



STAR Capital SUSTAINABILITY REPORT 2023



A note from the Chairperson

Our commitment to sustainability integration

It has been clear to us for many years that properly engaging with and managing Environmental, Social and Governance (ESG) risks and opportunities creates sustainable and long-term value for our business, our stakeholders, and society.

In 2023, we finalised the review of our ESG strategy and practices, and we set our objectives for 2024 and beyond.

Climate was a key focus for us. In particular we worked on improving the quality of our reporting of Scope 3 emissions. Together with our carbon specialist advisor, we held initial workshops with portfolio companies to support them with target setting and the modelling of various carbon reduction initiatives. We also kicked off our initial fund level climate risk analysis in line with the Task

Force on Climate-Related Financial Disclosures (TCFD) framework to better understand the financial impacts of our exposure to climate change.

To help drive the implementation of our ESG strategy going forward, we have recruited an in-house ESG specialist, who joined us in April 2024.

We firmly believe that offering transparency in our activities is vital to maintaining the trust of our stakeholders. In each year since we started preparing annual reports in 2020 we have sought to improve the scope and quality of our ESG reporting.

The following report provides further detail on our activities over the past year and our strategic objectives and focus areas going forward.



Tony Mallin, MBE
Executive Chairperson, Managing Partner

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This Sustainability report has been prepared with an external advisor, using industry best practices. This Sustainability report aims to meet the disclosure requirements of the Sustainability Accounting Standards Board (SASB): Asset Management & Custody Activities Standard (2021), the Task Force on Climate-Related Disclosures (TCFD) and the Principles of Responsible Investment (PRI). The indices for these three frameworks can be found at the end of this document.

This report summarises the ESG performance of STAR and the portfolio companies of the STAR III and IV funds as well as STAR's approach to management of sustainability risks and opportunities.

The report has been reviewed and approved by the Executive Board of STAR.

STAR at a glance

Number of professionals
30

Number of investors¹
40

STAR III capital commitment
€800m

STAR IV capital commitment²
c.€610m

Total AUM³
€1.1bn

Established in 1999, STAR is a UK-headquartered mid-market private equity fund with an investment focus on businesses or assets protected by a strong strategic position, located in Western Europe with enterprise value between €50 million and €1 billion.



















Since inception, STAR has built 31 businesses through in excess of 80 acquisitions with a total enterprise value in excess of €4 billion.

STAR is independently owned and managed by its partners, and benefits from a long-standing team, with the average tenure of the senior investment team being in excess of 16 years.

1 Across STAR III and STAR IV excluding co-investment vehicles
2 Fundraising ongoing
3 Excludes the Urban Splash Residential Fund, for which STAR acts as Alternative Investment Fund Manager (AIFM)

Note: This report excludes Windlogix (STAR III investment) given the ongoing restructuring of that investment.

STAR Portfolio as of 31 December 2023

Company	HQ	Sector	Description	Fund
 SYNERGY LMS		Healthcare & Public Services	Leading provider of linen management services to hospitals, airlines and the hospitality industry.	STAR III
 gsls		Transport & Logistics	Outsourced cash management and logistics service provider.	STAR III
 TASC		TMT	Acquirer and manager of rental streams generated from telecom sites across Europe.	STAR III
 ASL		Transport & Logistics	Europe's largest provider of aircraft wet leasing capacity to the growing express cargo and e-commerce sectors.	STAR III
 Hawksford		Financial Services	International provider of compliance-driven funds, corporate and private client administration services.	STAR III
 Rail Operations Group		Transport & Logistics	Provider of rolling stock movement and storage services.	STAR III
 VINCORION		Specialist industrial	Leading provider in the engineering, manufacturing and repair of complex mechatronic products in Germany.	STAR III
 MYFLEXBOX		Transport and logistics	Owner and operator of the largest open access network of automated parcel lockers in Austria.	STAR IV
 ABL TECHNIC		Specialist industrial	Leading global provider of de-coating services to the manufacturing sector.	STAR IV

ESG highlights

STAR metric

Portfolio metric

STAR Carbon Footprint tCO₂e

Scope 1

0.0

(2022: 4.6)

Scope 2 (market based)

0.0

(2022: 0.0)

Scope 3

1,027,139.3

(2022: 968,648.8)

Portfolio Highlights

Revenue

€1.9bn

Number of employees

7,200+

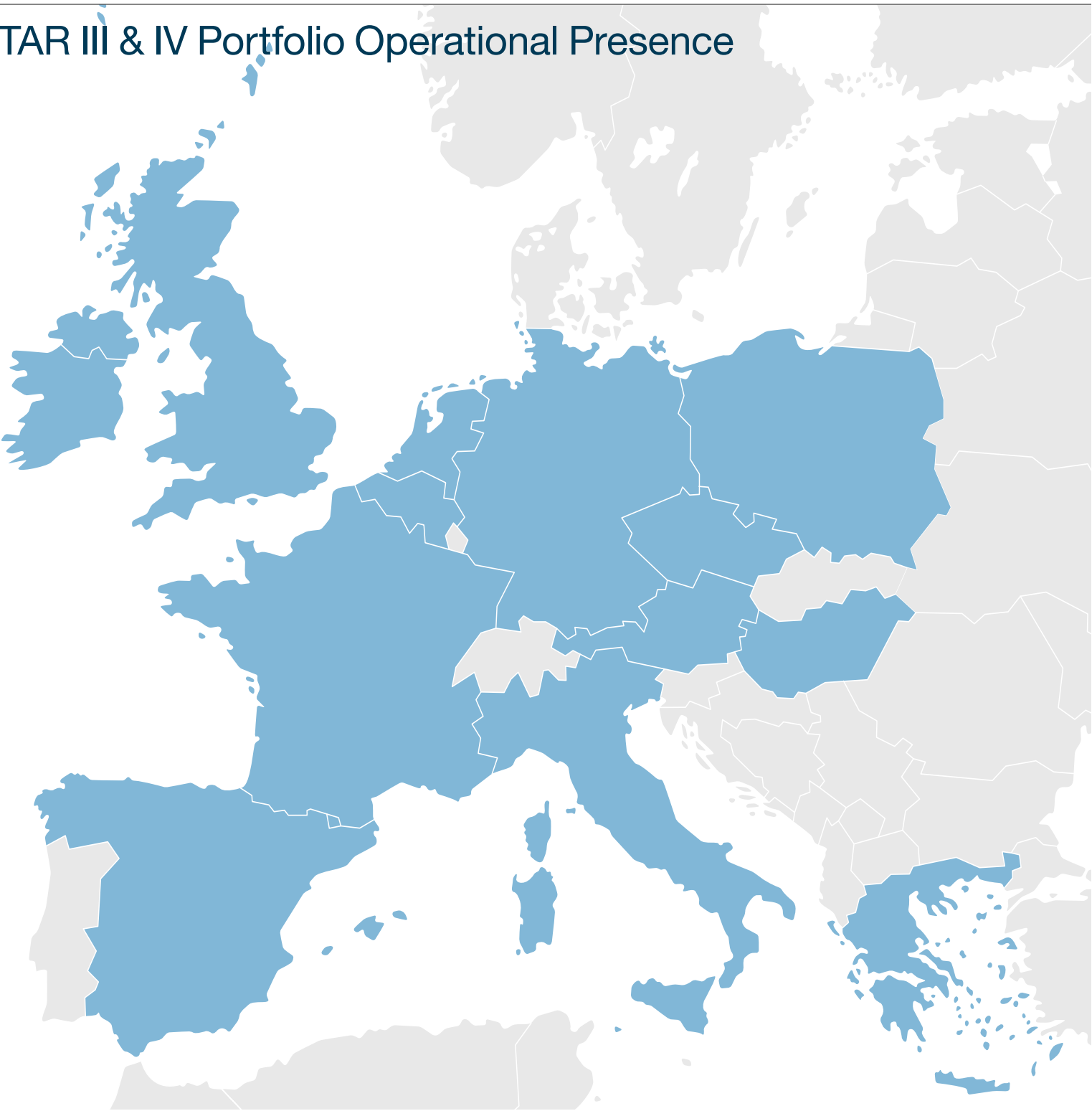
Portfolio companies measuring,
monitoring and reporting on
carbon emissions

100%

Total hours of training
provided across the portfolio

30,000+

STAR III & IV Portfolio Operational Presence



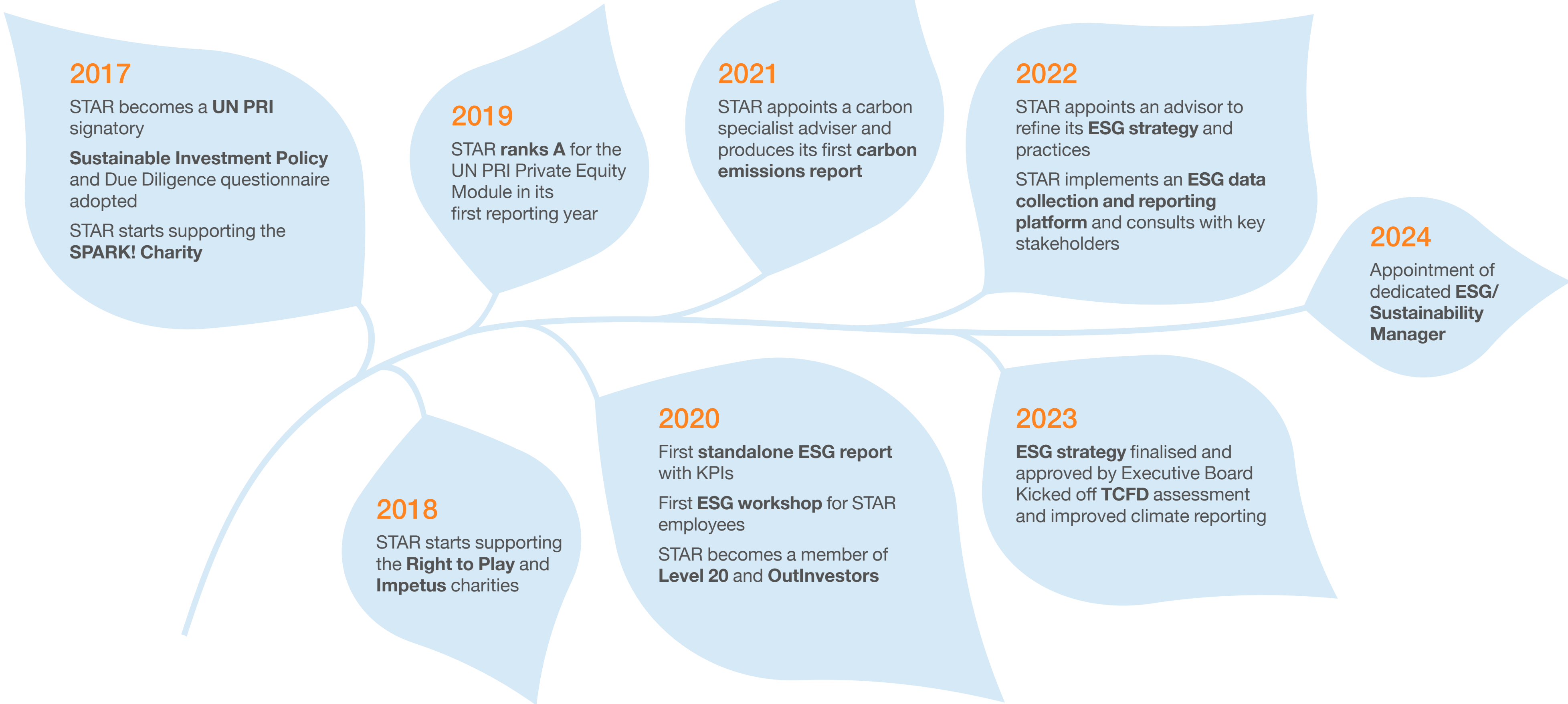
Note: data excludes Windlogix given the ongoing restructuring

Our approach to ESG

STAR is committed to the integration of sustainability management practices into its business, recognising the potential for material ESG factors to improve the value, resilience and success of its investments and associated assets, and their potential impact on the environment, society and the economy.

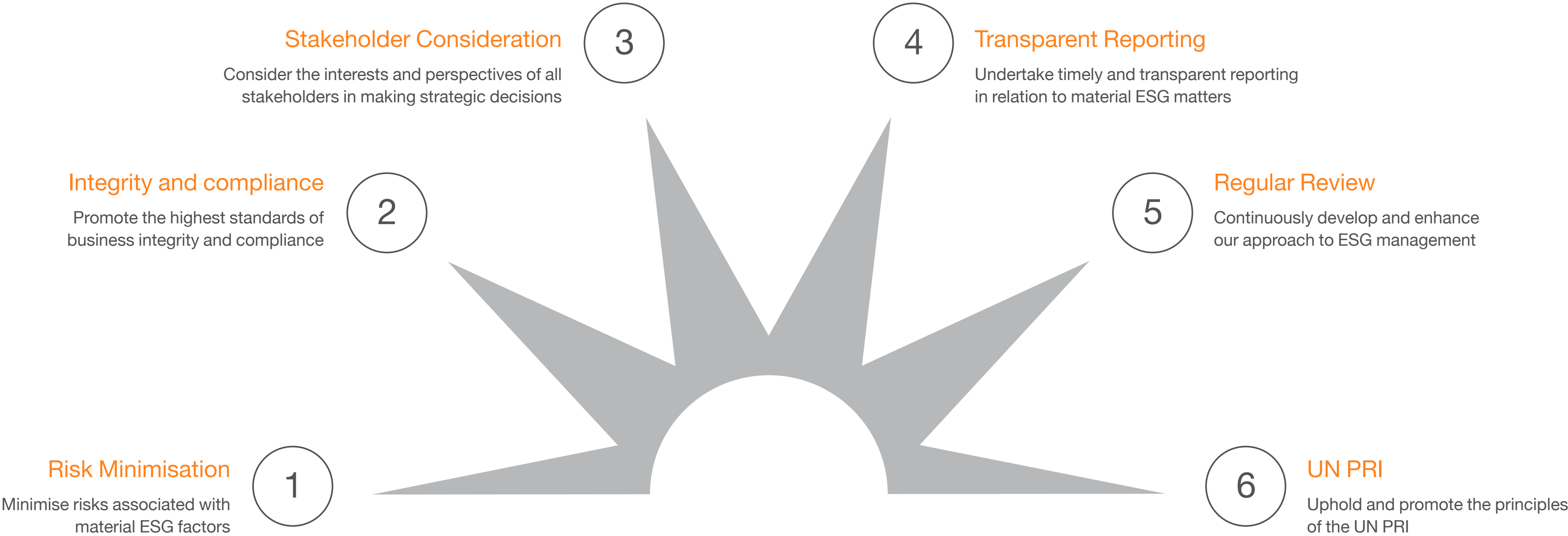
OUR APPROACH TO ESG

Integrating ESG into operations and stewardship since 2017



OUR APPROACH TO ESG

STAR aims to uphold the following principles:



OUR APPROACH TO ESG

STAR’s Sustainability strategy

Our Sustainability strategy

In 2023, with the assistance of a specialist ESG consultancy, STAR completed a comprehensive review of its Sustainability strategy and practices to define its strategic priorities, ambitions and targets.

STAR’s approach to Sustainability is guided by a materiality assessment which takes into account Sustainability impacts that are financially material to business value. This analysis was informed by internal and external stakeholder views, including investors, portfolio companies, lenders and the Sustainability Committee. Regulatory requirements, reporting standards and ESG ratings were also factored in.

The six highest priority areas were identified through the materiality assessment. The strategy was approved by the Executive Board in Q4 2023,

which includes KPIs, a roadmap and priority areas. The strategy will be reviewed regularly taking into account new regulation, business development, emerging trends and stakeholder expectations.

A core part of the strategy was defining a roadmap for Sustainability performance. This will help to operationalise Sustainability ambitions, ensuring that priority targets are met first. The roadmap includes reaching major milestones across focus areas up to 2030. It will be reviewed regularly to track progress, with priorities assigned to responsible persons to maintain accountability.

STAR recruited an in-house Sustainability specialist who joined the team in April 2024 as a Sustainability and ESG Manager and will help drive the implementation of the Sustainability strategy.



OUR APPROACH TO ESG

ESG governance

STAR has structured its governance model to provide a solid foundation for implementing and overseeing ESG priorities within the company and its portfolio.

With the approval of the ESG strategy, STAR has demonstrated that it considers ESG to be a core part of its business model. This is due to the belief that ESG creates long-term sustainable value across operations and the portfolio. As such, STAR engages regularly with its portfolio companies to support them reach their ESG ambitions.

The Executive Board of STAR has overall responsibility for the ESG strategy and the Sustainable Investment Policy, including their implementation across the organization. The Policy was established in 2017 and is reviewed annually. The Executive Board receives relevant information regarding ESG matters at each monthly board meeting, and it escalates significant ESG incidents in a timely manner.

The Executive Board is formally supported by the ESG Committee (which now includes our recently appointed Sustainability and ESG Manager) delivery of the ESG strategy and proposing and implementing various ESG initiatives.

The Investment Team has responsibility for assessing the ESG risks and opportunities of new investments, with the Investment Committee making the final investment decision.

The Portfolio Management Team, together with the board of each portfolio company, is responsible for developing and monitoring the post-acquisition ESG programme within each portfolio company.

In the coming year, STAR will look to strengthen its policies and procedures including its ESG investment decision making processes

Investment Committee member

Executive Board attendee

Executive Board



Tony Mallin, MBE
Executive Chairperson,
Managing Partner



Uniti Bhalla
Managing Partner



Paul Gough
Managing Partner



Robert Spurr
Chief Financial Officer



Elizabeth Judd
General Counsel and
Compliance Officer

ESG Committee



Jack Holmes
Sustainability
and ESG Manager



Paul Gough
Managing Partner



Laura Carballo
Head of
Portfolio Management



Marco Conca
Principal



Elizabeth Judd
General Counsel and
Compliance Officer



Aurelie Goupil
Head of Investor
Relations

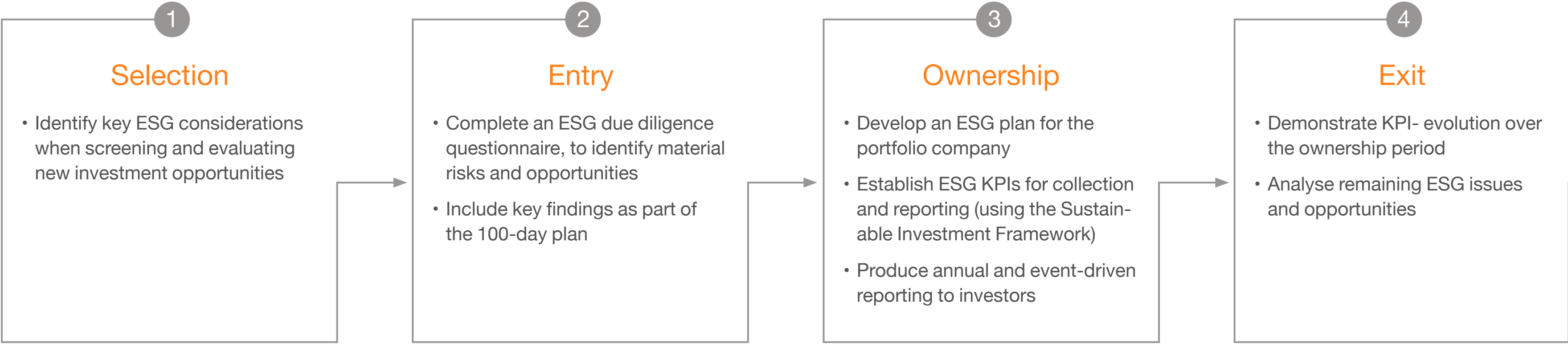
OUR APPROACH TO ESG

ESG through the investment lifecycle

STAR recognises that it has influence over its portfolio companies and seeks to use this to improve their ESG performance.

STAR endeavors to develop transparent and supportive relationships with its portfolio companies helping them to meet ESG principles and ambitions. STAR considers ESG performance at all stages of the investment lifecycle and actively works with companies during the ownership phase.

STAR integrates ESG analysis into its pre-deal assessments, due diligence and the deal-flow pipeline. This includes identifying material ESG risks and value-creation opportunities in order to provide a holistic risk analysis for the Investment Committee’s evaluation process. This includes assessing the potential investment’s alignment with the Sustainable Investment Policy and screening potential investments through an ESG Due Diligence Questionnaire.



During the ownership phase of an investment, STAR aims to adapt an active approach, promoting sustainable practices through engaging with the management teams and Boards of portfolio companies, including through the use of positions on the Boards of companies. Each 100-day plan

STAR puts in place for its portfolio companies includes a focus on material ESG issues, as well as the setting of a long-term agenda for sustainable value protection and creation over Star's holding period and beyond.

To enable STAR to monitor the progress of its portfolio companies and support in the development of relevant targets and actions, newly acquired companies are onboarded to STAR’s digital platform for ESG data reporting.

CASE STUDY

Synergy's 4 Cs Pillar Approach

SynergyLMS provides sterile linen and laundry management services within the healthcare, hospitality and airline industries and has been working on reducing its environmental footprint since 2019.

Consumption

An internal strategy for energy consumption reduction has been developed, in order to reduce energy usage and increase energy efficiency.

Compliance

SynergyLMS works with external advisors Carbon Responsible and Position Green for reporting purposes, while also meeting requirement of its industry standards.



Carbon

Emissions targets developed in partnership with advisor.

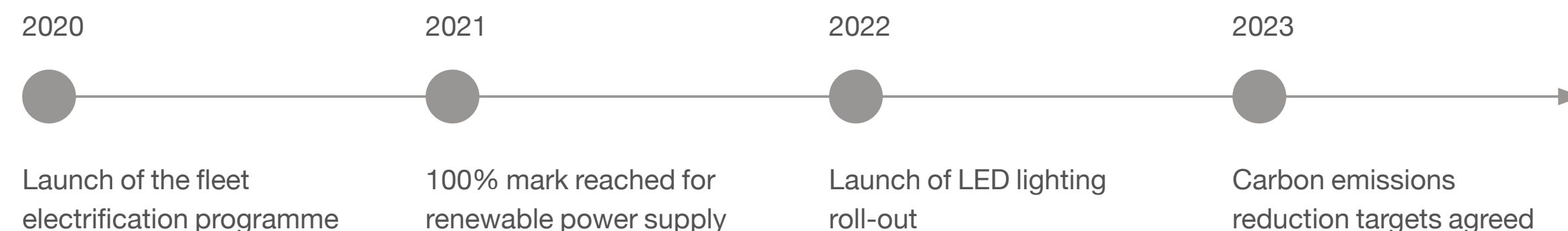
Synergy LMS targets a 28% reduction in scope 1 and 2 emissions by 2030 and a 90% reduction by 2050.



Customer

Alignment to the ESG strategy of Synergy's key client, the NHS:

- Implementation of the "Greener NHS" supplier programme which has committed to Net Zero by 2050.
- Workshops undertaken with underlying NHS clients to share best practices on linen management, in order to reduce linen losses and waste.



OUR APPROACH TO ESG

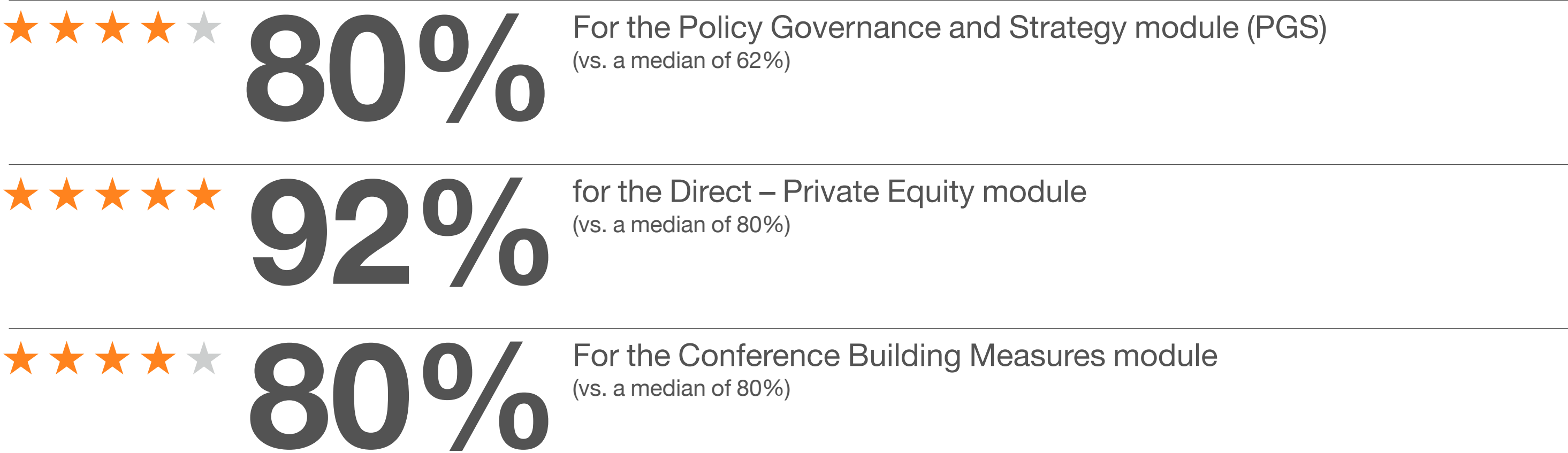
STAR’s engagement in the ESG ecosystem

Transparency and collaboration are key tenets of STAR’s ESG strategy, contributing to building an ESG culture that creates value for its portfolio and society.

STAR is a long-standing signatory of the United Nations (UN) Principles for responsible Investment (PRI), initially signing in 2017. Through the PRI, STAR commits to integrating responsible investment in its investment operations, portfolio management and investor reporting, acting in the best long-term interests of our beneficiaries.



For the 2023 reporting period, STAR received the following scores



The index for PRI principles embedded in the report can be found in the Appendix.
Public Transparency Report available on the UN PRI website. Full UN PRI report available upon request.

OUR APPROACH TO ESG

STAR’s engagement in the ESG ecosystem

Transparency and collaboration are key tenets of STAR’s ESG strategy, contributing to building an ESG culture that creates value for its portfolio and society.

Stakeholder engagement is a key part of STAR’s approach to ESG, with perspectives from investors, portfolio companies and other stakeholders being used most concretely in the development of the ESG strategy. This engagement is continuous and feeds into our approach to ESG more generally.

STAR is proud to have a team that engages with its community, seeking to make the world around them better. STAR continues to support both the Level20 initiative (which encourages gender diversity

in the private equity industry) and OutInvestors (a global network for LGBT+ investor professionals). Tony Mallin CBE, founded and chairs YES (Youth Experience in Sport), with STAR having supported it over many years, particularly with fund-raising efforts at the Royal Parks Half Marathon. In addition, STAR has also supported the Right to Play and Spark! initiatives.



Other initiatives:



Supporting Right to Play since 2018. Right to Play is harnessing one of the powerful and fundamental forces in every child’s life, the power of play.



Supporting Spark! since 2017, including by welcoming students to STAR’s offices for work experience opportunities.

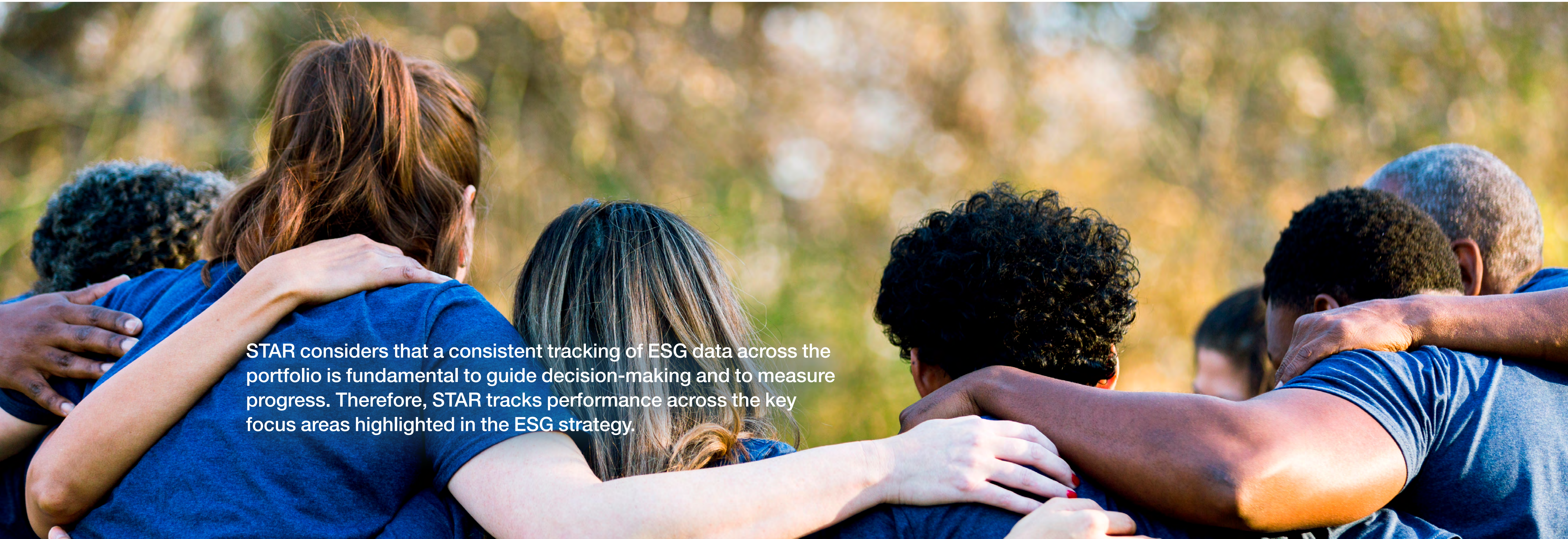


...initiative (which encourages gender diversity in the private equity industry.



....global network for LGBT+ investor professionals.

STAR's Sustainability performance



STAR considers that a consistent tracking of ESG data across the portfolio is fundamental to guide decision-making and to measure progress. Therefore, STAR tracks performance across the key focus areas highlighted in the ESG strategy.

ENVIRONMENT

Carbon emissions

STAR recognises that carbon emissions pose significant risks to the environment, society and businesses.

Main focus areas

- Greenhouse gas emissions
- Climate risk

Climate change represents a key challenge to the planet and businesses contribute to this through their greenhouse gas emissions. This is why it is a key area of focus for STAR and why it supports efforts to reduce the carbon footprint, both within its own operations and throughout its portfolio, to mitigate its impact on climate change.

During 2023, STAR continued to work to improve greenhouse gas emissions reporting, with the assistance of an external carbon accounting specialist on STAR’s carbon footprint reporting. This year’s focus has been on Scope 3 reporting, particularly in relation to gathering better quality data and expanding reporting. This has meant working more closely with the portfolio companies, which has also provided the opportunity to assist the companies in modelling initiatives in order to assist with the target setting process.

ENVIRONMENT

Carbon emissions

Scope 1 tCO ₂ e	0.0 (2022: 4.60)
Scope 2 (market based) tCO ₂ e	0.0 (2022: 0.00)
Scope 3 (incl. investments) tCO ₂ e	1,027,139.3 (2022: 968,648.8)
Scope 3 (excl. investments) tCO ₂ e	306.6 (2022: 237.1)

STAR Emissions

STAR is a small team of 30 people primarily based in London, meaning its direct (scope 1) carbon emissions are low, being limited to office gas. Scope 2 emissions are also low, as STAR's office building sources electricity from renewable sources. Scope 3 emissions account for the majority of STAR's emissions, which are the emissions deriving from our business travel and investments. It is in these areas where STAR can make the biggest reductions going forward.

STAR's Scope 1 and 2 emissions for 2023 were 0.0 tCO₂e, with STAR's Scope 1 emissions reducing significantly from 2022. This is due to the continuing effects of the transfer to biogas consumption in the office building. Scope 3 emissions (excluding investments) have increased from 2022, due to increased business travel.

Including the emissions generated by the portfolio company investments, STAR's 2023 carbon emissions were 1,027,139.3 tCO₂e with ASL being the largest contributor. Please note that the 2023 carbon footprint data excludes Windlogix given the ongoing restructuring. Please note DC1 was sold but the carbon footprint includes two new STAR IV investments, ABL Technic and MYFLEXBOX.

ENVIRONMENT

Carbon emissions

STAR III and STAR IV portfolio emissions

The STAR III and IV funds invests across a wide range of businesses and sectors, each with very different carbon emissions profiles.

This year STAR has continued to work with a carbon specialist to support portfolio companies with developing their net zero targets. These targets will vary for each company as technological solutions and their current/future availability vary across sectors, meaning that the carbon reduction trajectory is different for each company. In particular, it should be flagged that the portfolio’s largest emitter, ASL, has committed to Destination 2050, the European aviation industry’s roadmap to net zero emissions.

STAR is committed to:

Continuous measurement, monitoring and reporting of Scope 1, 2, and 3 emissions at STAR and across its portfolio.

Supporting portfolio companies in reducing their carbon footprint through various initiatives such as installing solar panels and investing in more energy-efficient aircraft and train fleets.

	Equity ownership %	Total emissions ¹ tCO ₂ e	Scope 1 & 2 ¹ tCO ₂ e	Scope 3 ¹ tCO ₂ e
ASL	49%	1,216,192	997,612	218,580
GSLS	93%	1,966	1,146	820
Hawksford	65%	777	108	669
ROG	64%	905	596	309
SynergyLMS	93%	47,715	15,381	32,334
Vincorion	85%	8,759	751	8,008
TASC	80%	75	24	51
ABL Technic	89%	18,092	11,212	6,880
MYFLEXBOX	49%	360	4	356
Total		1,294,840	1,026,833	268,007

Note: data excludes Windlogix

1 Emissions based on STAR III and IV ownership percentage

Portfolio companies measuring, monitoring and reporting on carbon emissions (Scope 1,2 and 3)	100%
Portfolio companies with carbon emissions targets (by number)	33%
Percentage of portfolio company emissions from portfolio companies with reduction targets	99%

CASE STUDY

ASL's Success Conversion Programme

As Europe's largest provider of aircraft wet leasing capacity to the growing express and e-commerce logistics sector, ASL understands its responsibility with regards to GHG emissions.

Emissions have been a focus for ASL since 2019, when it launched its conversion programme which has the objective of upgrading ASL's fleet to more energy efficient aircraft. ASL has committed to Destination 2050 and the Toulouse Declaration, both of which create a roadmap to lower carbon emissions by 2030 and net-zero emissions by 2050. As a member of the European Regions Airline Association, ASL also works with the European Commission on its 'Fit for 55' Agenda.

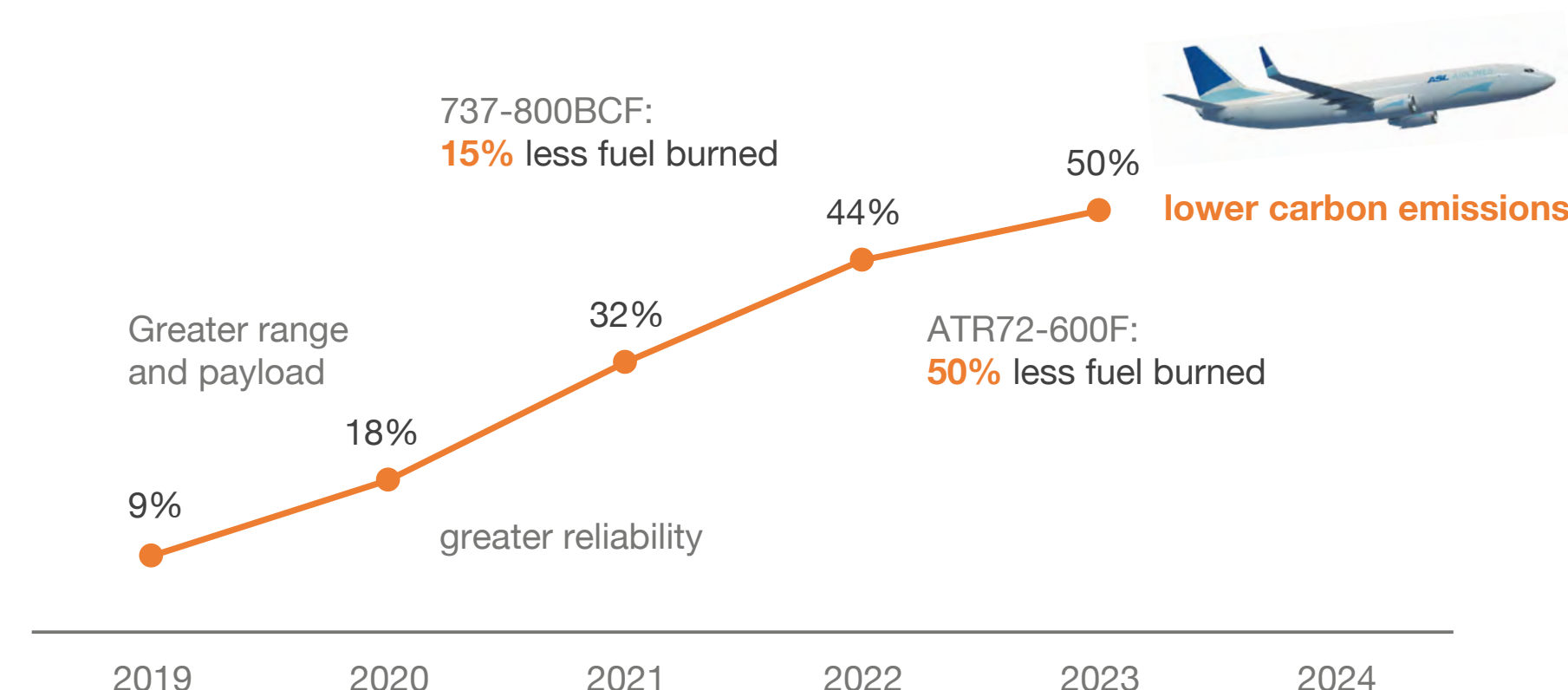
In 2020, ASL developed the CargoVision Forum, with the aim of ensuring that environmentally sustainable air cargo is firmly on the global aviation agenda. Today, the forum consists of 18 members and it supports the decarbonization of commercial flights by 2050. This has led to the Forum supporting the development of hydrogen powered aircraft, and ASL signing agreements for the provision of retiring regional aircraft to support the hydrogen propulsion work of CargoVision members, Universal Hydrogen and Zero Avia. Both companies have already successfully completed their first flights on smaller aircraft using a hydrogen-fueled powertrain.

ASL CargoVision members



Operational Initiatives

ASL launched a conversion programme in order to upgrade its fleet to more energy efficient aircraft, with reduced carbon emissions. The programme is underway and continues into 2024/2025.



ENVIRONMENT

Climate risks & opportunities

Climate change is bringing with it market volatility through climate-related regulation and technological developments, physical effects such as extreme weather, or both.

The increasing market volatility related to climate change presents new opportunities for companies to consider, which is why climate change is a material topic for STAR’s own operations and across its portfolio. This is particularly the case from a business risk perspective. Climate-related physical risks (such as extreme weather events), and transition risks (e.g. resulting from technological advancements, carbon-focused policy making and changes in consumer preferences), can affect the performance of the portfolio companies, and influence the delivery of long-term sustainable returns.



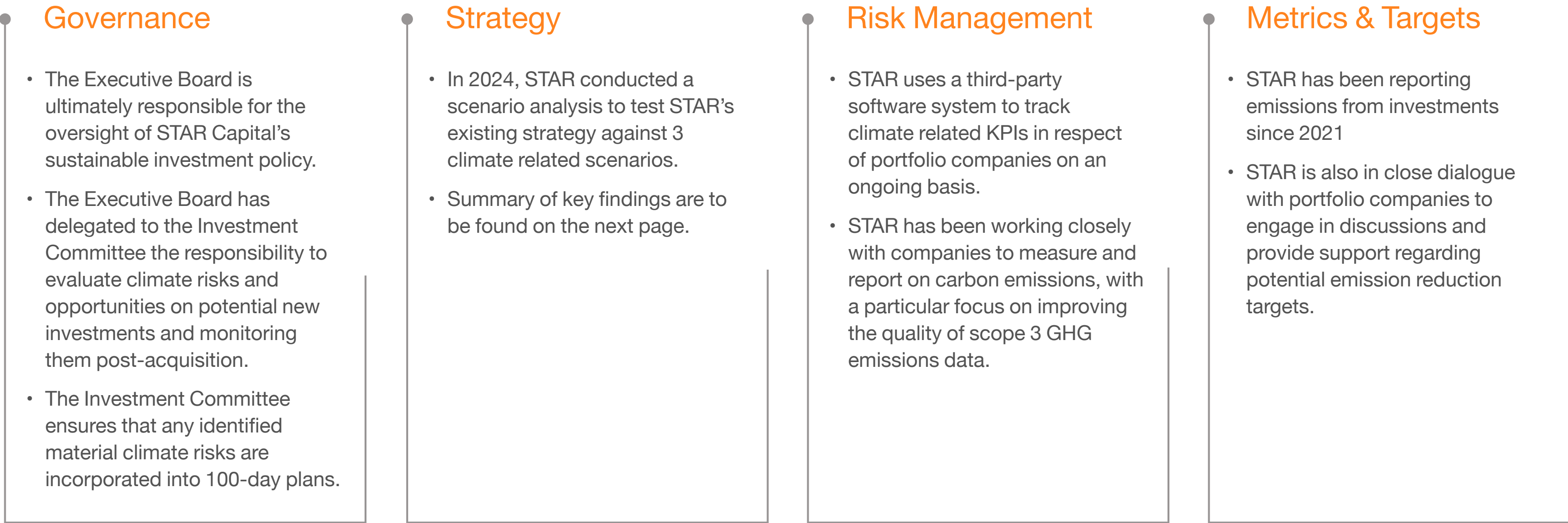
ENVIRONMENT

Climate risks & opportunities

STAR conducted a climate risk assessment in line with the framework of the Task Force for Climate-Related Financial Disclosures (TCFD) recommendations in early 2024.

The TCFD framework provides a framework for how a company should assess the exposure and management of climate-related risks within an organization. This section of the ESG report, provides an overview of the key results of the report.

TCFD Framework






ENVIRONMENT

Climate risks & opportunities

Transition Risks

The climate scenario analysis made use of bespoke scenarios to examine the transition and physical climate-related risks of three scenarios; a net-zero scenario, a delayed transition scenario and a current policies scenario.

Agency	Net-zero 2050 1.5° C	Delayed Transition 1.7° - 2.0° C	Current policies 2.0° - 2.5° C
	Net-zero by 2050 – defines a pathway	Announced Pledges Scenario – explores where commitments lead	Stated Policies Scenario – explores where current policies lead
	Net-zero 2050	Delayed Transition	Current policies
			SSp3-7.0

Primary impact

Immediate transition risk

Disorderly transition risk

High physical risk

By mapping current emissions against carbon pricing developments over time, the analysis gives an overview of the transition risk exposure hotspots in the portfolio. The below table shows high level exposure to transition risks in the three assessed scenarios.

Very low

Low

Moderate

High

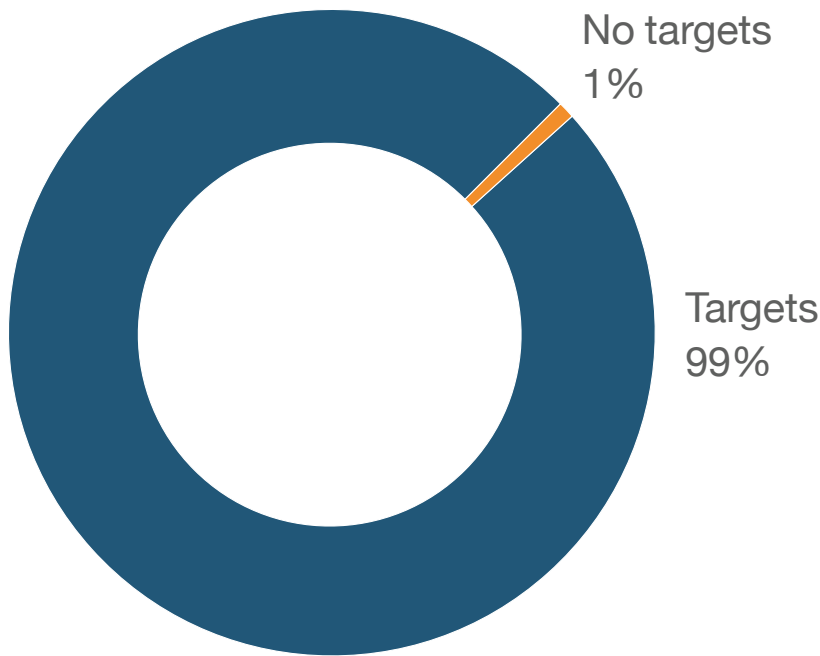
Portfolio Company	Net-zero 2050			Delayed Transition			Current Policies		
	2020	2030	2050	2020	2030	2050	2020	2030	2050
ABL									
ASL									
GSLS									
Hawksford									
MYFLEXBOX									
Rail Operations Group									
Synergy LMS									
TASC									
Vincorion									

ENVIRONMENT

Climate risks & opportunities

Overall, the exposure to transition risks in the majority of the portfolio is very low or moderate. ASL is exposed to climate risks in a Net Zero and Delayed transition scenario. However, ASL is one of three companies in the portfolio that have set emission reduction targets. In total, 99% of STAR’s portfolio emissions come from these three companies that have set an emission reduction target.

Percentage of portfolio emissions from companies with emission reduction targets



Portfolio companies measuring, monitoring and reporting on carbon emissions
Scope 1, 2 and 3

100%

Portfolio companies with carbon emission targets

33%

Note: data excludes Windlogix

Physical risks

The physical risk exposure of the portfolio is quantified as moderate, with a majority of portfolio operations and key suppliers located in Europe. The TCFD analysis made use of several scenarios

to assess the company exposure to physical risks through own facilities and the supply chain. The below table shows the portfolio companies’ own operational exposure to physical risks using data provided by NGFS over acute-and chronic physical risks.

Portfolio Company	RCP ¹ 2.6		RCP 6.0		RCP 8.5	
	2030	2050	2030	2050	2030	2050
ABL						
ASL						
GSLS						
Hawksford						
MYFLEXBOX						
Rail Operations Group						
Synergy LMS						
TASC						
Vincorion						



Note: More detailed methodology description and analysis will be available in our upcoming TCFD report.

1 Representative Concentration Pathways (RCP) are climate change scenarios to project future greenhouse gas concentrations. The higher values mean higher greenhouse gas emissions and therefore higher global surface temperatures and more pronounced efforts of climate change.

Very low
Low

SOCIAL

Talent attraction, retention, and development

STAR metric 
Portfolio metric 

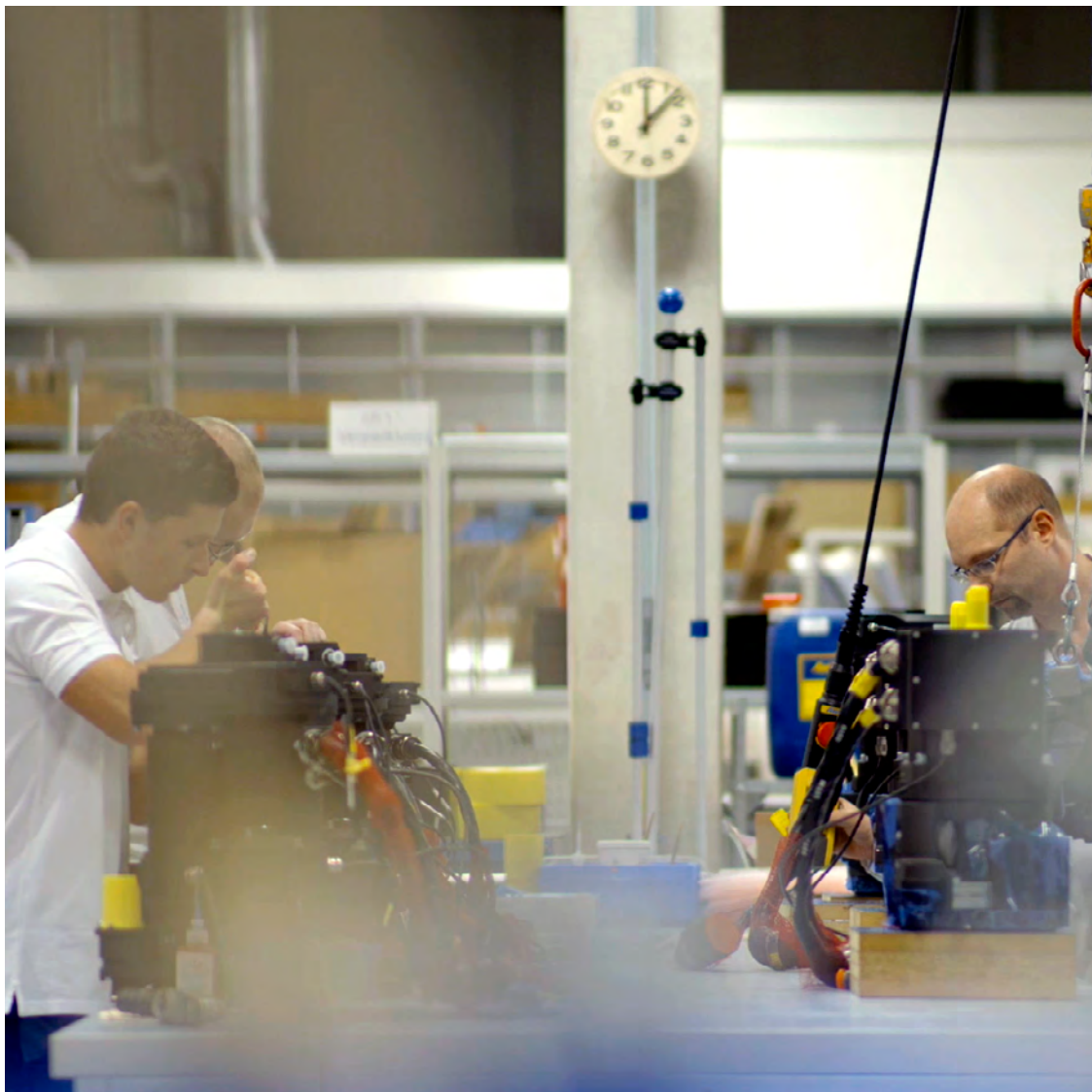
People are our greatest asset

Having the best talent is vital to delivering value to stakeholders and to implementing the ESG strategy. Given the nature of STAR’s business, it relies on driven, qualified, and productive employees to create value, which is why recruiting and retaining talent is a key focus area for STAR. To this end, STAR has focused on a range of initiatives, both at STAR and across the portfolio, including improving employee engagement, and offering training and development opportunities.

STAR’s corporate culture is key to talent retention and attraction, with STAR’s aim being to have a workplace where everyone can contribute their ideas on a daily basis through a flat organisational structure. STAR believes this drives excellence and creates a workplace where everyone feels ownership.

Training is an essential tool for STAR in developing its people. This includes personal development programmes, totalling c. 296 hours of training, as well as training on GDPR, cyber security and compliance training. In addition, STAR has

subscribed to an intelligence database, which offers expert- call-on-demand for specific industry topics. STAR employees have utilised the database for approximately 45 hours of consultations.



Unadjusted pay gap ratio **5%**

Employees that have had appraisal or development plans updated in 2023 **100%**

Employee turnover rate **15%**

Portfolio companies conducting an employee satisfaction survey **55%**

STAR commits to:

Conducting an employee satisfaction survey across STAR and all portfolio companies.

Ensuring that 100% of STAR employees receive annual training in ESG topics such as anti-corruption, cybersecurity, data privacy and environment

SOCIAL

Diversity and inclusion

Diversity and inclusion breed success, driving long-term value creation for our business and our stakeholders.

Main focus areas

- Talent attraction, retention, and development
- Health and safety

STAR believes that embracing diversity is not only the right thing to do but also something that translates to business success. A diverse and inclusive culture can drive innovation, enhance decision-making, and improve STAR’s ability to attract and retain top talent.

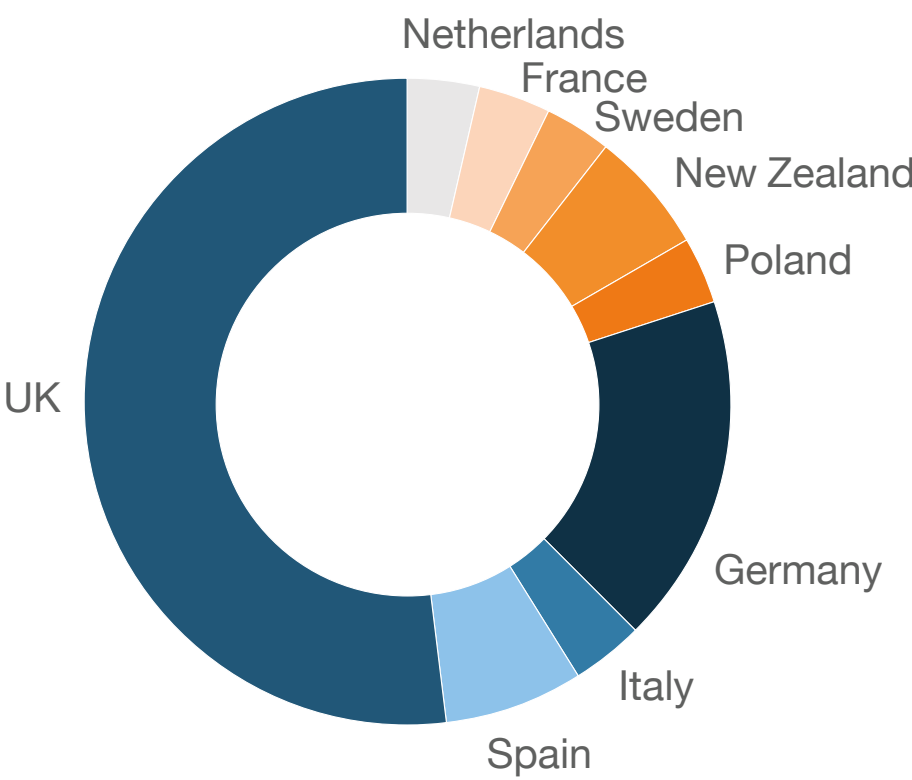
This is why STAR places an emphasis on diversity, building a team with 9 different nationalities.

This diversity fosters a rich and creative working environment and is a real asset to STAR’s innovative investment strategy.

STAR is committed to encouraging diversity and inclusion through a number of initiatives. Firstly, through the Level20 initiative, focused on improving gender diversity within private equity.

Finally, STAR is believes in the value of reporting on progress in the field. Transparency and accountability are critical for driving positive change, and the team will provide regular updates on STAR’s efforts at the organisation and across the portfolio.

Nationality breakdown at STAR



STAR gender diversity ¹	
Executive management ³	40%
Non executive management ³	20%
Employees	34%

STAR ethnic diversity ²	
Executive management ³	20%
Non executive management ³	20%
Employees	7%

1 The percentage represents the female representation
2 The percentage represents BAME representation
3 Relates to the SASB definitions

SOCIAL

Health and safety

Working conditions are key to successful operations and the well-being of workforces.

STAR aims for there to be zero injuries or fatalities across its operations and portfolio. This work includes developing and implementing policies and procedures that ensure a safe working environment and key health and safety KPIs on a regular basis.

STAR works closely with its portfolio companies to ensure they maintain high health and safety standards. This includes providing third party support when required and resources to help them

develop and implement health and safety policies and practices that meet the relevant industry standards. Health and safety training is handled by portfolio companies within their own operations, and it is targeted based on the specific business model.

As reported separately to investors, an ABL employee who was seriously injured at the ABL plant in Hungary in January 2024, subsequently passed away. ABL has been taking steps to prevent any similar incidents occurring in the future.

STAR commits to:

STAR and portfolio companies’ employees receiving relevant annual health and safety training appropriate to their area of operation.

Reporting on our progress towards achieving goals related to health and safety.



Portfolio statistics 2023

Work related fatalities	0
Lost time incident frequency	4.4

GOVERNANCE

Business ethics

Responsible and ethical business conduct contribute to long term, sustainable value for STAR, its portfolio and the industry.

Main focus areas

- Cyber security and data protection
- Business ethics

STAR views compliance with legal and regulatory requirements as a minimum and operates with an emphasis on applying good business ethics.

STAR is regulated by the Financial Conduct Authority as a full scope alternative investment fund manager. As such, STAR is subject to legal and regulatory requirements regarding pre-contractual and ongoing reporting to customers regarding its investment management services and managed funds. STAR provides these services and markets such funds to professional investors exclusively.

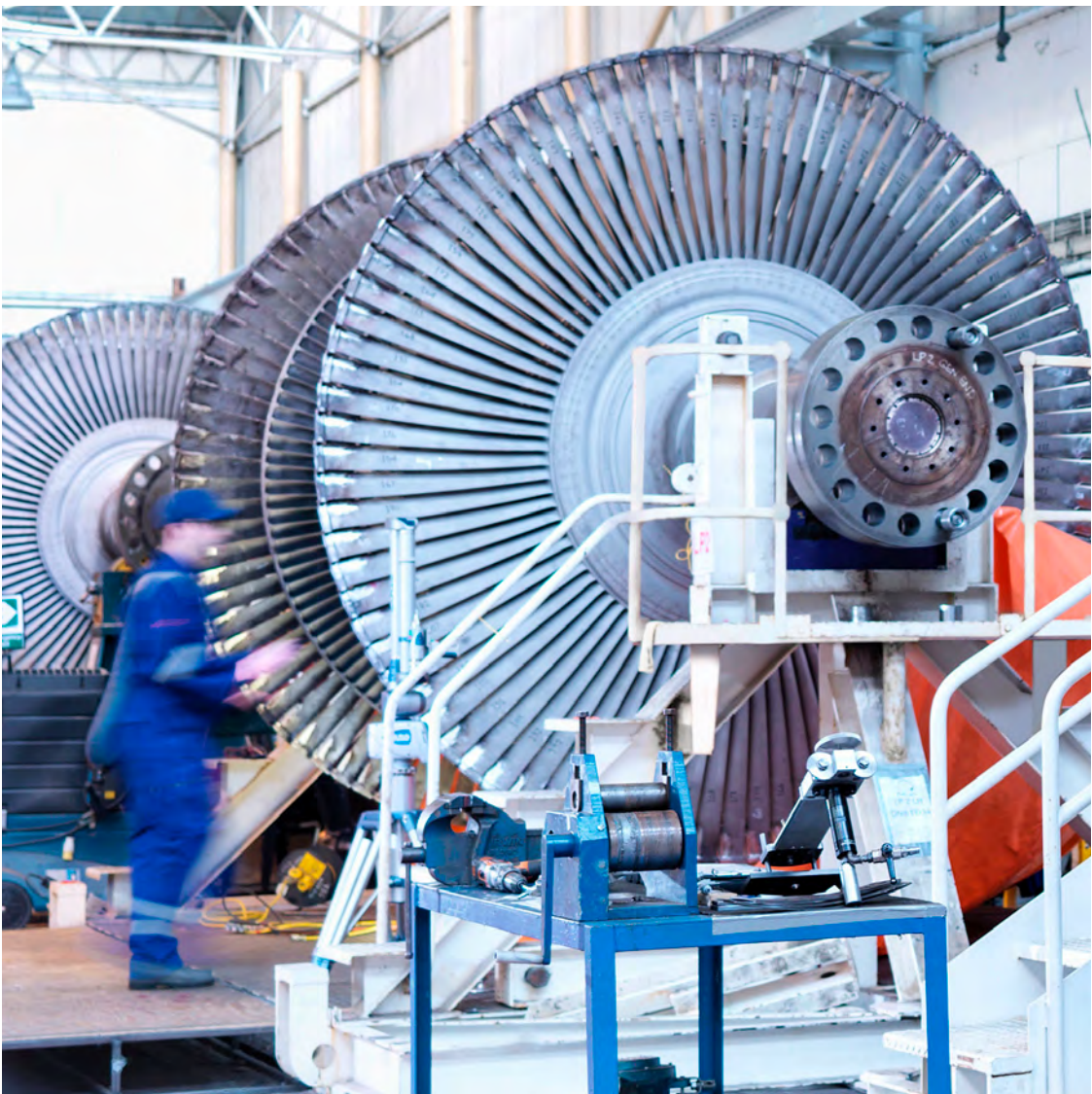
STAR commits to:

Ensuring presence of at least one independent non-executive board member in all portfolio companies.

Taking all reasonable steps to ensure that there are zero incidents related to unethical business conduct.

Marketing materials contain prominent risk warnings. Prospective investors are provided with access to a virtual data room with comprehensive information about historical fund performance and governance procedures.

Investors in STAR III and STAR IV are provided with quarterly reports and are invited to regular update calls as well as an Annual Investors Meeting. More generally, Star adopts a collaborative, open and transparent approach to interacting with its investors.



GOVERNANCE

Business ethics

To support STAR’s approach to business ethics, STAR has a whistleblowing policy in place allowing its employees to report any suspected wrongdoing or dangers in relation to its activities as soon as possible. This includes bribery, fraud or other criminal activity, miscarriages of justice, health and safety risks, damage to the environment and any breach of legal, regulatory or professional obligations.

STAR encourages openness and is committed to supporting employees who raise concerns. Employees will not suffer any repercussions because they have raised a genuine concern. Any harassment of whistle-blowers will be treated seriously and will be subject to disciplinary proceedings. STAR provides its employees with training on whistleblowing procedures on an annual basis. The whistleblowing policy, inclusive of relevant contact details, is available on STAR’s intranet.





STAR metric

Portfolio metric

Number of incidents related to unethical business conduct	0
Reported whistleblowing incidents	0
Portfolio companies that have a whistleblowing mechanism	89%
Reported whistleblowing incidents in the portfolio	3

GOVERNANCE

Cyber security and data protection

STAR metric 
Portfolio metric 

Data security and other threats from cyber-attacks are an ever-increasing issue in the markets in which STAR and its portfolio companies operate.

Cyber-attacks can lead to reputational damage and significant internal and external costs due to loss of control of sensitive data. To prevent the impact of cyber-attacks, a future-proof system for IT and data protection has been established at STAR and within the portfolio.

In line with this, STAR’s group-wide cyber security policy and GDPR policy were reviewed this year. In addition, STAR has rolled out a cyber security policy/ framework to STAR portfolio companies which sets out the baseline cyber security standards they need to meet.

At STAR, Cyber security awareness is promoted and tested through monthly phishing tests and regular training. During the year, STAR organised a ransomware simulation workshop for board members/ senior management of our portfolio companies, provided by a cyber specialist, in order to raise awareness of the decisions that need to be taken and processes that need to be followed in such a scenario.

STAR commits to:

A minimum of one data penetration test per year at STAR and each portfolio company.

Provide cyber security training for all relevant employees and relevant employees/managers of portfolio companies.

Cyber security breaches Number	1
Data penetration tests Number	1
GDPR breaches Number	0
Portfolio companies with a responsible individual for cyber security	100%
Portfolio companies providing annual cyber security training to employees	78%
Portfolio companies with a cyber security policy	100%
Cyber/ GDPR breaches across the portfolio ¹	6

Note: data excludes Windlogix

¹ All reported breaches were considered immaterial and did not result in any negative consequences to the business

Appendix



APPENDIX

SASB

Sustainability Accounting Standards Board table

Topic	Accounting metric	Category	Unit of measure	Data / Page	Code
Transparent Information & Fair Advice for Customers	(1) Number and (2) a percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings.	Quantitative	Number, Percentage (%)	0 0%	FN-AC-270a.1
	Total monetary losses due to legal proceedings associated with marketing and communication of financial product-related information to new and returning customers.	Quantitative	Presentation currency	£0	FN-AC-270a.2
	Description of approach to informing customers about products and services.	Discussion and Analysis	N/A	Page 27	FN-AC-270a.2
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation of (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees.	Quantitative	Percentage (%)	Page 25	FN-AC-330a.1

Note: Calculated by reference to STAR III and STAR IV portfolio companies (excluding Windlogix) taking into account proportionate ownership where indicated.

APPENDIX

SASB

Sustainability Accounting Standards Board table

Topic	Accounting metric	Category	Unit of measure	Data / Page	Code
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themes investing, and (3) screening.	Quantitative	Presentation currency	100%	FN-AC-410a.1
	Description of approach to the incorporation of environmental, social, and governance (ESG) factors, in investment and/or wealth management processes and strategies.	Discussion and Analysis	n/a	Pages 9-22	FN-AC-410a.2
	Description of proxy voting and investee engagement policies and procedures	Discussion and Analysis	n/a	Page 11	FN-AC-270a.3
Financed emissions	Absolute gross financed emissions disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Quantitative	Metric tons (t) CO ₂ -e	Page 18	FN-AC-410b.1
	Total amount of assets under management (AUM) included in the financed emissions disclosure	Quantitative	Presentation currency	Page 18	FN-AC-410b.2
	Percentage of total assets under management (AUM) included in the financed emissions calculation	Quantitative	Percentage (%)	Page 18	FN-AC-410b.3
	Description of the methodology used to calculate financed emissions	Discussion and Analysis	n/a	Pages 17-18	FN-AC-410b.4

Note: Calculated by reference to STAR III and STAR IV portfolio companies (excluding Windlogix) taking into account proportionate ownership where indicated.

APPENDIX

SASB

Sustainability Accounting Standards Board table

Topic	Accounting metric	Category	Unit of measure	Data / Page	Code
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.	Quantitative	Presentation currency	£0	FN-AC-510a.1
	Description of whistleblower policies and procedures	Discussion and Analysis	n/a	Page 28	FN-AC-510a.2
Activity metric		Category	Unit of measure	Data / Page	Code
(1) Total registered and (2) Total unregistered assets under management (AUM).		Quantitative	Presentation currency	€1.1bn	FN-AC.000.A
Total assets under custody and supervision		Quantitative	Presentation currency	Not applicable	FN-AC.000.B

Note: Calculated by reference to STAR III and STAR IV portfolio companies (excluding Windlogix) taking into account proportionate ownership where indicated.

APPENDIX

PRI Principles Index

Activity metric		Page
Principle 1	We will incorporate ESG issues into investment analysis and decision-making processes.	9-11
Principle 2	We will be active owners and incorporate ESG issues into our ownership policies and practices.	11
Principle 3	We will seek appropriate disclosure on ESG issues by the entities in which we invest.	9
Principle 4	We will promote acceptance and implementation of the Principles within the investment industry.	13
Principle 5	We will work together to enhance our effectiveness in implementing the Principles.	13
Principle 6	We will each report on our activities and progress towards implementing the Principles.	In investor report

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