

 **Oakley Capital**

# Responsible Investment

**Oakley Capital Limited** / Responsible Investment Report 2023

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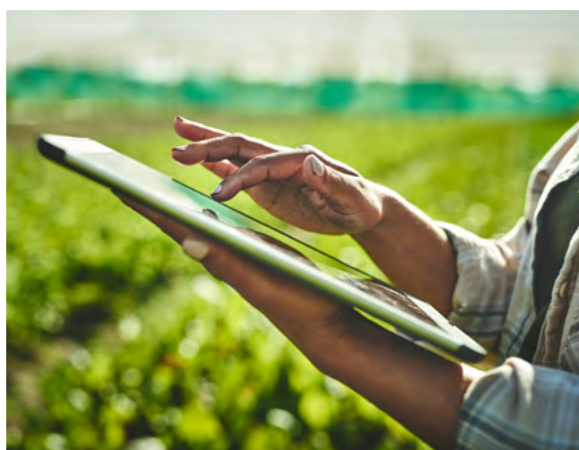
# Welcome to Oakley Capital's third annual Responsible Investment Report

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# Introduction

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## Foreword



**“Welcome to Oakley Capital’s third annual responsible investment report. In these pages, you will find updates on our approach to investing responsibly, as well as our sustainability performance in 2023.”**

**Our mission at Oakley remains unchanged: to be the partner of choice for exceptional founders and management teams, and to help them build exceptional businesses.** This means helping them grow in a sustainable way: sustainable in the sense of building up the infrastructure and processes to ensure they can sustain growth into the future and long after our period of ownership has ended, but also sustainable in terms of the impact of our businesses – and our custodianship of them – on the wider world and society. Our investors demand it, as do the founders we partner with, the advisers we work with and our employees. The two ‘sustainables’ go hand in hand, and by focusing on them we also make our businesses more resilient. This is even more important today, in an increasingly uncertain world with geopolitical and macroeconomic turmoil.

So, what are we focused on? Our sustainability programme remains centred around three key themes that we believe will best help us mitigate risks and build resilience into our businesses. They are: energy and climate change, equity, diversity and inclusion (EDI), and cybersecurity and data protection.

As Oakley continues to grow and invest, we ensure we can progress and deliver on these focus areas. In 2023, our team expanded to 168 people across our four offices in London, Luxembourg, Milan and Munich, and now with c. €10 billion assets under management (AUM).

We also expanded our Sustainability Team to five people, bringing in valuable data management and climate expertise and ensuring that we can dedicate more time to supporting the portfolio. We also employed a new IT director to lead our cybersecurity and data privacy strategy.

In 2023, we also achieved some major milestones. To better understand and then mitigate carbon emissions, we collected carbon footprint estimations from all our portfolio companies for the first time. We also partnered with a leading diversity platform for our portfolio companies, to help them better measure employee sentiment, provide insights into EDI and foster inclusive work environments. This platform is also in use across Oakley, reflecting our commitment as a firm to lead by example and create a workplace where everyone can thrive.

Partnership and collaboration are cornerstones of Oakley’s culture. This year, we supported a range of charitable causes, including War Child, an organisation dedicated to supporting children in conflict zones, through various fundraising activities. Such initiatives demonstrate our dedication to making a positive impact both within and beyond our organisation.

In 2023, we renamed our ESG Committee the Sustainability Committee to reflect an expanded focus that acknowledges the interplay of environmental, social and economic factors with our commitment to responsible and ethical business practices.

Assessing and mitigating climate-related risks is essential to the future success of our business. Looking ahead in June 2024, we will publish our first Task Force on Climate-related Financial Disclosures (TCFD) report.

Our commitment to responsible investment is a continuous journey. We recognise that there is always room for improvement, and we are dedicated to achieving tangible results. I hope this report provides valuable insights into our efforts to drive positive change across our firm and portfolio, ultimately building sustainable value for all our stakeholders.

**Peter Dubens,**  
Managing Partner and Co-Founder

## Letter from the Head of Sustainability



**“The path to sustainability is a continuous journey. Our work is ongoing; our performance measured in every step we take towards our goals.”**

**In 2023, Oakley made significant strides in our commitment to creating sustainable value for our investors and portfolio companies, and I am pleased to share our progress with you in the pages of this report.**

Sustainability is a driver of long-term financial performance – presenting opportunities to unlock monetary value and create a competitive advantage. In recognition of this, we have refocused our approach this year, going beyond ESG data collection to really embed sustainability within the investment cycle and begin to integrate it as part of product and service offerings within the portfolio.

2023 was an important year for us as it marked the end of our three-year journey to setting strong sustainability foundations. This allows us to refocus our sustainability strategy for the next 3-5 years to pursue our wider objectives: (i) providing support to investment teams in assessing sustainability during due diligence; (ii) developing a strong and value-adding portfolio engagement programme; and (iii) enhancing Oakley’s own sustainability practices.

To better support our portfolio and investment teams, we grew our Sustainability Team from two to five members, bringing expertise on climate and data management in-house for the first time. This expansion of the team also ensures we can track progress, comply with evolving sustainability regulations and, most importantly, help our portfolio companies unlock additional value through sustainability-related opportunities.

Our aim is to empower management teams during our ownership phase. By establishing trust and collaborating with the management teams of rapidly growing businesses, we can develop and integrate robust sustainability practices during a pivotal stage of a company’s growth. Our objective is to help companies understand how sustainability can fit into their business strategy, formalise an approach and support implementation.

During 2023, we met with 16 out of 17 of our majority-owned portfolio companies, with 14 out of 17 annual meetings happening in person. During these meetings, we discuss the business through a sustainability lens, analysing the risks and opportunities and assessing the most material issues to address.

**Sustainability review meetings held with portfolio companies**

**94%\***

\*Of majority investments

## Letter from the Head of Sustainability continued

Providing ongoing support and guidance on sustainability best practice helps to build trust and strong working relationships. We tailor the support we provide to the company's needs and ambitions. For some this takes the form of relatively minor changes, but for others it can include a fundamental shift in their focus. For example, in 2023, we encouraged and supported IU Group through its B Corp Certification process, which it received in late 2023<sup>1</sup>. We have also had several other portfolio companies ask about B Corp Certification and will support them through the certification process in 2024.

We continued to focus on three key sustainability themes: energy and climate change, equity, diversity and inclusion (EDI), and cybersecurity and data protection. In 2023, we rolled out two new tools for our portfolio: an enterprise climate platform to help companies measure and report their emissions, and an employee survey tool designed to gather data on EDI. Our focus on cybersecurity also continues, and this year, 82% of our majority-owned portfolio companies conducted a cybersecurity risk assessment or audit.



Additionally, we also extended our sustainability survey to minority investments for the first time this year, helping us to gather more data on performance, and brought our portfolio companies together to share insights and experiences at our second annual ESG Forum, a highlight of the year for me.

Enhancing and improving our own sustainability performance and practices is also important to us as a firm, as we believe in leading by example. This year, we responded to feedback obtained through our employee survey by pivoting our EDI strategy; established a Philanthropy Committee to formalise our approach to charitable giving; and continued to strengthen our cybersecurity and data protection measures.

The ever-changing macroenvironment means we need to be flexible and adaptive in our approach to sustainability. Increasing legislation, especially around sustainability reporting, requires a coordinated, collaborative effort at industry, firm and portfolio levels.

I am encouraged by the progress we have made this year. There is always more to do, and in 2024 we will formalise our climate strategy, increase our support for portfolio companies and strive to ensure that good quality data is used to drive sustainability performance.

The sustainability challenges facing businesses are complex and multifaceted, but we remain optimistic and forward-looking. We welcome your feedback on this report.

**Aga Siemiginowska**  
Head of Sustainability

<sup>1</sup> Sustainability through education: [IU Group receives B Corp Certification](#). Accessed on 13/06/2024.

## About Oakley

# Partnering with ambitious founders and management teams








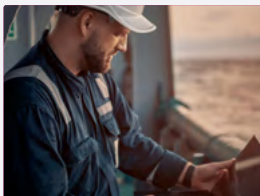
**Oakley Capital Limited is a pan-European investor that partners with exceptional founders and management teams to back mid-market businesses across consumer, technology, education and business services sectors, helping them succeed in a changing world.**

### Our approach

We invest in dynamic companies covering a wide range of goods and services from cloud hosting to childcare to K-12 education, legal information to luxury luggage. Our guiding principle is collaboration, as we believe working in partnership with founders and management teams can improve company resilience and support them to build successful businesses. We believe sustainability plays an important role in investing responsibly, and we offer our experience and expertise on sustainability topics, such as energy and climate change; equity, diversity and inclusion (EDI); and cybersecurity and data protection.

We value and respect the comprehensive and in-depth knowledge each management team has of its own industry and company, and we aim to combine our strengths and work together in a collaborative way when joining forces. Our approach is tailored to each company, and we remain mindful of the other pressures faced by each business. We strongly believe, and have seen, that good management of sustainability topics is essential for risk mitigation, brand protection and overall value creation.

For Oakley, responsible investment is a central aspect that runs through the entire investment cycle, starting from identifying investment opportunities to helping them accelerate growth, before preparing for their next phase after our period of ownership. We integrate sustainability considerations into each step of the investment process and aim to build robust structures and practices within each company that will endure beyond our investment period.

<p><b>Technology</b> </p> <p><b>Business migration to the cloud</b></p> <p>Companies are looking to deliver efficiency and productivity gains.</p> <p><b>7</b> investments</p> 	<p><b>Consumer</b> </p> <p><b>Consumer shift to online</b></p> <p>Several regions and sectors are ripe for digital disruption.</p> <p><b>11</b> investments</p> 	<p><b>Education</b> </p> <p><b>Growing global demand for high-quality accessible learning</b></p> <p>Online platforms and market consolidation are delivering provision at scale.</p> <p><b>6</b> investments</p> 	<p><b>Business Services</b> </p> <p><b>Providing mission-critical, tech-enabled services</b></p> <p>Helping businesses succeed in an increasingly complex, data-driven economy.</p> <p><b>4</b> investments</p> 
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As of 31 December 2023

## Highlights

# A pan-European portfolio

### Our investments\*

#### Our offices

##### United Kingdom

Bright Stars  
Dexters  
Globe-Trotter  
Phenna Group  
Thomas's London Day Schools

##### Germany

Contabo  
ECOMMERCE ONE  
Gymondo  
IU Group  
Schülerhilfe  
Vice Golf  
WindStar Medical  
Wishcard Technologies Group

##### France

ACE Education

##### Netherlands

Liberty Dental Group

##### Spain

Cegid  
idealista  
Seedtag  
vLex

##### Norway

Ocean Technologies Group

##### Switzerland

WebPros

##### Italy

Alessi  
Casa.it\*\*  
Facile

##### **Canada**

TechInsights

##### **USA**

North Sails

##### **Global**

Affinitas Education  
Webcentral



\*As of 31 December 2023

\*\*All metrics in this report relate to the atHome operations of Casa.it

€9.8bn

assets under management

168

employees

7

funds raised since inception

4

offices  
United Kingdom, Luxembourg,  
Germany, Italy

22

add-on investments<sup>1</sup>

28

high-growth investments  
across four sectors

<sup>1</sup> This figure only captures add-ons Oakley put additional equity behind. This does not include deals done on debt/company balance sheet.

Highlights continued

# 2023 in numbers



**+24,000 jobs**  
supported by our portfolio companies<sup>1</sup>



**12 out of 21**  
majority-owned portfolio companies used Oakley's cybersecurity programme in 2023



**100%**  
of portfolio companies now have insights into their carbon footprint and its drivers<sup>2</sup>

**76%**  
of portfolio companies measuring EDI data



**€750m**  
raised for our seventh fund, Origin II, which promotes environmental and social characteristics (under Article 8 SFDR)

Hosted our  
**2nd**  
in-person ESG Forum in November 2023

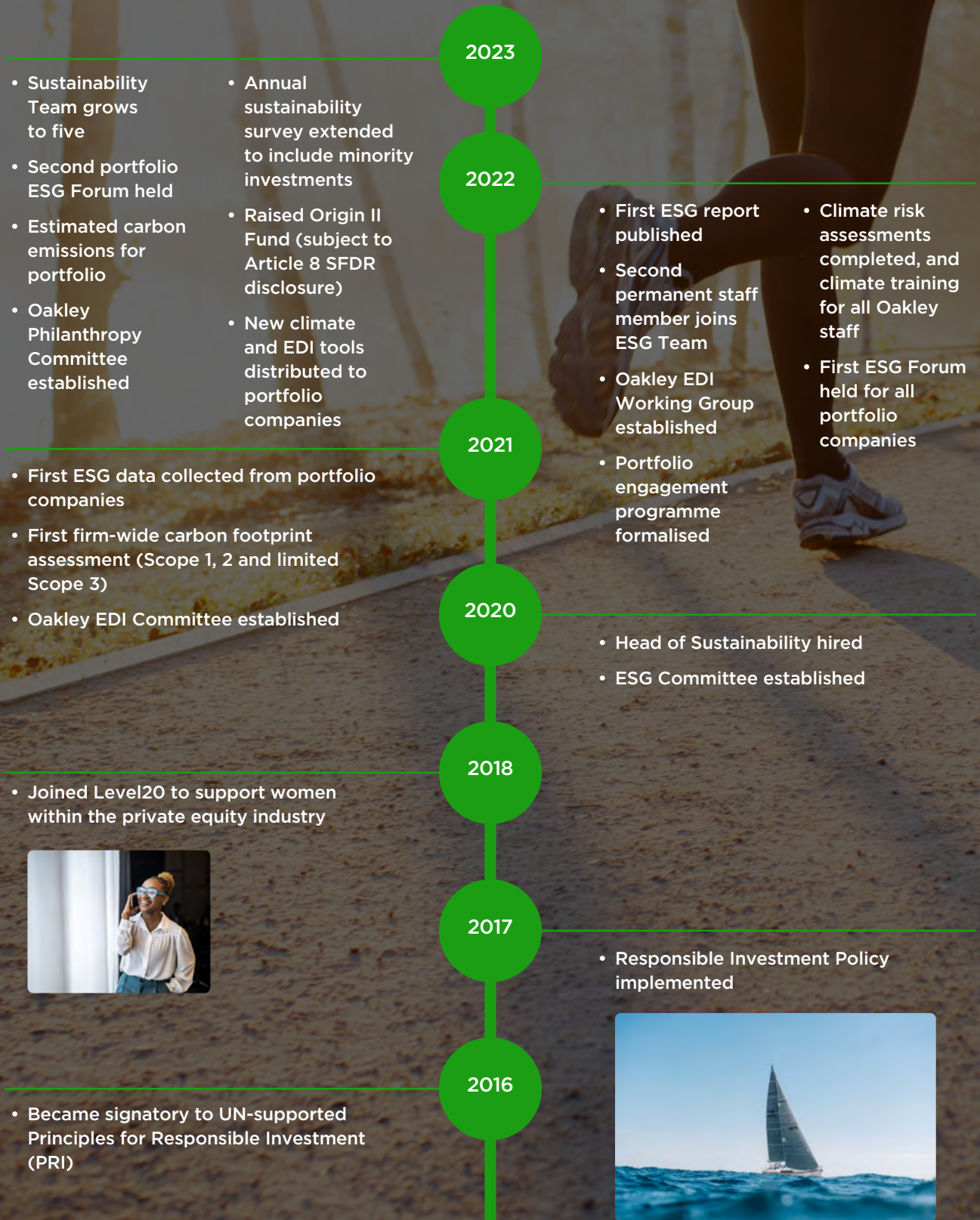


1 Refers to direct employment

2 This excludes all investments made in Q4 2023 onwards as we deem the timeframe too short to influence their operations and therefore their emissions.

## Milestones

# We believe that consistency is the key to success



## Our values

# Our values define us as a company

**Oakley was established to be the kind of private equity firm our founders wished existed when, as young entrepreneurs, they were being approached by investors.**

Until recently, those values, which have always guided our investment decisions and operations, were inherent within the company, but as our firm has grown, we decided to formalise our cultural values.

In 2023, we held two workshops with our teams to discuss the values our founders David Till and Peter Dubens suggested. Subsequently, armed with the input of more than 100 colleagues from across the two events, a working group with a diverse membership set out to finalise what would become the Oakley Values Charter.

The charter was formally approved in January 2024 and has been disseminated to the organisation via group and team meetings.

### The Oakley Values Charter



## Our people

# Our people are at the heart of everything we do

### Our people

Our people are at the heart of everything we do at Oakley. We recognise that our success is driven by the talent, dedication and hard work of our team. As such, we are committed to creating a diverse, inclusive and supportive work environment that allows our people to thrive. We also apply this ethos to our portfolio.

Oakley Capital has grown significantly in 2023. The firm now employs 168 people based across our London, Luxembourg, Munich and Milan offices.

### Our culture

At Oakley, we pride ourselves on our collaborative, respectful and empowering culture. We have worked hard to cultivate an environment where every individual can feel valued, supported and encouraged to share their perspective.

Throughout our growth, we have maintained our entrepreneurial and innovative spirit. Initiatives like our mentoring programme and regular 'all-hands' events help foster connections across teams and geographies.

168

people employed

4

offices

34

nationalities

### Employees 2021 - 2023

+20%

2022 - 2023

2023	<div style="width: 100%;"></div>	168
2022	<div style="width: 88%;"></div>	140
2021	<div style="width: 59%;"></div>	94



## Our philanthropic efforts

# Supporting our communities and the causes we care about

**Oakley's philanthropy programme dates back to the firm's inception two decades ago. Our strategy focuses on supporting charities that align with our core values. We contribute through corporate donations, fundraising, match-funding for employee initiatives and volunteering.**

### Governance and strategy

In 2023, we established the Philanthropy Committee to formalise our approach to charitable giving. The committee, comprising eight employees from various departments, is responsible for executing our philanthropy strategy. The committee meets monthly and reports biannually to Partners David Till and Steven Tredget.

### Corporate giving and fundraising

We financially support our offices across London, Munich, Milan and Luxembourg with local philanthropic initiatives that are chosen by them, through both individual endeavours and wider corporate giving. This approach not only helps us make a positive impact locally but also strengthens our culture and promotes collaboration across teams and offices.

Additionally, every year we host our flagship staff fundraising events. In 2023 this included our Holiday Auction and the Miles in March event, where the Oakley team run, cycle and walk to raise money. Oakley's partner charity in 2023 was [WarChild](#), an organisation dedicated to helping children living in conflict zones. In 2024 we will be supporting

[Groundbreaker Talents](#), a charity which trains young women from financially constrained communities in Uganda to become software engineers.

### Volunteering and employee engagement

We want everyone at Oakley to have the opportunity to volunteer. We announced our new volunteering programme in late 2023 and started to launch opportunities in Q2 2024.

In June 2024, Oakley's London office partnered with [Bookmark](#), a London-based charity that provides one-on-one reading support for primary school children. Our approach to volunteering is organic and unpressured, focusing on creating meaningful opportunities for our employees to give back to their communities.

### Looking ahead

Our philanthropic efforts will continue throughout 2024 as we focus on increasing volunteering opportunities and deepening our direct work with charities. We will also encourage employees to use our match-funding programme so that we can support them as they fundraise for causes they care about.



# Our focus




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## Our focus

# We are determined to **lead** by example

### Our sustainability programme prioritises three key themes:

-  **Energy and climate change**
-  **Equity, diversity and inclusion (EDI)**
-  **Cybersecurity and data protection**

At Oakley, we are committed to creating value by focusing on the sustainability topics that are most material to our business and investment portfolio. However, we believe there are some sustainability topics that are universal, and therefore our sustainability programme is centred around three

key themes: energy and climate change, equity, diversity and inclusion (EDI), and cybersecurity and data protection.

We believe these themes are important for all businesses, irrespective of sector, geographical location or scale, including our own, and, if not managed appropriately, can have an adverse impact on value.

We provide structured support to our portfolio companies on these themes. We use specialist advisers and our own tools to equip companies with the resources they need to navigate the potential impacts and set the necessary standards. More detail on how we assess the material issues within our portfolio is available [here](#).

### Sustainability programme



#### Energy and climate change

We believe that, in today's world, a responsible company understands its environmental impact and takes action to reduce it over time. We believe responsible companies are better able to manage climate-related risks and opportunities for their business over the longer term.



#### Equity, diversity and inclusion (EDI)

We believe diverse teams can make better decisions and generate better results.



#### Cybersecurity and data protection

We believe in protecting the intellectual property of our companies and the responsible handling of customer and consumer data.

## Our sustainability themes

### Energy and climate change

# Understanding climate impacts



**At Oakley, we recognise the importance of addressing climate change and its potential impacts on our investments and stakeholders, and the world at large. As a firm of over 160 people, we believe it is important to monitor and reduce our own carbon footprint and support our portfolio companies to do the same.**

#### Our carbon footprint

We completed our first operational carbon footprint assessment in 2021, which included data from 2019, 2020 and 2021. The exercise covered Scopes 1 and 2, and limited Scope 3 (business travel) emissions. In 2022, we extended our carbon footprint assessment to include a full assessment of our emissions, including relevant operational Scope 3 categories. Our operational footprint is based on actual data for Scopes 1 and 2, and a combination of activity-based and spend-based approaches dependent on data availability for Scope 3, giving us a credible baseline on which to create a decarbonisation pathway in the future. We used the same methodology in 2023 with the support of our external partner, a leading sustainability platform for emissions measurement. We measure our carbon footprint across Oakley's four offices in London, Munich, Milan and Luxembourg.

In 2023, our Scope 1 emissions increased by 16% due to a refrigerant leak in our London office. However, Scope 1 emissions still represent less than 1% of Oakley's operational carbon footprint.

Our Scope 2 emissions account for less than 0.5% of our total operational emissions. Despite our firm's growth, we achieved an 81% reduction in Scope 2 emissions in 2023, primarily due to our London office switching to a 100% renewable tariff in Q4 FY22.

**Scope 2 emissions (market-based) reduced by**

**81%**

**100%**

**of Scopes 1, 2 and controlled operational Scope 3 covered**

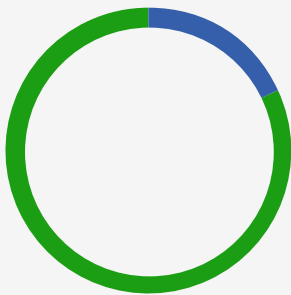
Our sustainability themes continued

Energy and climate change continued



**Total electricity consumption:**

443 MWh



Total renewable electricity consumption:  
362 MWh

Total non-renewable electricity consumption:  
81 MWh

Oakley's operational Scope 3 GHG emissions have doubled due to increases in business travel and employee commuting, which are directly linked to the rise in headcount from 140 to 168 in 2023. The impact of organisational growth is also evident in the increase in our spend-based GHG emissions for purchased goods and services, such as laptops, and capital goods.

**Carbon intensity by revenue:**



87 tCO<sub>2</sub>e/€m  
of total consumption

**Renewable electricity:**



82%  
of total consumption



Additionally, our Munich office reduced its Scope 2 greenhouse gas (GHG) emissions by 72% by increasing its renewable energy tariff to 52% of electricity purchased and improving data quality from square footage estimates to actual measurements.



Our sustainability themes continued

Energy and climate change continued

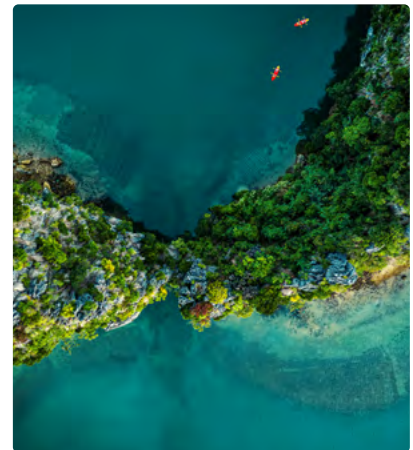


**Decarbonisation strategy**

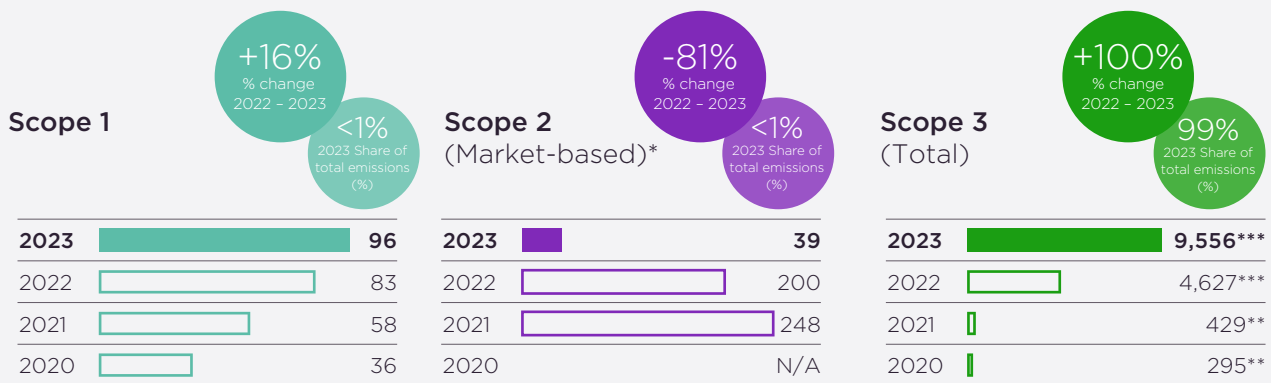
In 2024, we intend to develop Oakley’s climate strategy for our operations. This strategy will explore the most appropriate approaches to reducing our climate impact and assess potential initiatives to identify achievable commitments.

**Task Force on Climate-related Financial Disclosures (TCFD) reporting**

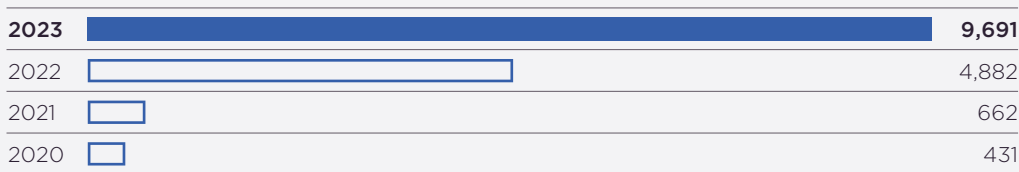
In June 2024, we published our inaugural TCFD report, demonstrating our commitment to transparency and alignment with globally recognised climate-related financial disclosure standards. The report outlines in more detail our approach to climate risk and opportunity and provides additional metrics. The report can be found [here](#).



**Oakley's corporate emissions**



**Total (market-based)**



**+99%**  
% change  
2022 - 2023

\* In previous years we reported location-based Scope 2 emissions (see our [2022 Responsible Investment Report](#) for historical emissions). Oakley’s 2023 location-based emissions are 94 tCO<sub>2</sub>e; however, we will be reporting market-based emissions going forward.  
 \*\* 2020 and 2021 Scope 3 emissions are limited to business travel and employee commuting.  
 \*\*\*Scope 3 emissions only cover operational emissions and excludes category 3.15 financed emissions. 2023 financed emissions are disclosed separately on [pg. 34](#).

Our sustainability themes continued

# Equity, diversity and inclusion (EDI)

## Fostering an open workplace



**At Oakley, we are committed to fostering an open, diverse and inclusive workplace, where everyone has an equal chance to thrive.**

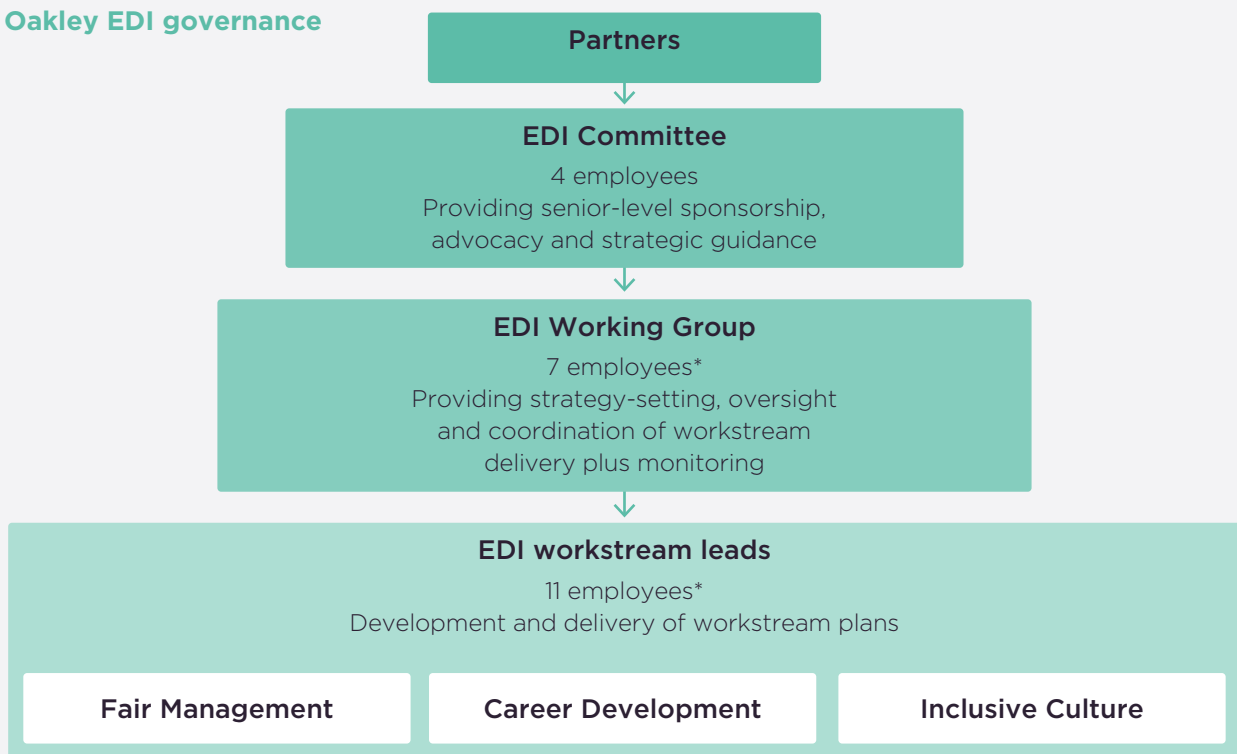
We believe diverse teams make better decisions and generate better results, which is why EDI is one of our three key sustainability themes.

The EDI Committee reports directly to the Partners and oversees the working group. The workstream leads set strategy and oversee the delivery of the three priority workstreams.

### EDI governance

Our formal EDI journey started in 2021 when we established a committee to oversee our strategic development and management of EDI.

### Oakley EDI governance



\* The number of employees relates to 2023 data. The future size of the group is subject to change.

Our sustainability themes continued

Equity, diversity and inclusion (EDI) continued



**Our culture**

How people feel about working here is important. We want everyone at Oakley to feel valued, included and respected for who they are.



**EDI vision**

We will continue to drive meaningful change at Oakley and across our wider industry through the way we recruit and nurture our employees, manage our portfolio companies and engage with our network.



**EDI mission**

We want to build an inclusive and meritocratic team with a supportive and fun culture, where everyone can be themselves. Achieving this will help us attract the best talent, make better decisions and deliver better results for our investors.



**EDI values**

- Empowerment
- Humility
- Meritocracy
- Collaboration
- Respect

**48%\***

of the Oakley global team are women

**33%\***

of 2023 Investment Team hires were women

**56%\***

of overall hires in 2023 were women



Although Oakley is in the early phase of our EDI journey, I'm excited by the passion and commitment to build an inclusive culture, which I see throughout the Oakley team."

**Rebecca Gibson**  
Partner

\* Percentages have been rounded to the nearest full number.

## Our sustainability themes continued

## Equity, diversity and inclusion (EDI) continued

**EDI strategy**

Based on the results of our employee survey, in May 2023 we pivoted to three workstreams that enable us to enhance focus and ownership. They are:

**Fair management****Deliverables against the revised FY23 plan**

Rolled out inclusive feedback training for all managers – this puts all employees on an even playing field when seeking to act upon performance-enhancing feedback.

**Career development**

Set up a new company-wide mentoring pilot programme that was rolled out in January 2024.

**Inclusive culture**

Updated our policies for maternity and parental leave and reviewed our paternity leave policies in readiness for legislative changes from April 2024.

We made encouraging progress on fair management and career development and reviewed our policies to foster an inclusive culture in 2023. The work planned around recruitment will be delivered in 2024.

From June 2024, all employees must complete these modules as part of their annual mandatory training. People managers will also receive tailored versions of the EDI and mental wellbeing modules.

**EDI training**

In September 2023, we introduced new mandatory training for all new joiners, including modules on EDI, anti-harassment and mental wellbeing at work. All new joiners completed the training in 2023.

# 100%

of new joiners completed all five EDI training modules in 2023

## Spotlight

Parental Transition coaching programme



# Developing strategies

**We understand that becoming a working parent is one of the most significant transitions in an individual's career.**

To ensure our colleagues feel genuinely supported during this crucial time, we partnered with The Tall Wall to create our bespoke Parental Transition coaching programme. Following a successful pilot in 2022, we rolled out the programme company-wide in 2023.

The programme offers up to three confidential coaching sessions with highly experienced coaches who specialise in both executive and parental coaching. These sessions are tailored to an individual's needs, providing a safe space to explore challenges, set goals and develop strategies for a successful return to work.

Feedback from participants has been overwhelmingly positive, with 100% of individuals recommending the coaching to others and 80% rating their experience as nine out of ten. By investing in this innovative programme, Oakley demonstrates its commitment to supporting its people through life's milestones, ensuring that the transition to parenthood is a positive and successful experience for all.



I found it hugely valuable in equipping me to step away from my role at Oakley, into an unknown space of parenting. At the point of stepping away, I felt completely supported whilst on leave, felt reassured and at the point of returning, I found huge comfort knowing that my worries of being back in the workplace were totally normal."

**Emily Cullis**

HR Manager

During the year,

10

individuals and their line managers took part in the scheme

[See more about The Tall Wall](#)



**Spotlight**  
Emergency Family  
Care Allowance

## Supporting employees

**In 2023, we introduced an  
Emergency Family Care Allowance  
to support employees with  
unexpected care needs  
for dependants.**

The benefit offers each employee an annual allowance to support the sourcing of emergency care provision when the usual plans fall through at short notice. This might include covering transportation expenses for a grandparent to take care of children or short-term care for an incapacitated family member. Partnering with Bubble, a care provider app, each employee is allocated time for finding Disclosure and Barring Service (DBS)-checked carers. Using the app, employees can access professional carers who are fully DBS checked and available at short notice.

Our sustainability themes continued

Equity, diversity and inclusion (EDI) continued



**Expanding our definition of diversity**

At Oakley, we embrace the diverse backgrounds and experiences of all our employees. We understand that diversity is about more than female representation, and our policies reflect this. When it comes to reporting on diversity, male and female representation has historically been the starting point for EDI reporting, but it is only part of the story.

As an example, in 2021, we began asking employees to share their ethnicity if they were comfortable doing so.

Between 2021 and 2023, the representation of people from minority ethnic groups has risen from 16% to 23% of our workforce.

We continue to seek ways to evaluate how effective Oakley is at hiring individuals from a wide range of social backgrounds, as well as how we can be an employer of choice for individuals who live with physical, cognitive or mental conditions.

We also continued to roll out our conscious inclusion workshops for all new hires, ensuring that everyone at Oakley has completed the workshop.

We recognise there is still much work to be done, but we are encouraged by the progress we have made this year. We will continue to prioritise EDI to ensure Oakley is a place where everyone can be their authentic selves and achieve their full potential.

**Flexible working**

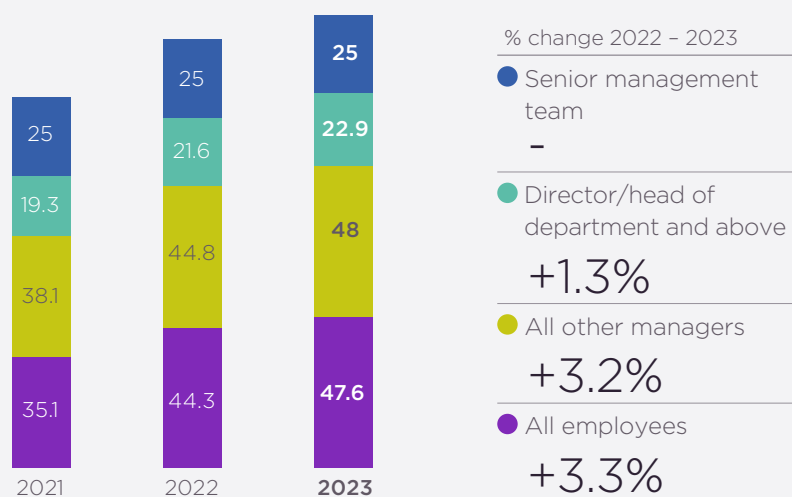
Our approach to flexible working is just that, flexible. Our policy allows all employees to request a working pattern that suits their needs, and if this aligns with business requirements, we are fully supportive. Flexibility is also extended outside of a formal working pattern adjustment, and we foster an environment to support those conversations between employees and managers.

Currently, 3% of our permanent employees have opted for part-time working arrangements. We enable our people to work away from their usual office location for 1-2 days per week and empower our managers to agree these arrangements with their teams.

**Looking ahead**

As we look to the future, our focus will remain on further enhancing our employee experience and developing our exceptional talent. We will continue to innovate in how we attract, retain and nurture our people.

**Percentage of women employed 2021 - 2023**



**New hires in FY23 who are women**

	2021	2022	2023
Investment Team hires	25%	50%	<b>33.3%</b>
Overall hires	42.3%	65.2%	<b>56.1%</b>

Our sustainability themes continued

**Cybersecurity and data protection**

## Strengthening our cybersecurity strategy

**Cybersecurity and data protection**

We recognise the critical importance of cybersecurity and data protection in safeguarding our operations, as well as the sensitive information of our portfolio companies and investors. This is why cybersecurity and data protection are both critical to our company and our portfolio.

In October 2023, we appointed David Bosomworth as our IT Director. An experienced cybersecurity leader, David oversees the firm's cybersecurity strategy. His appointment marks

a significant milestone in our commitment to fortifying our digital infrastructure and ensuring high levels of data protection. David sits on the IT Steering Committee, which is chaired by our Chief Financial Officer. It meets quarterly and reports directly to the Board.



Cybersecurity and data protection are critical to Oakley and our portfolio, and we continue to strengthen our systems to remain resilient against the ever-evolving threat landscape.

**David Bosomworth**  
IT Director

## Our sustainability themes continued

## Cybersecurity and data protection continued

**Building resilience**

We continued to strengthen our cybersecurity and data protection measures during 2023, ensuring that our systems remain resilient against the ever-evolving threat landscape. One of the key initiatives undertaken during the year was the enhancement of our endpoint security management.

**Testing and training**

Employee training and awareness remain the bedrock of our cybersecurity strategy. In 2023, we continued to provide comprehensive cybersecurity training to all new joiners and conducted annual refresher courses for the entire Oakley team.

We also reinforced best practices, such as avoiding password reuse and conducting monthly phishing simulations with all our employees. In 2023, only 5% of our employees fell for the phishing test, demonstrating the effectiveness of our ongoing training and awareness programme. Next year, we will be further strengthening these tests by tailoring them to individual user behaviours and platform use.

# 100%

of Oakley Capital employees completed cybersecurity training in 2023

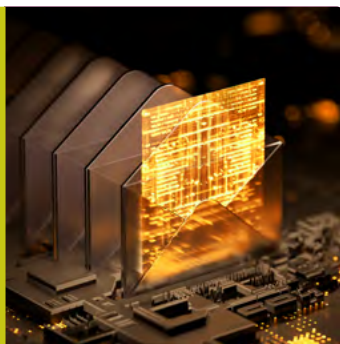
**Looking ahead**

We made significant strides in delivering on our cybersecurity strategy during 2023. By aligning our business support capabilities with our IT infrastructure, we have created a robust foundation for the future growth and security of our operations. Using NIST-2 as our guiding framework, we are building processes and systems to continually improve our ability to protect, detect and respond to the increasing numbers and sophistication of cybersecurity threats.

We remain vigilant in the face of evolving cybersecurity threats and are committed to upholding the highest standards of data protection. Through our proactive approach, ongoing training and continuous improvement initiatives, we strive to maintain the trust of our portfolio companies, investors and stakeholders, while driving sustainable growth in an increasingly digital landscape.

# 95%

of our employees did not fall for phishing tests



## Governance of responsible investment

# We create value through responsible investment

### Governance of responsible investment

We aim to create value by being a responsible investor and ensuring that sustainability is part of our decision-making process. In 2023, we renamed our ESG Committee the Sustainability Committee to reflect an expanded focus that acknowledges the interplay of environmental, social and economic factors with our commitment to responsible and ethical business practices.

By taking a holistic view of sustainability and integrating it into our investment strategy, we strive to generate long-term value for our stakeholders while proactively managing our impacts on the world around us consistent with our fiduciary duties to safeguard investors' financial and non-financial interests.

### Responsible investment policy

Our Responsible Investment Policy is regularly updated, publicly available and applicable across our portfolio. The policy affirms our commitment to incorporating sustainability considerations throughout the investment process. The policy is available [here](#).

The Board of the Investment Adviser holds ultimate responsibility for the policy, which is implemented with the support of Oakley Partners and the broader Oakley team.

The Sustainability Committee is tasked with driving the implementation of the Responsible Investment Policy. The committee reports quarterly to the Board, offering pertinent advice and recommendations to the Oakley funds.

Our Sustainability Team, led by the Head of Sustainability, works closely with the Investment Team to facilitate the daily execution of responsible investment practices.

Our governance structure is designed to ensure sustainability considerations are embedded at all stages of the investment cycle. It aims to equip both Oakley employees and portfolio teams with the necessary tools and training to meet the objectives of our policy.

Regular reporting and disclosure of our sustainability activities, including at our annual Investor Day in May, is a key aspect of our commitment to transparency and accountability.

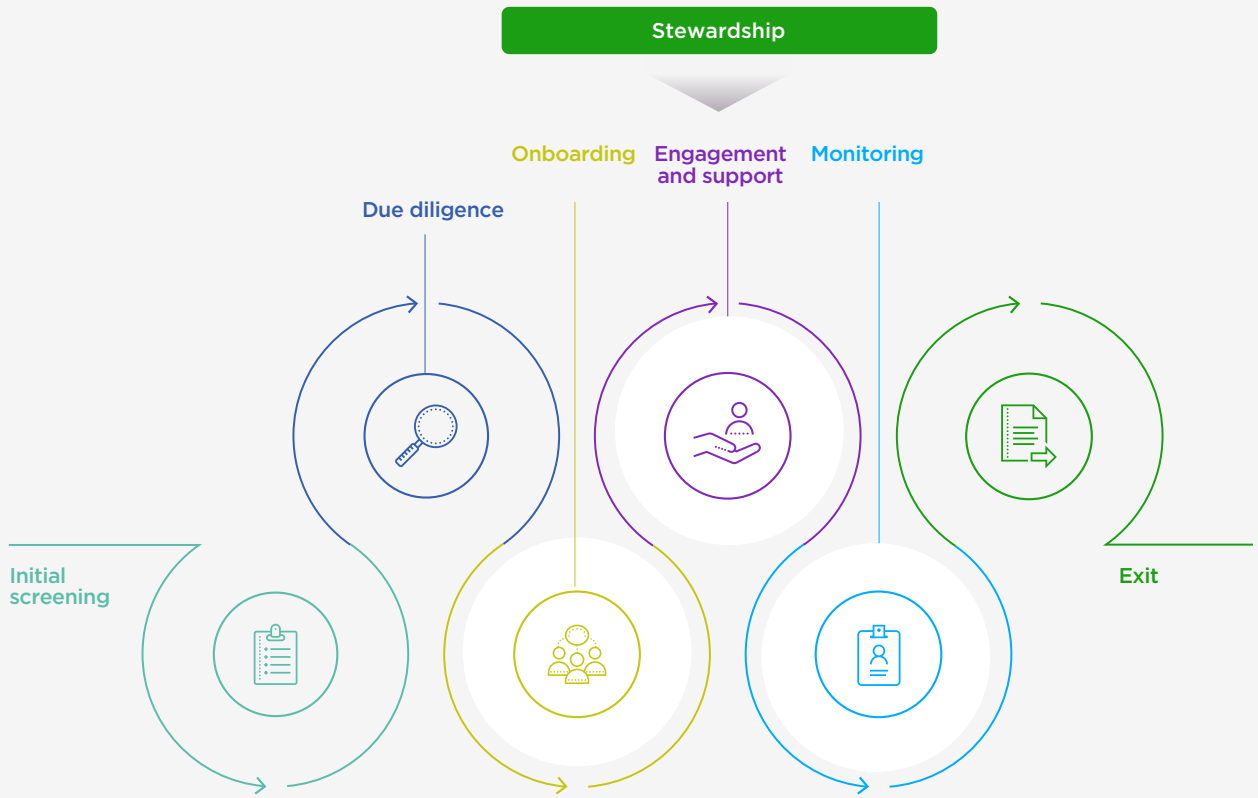
### Organisational oversight of climate-related topics



# Our responsible investment process

**Oakley Capital** focuses on investing in mid-market companies across four core sectors: Technology, Consumer, Education and Business Services.

**Our responsible investment process consists of four key stages:**



**1. Initial screening**

- Preliminary assessment of sustainability risks and opportunities

**2. Due diligence**

Due diligence carried out using internal resources, or external consultants as appropriate, including:

- Red flag assessment
- Materiality assessment – identification of (company-specific) sustainability-related risks and opportunities

**Stewardship**

**3a. Onboarding programme**

- Sustainability onboarding with Oakley team
- Addressing urgent issues identified as part of due diligence

**3b. Engagement and support**

- Ongoing support and guidance provided by the Sustainability Team

**3c. Monitoring**

Active stewardship including:

- Engagement with company management on sustainability topics
- Annual ESG monitoring and review of progress
- Company key performance indicator (KPI) reporting to Oakley
- Sustainability topics and progress discussed at Board meetings

**4. Exit**

- Support in preparing for sustainability due diligence from prospective investors
- ESG vendor due diligence as appropriate

## Our responsible investment process continued



### 1. Initial screening

Assessing sustainability risks and opportunities from the earliest stages of evaluating a potential investment is important. We screen out companies whose primary business is in tobacco, controversial weapons or pornography, due to the risks inherent in these types of investments and noting that they are outside of our four core sectors. Additionally, we identify whether the entity operates in sectors or geographies new to Oakley, where our understanding of sustainability topics may be less developed than for our core sectors and geographies. In such cases, the Investment Team and Sustainability Team initiate discussions to determine how best to approach sustainability due diligence, potentially bringing in external specialist advisers to conduct further assessments.



### 2. Due diligence

During the due diligence phase, the Investment Team and Sustainability Team collaborate, potentially engaging external advisers, to identify sustainability risks and opportunities and determine the extent to which they can be managed or mitigated post-investment. This collaborative approach helps us formulate a plan for due diligence, which is often unique to each opportunity. By working together, we can integrate sustainability-related questions into other due diligence workstreams, enabling us to understand sustainability topics as they relate to that opportunity more holistically.

This stage also marks the beginning of our collaboration with the company's management team. The findings from the sustainability due diligence process are integrated into the investment memorandum and presented to the Investment Committee for review as part of its decision-making process.



### 3. Stewardship programme

Our aim is to empower management teams during our ownership phase, providing them with the knowledge and tools to identify and manage ESG risks and opportunities in their sector.



#### 3a. Onboarding

If an investment is successful, the findings of our due diligence are incorporated into a 100-day plan, which includes a sustainability onboarding session with the management team. During this session, the Sustainability Team introduces Oakley's sustainability processes, discusses due diligence findings and agrees on a sustainability action plan.

# 75%

of the portfolio companies  
in which Oakley is a majority  
investor had a sustainability  
action plan as of December  
2023<sup>1</sup>.

<sup>1</sup> Representative of the 76% of majority investor portfolio companies responses received in the ESG survey.

## Our responsible investment process continued



### 3b. Engagement and support

Sustainability action plans are driven by each management team, with our Sustainability Team providing support and guidance throughout the ownership phase. The Sustainability Team is available to provide support and guidance, as well as the necessary tools to facilitate progress on key initiatives, such as climate, EDI and cybersecurity.

We aim to hold on-site meetings with our management teams at least annually and host events and webinars to foster collaboration, knowledge-sharing and best practices. These touchpoints enable discussions and debates on common sustainability issues and provide a platform to learn and hear from leading speakers. Through these efforts, we strive to advance sustainability practices and build stronger partnerships with our portfolio companies.

## B Corp Certification

In 2023, Oakley encouraged and supported IU Group through its B Corp Certification process, which it received in late 2023. We will continue to support other portfolio companies that choose to work towards B Corp Certification.

Certified



Corporation



### 3c. Monitoring and reporting

Our goal is to improve the sustainability performance of our companies while they are part of our portfolio. Monitoring and reporting allow us to assess performance and identify areas for development and improvement either across each fund or at portfolio company level. We ask portfolio companies to report annually on ESG KPIs for the previous calendar year.

The KPIs and questions we ask have been developed based on a combination of the Sustainability Accounting Standards Board (SASB) industry guidelines, the EU Sustainable Finance Disclosures Regulation (SFDR) principal adverse impacts (PAIs), the ESG Data Convergence Initiative (EDCI) metrics and knowledge of the sectors we invest in. All companies are asked, at a bare minimum, to report on Oakley's core KPIs, which have been developed with the previously mentioned frameworks in mind.

Over the last three years, as companies have become accustomed to regularly measuring and reporting on ESG data, we have witnessed a notable enhancement in the quality and reliability of the data reported by our portfolio companies through our monitoring programme. This progress demonstrates the growing importance and integration of sustainability considerations within our portfolio.

Once the reporting is completed, we meet with each portfolio company to discuss and validate what has been reported. This discussion is crucial to better understand progress and priorities, and to agree the sustainability action plan for the year ahead.

Aside from the major post-reporting touchpoint with the Sustainability Team mentioned above, usually at the end of Q1, the Investment Team regularly discusses sustainability topics with portfolio management during the year, and provides updates on a quarterly basis, including on sustainability, as part of the quarterly portfolio reviews.



### 4. Exit

As a responsible investor, we prioritise sustainability factors not only during our ownership phase, but also during the exit process where we see showcasing areas of sound sustainability management as an essential part of a business's exit strategy.

To achieve this, we remain transparent about sustainability risks and opportunities throughout the exit process. We reflect on how the business has progressed against its sustainability action plan, related KPIs and value creation opportunities resulting from sustainability initiatives and risk mitigation practices.

During the exit phase, we assist the business in preparing for sustainability-related questions from prospective buyers and undertake sustainability-related due diligence on the business as appropriate. We take a pragmatic approach and consider the level of sustainability due diligence we would expect on the business if we were investing in it now.

# Our portfolio

## In this section

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## Assessing materiality

# Assessing the ESG materiality of our investments

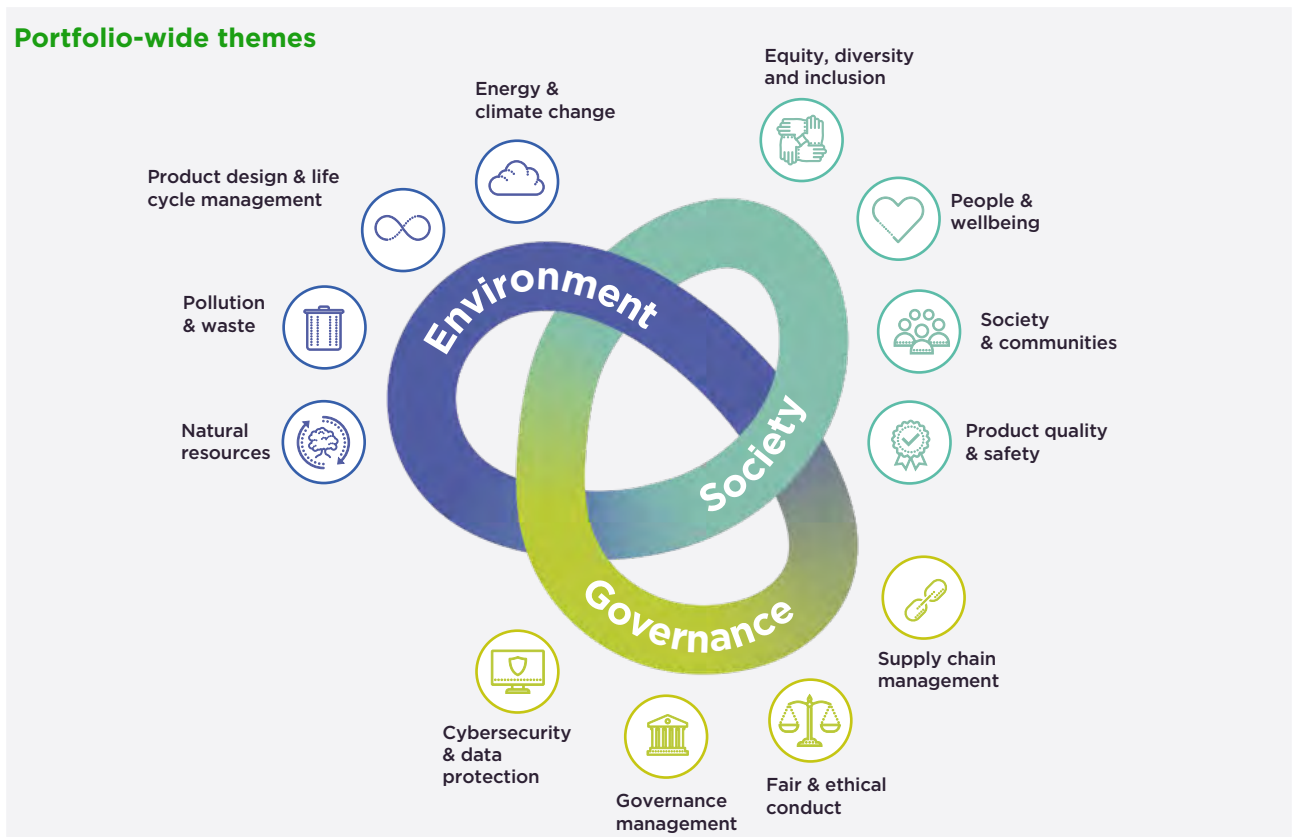
Every company is unique, and at Oakley we recognise the importance of understanding the material sustainability topics of each of our investments. In addition to the three portfolio-wide sustainability themes of energy and climate change, EDI and cybersecurity and data protection that we consider important for conducting good business, mitigating risks and ensuring our investments are prepared for the future, we conduct materiality assessments to identify company-specific sustainability themes.

Our process begins during the due diligence phase where we use the SASB industry guidance to identify the most relevant/material topics for each company based on its industry and operations. We then refine the materiality assessment by applying our deep sector knowledge and understanding of each business. The assessment is used as a guide in our portfolio engagement and sustainability review process.

Post investment, the materiality assessment becomes a more collaborative exercise between the company leadership teams and the Oakley Investment and Sustainability Teams. By combining our expertise, we evaluate the sustainability factors that are most likely to affect the financial performance of each business within our portfolio.

For some companies, materiality through a sustainability lens is a new undertaking. To simplify the approach and facilitate meaningful discussions with our portfolio companies, we have distilled the concept of materiality into 12 core themes, with four themes within each of the ESG categories. These themes are intentionally broad, allowing companies to identify and relate to the issues that are most relevant to their operations.

Materiality needs constant review, so we formally review the assessments with company management annually. During the year, we also monitor our most important issues, knowing they may change abruptly due to internal and external events.



Assessing materiality continued

**Portfolio materiality heat map**



For majority-owned companies only. Webcentral is not included in the materiality heat map or the following portfolio metrics as it was a late Q4 acquisition.

**Themes**

**Environmental**

- Energy & climate change
- Natural resources
- Pollution & waste
- Product design & life cycle management

**Social**

- Equality, diversity and inclusion
- People & wellbeing
- Society & communities
- Product quality & safety

**Governance**

- Cybersecurity & data protection
- Fair & ethical conduct
- Governance management
- Supply chain management

**Key**

- Material theme
- Portfolio-wide theme

## Portfolio performance by key sustainability theme

# We actively support our portfolio companies in managing their sustainability risks and opportunities

For many, Oakley's involvement marks their first engagement with sustainability. In most cases, we spend the first year of an investment collaborating with the management team to establish baselines, set KPIs and establish monitoring and reporting processes. In the following years, we work closely with the portfolio company to enhance their reporting capabilities and improve their sustainability performance across their most material issues.

While material issues will vary between companies, our sustainability programme is centred around three key themes that are important for every business, irrespective of sector, geographical location or scale: energy and climate change, equity, diversity and inclusion (EDI), and cybersecurity and data protection.

### Monitoring performance

Our goal is to improve the sustainability and ESG performance of our companies while they are part of our portfolio. Monitoring and reporting allow us to regularly assess performance and identify areas for development and improvement across each fund and at portfolio company level.

# 86%

of our portfolio companies completed our annual sustainability survey

We ask portfolio companies to report annually on progress and KPIs through our annual sustainability survey for the previous calendar year. In 2023, for the first time, we collected climate and wider ESG data from both our majority and minority investments.

All portfolio companies are asked, at a minimum, to report Oakley's core KPIs in line with the previously mentioned frameworks, including GHG emissions, board diversity and progress on cybersecurity systems.



Every company is unique. It is our job is to listen first, then work together to devise an action plan that will support them on their sustainability journey.

**Aga Siemiginowska**  
Head of Sustainability

## Portfolio performance by key sustainability theme continued

**Energy and climate change****Measurement is the first step**

**We first supported our portfolio companies in reporting their carbon emissions in 2022. To accomplish this, we expanded our annual monitoring exercise to include questions that capture the necessary data points for calculating Scope 1 and 2 emissions.**

These questions covered aspects such as fleet characteristics, refrigerant use and energy tariffs. In 2022, 88% of our majority-owned portfolio companies had at least an estimated carbon footprint for Scope 1 and 2 emissions, with most using sector intensity averages and specific company and financial data for estimates and some companies using activity-based and spend-based estimates.

In 2023, a growing number of our portfolio companies expanded their in-house capabilities or engaged external partners to calculate their Scope 1, 2 and 3 emissions where possible and data is available; however, this remained a challenge for many. For this reason, in Q4 of 2023, we partnered with a leading sustainability platform for emissions measurement and reporting to set a baseline for Oakley's financed emissions, i.e. those emissions associated with our portfolio.

Through this partnership, we were able to use the platform to take a structured approach to calculating the emissions associated with our investments. For the 2023 reporting period, five portfolio companies used the platform to calculate their emissions, with an additional five companies signing up to measure their carbon footprint in the future. Overall, 39% of our majority investments and 38% of our minority investments were able to measure their carbon footprint through their own initiatives or through the support of our external partner platform using a mix of actuals as well as spend- and activity-based estimates, in 2023. This amounts to 38% of the total portfolio measuring their emissions.

# 100%

**of portfolio companies now have insights into their carbon footprint and its drivers.**

For the remaining 62% of portfolio companies that are not yet measuring their carbon footprint and were unable to provide data, our external partner supported Oakley to bridge this gap by calculating carbon emissions estimates using sector intensity averages and specific company information and financial data. We will continue to support those companies that are still working towards robust carbon reduction strategies.

**Financed emissions within our portfolio**

In 2023, we excluded all investments made in Q4 onwards from our carbon footprint as we deemed the timeframe too short to influence their operations and therefore their emissions. We considered investments post management onboarding, in line with industry guidance.

All actual and estimated carbon footprint calculations are attributed to Oakley's investment in each portfolio company<sup>1</sup> in line with the Greenhouse Gas Protocol and with the Partnership for Carbon Accounting Financials (PCAF) framework, the industry standard for emissions accounting in financial services. We will continue to support our companies in improving data collection and quality as we move toward collecting their actual emissions data.



<sup>1</sup> Total emissions for portfolio companies are higher as they are representative of the entire business rather than Oakley's attributed financed emissions.

Portfolio performance by key sustainability theme continued

Energy and climate change continued



Key performance indicators

Portfolio energy consumption

Total energy consumption

74,769 MWh<sup>1</sup>

Share of renewable energy

51%

Share of non-renewable energy

49%

Portfolio carbon footprint

Scope 1+2 financed emissions<sup>2</sup>

17,870 tCO<sub>2</sub>e

Scope 1  9,755 tCO<sub>2</sub>e

Scope 2  8,115 tCO<sub>2</sub>e

Portfolio weighted average carbon intensity

Scope 1+2

16 tCO<sub>2</sub>e/€M

Majority investments carbon footprint

Scope 1+2 financed emissions

15,475 tCO<sub>2</sub>e

Scope 1  9,366 tCO<sub>2</sub>e

Scope 2  6,108 tCO<sub>2</sub>e

Looking ahead

As we move forward, Oakley remains committed to working closely with our portfolio companies to drive positive change and sustainable growth, from both a financial and non-financial perspective. We will continue to refine our processes for measuring and

managing climate-related risks and opportunities, and support those portfolio companies that plan to set carbon reduction targets within the next two years as well as those pursuing sustainability certifications and frameworks where appropriate.

<sup>1</sup> This figure represents actual MWh from 64% of our portfolio companies.

<sup>2</sup> This figure includes carbon emissions that were calculated by external consults where portfolio companies provided the data as well as a mix of activity- and spend-based estimates and estimates using company financial data and sector-specific emission factors depending on data availability.

**Spotlight**  
Thomas's Schools



# The importance of strong foundations<sup>1</sup>

**Thomas's London Day Schools is a family-run group of co-educational independent schools in central London for children aged from two to 18 years old.**

When, in 2022, the group's new chief operating officer (COO) took responsibility for delivering its sustainability action plan, he set about laying the foundations for a robust and collaborative approach.

One of the first priorities was the formation of an ESG committee, bringing together sustainability leads from each of the six schools. The COO also invited Oakley's Head of Sustainability to contribute to the group to offer insight and guidance. The ESG committee developed and published its terms of reference, encompassing operational, procurement and curriculum matters. This collaborative effort resulted in the creation of an ESG action plan, an ethical procurement policy and an educational sustainability policy.

With Oakley's support, Thomas's Schools achieved another significant milestone in 2023 by completing its first mandatory UK Energy Saving Opportunities Scheme (ESOS) assessment. These foundational steps will inform and guide the group's ongoing sustainability strategy, enabling it to set targets and monitor progress effectively.

[See more about Thomas's](#)

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**Spotlight**  
North Sails

# Pioneering sustainable sailmaking<sup>1</sup>

**Founded in 1957 by Olympic gold medal-winning sailor Lowell North, North Sails has become the world's leading sailmaker, designing high-performance sails for race boats, superyachts and cruising vessels.**

With a legacy of innovation and technological advancements, North Sails has consistently revolutionised the sailing industry. Today, the company is committed to finding sustainable solutions in sailmaking, focusing on low-impact manufacturing, alternative fibres and material circularity for its most popular sails.

Oakley invested in North Sails in 2014 and has actively supported its management team in its strategy to integrate sustainability within its business objectives. In January 2024, North Sails launched RENEW North Panel Laminate (NPL) sailcloth for cruising boats between 25 and 45 feet.

RENEW<sup>2</sup> is constructed from more than 90% sustainable sources, including recycled polyester film and yarn, as well as bio-based Dyneema, a high-performance polyethylene used in sailmaking because of its exceptional strength-to-weight ratio, durability and resistance to moisture, UV light and chemicals. While traditional Dyneema is derived from petroleum-based feedstocks, the bio-based Dyneema used in North Sails RENEW sailcloth is made from ethylene derived from renewable resources such as wood or other biomass. This reduces the fibre's reliance on fossil fuels and lowers its carbon footprint, making it a more sustainable alternative.

The development of RENEW required rigorous testing and close collaboration with North Sails suppliers that share the same dedication to creating more sustainable products. The raw materials used in RENEW are bluesign certified and International Sustainability and Carbon Certification (ISCC) compliant<sup>3</sup>, ensuring the authenticity of their sustainable origins and manufacturing processes.

Looking ahead, North Sails is adopting life cycle assessments (LCA) to evaluate the ecological impact of its products and establish goals for reducing waste and pollution. By 2030, the company aims to transition to at least 80% renewable electricity at all its operating facilities and set measurable targets for circular products that can be recycled at the end of their life cycle.

[See more about North Sails](#)

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<sup>2</sup> [NPL RENEW | Sustainable Performance Sailcloth for Cruising | North Sails | North Sails](#)

<sup>3</sup> [North Sails Introduces RENEW | Sustainable Sailcloth For Cruising | North Sails](#)

## Portfolio performance by key sustainability theme continued

**Equity, diversity and inclusion (EDI)****A good strategy begins with good data**

**In February 2023, we made a new employee engagement platform available to our portfolio companies that enables them to gather comprehensive EDI data from their workforce and presents the results in a user-friendly dashboard.**

The results help measure employee experience and the sense of inclusion among the workforce, and reports on perceptions of fairness in recruitment and management practices. The platform also provides examples of how other companies have improved in areas where the portfolio company may have received lower scores, providing suggestions for implementation to enhance its performance.

Through our monitoring programme, we identified a gap in our portfolio companies' ability to gather EDI metrics effectively. To support companies in engaging with their employees and measuring EDI metrics, we partnered with an external platform and adviser, who could guide companies as they begin their EDI journeys

The tool we have implemented is a tested platform, survey and advisory service – simplifying the engagement process for our portfolio companies. It is tailored to each geography and takes local regulations into account, ensuring that the questions asked comply with regional laws and cultural norms.

The survey itself is designed to be quick, taking only four minutes to complete, yet it provides valuable diversity metrics and an inclusion and belonging score. It also incorporates open-ended responses, allowing employees to share their experiences and perspectives freely and confidentially.

All the data collected is centralised into a platform for easy visibility and scrutiny, enabling portfolio companies to identify areas of strength and those requiring improvement.

Furthermore, the platform offers suggested actions to help enhance performance in areas that may have received metrics that indicate lower inclusion and belonging scores. It draws upon best practices and proven strategies implemented successfully by other companies, providing our portfolio companies with a road map for fostering a more inclusive and diverse workforce. During 2023, 42% of our portfolio companies took advantage of the programme and used it to launch an employee engagement and EDI survey. In total 79% of our portfolio companies undertook an employee engagement survey in 2023.

**79%**

of portfolio companies  
undertook an  
employee engagement  
survey in 2023\*



\* Representative of the 86% of portfolio company responses received in the ESG survey

**Spotlight**  
vLex**v|lex**

## Championing EDI at vLex<sup>1</sup>

**vLex is a global legal intelligence service that provides legal professionals with access to the most extensive collection of legal and regulatory information in the world via one award-winning and unique platform. The company also develops cutting-edge technology, including artificial intelligence and data analytics, to provide its users with the most relevant and accurate information.**

The company is growing quickly. In 2023, vLex merged with Fastcase, a US-based legal technology company, to create the world's largest online law library. vLex has long embraced remote working to ensure it can build teams of individuals with the best skills and experience, not just those in the right location. It now has 400 employees spread across 181 cities around the world.

vLex is a diverse organisation where different cultures and communities are embraced and celebrated. The company has long championed equity, diversity and inclusion (EDI). In 2018, a group of employees in one of vLex's companies voluntarily started an EDI team to run awareness and educational initiatives. Since then, dedicated EDI teams have been established across all vLex companies, supporting and providing confidential services to address EDI-related concerns for all vLex employees.

Ensuring that such a geographically dispersed team feels connected is, however, a challenge. This is why, in 2023, vLex chose to use the new employee survey tool provided by Oakley. vLex partnered with the tool providers to design the survey, ensuring it was culturally sensitive and compliant with varying regulations across different countries. Representatives from all four business units collaborated to refine the survey questions, which were ready for roll-out in early 2024. The results of the survey will be shared with employees, and insights will be used to create a comprehensive and responsive EDI strategy.

[See more about vLex](#)

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**Spotlight**

Phenna Group



## IASME's commitment to cybersecurity and neurodiversity<sup>13</sup>

**Part of the Phenna Group, IASME, is a leader in cybersecurity certification, renowned for its role in delivering the UK government's Cyber Essentials scheme.**

This essential certification ensures organisations adhere to fundamental cybersecurity practices, providing a crucial benchmark for businesses in an increasingly digital world. IASME's commitment extends beyond technical certifications to fostering an inclusive workforce, particularly by supporting neurodiverse individuals.

**Neurodiversity initiatives**

Founded by Dr Emma Philpott MBE, a material scientist who transitioned to cybersecurity, IASME champions inclusivity in the tech sector. Inspired by a personal journey with her autistic daughter, Dr Philpott recognised the untapped potential in neurodivergent individuals. IASME's neurodiversity programme began by training 14 neurodivergent adults in cybersecurity, all of whom were subsequently employed by the company. This initiative has grown, with half of IASME's workforce now identifying as neurodivergent.

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**Challenges and lessons**

Accommodating sensory sensitivities and clarifying workplace expectations, such as explicit guidelines on dress code and social interactions, were two of the things the company did to help neurodivergent people integrate into the company and create a supportive environment where employees feel comfortable expressing their needs. IASME also learned that issues affecting neurodivergent employees often benefit the entire workforce. After introducing desk lamps and changing the overhead lighting following feedback from an employee with autism, other employees reported fewer headaches.

**Impacts and benefits**

IASME's inclusive approach has yielded remarkable results. Its innovative and diverse team excels in problem-solving and creativity, contributing to the company's success. The supportive culture enhances employee retention and attracts top talent, even from outside the neurodivergent community.

IASME's dual focus on robust cybersecurity certification and an inclusive, neurodiverse workforce sets a powerful example. Its experience demonstrates that supporting diverse needs not only fosters a positive work environment but can also enhance innovation and business performance. As it continues to learn and adapt, IASME remains a testament to the benefits of embracing diversity in the tech industry.

[See more about IASME](#)

## Portfolio performance by key sustainability theme continued

**Cybersecurity and data protection in our portfolio**

# We support our portfolio to proactively manage cybersecurity

**As part of our commitment to investing responsibly, we work closely with our portfolio companies to help them identify and manage cybersecurity risks, implement data protection measures and foster a culture of cybersecurity awareness throughout their organisations.**

We have conducted cyber-maturity assessments with the support of independent advisers across our portfolio since 2020. These assessments are also part of our due diligence process at the pre-deal phase.

In 2023, 82% of majority-owned portfolio companies conducted a cybersecurity risk assessment or audit. These assessments provide valuable insights into each company's cybersecurity posture, enabling us to identify areas for improvement and develop targeted road maps.

In 2023, we began transitioning to a more refined, rolling programme of cybersecurity monitoring that includes weekly scanning and annual reviews with our portfolio companies and security adviser. The programme launched in Q2 2024 and provide companies with access to a platform where they can review their assessment and understand what actions are needed to rectify vulnerabilities. By working together with our portfolio companies, we aim to enhance their cybersecurity capabilities, protect their valuable assets and maintain the trust of their customers and stakeholders.

Engagement is a key part of our portfolio strategy, which is why we held a cybersecurity awareness session at our annual ESG Forum in November 2023. In March 2024, we staged a cyber incident simulation exercise for the portfolio.

**Looking ahead**

We will continue prioritising cybersecurity and data protection as key pillars of our sustainability strategy. We plan to extend our new rolling cybersecurity assessment programme to all portfolio companies, ensuring each one has a robust framework in place to manage cyber risks effectively. We will facilitate knowledge-sharing and best practice exchange among our portfolio companies, enabling them to learn from each other's experiences. As the threat landscape strengthens, we remain committed to supporting our portfolio companies in their efforts to build resilient, secure and thriving businesses.

# 82%

**of majority-owned portfolio companies conducted a cybersecurity risk assessment or audit in 2023\***

\* Representative of the 81% of majority investment responses received in the ESG survey



## Disclaimer

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