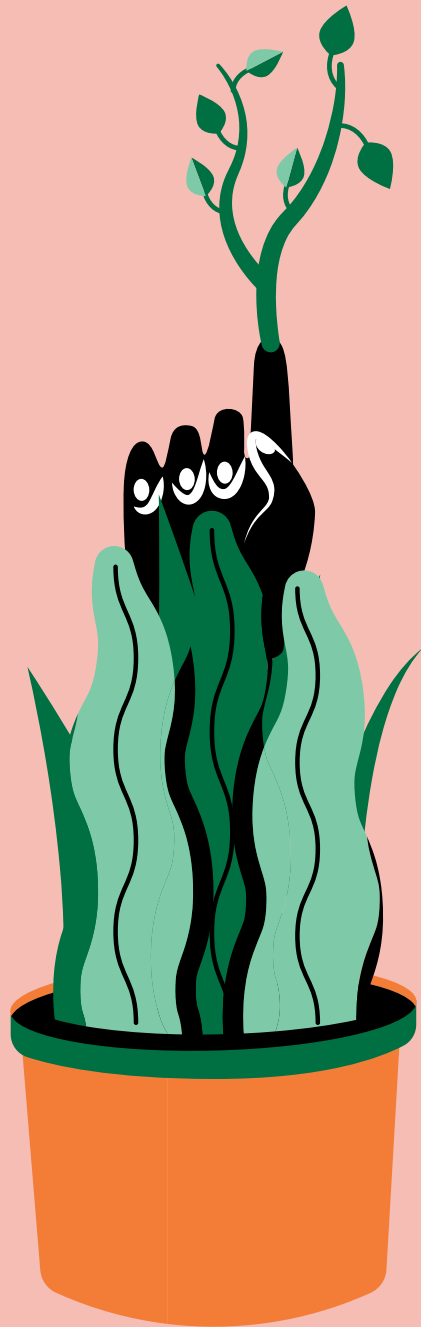




Responsible Investment Report 2022





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Message from the Team

Since our founding in 2007, Synova has been committed to responsible investing and building sustainable companies for the long term. We recognise that being a responsible investor means taking action at a firm level as well as across our investee companies, we want all our companies to strive to have a low environmental and positive societal impact whilst creating value for all our stakeholders.

We have long considered ESG factors in our investment process, and this year marks Synova's eighth year as a signatory of the United Nations backed [Principles for Responsible Investment \(PRI\)](#). Our ESG journey is rooted in working closely with our stakeholders to evolve and enhance our approach. This inaugural Responsible Investing report serves as a tangible step on this journey, demonstrating to our investors, employees and teams across the portfolio our continued commitment to generating long term sustainable value.

We recognise the importance of ESG issues in protecting and creating value and this is why we apply an ESG lens to every Synova investment from the beginning of the relationship, ensuring we invest only in companies which do not negatively impact climate and society. In doing so, we ensure that we are investing in companies and partnering with people which help us to build a better future for all our stakeholders. Our people-first approach to investment, means we work across the portfolio companies, leveraging our network and resources, to provide them with the tools and expertise to build out their respective ESG programmes – ensuring everyone is on this journey together.

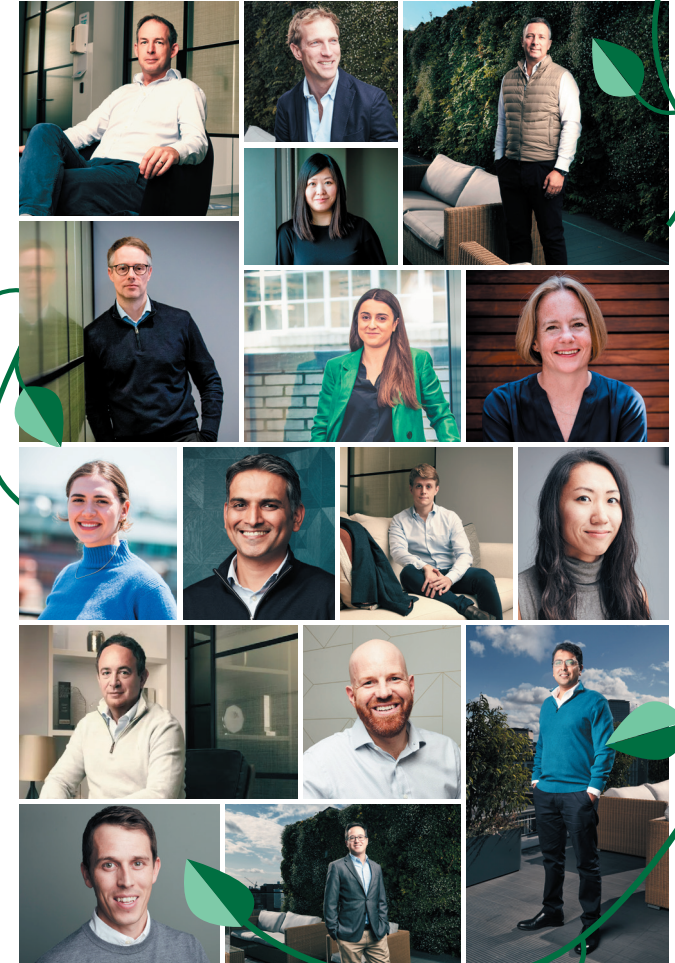
Progress towards a better future is rooted in embracing an ever-changing market and with the pace of change of ESG regulation and innovative opportunities to incorporate ESG value creation, we cannot stand still. We will continue to embrace a differentiated and innovative approach to our sustainable investing practices and we will continue to make a positive impact through our investments.



Philip Shapiro
Managing Partner



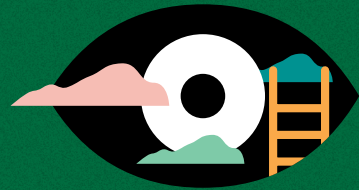
David Menton
Managing Partner



Synova Overview in Numbers



£1.68bn
AUM



£605m
Synova portfolio
revenues globally



20
Synova employees



> 6,600
employees across
the portfolio



27%
portfolio revenue growth

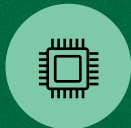
£862m
capital deployed

20
portfolio companies

33%
diverse employees
across Synova

+31%
FTE growth across
the portfolio

51%
portfolio EBITDA growth



6

Software & Data



4

Financial Services



5

Health & Education



5

Tech Enabled Services



2

Synova global offices
(London, New York)



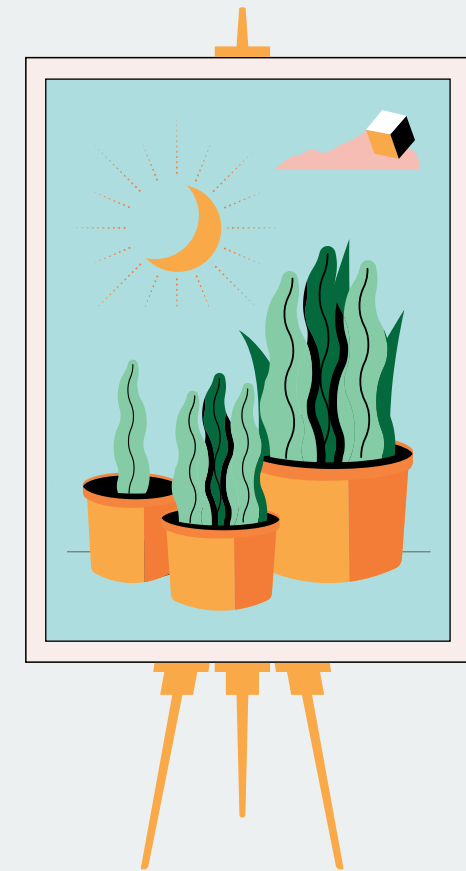
It's our goal to help **great companies grow faster**. To be value added partners to the teams we work with. And we don't just sit on the sidelines. We're **hands on** operators, working constantly to make a **real difference** to the companies we partner with.

Our Responsible Investing Framework

Overview

At Synova, we adopt a differentiated and innovative approach to responsible investment. With ESG at the core of our Responsible Investing (RI) framework, we are confident that we will continue to create long term sustainable value as ESG risks and opportunities evolve in to the future.

We recognise the responsibility we have towards our stakeholders and are therefore committed to upholding strong ESG and governance structures, supporting us to implement our Responsible Investing policy and delivering better outcomes for our investments.



Our Responsible Investing Framework



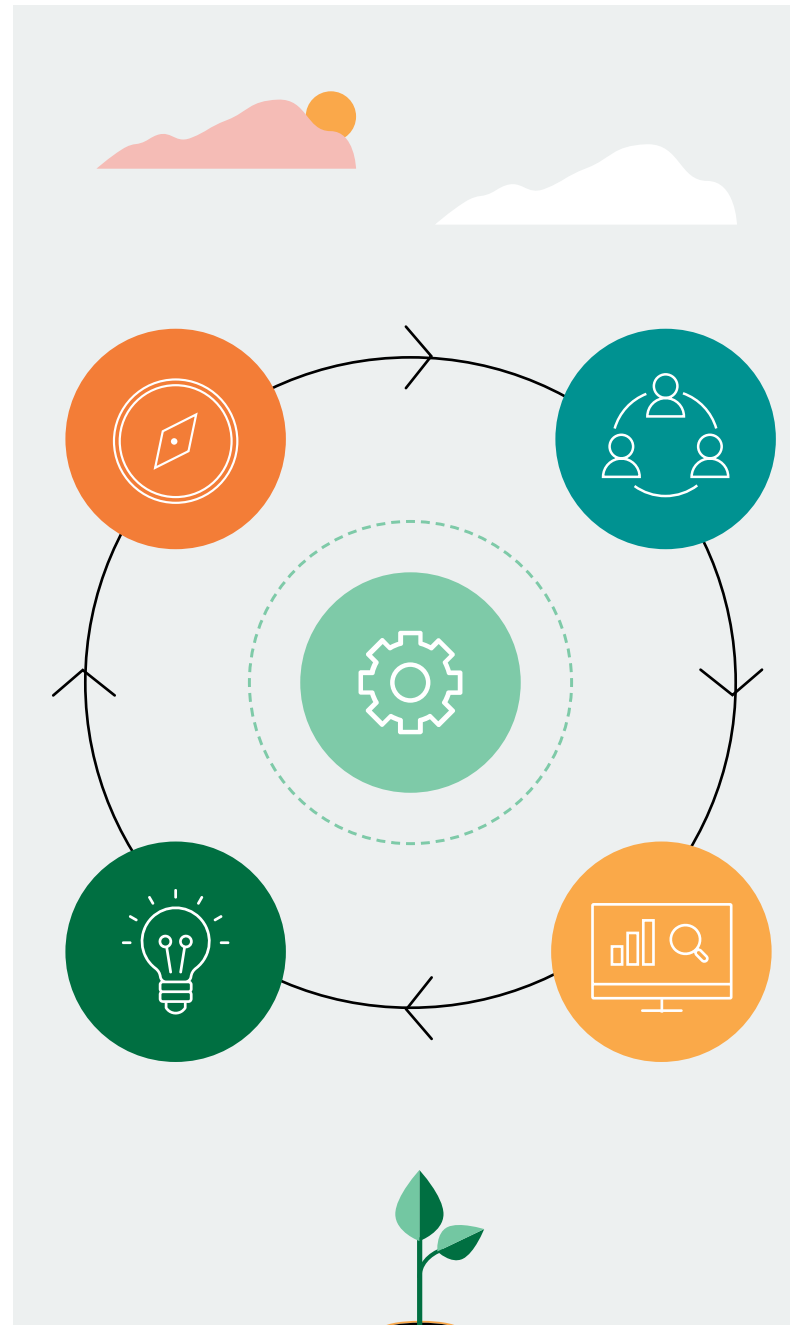
Guiding Principles

We aspire to deliver long term sustainable growth by adhering to industry standards and frameworks such as the [ESG Data Convergence Initiative \('EDCI'\)](#), the [Sustainability Accounting Standards Board \('SASB'\)](#), and the PRI - to enhance visibility and support our desire to be long term sustainable investors.

Policy implementation

Our Responsible Investing programme is led by our Responsible Investing Committee, which is mandated by the Management Committee. This team has oversight for the design, delivery, and execution of our Responsible Investing programme on a day-to-day basis across the firm and portfolio. The Responsible Investing Committee is a dedicated team, made up of 3 senior figures, including members of the Management Committee.

We have worked with industry specialists to update and enhance the firm's Responsible Investing policy and conducted a materiality assessment exercise to refine our priority ESG focus areas.



Stakeholder Engagement

We believe in actively managing ESG across all our investments. Thus, we encourage and support our investee companies to continuously enhance their ESG performance, in the following ways:

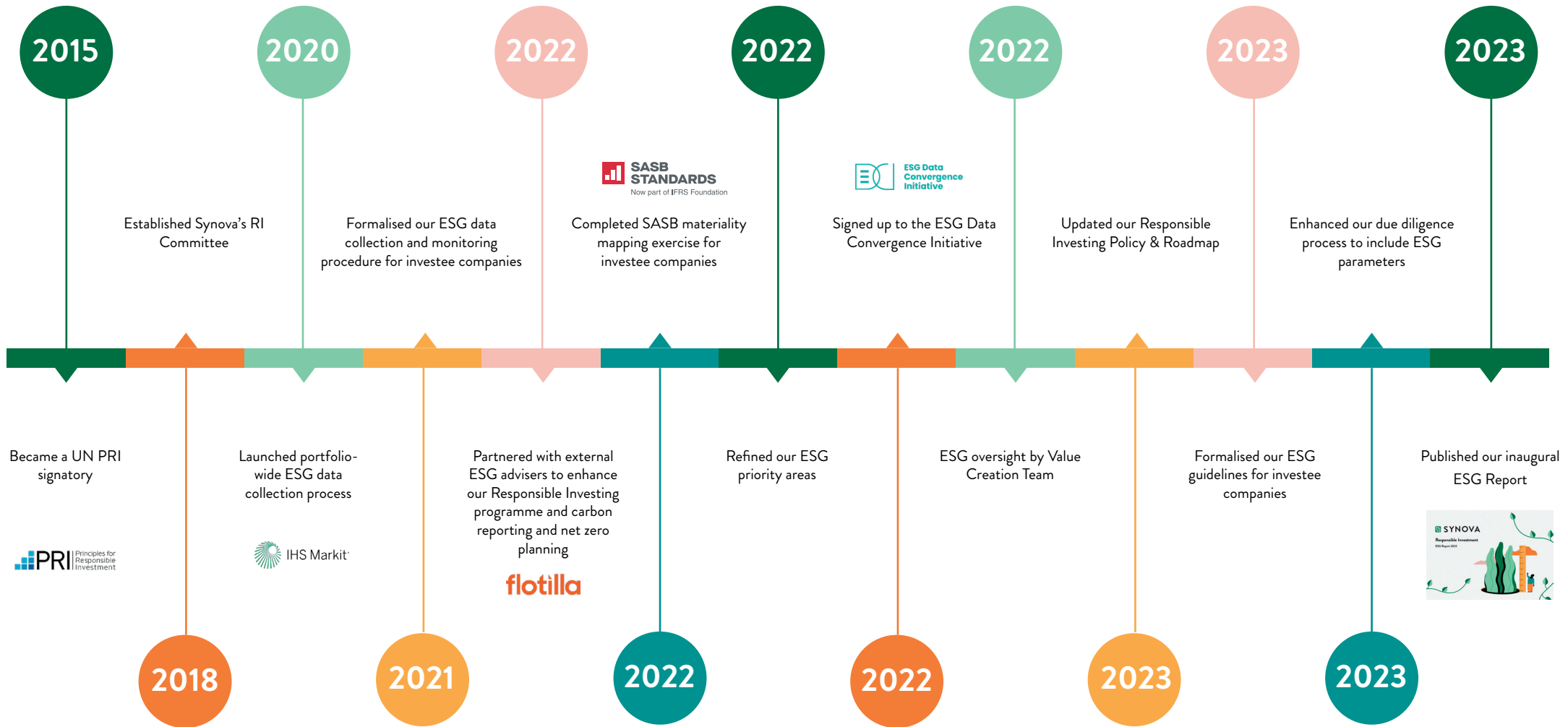
- We work with our portfolio companies to set ESG objectives and goals to ensure that they prioritise ESG considerations and which are integrated into their overall strategy;
- We provide them with the training and resources to help them develop necessary skills and knowledge required to achieve their ESG goals;
- We also encourage them to engage with their key stakeholders such as employees, customers, community members, to understand their concerns and identify areas of improvements; and
- We require our investee companies to report on their ESG performance on an annual basis, to ensure that they are making progress towards their ESG goals.

Monitoring and Reporting

We monitor the progress on ESG performance at the firm and portfolio level, and our portfolio companies report their progress against a consistent set of KPIs. This process enables us to actively engage with our management teams and discuss areas for improvement. We encourage and facilitate proactive collaboration of new ESG initiatives and ESG KPIs (monthly / quarterly) across the portfolio, and use this data to systematically track and report on progress. Our portfolio monitoring process is overseen by our Value Creation Team.

Updates on ESG performance are presented to the Responsible Investing Committee, Management Committee, and in annual reporting in our ESG report.

Timeline



Our Areas of Focus

In 2022, we completed an ESG materiality exercise, which resulted in identification of the following topics to be of **highest priority** to our business and stakeholders



Measuring and reducing carbon emissions



Promoting employee engagement and wellbeing



Promoting Diversity, Equity & Inclusion



Managing cyber risks



Maintaining high business ethical standards



Incorporating and managing exposure to ESG factors into investment decisions

Implementing Responsible Investing

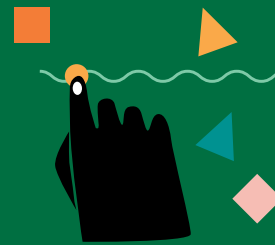
In line with our desire to be a long-term sustainable investor, our Responsible Investing Policy is guided by leading industry standards and frameworks such as the United Nation's backed Principles for Responsible Investment (PRI) and the Sustainability Accounting Standards Board (SASB). The policy ensures that ESG is integrated into every stage of the deal cycle, through a 4-pillar approach with the objective of building better outcomes through our responsible investing practices.



01. Deal Screening



02. Due Dilligence



03. Active ownership

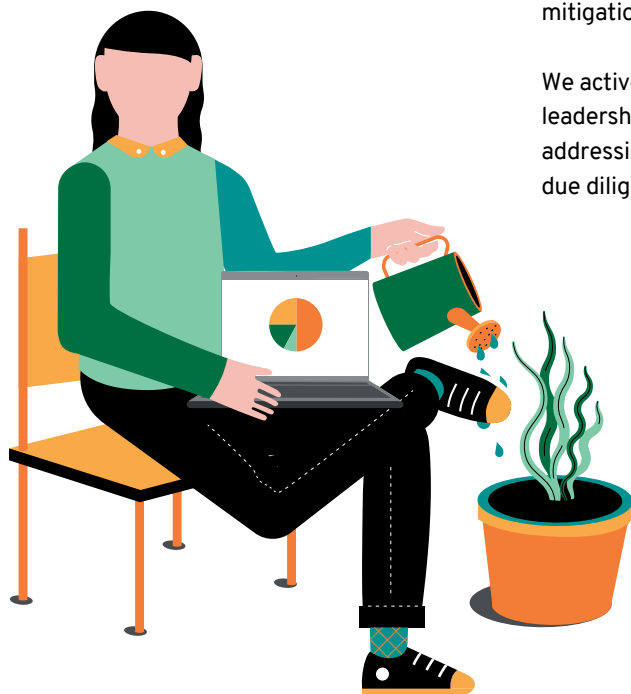


04. Exit

01. Deal Screening

We evaluate prospective investments, and apply a positive screening lens to our investment process whereby we identify potential targets that align to our ESG principles and ensure we invest in companies that do not negatively impact the climate and society.

We also conduct an overview against major reputational risks that could adversely impact our brand such as issues related to ongoing legal and compliance matters, ESG policy, regulations, and more.



02. Due Diligence

We undertake due diligence to learn about the approach to ESG at the target company and identify its areas of focus.

We apply a rigorous framework, based on guidance provided by the SASB to assess the target's overall ESG strategy and identify material areas for the business.

As appropriate, our investment teams engage third-party specialists to support their assessment; significant ESG findings are discussed with the Investment Committee as necessary, and plans are designed in collaboration with the target company to address any areas of risk mitigation or value creation.

We actively engage with the company's leadership teams to understand ways of addressing material ESG areas identified in due diligence.

03. Active Ownership

We work together with investee companies to address the findings of the pre-investment due diligence. We use the information collected to evaluate the maturity of the company against our own set of ESG KPIs.

Once we have completed our investment, in partnership with management, our deal team and value creation team work together to support the establishment of an appropriate ESG programme, KPIs and targets that enables a focus on embedding ESG into the business strategy, and tracking of progress.

We provide investee companies with training and resources to help them develop necessary skills to achieve their ESG goals.

This capacity building provides management with the confidence to proactively communicate on the ESG agenda with their key stakeholders. Engagement is at the heart of our ownership practices and understanding broader views on ESG helps our companies advance their programme and align interests.

Thereafter, we monitor the progress on ESG initiatives through regular meetings with investee company leadership teams.

04. Exit

Integrating ESG considerations throughout the deal life cycle with an articulation of our journey through to exit allows us to focus on sustainable value creation beyond financial gain.

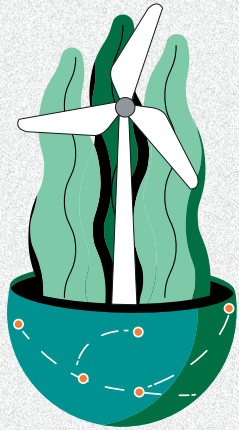
During our investment period, we work together with our investee companies to shape an effective long-term sustainable ESG action plan, which also includes strengthening of internal processes and reporting, to align interests of all stakeholders for impact far beyond our investment period.

Our pre-exit preparations entail a review of the company's ESG progress and offer further support in articulating the ESG story comprising both value protection and value creation.

As members of the investee company board, we remain closely involved in this process throughout our journey with the business.



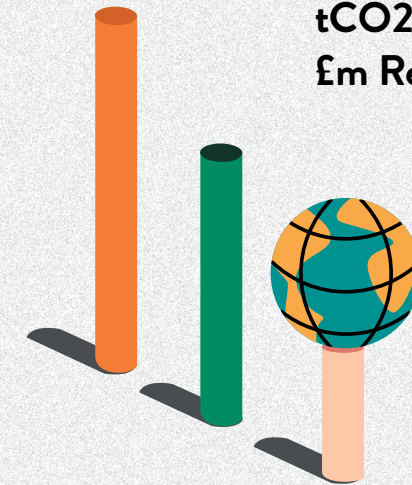
2022 Portfolio Highlights



5,068
tCO₂e
scope 1 & 2 emissions



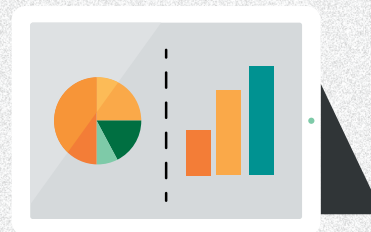
1.2 tCO₂e per FTE



11.2
tCO₂e per
£m Revenue



100%
cyber compliance



79% conduct employee
engagement
surveys annually

58%
employees
are female

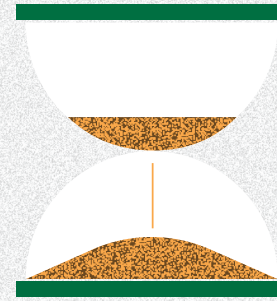


Note: Data collected from all companies where Synova is an investor as at 31 December 2022. Carbon intensity measures are calculated based on scope 1 & 2 emissions. Cyber compliance is measured based on the absence of any material cyber or data breach.

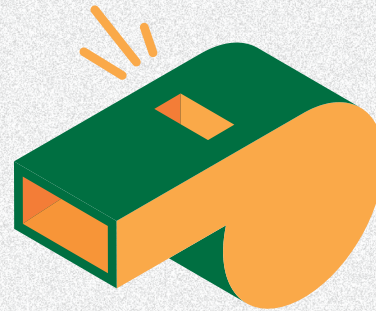
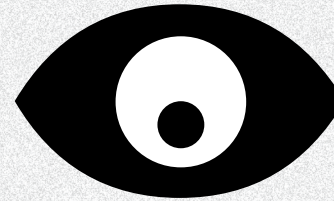
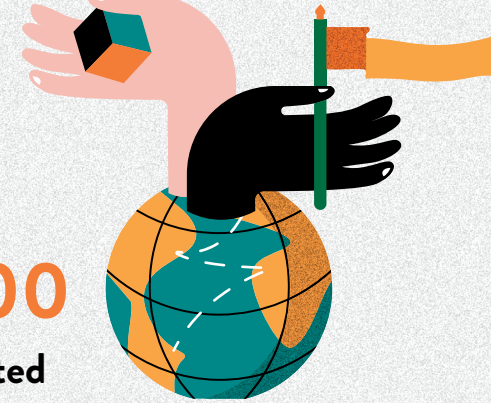
63%
have Net
Zero plans
in place or
in progress



90%
have a senior
level ESG
sponsor



>1,200
jobs created



90%
undertake
annual ABC
training

12% organic FTE growth
across the portfolio

95%
have a whistle blowing
policy in place

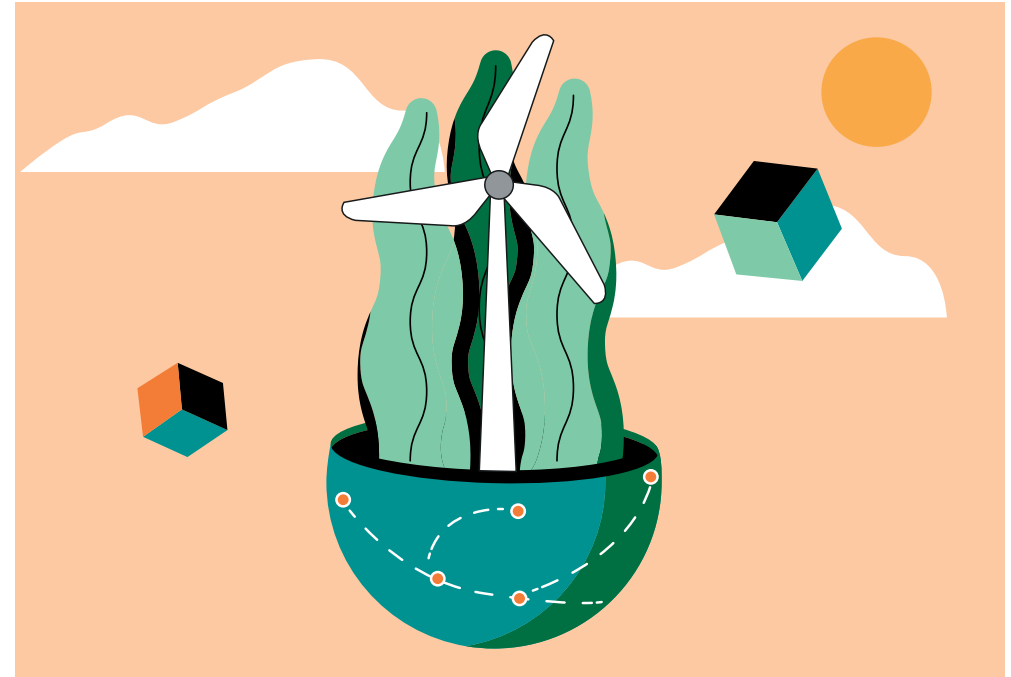


Measuring and reducing carbon emissions

Measuring and reducing investee companies' carbon emissions is a crucial aspect of our commitment to responsible investing. Climate change is one of the biggest challenges we face, and as investors, we have a responsibility to take action to mitigate our impact and support the transition to a low-carbon economy, which will lead to better outcomes for our investors.

Addressing climate change requires collective efforts. With the help of Flotilla, we monitor the Scope 1 and 2 emissions of investee companies and analyse the carbon footprint of the portfolio. This data-driven approach enables us to identify high-impact areas to implement targeted actions in reducing emissions as part of net zero planning with our investee companies. It also helps us understand the potential impact of climate change risks and identify related opportunities.

The growing demand for sustainable technologies and green solutions creates a commercial opportunity for the portfolio to innovate and develop products and services that meet the evolving needs of sustainability-conscious stakeholders, which our investee companies are seeking every opportunity to take advantage of.



63%

companies reported their
Scope 1, 2 & 3 emissions

75%

produce carbon reports
(or are in the process)

4

achieved carbon neutral status

63%

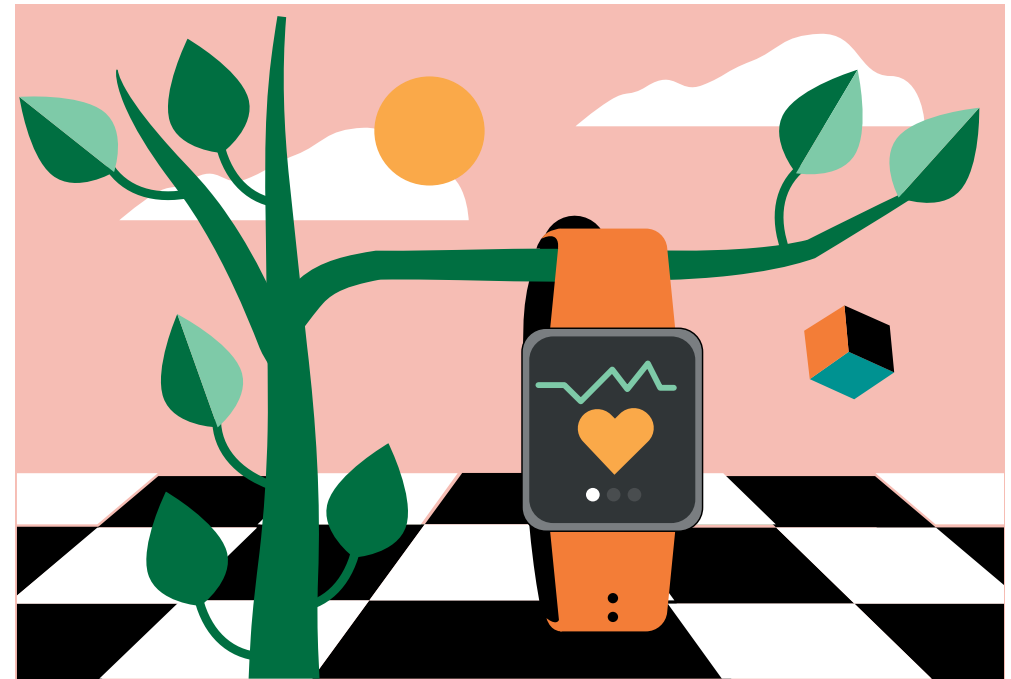
procure energy from renewable sources

Promoting employee engagement & wellbeing

Employees in our investee companies are the greatest asset; they are the driving force behind our growth and success. We are committed to promoting employee engagement, prioritising their well-being, and cultivating a work environment that is positive and fulfilling; we recognise that engaged and healthy employees are more productive, creative, and better able to drive out performance in our investee companies.

By nurturing the entrepreneurial spirit within our own team, we create a powerful synergy that drives mutual growth and achievement for our employees, the investee companies, and Synova as a whole. We encourage our employees and portfolio to engage in continuous learning and development opportunities to enhance existing skills, build new ones and to keep up with the latest industry trends and best practices. Investing in our employees' growth and development benefits both our organisation and the investee companies by enhancing the trust they have in our professional staff.

Engaging with local communities is an important part of being a responsible investor, as we have a responsibility to give back to the communities where our investee companies operate, and we strive to be a positive force for change. We aim to build a strong and lasting relationship with our stakeholders whilst also contributing to the overall well-being of the communities we serve. Employee volunteerism benefits the communities we operate in as well as contributes to a more engaged, committed, and motivated workforce.



>4,100

employees received training in the year

3

years in a row, [Oakland](#) has received 'Gold' accreditation from Investors in People

40,000

number of establishments to whom [NEG](#) provides digital services

90%

companies supported local charities in the year

Promoting Diversity, Equity & Inclusion

We pride ourselves on fostering a diverse and inclusive team. We see the value in the diverse make-up of our employee base, whether by way of age, gender, ethnicity, religion or other different background. We know that building a diverse and inclusive workplace is essential for driving innovation, fostering creativity, and creating a positive work culture.

Enhancing workforce diversity has also proven to improve business performance, with studies finding that diverse management teams have 19% higher revenues as a result of increased innovation. Our commitment to support increased diversity in our industry is illustrated by the role Synova has played as a founding patron of **Level 20** in 2016, a not-for profit organisation aimed at addressing gender diversity in the private equity industry, as well as being a supporter since inception of **10,000 Black Interns**, an initiative helping Black students to help kick start their career in investment management.

Diversity, Equity, and Inclusion is also a key part of our talent attraction and retention strategies, enabling us to build a more diverse and inclusive workplace within Synova and across our investee companies. Our workforce comprises individuals from a wide variety of different backgrounds, with professionals spanning finance and law to consulting and software engineering.



LEVEL
20

LEAN IN



DEI industry initiatives supported: Level 20,
LeanIn and 10,000 Black Interns Scheme

241

female staff in managerial positions

3

DEI pension industry awards for excellence
received by [3173](#)

Managing cyber risks

At Synova, protecting the information and data entrusted to us is our utmost priority. We are technologists and know that harnessing the power of data can drive innovation. We have implemented several measures both internally and across our portfolio companies to ensure a robust and resilient cyber-management strategy is in place.

We expend significant resources towards implementing effective controls to lessen cyber risk and reduce vulnerabilities. This includes implementing a cyber security policy, completing regular vulnerability scans, and adhering to the General Data Protection Regulation (GDPR).

Our cyber security policy is designed to protect Synova's data and infrastructure, outline the protocols and guidelines that govern cyber security measures, and define the rules for company and personal use. The policy is regularly reviewed to ensure that it remains appropriate. All employees undergo cybersecurity awareness training during their induction, and receive refreshers later.

By prioritising cyber security, we can ensure the safety and security of our data, maintain business continuity, and earn the trust of our partners.



90%

companies have a formal cyber policy in place

63%

have received ISO27001 certification

97%

customers rated [AllClear](#) Excellent or Great on Trustpilot, based on 60,000 reviews

Maintaining high business ethical standards

At the core of our investing ethos is the belief that ethical business practices are crucial to achieving long-term success. We prioritise high ethical standards not only because it is the right thing to do, but because it is fundamental to our investors' outcomes. We believe that strong ethics have far reaching benefits and go beyond the traditional implications at the executive level.

We aim to conduct business whilst upholding the highest standards of honesty and integrity, and we expect all employees to share this aim. In doing so, we require all new employees to familiarise themselves with our Compliance Manual and undertake regular compliance training and refreshers. To ensure compliance is effectively implemented, we have appointed a senior compliance officer, who is responsible for the day-to-day administration of the policies and is also the first port of call for employees reporting any grievance or complaint.

Overall, by adhering to high ethical standards, we have been able to establish and maintain strong relationships with our stakeholders, build a reputation for integrity and accountability, and uphold the trust of our employees.



84%

companies have a corporate code of ethics

84%

undertake formal customer satisfaction surveys

95%

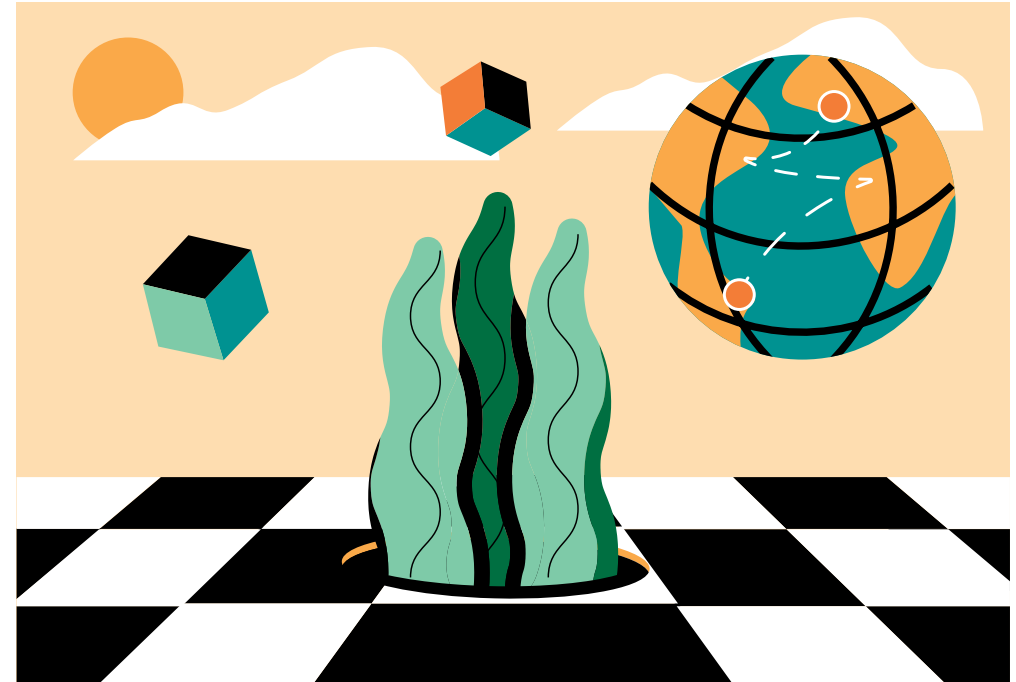
have at least one independent Board Member

Incorporating and managing exposure to ESG factors in investment decision-making

Incorporating ESG factors into our investment decisions leads to a higher level of resilience, innovation, efficiency and a greater alignment with our value creation strategies. Understanding the ESG landscape enables us to gain a more comprehensive understanding of potential investment opportunities and make better decisions aligned with our values.

We are committed to ensuring that our investments create long-term value for our stakeholders and contribute positively to the broader society. We do this by integrating ESG factors into every stage of our investment process, leveraging our influence as an investor to promote positive change whilst pursuing enhanced financial outcomes for our investors.

Our Responsible Investing programme ensures that we have clear roles and responsibilities, appropriate policies and procedures, and effective monitoring and reporting mechanisms in place to manage ESG risks and maximise opportunities. It enables us to engage more effectively with investee companies, promote best-practices, and encourage positive change. Our ESG programme success depends on stakeholder engagement and stewardship activities; we actively collaborate with portfolio companies, investor groups, and policymakers to champion a responsible investment agenda.



47%

companies have an ESG / Sustainability policy in place

53%

actively track ESG metrics internally

100%

reported ESG data via Synova's cloud based reporting system

2,000

ESG data points collected annually by Synova

Our Pathway Ahead

Looking forward, our responsible investing programme has identified the following priority actions to be delivered

Creating action plans and internal KPI measurements aligned to our six priority areas

Development of our internal ESG regulatory register

Alignment of our Portfolio Companies to the United Nations Sustainable Development Goals

Drive collaboration among our portfolio companies to enable sharing of ESG best practice

Enhancing our ESG Due Diligence process for our deal teams and optimise the opportunity for value creation

Providing ESG training to our deal and portfolio teams focusing on our six priority areas