



Cap10



SUSTAINABILITY REPORT

Cap10 Partners LLP, authorised and regulated by the UK Financial Conduct Authority ("FCA") under the Firm Reference Number 966309.

What inspired me to start Cap10 was the opportunity to bring large-cap sophistication and agility to the European mid-cap space. We don't just make investments – we are passionate about building lasting, sustainable legacies by transforming businesses – we support and empower our business leaders, driving meaningful change with care, creativity and purpose.

For me, Cap10 is all about the people we work with. Whether it's the talented team we have built or the visionary business leaders we partner with, it's the relationships that drive everything we do. When you have the vision and the passion and you bring the right people together, extraordinary things happen."

Fabrice Nottin

Founding Partner, Cap10



Sustainability at Cap10

Everything we do is driven by our commitment to positively contributing to the ecosystem at large, based on authenticity, fairness, and integrity.

We value ethical and commercial considerations equally to ensure we are always aiming at doing the right thing by all stakeholders concerned

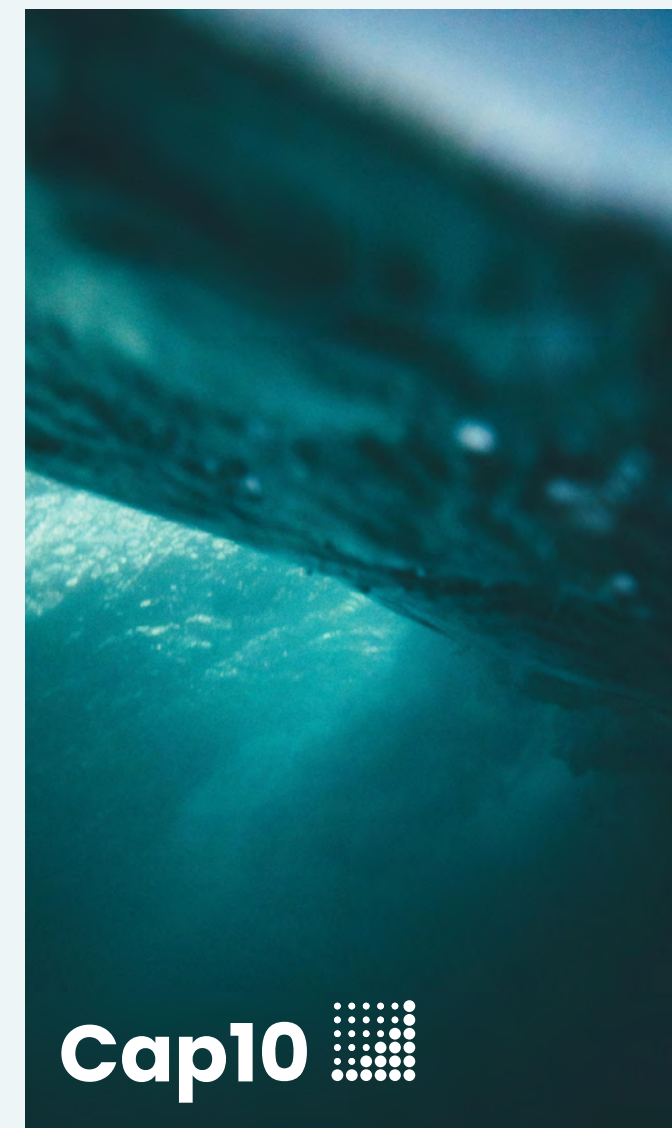
About Cap10

Cap10 was founded in 2021 by experienced financial entrepreneurs who bring large-cap sophistication, creativity and innovation to the European mid-market buyout space.

People first

Our approach is underpinned by Cap10's guiding principles of 'People first', being accountable and uniting our team behind a common vision. The Cap10 team is driven by our shared values:

- Achieving excellence in everything we do and being passionate about building businesses that will thrive beyond our stewardship.
- Building strong convictions when uncovering unique opportunities, taking a creative and nimble approach allowing us to move swiftly and adapting to every situation.
- Applying high degree of empathy and care in achieving the best outcomes for all stakeholders.
- Cultivating a fun, collaborative and entrepreneurial environment, attracting diverse talent and helping them realise their full potential.



Responsible investment is at the heart of everything we do. This approach is driven not only by the overwhelming evidence that investing sustainably is a driver of long-term returns, but also because we firmly believe that addressing key societal challenges and making a positive contribution to the world around us is simply the right thing to do.

This inaugural Sustainability Report provides an overview of our approach to sustainability in both our investments and our own operations. It documents our achievements as well as our future priorities and plans.

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About Us

Cap10 was founded in 2021 by experienced financial entrepreneurs who bring large-cap sophistication, creativity and innovation to the European mid-market buyout space.

Cap10 delivers asymmetric returns to the upside, by transforming underdeveloped mid-cap business gems into industry champions.

Our passion is building leading businesses that endure beyond our ownership, by applying a high degree of care, to achieve the best outcome for all stakeholders.

Our Core Values

Together, the team came up with the Cap10 PACT, which embodies our core values. These values guide us in everything we do, driving us to innovate, collaborate, and excel. United by our shared commitment, we inspire each other's to achieve greatness while making a positive impact on all we serve. These are the values we proudly stand by:

Passion



Agility



Creativity



Care



Talent



Highlights

Cap10 is committed to ESG and sustainability across our operations and portfolio companies

Operations

100%

Our offices are supplied with **100% renewable energy**.

3 years

We are proud to have been a **carbon neutral organisation** for the last 3 years.



We have a **travel policy** which seeks to minimise our contribution to carbon emissions.

Last year we **donated £10k to charity** – including to the RCRT Foundation and the Sureserve Foundation.

10K



All Cap10 staff undertake **annual training** covering anti-bribery, anti-money laundering, cyber security and market abuse.



Our **Diversity and Inclusion Policy** describes our commitment to promoting equal opportunities and ensuring dignity and respect in employment and the workplace.

Portfolio Companies

Environment

Oversight:
Our portfolio companies have an ESG director in place to oversee the implementation of sustainability initiatives across the company.

Net zero:
Our portfolio companies have made commitments to reach net zero by 2050.

Decarbonisation:
Our portfolio companies have calculated their greenhouse gas emissions and all companies have put in place detailed carbon reduction plans.

Carbon neutral organisations:
Our portfolio have offset their remaining emissions using independently verified offsetting projects.

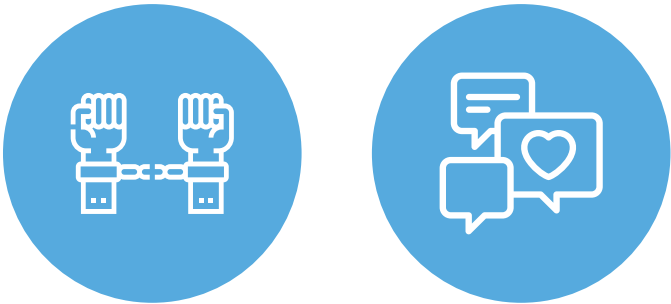
Climate risk assessment:
All of our portfolio companies have undertaken climate risk assessments to help them monitor and manage any environmental risks.



Social

Diversity and inclusion:
Our portfolio companies are committed to ensuring they provide staff with equal opportunities within an inclusive workplace. All have diversity and inclusion policies in place plus a range of activities and initiatives to support their objectives.

Gender and equality:
Our portfolio companies have put in place gender and equality policies and programmes including gender pay gap reporting, and women’s network groups.



Human rights:
Our companies have policies and procedures in place to monitor, assess and prevent human rights violations. All produce Modern Slavery Statements.

Volunteering and community events:
Our portfolio companies engage closely with their own communities, offering staff opportunities to work with local groups and give back to the community throughout the year.

Health and well-being:
Health and well-being are critical to our companies, with programmes underway to support staff in both their professional and personal lives.

Training and development:
Our companies provide training and career development opportunities to all staff.



Governance

Corporate governance:
Our companies have integrated strong governance procedures into their operations and management processes. This includes policies such as ESG, Code of Ethics, Supplier Code of Conduct, and grievance and whistleblowing policies. Systems and committees are in place to ensure the monitoring of processes, inclusion of stakeholder feedback, and clear lines of responsibility and accountability.



Portfolio Companies: Case Studies

The Sureserve Foundation

Sureserve was set up to support targeted initiatives that bring meaningful benefits to residents and their communities. This includes creating warmer communities through the alleviation of fuel poverty, supporting individuals, families and communities to achieve fuel efficiency and in turn, lessen the financial burden of high energy bills.

Some of the projects the Foundation has recently supported include:

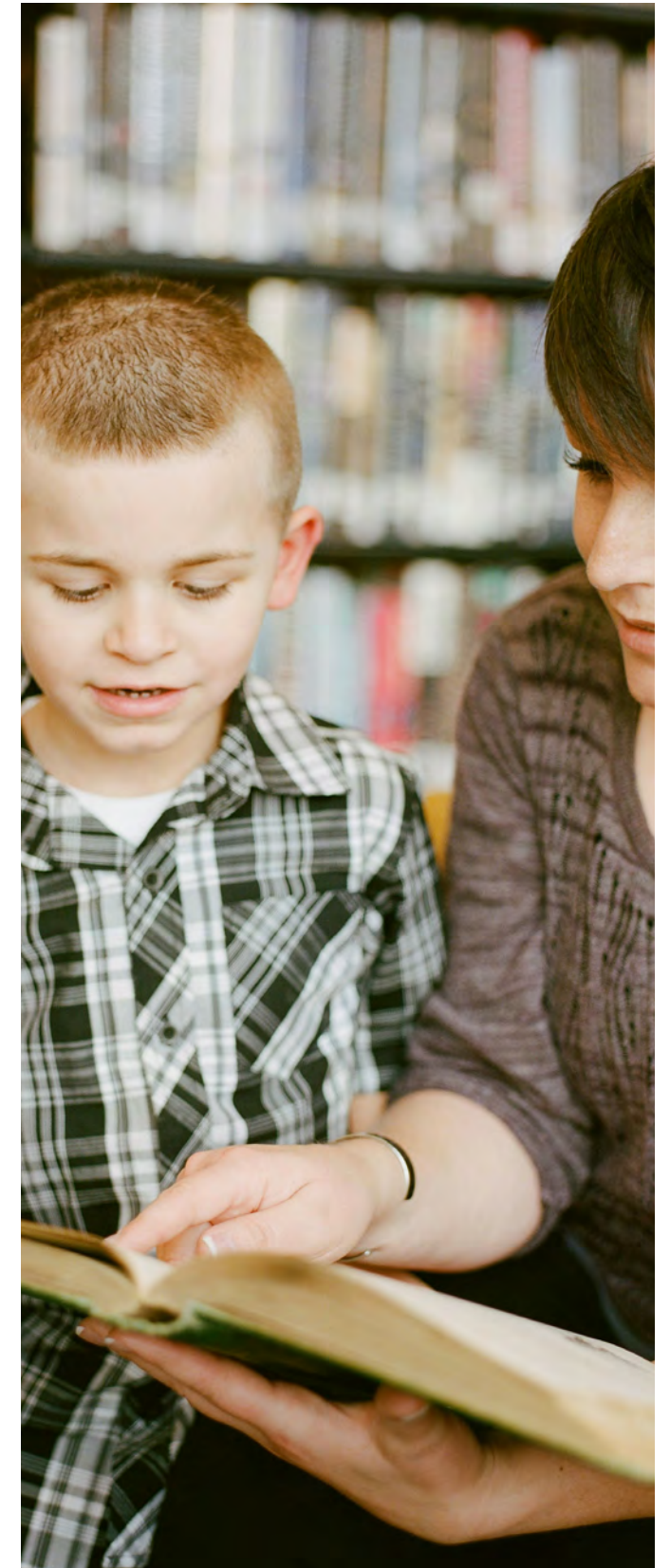
- Birmingham Care Group which hosts a food pantry, community hub, and café.
- Burntwood Memorial Community which received funds to cover room hire costs, creating a space for residents struggling with utility bills to come together.
- Cumbria Action for Sustainability which used its funding to deliver energy-saving measures like LED lightbulbs, radiator foils, chimney balloons, and draught-proofing for 100 homes.



Compass Community

Compass Community's social mission places community at the heart of everything they do. Some recent programmes include:

- The REACH Approach: developed in collaboration with leading academics, Compass developed a concept that promotes attachment-informed childcare, underpinned by Positive Psychology. Through REACH, children and young people receive wraparound support, not only gaining much-needed stability, but placing them firmly at the centre of decision-making. This fosters resilience, moving children towards a sense of security and improving their emotional well-being.
- GRACE group: a team of ambassadors representing each service area of the Compass Community. The team operates with the primary goal of addressing racial inequality, in line with five key principles.
- Mental Health Initiative: in line with Compass's commitment to maintaining a healthy, well-being-focused environment, a mental health Initiative was developed. This includes recruiting and training a team of Mental Health First Aiders across all services to support the community.



Sustainability in our investments

With its long-term horizon and freedom from short-term reporting goals, we believe that private equity is naturally aligned to investing responsibly.

How capital can be set to work to deliver 'meaningful outcomes' for all stakeholders forms the basis of our operations, investing decisions and the stewardship of our portfolio companies.

Our approach involves close engagement with our portfolio companies at every stage of the investment cycle.

ESG Framework

Drawing on our mission for societal purposefulness, we have developed an ESG Framework which focuses on three key areas:

Purpose



Understanding and articulating the wider societal purpose and impacts of the business and setting strategy to maximise the positive benefits.

Values



Embedding integrity, transparency and fairness throughout governance and operational practices.

People



Impacts on employees, customers, workers in the value chain, wider community and society and facilitating transformative partnerships between them.

We are committed to investing responsibly.

ESG and ethical considerations are integral to our investment decisions, the way we manage our portfolio companies, and how we operate as a firm.

Our ESG approach comprises 4 steps:



Pre-investment screening

We look for companies with products and services that address key societal needs and align with our core values and approach, including investments that promote the following environmental and social characteristics:

- To make investments based on value-driven exclusion criteria.
- To make equity investments in companies that already have or agree to develop a sustainability plan within 12 months of the Fund's investment; and
- To require, in each portfolio company, the appointment of a director or member of the team responsible for the oversight of ESG matters, within 12 months of the Fund's investment.

We avoid investing in companies linked to certain business activities.



Due Diligence

We conduct due diligence to assess for material ESG risks and opportunities.

This process also informs our engagement with management teams post-investment.



Investment committee

Findings from due diligence are reported in our investment committee papers

From here we build a plan based around the most relevant issues for that particular business and demonstrate how by addressing them we can create or protect value.



Ownership and Stewardship

We actively engage with our portfolio companies, throughout the investment lifespan, to promote sustainable business practices thereby enhancing long-term value.

Helping our portfolio companies to integrate sustainability

Cap10 believes that sustainable long-term success for business only comes from aligning all stakeholders and creating a 'win-win' environment that respects the needs of all. This drives behaviour to create positive relationships throughout the value chain and with the wider community.

We actively engage with our portfolio companies, throughout the investment lifespan, to promote sustainable business practices thereby enhancing long-term value.

Although our portfolio companies are very different and face different challenges, there are some consistent practices we put in place to help them navigate their approach to creating sustainable long-term success.

CEOs



We support CEOs to articulate the **societal purpose** of the business and make it an integral part of the business strategy.

Management Teams



We ask our management teams to develop a **sustainability plan** as part of our **100 day plans** addressing the material issues identified in due diligence and setting targets to address the key areas of purpose, values and people and any other relevant ESG issues for that business to meet the aim of doing business in the right way.

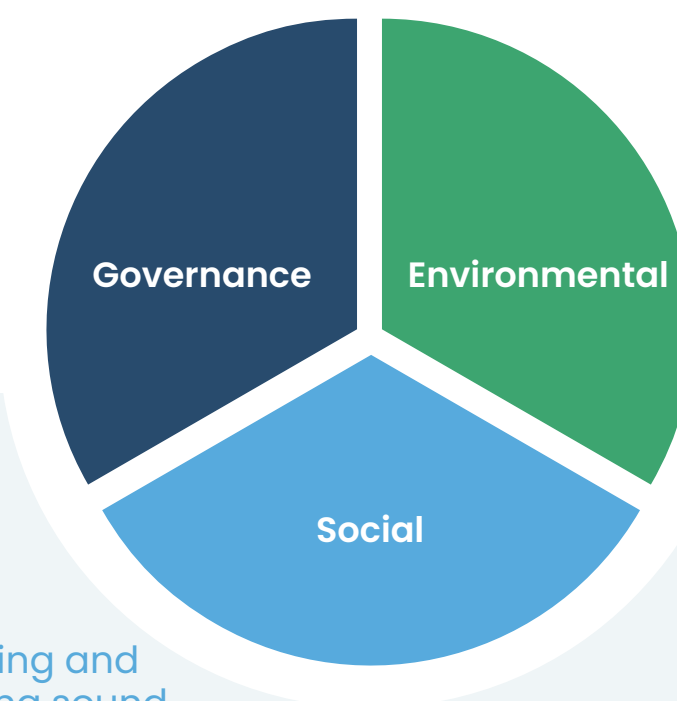
Board



We put relevant issues on the board agenda for **regular monitoring**, and through our seat on the board, we keep management accountable for fulfilling their societal purpose as part of the strategy and for delivering on the sustainability plan through regular review. We aim to align management's financial incentives with sustainability targets.

We also work with our portfolio companies to help them integrate sustainability within their own businesses.

We support our portfolio companies in the following ways:



Improving environmental management performance and unlocking the potential for value creation

- Compliance with local and international environment laws and standards.
- Efficient use of energy, water, manufactured products and natural resources.
- Reducing the production of waste and promoting the benefits of reuse and recycling.
- Avoiding the use of scarce materials, incidents of pollution and negative impacts to biodiversity.
- Maximising opportunities in the use of cleantech and renewable energy.

Promoting and developing sound labour and human rights practices

- Compliance with local labour laws and standards e.g. on wages and working hours.
- Developing and maintaining health and safety and wellbeing policies and standards.
- A commitment to equal opportunities, avoiding discrimination based on age, race, gender, religion, sexual orientation or disability.
- Compliance with international conventions on human rights e.g. the UN.
- Supporting the elimination of the use of child labour.
- Maximising product/service safety and quality.
- Developing and supporting employees through structured education.

Encouraging strong corporate governance

- The formation of a monthly Steering Committee.
- The appointment of an independent Chair.
- Appointment of a board level director responsible for ESG matters.
- Formalised delegation of actions from the board and clear definition of powers reserved to the institutional shareholders.
- The establishment of Anti-Bribery and Corruption policies and Codes of Conduct.
- The development and advancement of internal control systems, procedures and standards.

Our Portfolio Companies

We are proud to support our
portfolio companies along their
own sustainability journeys.

Compass Community

Compass Community is one of the UK's leading providers of therapeutic fostering, residential and special needs education for children with high acuity and complex needs.

Compass plays a pivotal role in providing care and education for vulnerable children and young people. With its integrated approach to children's services, Compass ensures that each child receives tailored support to meet their unique needs.

Compass perfectly fits into Cap10's ethos of making positive contributions to the wider ecosystem through its investments, and has long since committed to ESG. Cap10's investment in May 2024 provides Compass with continued support to further its ambition to enhance the exceptional standard of service delivery and care it provides in the community. Compass Community also shares its progress on ESG via an annual Impact Report.

Cap10's investment aims to drive capacity addition in the market, both in the recruitment of new foster carers as well as opening new residential homes and special schools. Our focus as an investor is to ensure Compass delivers best-in-class care, whilst growing market share from smaller, independent providers who are not able to invest in supply and continuous quality upgrades.



Sureserve Group

Sureserve is the leading UK energy and compliance services provider to the social housing sector. It specialises in the provision of inspection, compliance, maintenance, and installation services in the areas of heating, insulation, and renewable energy. Sureserve is in a market leading position providing services critical to UK government's energy transition agenda.

Sureserve's mission aligns with and complements Cap10's own values and objectives to deliver social benefits to the community.

Sureserve is set to play a key role in reducing fuel poverty and achieving UK's Net Zero targets, supporting the energy transition journey of social housing landlords and public sector bodies. We are excited to be part of that journey.

Cap10's investment aims to support Sureserve to make significant operational improvements and expand opportunities to fulfil their mission to enhance energy efficiency, support the energy transition and tackle fuel poverty within residential and social housing properties via the implementation of low carbon technologies and efficiency solutions.



Interview with Graham Levisohn, CEO, Sureserve

What does sustainability mean to Sureserve?

Sureserve has a dual mission to play a leadership role in the decarbonisation of the social housing sector and contribute in a significant way to alleviating fuel poverty.

At the heart of that is a just transition; getting to net zero has got to be fair and affordable. That means improving the condition of the UK's typically inefficient, badly insulated housing stock before bringing in renewables and other sustainable technologies.

Only when homes are well insulated can heat pumps, solar panels, and batteries work at their best, and most importantly, work cost effectively.

What are the greatest ESG challenge you're facing at the moment and what are you doing to overcome it?

We have a lot of vehicles on the road, and it's essential our engineers are able to get to homes to do their work. But due to the inadequacies and high costs associated with the public electric vehicle charging network, most of our vehicles are still petrol fuelled, which means our contribution to emissions is higher than we'd like.

To address this we're putting in place a new software solution that will help to drive efficiency and improve route planning. We expect it to reduce our mileage by 5-10% as well as to help our engineers take advantage of EV charging where it's available. This will clearly have a big impact on reducing our emissions.

What is your proudest ESG achievement of late?

We are growing a business that is leading the way in decarbonisation and making a real contribution to the energy transition. And not any transition but a just transition that means everyone will be able to live in a warm home without falling into fuel poverty. We're really proud of that.

We're also really pleased our report – Delivering Warm Homes: A Plan for the Labour Government – has been so well received by Energy Secretary Ed Miliband and the new Labour government. They really get that the energy transition is vital but not at the expense of fuel poverty, and we're delighted to be working with them on that.



Industry commitments

To support our sustainable investment approach, we have also made a number of commitments to industry bodies and standards that help to report our progress and stay accountable.

SDGs

We have developed a Responsible Investing policy that has the 17 United Nations Sustainable Development Goals ("UN SDGs") and 169 associated targets at its heart. The SDGs are a call to action to ensure that all people can enjoy peace and prosperity on a protected planet.

SFDR

Our fund Cap10 Partners Fund I SCSp has been categorised pursuant to SFDR (Sustainable Finance Disclosure Regulation) Article 8.

Cap10 Partners Fund I SCSp selects investments that promote the following environmental and social characteristics:

- to make investments based on value-driven exclusion criteria (as set out above);
- to make equity investments in companies that already have or agree to develop a sustainability plan within 12 months of the Fund's investment; and
- to require, in each portfolio company, the appointment of a director or member of the team responsible for the oversight of ESG matters, within 12 months of the Fund's investment.

The attainment of these characteristics will be measured as a percentage of investments that meet the characteristics and the Fund is expected to make at least 50% of its investments in issuers that qualify as aligned with these characteristics.

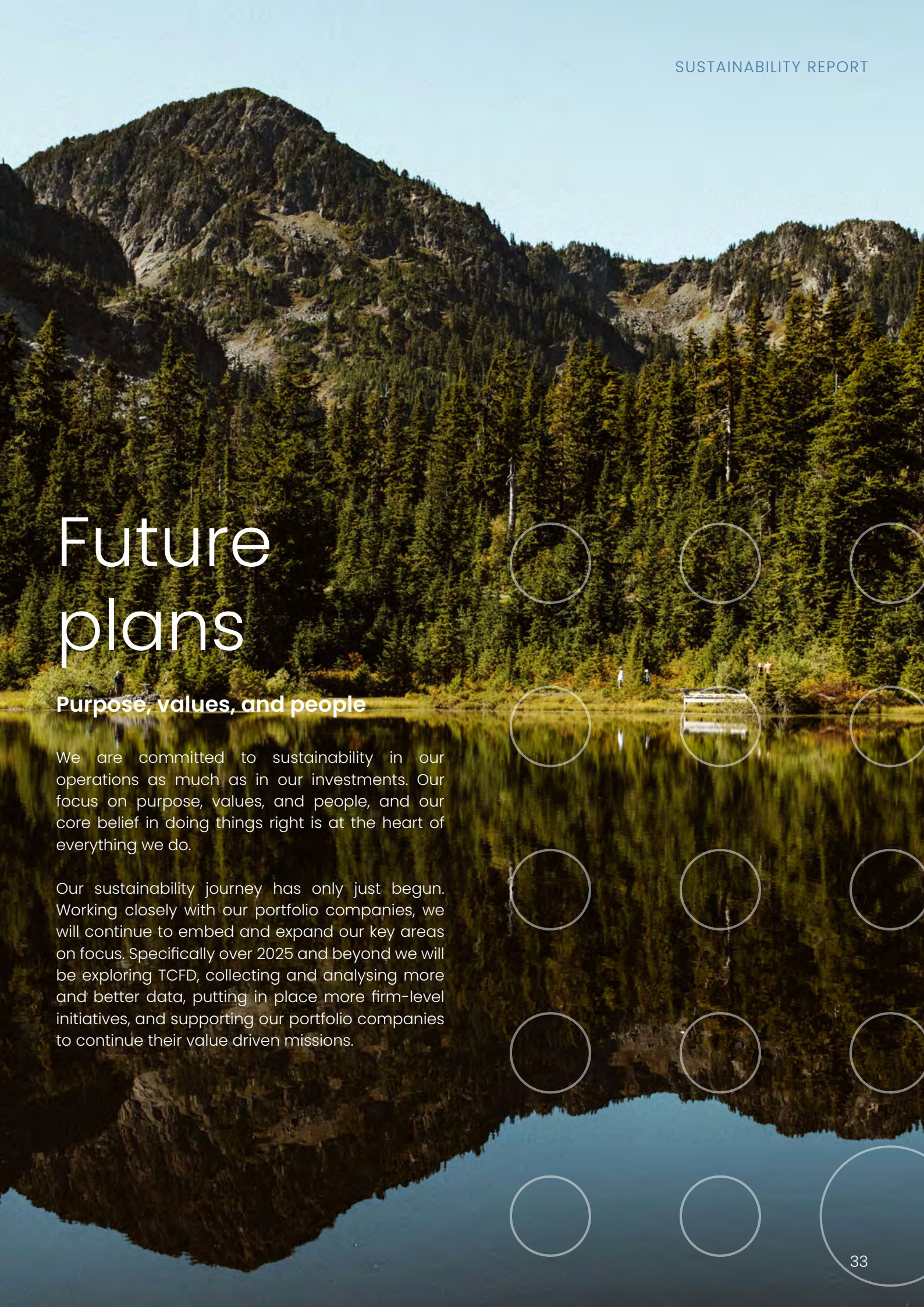
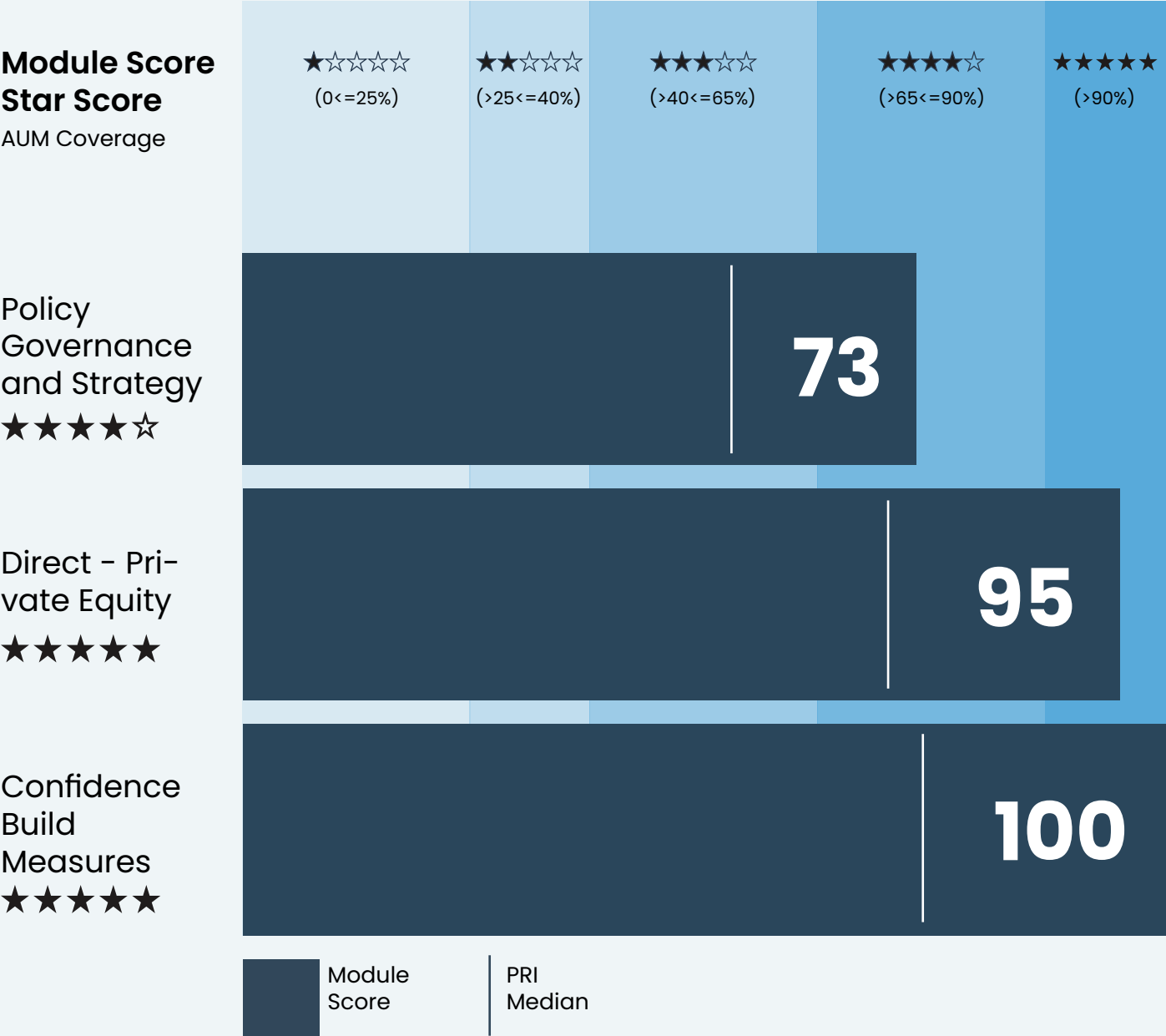


For Cap10 Partners Fund I SCSp, the Fund will actively engage with its portfolio companies to encourage the adoption and effective implementation of the environmental and social characteristics promoted by the Fund. This includes support with the preparation, development and implementation of the environmental and social characteristics set out above. The requirement for a sustainability plan, for example, allows Cap10 to establish an active ESG discussion with its portfolio companies.

Periodic disclosures in line with the requirements for a fund categorised as Article 8 of SFDR are made on an annual basis for Cap10 Partners Fund I SCSp. Further information relating to this product can be found [here](#).

UNPRI

As well as having a deep-seated cultural dedication to responsible investing, we also follow the spirit and regulations of the United Nations Principles of Responsible Investment (“UN PRI”). We reported for the first time in 2024, and we are proud to have achieved excellent PRI scores. We will continue to explore how we can further integrate ESG considerations into our investment process and seek to maintain or improve our score over time.



Future plans

Purpose, values, and people

We are committed to sustainability in our operations as much as in our investments. Our focus on purpose, values, and people, and our core belief in doing things right is at the heart of everything we do.

Our sustainability journey has only just begun. Working closely with our portfolio companies, we will continue to embed and expand our key areas on focus. Specifically over 2025 and beyond we will be exploring TCFD, collecting and analysing more and better data, putting in place more firm-level initiatives, and supporting our portfolio companies to continue their value driven missions.

Appendix: Metrics

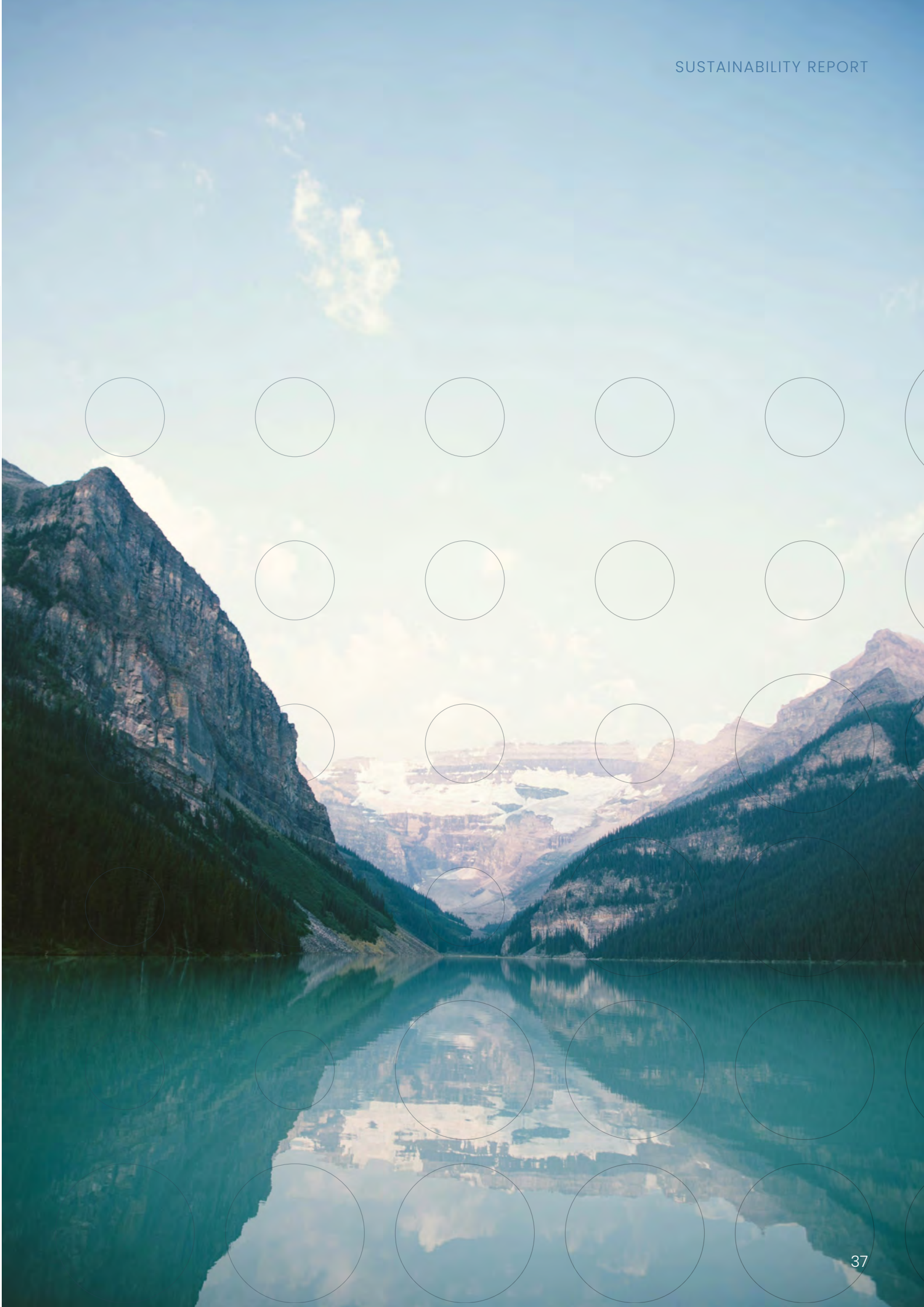
ESG Pillar	Theme	Sureserve	Compass Community
Environmental	GHG Emission	<p>Data collected annually for GHG Scopes Scopes 1, 2 and 3 including total carbon footprint and intensity for 2024.</p> <ul style="list-style-type: none">• Total Carbon: 11,724 tCO2e.• Scope 1: 11, 533 tCO2e.• Scope 2: 192 tCO2e.• Scope 3: 1,100,006 tCO2e.• Carbon Intensity – 31 tCO2e/£m revenue.	<p>Data collected annually for GHG Scopes 1, 2, and 3 including total carbon footprint and carbon intensity</p> <p>Total Carbon 6,341 tCO2e less carbon offsets.</p> <ul style="list-style-type: none">• Scope 1: 486.3 tCO2e.• Scope 2 (location based): 332.5 tCO2e.• Scope 2 (market based): 270.5 tCO2e.• Scope 3: 6,217.4 tCO2e.• Carbon Intensity 55.4 tCO2e/£m turnover.
Social	Employee Engagement	<p>Well established employee engagement process in place with annual engagement survey and results reported to senior management.</p> <ul style="list-style-type: none">• 79% of staff completed the annual employee survey.	<p>Well established employee engagement process in place with annual engagement survey and results reported to senior management.</p> <ul style="list-style-type: none">• 48% of staff completed the annual employee survey.
Governance	Oversight	<p>Allocated individual responsibility for ESG.</p> <ul style="list-style-type: none">• Hired a Head of ESG.	<p>Allocated individual responsibility for ESG.</p> <ul style="list-style-type: none">• Hired a Head of ESG.

Sureserve

ESG Pillar	Theme	Compass
Environmental	GHG emission	<ul style="list-style-type: none">• Avoided emissions from heat pumps and solar installs – 49,097tCO2e which is 4 times total scope 1 & 2 emissions.
Environmental	Energy Transition	<ul style="list-style-type: none">• 2,131 air source heat pumps were installed in 2024.
Environmental	Climate Risk	<ul style="list-style-type: none">• Undertaken a preliminary climate related risk and opportunity assessment.
Social	Communities	<ul style="list-style-type: none">• £120k raised for the Sureserve Foundation in 2024. Target of £200k for 2025 and £500k by 2028.
Social	Apprenticeships	<ul style="list-style-type: none">• Apprenticeship levy spend currently 92%. Over 4% of the workforce are on apprenticeships.
Governance	Transition Plan	<ul style="list-style-type: none">• Annual Impact Report published in in 2024. Target to publish Transition Plan in 2025.
Governance	Customers	<ul style="list-style-type: none">• In 2024, supplier engagement with social, ethical and environmental performance was 35% of cost of goods sold. Target of 70% by 2030.

Compass Community

ESG Pillar	Theme	Compass
Environmental	Energy	<ul style="list-style-type: none">• Energy data collected from 100% of sites and reviewed annually.• Majority of sites are on green electricity tariffs.• Installation of motion sensors in all of its offices.
Environmental	Climate Risk Assessment	<ul style="list-style-type: none">• Undertaken a preliminary climate related risk and opportunity assessment.
Social	DEI	<ul style="list-style-type: none">• Created and added two new Groups to the GRACE portfolio (Group and Regional Ambassadors Committed to Equality) - The Disability Awareness Group and the Mental Health and Wellbeing Group.
Social	Health and Wellbeing	<ul style="list-style-type: none">• Advanced and embedded health and well-being programme with wide range of initiatives which are well taken up. Measuring success of programme through KPIs.• Introduced additional employee leave comprising a 'Festive Half Day' and a 'Mental Health Duvet Day' per year in addition to annual leave.
Social	Training and Development	<ul style="list-style-type: none">• Advanced employee training and development data collected, monitored and targets set. (e.g. average hours of training by employee group/ function, total training investment and average amount invested per employee).• Includes formalised manager training programme for employees, and 'Step-Up' programme to upskill employees with managerial potential.
Governance	Leadership Diversity	<ul style="list-style-type: none">• Women make up 71% of our senior leadership team.• Women make up 50% of company Directors on our Board.
Governance	ESG data management	<ul style="list-style-type: none">• ESG data managed and tracked via an ESG Performance Tracker platform – this allows Compass to track and visualise progress toward ESG goals.



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