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# Creating value as a responsible investor

SUSTAINABILITY REPORT 2024

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Throughout Investcorp's 42-year history, we have sought to invest for a stronger future for those who trust us with their capital, for the businesses and assets we support and for the communities in which we work and live.

In the face of a rapidly changing and uncertain world – with challenges in geopolitics, economic development, new technologies and climate – that means adapting and evolving so that we continue to be responsible partners. Creating value as a responsible investor is the theme of this year's sustainability report, reflecting our commitment to create sustainable, long-term value for all our stakeholders.

➞ [www.investcorp.com](http://www.investcorp.com)

# 01 OVERVIEW

- 04 A letter from the Executive Chairman
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- 06 Highlights
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“

As a firm with a global footprint, we are keenly aware of the many challenges facing the world and the role that responsible investment can play in overcoming these challenges.”

**Mohammed Alardhi**  
Executive Chairman



“

I am delighted to share our latest sustainability report, which outlines how we are creating real-world value as a responsible investor.”



This year's report comes at a time when global development is met with a series of challenges, from geopolitical upheaval and economic fragmentation to the deepening climate crisis.

2024 is a year that could reshape the global world order. By the end of this year, over half of the world's eight billion-plus population will have participated in national elections. At the same time, the advances of artificial intelligence are changing our world at lightning speed. And while the new technologies at our disposal offer extraordinary potential, they also pose critical challenges to jobs and competitiveness. All the while, climate change continues to wreak havoc on whole communities, societies and economies. This year has been the warmest since global records began. The previous hottest year was 2023. The data reveals a troubling trend of ever-warming temperatures as the battle to slash emissions continues. Rapid decarbonization is crucial.

As a global investment firm with 14 offices across the US, Europe, the GCC and Asia, we intuitively understand the challenges, opportunities and imperatives for responsible investment in today's world. This report sets out the steps we are taking to create long-term value, and highlights how we are putting sustainability at the core of our firm, as well as across our investment portfolio. While we reflect on the multiple challenges we and our investors must address, we believe that global sustainability needs align with our strengths, and our strategic direction, positioning us to excel in the future.

Delivering impact and progress comes down to focus. We have identified three areas that inform our approach across our portfolio and within our own operations: climate action, people and culture and good governance.

### Climate action

In September 2023, Investcorp committed to achieving net-zero emissions by 2050 or sooner. This is no empty ambition. Our commitment is supported by near-term science-based targets covering emissions from our operations. We have already completed phase one of our climate transition plan and have made encouraging progress towards achieving our interim targets.

Next, within our investment portfolio, our focus remains on addressing data scarcity, transition planning and implementation. Finally, with the launch of our Climate Solutions investment platform, we are leveraging our global network and sector expertise to invest in companies that provide products, services and technologies that support decarbonization and address the impacts of climate change.

### People and culture

People and culture are fundamental to the success of our business. Diversity, equity and inclusion have been core to our firm since its founding. Today, we are proud to bring together people from 44 nationalities with unique viewpoints and experiences. We believe that a diverse workforce and inclusive culture makes us better at problem-solving and decision-making: skills that are essential to navigating the socioeconomic and environmental challenges we and our portfolio companies contend with today.

### Good governance

Strong governance is the foundation of our business. Over our history, we have built a governance culture that favors long-term resilience over short-term gains. Our focus is on building strong sustainability governance at Investcorp and supporting our companies to establish and implement robust governance codes, policies and practices.

We hope that by sharing our progress, we will encourage others to join us on the path to a more sustainable and prosperous future. Thank you for your continued support.

Sincerely,

Mohammed Alardhi  
Executive Chairman

# Creating value as a long-term responsible investor

Investcorp is a leading independent global investment firm, specializing in alternative investments across private equity, real assets and credit. We partner with our clients to help them succeed and grow.

## What we do

### PRIVATE EQUITY

- Private Equity
- Technology
- Strategic Capital
- Climate Solutions

### REAL ASSETS

- Real Estate
- Infrastructure

### CREDIT

- CLO
- Direct Lending
- Insurance Solutions

Investing since

1982

Assets under management

\$53bn<sup>1</sup>

Presence in cities

12

Employees

~500

Countries represented

50

Regions

6



<sup>1</sup> AUM figure relates to 30 June 2024.

# Climate action

## OUR LEADERSHIP

### COP28

Supported the 28<sup>th</sup> Conference of the Parties as an Associate Pathway Partner



Associate Pathway Partner

### Climate Solutions

Launched Climate Solutions Investment Platform anchored by Mumtalakat, the Kingdom of Bahrain's Sovereign Wealth Fund

### Top 10

Recognized among the Top 10 Forbes Middle East Sustainability Leaders<sup>1</sup> in the Investment category

### Thought leadership

Published five climate-related white papers and launched Investcorp Insights podcast at COP28

### Founding member

Founding member of the Sustainable Markets Initiative's Circularity Taskforce



### Proprietary research

Partnered with Saïd Business School, University of Oxford to research consumer behaviors and sentiment towards climate change



## OUR COMPANY

### Net zero

Publicly reaffirmed our commitment to achieving net zero emissions by 2050 or sooner

↓32%

Reduction in FY23 Scope 1 and 2 emissions versus FY19 baseline year

↓50%

Reduction in FY23 total reported emissions versus FY19 baseline year

29%

Renewable or low-carbon energy use in FY23

↑ 20pp from 2022

## OUR PORTFOLIO

↑2.7x

Increase in portfolio company participation



>75%

Private equity portfolio companies included in annual data collection

39%

Portfolio companies with an ESG or sustainability policy

↑ 17pp from 2022

37%

Portfolio companies with dedicated ESG resource/s

↑ 19pp from 2022

17%

Portfolio companies using renewable energy

↑ 3pp from 2022

1 Forbes Middle East [www.forbesmiddleeast.com/lists/the-middle-east-sustainable-100/](https://www.forbesmiddleeast.com/lists/the-middle-east-sustainable-100/), October 2023.

# People and culture

## OUR COMPANY

DEI Top 10

Ranked among top 10 in DEI among private equity firms for a third year (2023) by Equality Group

>130

Diversity, equity and inclusion eLearning courses completed by employees

92%

Employee satisfaction

>20 events

Held over 20 employee resource group events globally ('I-Will' and 'Gen-I')



Workshops

Five wellbeing workshops held globally



86%

Participation in our engagement survey

↑ 1pp from previous survey

Internship program

Hosted the Nemir Kirdar Global Internship Program for the third year



>100 participants

Over 100 participants in the Investcorp Inspire mentorship program



2x

Doubled the number of women senior leaders in the organisation through internal promotion

## OUR PORTFOLIO

>80%

Piloted DEI maturity framework with majority of European private equity portfolio companies

42%

Portfolio companies included in data collection with a formal commitment to DEI

↑4%

Increase in women in senior management roles across the Private Equity portfolio

# Supporting global climate action at COP28

Investcorp was one of the first companies to support COP28 as an Associate Pathway Partner, reflecting our commitment to help drive global efforts to tackle the causes and impacts of climate change.

This annual climate event was widely recognized as a success, culminating in an unprecedented agreement to shift away from all fossil fuels in energy systems, in a fair and balanced way. Our presence in the Climate Finance Hub placed us among sustainability leaders in the financial services space.



Solving the climate crisis requires leadership, shared goals and deep cross-sector partnerships. Our sponsorship of COP28 demonstrated the importance of supporting global initiatives and the active role we are taking to help tackle climate change.”



Firas El Amine  
Head of Corporate Communications

## Launching Climate Solutions Investment Platform

Our new investment platform will deploy private capital investments in companies that provide products, services and technologies that support decarbonization and address the impacts of climate change.

## Mobilizing capital to address climate action

An Investcorp dinner and high-level panel on 'Net-Zero: Navigating the path through policy, finance, and innovation' was held on the sidelines of COP28, where Executive Chairman, Mohammed Alardhi highlighted the importance of mobilizing private capital to address climate action.

## Investcorp Insights Podcast Series

A new podcast series 'Investcorp Insights', hosted by Jordana Semaan was launched during COP28. The series featured conversations with thought leaders, experts and industry influencers on topics related to investing, the environment and social impact.

## Partnership with Saïd Business School

We launched a global research partnership with the Saïd Business School, University of Oxford to generate new insights into consumer attitudes towards climate change. A new whitepaper, 'From Green Hearts to Green Carts: Bridging the Say-Do Gap for Climate Conscious Consumption,' was published on the eve of COP28.



## Our Head of Sustainability talks to our Vice Chairman and Chief Investment Officer about the evolving landscape in sustainable investing.



RK

**Rishi Kapoor**  
Vice Chairman and  
Chief Investment Officer



HAR

**Habib Abdur-Rahman**  
Global Head of  
Sustainability

HAR

It's fair to say that sustainable investing has rapidly evolved over the past few years and despite some setbacks in certain areas, it appears that the asset management industry continues to embed sustainable practices into everyday investing. What do you think is driving that?

RK

Change is never linear and there are challenges, but it is clear to me that the emphasis on sustainable business is here for the long term. The climate challenges we are increasingly seeing are focusing minds on climate change and the role private capital can play. We are not where we need to be yet in the energy transition and emissions reductions, but the positive news is that we have many of the products and services we need to respond to the challenge. Some of those are still at an early stage, and a lot can be achieved quickly if solutions are scaled up and deployed more widely.

HAR

We're in a fortunate position that the economics have become very attractive, driven by a range of factors from government policy to shifting consumer behavior.

RK

Indeed. The level of capital deployment, innovation and accelerated business growth that needs to occur creates a very attractive investment opportunity. Ultimately it goes back to why we are here, which is to make private investments and generate very strong returns for our investors.

By embedding sustainability into everyday investing, we're enriching the lives of future generations, not just in terms of generating a positive financial return but also in terms of how we generate that financial return. The business case is very clear.

“

By embedding sustainability into everyday investing, we're enriching the lives of future generations.”

HAR

In the face of such change, it's important that our sustainability strategy remains relevant and is integrated across our different investing platforms. What do you see as the differentiators that make Investcorp particularly effective at sustainable investing?

RK

We've been around for over 40 years and that's because while we continually adapt and evolve to meet the challenges and opportunities of a rapidly changing world, we never waver in our focus on long-term sustainable value creation. We're in it for the long term, which means that we can respond to macro-trends that are shaping the environment for our portfolio companies. There's every indication that climate change is already shaping consumer and business behaviors and will continue to do so for decades to come. We're ready to invest behind that.



We've also stayed true to our original positioning in terms of focusing on middle market businesses to help them grow in both domestic and international markets. That's our DNA. It's very exciting when it comes to sustainability because it means we can engage with founders to propel their businesses onto the global stage and support their growth across national borders.

HAR

That's where scale comes in. What we bring is the private capital and global footprint needed to take these new business models and technologies to the mainstream.

RK

Exactly. Scale brings economies of production and reduces unit costs so that these low-carbon technologies and solutions become more affordable and accessible.

HAR

As you alluded to, there's an equity issue at the heart of the transition in terms of ensuring that climate solutions are available to the many and not just the few. How has your perspective changed in recent years and has this informed your view of sustainability at Investcorp?

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We're seeing that companies with strong environmental and social governance are highly attractive to buyers over the long term because they have less exposure to risk and are more competitive.”

RK

My perspective has changed, and I would point to 2023 as the year where the world pivoted from thinking about sustainability in its component parts to recognizing that we simply cannot tackle many of the world's pressing problems without first tackling climate change. We are clearly on a trajectory that is not sustainable for us as inhabitants of this planet. It's sharpened my personal focus on climate change, as well as our focus at Investcorp.

HAR

Institutional investors across the world continue to place emphasis on sustainability when assessing fund managers that they partner with. Many now consider sustainability as a prerequisite to having initial conversations with managers. You're speaking to investors every day, what are you hearing from them?

RK

You're right. It's no longer a 'nice to have.' Some regions have progressed more than others, but the trajectory is quite clear that investors are following the lead of industry bodies and quickly ramping up consideration of sustainability factors.



European investors, for example, see membership to certain sustainability initiatives and industry bodies as a hygiene factor rather than a differentiator. They want investment teams to be knowledgeable about sustainability, supported by dedicated sustainability experts, and they want to see sustainability embedded in the culture and everyday investment processes.

HAR

As can be expected, this is accompanied by requests for 'proof' of integration as part of due diligence processes. Investors are looking for documented policies and case studies to support any claims that are made. More experienced investors even want access to data to run their own analysis on areas such as carbon emissions and, increasingly, human rights.

RK

For me, it's also important that we go back to first principles when we're thinking about this. At the end of the day, we are the conduits for the savings and retirement capital that families have saved up for their future generations. They care about the future, and they really care that their capital is generating returns in a way that has a positive impact.

What's exciting is that there is a mutual recognition that this is a win-win scenario. We're seeing that companies with strong environmental and social governance are highly attractive to buyers over the long term because they have less exposure to risk and are more competitive, which benefits business performance and asset values.

**HAR** There have been several highlights for me over the past year but attending COP28 as an Associate Pathway Partner and our commitment to achieve net zero GHG emissions by 2050 really stand out. I'm keenly aware that we have a responsibility to act as a steward of capital but also as a role model for our portfolio companies. What have you been most proud of?

**RK** We have to lead from the front, so it always starts with the actions we're taking at Investcorp. That's the foundational layer. That's why it was such a great feeling to be announcing our Climate Solutions Fund at COP28.

I've also been very pleased to see the progress we've made in expanding our portfolio data collection and rolling out our carbon management program. We couldn't have done this without having strong foundations within our own operations.

**HAR** In previous years we've talked about how we embed sustainability across the lifecycle of the firm's investments. Are we now able to see the real-world impacts of that integration coming through?

**RK** It's been a journey to get to where we are today in terms of integration, but we are seeing results coming through and much of this has been driven by better quality data. We're already seeing a much greater response rate and reliability in the data we're collecting through our portfolio. This is vital as it allows us and our investee companies to better understand and manage the impacts of business operations and activities.

As a result, we're seeing more companies assessing their GHG emissions across their operations. This is leading them to identify areas where they can save money and reduce their impact on the environment. We're also supporting companies to consider sustainability issues more closely so that they can understand and act more quickly on material issues. A good example of this is where 'days lost due to injury' data has prompted reviews of health and safety procedures.

Our 'sustainability mindset' has also led us to explore opportunities in sustainable infrastructure, identify sustainability regulation that could impact our portfolio, and even launch new platforms such as the Climate Solutions business.

**HAR** You have been at Investcorp for most of the company's history. How does sustainability compare to other macro-economic trends you have witnessed?

**RK** The last very attractive long-term investment theme was the digital disruption about 20 years ago, which was underpinned by government regulation, consumer demand, a supply of new technologies, availability of capital and attractive opportunities to scale up businesses to deliver return. Every one of those conditions applies to the climate finance space. I think what differs today is the pace of change we're seeing, the innovation that has already happened and the consequences of inaction. It's a once in a generation opportunity.

“

We have to lead from the front, so it always starts with the actions we're taking at Investcorp. That's why it was such a great feeling to be announcing our Climate Solutions Fund at COP28.”

**HAR** I often reflect that 'change' is an understatement when really what we're witnessing is a total rewiring of the economy. How do you reflect on the scale of the challenge and our ability to withstand this level of change?

**RK** I am an optimist and I have a strong belief in our ability as humans to recognize and to innovate to solve problems. We don't always move with the speed that we need but I do believe that we're now more focused than ever on the task ahead. Yes, there are big challenges, particularly given the multi-stakeholder nature of the dialogues and the imbalances between some of the actors in the system. Where I'm optimistic is that there is sufficient commitment in capital lining up to bridge some of these imbalances over the course of the coming years.

**HAR** With so much changing so rapidly it's very difficult to predict with any certainty, but I agree that it does appear that this investment trajectory will continue. I'm happy to share your optimism and to be a part of the journey at Investcorp. Thank you, Rishi.



# 02 OUR APPROACH

- 13 Principles and ways of working
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“

Our values have guided us for over 40 years, enabling Investcorp to grow, thrive and prosper in the face of global challenges.”

Richard Kramer  
Chief Operating Officer

# Good corporate governance is the foundation of Investcorp’s business

Over the past 40 years we have developed strong corporate governance and comprehensive risk management infrastructure to retain the trust and confidence of all our stakeholders who enable Investcorp to operate, thrive and prosper. As a global, responsible investor we apply our principles and disciplined investment approach across asset classes and geographies as we grow and expand.

## OUR PRINCIPLES

Our principles guide everything we do in pursuit of our objective to provide clients with the best investment products and solutions for their needs.



### GLOBAL OUTLOOK

We see opportunity in the major markets where we operate. We provide the local insight needed to understand and leverage every meaningful investment idea for our clients.



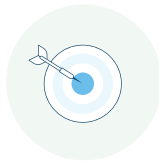
### LASTING PARTNERSHIPS

Our business is built on the highest level of service. We nurture strong, enduring relationships with our clients and with the management teams we invest in.



### ENTREPRENEURIAL SPIRIT

We are aligned with our clients. As a principal investor in many ideas, we will often deploy our capital before we offer the opportunity to our clients.



### SOUND JUDGEMENT

We are an institution with four decades of experience. We draw on our knowledge to make well-informed decisions in the pursuit of strong and sustained returns.

# Embedding sustainability governance

Investcorp's governance culture favors long-term resilience over short-term goals. We apply the same principles to how we govern sustainability matters across the firm and embed oversight of implementation at both the corporate and investment levels.

Investcorp's broader governance structure has oversight for matters such as anti-bribery, corruption and whistleblowing. Our Code of Conduct summarizes legal and ethical policies that are contained in Employee Handbooks, the Group Compliance Manual and other Investcorp Group policies.

“We embed sustainability into our governance framework to complement our approach to risk management, and enable us to more effectively coordinate sustainability activities and monitor key issues.”



Mark Horncastle  
General Counsel

## SUSTAINABILITY GOVERNANCE AND OVERSIGHT



### THE BOARD

Investcorp's Executive Committee, along with our senior executives, reports at least annually on sustainability-related activities to Investcorp's Board of Directors. The Board provides valuable governance oversight and helps to shape the firm's sustainability strategy.

### INVESTMENT TEAMS AND CORPORATE DEPARTMENTS

Responsible for implementing the Responsible Investment Policy which includes identifying, evaluating and managing environmental, social and governance risks and opportunities on an ongoing basis. Each of our Investment Teams has an Investment Committee that evaluates proposed investments, including relevant sustainability-related issues.

### SUSTAINABILITY COMMITTEE

Oversees sustainability strategy, policy development and implementation across Investcorp. The Committee is chaired by our Executive Chairman, and comprises the Vice Chairman and Chief Investment Officer, Chief Operating Officer and Heads of Sustainability and Diversity, Equity and Inclusion.

### RISK MANAGEMENT

The Internal Audit and Operational Risk Council, together with the Internal Audit and Operational Risk Management functions, periodically reviews internal controls related to the Group's sustainability policies and reporting practices. The Internal Audit function provides independent oversight and advice on best market practices on sustainability-related frameworks and controls.

# Focusing on what matters most

Our sustainability efforts are guided by input and feedback from all our stakeholders, including our clients, employees, shareholders, regulatory bodies, lenders and our Board of Directors.

We continually consult our core stakeholders on their views and expectations and strive to consider multiple views when establishing our sustainability policies, practices and reporting methodologies.

Stakeholder feedback has helped us to establish focus areas which guide the sustainability efforts of Investcorp and our portfolio companies.



## CLIMATE ACTION

We actively support the transition to a net zero economy through our investments, our portfolio companies and across our own operations.



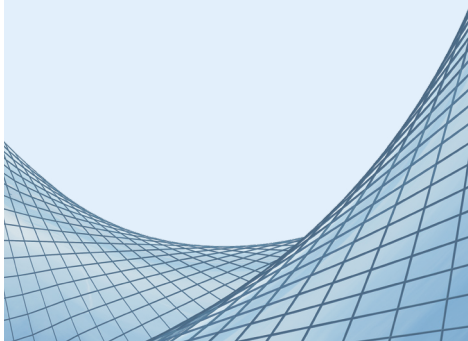
## PEOPLE AND CULTURE

We advocate for more representative and inclusive work environments and support the health, wellbeing and educational advancement of our communities.



## GOOD GOVERNANCE

We build high performing businesses through good governance measures including robust data protection and cybersecurity protocols.



## Making progress on our goals



## Climate action

OUR CURRENT GOALS	Achieve net zero carbon emissions in offices by 2050, targeting a 47% reduction in Scope 1 and 2 emissions by 2030	Reduce the carbon impact of our investment portfolio, targeting 100% of in-scope companies to have transition plans in place by 2030	Invest in companies that are building solutions that help accelerate global decarbonization and address the impacts of climate change
PROGRESS SO FAR	<div>Achieving results</div> <div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>32% reduction already achieved, on track for 2030 target</div></div>	<div>On track</div> <div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Portfolio-wide carbon management efforts initiated</div></div>	<div>On track</div> <div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Climate Solutions investment platform progressing according to plan</div></div>
WORK TO DATE	<div><div><div>—</div><div>Publicly committed to net zero by 2050 or sooner and outlined a climate transition plan, including near-term targets based on science-based standards</div></div><div><div>—</div><div>Introduced a GHG inventory management process and a carbon accounting tool to manage collection of our energy consumption data and calculation of associated emissions</div></div><div><div>—</div><div>Conducted environmental audits of our largest offices to identify energy efficiency opportunities</div></div><div><div>—</div><div>Implemented energy improvement initiatives in key office locations</div></div></div>	<div><div><div>—</div><div>Assessed our global investment portfolio for exposure to carbon intensive industries</div></div><div><div>—</div><div>Launched our global carbon management program to support portfolio companies completing GHG inventories</div></div><div><div>—</div><div>Piloted an industry framework to assess portfolio alignment with net zero transition pathways</div></div><div><div>—</div><div>Introduced ‘green lease’ clauses into new real estate documentation</div></div><div><div>—</div><div>Installed building automation technologies in select assets within our real estate portfolio to improve energy efficiency</div></div><div><div>—</div><div>Conducted a study to identify opportunities to install rooftop solar, battery energy storage systems and electric vehicle charging stations across our real estate portfolio</div></div></div>	<div><div><div>—</div><div>Appointed Head of Climate Solutions to lead Investcorp's dedicated Climate Solutions investment platform</div></div><div><div>—</div><div>Launched the Climate Solutions fund to invest in high-growth businesses that help accelerate decarbonization and address the impacts of climate change</div></div><div><div>—</div><div>Identified initial investment targets</div></div><div><div>—</div><div>Developed an approach to assessing the climate impact thesis of Climate Solutions companies</div></div></div>

## Making progress on our goals (cont.)



## People and culture

OUR CURRENT GOALS	Attract the best people, foster an inclusive and diverse global workforce while promoting health and wellness for all employees	Support all in-scope investee companies in their pursuit of more diverse and equitable businesses	Engage with meaningful social and educational advancement initiatives in communities where we invest and operate
PROGRESS SO FAR	<div>Building momentum</div> <div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Recruitment and diversity policies making a difference; expanded health and wellness initiatives</div></div>	<div>Laying the groundwork</div> <div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Engagement with investee companies in progress</div></div>	<div>On track</div> <div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Mentorship and development programs expanding across the firm</div></div>
WORK TO DATE	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div></div><div><ul style="list-style-type: none"><li>Appointed a Head of Diversity, Equity and Inclusion and expanded resources dedicated to delivering related initiatives</li><li>Implemented a diverse recruitment policy and partnered with search firms to support recruitment from 50% diverse candidate pools</li><li>Established employee affinity groups to support personal and professional growth of our people</li><li>Enhanced company health and wellness policies and introduced new benefits for women and employees who are also caregivers</li><li>Collected KPIs to assess progress against our goals, promoting transparency through public disclosures</li><li>Implemented and published a firmwide diversity policy</li><li>Established the Inclusion Council, ensuring localized support for DEI initiatives across our regions</li></ul></div></div>	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div></div><div><ul style="list-style-type: none"><li>Engaged senior leaders of investee companies to demonstrate the value of diverse workforces</li><li>Held workshops with HR professionals of investee companies to prompt discussion and share best practices on diversity initiatives</li><li>Designed and piloted a proprietary DEI maturity framework with select investee companies and created tailored action plans for participants</li></ul></div></div>	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div></div><div><ul style="list-style-type: none"><li>Continued longstanding support of key educational advancement programs globally, engaging with students through experience days and in-person workshops</li><li>Provided opportunities for young professionals to gain valuable experiences through Investcorp's internship programs</li><li>Launched internal mentorship initiatives to support career progression and enhance personal growth of our employees</li><li>Provided support for professional development through external training providers</li></ul></div></div>

## Making progress on our goals (cont.)



## Good governance

OUR CURRENT GOALS	Strengthen firmwide resilience against sustainability-related risks	Leverage data to make better decisions, drive prioritization of sustainability initiatives and improve information transparency with key stakeholders	Improve sustainability-related knowledge throughout the firm and support efforts to promote responsible investing across the investment industry
PROGRESS SO FAR	<div>On track</div> <div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Sustainability governance and operational risk framework in place, ongoing KPI monitoring</div></div>	<div>On track</div> <div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Data collection program in place and benchmarking started</div></div>	<div>On track</div> <div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Initial training underway with broader roll-out planned</div></div>
WORK TO DATE	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><ul style="list-style-type: none"><li>Appointed a full-time Head of Sustainability and expanded our dedicated Sustainability team</li><li>Established a sustainability governance framework with dedicated forums to guide strategy and implementation</li><li>Formalized responsible investment policies and procedures across core business lines</li><li>Standardized sustainability investment due diligence across core business lines</li><li>Set KPI risk tolerances against potentially significant issues</li><li>Introduced informal sustainability points of contact throughout the business, soon to be a formalized network of coordinators</li></ul></div></div></div>	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><ul style="list-style-type: none"><li>Implemented an annual portfolio data collection program across all private equity business lines</li><li>Commenced centralization of firmwide sustainability data</li><li>Participated in industry benchmarking initiatives to gain comparative insights relevant to our business</li><li>Published annual sustainability reports and other regulatory disclosures</li></ul></div></div></div>	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><ul style="list-style-type: none"><li>Distributed training through both in-person and online sessions to expand internal knowledge and capabilities around sustainability</li><li>Established a long-term research partnership with Saïd Business School, University of Oxford to investigate key sustainability topics relevant to Investcorp's business</li><li>Joined or founded several industry-specific collaboration groups to advance discussion on important sustainability topics</li></ul></div></div></div>

# Collaborating with our clients and partners for a sustainable future

We believe that collaboration and communication with our clients and partners is necessary to help shape a more resilient, inclusive and sustainable future. We actively support or engage with a range of initiatives in line with our focus areas and our commitments to drive change within our industry and across society.

## ADVANCING RESPONSIBLE INVESTMENT

We collaborate with partners who help us align investment practices with the long-term interests of our stakeholders, enhance our investment analysis, ownership and reporting practices and advance industry dialogue.



## SUPPORTING CLIMATE INITIATIVES

We are continually evaluating approaches to better integrate climate change considerations into investment management. We are working with a number of industry groups to build industry knowledge and capacity to accelerate climate action.



## EMPOWERING YOUTH THROUGH EDUCATION

We want to empower the next generation of leaders. We have a long-standing history of partnering with organizations that can advance employability of youth through financial literacy and skills development.





## 03

SUSTAINABLE  
INVESTING

- 21 Our investment lifecycle
- 22 Climate action
- 28 People and culture
- 30 Good governance

“

We're on a continuous journey to improve our approach to sustainable investing. It's a journey that we're taking hand-in-hand with the businesses we invest in.”

Dave Tayeh  
Head of Global Private Equity

# Embedding sustainability in the investment lifecycle

Over the past few years, we have been integrating and improving the way we consider sustainability factors across our investment strategies.

### FRAMEWORK EVOLUTION

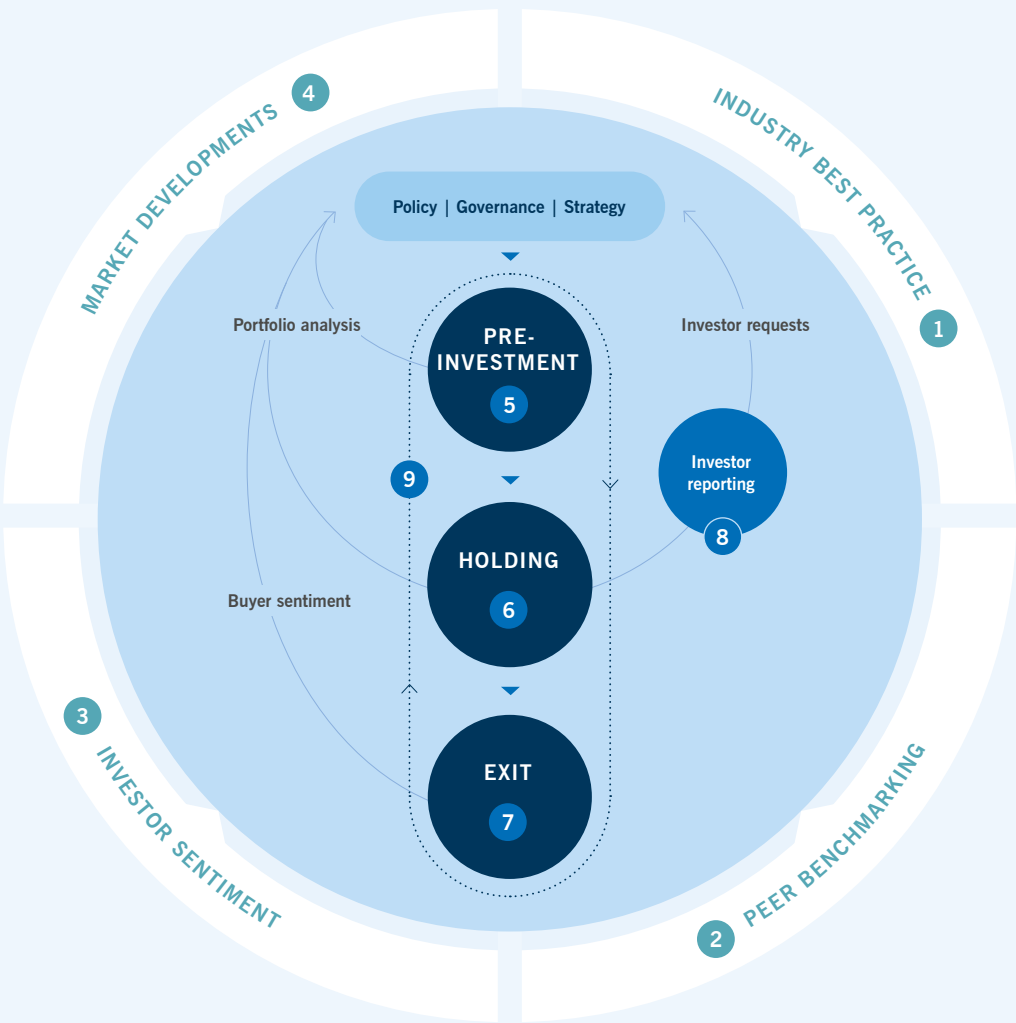
- 1 Industry best practice:** We leverage frameworks and pilot new approaches to sustainability from the industry groups we participate in.
- 2 Peer benchmarking:** We monitor our peers and collaborate where appropriate to remain relevant with industry best practice.
- 3 Investor sentiment:** We listen to our investors' feedback and monitor wider market trends to build our understanding of their needs.
- 4 Market developments:** We stay abreast of wider sustainability news and events to inform our approach and keep on top of emerging issues.

### PROCESS DEVELOPMENT

- 5 Screening and diligence:** We learn from pre-investment screening and sustainability due diligence performed on target companies.
- 6 Engagement and monitoring:** We apply learnings from our portfolio to feed into our pre-process considerations and conditions.
- 7 Value realization:** We seek to assess how sustainability factors support value realization and understand what buyers of our assets value.
- 8 Investor reporting:** We analyze the due diligence questionnaires and data requests we receive to give us insights into what our investors value.
- 9 Investment lifecycle:** Iterative investment team feedback enhances our processes; we encourage cross-departmental knowledge sharing.

### OUR APPROACH

Our approach aims to protect our investments from value erosion due to sustainability factors and unlock additional value. The broad, complex and fast-changing nature of these factors requires flexibility; we use feedback loops throughout our investment lifecycle to stay responsive.





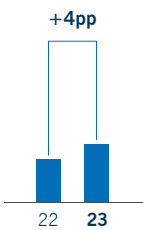
# Accelerating decarbonization in our portfolio

## KEY ACHIEVEMENTS

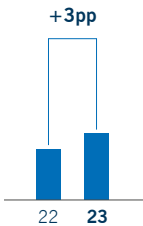
**39%**  
of portfolio company cohort<sup>1</sup> calculating Scope 1 and 2 emissions  
↑ 3pp from 2022



**15%**  
of portfolio company cohort calculating Scope 3 emissions  
↑ 4pp from 2022



**17%**  
of portfolio company cohort using some renewable energy  
↑ 3pp from 2022



We work closely with our portfolio companies to help them better understand and manage their environmental impacts, prioritizing attention on companies with carbon-intensive operations, where relevant. Our aim is to increase the proportion of assets under management that are aligned with net zero pathways compatible with 1.5°C.

It is evident that companies of the size and stage we invest in require assistance to understand and reduce their environmental impact. The first stage of our global carbon management program is focused on building capabilities within our portfolio companies to formulate GHG inventories, establish emissions baselines and identify high-impact, low-cost carbon reduction initiatives. We've been pleased to see an increase in the percentage of portfolio companies calculating their emissions in 2023.

“Non-financial considerations continue to grow in importance when assessing company value as investors price in environmental factors. We’re working hard with our portfolio companies to help them understand and manage their emissions.”

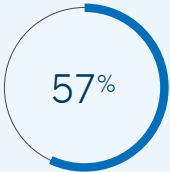


Nicholas McGrane  
Co-Head of North America Private Equity



## CARBON MANAGEMENT PROGRAM

Following a successful pilot, our carbon management program has been rolled out across priority North American private equity portfolio companies. The program provides expertise and support to our portfolio companies to help them measure their carbon emissions, define a transition roadmap and identify key initiatives to reduce their environmental impact.



57% of North American portfolio companies completed emissions inventories for 2023 through the program



100% of companies in the second year of the program reported lower like-for-like emissions

In future, we plan to increase the number of companies included in the program and intend to roll it out to a wider selection of our private equity portfolio companies in Europe, the Middle East and Asia.

1 Each cohort is defined as all portfolio companies that responded to the annual sustainability data collection exercise for the corresponding year.



# Accelerating decarbonization in our portfolio (cont.)

## CASE STUDIES



### JIANUO

#### SCALING VALUE CHAINS FOR THE GLOBAL ENERGY TRANSITION



In 2023 Investcorp completed the acquisition of a controlling stake in Shandong Jianuo Electronics Co. Ltd. (Jianuo), a leading provider of specialty premium components used in electric vehicle and renewable energy industries.

The acquisition is Investcorp's first control buyout in China and represents Investcorp's strategy of investing in and scaling category-leading growth companies with deep engineering and technology know-how and strong sustainability missions.

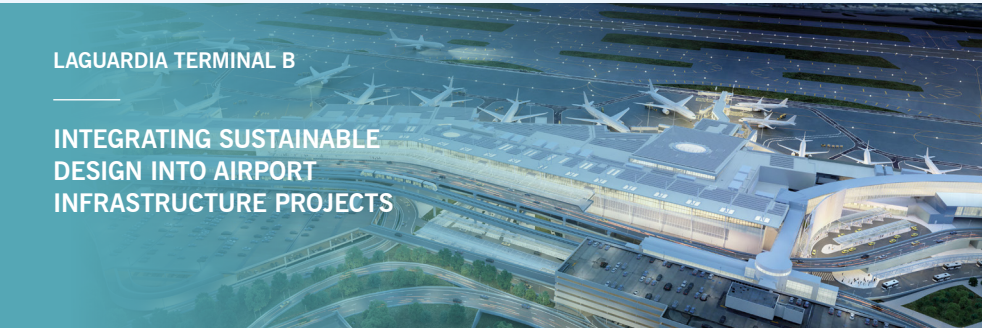
Jianuo is a highly regarded R&D and advanced manufacturing partner to global providers of alternative energy solutions in the US, Europe and Japan. It is well-positioned to benefit from the global drive for energy transition, decarbonization and increasing automation.



This acquisition is a great example of our emphasis on long-term sustainable growth drivers such as climate-tech. It reflects our strategy to invest in disruptive technological innovations that have positive societal implications."



Megan Zheng  
Principal, Private Equity,  
China



### LAGUARDIA TERMINAL B

#### INTEGRATING SUSTAINABLE DESIGN INTO AIRPORT INFRASTRUCTURE PROJECTS



The redevelopment of LaGuardia's Terminal B demonstrates that prioritizing sustainability in design enhances the customer experience, reduces costs and ensures the long-term viability of infrastructure projects, generating strong, sustainable returns for our investors."



Hari Rajan  
Managing Partner,  
Investcorp Corsair

The \$5.1 billion redevelopment of LaGuardia Airport's Terminal B placed sustainability at the heart of construction and terminal design. Innovative construction approaches included recycling 99% of debris from the demolished parking garage into new building materials. The terminal itself incorporates energy-efficient lighting and HVAC systems along with rooftop solar hot water systems and an innovative baggage handling system that reduce reliance on carbon-intensive energy sources and deliver energy savings.

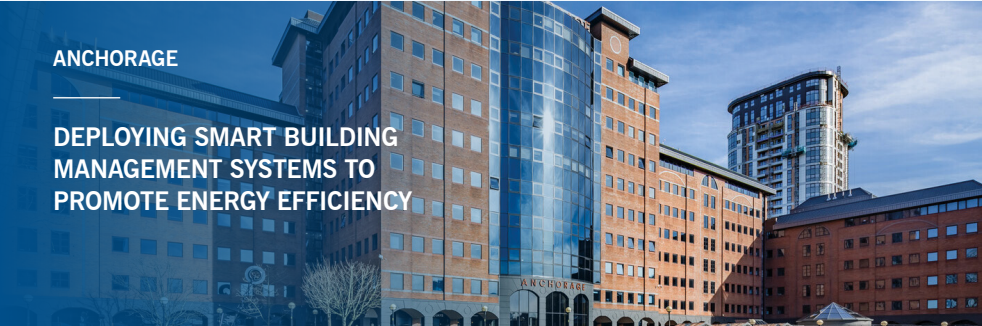
The work at LaGuardia Terminal B was awarded LEED Gold certification for terminal operations and maintenance, and for terminal design and construction, as well as the first-ever Envision Platinum award from the Institute for Sustainable Infrastructure.

The approach reflects the principles of our membership of the Davos Baukultur Alliance, which is dedicated to advancing quality planning, construction and management of more inclusive, sustainable and vibrant infrastructure projects and communities.



# Accelerating decarbonization in our portfolio (cont.)

## CASE STUDIES



### ANCHORAGE SALFORD QUAYS

As a global investor in real estate, we are working to ensure our investment portfolios align to the global need for decarbonization of the built environment.

In 2023 we deployed a smart building management system at Anchorage in Manchester to reduce energy consumption related to heating, ventilation, air conditioning and lighting. The system continuously monitors the building energy usage, learning from feedback systems and overlaying external information such as weather data and utility tariff information to improve energy efficiency.

The project, carried out with an AI-powered building operating system, has shown good results, delivering both energy and cost savings without the need for retrofitting. As the project progresses, we will be considering how to deploy this relatively low-cost, high-return intervention across our real estate assets.



As a real estate investor, we are continually exploring ways in which we can optimize the value of our assets. New technologies enabling our buildings to ‘think’ for themselves is a gamechanger in reducing energy consumption.”



Herb Myers  
Co-Head of Real Assets



As one of several high potential decarbonization projects we are increasing our stake in, this is a key strategic project for us as we work to transition to a more sustainable future and seek the best opportunities for investors.”



Sami Neffati  
Managing Partner,  
Investcorp Infrastructure  
Partners

Investcorp's infrastructure platform joined a consortium developing a large-scale seawater treatment and water transportation project in the United Arab Emirates. The project, headed by the Abu Dhabi National Oil Company ('ADNOC') and Abu Dhabi National Energy Company ('TAQA'), is designed to provide a sustainable water supply to ADNOC's onshore operations. In a region of high temperatures and water scarcity, using desalinated seawater instead of freshwater is expected to reduce water-related energy consumption by 30%.

With oil and gas expected to play a role in the energy mix, the project showcases the role that industry can play in developing sustainable energy and water management practices that can be adopted across the sector and more widely.

This greenfield project is funded through a special purpose vehicle on a 30-year build, own, operate and transfer model. ADNOC and TAQA jointly hold a 51% stake in the SPV, with the remainder owned by Orascom Construction, Metito and now Investcorp Infrastructure Partners, with each owning 16.3%.





# Our Head of Climate Solutions talks through the first year of operation



JS James Socas  
Head of Investcorp  
Climate Solutions



FC Fortune Chigwende  
Global Head of Assurance

FC Can you start by telling us about the Climate Solutions Investment Platform? How big is the opportunity and what's the role for private capital in the shift to a low-carbon economy?

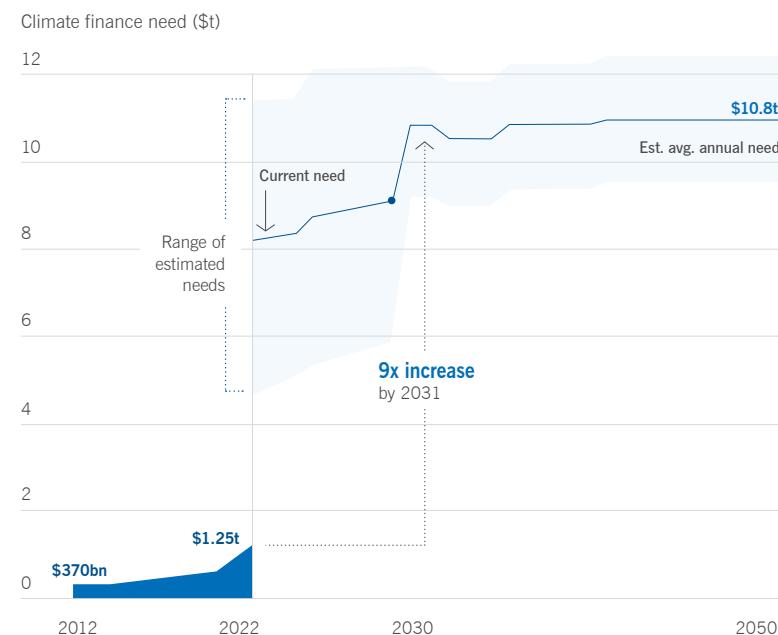
JS Nearly half of the world's largest publicly traded companies have made commitments or announced plans for science-based targets in line with the Paris Agreement<sup>1</sup>. Those are in addition to national commitments to decarbonize. Meeting these targets will require new products, services and technologies, many of which are in the early stages of commercial deployment and will need to rapidly scale. Likewise, many existing businesses will need capital and operational expertise to reposition or restructure their solutions to serve the large and rapidly growing climate-driven markets.

While it's difficult to measure the exact amount of capital needed, McKinsey estimates that approximately \$9.2 trillion per year will be required through 2050 to fund the transition<sup>2</sup>. We are far short of that figure today. It's one of the biggest investment opportunities in the next few decades.

FC Clearly, it's an exciting opportunity for investors worldwide and there will be many people in the investment community that are looking to deploy capital behind the low-carbon transition. Where are the gaps and how will the Climate Solutions business address them?

JS There's an acute funding gap for scale-up capital which is getting only about twenty cents of every dollar. It is what we are calling the 'missing middle' between early-stage venture and late-stage buyout and infrastructure.

A 9x increase in capital is required to meet the estimated average capital finance need of over \$10 trillion per year from 2031



Source: Global Landscape of Climate Finance 2023, Climate Policy Initiative, November 2023.

<sup>1</sup> <https://zerotracker.net/analysis/new-analysis-half-of-worlds-largest-companies-are-committed-to-net-zero>.  
<sup>2</sup> The net-zero transition: what it would cost, what it could bring, McKinsey & Company, January 2022.



We see a clear role for Investcorp to focus on that gap. We've been a middle market focused investor since inception and it's what we do best. Our Climate Solutions business harnesses Investcorp's decades of global experience building growth-stage, founder-led companies and applies that approach to value creation alongside our dedicated Climate Solutions team.

We are also very focused on businesses that can make an immediate impact given the need for rapid decarbonization progress. This leads us to businesses that are leveraging technology as a product or service. Investcorp's history investing in exactly these types of businesses and business models is a competitive advantage for us.

FC

As one of the world's leading asset managers, we have the capabilities to identify, invest in and add value to promising climate solutions opportunities. We also have deep sector expertise in highly relevant markets such as real estate. How will we be leveraging these strengths to successfully invest in the climate solutions opportunity?

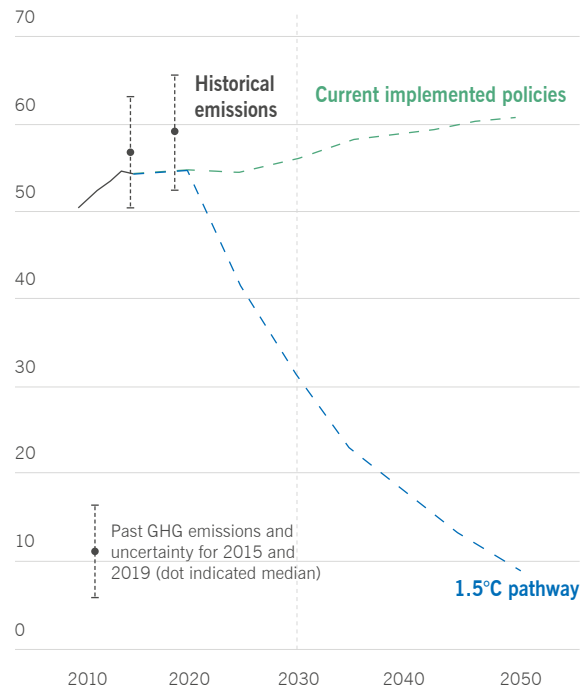
JS

We are focused on a few sectors we know well like real estate and carbon management where Investcorp has an edge in terms of business relationships, existing assets or insights, and where there is a huge opportunity for emissions reduction. We are looking for companies at an inflection point with existing revenues and customer acceptance that do not require significant capital expenditure or face heavy regulatory or market readiness barriers. For example, businesses providing building energy management systems, carbon measurement solutions, methane detection services, renewable energy or desalination plant design services.

By focusing on companies with proven products and services that are positioned to scale, we believe we can drive high returns and deliver the greatest impact. The 2030 emissions reduction targets are about five years away, so we have to get climate solutions products and services ramped up quickly.

Without a strengthening of policies, emissions are projected to rise, leading to a median global warming of 2.2°C to 3.5°C by 2100

Net global GHG emissions (GtCO<sub>2</sub>-equivalent)



Source: Climate Change 2022: Mitigation of Climate Change, IPCC, 2022; AR6 Synthesis Report, IPCC, 2023.



FC

We have a very limited window to make a difference and it's exciting to be working for a business that's providing commitment and leadership to accelerate the changes required. It's also exciting to see the changing commercial market dynamics, which are driving this transition. What do you think are the most important tailwinds and are they here to stay?

JS

There are several tailwinds that are driving the opportunity, and they are growing stronger with each passing month.

You have rising concern over climate impacts. Just look at the recent news. More frequent heat waves and extreme weather events are impacting people's lives and increasing costs for businesses. You have more government regulation and subsidization<sup>3</sup>. There is increasing focus at the board level on climate risk through property losses and insurability of assets. The courts are also becoming more active in climate policy and enforcement<sup>4</sup>.

These are powerful and durable trends. However, the most powerful tailwind is the improving commercial attractiveness – price and efficiency – of solutions that support the energy transition and address climate challenges. This is true for solar, wind and passenger cars. Things are moving quickly in other categories too.

<sup>3</sup> Climate Change Laws of the World. Grantham Research Institute on Climate Change and the Environment, September 2023.

<sup>4</sup> Global Climate Litigation Report: 2023 Status Review, United Nations Environment Programme, July 2023.



FC

It was a privilege to be at COP28 as an Associate Pathway Partner, not least because that's where Investcorp launched the Climate Solutions Investment Fund. What were your impressions of COP28 and did it live up to expectations?

JS

As one of the first to step up and sponsor COP28 we believed it could be one of the most significant COPs since the Paris Agreement. I think it lived up to expectations in that respect. The fact that COP28 was held in the UAE was another key factor for us. We have a unique presence and very strong relationships in the Gulf, which is a critical region for the energy transition.

The UAE hosting COP28 was a clear indication that the region is serious about addressing these challenges head on. We were very proud to announce the fund there with Mumtalakat, the Kingdom of Bahrain's sovereign wealth fund, and other Bahrain-based institutions as our initial anchor.

→ See more on our website: [www.investcorp.com/investcorp-announces-launch-of-a-new-climate-solutions-investment-platform/](https://www.investcorp.com/investcorp-announces-launch-of-a-new-climate-solutions-investment-platform/)

“

Investcorp is making the Climate Solutions business an important and impactful part of our story. The climate investment opportunity is just getting started and this is very much the first chapter of the book.”

FC

What can we expect to see in the coming years for the fund?

JS

Over the next few years, things will be very dynamic, and we'll continuously learn, improve and adapt. The fund gives us an opportunity to partner with our clients and management teams to develop a broader understanding of how climate change is influencing markets and wider economic trends from asset prices to consumer behavior. We expect to be able to report on the impact of our investments in a very positive way.

We believe strongly that the way to get everyone on a decarbonization path is to have great products in the market – look at how Tesla really opened up the EV sector. We also believe that by demonstrating the strong returns we think are possible in Climate Solutions, we can draw in a broad range of institutional capital, not just impact investors. We need those big players to be all-in to fund the transition.

Investcorp is making the Climate Solutions business an important and impactful part of our story. The climate investment opportunity is just getting started and this is very much the first chapter of the book.

## CLIMATE SOLUTIONS THOUGHT LEADERSHIP

We have published several thought leadership pieces on important climate topics over the past year.



### Disruption and Transformation Ahead: Climate Solutions Opportunity

November 2023

→ [View publication](#)



### Green Hearts to Green Carts: Bridging the Say-Do Gap for Climate Conscious Consumption

December 2023

→ [View publication](#)



### Climate Crossroads: 2024's Top Ten Predictions

January 2024

→ [View publication](#)



### “Greasing the Wheels” of Decarbonization: A Primer on the Global Carbon Markets

April 2024

→ [View publication](#)





# Advancing representation in our portfolio

## KEY ACHIEVEMENTS

>80%

Developed and piloted a proprietary DEI maturity framework with ten European portfolio companies, providing each with a maturity score and a tailored plan to advance their DEI efforts.

>50%

Hosted a half-day workshop with six European portfolio companies. The session provided an opportunity to share best practice and learn from guest speakers and each other.

3<sup>rd</sup> year

Completed our third consecutive year of data collection, improving our ability to generate better portfolio insights.

In FY24, we continued to engage with the management teams of our portfolio companies to support the development and implementation of policies and practices that prioritize people and culture.

At Investcorp, we have seen firsthand how bringing together diverse perspectives creates stronger, more effective organizations. However, we recognize that diversity alone is not enough – it must be accompanied by a culture of inclusion, respect and belonging to drive meaningful impact. Our portfolio data shows that policies and practices that promote diverse recruitment and retention can significantly impact workforce diversity and, in turn, strengthen long-term competitiveness.

“We’re making steady progress on DEI with our portfolio companies, further enhancing our data collection and understanding of where portfolio companies most need our help. There’s great value in learning from each other, so we’ve created opportunities for our portfolio companies to come together and share best practice.”



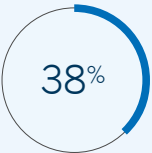
Jordana Semaan  
Global Head of Diversity, Equity and Inclusion



## GENDER REPRESENTATION IN OUR PORTFOLIO

Addressing workforce gender representation requires sustained efforts to recruit, retain and support women at all levels of a company. We focus on promoting gender diversity at the board level, specifically in companies where the largest disparities in representation exist between junior, mid-level and senior roles.

Encouragingly, we are seeing steady progress in gender representation across our portfolio, including at the senior management and board levels.



Women across portfolio (FTE)  
↑ 5pp from 2022



Women in senior management roles  
↑ 4pp from 2022



Women board members  
↑ 2pp from 2022



# Delivering social impact through our investments

## CASE STUDIES




OUTCOMES FIRST GROUP

IMPROVING SERVICES FOR YOUNG PEOPLE WITH SPECIAL NEEDS



“This collaboration presents an exciting opportunity to leverage our collective expertise and resources to make a significant positive impact on the lives of children, young people and adults in the UK and around the world.”

 **Gilbert Kamieniecky**  
Head of European Private Equity

Investcorp has a proven track record of investing in the education sector with investments including GL Education, one of the leading providers of educational assessments globally.

In 2023, Investcorp and The Rise Fund, TPG’s multi-sector global impact investing strategy acquired a majority investment in Outcomes First Group (OFG), a United Kingdom-based provider of best-in-class education to young people and adults with autism, learning disabilities and other complex Special Education Needs (SEN). OFG is one of the UK’s leading SEN providers, operating 56 high quality schools that serve over 3,000 students between 3 and 25 years of age.

The investment is consistent with Investcorp’s longstanding focus on driving positive social impact and improved access to quality services across the education and healthcare industries.




NETROM SOFTWARE

SOCIAL INITIATIVES DRIVING BUSINESSES FORWARD



“Netrom understand that caring for employees and the communities they live in is fundamental to long-term success. The strong performance of the business over the past five years, coupled with its focus on positive environmental and social impact, provides a model of best practice that we can share across our portfolio.”

 **Roberta Vezzoli**  
Managing Director, Private Equity, Europe

In 2023 Investcorp Technology Partners acquired a majority stake in NetRom Software, a leading cloud-first, digital transformation and software engineering firm in the Benelux region with blue-chip customers in Western Europe and North America.

In 2023, NetRom commenced an investment project of more than €10 million into enhancing the NetRom campus, including the development of the NetRom Academy to provide training and growth opportunities. On-site sports facilities, in-house kitchen, relaxation corners and gaming areas further enhance the employee experience.

NetRom’s long-term commitments to its customers and employees are key elements of its success, resulting in a strong track record of profitable growth, having more than doubled its revenues in the last five years. Caring for its employees’ social and physical environment is integrated into every process at every level of the organization. The result is the lowest attrition in the industry, a systematic reduction of NetRom’s carbon footprint and a steady process of structurally contributing to society with team building and management development goals.



# Strengthening portfolio governance practices

## KEY ACHIEVEMENTS

>75%

We expanded our portfolio data collection to cover over 75% of all private equity portfolio companies across 16 countries

>70%

Over 70% of portfolio companies included in the data collection had a Code of Conduct or Business Ethics policy in place

80%

Portfolio companies report on cybersecurity to their boards on a periodic basis

Strong governance has been a focus of Investcorp from our inception and is the bedrock of our approach to responsible investing. We believe that strengthening corporate governance practices is a prerequisite to building sustainable businesses.

For each potential investment we make, we evaluate governance structures and identify areas for enhancement. We support our companies to establish and implement strong governance codes, policies and practices such as anti-bribery and anti-corruption measures, and cybersecurity risk management. In some cases, we will support our portfolio companies to establish governance structures such as putting in place a board of directors.

As a member of the EDCI, we are able to assess our portfolio against comparative private companies, including on governance-related metrics. Providing analysis and benchmarking where available to our investment teams helps them and our portfolio companies focus on the initiatives which will best mitigate governance-related risks and improve operational effectiveness

“

We streamlined the questions we ask of our portfolio companies, resulting in increased engagement and a more efficient process while still obtaining the core metrics we need.”



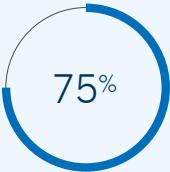
Nick Day  
Principal, Private Equity, Europe



## CYBERSECURITY

With the rapid advancement of technology and interconnectedness of digital systems, cyber threats have become a significant concern for individuals, businesses and governments. The problem is particularly relevant to smaller, fast-growing companies that are exposed to a number of digital touchpoints and ecosystem relationships.

Following the work we did in Europe to better understand and prepare for cyber threats facing our portfolio companies, our North American private equity team implemented a similar initiative in 2023. Following a cyber risk assessment across the portfolio, a new mandatory process was implemented whereby updates on cybersecurity are presented to the board at least annually.



75% of portfolio company cohort had a data protection, data privacy and/or cybersecurity policy



>90% of portfolio company cohort reported no data breaches in 2023

1 Each cohort is defined as all portfolio companies that responded to the annual sustainability data collection exercise for the corresponding year.



# Strengthening portfolio governance practices (cont.)

## CASE STUDIES

### DUE DILIGENCE

#### DEVELOPING AN ESG HEALTH CHECK FOR OUR GP STAKING BUSINESS

Launched in 2019, Investcorp's Strategic Capital Group focuses on acquiring minority interests in alternative asset managers, who manage longer-duration private capital strategies such as private equity, private credit and real estate.

In 2023, the team worked with Investcorp's Sustainability team to develop an ESG Health Check to quickly assess a manager's maturity against core sustainability-related capabilities. The Health Check consisted of a series of binary 'yes/no' questions to ensure that it was user-friendly and provided objective and clearly actionable recommendations to improve responsible investment practices.



As investors, it's our job to add value to our investments, and equipping the companies we invest in to better understand and manage ESG issues is core to meeting this objective."



**Anthony Maniscalco**  
Head of Investcorp Strategic Capital Group

### REGULATION

#### PREPARING FOR SUSTAINABILITY REGULATION

As part of our investment lifecycle, our Sustainability team monitors industry, political and regulatory developments, and conducts periodic regulatory horizon scanning for any future developments that may impact our portfolio. We also draw on membership of key forums, such as the Initiative Climat International (iCI), which facilitate the sharing of expertise and knowledge around climate change-related best practice.

In 2023, Investcorp's Sustainability team supported the European private equity team to prepare for European regulatory developments related to the Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD), which place ESG and supply chain reporting requirements on many companies across the European Union. The European private equity team directly engaged with our portfolio companies to ensure they were aware of the requirements and how to respond to them, including input into double materiality assessments.



CSRD has impacted some of our portfolio companies, requiring them to disclose more sustainability-related metrics. Our early engagement with portfolio companies has supported their preparations, minimizing risk of non-compliance with this new regulation."



**Dominic Coyle**  
Vice President, Sustainability



## 04

CORPORATE  
SUSTAINABILITY

- 33 Climate action
- 36 People and culture
- 39 Good governance

“

Sustainability efforts have to start with us. We're taking action to adopt sustainable practices and nurture a sustainability mindset across the company.”

Pete Rommeney  
Global Head of Human Resources



# Decarbonizing our operations

## KEY ACHIEVEMENTS

↓ 32%

reduction in Scope 1 and 2 emissions by 32% from baseline (FY19)



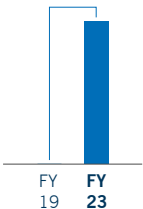
↓ 50%

reduction in reported emissions (Scope 1, 2 and select 3) from baseline (FY19)



↑ 29%

of energy consumption in FY23 was derived from renewable or low-carbon sources



In line with our commitment to achieve net zero emissions by 2050 or sooner, which we announced in 2023, we continue to pursue a range of initiatives to reduce our operational emissions including improving energy efficiency in our global offices, optimizing energy consumption and deploying renewables where green tariffs are readily available.

To achieve a 47% reduction in Scope 1 and 2 emissions by 2030, we have mapped decarbonization levers across our operations, focusing on those that have high emissions materiality. This includes a goal to source 100% renewable electricity from the grid, where this is available, by 2030 and a long-term strategy to transition to green buildings. We are also seeking to leverage our procurement spend to advance climate action among some of our biggest vendor relationships.



We recognize how important it is for us to play our part in decarbonizing our own operations. Not only are we enhancing operational efficiency and saving money, but we’re also building up knowledge and experience to share across our portfolio companies.”



Leighann Berry  
Associate Vice President,  
Corporate General Services



## IMPROVING EMISSIONS ACCURACY

To help us measure success we have adopted internal carbon management and accounting systems. In 2022, we implemented carbon accounting software to digitize a central system of record for Investcorp's climate-related data. Drawing on our experience, we share knowledge and resources with portfolio companies that are undertaking their own carbon footprint assessments.

As part of our approach to inventory management, we look to continually improve our processes year-on-year. For the FY23 inventory we focused on improving our calculation of commuting and teleworking emissions. In previous years, we used estimation techniques based on industry studies of city mobility trends as well as our own security log data. This year we collected data directly from employees via a survey to more accurately estimate travel and home working emissions. This not only provided us with a more reliable data source, but also more accurately represented the actual commuting habits of our employees and their potential to reduce their footprint.



# Progress against our net zero commitment

As part of our net zero commitment, we have aligned our planned transition to near-term science-based targets, targeting a 47% reduction in Scope 1 and 2 emissions from our FY19 baseline by FY30.

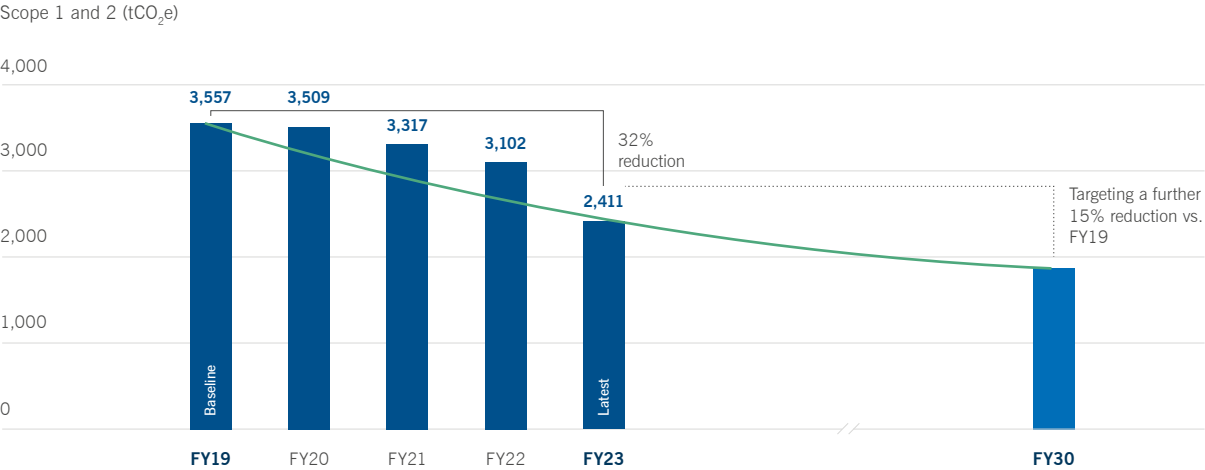
Our energy reduction initiatives implemented to date have helped reduce our emissions by 32% so far. In order to remain on a credible path to net zero, we must continue our efforts to achieve a further 15% reduction from our baseline.

A large factor in our progress to date has been our increased use of renewable electricity and biogas in our operations and we will continue to leverage these energy sources for our office base where possible.

With regards to select Scope 3 categories, our emissions increased by 26% compared to FY22 with the majority of this increase relating to a rise in business travel. Business travel accounted for over half of our reported Scope 3 emissions in FY23 and a 42% rise in related emissions compared with the previous year. Despite this increase, total emissions arising from business travel were still significantly lower than pre-pandemic levels, driven by greater travel discipline and continued use of video conferencing technologies.

➔ For further information on our Scope 1, 2 and 3 emissions, please refer to our [Annual GHG Emissions Statement FY2023](#)

**Interim net zero target:** Our current emissions trajectory<sup>1</sup>



<sup>1</sup> This pathway is informed by calculation methodologies supported by the Science Based Targets initiative (SBTi).



## OUR OFFICES

In last year's report we outlined the steps we were taking as a result of an environmental audit of our largest offices in New York, London and Bahrain. The majority of energy efficiency improvements were completed and reported on in this period, including major upgrades to improve electrical energy efficiency and transitioning to renewable sources of electricity where feasible.

In 2023, we implemented some of the recommendations of the environmental audit, including:

- Completed LED lighting upgrades in both the Bahrain and New York offices
- Received the Green Mark Certificate for our Singapore office space
- Initiated an air quality improvement project in one wing of our Bahrain office
- Achieved a fourfold increase in the use of electricity derived from renewable sources compared to FY22
- Increased the use of low-carbon fuels for heating in our London office



# Engaging our people

To help achieve our environmental commitments, we educate and collaborate with our employees. We have an engaged and aware workforce who are passionate about sustainability in the workplace and in their wider communities.



## Forever Green

In Bahrain, we contributed to the 'Forever Green' campaign, organized by the National Initiative for Agricultural Development (NIAD). Investcorp colleagues and their families took part in a tree-planting activity at the Isa Town Health Center, a primary public healthcare facility operated by the Ministry of Health, where they planted 983 seedling trees and shrubs.



It's important to me and to all of us at Investcorp that we have a positive impact on the communities in which we live and work. I'm very proud that with my colleagues and their families, we helped plant over 900 trees and seedlings at the Isa Town Health Center, contributing to a greener and healthier environment in Bahrain."



Khalifa Al Jalahma  
Principal, Private Equity,  
Middle East and North Africa



## London Earth Day

In London, we hosted an Earth Day celebration to promote environmental awareness and action, partnering with Zest Kitchen, a local plant-based catering company, to host an all-employee lunch. Teams took part in discussions about their individual commitments to the environment, working together to create a visual representation of our collective dedication to environmental responsibility.

## Climate Quicktakes

In 2024 we rolled out an educational program, 'Climate Quicktakes', to provide accessible information about the climate crisis to all employees. Topics covered include the causes and consequences of climate change, and the role that financial markets play in facilitating the transition to a more sustainable future.







# Promoting representation and advancement

## KEY ACHIEVEMENTS

> 100 participants

Inspire mentorship program connected over 100 employees and senior leaders across the firm

> 20 events

Over 20 I-Will events provided a platform for women to engage in wellness and development activities

Expanded support

Introducing the 'balance app' provided support for employees and their partners experiencing menopause

Parent toolkit

Offering greater work flexibility, external coaching and enhanced benefits for both primary and secondary caregivers

Public disclosure

Made our DEI policy accessible online, in line with our commitments to transparency and accountability

As an organization that has bridged regions, cultures and people from inception, we recognize the immense value that diversity brings to driving sustainable practices and long-term business success.

Today, our global firm is proud to be home to 44 nationalities spanning four generations, each contributing a wide range of viewpoints and experiences. This diversity strengthens our ability to adapt, innovate and create value for all our stakeholders. We are committed to building a culture where everyone feels empowered to bring their unique backgrounds to the table, ensuring that their voices are heard, respected and reflected in the way we do business.



Becoming a parent is one of the most profound life changes you can go through. The parental leave toolkit made the journey much easier to navigate and helped me with the conversations I needed to have with my colleagues. Now I'm back at work and I really appreciate the flexibility and support I've been given to help me succeed in my two most important roles."



Kawthar AlQassab  
Analyst, Corporate and Investment Accounting



## PRINCIPLES OF OUR APPROACH

At the core of our efforts are three elements: people, policy and practice. Together, these elements ensure we take an authentic approach to creating a supportive and empowering workplace, where every employee feels valued at each stage of their career.

PEOPLE	POLICY	PRACTICE
We actively recruit individuals from diverse backgrounds and experiences, and provide a safe and inclusive environment that promotes growth and belonging within Investcorp.	Our comprehensive policies prioritize employee wellbeing, including healthcare, wellness and flexibility, ensuring that all team members are supported in both their personal and professional lives.	We invest in the continuous development of our employees through targeted training, workshops and leadership programs, equipping them with the tools to grow, advance and succeed.



# Connecting our people

We believe that the most valuable tool for promoting professional and personal development and fostering inclusivity within Investcorp is connecting our people. We take pride in our diverse and talented employees and have made it a priority to connect individuals from all corners of the organization through our internal programs.

## INSPIRE MENTORSHIP

The Inspire mentorship program is a key initiative that aligns with our DEI principles, and strengthens our commitment to employee retention and development. Through this program, mentees receive valuable guidance and support, while mentors have the opportunity to contribute to the personal and professional growth of others.

Inspire is built around the 3 'Cs' of mentorship: Clarity, Communication and Commitment. The program aims to develop future leaders, guide career progression and promote diversity of thought across our organization.

“Inspire helped me gain insights and receive guidance from someone more experienced than myself. The experience I had with my mentor was based on understanding, trust and respect. I now feel much clearer about my career goals and more confident in myself.”



Sara AlKhayat  
Associate Vice President, Compensation

Since its launch in 2022:

134  
participants

55  
mentors

79  
mentees



## I-WILL

I-Will is a global employee resource group implemented to support women's professional development as well as creating a community for one another to connect, learn, mentor and grow. Through organising regular lunch and learns in our global office locations, we have created safe spaces for our internal community of women to support each other and foster inclusion.

We have run over 20 events both globally and locally since inception, organising lunch and learns and inviting in external speakers to give our community the tools and tips they need to support their professional and personal journeys.

“As a member, I've seen the impact that we can have just by showing up for each other and sharing our ideas in a comfortable atmosphere. At all levels, I-Will is providing the support to help us thrive personally and professionally.”



Heather Mutterperl  
Principal, Real Estate, North America





## Supporting educational advancement in our communities

Investcorp is committed to empowering the next generation of leaders through our education partnerships. We have witnessed the positive impact that our long-standing support of global and regional programs has had on young people and continue to prioritize partnerships that support the educational advancement and attainment of those living in the communities in which we operate. Our programs include:



### Injaz Al-Arab Junior Achievement Worldwide

In 2023 we celebrated 10 years of partnership with Injaz Al-Arab, the region's largest non-profit business education organization, reinforcing our commitment to youth in the MENA region. Investcorp serves as the Entrepreneurship Pillar champion for Injaz Al-Arab and with Investcorp's support, Injaz acts as the regional hub for Junior Achievement Worldwide.

The partnership provides education and training in workforce readiness, financial literacy and entrepreneurship to hundreds of young people each year. The program was nominated for the Nobel Peace Prize for a second consecutive year in 2023.



### Cristo Rey New York High School

Investcorp has been a proud sponsor of the Cristo Rey New York Corporate Work Study Program since 2016. The program allows students to gain real world corporate work skills while earning up to 40% of the cost of their education. Virtually all Cristo Rey graduates will become the first members of their families to attend college.

Our North American private equity team work with students one day a week for the full workday, who learn about what we do in private equity, and have the opportunity to engage in and support live projects.



### Nemir Kirdar Global Internship Program

Launched in 2021 in honor of Investcorp's founder, Nemir Kirdar, the global internship program provides university students and individuals at an early stage of their career with a 10-week placement at Investcorp.

The Nemir Kirdar Global Internship Program provides practical, hands-on experience across our offices in the US, Europe, the GCC and Asia. Since 2021, we have had over 90 participants, located across all six continents.



### Bahrain Crown Prince Scholarship Program

Investcorp has been a proud sponsor of the Bahrain Crown Prince's International Scholarship Program (CIPSP) for several years and as part of our sponsorship, we participated in the program's silver jubilee event in January 2024, where HRH Prince Salman bin Hamad Al Khalifa, the Crown Prince and Prime Minister attended and met with the graduates.

CIPSP was established by the Crown Prince to award 10 fully funded scholarships each year to the brightest secondary school students in Bahrain. Since the start of the program in 1999, 246 scholarships have been awarded, including to four current Investcorp employees.





# Building a sustainability mindset

Investcorp was founded on the principle that good corporate governance is a prerequisite for long-term success. These practices are reflected in our approach to sustainability matters at Investcorp. We continually strive to improve the effectiveness of internal controls related to Investcorp’s sustainability activities and reporting, in an effort to build a long-term sustainability mindset.

Investcorp’s core method of promoting transparency of our responsible investment activities to our stakeholders is through periodic disclosures. In FY24, we worked to strengthen our governance processes and controls through enhanced data collection practices and levels of disclosure.

- We voluntarily completed our first PRI assessment, achieving a score of 69% for the Policy, Governance and Strategy module (the median for which was 58%). We used the results to help improve processes and practices across the firm.
- We published our GHG emissions within a standalone report and have to date disclosed five years of emissions data.
- We conducted regulatory horizon scans to ensure that we and our portfolio companies are preparing for and compliant with applicable sustainability-related regulation.
- With the ISSB’s IFRS S1 and S2 standards coming into effect, we are reviewing our disclosures to ensure that they continue to align with best practice and meet the needs of our stakeholders.

## DRIVING PROCESS ALIGNMENT

The rise in interest in sustainability across the financial markets has resulted in an increasing number of both our existing and prospective investors, as well as other stakeholders, requesting specific sustainability-related information relating to Investcorp entities and products. We implemented a new process using standardized responses to common due diligence questions, enabling us to respond accurately, efficiently and in a timely manner.

## ENHANCING RISK MANAGEMENT

To ensure we can identify potential ESG risk exposures in a timely manner, we have implemented an operational risk tolerance framework. The framework has set risk tolerances across a set of core ESG, climate and DEI-related metrics, which define our appetite for risk. Data collected by the Sustainability team and DEI team is fed to the operational risk team to monitor progress.

## INCREASING TRANSPARENCY

Our credit business has integrated sustainability considerations into investment decision-making since 2011. In 2024, Investcorp’s European credit business made available its first entity and product-level TCFD reports, transparently reporting on its climate-related governance, strategy, risk management, metrics and targets in alignment with the current recommendations of the Task Force on Climate-related Financial Disclosures and FCA requirements.

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# 05

# OTHER INFORMATION

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# Disclosures

## GENDER REPRESENTATION

Gender representation of global employees (%), FY24

	Female	Male	N/A*
Executive Management	6%	94%	0%
Non-Executive Management	26%	74%	0%
Professionals	29%	71%	0%
All Other Employees	71%	29%	0%
Total	32%	68%	0%

\* N/A = not available or not disclosed by Investcorp employees.

## RACIAL/ETHNIC GROUP REPRESENTATION OF US EMPLOYEES

Racial/ethnic group representation of US employees (%), FY24†

	Asian	Black/ African	Hispanic/ Latino	White	Other^	N/A*
Executive Management	8%	0%	0%	75%	4%	12%
Non-Executive Management	28%	0%	1%	63%	1%	6%
Professionals	19%	5%	5%	41%	0%	29%
All Other Employees	13%	13%	6%	53%	0%	13%
Total	21%	3%	3%	58%	1%	14%

^ Other includes the classifications: Native American or Alaska Native, Native Hawaiian or Pacific Islander, and "Two or More Races."

\* N/A = not available/collected or not disclosed by Investcorp employees.

† Totals may not sum to 100% due to rounding.

Category definitions for full-time employee levels and for racial/ethnic groupings used in this disclosure are aligned with the definitions provided in the Sustainable Accounting Standards Boards (SASB) disclosure topics for the Asset Management and Custody Activities standard.

## GHG EMISSIONS

Disclosures on our greenhouse gas emissions for FY24 will be made available on our website at [www.investcorp.com/sustainability](http://www.investcorp.com/sustainability).

# Legal notice

This Sustainability Report (the 'Report') is being made available regarding Investcorp Holdings B.S.C.(c) together with its subsidiaries and affiliates, ('Investcorp') and its efforts on sustainability-related factors.

This Report should be read in conjunction with information and disclosures made on the Investcorp website. The information contained in this Report covers the period FY2024 (i.e., 1 July 2023 to 30 June 2024) unless stated otherwise. The information contained in this Report may not necessarily be complete and may change at any time without notice. Investcorp undertakes no, and expressly disclaims any, obligation to update, amend, or clarify any statements made or information provided, whether as a result of new information, subsequent events, or otherwise.

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This Report contains descriptions and analysis of select portfolio company investments, and does not contain an analysis for all Investcorp portfolio investments. No assumptions should be made that these investments were or will be profitable. Not all Investcorp portfolio investments had or have the characteristics, prospects, performance, or projected successes highlighted in this Report.

References to the portfolio companies are intended solely to illustrate the application of some of Investcorp's investment process only and should not be viewed as a recommendation of any particular security or portfolio company, or used as an indication of the current or future performance of Investcorp's portfolio companies.

The investments described in the selected case studies were made by different investment funds, vehicles, accounts, or other investment products managed, sponsored, or affiliated with entities controlled by Investcorp (each a 'Fund'), and do not represent all the investments purchased or sold by any such Fund. The information contained in this Report is not intended to address the circumstances of any particular entity or individual and is solely

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## SOURCE OF INFORMATION

Certain information contained in this Report was obtained from published and non-published sources, including Investcorp's internal analysis and information provided by the applicable portfolio companies described herein. Such information, including the impacts of Investcorp's sustainability initiatives, are estimates that have not been verified by Investcorp or an independent third party, and neither Investcorp nor any such portfolio company guarantees, assumes responsibility for, or makes any representations or warranties (express or implied) with respect to, the accuracy, adequacy, or completeness of such information (or for updating the Report based on facts learned following its publication). The impacts described may also reflect the influence of external factors such as macroeconomic or industry trends that may be unrelated to the sustainability initiative presented. There is no guarantee that results shown will be replicated in the future, and actual results may be better or worse in future years.

## PAST PERFORMANCE

Any performance data or comments expressed in this Report are an indication of past performance. Past performance is neither indicative nor a guarantee of future results and should not be relied upon as such; no representation is being made that any investment will or is likely to achieve profits similar to those achieved in the past, or that significant losses can or will be avoided.

There can be no assurances that Investcorp's or any Fund's investment objectives will be achieved or that any of its respective investment programs will be successful. Similarly, there can be no assurances that the sustainability-related processes and strategies previously used by Investcorp's portfolio companies will continue or will achieve any particular desired outcome. Readers should not assume, and no representation is being made that any investment or transaction involving the portfolio companies identified and discussed herein, or any other investment made, were or will be profitable or not incur significant losses.

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## FORWARD-LOOKING STATEMENTS

The contents of this Report may represent, contain, or be based upon forward-looking statements or information that are based on management's beliefs, assumptions, current expectations, estimates, and projections about the financial industry, the economy, Investcorp itself, or its investments. All statements other than statements of historical facts, including those regarding expectations, beliefs, projections, future plans and strategies, anticipated events or trends, and similar expressions are forward-looking statements, and may be identified by the use of terminology including, but not limited to, 'may', 'will', 'should', 'expect', 'anticipate', 'target', 'project', 'estimate', 'intend', 'continue', or 'believe', or the negatives thereof, or other variations thereon, or comparable terminology. Forward-looking statements are inherently uncertain, and changing factors, such as those affecting the markets generally, or those affecting particular industries or portfolio companies, may cause events or results to differ from those discussed. Accordingly, these statements are not guarantees of future performance, results, or courses of action and involve certain risks, uncertainties, and assumptions that are difficult to predict with regard to, for example, timing, extent, likelihood, and degree of occurrence. Moreover, actual events, results, and outcomes may materially differ from what may be expressed or forecasted in such forward-looking statements, and undue reliance should not be placed on such statements or the conclusions drawn therefrom.



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