

Scaling sustainably

Responsible investment report 2023/24

sep.co.uk

Foreword



Software and technology, the core focus our investment strategy, has a pivotal role to play in addressing environmental, social and economic challenges.

Companies are increasingly harnessing the power of advanced analytics, Artificial Intelligence (AI) and automation in transformative ways. Intelligent application of new solutions can help optimise and streamline operations as well as support teams with insights that can boost performance, innovation and safety. In addition, being able to track environmental impact with unprecedented precision presents new opportunities to cut waste, reduce energy input, and reconfigure supply chains.

Sustainable investing offers both an opportunity and a responsibility to create lasting positive change. We believe that driving growth and innovation aligns seamlessly with integrating sustainability into everything we do.

These technologies both enhance sustainability efforts and open new avenues for growth by enabling businesses to manage risks more effectively. Technology can also help businesses adapt to a rapidly evolving global economy in which sustainability influences decision-making at every level from customers to regulators, employees and wider communities in which we all operate.

The extraordinary power of technology to drive change is inspiring but it is also important to recognise the potential challenges and disruption that accompany a technology revolution. The rise of AI for example presents important and complex ethical considerations. It has the potential to amplify cyberattacks, and as more content is generated by AI, there is a risk it could reinforce negative stereotypes or exacerbate inequalities. Responsible use and deployment of these emerging technologies is crucial to ensure they can be used to underpin rather than undermine sustainability goals.

Climate change remains a major threat to economic stability, presenting a risk of supply chain disruption and reduced productivity. We are working with our portfolio companies to accelerate their climate adaptation efforts, focusing on measuring and reducing their carbon footprints. We are also supporting management teams to help anticipate risks and to align their businesses to net-zero emissions pathways.

In this evolving and dynamic environment, we believe that transparency and accountability should always be fundamental to our approach. This report reflects our ongoing commitment to sustainability and our determination to deliver both strong financial returns and meaningful, lasting impact. We are confident that by embracing these opportunities, we can pave the way for a more sustainable future.

Calum Paterson
Managing Partner, SEP

SEP is a leading growth equity investor specialising in innovative enterprise software and technology scaleups.

We believe in the power of technology to be a force for good.

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Introduction

INTRODUCTION

Our core values

We believe that technology and innovation is key to creating a better world. The investments we make are helping to drive digital transformation. Companies that support environmental, social and governance initiatives (ESG) generate tangible value, mitigate risk, and drive productivity and efficiency gains across the economy.

Our beliefs



Partnership

We are supportive and knowledgeable partners. We help companies grow in a way that benefits them, their stakeholders and society.



Innovation

We are investors in innovation and believe in the power of technology as a force for good.



Accountability

We hold management teams to high standards to ensure they drive meaningful progress and achieve their goals.



Resilience

Sustainability helps companies remain competitive and contributes to operational efficiency, and financial success.



Inclusiveness

We strive to help build a more diverse and inclusive world in which talent is recognised and rewarded and businesses support the communities in which they operate.



INTRODUCTION

SEP at a glance

SEP in numbers

<p>20+</p> <p>YEARS INVESTING IN EUROPE</p>	<p>\$1B+</p> <p>INVESTED IN TECHNOLOGY BUSINESSES</p>
<p>180+</p> <p>INVESTMENTS</p>	<p>155+</p> <p>EXITS</p>

Portfolio highlights

 <p>44% Female 56% Male</p>	<p>PORTFOLIO EMPLOYEES</p> <p>4.1</p> <p>AVERAGE GLASSDOOR SCORE</p>
<p>100%</p>	<p>MENTAL HEALTH AND WELLBEING SUPPORT</p> <p>88%</p> <p>COMMUNITY PROJECTS INVOLVEMENT</p>
<p>82%</p>	<p>MEASURE CARBON FOOTPRINT</p> <p>94%</p> <p>WHISTLEBLOWER PROTECTIONS</p>
<p>35%</p>	<p>LONG-TERM NET ZERO TARGET</p> <p>65%</p> <p>ESG EXECUTIVE SPONSOR</p>
<p>100%</p>	<p>DIVERSITY AND INCLUSION POLICY</p> <p>2</p> <p>B CORPS</p>

INTRODUCTION

Our journey

Since our launch in 2000, we have been investing responsibly, a focus that has been given even greater emphasis over the last 5 years. We are committed to harnessing the power of technology and digital transformation to drive economic growth and prosperity.

2018




- Signatory to Women in Finance charter



2021

- Responsible Business Group formed
- First B Corp company in our portfolio 
- First draft PRI reporting period
- Launch of Women in Tech Leadership Network
- First Responsible Investment Report


2023

- ESG and Sustainability Lead appointed
- First corporate carbon footprint calculated
- First carbon credit purchase
- UNPRI score  
- Member of the steering group for the British Business Bank Pathways to improve diversity in Venture Capital report
- Chair of the Performance Measurement Survey Review 


2020

- Responsible Investment Group established
- Signatory to UN Principles for Responsible Investment 
- Launch of Sustainable Growth Framework

2022

- Top rank in Private Equity and Venture Capital ESG transparency index 2021
- Signatory to Investing in Women Code 
- Second B Corp portfolio company 

2024

- Signatory to the ESG Data Convergence Initiative 
- Portfolio ESG reporting tool updated
- Portfolio carbon accounting tool launched
- Impact led approach to carbon credits

Our approach

OUR APPROACH

Sustainable Growth Framework

Businesses that prioritise sustainability can position themselves for long-term success in an increasingly interconnected global economy.

Our proprietary Sustainable Growth Framework addresses the most material aspects of ESG for high-growth software and technology companies. Our framework provides the foundation and serves as a benchmark for progress as companies scale sustainably in global markets.



Governance

A fundamental part of our value proposition is helping companies put in place the right governance structures to enable them to scale successfully.



Effective boards

A diverse, experienced board with independent representation and effective reporting structures



Compliance & risk management

Robust compliance structures with relevant laws and regulations and effective controls to manage and mitigate risks

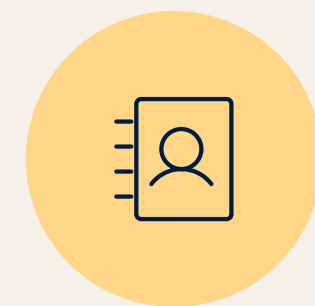


Data security & privacy

Cyber and information security processes to mitigate risk and safeguard sensitive information

Culture

A rewarding and inclusive culture leads to a motivated and engaged workforce. We partner with companies to help them develop their approach.



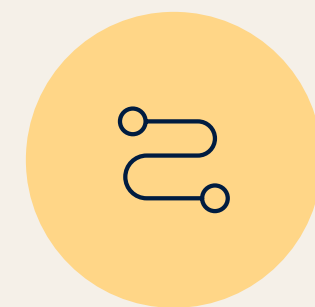
Talent

Attraction, retention and development of diverse, high-quality talent



Growth

Creation of a healthy, inclusive workplace. Recognising achievement and promoting employee growth



Alignment

Employee engagement in company mission, values, and culture. Team incentivisation through share ownership

Society

We encourage the companies' we invest in to build teams with a shared purpose and to have a positive impact on their communities.



Climate

Understanding and limiting environmental impact through the measurement and management of carbon footprints and emissions reduction targets



Responsible business

Conducting business in an ethical and responsible manner including engaging with customers and suppliers



Community engagement

Open communication and active engagement with stakeholders and communities including charities and industry bodies

OUR APPROACH

ESG in the deal lifecycle

Sustainability considerations are fully integrated into our investment process. We are active and engaged investors, working with companies to capitalise on growth opportunities and identify and mitigate potential risks. Our guidance and expertise is instrumental in helping companies define their approach to sustainability and tackle complex and often confusing issues like carbon accounting.



Pre-investment

Screening

We screen all potential new investments against our exclusion list. This list highlights the businesses, sectors, and products we will not invest in.

Due diligence

Using our Sustainable Growth Framework, we focus on the issues that are most material to businesses and their stakeholders. We work to identify strengths, opportunities and the direct and indirect impacts of businesses. Results are discussed with our Investment Committee, Responsible Investment Group and Investment Advisory Board.



Onboarding

Onboarding

We share the output from our diligence with management and develop a bespoke value creation plan for each portfolio company to address priorities and support future growth.

“

Strong sustainability practices start with a clear alignment in values with the senior leadership of our portfolio companies. Embedding ESG principles across our companies not only drives value creation but also enhances their appeal to a wider range of stakeholders.”

Tony Robison, Partner, SEP





Active ownership

Ongoing assessment

Company performance against our Sustainable Growth Framework is assessed on an annual basis.

Value creation

Value creation sessions are held with each company, providing feedback and aligning on key performance indicators.

Collaboration

We share best practice across the portfolio and engage closely with management teams, providing advice and support.

Women in Tech Leadership

We help foster collaboration across our portfolio, creating dedicated networks that bring senior leaders together to share insights, experiences, and opportunities.

A prime example is our Women in Tech Leadership Network, which involves senior women from across the portfolio, including CFOs, CPOs, CMOs, and COOs. This network is designed to support and elevate female talent, with a focus on key opportunities and skills such as preparing for board responsibilities.

Our events facilitate connections and shared learning, with expert speakers addressing diverse critical topics. It provides a platform for female leaders to exchange experiences, explore new perspectives, and to develop strategies to overcome specific challenges for women in tech.

In addition to knowledge sharing, the network offers mentorship opportunities, where seasoned executives can guide emerging female leaders in their career development. This initiative not only strengthens individual leadership capabilities but also contributes to building a more diverse and inclusive leadership landscape across our portfolio. By fostering these collaborations, SEP ensures that our teams are empowered, well-connected, and well-equipped to drive meaningful impact within their own organisations and the broader technology sector.

“

The transfer of the business from SEP ownership was smooth, fast and efficient due to the alignment of all parties.”

Andy Burton, CEO, Tryzens Global



WWW.TRYZENS.COM

SEP achieved a successful exit from international digital commerce agency, Tryzens Global, following a private equity led management buyout in 2023.

Tryzens is a market leader in global branded commerce, enabling clients to accelerate success and growth across all digital channels, using expertise, innovative IP, insights and digital-first principles.

Throughout the investment period, SEP and Tryzens were clear on growth strategy and the importance of ESG considerations for sustainable growth. A strong working relationship helped deliver deeply embedded core values around client and team success, including:

- Enhancement of governance structures, including the recruitment and development of an experienced, independent board and committees.
- Achieving ISO and PCI data protection standards to provide additional assurances to clients.

- Implementing team retention and share scheme initiatives.
- Promoting gender diversity and pay gap initiatives leveraging SEP’s network to share best practice.
- Building a positive culture based on transparency and integrity.
- Pursuit of Corporate Social Responsibility both as a business and in enabling employees to spend two days per year in charitable service.
- All contributed towards scaling Tryzens adding assurance to clients and potential acquirers alike.

Tryzens and SEP had an open dialogue on exit strategy and were clear on ensuring potential acquirers were aligned with both Tryzens’ team values and long-term growth aspirations. Tryzens utilised SEP’s advisor network to engage the right advice for both company and management team upon exit. Working in partnership to assess and prepare exit information, meet potential acquirors and help choose the partner most aligned with the long-term ambitions of the team, resulted in a successful outcome for all stakeholders.

As part of the process the acquiror engaged an external ESG diligence firm who provided positive feedback on Tryzens approach and intent, reflecting the strength of Tryzens’ ESG initiatives.

Exit

Our goal is that when we exit a business it is more sustainable than when we first invested. When we plan a realisation, we seek opportunities that will deliver a ‘responsible exit’ as well as maximising financial returns.



Realisation

Our portfolio

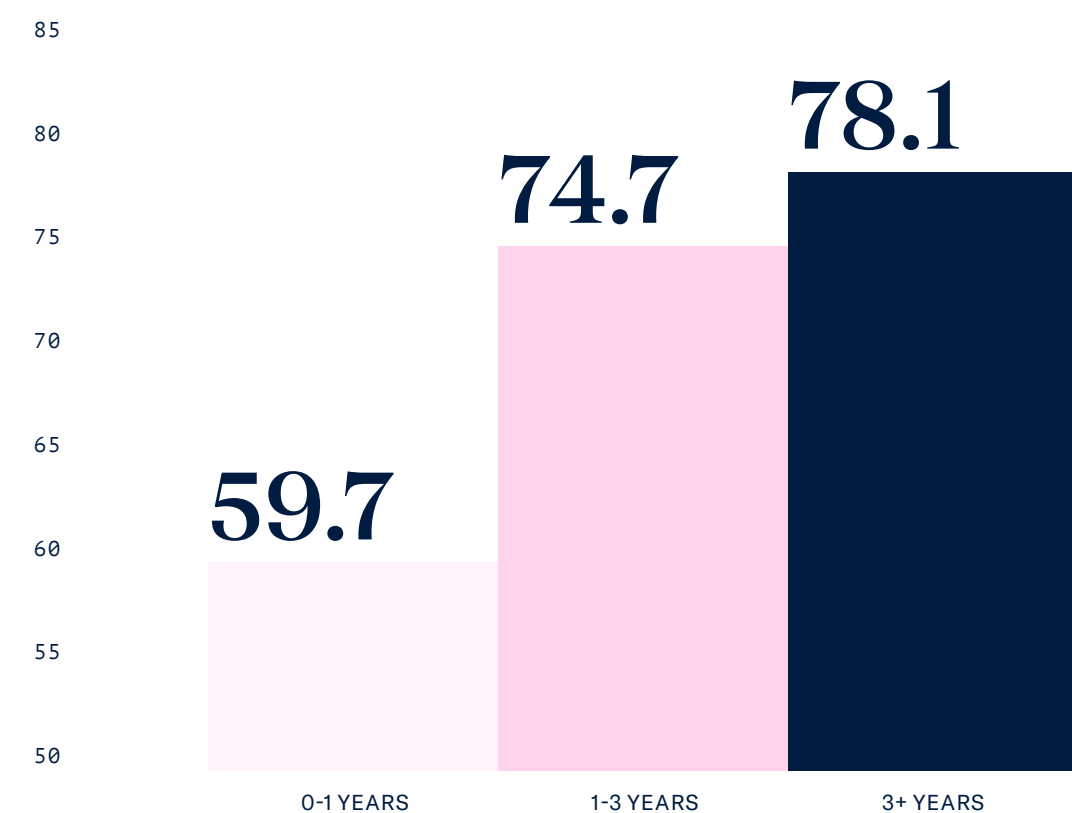
OUR PORTFOLIO

Scaling sustainably

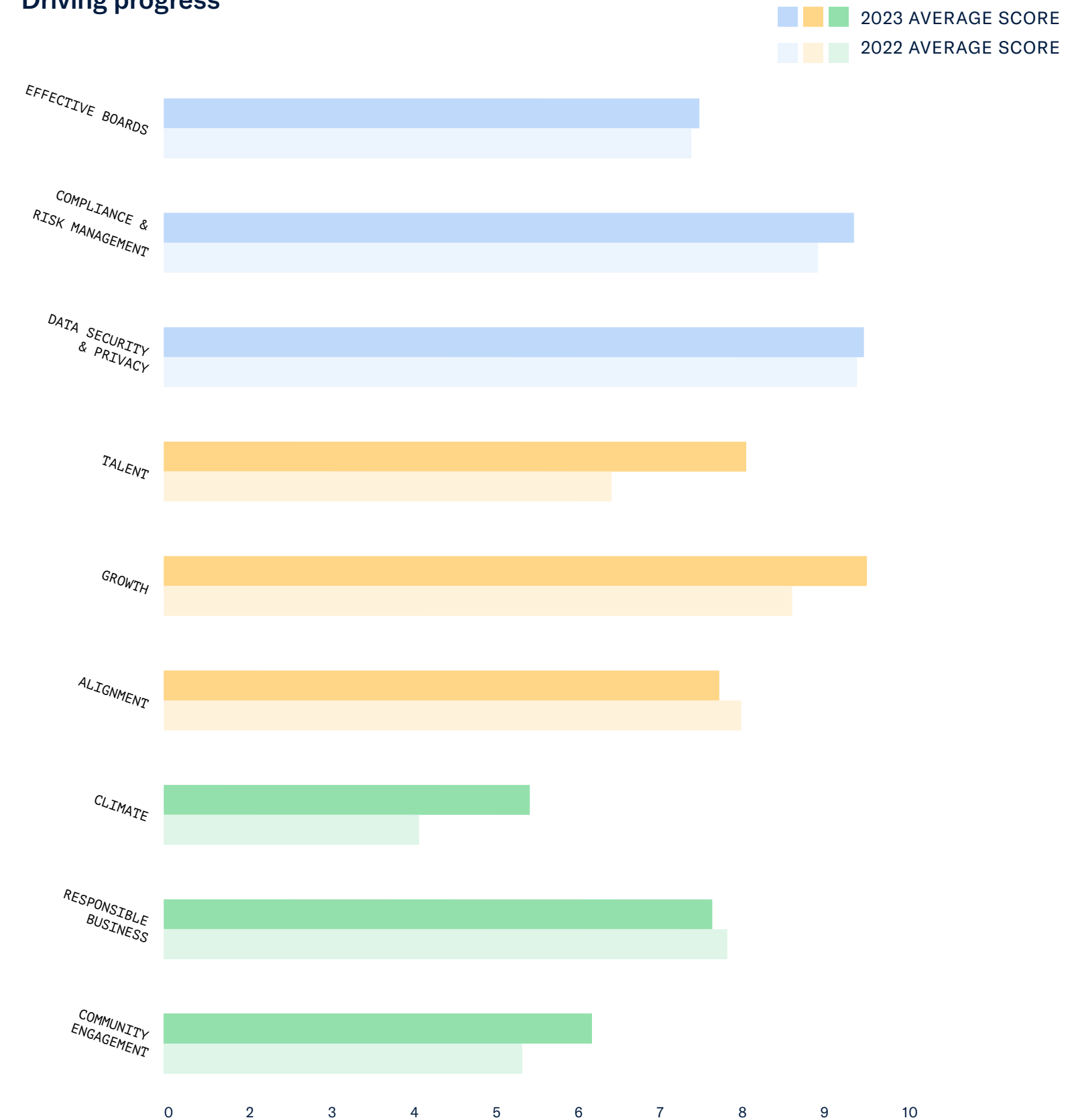
We have been investing responsibly for three decades. Our approach delivers tangible value, future proofing businesses and helping them scale sustainably.

We apply our proprietary Sustainable Growth Framework to all our portfolio companies, contextualising their performance and ensuring our approach is robust and consistent. To track progress, we have developed a scoring matrix against which we assess performance in each of the three pillars of our framework: Governance, Culture and Society.

Score by hold period



Driving progress



“SEP’s Sustainable Growth Framework has been a very useful tool in taking our ESG agenda to a higher level. Having a clear and structured approach really helps us understand our relative strengths and identify development opportunities.”

Dave Weidner, CEO, Pelion

Our approach is supportive and hands-on, and we have progressively increased the support and resource available to our companies in this area, appointing a dedicated ESG & Sustainability Lead in 2023. We are committed to driving progress and use this quantitative score to hold company management teams to account. Now in our fourth year, we are seeing significant progress across our portfolio.

The impact of our partnership is reflected in higher scores achieved by companies where we have been actively invested for longer, with an initial spike in performance seen in the first year of investment as companies implement actions identified during onboarding.

OUR PORTFOLIO

GOVERNANCE

Governance

We invest in resilient businesses and ensure that their growth is built on solid responsible business principles and practices.



The companies we invest in have often spent years growing independently before seeking external capital. A key element of our Sustainable Growth Framework is strengthening governance structures, empowering businesses to scale effectively and sustainably. We collaborate closely with management teams and boards to clearly define roles, optimise processes, and ensure regulatory compliance.

In today's interconnected world, businesses rely on complex IT ecosystems, increasing the risk of incidents and breaches. We work with our companies to ensure they have robust risk management strategies, business continuity plans, and recovery systems in place. All of this helps to build trust with enterprise clients and supports sustainable growth in competitive global markets.

Compliance & risk management



Effective boards



Data security & privacy



OUR PORTFOLIO

GOVERNANCE

Compliance and risk management



As investors in rapidly scaling businesses, it is our responsibility to promote a culture of trust and accountability.

As a result of our focus on governance in due diligence and onboarding, our portfolio typically has solid foundations and robust compliance processes in place. We work with companies to provide examples and implementation advice where we identify any gaps in risk management across the portfolio.

Our portfolio work with complex global enterprise customers, working across multiple regulatory jurisdictions. Compliance and risk management is therefore pivotal to supporting their growth through trusted relationships with customers, and this is evident through our portfolio scores in this area.



94%

CODE OF CONDUCT POLICY

100%

ANTI-BRIBERY AND CORRUPTION POLICY

100%

EQUAL OPPORTUNITIES AND NON-DISCRIMINATION POLICY

94%

WHISTLEBLOWING POLICY

GOVERNANCE



Peppermint Technology is an enterprise cloud software company focused on the legal sector. It helps large law firms to modernise, grow and transform how they do business.

Embedding robust ESG practices across its entire operation has been key to Peppermint winning and maintaining the trust of law firm clients, for whom customer data integrity, security and privacy are of paramount importance.

Its mission is to become the global market leader in front-office SaaS applications to "large" law. Based in the UK, Peppermint has a clear growth strategy and roadmap for internationalisation, with a focus on North America.

With circa 20,000 contracted users of its solutions and annual revenue growth of 30%, Peppermint currently serves more than 20% of the UK's top 100 law firms and has a rapidly growing presence among the AM Law 200 - the largest 200 law firms in the US. Being a global strategic partner to Microsoft has been pivotal in increasing market share and gaining access to international markets. It relies on strong governance processes: the company is ISO 27001 & 9001 accredited, demonstrating robust security and process controls.

ESG is an important consideration for Peppermint and its approach to geographical expansion is enabling the company to replicate its UK successes in the North American legal market.

It is scaling sustainably having:

- Established international delivery partners, offering customers quality implementations irrespective of geography.
- Opened a new office in Chicago, a major hub for law firms which supports new regulatory expertise.
- Established a local team with North American market to ensure cultural alignment.
- Promoted cross-border strategic and operational collaboration through company-wide objectives and key results.

As a result, Peppermint is making great headway having secured several AM Law 200 clients in the US, alongside a leading Canadian law firm.

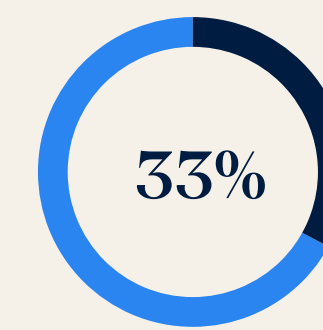


“Connecting all colleagues to our strategic goals is critical to our values and business alignment.”

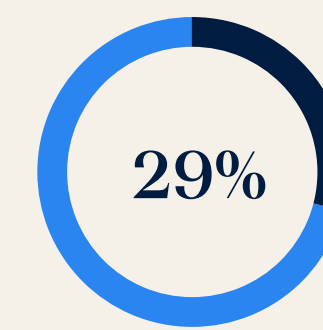
Emily Farrow, CPO, Peppermint Technology

20,000
CONTRACTED USERS

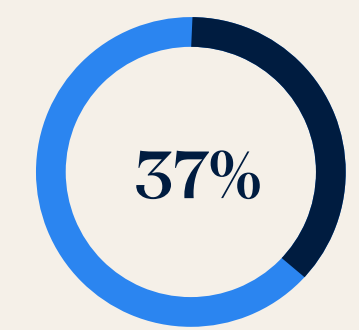
Gender balance, % women



Board



C-suite



Total workforce

OUR PORTFOLIO

GOVERNANCE

Effective boards



A high-performing board with an entrepreneurial culture is crucial for a business seeking to make the leap from emerging technology leader to category winner. A strong board plays a vital role in laying the foundations for good governance and strategic direction.

We work closely with founders, drawing on our experiences and network to help them build effective boards and first-class management teams. In the last 12 months our investment team have played an important role in helping portfolio companies identify and recruit 9 influential and highly experienced non-executive directors and chairs. We leverage our powerful network of people with deep operational, corporate and entrepreneurial expertise to ensure the right skills and competencies are in place.

We believe independent board input is vital for effective governance. Independent board directors ensure balanced decision-making, transparency, and accountability, aligning

company actions with its mission and stakeholders' interests. SEP companies have on average 1.9 independent board directors demonstrating our commitment to fostering diverse perspectives, ensuring objectivity and challenging the status quo.

We strongly encourage companies to appoint an executive level ESG sponsor. This sponsor serves as an advocate for sustainability, driving progress and providing the board with oversight of strategy and approach. We have seen marked progress in this area, with 65% of companies having a dedicated C-level executive advocate.



1.9

INDEPENDENT BOARD MEMBERS
PER COMPANY

9

BOARD LEVEL APPOINTMENTS¹

13

C-SUITE LEVEL APPOINTMENTS¹

65%

ESG EXECUTIVE
(C-LEVEL) SPONSOR

OUR PORTFOLIO

GOVERNANCE

Data security & privacy



Cybersecurity is a top priority and among the most significant risks for our portfolio.

Enterprise customers handle vast amounts of sensitive data, and any breach could lead to severe operational failures, costly downtime and reputational damage. Continuity of service and integrity of systems are key to our portfolio and to their customers.

Cybersecurity grabbed global headlines this summer when a faulty software update from security vendor CrowdStrike disrupted over 8.5 million Microsoft Windows users¹. While the affected devices represented less than 1% of all Windows machines worldwide, the fallout was significant, hitting major organizations that depend on Windows for mission-critical operations. On the day of the incident, an estimated 25% of Fortune 500 companies experienced outages, marking one of the most severe

global cybersecurity incidents to date. The disruption affected a wide range of industries, from airlines and banks to broadcasters and hospitals, bringing operations at many organisations to a standstill.

This event serves as a powerful reminder of the critical need for robust risk management policies. It underscores the importance of having effective cybersecurity response protocols, well-developed business continuity plans, and thoroughly practiced response strategies to mitigate the impact of such incidents. We encourage portfolio companies to evaluate their security programs, develop strategic action plans, and implement external standards such as ISO 27001 and cyber essentials, ensuring their business remains resilient and secure.



100%

INFORMATION SECURITY
MANAGEMENT SYSTEM IN PLACE

100%

CYBERSECURITY TRAINING
FOR EMPLOYEES

76%

CYBERSECURITY RESILIENCE
REGULARLY REVIEWED AT BOARD

100%

DATA PRIVACY POLICY

GOVERNANCE



FUNDAPPS.CO

Many of our portfolio rely on connectivity to ensure delivery of business-critical services to customers, including regulatory compliance specialist FundApps.

FundApps provides software services to the global financial services market, helping its customers respond more efficiently and effectively to compliance monitoring and reporting requirements. It is trusted by institutions who collectively account for more than 10% of global assets under management.

FundApps, which is a customer of CrowdStrike, had to respond rapidly in July when service to its own clients was temporarily affected by CrowdStrike's faulty security update. In a challenging situation, the speed and efficiency of FundApps' response and the effective measures it took to remediate the problem were pivotal in quickly restoring service and retaining customer trust.

A well-rehearsed incident management process enabled FundApps to identify the incident's root cause within one hour and shortly afterwards to issue the first of a series of client updates. While some large international organisations took days or even weeks to restore service following the CrowdStrike incident, the FundApps team successfully restored service to their 150 clients on the same afternoon.

The company is not complacent and has committed to using the experience to incorporate further learning on disaster recovery scenario planning. FundApps' discipline of conducting a Disaster Recovery Plan exercise every year, audited as part of its SOC 2 and ISO27001 accreditations was critical in enabling the team to act decisively, resulting in rapid restoration of all services.

150
CLIENTS

\$19tn
USD IN AUM



“
To recover effectively one needs a good plan, regularly practised and improved upon.”

Vincent Gilbert, Head of Information Security, FundApps

OUR PORTFOLIO

CULTURE

Culture

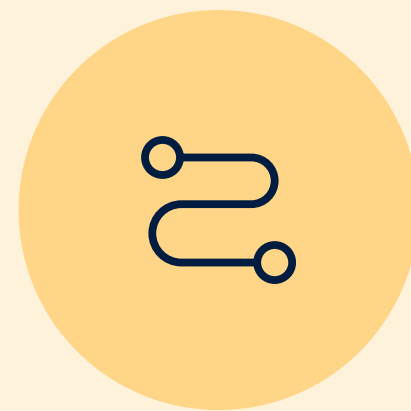
A company's culture can make or break its success. A high performing, values-driven approach helps attract and retain great talent, improves employee engagement and gives companies a competitive edge.



We invest at a critical point in a company's growth journey, with our capital and expertise significantly accelerating growth. Small teams often have an independent, entrepreneurial culture which can be impacted by rapid hiring. Preserving this entrepreneurial mindset while successfully integrating new colleagues with their own unique perspectives and skills can be a challenge for rapidly scaling teams.

Our portfolio is working to embed diversity and inclusion into their operations. We have seen progress on the integration of diversity, equality and inclusion (DEI) considerations into recruitment. We have also seen an increase in gender pay gap reporting as companies look to increase transparency and identify and address the causes of inequalities.

Alignment



Growth



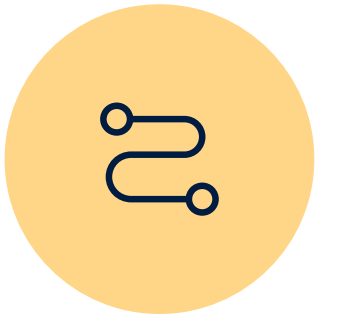
Talent



OUR PORTFOLIO

CULTURE

Alignment



Great talent is scarce. Almost one third of senior leaders consider finding talent their most significant challenge². With competition so fierce, engaging and retaining employees is vital for sustained growth and success.

Technology has revolutionised our ability to connect and collaborate. Working remotely can offer greater flexibility and a healthier work-life balance; however, it has also created a new set of challenges that can negatively impact wellbeing and engagement. This has required companies to rethink employee engagement strategies.

Employees feel valued when business leaders listen and take action. Regularly asking employees to share their experiences highlights areas and key demographic groups

where change can have the greatest impact. Employee surveys are only effective if they result in action. Using feedback to shape policies and practices and proactively highlighting the link between the two helps employees understand their impact on company culture and direction.

Prioritising listening to employees, tracking their experiences, and acting on insights boosts employee productivity and improves retention.

88%

MONITOR EMPLOYEE ENGAGEMENT

4.1

AVERAGE GLASSDOOR SCORE



CULTURE



For Pelion, a leader in global Internet of Things (IoT) connectivity, employee engagement is a cornerstone of its sustainable growth strategy.

The company, one of our most recent investments, leverages SEP's Sustainable Growth Framework and the B Corp Impact Assessment - a digital tool to help measure and manage a company's impact on workers, communities, customers and the environment - to help define and guide its sustainability mission. Pelion is committed to ensuring that its decisions are informed by employee feedback.

Pelion's commitment to transparency and inclusivity is evident through its monthly all-hands meetings, where the company's purpose and strategy are communicated openly. Regular employee surveys create vital feedback loops, demonstrating that employee input is not only valued but also instrumental in shaping the company's direction. This engagement fosters a sense of ownership among employees, as they see their feedback directly influencing the company's trajectory.

Empowerment is at the core of Pelion's culture, with employees encouraged to step beyond their comfort zones. This has resulted in the formation of employee

impact groups, including the ESG Group, Wellness Group, and Women at Pelion Group. These groups are driving meaningful change within the organization, reinforcing Pelion's commitment to inclusivity and social responsibility.

Leadership at Pelion plays an active role in these initiatives, highlighting the strategic importance of employee engagement. For example, employee surveys identified social impact as a strategic priority, leading to the CEO-sponsored rollout of a corporate volunteering program. This program will significantly boost community involvement and charitable donations, breaking down barriers to participation and celebrating both individual and collective successes. It underscores the company's dedication to making a positive impact.

By prioritising employee experience and embedding it within its company identity, Pelion not only enhances employee satisfaction but also strengthens its reputation as a forward-thinking, responsible company. This strategic alignment is key to driving long-term value.



PELION.COM

“Pelion is helping create a future that is more connected, smarter and more sustainable. By involving our people in decision-making, we are building a culture that resonates across the organisation and is centred on transparency and employee experience.”

Jenny Tildesley, Technology and Resilience Lead, Pelion

500+

ENTERPRISE CLIENTS

+18

12-MONTH ENPS IMPROVEMENT



GLASSDOOR SCORE

OUR PORTFOLIO

CULTURE

Growth



Scaling a company can be all encompassing, so prioritising employee wellbeing is essential.

Employee mental health and wellbeing are hugely important to our portfolio companies. Management teams are dedicated to fostering supportive and inclusive workplaces where people can excel.

All our portfolio companies have established mental health and wellbeing policies, with significant progress being made in bringing these policies to life. This includes the rollout of comprehensive Employee Assistance Programs (EAPs), mental health first aid training, and other benefits and resources. These initiatives all contribute positively to a company's culture.

Personal growth is an often-overlooked aspect of employee wellbeing yet Gen Z and Millennials value learning and development (L&D) more than any other generation. More than a quarter consider L&D to be the most important factor in job satisfaction³.

With Gen Z and Millennials expected to make up over half of the tech workforce by 2025, sponsoring certifications and other methods of upskilling is critically important to attracting, developing and retaining talent. We are working with our companies to break down barriers to L&D by clearly defining processes, effectively communicating opportunities, and implementing Learning Management Systems.



100%

MENTAL HEALTH INITIATIVES

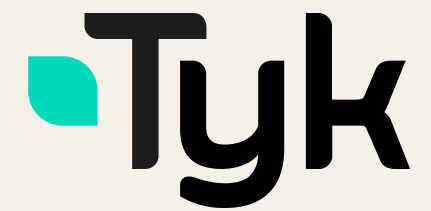
53%

TRACKING UPSKILLING

100%

HEALTH AND SAFETY POLICY

CULTURE



Tyk, a leading provider of open-source API management software, has innovative policies that help to attract new talent and motivate and reward employees.

Its approach is succeeding as Tyk has been independently certified a “Great Place to Work”, with 89% of its team providing a positive rating.

Tyk, which was founded as a ‘remote-first’ business, offers unlimited paid holidays and fully remote working and flexible hours and encourages its people to attain a good work-life balance, helping them to be both happy and productive.

Tyk serves more than 200 customers across Europe; the US and Asia and its software is a critical part of its customers’ IT infrastructure stack. Customers range from small, high growth software firms to large enterprises such as the Financial Times, Starbucks, Audi, RBS and Dominos.

The company regards employee wellbeing as a strategic imperative and recognises that a thriving workforce is the cornerstone of sustained business success and innovation. Tyk’s comprehensive approach to wellbeing demonstrates the company’s commitment to sustainable growth. As well as running the company in a way that meets the diverse needs of its employees, Tyk’s strategy also delivers high levels of employee satisfaction, critical for sustainable growth.

The company has invested in its mental health offering, providing employees with a comprehensive Employee Assistance Programme via its partnership with Plumm. By providing access to multilingual therapists, mindfulness classes, and wellness webinars, Tyk mitigates the psychological challenges that can affect some remote workers.

Tyk’s unique personal development program, UCU, offers employees personalised life coaching sessions and sabbaticals after five years of service. It aligns employees’ personal goals with the company’s objectives, unlocking individual potential and fostering innovation. This investment in personal development is directly linked to increased employee loyalty.

Tyk’s use of employee surveys exemplifies its commitment to data-driven continuous improvement. By regularly gathering and acting on employee feedback, Tyk ensures that its benefits and support systems evolve to meet the changing needs of its workforce.

WWW.TYK.IO



“
We believe in the power of our people. When employees feel secure and supported, they naturally thrive and contribute their best. That’s why we prioritise their wellbeing and invest in their ongoing development.”

Rachna Karwasra, VP Operations, Tyk

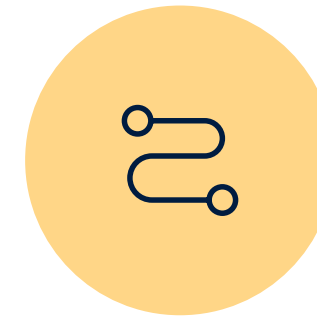
89%

OF EMPLOYEES AGREE TYK IS
A GREAT PLACE TO WORK

OUR PORTFOLIO

CULTURE

Talent



We believe diversity fuels innovation. A diverse workforce can deliver multiple benefits and are 70% more likely to capture new markets with their project⁴. It boosts creativity, improves decision-making, and reduces groupthink.

All these factors contribute to better outcomes for employees and for businesses and yet, in the tech sector in general, there is still a long way to go on achieving gender diversity and equality. Research shows that without intervention, it will take nearly 300 years to close the gender pay gap in tech⁵. As software and technology investors, we have an important role to help deliver progress on diversity. It is particularly important to ensure developments in emerging technologies like AI are reflective of society as a whole.

Women currently only makeup 21 percent of UK senior tech leaders⁶. Lack of senior representation can limit opportunities for sponsorship and mentorship and can foster unconscious bias in company culture.

We launched our Women in Tech Leadership Network to tackle this critical issue. Our most recent roundtable discussion focused on identifying pathways that prepare female talent for board roles.

100%

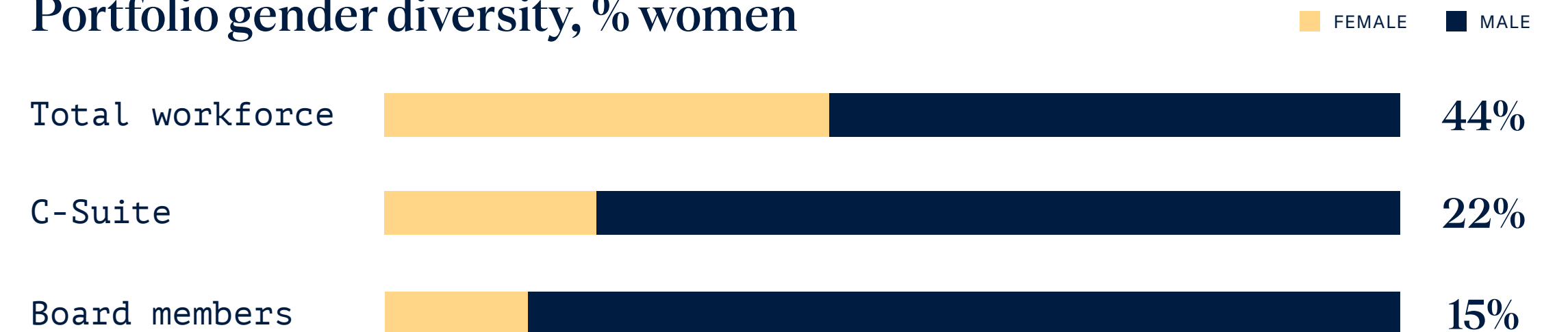
DEI POLICY

82%

DIVERSE RECRUITING POLICIES



Portfolio gender diversity, % women



CULTURE



FundApps provides compliance monitoring and regulatory reporting SaaS solutions to the financial services industry.

FUNDAPPS.CO



The company has succeeded in reducing its gender pay gap to below 1%. Although this is a significant achievement, FundApps remains focused on its goal of eliminating the gap entirely and is challenging all tech and financial companies, big and small, to do the same.

FundApp's commitment to diversity shines through in the initiatives and investments it has made for its team. The company is a proud B Corp, becoming one of the first tech companies in the UK to certify back in 2018. B Corp status requires evidence of a commitment to high standards of social and environmental performance, transparency, and accountability.

On a sector-wide view, although the number of women in tech is growing, disparities remain in earnings, financial stability, and retirement benefits. FundApps believes businesses have a crucial role to play in driving societal change. Its actions stem from a firm belief that progress on diversity and inclusion comes from action not good intent.

FundApps tackles these issues through initiatives like flexible working, comprehensive well-being resources, and innovative leave offerings, such as a 26-week gender-neutral parental leave policy. The company is dedicated to diverse hiring, equal opportunities for growth and promotion, and equitable pay.

To access a broader talent pool, FundApps partners with GirlCode, a community and job board for women in tech, and myGwork, a global networking hub and job board for LGBT+ professionals and graduates. The company has also redesigned its interview process to ensure unbiased hiring decisions and enable competency-based evaluations. All these initiatives have helped create a culture of wellbeing and inclusion.

0.6%

GENDER PAY GAP (FROM 2.9%)

90.3

B CORP SCORE



59

EMPLOYEE NET PROMOTER SCORE (ENPS)

“FundAppers care deeply about creating an inclusive and engaging workplace.”

Adriana Toma, Head of People, FundApps

OUR PORTFOLIO

SOCIETY

Society

A company's influence on society is more than just the products and services it offers.



Companies create employment opportunities, contribute to philanthropic initiatives and can improve the welfare of local communities. We encourage the businesses we invest in to be purpose-led and to have a positive external impact. This includes acting with integrity and committing to foster positive relationships with stakeholders and communities.

Companies impact not only people but also the planet and play a crucial role in shaping the future of our climate. In 2023, more than 80% of our companies successfully calculated their carbon footprints. As a result, these companies now have a clearer understanding of their environmental impact and are actively working toward decarbonising their operations and setting a course toward net zero. This progress demonstrates that, with the right support and guidance, these challenges can be effectively addressed.

Climate



Responsible business



Community engagement



OUR PORTFOLIO

SOCIETY

Climate



The need for decisive climate action is driving significant market changes.

The need for emissions measurement and reporting is becoming a critical issue. With climate regulations rapidly expanding across Europe, sustainability is now a top priority for B2B buyers, with 36% reporting they would leave a supplier that doesn't meet their sustainability expectations⁷.

We believe that companies that proactively manage their environmental impact will be winners in their markets. Having a robust climate action plan enhances brand reputation, helps attract and retain talent, and positions companies to respond to customer and investor demands.

Measurement is the foundation of any effective climate action plan. In 2024 we partnered with a carbon accounting software provider to assist our portfolio companies in mapping and reporting their emissions. This has driven a 75% increase in the number of companies calculating their carbon footprint. We are now focused on gaining a more detailed understanding of emissions drivers. Our goal is to have 100% of companies calculating and reporting their carbon footprints by 2025.

Our next area of focus is to support our portfolio companies in setting viable emissions reduction targets and aligning with a net-zero pathway.



82%

CALCULATING THEIR CARBON FOOTPRINT

35%

NET ZERO PLANS ALIGNED WITH 2050 OR SOONER

47%

REPORTING ON ENVIRONMENTAL CONSIDERATIONS TO THE BOARD

SOCIETY

AutoRek

AutoRek, a leading provider of financial control, regulatory reporting and data management software, serves over 100 firms in asset management, banking, and insurance.

WWW.AUTOREK.COM



The company has seen a rapid rise in both the volume and complexity of climate-related questions from customers. They are increasingly incorporated in tender documents (requests for proposals) as potential clients seek to understand how AutoRek can support their own emissions reduction and ESG targets.

In 2023, AutoRek began a focused journey towards understanding and reducing its carbon footprint. The company is committed to reaching net zero by 2050 and is actively working towards producing reduction targets in line with the 1.5°C goal of the Paris Agreement.

AutoRek uses a carbon accounting software solution, calculating emissions using a mix of activity-based and spend-based data. 99% of AutoRek's footprint is from indirect (Scope 3) emissions which includes purchased goods and services, cloud computing, business travel and waste management. Understanding this data lets AutoRek prioritise its largest emission sources.

With the cloud computing industry now emitting more emissions than commercial aviation, addressing data centre emissions is critical for software businesses. To tackle this, AutoRek has migrated its services to Microsoft Azure, the cloud computing platform developed by Microsoft which features more efficient infrastructure powered by hydrogen fuel cells.

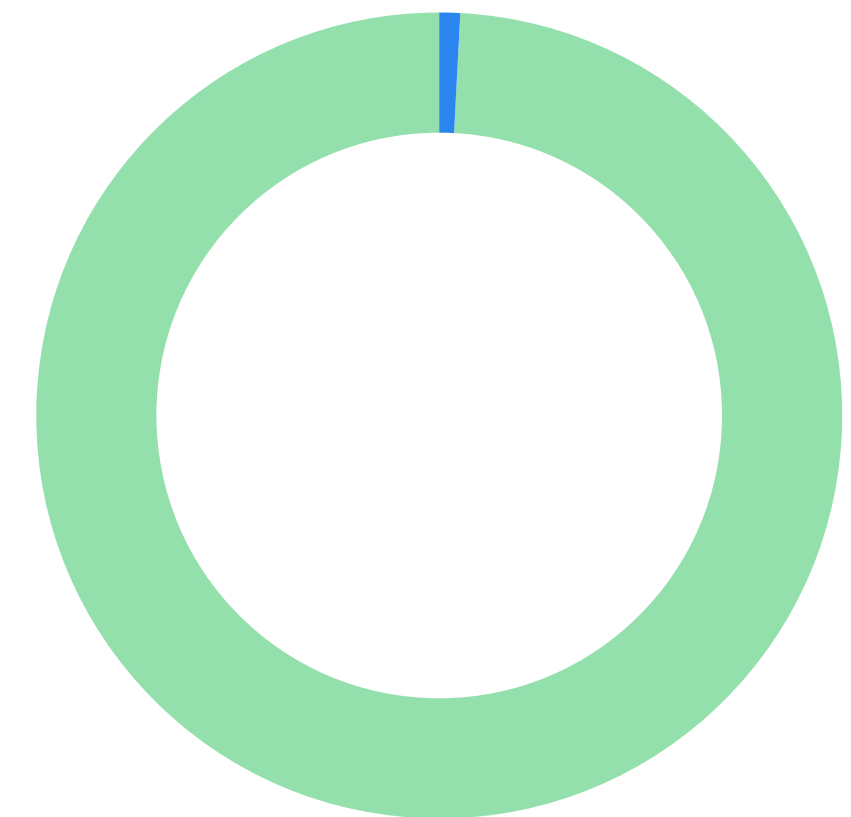
Business travel is another focus. AutoRek encourages low-carbon travel and has a stringent approval process to minimise unnecessary journeys. Sustainability efforts extend from office spaces, which are powered by 100% renewable energy, to waste management, where AutoRek is working to reduce waste generation and promote recycling and circularity.

By taking a data-led approach and integrating sustainability into everyday business decisions, AutoRek is building a socially supportive and environmentally conscious organisation, dedicated to reducing its impact on the climate while helping its clients transform their reporting processes.

100+
FINANCIAL SERVICES CUSTOMERS

2.4bn
TRANSACTIONS PROCESSED

Total tCO2e in 2023



SCOPE 1: 6.8 SCOPE 2: 0 SCOPE 3: 739.4

OUR PORTFOLIO

SOCIETY

Community engagement



Over the past twelve months, our portfolio has demonstrated an increasing commitment to driving social impact. By engaging with local communities, companies foster positive relationships that contribute to more meaningful stakeholder engagement.

Employees who participate in corporate purpose programs are 52% less likely to leave their jobs⁸. However, in today's hybrid work environment, engaging a dispersed workforce in volunteering and community initiatives requires creativity and flexibility. Our companies are successfully involving all employees through virtual volunteering, local projects, and company-wide impact days.

To maximise impact, it is crucial that social impact strategies are closely aligned with corporate values and purpose. To drive growth and innovation, our companies are investing in the next generation of talent, mentoring young people, and helping them cultivate the skills needed for a career in tech. By bridging the skills gap and creating pathways into high-demand tech careers, these efforts help foster a more equitable society. Employees take pride in working for organisations that not only reflect their values but also contribute to lasting change.



82%

CHARITABLE GIVING

88%

COMMUNITY IMPACT INITIATIVES

47%

EMPLOYEE VOLUNTEERING SCHEME

SOCIETY



For Basis Technologies, a leader in SAP system management, giving back to the community and making a difference in the lives of others are core beliefs.

The company offers team members opportunities to engage in meaningful volunteer work that aligns with their personal values, making community involvement accessible and seamless.

The company has partnered with STEM Ambassadors, the largest provider of education and career support in Science, Technology, Engineering, and Mathematics (STEM), and the Early Careers Foundation, a charity dedicated to reducing socio-economic inequality in the UK. By acting as mentors, Basis team members are helping tackle both the industry's skills shortage and socio-economic disparities, empowering young people from underrepresented backgrounds.

Basis organises regular volunteering events, the most recent with the British Heart Foundation. This has provided an opportunity to connect with colleagues, promoting teamwork and camaraderie, whilst making a strong community contribution.

These initiatives have boosted team engagement and empowered the team to make a real difference in their communities. A notable success story involves a Basis mentor who, through the Early Careers Foundation, supported a mentee in securing work experience at Basis. This opportunity gave the mentee valuable skills and insights, opening doors to a career path that may have otherwise been inaccessible.

Following the success of these initiatives, Basis plans to expand its approach globally, ensuring the team across all regions can contribute to their local communities while strengthening connections within the company.



WWW.BASISTECHNOLOGIES.COM

“
At Basis Technologies, we believe in creating opportunities for our team to give back in meaningful ways that align with their personal values.”

Emma Walsh, Chief People Officer, Basis Technologies

97%

OF EMPLOYEES AGREE BASIS TECHNOLOGIES IS A GREAT PLACE TO WORK

Sustainability at SEP

SUSTAINABILITY AT SEP

Sustainability at SEP

As well as being a positive influence on our portfolio companies, we are committed to pursuing excellence in sustainable practices in our own operations.

Our Responsible Business Group plays a pivotal role, driving progress on a range of sustainability initiatives from DEI considerations to supporting our community.

We take a proactive approach to managing our impact on the planet, measuring our carbon footprint and reevaluating our approach to carbon credits, as we work towards reducing our emissions and setting a net zero target.

We are active industry participants and proud to be part of several initiatives working to strengthen ESG commitments, improve transparency and promote sustainability.

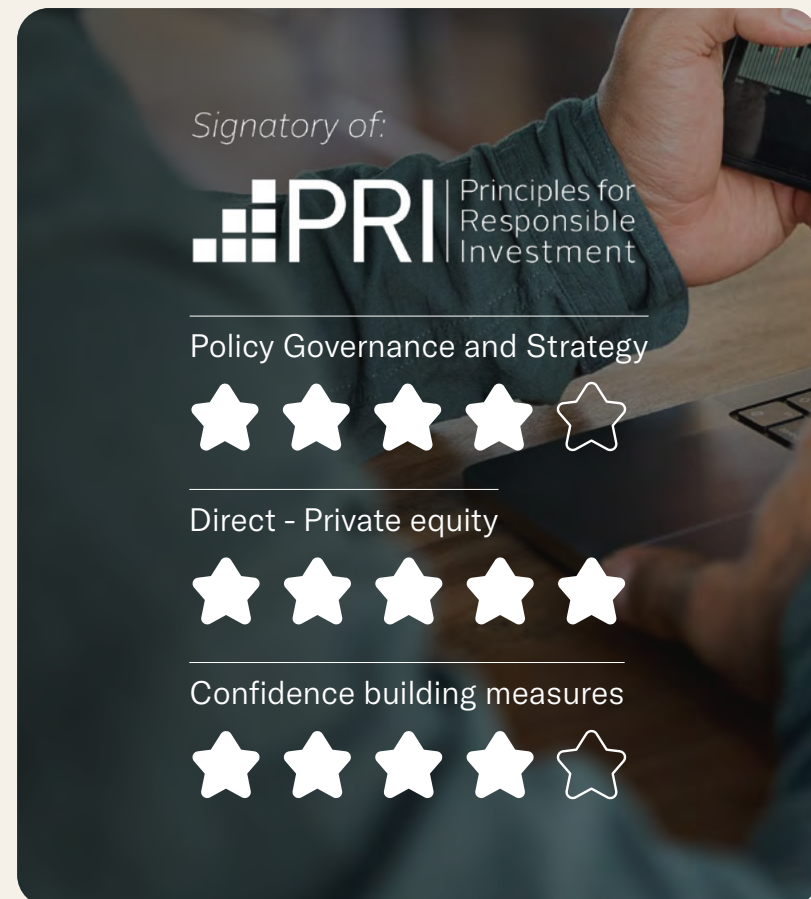


SUSTAINABILITY AT SEP

Industry initiatives and collaboration

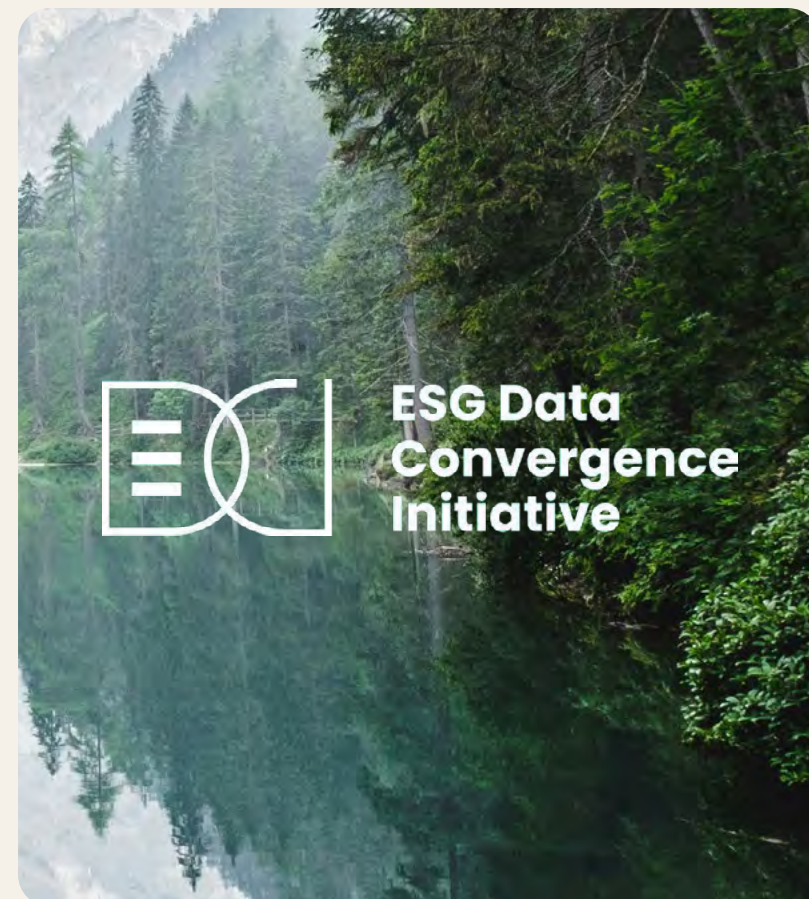
Principles for Responsible Investment (PRI)

The United Nations-backed PRI is the world's leading proponent of responsible investment. PRI has over 5,000 signatories, representing the majority of the world's professionally managed investments.



ESG Data Convergence Initiative (EDCI)

The EDCI is an open partnership of over 450 general partner and limited partner members aiming to drive convergence around ESG metrics in the private equity industry and generate meaningful, performance based ESG data.



Women in Finance Charter

The Women in Finance charter is a HM Treasury backed initiative committing signatories to support the progression of women into senior roles in the financial services sector.



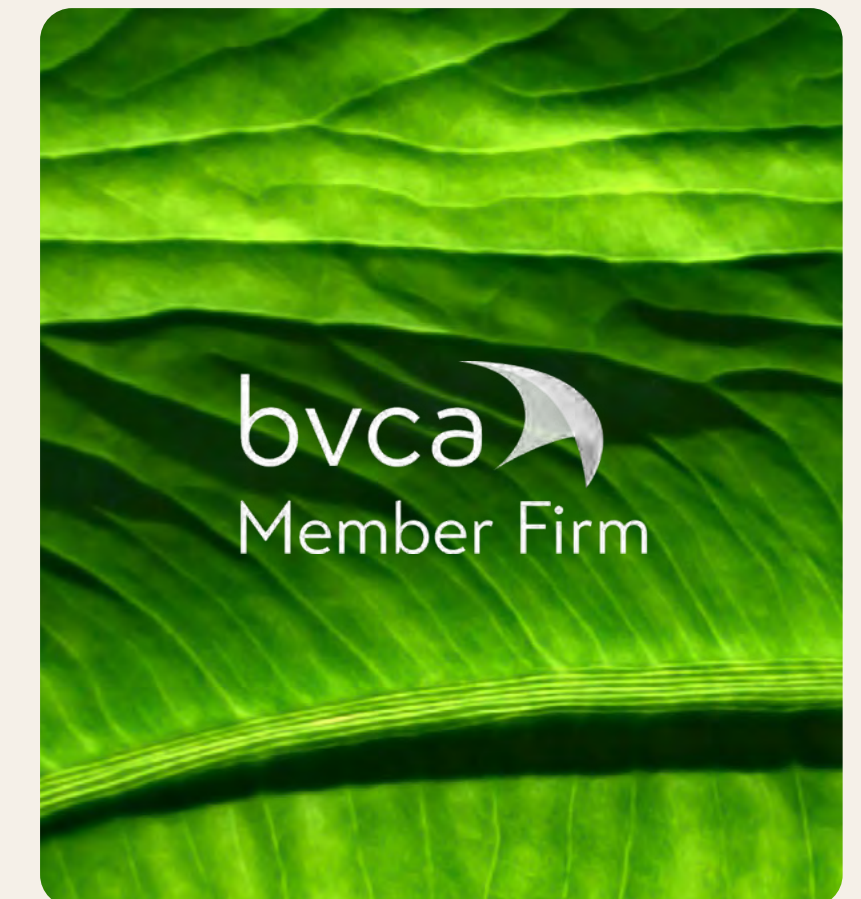
Investing in Women Code

Led by the Department for Business and Trade, signatories to the Investing in Women Code commit to support the advancement of female entrepreneurs in the UK by improving their access to tools, resources and finance.



BVCA

The BVCA is the industry body for the UK private equity industry. We are an active and collaborative member and support efforts to champion companies demonstrating excellence in innovation, growth, and sustainability.



SUSTAINABILITY AT SEP

Climate action

We are committed to reducing our climate impact and identifying opportunities for emission reductions. We partnered with a carbon accounting platform to perform our annual carbon footprint measurement and assess our Scope 1, 2 and operational Scope 3 greenhouse gas emissions.



In 2023, our total carbon footprint was 303 tCO₂e, the equivalent of 176 round trip flights from London to New York. This is an increase of 33% versus 2021/22, however, this is not deemed a true comparator as this period was significantly impacted by lockdowns and travel bans resulting from the covid-19 pandemic.

As in prior years, SEP has no Scope 1 emissions. Scope 2 emissions rose to 17 tCO₂e reflecting a return to usual patterns of office attendance and energy usage. While SEP's London office uses renewable energy, we were unable to source renewable energy for our Glasgow office until smart meters had been installed. This took place in 2024 and switching to renewable energy will be a priority when we renew our energy contract.

Business travel remained the largest contributor to our carbon footprint (22%). Last year we updated our travel policy to discourage non-essential travel and prioritise lower carbon options where possible. While virtual meetings are encouraged, we believe that some level of business travel will remain necessary to provide hands-on support and build strong relationships with our portfolio companies, which are located across Europe.

In 2022 we relocated our London office to a more modern and efficient space. Although this is expected to lower emissions in the long run,

this has driven several one-off emissions relating to the office design, fit and relocation. We are currently re-calculating our emissions for the year to March 2023 to align our carbon reporting with our updated financial year end. This should provide a clean data set against which we can set emission reduction targets and begin the process of net zero planning.

Our aim is to formalise our carbon management strategy within the next 12 months, establishing targets and aligning ourselves with the Paris Agreement's objective of limiting global warming to 1.5°C.

TOTAL tCO₂e IN 2022/23

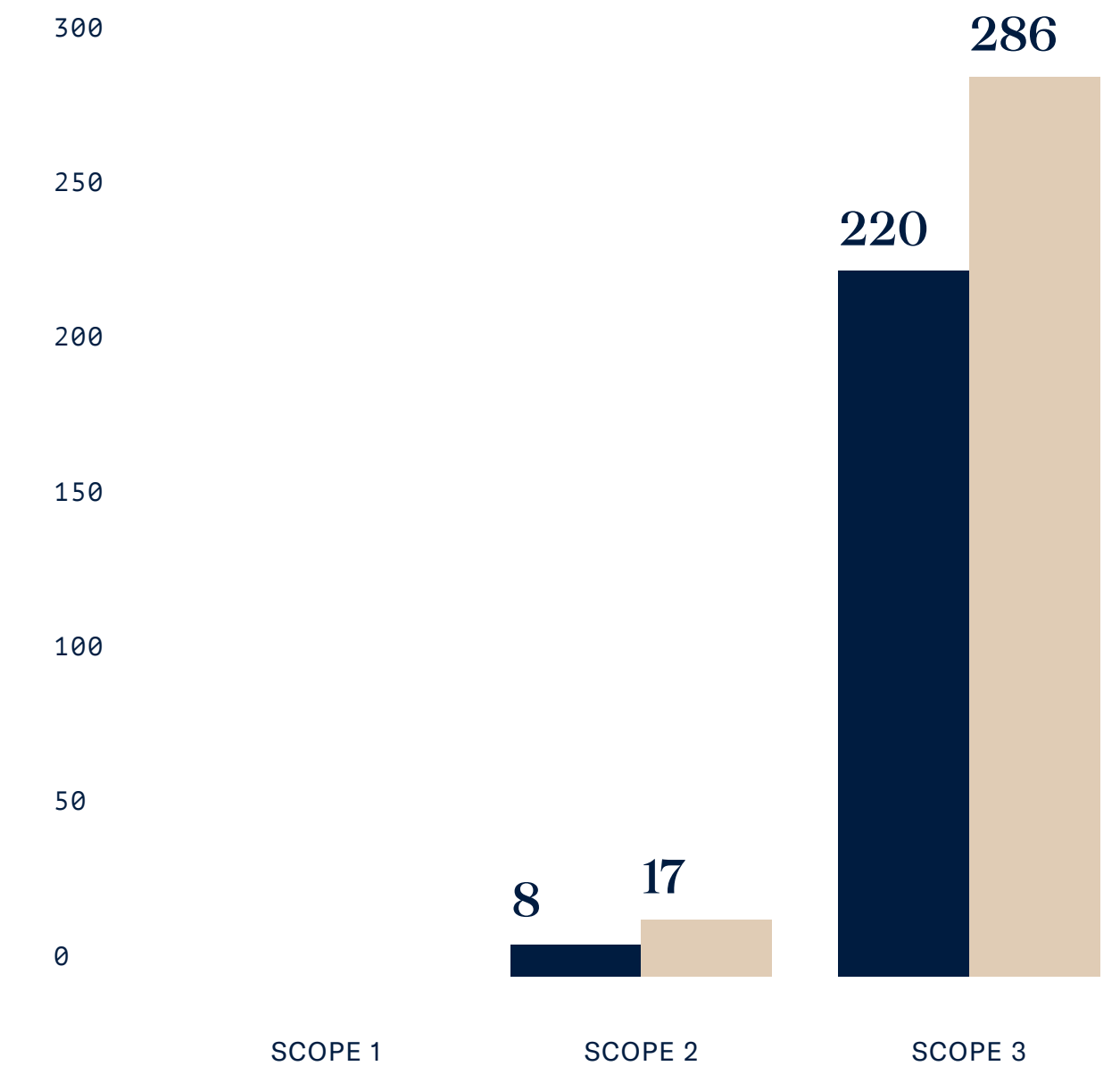
303

tCO₂e/EMPLOYEE

9.5

Total tCO₂e in 2021-23

● 2021/22
● 2022/23



SUSTAINABILITY AT SEP

Scaling carbon removal

Whilst we work towards an emissions reduction plan, we also recognise the need to compensate for our emissions today and invest in the future of our planet.

For a long time, carbon offsetting has been used to demonstrate this commitment. However, traditional offsetting has led to the commoditisation of carbon credits, with companies often prioritising cheap offsets that have limited impact. In 2024 we took the decision to move away from traditional “offsetting” and instead take a more impact-led approach.

We now focus on funding high-impact carbon removal projects, enabling them to scale production and accelerate their vital work. This strategic shift aligns with our core values and approach to investment, scaling the next generation of technological innovation.

By applying scientific metrics like the social cost of carbon and sector-specific benchmarks, we have established a high-integrity contribution budget that covers our scope 1, scope 2, and business travel emissions. This approach maximises our impact and positions us alongside industry leaders, investing capital in innovative & durable carbon removal technologies including direct air capture, enhanced weathering and biochar.

“**SEP is setting the bar for excellence when it comes to supporting durable carbon removals solutions as part of a corporate climate strategy. Their contribution approach has put them among the top 5% of their peers in terms of price per tonnes, which has enabled them to support some of the most innovative projects on the market.**”

Joe Cruttwell, Europe GM, Patch

Holy Grail Moonstone direct air capture

Durability

10,000+ YEARS

Technology

CENTRALIZED DIRECT AIR CAPTURE



Using giant fans on industrial plants to capture atmospheric air and passing the air through a filter that absorbs CO₂.

UNDO enhanced weathering

Durability

10,000+ YEARS

Technology

ENHANCED WEATHERING



Accelerating the natural process of rock weathering, in which CO₂ in rainwater is locked away for over 1,000 years.

Banni Grassland biochar

Durability

100+ YEARS

Technology

BIOCHAR



Heating waste biomass to produce carbon-rich biochar, which can sequester carbon in soil when applied as a soil enhancer.

SUSTAINABILITY AT SEP

SEP in the community



Our approach to philanthropy mirrors our investment strategy: long-term, supportive, and collaborative. We invest both time and money, committing to sustained partnerships with charitable organisations. We've maintained multi-year relationships, ensuring impact through ongoing support and engagement.



The Wood Foundation's Youth and Philanthropy Initiative (YPI)

SEP has supported YPI for seven years, granting funds to charitable projects championed by local school pupils. These projects empower students to help their communities and develop team-building and organisational skills. In addition to financial support, SEP employees engage directly with YPI, participating in school judging panels in which pupils prepare presentations advocating for their chosen charities.

“ SEP helps The Wood Foundation continuously improve the programme, benefiting young people, practitioners, and communities.”

Lucia Giuntoli, YPI Partnerships Manager, The Wood Foundation





Strathclyde Inspire Entrepreneurs Fund

We help nurture the next generation of entrepreneurs through our involvement with Strathclyde University's Inspire Fund, which supports creativity, innovation, and the commercialisation of business ideas by students, staff, and alumni.

The fund provides support related to business start-up, intellectual property, and commercialisation. It funds an investor ready Accelerator for early-stage ventures and support for businesses seeking to scale up.



Winning Scotland

We work in partnership with Winning Scotland to engage and empower young people in Scotland to be ambitious, versatile, and resilient. Winning Scotland provides specialist training to professionals working with children in education and social care roles. The charity equips teachers and carers with skills that help them instil confidence in the young people they educate and look after.

“Receiving regular backing from SEP gives us the financial freedom we need to scope, develop and test new approaches to help children learn, build confidence and thrive.

Richard Orr, Director of Partnerships, Winning Scotland.

We also make several smaller donations each year to organisations chosen and championed by our employees and portfolio companies. These include:



Looking ahead

Looking ahead



Technology will play a pivotal role in addressing global sustainability challenges, and we are proud to invest in companies positioned to drive real change. Our commitment goes beyond funding. We take a long-term perspective and build powerful partnerships with our companies, helping them successfully scale and achieve their sustainability goals.

In the past year, we have made huge strides in enhancing our systems and processes including launching a dedicated ESG data management platform. This has streamlined data collection, and enabled our companies to gain deeper insights into their environmental and social impacts.

Looking ahead, we aim to formalise our carbon management plan within the next 12 months — a crucial step towards aligning with global climate targets. This involves in-depth assessments and strategic planning to cut emissions across both our operations and portfolio. We'll continue to actively partner with our companies, equipping them with the tools and support they need to identify key emission-reduction opportunities and stay on track with decarbonisation goals.

We also believe that a more diverse and inclusive workforce is the key to unlocking the tech sector's full potential. We are challenging our companies to build

more inclusive cultures, expand their talent pipelines, and increase data collection to better understand their workforce and drive meaningful change.

Collaboration fuels progress. Our portfolio companies thrive by sharing insights and learning from one another. Through targeted events and the SEP network, we foster knowledge-sharing and connections, empowering our companies to lead in sustainability and create lasting, positive impact.

Matthew Sumner
ESG & Sustainability Lead

Endnotes

1. <https://www.bloomberg.com/news/articles/2024-07-20/crowdstrike-crash-affected-8-5-million-microsoft-windows-devices>
2. <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/attracting-and-retaining-the-right-talent/>
3. <https://www.thehrdirector.com/features/learning-development/gen-z-millennials-prioritising-training-development/>
4. <https://www.entrepreneur.com/growing-a-business/how-a-diverse-team-brings-more-creativity-and-engagement-to/411480/>
5. <https://www.bcs.org/articles-opinion-and-research/nearly-300-years-to-close-the-gender-gap-in-tech-without-intervention-warns-bcs>
6. <https://hrreview.co.uk/hr-news/diversity-news/only-20-of-senior-tech-leaders-are-women/376171>
7. <https://www.bain.com/about/media-center/press-releases/2024/ceos-prioritization-of-sustainability-has-declined-sharply-as-ai-and-inflation-now-sit-atop-their-agendas-consumers-b2b-buyers-remain-deeply-concerned>
8. <https://benevity.com/en-gb/state-of-volunteering-2024>

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