



STAR Capital SUSTAINABILITY REPORT 2024



A NOTE FROM THE CHAIRPERSON

Our commitment to sustainability integration

As we reflect on the past year, I am pleased to present STAR Capital's sustainability report for 2024. It remains clear to us that properly engaging sustainability factors creates sustainable and long-term value for our business, our stakeholders, and society.

In 2024, we continued to refine our ESG strategy, incorporating key regulatory updates and enhancing our approach to sustainability management across the investment lifecycle. Climate risk remained a priority, and we were delighted to publish our inaugural Task Force on Climate-Related Financial Disclosures (TCFD) report in July 2024.

Additionally, we strengthened our sustainability training programmes for executives, covering modern slavery and supply chain risks, sustainability regulation, and cyber security training.

Over the past year with the support of our carbon specialist advisor we conducted various carbon reduction modelling initiatives on several of our portfolio companies.

We are proud to have invested in three new companies this year, immediately collaborating with them to integrate robust sustainability strategies into their operations. Additionally, we published our inaugural Sustainability Stewardship Policy, designed to serve as a detailed framework for guiding our portfolio companies on their sustainability journeys while promoting alignment with best practices and long term sustainability goals.

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

Q&A WITH OUR SUSTAINABILITY & ESG MANAGER

An integral part of doing business

Jack Holmes is the Sustainability & ESG Manager at STAR Capital. Appointed in April 2024, Jack is responsible for all aspects of sustainability at STAR and supports portfolio companies with their sustainability strategies. He chairs STAR's ESG Committee.

Q: What was your first impression of STAR from a sustainability angle?

A: My first impression of STAR from a sustainability perspective was that the firm is genuinely committed to embedding a culture of sustainability across both its own operations and its portfolio companies. STAR takes a thoughtful, integrated approach, supporting portfolio companies with tailored guidance and aligning with best-practice frameworks such as the UN PRI and TCFD. The focus on long-term value creation and responsible investment stood out as both strategic and authentic.

Q: What were some of the key sustainability achievements in 2024?

A: In 2024, a few things really stood out. We published our first TCFD report, which was a big

step in how we approach climate risk. We also ramped up ESG training for our executives at STAR and portfolio companies, covering everything from sustainability regulation to cybersecurity. On top of that, we worked with a carbon specialist to support reduction initiatives across several portfolio companies, and we rolled out a new Sustainability Stewardship Policy to help guide companies on their sustainability journeys.

Q: How do you support your portfolio companies with their sustainability journeys?

A: We get involved right from the beginning, looking at sustainability risks and opportunities during due diligence, and then stay closely engaged throughout the investment. We work closely with each management team to understand what matters most

to their business and help them implement practical steps. It's not a one-size-fits-all approach; we tailor support to each company, whether that's aligning with international standards or helping them build up internal sustainability capabilities. The goal is to make sustainability part of how they do business and set them up for long-term success.

Q: How do you see the sustainability landscape evolving in the next few years?

A: I think we'll continue to see a shift in the sustainability landscape over the next few years, especially on the reporting side, with new regulations and frameworks coming in. But beyond reporting, there's a strong push for more strategic action. Climate risk management is becoming more prominent, and decarbonisation remains a top priority for many companies. We're also seeing growing pressure around supply chain transparency, so businesses will need to get much closer to their suppliers and understand those risks in more detail.



“STAR takes a thoughtful, integrated approach to sustainability, supporting portfolio companies with tailored guidance.

Jack Holmes
Sustainability & ESG Manager

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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 sustainability 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 investors ¹ | 51 |
| STAR III capital commitment ² | €925m |
| STAR IV capital commitment ³ | €997m |
| Total AUM ⁴ | €2bn |

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 34 businesses through in excess of 89 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 17 years.

1 Across STAR III and STAR IV, including co-investment vehicles
2 Including co-investment vehicles
3 Including co-investment vehicles
4 Excluding the Urban Splash Residential Fund, for which STAR acts as an Alternative Investment Fund Manager (AIFM)

Data as of 31 December 2024
This report excludes information on STR (STAR IV investment) due to the acquisition being made in December 2024.

STAR Portfolio as of 31 December 2024

| 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 |
|  <small>Secure Cash Logistic Partner</small> |  | Transport & Logistics | Outsourced cash management and logistics service provider. | STAR III |
|  <small>INFRASTRUCTURE</small> |  | TMT | Acquirer and manager of rental streams generated from telecom sites across Europe. | STAR III |
|  |  | Transport & Logistics | Europe's largest provider of aircraft wet leasing capacity to the growing express cargo and e-commerce sectors. | STAR III |
|  |  | Financial Services | International provider of compliance-driven funds, corporate and private client administration services. | STAR III |
|  |  | Transport & Logistics | Provider of rolling stock movement and storage services. | STAR III |
|  |  | Specialist industrial | Leading provider in the engineering, manufacturing and repair of complex mechatronic products in Germany. | STAR III |
|  |  | Transport & logistics | Owner and operator of the largest open access network of automated parcel lockers in Austria. | STAR IV |
|  <small>your sustainable solution DECOAT REUSE RECYCLE</small> |  | Specialist industrial | Leading global provider of de-coating services to the manufacturing sector. | STAR IV |
|  |  | Transport & Logistics | Provider of a wide range of mission critical services, such as technical ship management, crew management, and crew welfare services. | STAR IV |
|  |  | Transport & Logistics | Leading developer and provider of innovative, urban bike, sharing solutions in Europe. | STAR IV |
|  |  | Specialist industrial | Leading global subsea sensor equipment and solutions provider for the offshore energy, infrastructure and marine science markets. | STAR IV |

Sustainability highlights

STAR metric ■
Portfolio metric ■

STAR Carbon Footprint tCO₂e

Scope 1 **0.0**
(2023: 0.0)

Scope 2 (market based) **0.0**
(2023: 0.0)

Scope 3 **1,152,994**
(2023: 1,027,139.3)

Portfolio Highlights

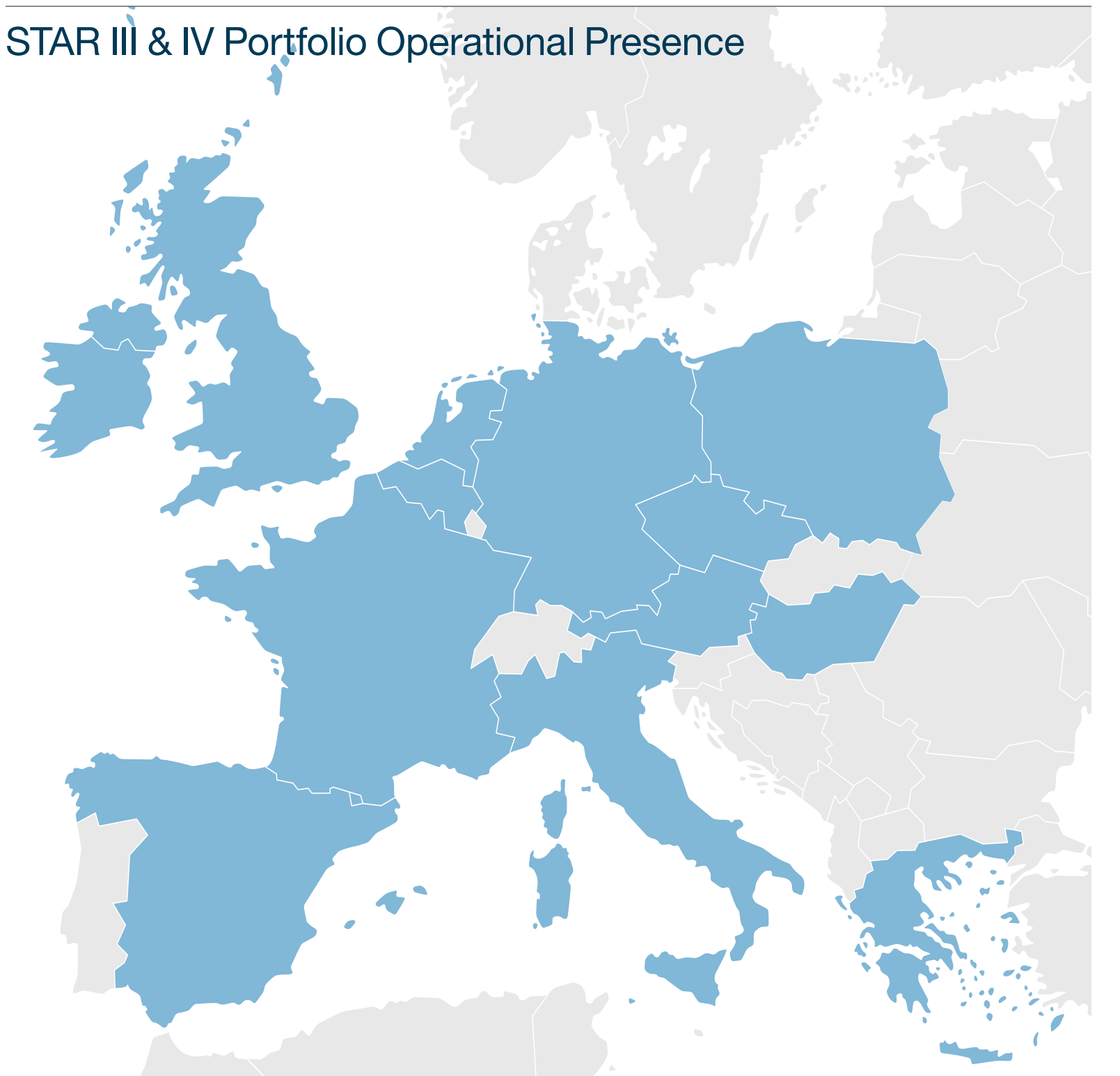
Revenue **€2.9bn**

Number of employees **10,000+**

Portfolio companies measuring, monitoring and reporting on carbon emissions **100%**

Total hours of training provided across the portfolio **66,000+**

STAR III & IV Portfolio Operational Presence



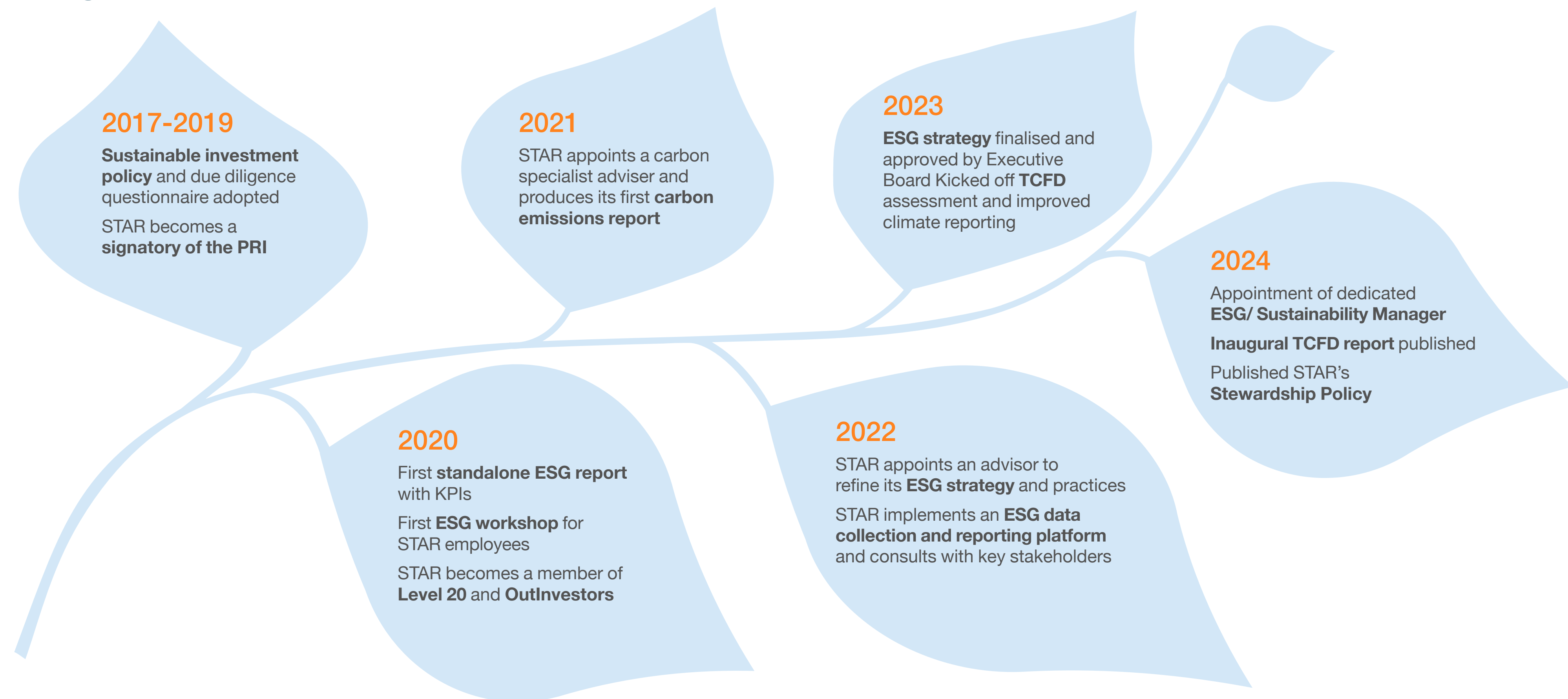
This report excludes information on STR (STAR IV investment) due to the acquisition being made in December 2024.

Our approach to sustainability

STAR integrates sustainability management into its business operations, recognising that addressing sustainability factors can enhance the value, resilience, and long term success of its investments and assets. STAR acknowledges that these factors have significant impacts not only on financial performance but also on the environment, society, and the broader economy.

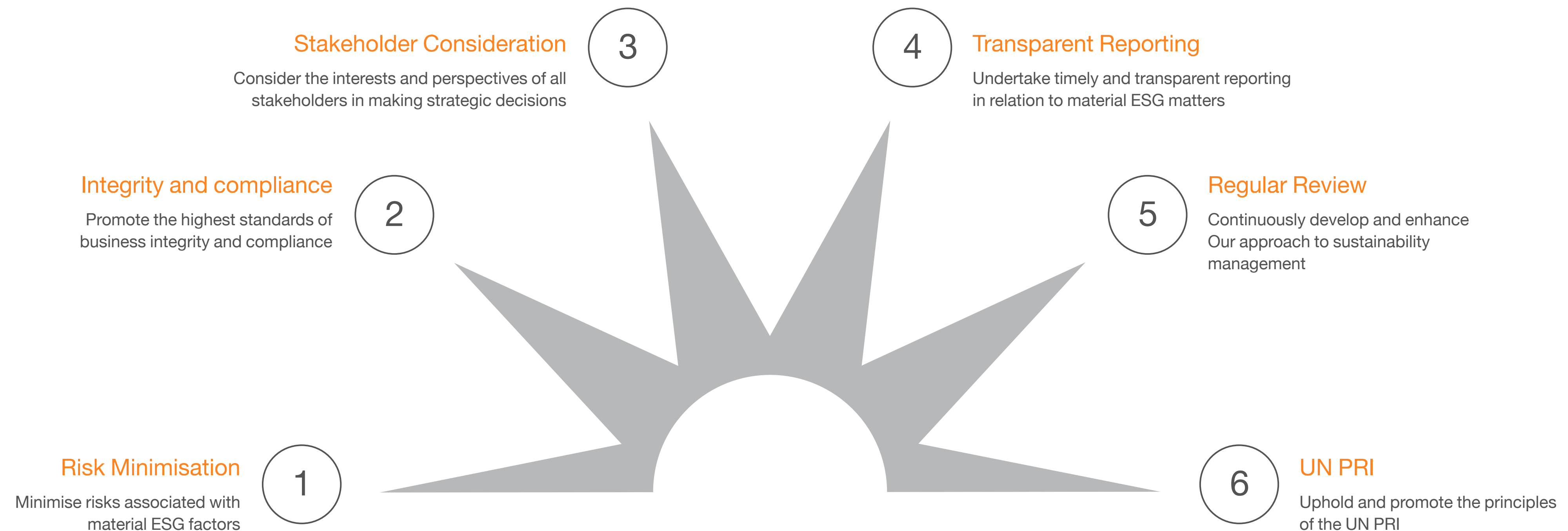
OUR APPROACH TO SUSTAINABILITY

Integrating sustainability into operations and stewardship



OUR APPROACH TO SUSTAINABILITY

STAR aims to uphold the following principles:



OUR APPROACH TO SUSTAINABILITY

STAR's Sustainability strategy

Our Sustainability strategy

In 2024, STAR continued to work on its sustainability strategy that had been comprehensively reviewed in 2023.

STAR's sustainability strategy is shaped by a materiality assessment that focuses on identifying sustainability impacts that are financially significant to business value. This assessment incorporates perspectives from both internal and external stakeholders- including investors, portfolio companies, lenders, and the ESG Committee, as well as takes into account regulatory requirements, reporting standards, and ESG ratings to ensure a comprehensive approach.

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 regulations, 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's Sustainability & ESG Manager will help drive the implementation of the Sustainability strategy.

Separate strategies and main focus areas for ESG topics:

Environment

We aim to manage the impact of climate risks in our environment decisions and portfolio management, seeking to improve the portfolio company's climate performance over the ownership period to ensure future proof business growth.

Main focus areas

- Greenhouse gas emissions
- Climate risk

Social

We aim to establish the right procedures and policies to ensure a safe working environment and drive human capital development.

Main focus areas

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

Governance

We aim to ensure a future proof system for data privacy, data security and ethical business conduct at STAR level and within the portfolio.

Main focus areas

- Cyber security and data protection
- Business ethics

OUR APPROACH TO SUSTAINABILITY

Sustainability Governance

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



Through its sustainability strategy, STAR treats sustainability as a core part of its business model. This is due to the belief that sustainability creates long-term sustainable value across operations and the portfolio. To support this integration of sustainability and its business model, STAR engages regularly with its portfolio companies to support them reach their sustainability ambitions.

The Executive Board of STAR holds ultimate responsibility for the sustainability strategy and the Sustainability Policy, overseeing their implementation throughout the organisation. Established in 2017, the policy undergoes annual review. Sustainability is a permanent item on the Executive Board's agenda, ensuring that the Board receives regular updates on sustainability matters at each board meeting and promptly escalates any significant sustainability incidents.

The Executive Board is formally supported by the ESG Committee which is chaired by STARs Sustainability & ESG Manager. The Committee meets twice a year.

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 sustainability programme within each portfolio company.

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
Partner &
Chief Financial Officer

ESG Committee



Jack Holmes
Chairperson,
Sustainability &
ESG Manager



Paul Gough
Managing Partner



Laura Carballo
Partner & Head of
Portfolio Management



Marco Conca
Principal



Kaytlin Hunter
Legal & Compliance
Associate



Louis Stevens
Head of Investor
Relations & Fundraising

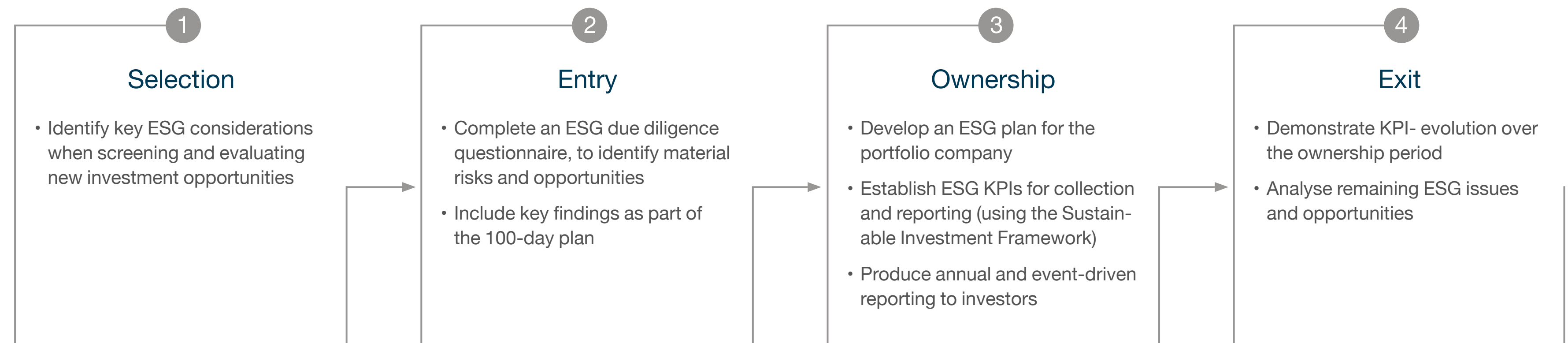
OUR APPROACH TO SUSTAINABILITY

Sustainability through the investment lifecycle

STAR acknowledges its ability to influence its portfolio companies and actively leverages this position to enhance their sustainability performance.

STAR endeavours to develop transparent and supportive relationships with its portfolio companies, helping them meet ESG principles and ambitions. Our Sustainability Policy and Stewardship Policy ensure that ESG performance is considered at all stages of the investment lifecycle, from initial screening to ownership and eventual exit. STAR evaluates potential investments for ESG risks and opportunities during the screening process and actively engage with portfolio companies during the ownership phase to support continuous improvement and alignment with ESG goals.

STAR incorporates ESG analysis throughout the pre deal assessments, due diligence, and deal flow pipeline, aiming to identify both material risks and opportunities for value creation. This comprehensive approach enables the Investment Committee to receive a holistic risk analysis as part of its evaluation process. As part of this, STAR



assesses each potential investment's alignment with the Sustainability Policy and utilises an ESG Due Diligence Questionnaire to screen opportunities.

During the ownership phase, STAR adopts an active ownership approach by working closely with the management teams and boards of its portfolio companies, often leveraging board positions to promote

sustainable practices. Each 100-day plan developed for portfolio companies prioritises material ESG issues and establishes a long term agenda aimed at protecting and creating sustainable value throughout STAR's holding period and beyond. Newly acquired companies are also onboarded to STAR's ESG data reporting platform to monitor progress and support the development of relevant targets and actions.

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.

OUR APPROACH TO SUSTAINABILITY

Stewardship at STAR

At STAR Capital, we believe that active stewardship is critical to supporting the long-term success and resilience of our portfolio companies.

This is why STAR created an inaugural Stewardship Policy, published in 2024. The policy sets out how STAR engages with management teams of portfolio companies to embed sustainability practices and drive continuous improvement within sustainability.

Enhancing governance

STAR collaborates with management boards and ESG Committees (where appropriate) to advance sustainability initiatives across portfolio companies. Leveraging their extensive network of advisors, STAR provides strategic support in material sustainability areas, helping to strengthen governance frameworks and foster sustainable business practices.

Supporting decarbonisation efforts

STAR works closely with portfolio companies to identify emission hotspots and prioritise effective reduction strategies. STAR's goal is to support each company in setting practical, achievable targets that align with broader climate goals and industry best practices.

Enabling effective ESG measurement

To empower informed decision-making, STAR equips portfolio companies with tools to track ESG metrics and key performance indicators. These include carbon emissions, energy consumption, diversity statistics, and cybersecurity data. By enabling transparent measurement and reporting, STAR helps businesses monitor progress and identify new opportunities for improvement.

Building ESG capability

Recognising the importance of leadership in driving change, STAR facilitates workshops and training sessions for executive teams on critical ESG topics. Focus areas include climate risk management, corporate governance best practices, and regulatory developments, equipping leaders with the knowledge and skills to embed sustainability across their organisations.

STAR's Stewardship Policy reflects commitment to building resilient businesses that contribute positively to society and the environment, while creating long-term value for all stakeholders.

The Stewardship Policy sets out the following principles:

1

To **optimise** positive impacts and minimise or negate potential adverse impacts;

2

To **promote** the highest standards of business integrity and compliance;

3

To **consider** the interests and perspectives of all stakeholders in making strategic decisions; and

4

To **undertake** timely and transparent reporting in relation to material ESG matters.

CASE STUDY



Decarbonisation Initiatives of ASL

ASL Ireland & UK (ASLI), an aviation company, conducted a decarbonisation analysis to align with industry targets set by the Toulouse declaration, EU ‘fit for 55’ initiative, and International Air Transport Association (IATA). The goal is to achieve a 55% reduction in aviation industry emissions by 2030 from a 1990 baseline.



The following decarbonisation initiatives were assessed:

Fleet Transition

Phasing out older aircraft models and introducing more efficient ones.

Hydrogen Plane Retrofits

Three ATR72-500F planes to be retrofitted with hydrogen fuel systems by 2029.

Software Implementation and Pilot Training

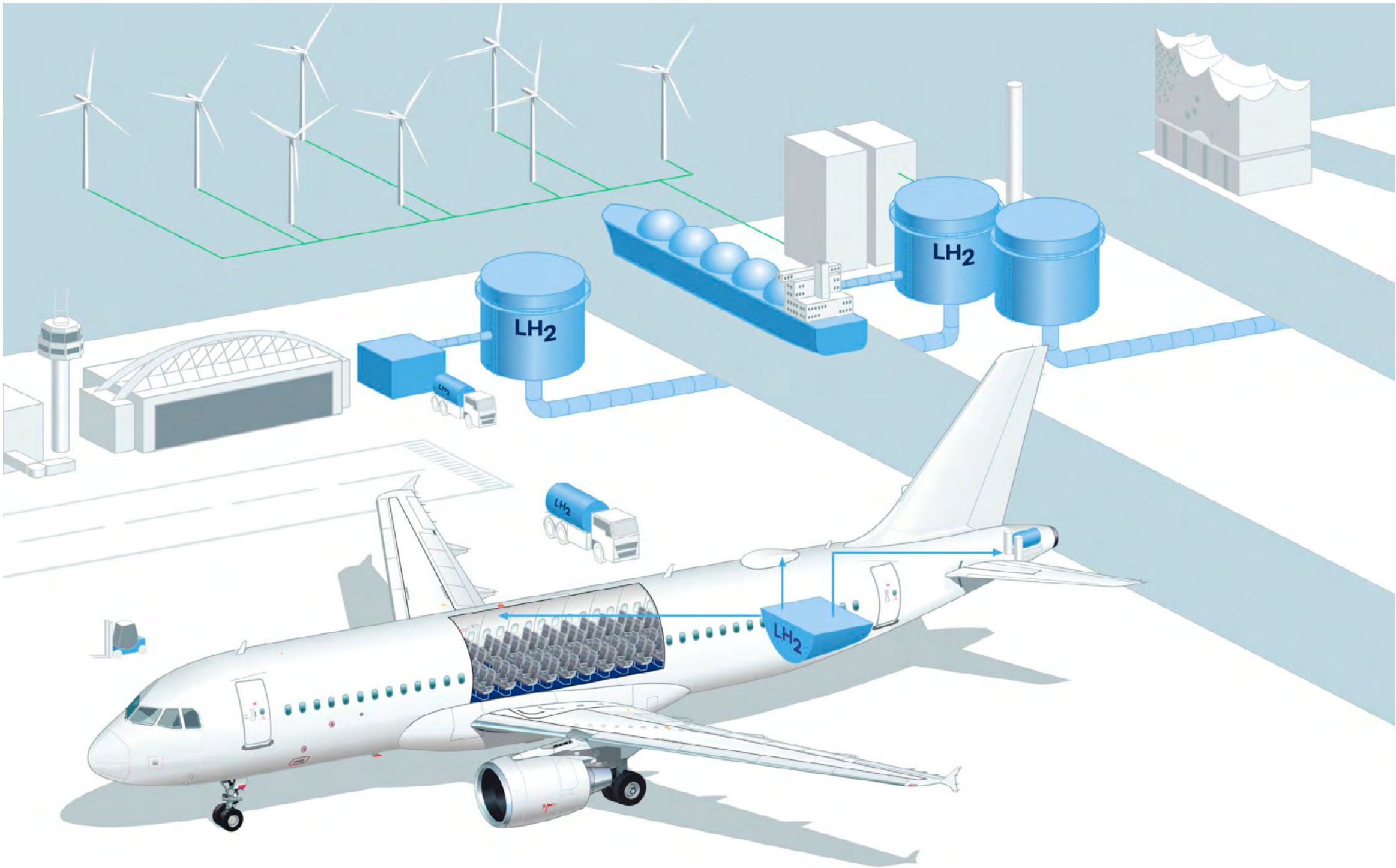
Expected to reduce fuel consumption by 0.5% per plane per year.

Increased Sustainable Aviation Fuel (SAF)

Aiming for 5% SAF in airport fuel by 2030, in line with IATA targets.

Company Car Rollover

Transitioning to battery electric vehicles (BEVs) for all cars by 2024 and vans by 2025.



By 2030, total emissions are expected to see a slight increase due to fleet growth, but emissions intensity (gCO₂e per revenue tonne-kilometre or RTK) is projected to drop by 17%.

Sustainable aviation fuel (SAF) adoption and hydrogen retrofitting remain standout measures for achieving deeper emissions reductions and driving impactful change.

For the pilot exercise only ASLI and UK data was used to support with validating initiatives and targets the company has signed up to.

* Please note: The projected 17% decrease is based on the assumption that all anticipated growth factors and efficiency initiatives are fully achieved. This figure does not represent a specific target set by ASL.

OUR APPROACH TO SUSTAINABILITY

STAR's engagement in the ESG ecosystem

Transparency and collaboration form the foundation of STAR's ESG strategy, fostering an ESG culture that generates value both for its portfolio companies and society.

STAR has been a committed signatory of the United Nations (UN) Principles for responsible Investment (PRI) since 2017. By aligning with the PRI, STAR demonstrates its dedication to embedding responsible investment practices across its investment activities, portfolio management, and investor reporting. This commitment ensures STAR acts in the long term best interests of its beneficiaries by systematically integrating ESG considerations into its decision making processes.



For the 2024 reporting period, STAR received the following scores

★★★★★ 84% For the Policy Governance and Strategy module (PGS)

★★★★★ 89% for the Direct – Private Equity module

★★★★★ 80% For the Conference Building Measures module

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 SUSTAINABILITY

STAR's engagement in the ESG ecosystem

Stakeholder engagement is central to STAR's ESG approach, ensuring diverse perspectives from investors, portfolio companies, and other stakeholders shape its strategy. This ongoing dialogue not only informs the development of ESG initiatives but also strengthens STAR's overall commitment to sustainability.

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). Tony Mallin CBE, founded and chairs YES (Youth Experience in Sport), which STAR has supported over many years, with fund raising efforts. In particular this year the team carried out the Three Peaks Challenge and the Royal Parks Half Marathon.

Other initiatives:




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



Level20 encourages gender diversity in the private equity industry.



STAR's Sustainability performance



Consistent tracking of sustainability data across the portfolio is essential for STAR to inform decision making and assess progress. As a result, STAR systematically monitors performance in the key focus areas outlines in its sustainability strategy, ensuring the data collection and measurement are aligned with its sustainability objectives and provide a reliable basis for evaluating outcomes.

CASE STUDY

ESG Regulation and Climate Training

STAR conducted a training session for its portfolio companies' senior management, deal teams, and board members, focusing on ESG regulations and climate risk and opportunity.

The session provided an overview of key regulatory developments, including the UK's sustainability landscape, FCA and IFRS regulations, and European frameworks such as the EU Taxonomy and CSRD. The regulatory landscape is expanding, with several of STAR's portfolio companies potentially being in scope for the CSRD. As such, STAR saw this training as an opportunity to provide participants with insights into ESG reporting requirements and the implications of evolving regulations on their businesses.

STAR also explored the financial and operational impacts of climate risk, distinguishing between physical and transition risks. The session highlighted how decarbonisation can mitigate transition risks—such as exposure to carbon taxation and rising energy costs—while unlocking opportunities like cost efficiencies and talent retention. STAR works with portfolio companies to assess their specific climate vulnerabilities and identify strategies for value creation through proactive ESG integration.

Regulation covered in training



ENVIRONMENT

Carbon emissions

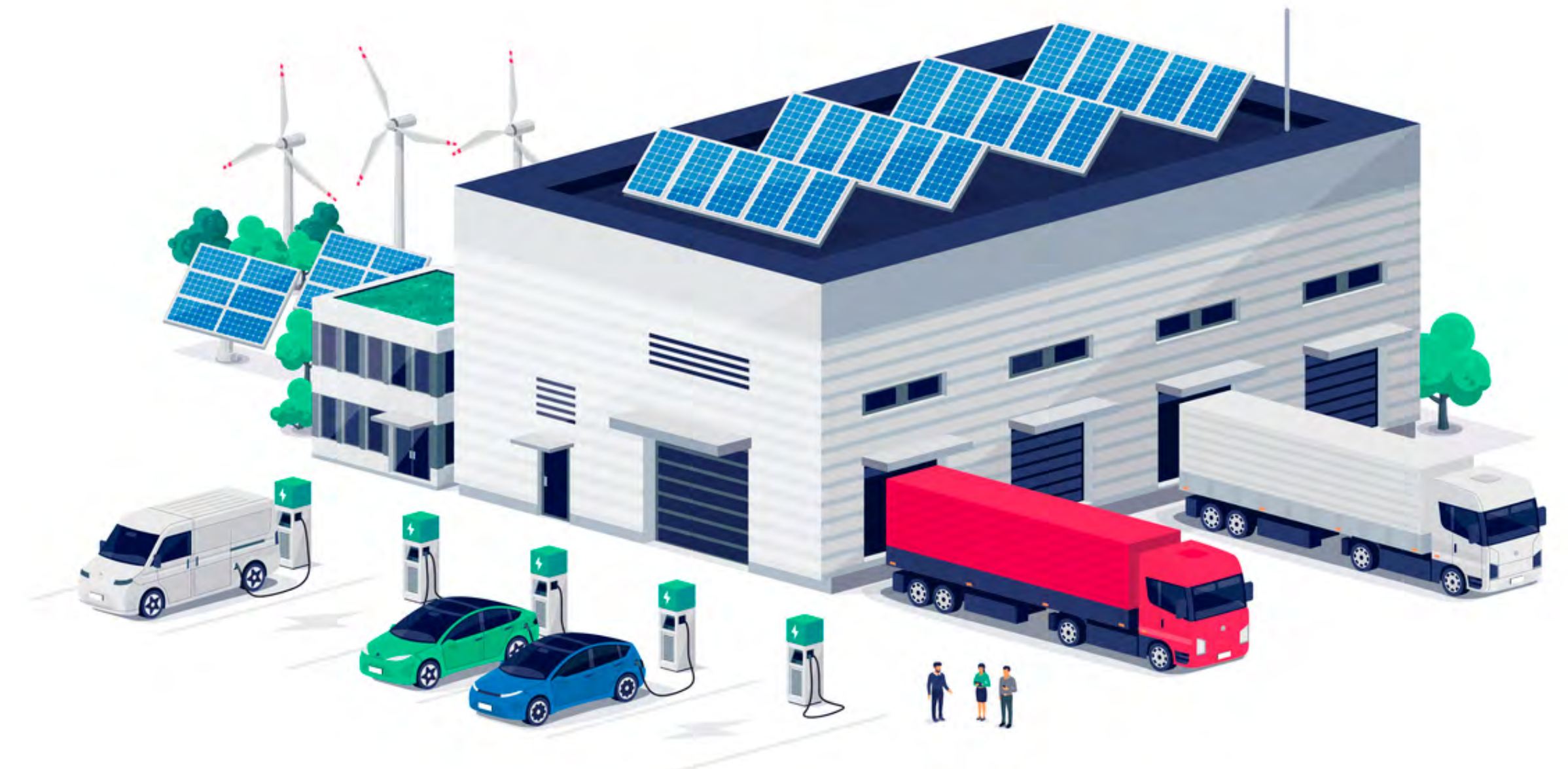
STAR recognises that carbon emissions pose significant risks to the environment, society and businesses.

Main focus areas

- Greenhouse gas emissions
- Climate risk

Climate change is a major global challenge, with businesses playing a significant role through their greenhouse gas emissions. STAR recognises this responsibility and has made climate action a central focus, supporting initiatives to reduce its carbon footprint both within its own operations and across its investment portfolio.

In 2024, STAR placed a strong emphasis on decarbonisation, working closely with portfolio companies to help them identify effective levers for reducing emissions and supporting the development of emission reduction targets. This collaborative approach included conducting decarbonisation exercises across several portfolio companies to drive progress toward measurable climate goals.



ENVIRONMENT

Carbon emissions

| | |
|---|----------------------------------|
| Scope 1 tCO ₂ e | 0.0 (2023: 0.0) |
| Scope 2 (market based) tCO ₂ e | 0.0 (2023: 0.0) |
| Scope 3 (incl. investments) tCO ₂ e | 1,152,994 (2023: 1,027,139.3) |
| Scope 3 (excl. investments) tCO ₂ e | 178.58 (2023: 306.6) |

STAR Capital’s travel emissions fell by 43.2% in FY24, largely due to a revised calculation approach. Unlike previous years, when emissions were based on figures from STAR Capital’s travel system, FY24 data was calculated separately with greater detail. This enhanced granularity provided a more accurate assessment of travel-related emissions

STAR Emissions

STAR is a small team of 30, mainly located in London. As a result, direct emissions (scope 1) are minimal, limited primarily to office gas usage. STARs scope 2 emissions are also low, since the office building uses electricity generated from renewable sources. The majority of STAR’s carbon footprint falls under scope 3 emissions, which stem from business travel and investment activities. These areas present the greatest opportunities for STAR to achieve significant emission reductions in the future.

STAR’s scope 1 and 2 emissions in 2024 were 0.0 tCO₂e. This is largely attributed to the ongoing transition to biogas use in the office building.

Including the emissions generated by the portfolio company investments, STAR’s 2024 carbon emissions were 1,162,590 tCO₂e with ASL being the largest contributor. Please note the 2024 carbon footprint includes two new investments, V.Group and Nextbike.

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.

STARs' overall emissions have risen, mainly because most emissions come from scope 3 (investments). This increase is primarily driven by adding two new investments to the portfolio, as well as a change in the emissions profile of underlying investments. ASL, STARs' largest emissions source, saw a 5% rise in emissions as a result of an increase in kms flown. Other portfolio companies, such as GSLS and V.Group saw a reduction in emissions year on year.

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 | Scope 1 & 2 | Scope 3 |
|-------------|------------------|--------------------|--------------------|--------------------|
| | % | tCO ₂ e | tCO ₂ e | tCO ₂ e |
| ASL | 49 % | 1 353 376 | 1 112 010 | 241 366,00 |
| GSLS | 93 % | 1 717 | 1 010,63 | 706,4 |
| Hawksford | 80 % | 1 450,96 | 450,45 | 1 000,51 |
| ROG | 64 % | 1 347,76 | 778,18 | 569,58 |
| SynergyLMS | 93 % | 27 594,91 | 17 045,91 | 10 549,00 |
| Vincorion | 87 % | 6 578,44 | 2 264,06 | 4 314,38 |
| TASC | 80 % | 36,00 | 8,00 | 28,00 |
| ABL Technic | 89 % | 33 801,00 | 18 424,00 | 15 377 |
| MYFLEXBOX | 49 % | 1 111,00 | 12,00 | 1 099 |
| Nextbike | 93 % | 2 703,00 | 648,00 | 2 055,00 |
| V.Group | 16 % | 1 621 558 | 163,00 | 1 621 395 |
| Total | | 3 051 274 | 1 152 815 | 1 898 459,87 |

Emissions based on STAR III and IV ownership percentage. Data excludes STR.

Portfolio companies measuring, monitoring and reporting on carbon emissions

100%

Scope 1, 2 and 3

Portfolio companies with carbon emissions targets

36%

By number

Percentage of portfolio company emissions from portfolio companies with reduction targets

99%

ENVIRONMENT

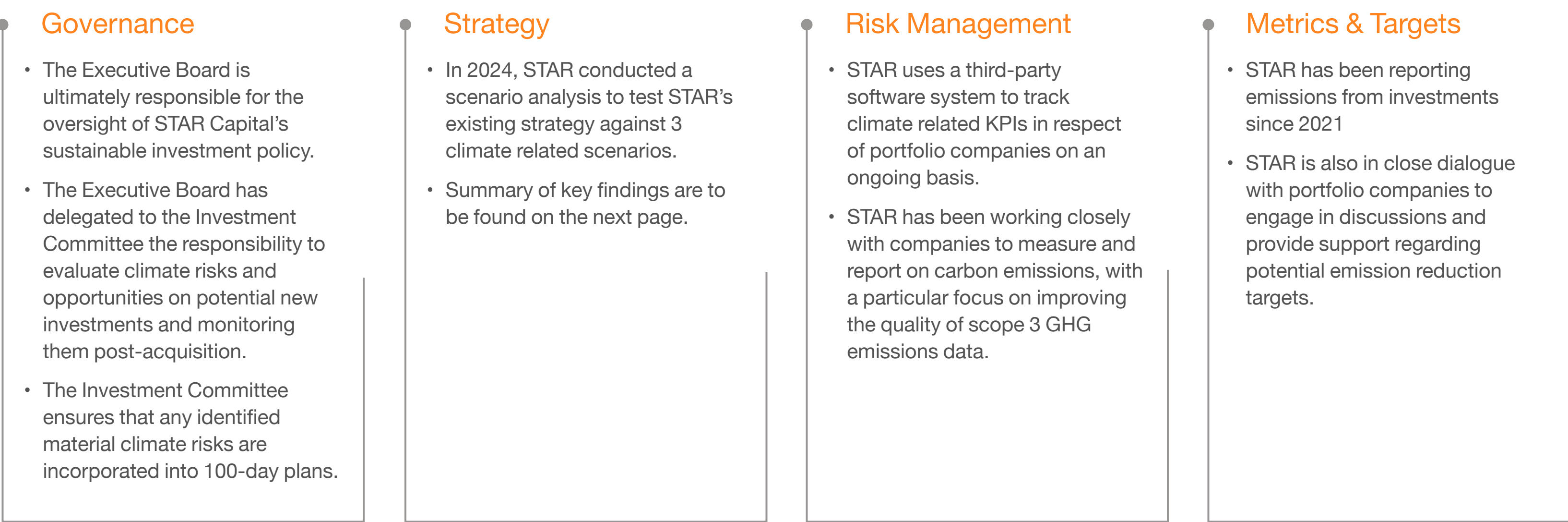
Climate risks & opportunities

Climate change is contributing to increased market volatility through several channels, including the introduction of new climate-related regulations, rapid technological developments, and the physical impacts of extreme weather events.

Climate change presents both risks and opportunities for STAR’s operations and portfolio. It is a material business risk, with physical risks (e.g., extreme weather) and transition risks (e.g., regulatory shifts, technology changes, evolving consumer preferences) potentially impacting long-term returns.

In early 2024, STAR carried out a climate risk assessment in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) framework, utilising data from 2023. The assessment examined both physical and transition risks across three scenarios: net zero, delayed transition, and continuation of current policies.

TCFD Framework



ENVIRONMENT

Climate risks & opportunities

Very low Moderate
Low High

Transition Risks

The climate scenario analysis utilised tailored scenarios to assess both the transition and physical climate-related risks under three distinct pathways:

a net zero scenario, a delayed transition, and a current policies scenario. The below table shows high level exposure to transition risks in the three assessed scenarios.

| 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 | | | | | | | | | |

Including STAR III & STAR IV portfolio companies as of 31 December 2023.

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 | | | | | | |



For more information, please refer to STARs standalone TCFD report which is publicly available on our website.

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.



SOCIAL

Talent attraction, retention, and development

STAR metric 
Portfolio metric 

People are our greatest asset

Having excellent talent is essential for delivering value to stakeholders and executing STAR’s sustainability strategy. Given the nature of STAR’s operations, the company depends on skilled, motivated, and efficient employees to drive value creation. As a result, recruiting and retaining talent remains a core priority for STAR. To achieve this, the organisation has implemented various initiatives both within STAR and across its portfolio.

These efforts include enhancing employee engagement and providing opportunities for training and professional development.

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.

This year, STAR organised a variety of training sessions with industry experts in areas such as supply chain risk and the emergence of Artificial Intelligence (AI).



Training is an essential tool for STAR in developing its people. This includes personal development programmes, totalling c. 340 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 36 hours of consultations.

Employees that have had appraisal or development plans updated in 2024 **100%**

Employee turnover rate **17%**

Portfolio companies conducting an employee satisfaction survey in the last two years **45%**

STAR commits to:

Aiming to conduct 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.

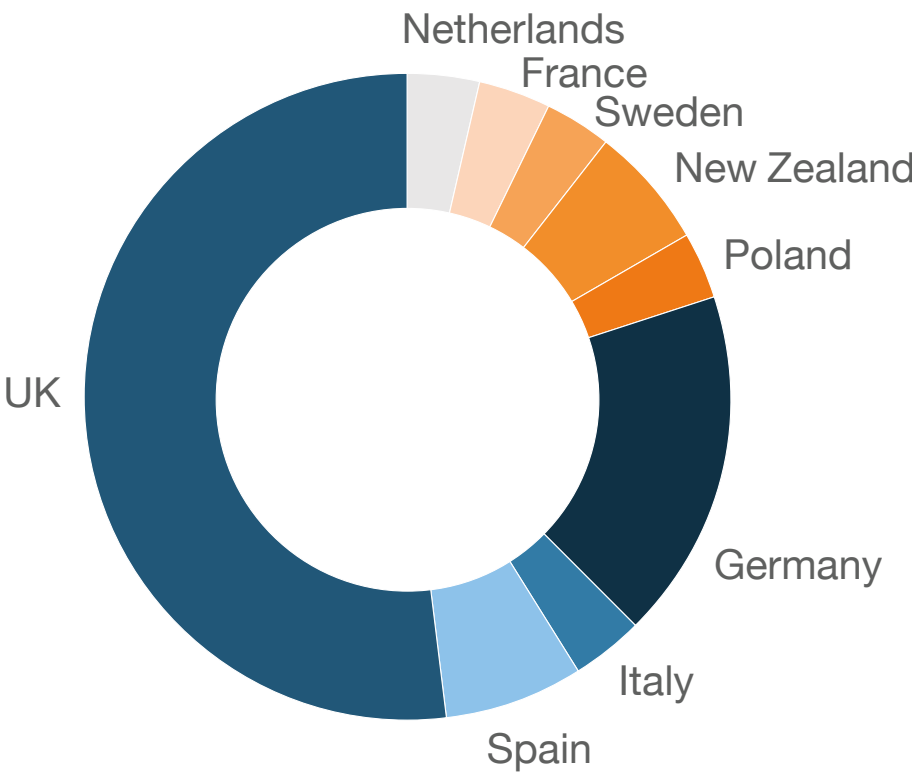
This is why STAR places an emphasis on diversity, building a team with 9 different nationalities.

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.

Furthermore, STAR places significant importance on reporting progress in the field, as transparency and accountability are essential for fostering positive change. The team is committed to providing regular updates on STARs initiatives both within the organisation and across its portfolio, ensuring stakeholders are informed about ongoing efforts and achievements.

Nationality breakdown at STAR



STAR gender diversity¹

| | |
|---------------------------------------|-----|
| Executive management ³ | 25% |
| Non executive management ³ | 20% |
| Employees | 30% |

STAR ethnic diversity²

| | |
|---------------------------------------|-----|
| Executive management ³ | 25% |
| Non executive management ³ | 20% |
| Employees | 10% |

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 is committed to achieving zero injuries or fatalities across its operations and portfolio. To support this goal, STAR develops and implements robust policies and procedures designed to maintain a safe working environment, alongside regularly monitoring key health and safety KPIs to ensure ongoing safety performance and improvement.

STAR collaborates closely with its portfolio companies to uphold high health and safety standards. This support includes providing access to third party expertise when needed, as well as resources to assist in the development and implementation of health and safety policies and practices that align with relevant industry standards. Responsibility for health and safety training rests with each portfolio company, ensuring that training is tailored to their specific business models and operational needs.

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.

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 proactively implementing various initiatives to prevent a similar type of incident occurring again. Please note this is the same incident that was reported in STARs 2023 sustainability report.

Portfolio statistics 2024

Work related fatalities1

Lost time incident frequency8.5



GOVERNANCE

Business ethics

Responsible and ethical business practices drive long-term, sustainable value for STAR, it's portfolio, and the wider industry.

Main focus areas

- Business ethics
- Cyber security and data protection

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.

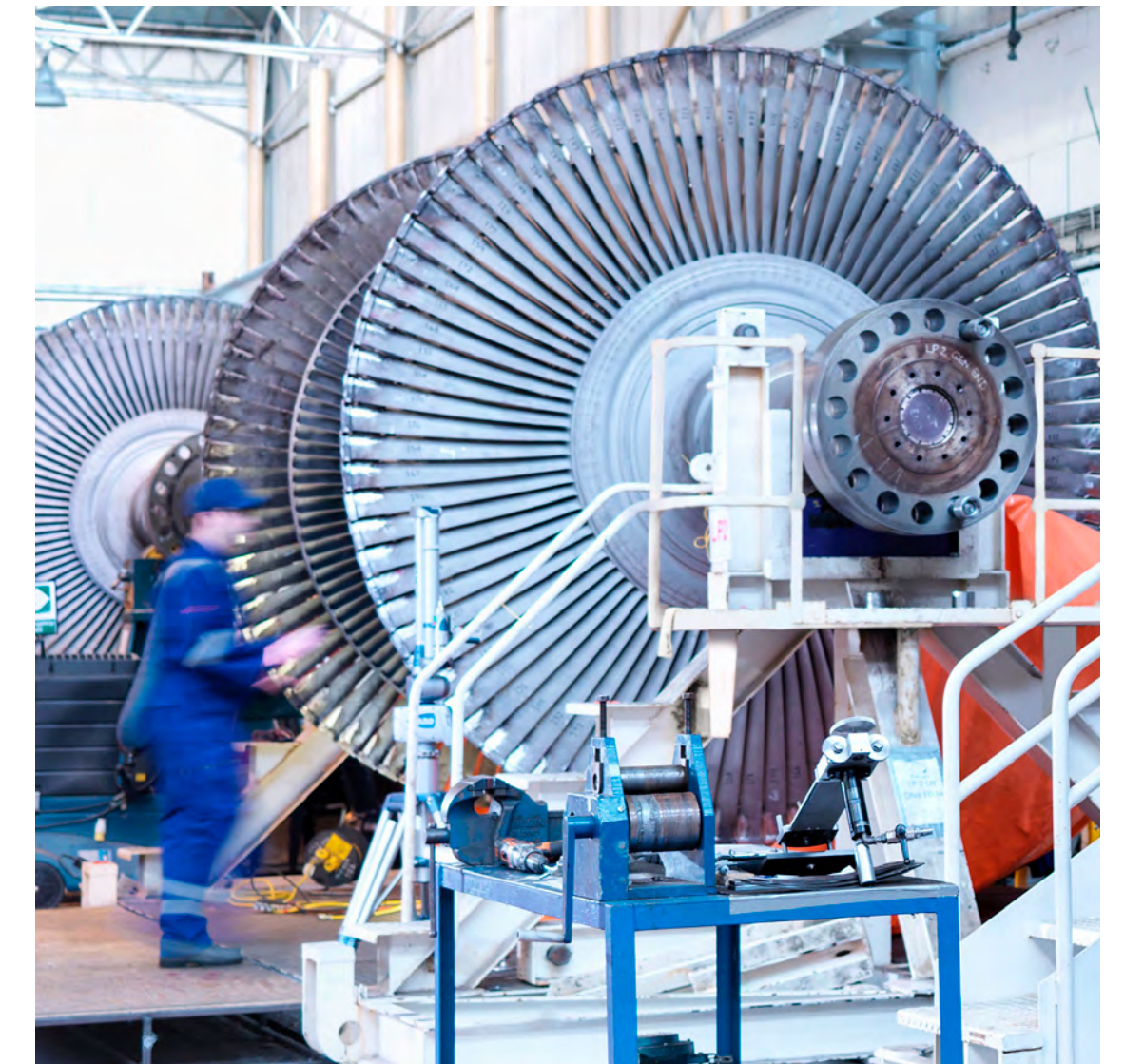
STAR commits to:

Encouraging 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 prominently feature clear risk warnings to ensure transparency. Prospective investors are granted access to a virtual data room, which provides detailed information on historical fund performance and governance procedures, enabling them to make informed decisions.

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 investor.



GOVERNANCE

Business ethics

To uphold its commitment to business ethics, STAR has implemented a robust whistleblowing policy that empowers employees to report suspected wrongdoing or risks related to its operations promptly. This includes serious concerns such as bribery, fraud, criminal activity, miscarriages of justice, health and safety hazards, environmental damage, and breaches of legal, regulatory, or professional obligations. The policy ensures confidentiality, protection against retaliation, and provides clear channels for reporting issues internally and externally.

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 | 100% |
| Reported whistleblowing incidents in the portfolio ¹ | 146 |

¹ This figure is significantly higher than last year due to STAR’s investment in a large company with nearly 3,000 employees.

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 cause reputational harm and lead to substantial internal and external costs through the loss of sensitive data. To mitigate these risks, STAR has established a robust, future ready IT and data protection system across its operations and portfolio companies.

At STAR, Cyber security awareness is promoted and tested through monthly phishing tests and regular training. Additionally, STAR actively supports its portfolio companies in strengthening their internal cybersecurity systems and staying informed about emerging developments in the cyber landscape.

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.

| | |
|---|------|
| 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 | 82% |
| Portfolio companies with a cyber security policy | 100% |
| Cyber/ GDPR breaches across the portfolio ¹ | 1 |

Data excludes information on STR.

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 |

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 12 | 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 21 | FN-AC-410b.1 |
| | Total amount of assets under management (AUM) included in the financed emissions disclosure | Quantitative | Presentation currency | Page 21 | 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 20-21 | FN-AC-410b.4 |

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 | €2bn | FN-AC.000.A |
| Total assets under custody and supervision | | Quantitative | Presentation currency | Not applicable | FN-AC.000.B |

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. | 10-13 |
| Principle 2 | We will be active owners and incorporate ESG issues into our ownership policies and practices. | 12 |
| Principle 3 | We will seek appropriate disclosure on ESG issues by the entities in which we invest. | 10 |
| Principle 4 | We will promote acceptance and implementation of the Principles within the investment industry. | 15 |
| Principle 5 | We will work together to enhance our effectiveness in implementing the Principles. | 15 |
| Principle 6 | We will each report on our activities and progress towards implementing the Principles. | In investor report |

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