impact on the planet through the large network and sphere of influence the sector has.

In January 2024, our Partner, Lucie Mills became Chair of the BVCA's Responsible Investment Advisory Group, allowing us to use our voice to shape the future of ESG risks and opportunities across the Private Capital industry.

In addition, to ensure that the team at NorthEdge have sufficient skills to perform an ESG (including climate-related risks and opportunities) review, the Investment Team and Portfolio Team benefit from in-house annual ESG training, which includes climate-related case studies and company-specific improvement programmes for all Investment Team members that sit on a Board. This training is delivered by the core ESG team.

Our aim is to develop a climate-competent Investment Team, so that climate-related risks and opportunities can be identified with the same level of expertise as more traditional business risks and opportunities.

The ESG team and ESG Committee continue to review ESG developments and trends in the external market, internally at NorthEdge and across our portfolio. The committee meet quarterly, and over the next year will focus on:

Continuing to deliver our net zero plan	Continuing to support the portfolio to build their net zero plans	Portfolio maturity assessments	Participation in industry events
Continue to ensure third party ESG DD is completed on every new investment process	Continue to align to SFDR principles and calculate Principal Adverse Impact (PAI) indicators	Encourage NorthEdge colleagues to utilise the Volunteering Scheme	
Portfolio engagement and collaboration	Continued participation in key initiatives	Internal ESG refresher training	

2.4. Team Summary

Below is a summary of the different teams within NorthEdge and how they fit into our ESG Governance approach:

Investment Team

Performs the initial review of ESG risks, impacts and opportunities and commissions third-party ESG and cyber due diligence.

Investment Committee

Reviews output of third-party ESG and cyber due diligence.

Final Investment Committee

Reviews the findings of any further due diligence and provides ultimate sign-off on the investment, including a final consideration of climate-related risks and opportunities.

Portfolio Team

Provide ongoing support to management within portfolio companies on ESG objectives and review annual ESG portfolio survey responses. The Portfolio Team is part of the Investment Team but has additional specific responsibilities for our portfolio of companies.

Core ESG Team

Complete independent maturity assessments of portfolio companies, where we are lead investor, on investment (supported by third-party due diligence provider) and annually thereafter to ensure appropriate progress is being made across material E, S & G factors. Maturity assessments are based on the ESG screen/survey responses, alongside publicly available information such as Company ESG reports.

ESG Committee

Direct the overall ESG approach and governance for the firm, reporting to the NorthEdge Capital LLP Management Committee annually. Members of the ESG Committee include members of the NorthEdge Core ESG Team and Management Committee, and can include members of the Senior Management Committee.

Both Investment Committee and the Portfolio Team also benefit from our Risk Management Approach, as detailed in Section 4.

Ultimately, this Governance approach helps ensure we build a climate-aligned and climate-resilient portfolio.

2.5. Case Study

NorthEdge have previously rejected potential investment opportunities due to climate and wider ESG risks. The number of investments being rejected at a later stage in the investment process has materially reduced given the majority of investment opportunities are now screened out by the investment team before being brought to a WIP (Work In Progress) team meeting.

No investments have been rejected on the basis of climate or ESG risks during the last twelve months, largely driven by the governance structure we have in place, but also given our investment strategy is focussed on sectors with relatively lower climate risk (Services businesses in the Technology, Healthcare & Business Services sectors). The third party ESG DD would highlight any material climate or ESG risks, however given the sectors (and scale of companies) we are focussed on the outputs are typically more around ongoing improvement rather than binary risk.

We will continue to abide by the Governance structure to sufficiently identify and screen for material ESG risks during the investment period.

3. Strategy

3.1 Risk Assessment

At NorthEdge we understand that our biggest exposure to climate risk, and therefore the biggest contribution we can make to the net zero agenda, is through our portfolio. This is reflected in our own carbon footprint where the Scope 3 emissions related to our investments are over 60x larger than our own operational footprint. Where we are lead investor, we assess every portfolio company's carbon emissions annually, as we believe this is the area where we can best utilise our influence to drive the greatest positive impact.

To understand how relevant climate risk is in our portfolio, and how this may influence business strategy, we have utilised the latest Sustainability Accounting Standards Board (SASB) materiality matrix to create our climate risk materiality matrix. The SASB standard has identified six key environmental issues, with exposure varying dependent on industry. The SASB exposure assessment is based on the different sustainability issues relevant to each sector and provides us with an objective view of the different industries our companies operate in. As more market feedback is received by the SASB standards board, they reassess the standard to ensure it presents the latest outlook on each industry's relevant risks/opportunities.

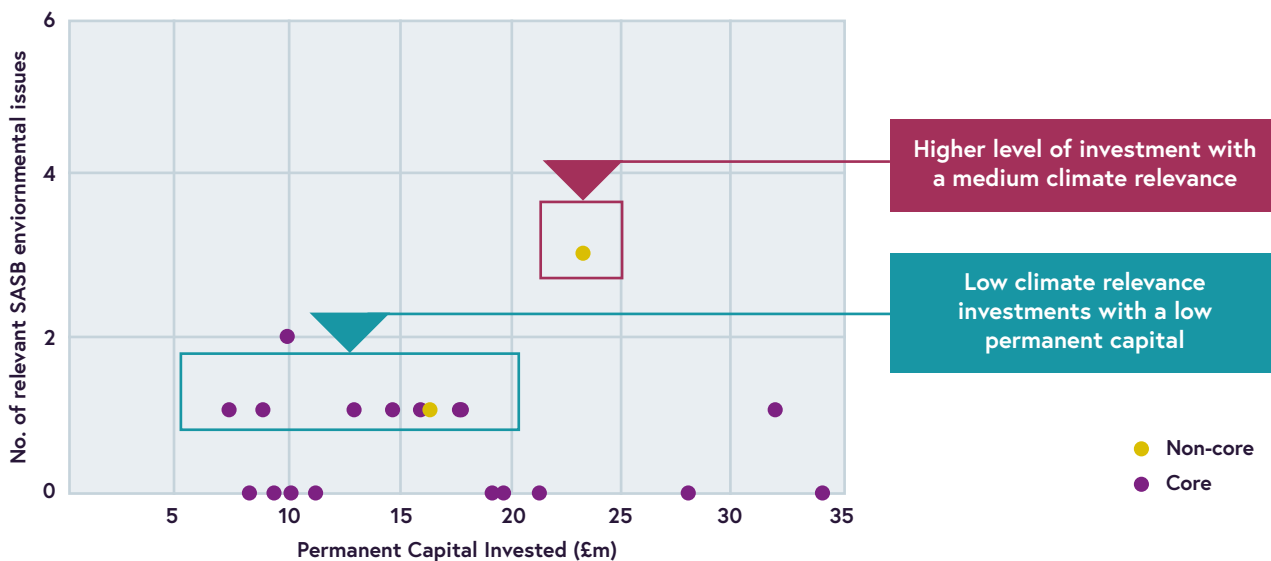
SICS Environmental Issues
GHG Emissions
Air Quality
Energy Management
Water & Wastewater Management
Waste & Hazardous Materials Management
Ecological Impacts

Using this matrix enables us to understand, based on each of our companies relevant SICS industry, how relevant and material climate-related risks are to our portfolio. We have mapped each portfolio company to their relevant SICS industry as per the latest SASB matrix⁽¹⁾ and then applied a risk score based on the number of environmental issues identified for each sector. This provides us with a climate-related sector score for each investment within our portfolio. If two or fewer environmental issues are relevant, we deem the investment low risk from a climate perspective, three to four issues are classed as medium risk and any investment with five or more issues is classed as high risk.

⁽¹⁾See appendix 2 for full breakdown of our SASB industries and relevant environmental issues in the portfolio, including those where we are a minority shareholder.

Utilising this data, we have mapped the portfolio companies where we are lead investor⁽¹⁾ based on risk rating and permanent capital⁽²⁾ to create a portfolio-wide view of our climate risk exposure:

Portfolio climate risks according to invested amount



Source: Internal Portfolio climate risk materiality matrix, 2025

As per the chart above, no companies where NorthEdge is the lead investor⁽¹⁾ have been classed as high risk from a climate perspective using the methodology noted on the previous page. Of the 21 companies assessed, 20 operate in industries with a low level of climate relevance (two or fewer environmental issues) and represent 93% of the permanent capital deployed. The only investment identified as having moderate risk within our portfolio, whose industry is exposed to three of the six environmental issues, is in a non-core sector. 100% of our core sector investments are deemed low risk.

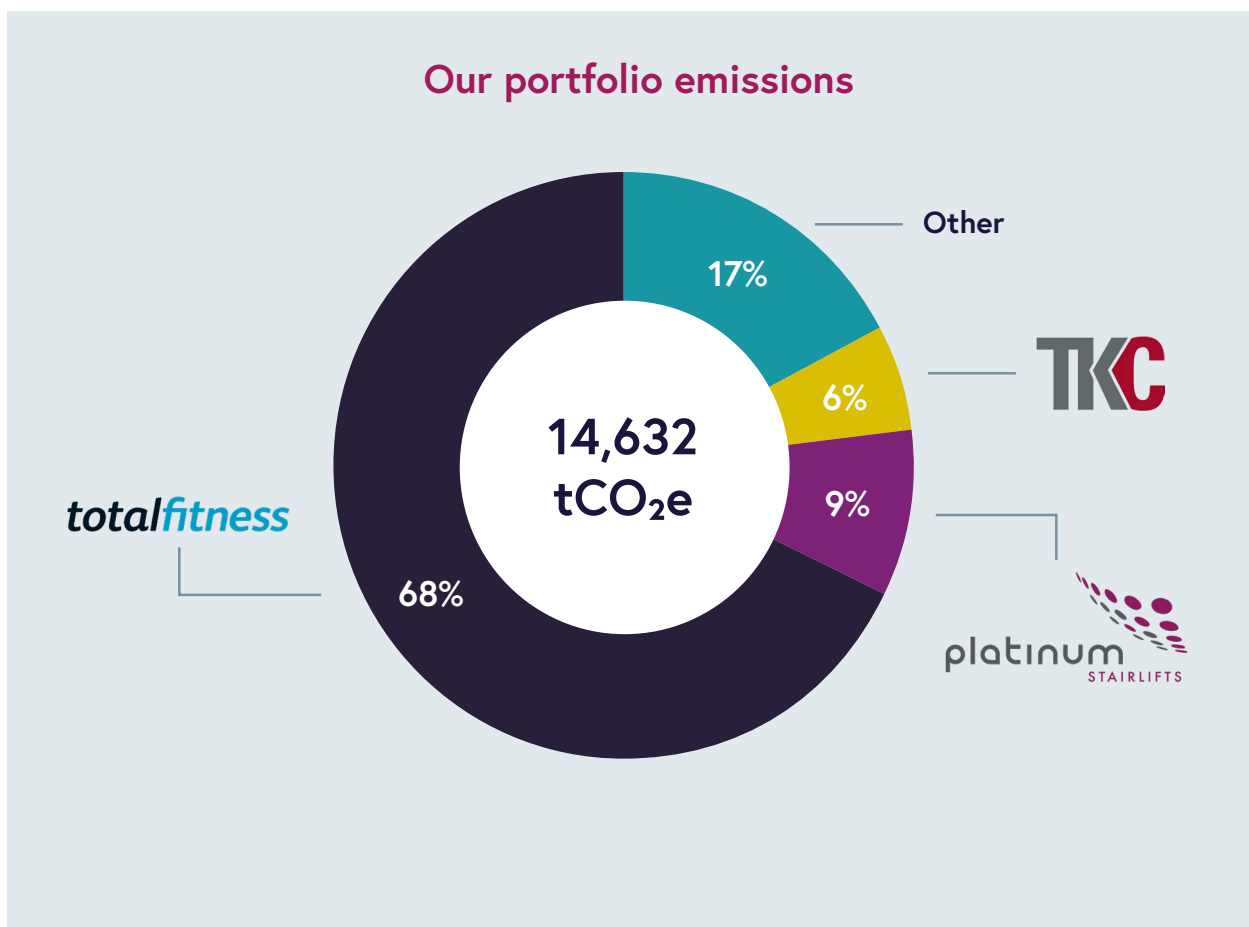
This year to build on our own internal risk assessment of our portfolio we have also commissioned third-party specialists Positive Planet to complete an independent scenario analysis, reviewing the climate-related risks & opportunities that our portfolio is exposed to, as well assessing the climate risks and opportunities of the core sectors in our investment strategy. See section 3.3 for more detail.

⁽¹⁾As at 31 March 2025. Excludes four part realised investments where we are no longer lead investor. A complete list of our holdings can be seen in Appendix 2.

⁽²⁾We have used the permanent capital figure as at 31 March 2025 for this assessment.

The nature of our operations as a GP means our portfolio is ever changing both in terms of size and composition. Our core sectors (Technology, Healthcare & Business Services) and non-core sectors (Specialised Industrials and Consumer) have vastly different carbon profiles, as such the risk profile of our portfolio and the size of our own Scope 3 emissions are heavily impacted by any transactions we complete in the future (both acquisitions and disposals). As such, we believe reviewing the profile of these sectors provides a more balanced view of our risk profile.

In our Scope 3 category 15 carbon footprint, 14% of investments represent c.83% of our portfolio emissions. Realisation of these companies would reduce our Scope 3 category 15 emissions materially and would technically see us reach net zero well in advance of our target date, however we do not believe this reflects the responsibility we have to achieve the net zero agenda. We are therefore focusing on 100% alignment across the portfolio to measure, manage and reduce their emissions (See appendix 3 for progress)⁽³⁾. For our Scope 1, 2 and operational Scope 3 emissions, which do not fluctuate in the same way as the composition of our portfolio, we are targeting net zero achievement by 2040.



⁽³⁾Companies invested in from 1 January 2023 have a completion target of two years from the date of investment to become net zero aligned.

3.2 Public Policy & Industry Engagement

At NorthEdge we continuously aim to align our approach and activities with relevant and leading national and international standards, which are reviewed on a regular basis by the ESG Committee. To date we have adopted the below policies and participate in the following working groups:

- ▶ We have been a signatory to the PRI since 2012, and leverage the six principles of responsible investment to frame our policy.
- ▶ We use the UN Global Compact to assist in our early-stage screening of potential investee companies and ensure ongoing alignment through our active ownership approach.
- ▶ We have voluntarily been a signatory of the Taskforce on Climate Related Financial Disclosures (TCFD) from 2019, reporting annually since 2020.
- ▶ We were a founding signatory of the UK chapter of Initiative Climat International ("iCI"), encouraging participation across our industry, we continue to engage with the group as it expands.
- ▶ We have been signatories to the ESG Data Convergence Initiative (EDCI) since 2022, its inaugural year, to support the standardisation of ESG data across investment managers and institutional investors in the private investment industry, with the aim of promoting more signatories to the initiative.
- ▶ We became one of the first private equity firms to become signatories to the Mindful Employer Charter, encouraging our portfolio and network to align.
- ▶ We became the first Private Equity house globally to achieve Gold Carbon Literate Organisation status from the Carbon Literacy Project.
- ▶ Pursuant to the Sustainable Finance Disclosure Regulation ("SFDR"), we have published a Sustainability Risk Policy, a Principal Adverse Impacts Statement and a Remuneration Policy Disclosure.

In 2023, we were invited to join the British Venture Capital Association (BVCA) Responsible Investment Advisory Group (RIAG). In Q1 2024, one of our Partners, Lucie Mills was asked to Chair the committee on behalf of the BVCA.

We also track portfolio performance against four UN Sustainable Development Goals, which we believe are applicable to all companies within the portfolio:

 <p>5 GENDER EQUALITY</p>	<p>Goal 5 Target 5.5</p> <ul style="list-style-type: none"> ▶ 86% of companies with female board representation ▶ 100% with female representation on SLT
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Goal 8 Target 8.8</p> <ul style="list-style-type: none"> ▶ 90% of companies conduct an employee survey at least annually
 <p>10 REDUCED INEQUALITIES</p>	<p>Goal 10 Target 10.4</p> <ul style="list-style-type: none"> ▶ 100% of portfolio companies have an equal opportunities policy ▶ 43% of companies have representation from an ethnic minority on the SLT
 <p>13 CLIMATE ACTION</p>	<p>Goal 13 Target 13.2</p> <ul style="list-style-type: none"> ▶ 16 of our portfolio companies have a documented net zero plan or decarbonisation plan ▶ 5 are in the process of building a net zero plan

The data for these measures is tracked at entry through our ESG due diligence, through the life of the investment through the annual ESG survey, and at exit to demonstrate progress and positive contribution over time.

3.3. Climate-Risk Scenario Analysis

Each year, the latest information on climate change is refined and updated with new technologies being developed, regulations put in place and a continued evolution of consumer sentiment regarding these issues. As such we at NorthEdge believe it is of the utmost importance that when we assess the exposure our business has to climate related risks and opportunities, we should do so across a range of different scenarios and time horizons. As part of our continued commitment to ensuring we have a robust climate strategy, this year we have expanded our TCFD process to include a scenario analysis of our Portfolio & the core sectors in our investment strategy, collaborating with third party specialists Positive Planet to independently assess the risks & opportunities we are most exposed to.

3.3.1 Our approach

In assessing the impact climate change will have on our business and portfolio, Positive Planet have assessed the climate related risks & opportunities based on 3 possible futures. These vary based on how climate change is tackled on a global scale. Each scenario results in a varying range of outcomes from an environmental, economic and geopolitical perspective which will impact our businesses in different ways. These are:

	<p>2°C Orderly</p>	<p>The world limits warming to 2c above pre-industrial levels through cooperative early action. These early decarbonisation plans will result in a steady reduction in global emissions with coordinated global policies, carbon pricing and a gradual energy transition. The result of this scenario is manageable climate change effects which avoid the most severe impacts on the environment and global economy.</p>
	<p>2°C Disorderly</p>	<p>The world still limits warming to 2c above pre-industrial levels but through late, forced transitions that are accelerated, costly and driven through crises. This scenario assumes governments and markets are delayed in their response meaning although the desired slowing of global warming is achieved, we are more exposed to shorter term shocks such as severe droughts, extreme heat, floods and sea level rises. The erratic nature of deploying environmental safeguards in this scenario then result in materially increased transition costs, greater tensions over resources and greater social and financial disruption.</p>
	<p>4°C Hot House</p>	<p>The world fails to act meaningfully on climate leading to 4c warming. This scenario assumes the world continues to place reliance on fossil fuels and maintains the current level of deforestation with no meaningful governance implemented globally to combat climate change. The results include in global sea level rising, huge droughts, floods and the irreversible collapse of major ecosystems across the planet. Economically the global GDP will drop dramatically causing large-scale economic migration through disruption of food production and collapse of coastal cities.</p>

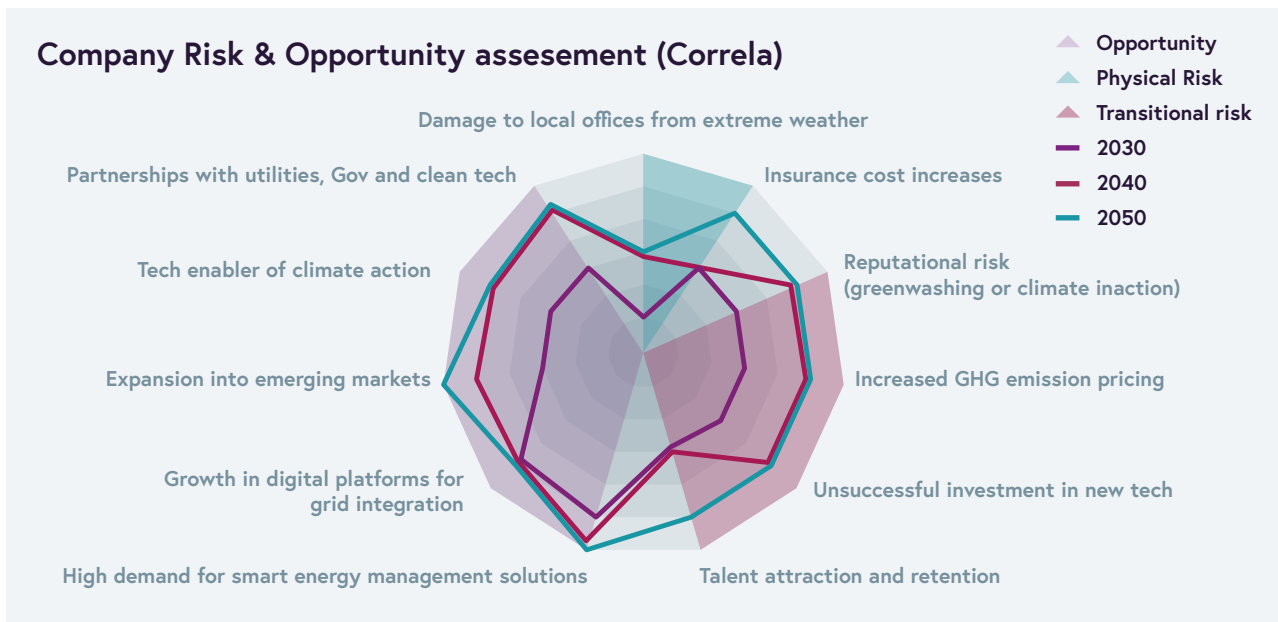
Positive Planet have independently reviewed each portfolio company, identifying specific subsets of physical & transitional risks as well as climate opportunities that are most relevant for each business. The assessment has taken into account each businesses financial maturity, strategic positioning within their respective industries and what financial opportunity they may be presented with. These risks & opportunities have then been assessed over each of the three scenarios noted above, as well as assessing how their exposure will evolve over time, with a short (2030), medium (2040) and long term (2050) horizon.

A rating has then been allocated to the risks & opportunities of each business, assessing the exposure they have based on the following criteria:

1. Financial Materiality
2. Operational Disruption
3. Strategic Positioning

An example can be found below of how an individual company assessment is then presented. The chart shows Correla's key risks & opportunities based on a 2 Degree disorderly transition and how this is likely to evolve across 2030, 2040 & 2050.

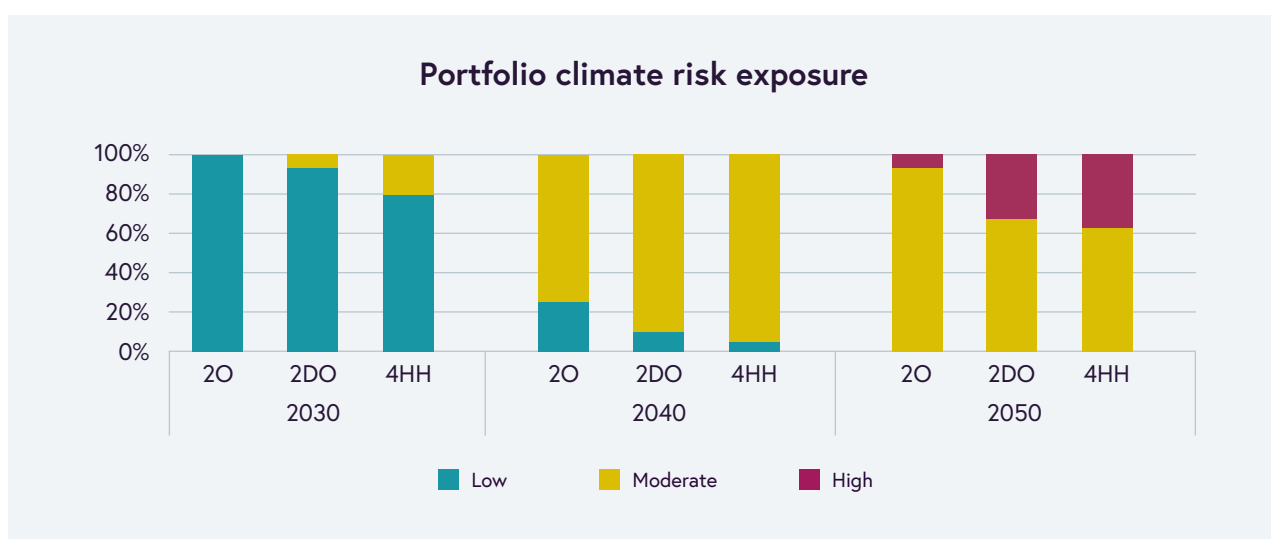
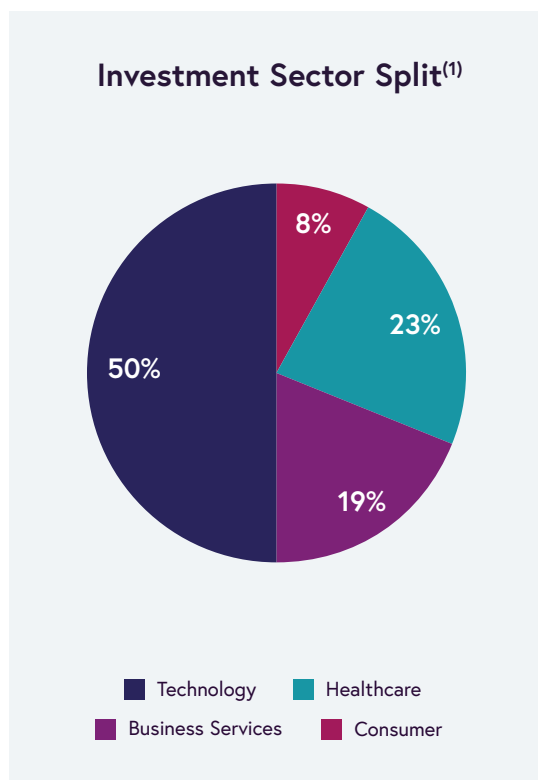
Exposure rating
Very high
High
Moderate-high
Moderate
Low-medium
Low



Operating in private equity, investment hold periods are generally expected to be between 4 and 7 years, meaning at each time horizon we are assessing it is likely our portfolio of underlying investments will have changed materially. As such, Positive Planet have completed both bottom-up (company specific) and top-down (sector) assessments. Assessing from a sector perspective allows us to better understand not only the exposure our existing portfolio, but also how the risks and opportunities that we are likely to face in our selected industries will evolve in the future regardless of the timing of new deals and exits.

3.3.2 Our Portfolio

As a lower-mid market UK based investor with a focus on the regions, the exposure our portfolio has to climate risks & opportunities is low. From a sector perspective, as detailed in section 3.1, the majority of our investments operate in sectors that are not deemed climate intensive. Furthermore where we are lead investor, 65% of the offices our companies operate out of are in the UK, 59% of our FTE are UK-based and our businesses generate 67% of their revenue domestically. This UK-centric profile is then reflected in Positive Planet's assessment. If we review the aggregate assessments made by Positive Planet for each company and look at the short term horizon of 2030, where we are most likely to still hold some of these assets, 100% of our companies are categorised as low risk if we achieve an orderly climate transition (2O). This number only falls to 95% in the short term if there is a disorderly 2 degree transition (2DO), which many experts believe is our most likely outcome. Even in the case of a more extreme 4 degree hot-house transition (4HH) over the next five years, there are no investments judged to be high risk until we meet the 2050 time horizon.



⁽¹⁾Where NorthEdge is the lead investor.

3.3.3 Our Core Sectors

Relative to the wider economy our core sectors are lower risk in the short term from a climate perspective, especially as we have moved away from assets in more exposed industries like Consumer & Specialised industrials. As part of our reporting against principle adverse indicators, we have identified that only 16% of our companies operate within high impact climate sectors (as listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of European Parliament and of the Council).

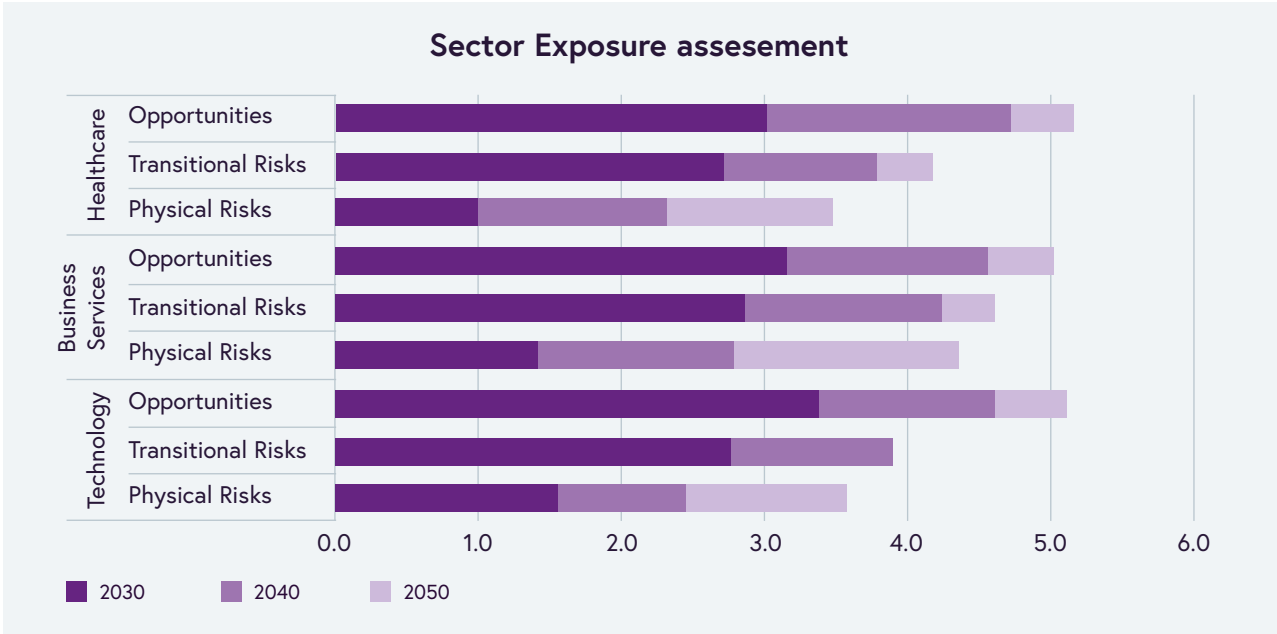
When reviewing the data through the lens of our core sectors, each industry we operate in has a different profile when it comes to material climate risks. Physical risks such as heat strain and extreme events are far less prevalent as a risk for our technology sector, where the majority of our investments are UK-headquartered B2B software companies that have a UK centric workforce. On the other hand, a company like TKC, a distributor of kitchen furniture, is UK based but has a higher exposure through potential supply chain disruption caused by extreme weather events which in turn increases the average risk profile identified for the Business Services sector.

With regards to opportunities Positive Planet have assessed that the opportunities are broadly consistent across each sector. In the event that an orderly 2 degree transition is achieved, this will be through material intervention by governments and regulators, which is likely to materially increase the demand for their services over the short and medium term – this is relevant for businesses like Contollo (also in our Business Services sector), which supports its clients to achieve their Net Zero objectives. Companies in our core sectors are still well placed to take advantage of climate related opportunities if the transition is more abrupt, although the progression of these opportunities over time would likely be far more volatile in a disorderly or hot house scenario.

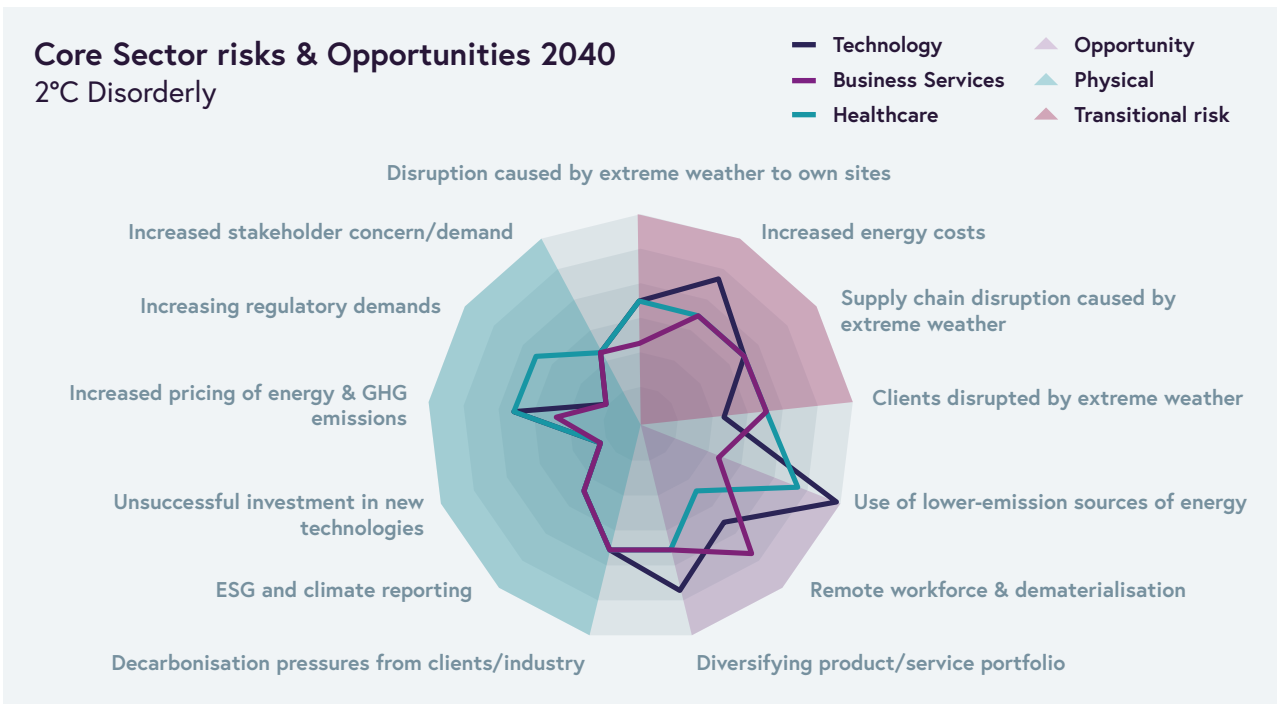
From a transitional risk perspective, our technology companies have a material exposure to a constant pressure to decarbonise cloud and digital services – one that will only amplify if global warming continues at its current rate. The energy used to run servers means that depending on the type of transition undertaken, increased pricing as a result of GHG emissions and water usage could pose a material challenge to our businesses.

The challenge with taking a sector view to profile the risks on the medium- and long-term horizons is that within our portfolio, certain sector averages are distorted by outliers. For example, within technology we include Lights4fun. Whilst this is a technology-led ecommerce business, it also has significant risk of supply chain disruption through the import/export of their products – which our other technology businesses do not have.

As such we've asked Positive Planet to also assess the risk/opportunity profile on a top-down sector basis, eliminating the impact of outliers in our portfolio assessment.



Based on a 2 degree orderly handover, the data shows that there are more opportunities than risks in our core sectors, but also demonstrates the need to take action to limit the impact of both physical and transition risks – which increase over time. We also recognise that the risk exposure will be highly dependent on what sort of transition takes place – with a hot house transition posing the most risk to our portfolio and core sectors and limiting climate-related opportunities.



3.3.4 Conclusion

Since releasing our Net zero plan in 2023, our primary focus in mitigating climate risk in our portfolio has been:

- ▶ 100% measurement of Scope 1, 2 & 3 emissions across the portfolio – we have achieved this for 2 years in a row.
- ▶ 100% of Companies in the Portfolio with Net Zero plans – 93% of our portfolio companies have a Net Zero plan (or documented decarbonisation plan) in place, whilst we are disappointed to have not met our 100% target, we have made material progress since 2023. Pleasingly, a further two companies have completed their Net Zero Plan ahead of our two year deadline for investments made since 2023; and five are in the process of building their plans.
- ▶ Introduction of ESG due diligence on all new deals, to better understand the climate risks and opportunities associated with prospective investment opportunities.

Over the last five years, we have reviewed the physical and transitional risks through our internal assessment. In our annual report this year Positive Planet's scenario analysis demonstrates the evolution of this practice, providing us with objective specialist insights – not only for our existing portfolio but also for our core sectors. This analysis has built on our practices to date and will allow us to build out a more robust climate strategy as an investor, as well as helping inform the way we review our portfolio and new investment opportunities in the context of climate risks and opportunities.

For more information on NorthEdge's approach to managing risk in our business and portfolio please see section 4.1.

4. Risk Management

Although we are a UK-domiciled investor, focussed predominantly on regionally headquartered businesses, our portfolio companies will and do traverse borders through their supply chain, customer base and owned operations. The emissions of our portfolio are over 60x the size of our own; and as such we feel climate change, at a global, national and local level, presents the most material risk in our portfolio rather than in our own business. For example, climate change may cause extreme weather events that disrupt operations within the global supply chain of one or more of our portfolio companies, adversely impacting their ability to serve their customers and impacting their profitability and cashflows.

4.1 Identifying & Assessing Climate-Related Risks

Our CFO, Charlie Page, is the appointed Chief Risk Officer (CRO) at the firm. Part of this role is to discuss potential breaches or deficiencies highlighted through the risk management system with our Risk Management Committee. As disclosed in section 2.1, our CFO is also an active member of the ESG and Management Committees (where risk management is a standing agenda point). The integration of those responsible for risk management across a number of committees ensures that climate-related risks, alongside wider ESG risks, are monitored appropriately through the firm's established risk management system.

In assessing our portfolio companies, we look to identify climate-related risks using the below frameworks, these are evolving but at present include:

Physical Risks (see section 3 for assessment)

Physical risk arises from changes to the environment that are produced directly by the continuing concentration of Greenhouse Gases (GHGs) in the atmosphere and the consequential increase in temperature, precipitation, sea level and other environmental degradation. Such physical changes may directly impact the value of our portfolio companies. For example, an increase in the severity and breadth of storms across a key holiday region for a travel business would directly impact their trading performance, or would impact a business who has offices based in affected areas.

Transition Risks (see section 3 for assessment)

Transition risk arises from changes to policy, technology and consumer preferences over time that reduce reliance on carbon-intensive products and services. The composition of industries, particularly in the energy sector, will change as a result of compliance with climate policy changes such as the implementation of the Paris Agreement. Climate policy changes introduce financial risks to firms like ours, who may own companies whose operations, profitability, cashflows and valuation could be impacted. For example, consumer and/or employee preference moves away from a business that isn't proactively taking responsibility for its operations and their subsequent impact on the planet in favour of a more climate-aligned business.

Second Order Risks

There is a substantial list of potential reputational, legal, and operational risks that arise in consequence of the above transition and physical risks. One we would draw particular attention to is the pricing of assets and businesses over a five- to ten-year horizon. We expect investors to seek out assets that are resilient to climate change risks or positively contribute to climate change mitigation.

We identify and assess climate-related risks and opportunities as part of our embedded business practices, which include:

- ▶ Launching sustainability and energy transition as a thematic to our origination and new investment opportunities, identifying ways in which we can target investment companies that are aligned to support, mitigate or enhance the acceleration to a low carbon economy, as well as supporting the wider UN Sustainable Development Goals.
- ▶ Investment due diligence, as detailed in section 2.2, the Investment Team completes an ESG screen & ESG due diligence for every potential investment that progresses to Investment Committee (IC). Additionally, we have recently refined the narrative reported within our Investment Committee papers to detail the risks and opportunities across E, S and G. For Environmental considerations, to the extent available, we capture specific details including energy usage, CO2 emissions generated and the progress of net zero planning.
- ▶ Once a company is in our portfolio, they are required to complete an annual ESG survey (mandated in the Investment Agreement), which is consistent with the questions completed pre-investment. This allows us to create a benchmark for each company to improve on following our investment, and also drives consistency in the information we collect across our portfolio pre- and post-deal.
- ▶ We manage our investments with an "active partnership" approach, which includes a formal board seat – all business risks are discussed by the Board as well as during internal monthly updates on each investment.
- ▶ Portfolio companies submit a monthly board pack to NorthEdge, this includes financials as well as operational updates, and will include relevant ESG related metrics.
- ▶ To support our portfolio understand and manage their risks and opportunities, we have created a database of trusted operating partners for our portfolio to access. If a risk is material, or a portfolio company requires specific expert knowledge, we are able to recommend a trusted advisor. For climate-related support we have identified partners who can support the portfolio with calculating their emissions as well as building net zero plans. For the diverse range of companies in our portfolio, calculating and understanding Scope 1, 2 & 3 emissions can be a complicated exercise, so we strongly encourage them to seek an external partner for validation and guidance when they are looking to measure their carbon footprint and devise their own strategies for decarbonisation.
- ▶ Ongoing ESG training is provided at NorthEdge for all colleagues and is updated regularly (See section 2.3). We also use our TCFD and PRI reporting to ensure our internal processes are up to date and in line with best practice. Our internal training includes online courses, webinars and conferences to make sure we stay up to date on market trends and emerging climate risks. These are circulated to the wider NorthEdge Investment Team through the core ESG team.

4.2 Managing Climate-Related Risks Within Our Overall Risk Management System

We manage our climate-related risks as part of our overall risk management system. Given the nature of our business we assess all risks at specific points during our ownership cycle as outlined below:

- ▶ The NorthEdge Capital LLP Management Committee oversee governance across the firm (section 2.1), they delegate this to various committees, including the Investment Committee (IC) which will review all risks and the ESG Committee which specifically reviews ESG risks with a regular feedback loop into IC and Management Committee.
- ▶ At pre-investment, where risk identification and management are embedded into our new investment process (section 2.2).
- ▶ Where a climate-related risk is material upon acquisition it would be included along with other risks, opportunities and value levers as part of the 100-day plan or Value Creation Plan (VCP) (section 2.2).
- ▶ Through our active partnership and board seat which provides governance, oversight and challenge into the management of any risks.
- ▶ Monthly updates between the internal NorthEdge Portfolio Team and the specific company board representative, where ongoing business risks are reviewed, including climate-related risks where relevant, and the results of any involvement of operating partners.
- ▶ The ESG Committee review guidance covering developments from initiative Climat International (iCI) and the PRI's Inevitable Policy Response. This highlights regulatory changes and transition risks that could develop into material risks for new investments and our portfolio. These are managed through a regular feedback loop and training to our investment and portfolio teams for future considerations into climate-related risks. These then feed back into the identification and assessment of climate-related risks (section 4.1).

5. Metrics & Targets

5.1 Data Collection

As highlighted in sections 3 and 4 we use multiple methods to identify, assess and monitor climate-related risks and opportunities. One of these methods is a focus on obtaining regular ESG data from our portfolio companies through our annual ESG survey. We are now in our sixth year of collecting both quantitative and qualitative data from our portfolio companies, continuing to ensure that we are collecting data that is material across the different sectors we invest in. With this in mind, we have aligned our ESG data collection procedures with the ILPA [ESG Data Convergence Initiative](#), as well as collecting metrics related to the SFDR Principal Adverse Impact indicators.

Through supporting industry-led initiatives, we are ensuring the data we collect from our portfolio companies is meaningful, relevant and allows us to benchmark performance against wider industry standards.

5.2 Review & Assessment

Once the surveys are submitted our core ESG team assess the results and liaise with the portfolio companies on any points identified that may need additional context or challenge, including where data doesn't follow an anticipated trend (based on market benchmarks or previous data submitted) or doesn't align with what we're seeing in the market. We then use the data to gain an aggregated view of portfolio performance on a holistic, fund and sector level. This data is then presented to our ESG Committee to facilitate discussion and highlight any areas of focus for the next reporting period.

As well as an aggregated view, our core ESG team also provide each company, via the Investment Director, with a tailored and objective maturity assessment. Each director receives a formal assessment from the ESG team on an annual basis, providing them with a rating on the scale below for their company's performance across E, S & G based on materiality to their business and sector, and relative to their performance on entry or in the previous reporting period.

No View	Reactive	Involved	Committed	Integrated	Futureproof
Not enough information to make an informed decision	Limited attention for ESG in the company, only based on laws & regulations Minimal board oversight and integration into daily operations, along with limited reporting efforts	Ad-hoc initiatives in place to manage ESG, mostly from a risk or a cost-efficiency perspective Demonstrated efforts to integrate ESG into daily operations, along with established reporting	Action plan/strategy in place to integrate ESG, focused both on ESG risks and opportunities, incl. KPIs and targets Established ESG committee executing stand-alone sustainability strategies to guide efforts	Tangible progress on relevant ESG themes; responsible business practices actively marketed to relevant stakeholders Established board oversight and reporting processes (and reporting audits)	Company's strategy fully aligned with a circular economy; frontrunner in the industry and pushing industry standards Fully embedded ESG efforts into corporate strategies, responsibilities, and executive compensation

Utilising the data collected through the ESG survey, alongside publicly available information on their business, industry and competitors, we are able to provide tailored recommendations on material risks and opportunities for the management team to focus on in the current reporting period, such as measuring and externally validating emissions across all scopes and finalising net zero plans. This is monitored on an annual basis to ensure the company is making appropriate progress across all recommendations, including climate, in the context of their wider business activities.

Once finalised by the core ESG team alongside the Investment Director for each case, we share the outputs of these assessments with our ESG Committee, wider Partner group and Investment Team. The recommendations we provide are then also incorporated into our investment team's annual performance & remuneration review, where it is considered as part of bonus discussions (See our remuneration policy in relation to the integration of sustainability risks [here](#)). This is to ensure all our colleagues are taking responsibility for the progress we're making in our portfolio, as well as in our own business.

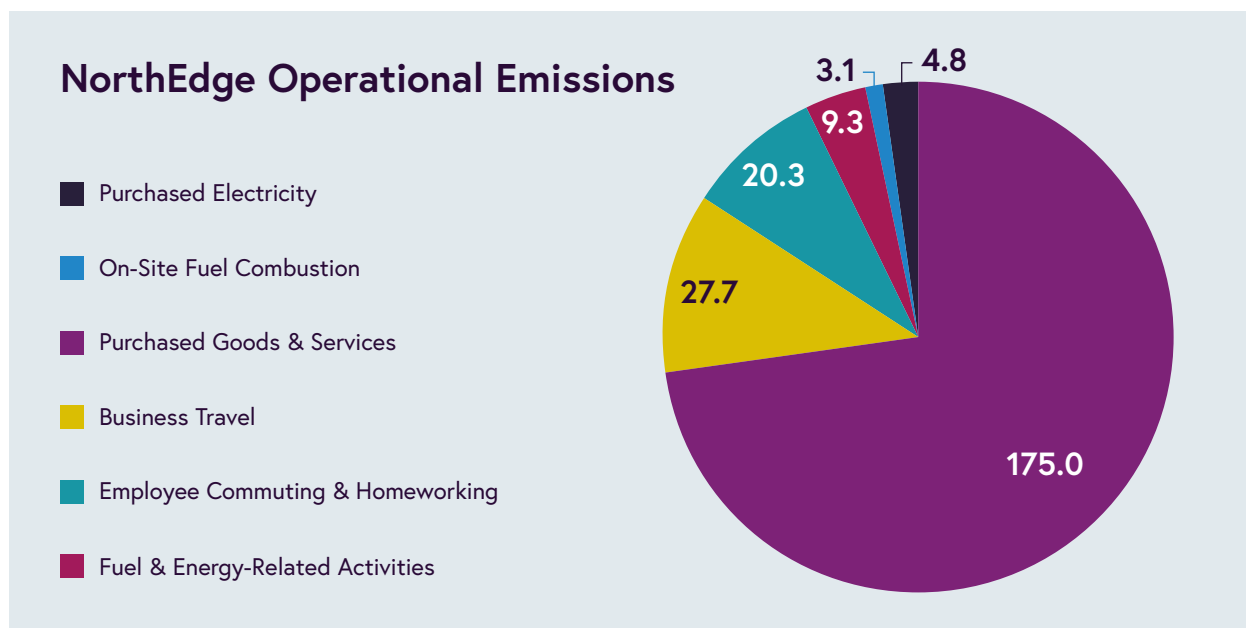
We have also released a net zero plan. This document is a statement of our intentions to decarbonise not only our own business operations but also those of our portfolio. The plan includes a number of targets aimed at reducing our emissions as a firm and investor, aligning with the target dates set out in the [Paris Agreement](#). For more detail, please see section 6.

6. NorthEdge's Carbon Footprint

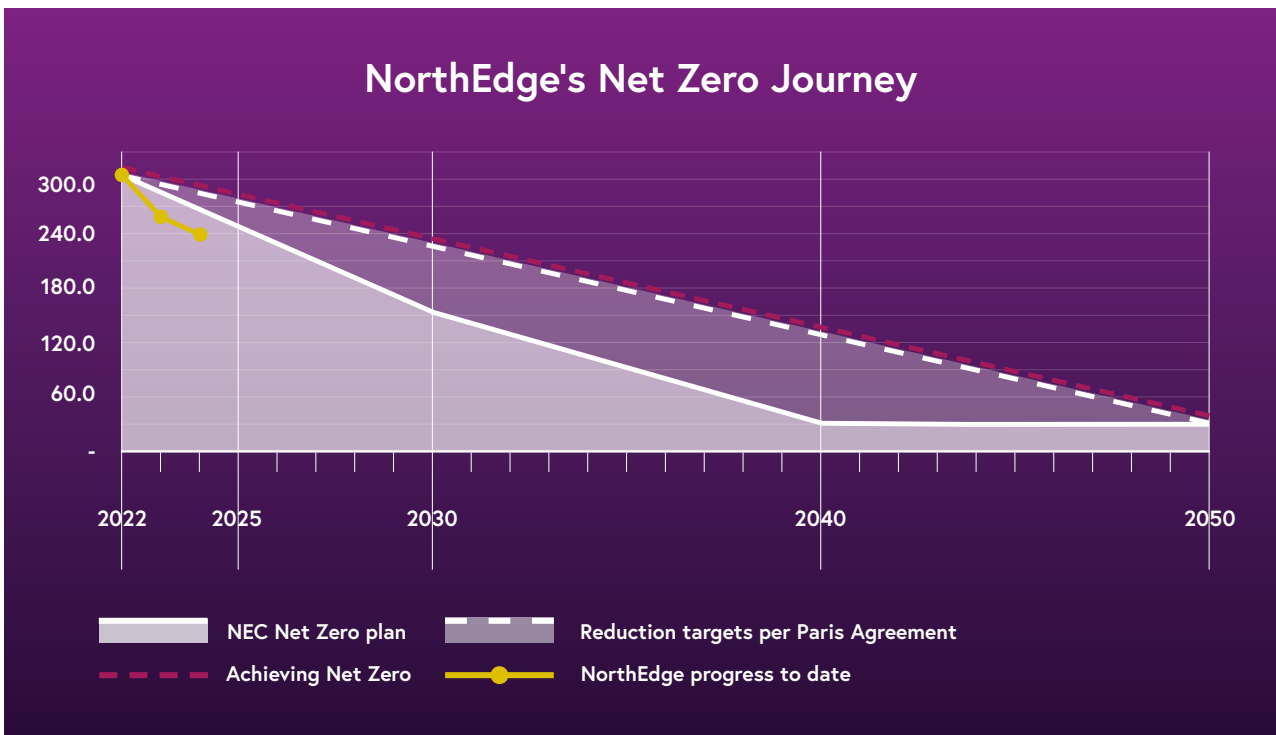
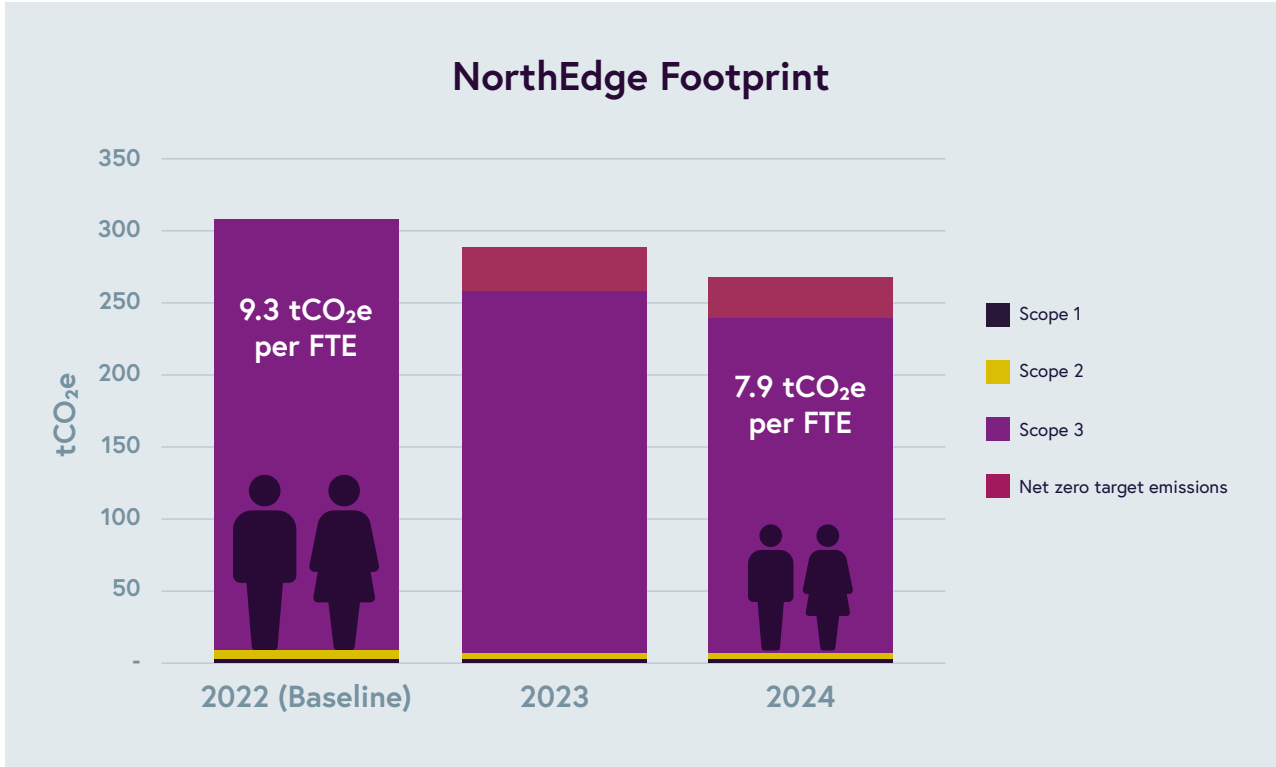
At NorthEdge we continue to be committed to taking responsibility for our environmental impact, both as a business and as an investor. As an investor we have set a number of targets (See section 2.1) in our net zero plan to encourage portfolio companies to decarbonise their own business operations. Our plan also includes targeting a 50% reduction in operational (Scope 1, 2 & operational Scope 3) emissions by 2030 and to achieve Net Zero by 2040, ten years earlier than the Paris agreement.

For the third year in a row we are pleased to have delivered a reduction in our carbon footprint, this year reducing our overall Scope 1, 2 and Operational Scope 3 carbon footprint by 8% against 2023 and an overall reduction of 22% against our baseline year of 2022⁽¹⁾. Further details on how we have achieved this are included in section 2.1.

As a growth-focussed business we expect our workforce and business operations to grow over the coming years, which is why we also assess our carbon footprint both in absolute terms and based on carbon intensity. To measure our carbon intensity calculation we calculate tCO₂e per FTE, which has reduced 15% since our 2022 baseline⁽¹⁾:



⁽¹⁾NorthEdge work with Positive Planet to independently measure our carbon footprint and provide 3rd party challenge on our carbon reduction plans. The carbon accounting guidance and emission factors that support the measurement of our carbon footprint are provided by external bodies such as DEFRA and the GHG protocol and may be subject to change periodically due to improvements in data quality, calculation methods and industry best practices. In 2024, these emission factors have changed and therefore in order to ensure an accurate and fair measurement of the progress made in reducing our carbon footprint, in-line with our Net Zero plan, we have re-measured last year's measurement and our baseline year (2022).



Evolving how we take responsibility

Alongside our advisors we are constantly assessing the best way to take responsibility for our impact. While carbon offsetting has played a significant role in our environmental strategy historically, it has become increasingly clear that a more integrated approach is needed to deliver long-term sustainability. Carbon offsetting often addresses the symptoms rather than the root causes of environmental degradation.

As a result, we have continued to transition our funding focus from carbon offsetting initiatives to nature-based solutions and ocean plastic clean-up efforts. This strategic shift aligns with our core values and the evolving understanding of effective environmental stewardship. By redirecting our resources to nature-based solutions and ocean plastic clean-up, we are adopting a more proactive stance to address the underlying issues and contribute to systemic change.

Nature-Based Solutions

Nature-based solutions, such as reforestation, wetland restoration, and regenerative agriculture, offer a number of benefits that extend beyond carbon sequestration. These initiatives enhance biodiversity, improve water quality, and support local communities by creating sustainable livelihoods. By supporting these solutions, we aim to foster resilient ecosystems that can adapt to climate change, while simultaneously addressing carbon reduction in a holistic manner.

2,400 trees planted to support reforestation

Ocean Plastic Clean-Up

The proliferation of plastic pollution in our oceans poses a severe threat to marine life, coastal communities, and global health. Addressing this issue requires immediate and sustained action. Our support of ocean plastic clean-up projects are designed to mitigate the adverse impacts of plastic waste, protect marine biodiversity, and promote healthier ocean ecosystems. This effort also aligns with the global movement towards a circular economy, encouraging the reduction, reuse, and recycling of materials.

240kg removed from the ocean, the equivalent of **12,000** plastic bottles

7. The Path Forward

At NorthEdge we remain focused on improving how we can better understand and reduce our climate impact to become a climate-aligned and climate-resilient private equity manager. Last year saw us:

- ▶ Committing to reducing our Scope 1, 2 & Operational Scope 3 emissions by 2030. We are pleased to report an 8% reduction in our carbon footprint this year, we believe the changes made in the period will help us remain on track to achieve Net Zero in line with our published target dates.
- ▶ Making material progress against a number of our portfolio climate-related targets, as detailed in 2.1.
- ▶ Providing more detailed data to our operating partner to enable a more accurate calculation of our carbon footprint than ever before, moving from a spend-based to activity-based measurement methodology where possible.
- ▶ Continuing to encourage colleagues to abide by our expense and travel policies, which include sustainability criteria. Over time this will support us to reduce our Scope 3 business travel and procurement emissions.

We look forward to continuing our commitment to the assessment and management of climate risks and opportunities across our own business and portfolio over the next twelve months and beyond.

Issue Date: June 2025

Appendices

Appendix 1 – TCFD Index

Governance

Disclose the organisation's governance around climate related risks and opportunities.

Recommended Disclosures	Section
a) Describe the board's oversight of climate-related risks and opportunities.	2.1 Governance within NorthEdge
b) Describe management's role in assessing and managing climate-related risks and opportunities.	2.1 Governance within NorthEdge 2.2 ESG governance within our investment process

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Recommended Disclosures	Section
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	3.1 Risk Assessment
b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.	3.1 Risk Assessment
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	3.1 Risk Assessment 3.3 Climate-Risk Scenario Analysis

Appendix 1 – TCFD Index

Risk Management

Disclose how the organisation identifies, assesses, and manages climate-related risks

Recommended Disclosures	Section
a) Describe the organisation's processes for identifying and assessing climate-related risks.	4.1 Identifying & Assessing Climate-Related Risks
b) Describe the organisation's processes for managing climate-related risks.	4.2 Managing Climate-Related Risks Within Our Overall Risk Management System
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	4.2 Managing Climate-Related Risks Within Our Overall Risk Management System

Metrics & Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended Disclosures	Section
a) Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.	5 Metrics & Targets
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	6 NorthEdge's Carbon Footprint
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	5 Metrics & Targets

Appendix 2 – Climate Risk Assessment

Below is a detailed breakdown of how we have assessed our holdings in each portfolio company from a climate risk perspective (See section 3.1) based on the most recent SASB matrix. When assessing broader ESG data at NorthEdge we focus on investments where we are the lead investor, as presented in our chart earlier in the report, however for the purposes of assessing climate related risks we have done this on a full portfolio basis.

Internal Portfolio climate relevance materiality matrix





Company	Sector - NorthEdge	Sector - SASB	GHG Emissions	Air Quality	Energy Management	Waste & Wastewater Management	Waste & Hazardous Materials	Ecological Impact
TKC	Business Services	Building products & furnishings						
Total Fitness	Consumer	Leisure facilities						
Prohire	Business Services	Road Transportation						
Lights4fun	Technology	E-commerce						
Platinum Stairlifts	Healthcare	Medical equipment & Supplies						
ITC Luxury Travel	Consumer	Hotels & Lodging						
Catalis	Technology	Professional & Commercial Services						
Hublsoft	Technology	Software & IT Services						
Phoebus	Technology	Software & IT Services						
Distology	Technology	Software & IT Services						
ICP	Business Services	Professional & Commercial services						
ramarketing	Healthcare	Professional & Commercial services						
Cezanne	Technology	Software & IT Services						
RoukenBio	Healthcare	Medical equipment & Supplies						
Contollo	Business Services	Professional & Commercial services						
Correla	Technology	Software & IT Services						
Meet	Healthcare	Professional & Commercial services						
Friend MTS	Technology	Software & IT Services						
Torbay	Healthcare	Biotechnology & Pharmaceuticals						
Latus	Healthcare	Professional & Commercial services						
PebblePad	Technology	Software & IT Services						
Investments where NEC are not lead investor⁽¹⁾								
Jigsaw 24/Pimberly	Technology	Software & IT Services						
Utiligroup	Technology	Software & IT Services						
Orbis	Business Services	Real Estate Services						
Qodea	Technology	Software & IT Services						
Altia	Technology	Software & IT Services						

⁽¹⁾Our risk assessment in section 3.1 of this report does not contain these entities.

Appendix 3 – NorthEdge Portfolio Net Zero Alignment

At NorthEdge, we understand that the biggest contribution we can make towards a net zero economy is through our portfolio and the management of their emissions. We are therefore focussed on ensuring we have alignment to net zero across the portfolio, which factors in that the composition of the portfolio will change over time as we invest and divest. As part of our Net Zero plan in 2023 we set a target for 100% alignment of existing portfolio companies with Net zero plans, and for companies invested in from 1 January 2023 onwards, they will have two years from the date of investment to become aligned. To date 16 companies are aligned to Net Zero or have a documented decarbonisation plan, with a further 5 companies with a net zero plan in progress.

Below shows a breakdown of all portfolio companies where we are the lead investor and their net zero status:

Fund	Portfolio company	Sector	Year invested	Net Zero status	Net Zero target year
Fund I	TKC	Business Services	2015		2048
Fund I	Total Fitness	Other	2015		2050
Fund II	Catalis	Technology	2019		
Fund II	ITC	Other	2016		2050
Fund II	Lights4Fun	Technology	2020		2048
Fund II	Platinum	Healthcare	2018		2050
Fund II	Prohire	Business Services	2018		2050
Fund III	Correla	Technology	2021		2050
Fund III	Friend MTS	Technology	2022		2035
Fund III	Latus	Healthcare	2024		
Fund III	Meet	Healthcare	2021		2050
Fund III	PebblePad	Technology	2024		
Fund III	Torbay	Healthcare	2023		2045
SME	RoukenBio	Healthcare	2023		
SME	Cezanne	Technology	2023		2040
SME	Contollo	Business Services	2024		
SME	Distology	Technology	2021		2030
SME	Hublsoft	Technology	2018		2050
SME	ICP	Business Services	2021		2045
SME	Phoebus	Technology	2019		2040
SME	ramarketing	Healthcare	2022		2050

Note: At NorthEdge our goal is that within 2 years of investment, companies will have their own Net Zero plan. As at the time of releasing our TCFD report, Latus, PebblePad, RoukenBio & Contollo have not yet hit their deadline but are working with third party specialists to create their respective plans.