



ANACAP



**ESG Report**  
2022



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## A Message from our Co-Managing Partners

**AnaCap is continuing to make significant strides in our ESG journey, and in the latest milestone of our development, we are excited to share our first stand-alone ESG report.**

Our objective is to continually invest in a responsible way, integrating relevant ESG risks and factors throughout the whole investment process: from pre-investment due diligence, through each investment's life and through to exit.

We are proud to highlight in this report the ways in which ESG has become embedded in our investment process and part of the value creation model in every step of the process. Details shared in this report demonstrate our thoughtful incorporation of these issues that further promote good business at our portfolio companies.

Our portfolio companies are making significant progress across many aspects of their ESG journeys, but we have selected a handful of case studies to share in this report as a flavour of the unique businesses AnaCap is investing in and how our model has helped to drive their progress.

We believe that the ESG-related improvements achieved during our period of ownership are not only of benefit to the workforce and the wider community, but that they ultimately maximise value at exit for our investors, and put our portfolio companies in a strong position to continue the next stage of their journey.

### 2022 Key Accomplishments

- › EcoVadis Gold Medal for AnaCap
- › EcoVadis Medals for all 13 portfolio companies
- › Built a data collection platform for all portfolio companies, enabling better data collection and reporting, and importantly, accelerating the journey to interpreting the data and driving actionable improvements

### AnaCap's commitment to Diversity, Equity & Inclusion (DE&I)

In this report, you will also read about the efforts we have undertaken within our own operations at AnaCap and through our strong partnerships. We will also highlight the strides our portfolio companies have made as they focus on a more diverse, equitable and inclusive future.



**“It is our core belief that a focus on responsible investment and the integration of ESG risks and opportunities into our investment processes will ensure that we operate positively as a business while creating sustainable value for our investors.”**

**Tassilo Arnhold and  
Nassim Cherchali**

Co-Managing Partners



**We are proud of all we have accomplished in partnership with our portfolio companies to date. Please enjoy our first annual ESG report.**

# AnaCap At-A-Glance

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## Investment Strategies and Philosophy

Our investment philosophy is influenced by our background as investors and entrepreneurs. We look to work with those who share our ambition.

Our sector specialism and track record allows us to understand both the unique challenges and growth opportunities in the market, giving a more detailed and informed perspective.

We are the chosen partner of entrepreneurs and often the first institutional investor, positioning us to create significant value.

We have a clearly defined and replicable investment strategy, focused on lower mid-market Software, Technology and Services companies operating within the European financial ecosystem.

We focus on opportunities with both organic and inorganic growth potential and utilise intense operational engagement, complemented by active buy-and-build programmes. Prospective targets must meet our investment criteria of strong growth performance, high margin potential and high recurring revenues.

A strong commitment to responsible investing also requires that our ESG principles are integrated into our own business, not only those of our investee companies.

## Environment

AnaCap's investments are focused on the financial services sector. As such, we believe that we are best-positioned to drive the most meaningful improvements in the Social and Governance aspects of our commitment to ESG and we recognise that our ability to contribute substantially or directly to climate change mitigation or other environmental objectives is currently limited. However, where possible we do require, and seek improvement of, the climate metrics of our investee companies and ourselves, and report on this annually.

We currently track energy consumption at our London office and emissions metrics from transportation and travel and are working to improve the quality of and quantity of our environmental data.

AnaCap sourced **100%** of its energy from renewable sources in 2022.

We are also mindful of implications that the decisions we make can have on the environment and where possible, we seek to identify and monitor any potential adverse impacts as part of the integration of ESG Risks in our decision-making processes.

## Sustainable Procurement

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- › Policy highlights: AnaCap promotes the use of public transport by employees to travel to and from work and also offers a Cycle to Work scheme to encourage staff to cycle to and from work.
- › To ensure consistent monitoring of our GHG emissions, AnaCap has requested carbon dioxide emissions reports from our corporate travel providers. Addison Lee provides data for taxi and courier travel within London and the UK, Driven Worldwide provides taxi data for the UK and internationally and Reed & MacKay provides data for international travel. All providers are committed to reducing their environmental impacts.



### EcoVadis Gold Medal

(Gold = top 5% companies)

# AnaCap At-A-Glance Continued



## Human Capital and DE&I Commitments

AnaCap has set up a DE&I Committee focused on implementing and improving diversity and inclusion policies and protocols including AnaCap staff engagement, training, recruitment practices, tracking of key metrics and investing in new community partnerships, including running internships at AnaCap's offices. We have a diverse group of enthusiastic and committed people who meet once per month and report quarterly to the Board.

Our recruitment strategy contains diversity and retention initiatives, and staff are provided with training opportunities to develop their unique skill sets.

During 2022, training was provided on microaggressions, seeking to provide a better understanding of what they are, their impact on the recipient and how in better recognising them, we can all work to eliminate them from our own behaviour and call out if we see it.

We carried out a DE&I survey in December 2022 to track the ongoing success of the DE&I initiatives. The results allowed us to prepare this Report, keep records and measure the impact of our DE&I initiatives.

We have continued to encourage AnaCap staff to engage with our community partnerships, particularly with the students from Sponsors for Educational Opportunity.

We hosted a lunch and learn for International Women's Day, participating in a live webinar from the BVCA with female founders and investors.

Please see some additional metrics we are proud of in the side bar.

## Strong Governance Practices

Our Board of Directors is responsible for the overall setting of the group's ESG strategy.

We have an experienced Legal and Compliance function, supervising day-to-day and investment related risks, led by the General Counsel, who is also responsible for ESG and is a Director of the firm.

All employees undergo regular training and attestation related to compliance procedures.

We are regulated by the Financial Conduct Authority in the UK and take our conduct and fiduciary obligations very seriously across all that we do.

Our robust governance structure includes a risk and conflicts committee separate from the investment team, an independent board member, and having ESG on the agenda at least quarterly.

Given our focus on these issues, we consider our team well-positioned to advise portfolio companies who are early in their governance journey.

*Please see a full list of our policies in the appendix*

## Facts at a Glance

Small yet nimble **total team** of

**30+**

**60%**

of the **Leadership Team** identifies as **diverse**

**10**

**languages** spoken

**45%**

of the team comes from **countries outside of the UK**

**27%**

of employees identify as **women**

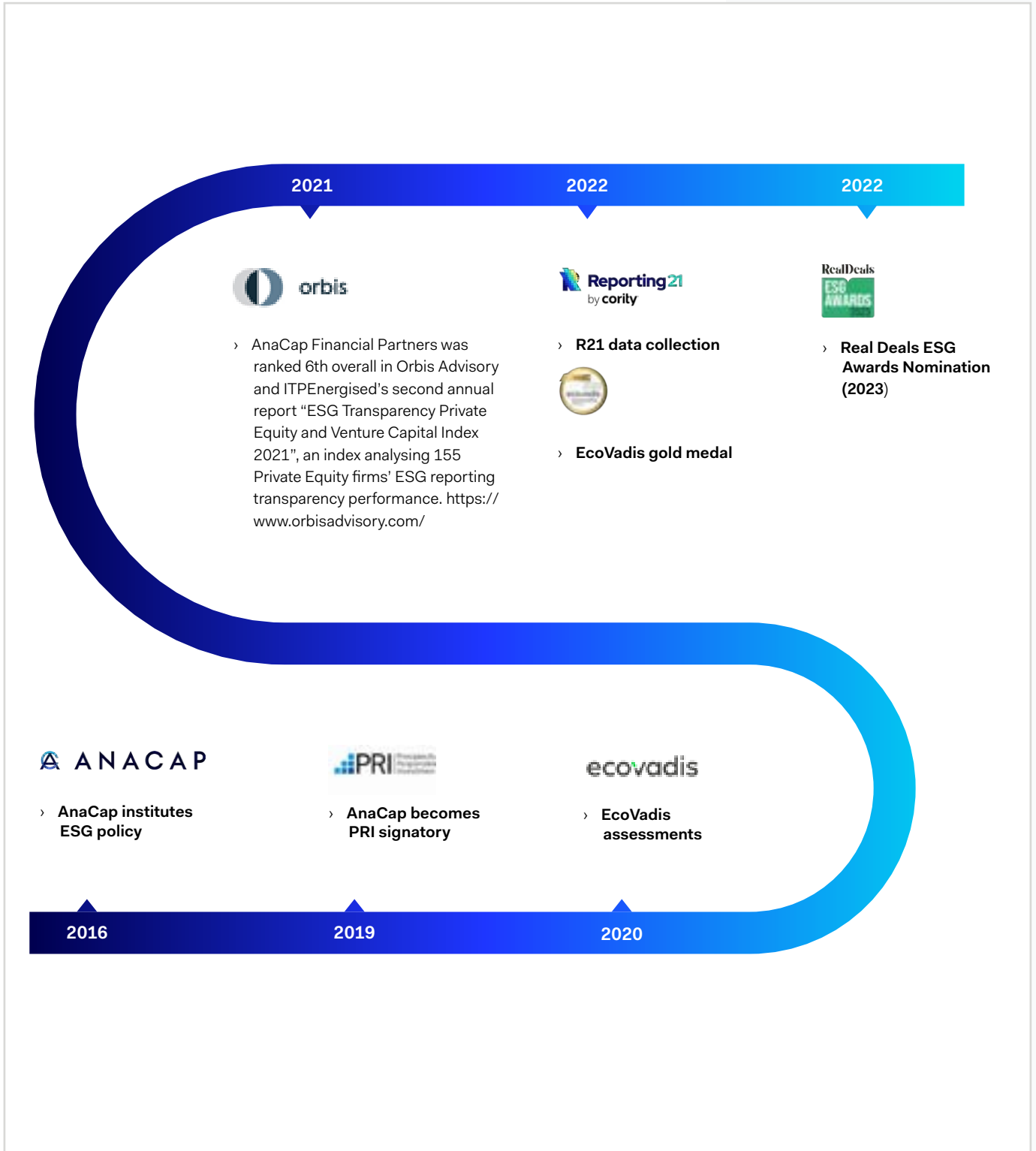
**83%**

benefit from a **profit-sharing** scheme

**96%**

of employees consider AnaCap to have an **inclusive environment**

# ESG Journey Timeline



# AnaCap's ESG Investment Goals

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**AnaCap continually seeks to invest responsibly. Our investment process focuses on both identifying gaps as well as shining a spotlight on the aspects that make a business uniquely positioned to make a positive contribution to an aspect of our ESG goals.**



## **Environmental responsibility**

Contribute to the development of a financial services sector that is more responsible and sustainable. Invest in businesses that are disrupting legacy models and help them to develop, invest in and embed improvements that promote proficiency and high standards of customer service through operational efficiency and data centric best in class IT solutions.



## **Social responsibility**

Invest in business that are broadening access to financial services products or eliminating legacy barriers. Support and promote employee engagement, training, share ownership and all forms of diversity, equity and inclusion at all levels.



## **Governance**

Embed a strong governance framework, ensuring businesses have robust boards, independent committees, experienced finance and compliance professionals, appropriate policies, external audits and compliance assessments - all designed to help provide a solid foundation for growth.



# ESG in the Investment Process



## Pre-Acquisition Due Diligence

AnaCap undertakes ESG due diligence on every prospective transaction to identify potential issues early on, set an ESG strategy, and identify sustainability resourcing needed.



## Active Management

On new acquisitions, the AnaCap Value Creation Team, through a 120-day plan, identifies an ESG strategy and implementation timetable, and assigns a point-person responsible for ESG reporting to the company's Board.



## Collaboration & Engagement

AnaCap works to ensure portfolio companies implement sound corporate governance with appropriate checks. All portfolio companies have a full and appropriate suite of workplace policies and carry out regular trainings and assessment schemes.



## Monitoring & Assessing

Participating in ESG Reporting is a mandatory requirement for portfolio companies. AnaCap undergoes baseline and performance monitoring on an annual basis, including data collection on Reporting 21 and an EcoVadis assessment, and uses these data to make recommendations to portfolio companies for improvements.



## Governance & Oversight

The Board of Directors is responsible for the overall setting of the group's ESG strategy, while implementation is delegated to the Legal & Compliance function with support from Investor Relations. The Board requires quarterly internal reporting on ESG matters which are reported to the Funds' General Partner / Portfolio Manager.



**“The cultural importance AnaCap places on ESG flows throughout the investee organisation, such that by the time a company has been through 1-2 reporting cycles, it can see the benefits that improving its ESG footprint brings. This is not only to its own score but also to its relationships with customers and staff.”**

**Victoria Brown**

General Counsel



# ESG Within the Portfolio

We recognise that we cannot impose a single ESG approach across all our portfolio companies. Our philosophy provides a flexible framework that supports a consistent approach to the consideration of ESG risks and opportunities, while permitting a bespoke implementation of ESG factors across different asset classes and investment teams. As a baseline, we seek to establish the following:

- › Every portfolio company should have an ESG policy and set a strategy within the first 6 months of our investment.
- › Every portfolio company should have an ESG Champion who is responsible for ESG and who reports directly to the portfolio company board on a regular basis, at least annually.
- › Every portfolio company should engage in the reporting required (EcoVadis and Reporting 21) and work towards capturing the data these platforms ask for that is not currently captured and engage with the findings and recommendations to drive improvements.

In addition to commissioning EcoVadis to assess performance at the GP-level, we conduct ESG assessments annually on each of our portfolio companies.

We are proud to share that AnaCap's portfolio scored above the EcoVadis financial services benchmark in all five key categories.

Overall	Environment	Labour & Human Rights	Ethics	Sustainable Procurement
<b>65.4</b>	<b>60.0</b>	<b>67.9</b>	<b>68.6</b>	<b>52.9</b>
+11.2	+5.0	+11.6	+14.8	+7.7
Compared with benchmark	Compared with benchmark	Compared with benchmark	Compared with benchmark	Compared with benchmark

AnaCap had **13 portfolio companies** in 2022 and all of them received a medal in the 2022-2023 EcoVadis assessment cycle (1 platinum, 3 gold, 8 silver and 1 bronze).

The EcoVadis assessment process is designed to be an iterative process. Upon completing the assessments, our portfolio companies undergo a consultation to understand what actions they can take to make improvements. We utilise this feedback loop as an opportunity to further engage with our portfolio companies and provide support for corrective actions to elevate their ESG profiles and run more sustainable companies.

We look for continuous improvement from our portfolio companies and seek to employ best-in-class portfolio company engagement to help them on their respective ESG journeys.

## Highlights from EcoVadis & Reporting21 data collection across portfolio

- › **100%** engaged with employees through dedicated initiatives
- › **54%** have a responsible procurement charter
- › **35%** carried out a carbon footprint assessment
- › **85%** Formalised an environmental policy
- › **77%** Formalised a diversity, equity, and inclusion policy or initiative
- › **100%** put in place procedures to protect sensitive data
- › **62%** carried out supplier audits
- › **32%** independent members at the board
- › **62%** review CSR performance at the board

# ESG Within the Portfolio Continued



## Selected case studies



- › Orbyt was founded in Kristiansand, Norway in 2009 as a technology company focusing on multi-channel invoicing.
- › 11th annual CO2 reduction by digitisation in 2022.
- › 431k trees saved from 2016-2022.
- › 9,400t paper waste saved from 2016-2022.
- › Key policies and codes of conduct: Diversity and Equality Policy, Ethical Policy, Environmental Policy, Supplier Code of Conduct, and Orbyt Code of Conduct.
- › 100% of critical suppliers have signed the Orbyt vendor Code of Conduct.
- › In 2022, Orbyt achieved an employee satisfaction index of above 90 on a scale from 1-100.
- › 94% of employees are shareholders in the company.

## A Financial Services Sector Fit For a More Sustainable Future

**“We have actively chosen to invest in businesses that disrupt legacy models, using technology to embed sustainable improvements. Their solutions materially contribute to reducing the environmental footprint of the Financial Services sector, for example through the elimination of paper invoicing. Social access to products is increased also, for example through removing the need to be physically present to be identified.”**

### Robert Massey

Managing Director,  
Value Creation



Your True Identity Company



- › WebID was founded in 2011 with the mission of online ID verification.
- › The company launched Qualified Electronic Signature (QES) in 2016 which helped save commuting and paper print outs for contracts.
- › Last year, the company calculated its carbon footprint (76tons in 2022).
- › 11tons of carbon emissions were avoided through clients using QES (SignID) instead of hard copy printed paper in 2022 alone.
- › WebID was awarded a bronze medal from EcoVadis in 2022 and a silver medal (top 25% of companies) in 2023.



- › The company has been a UN Global Compact signatory since 2021 and participated in the Early Adopter Programme.
- › GTT received a Platinum medal from EcoVadis, putting it in the top 1% of companies assessed in 2021 and 2022.
- › It has also implemented a number of environmental strategies and is ISO 14001 certified.
- › The company has taken actions to promote wage equality in the workplace.
- › 90/100 on Ethics according to EcoVadis.
- › 55% of employees identify as women, 38% of the executive committee identify as women.
- › Tracks contribution toward the UN Sustainable Development Goals.



- › Milleis has carried out a physical and transitional risk assessment for its activities and has formalised a greenhouse gas reduction policy.
- › It has established a sustainability committee to oversee its sustainability efforts and ensure that they are aligned with its overall business strategy.
- › It also has a formal DEI policy that demonstrates its commitment to diversity and inclusion among its employees and in its hiring practices and the Board of Milleis is comprised of 50% women.
- › Milleis has reported high levels of employee engagement and training and positive feedback in employee surveys, indicating strong support for the company's sustainability and diversity initiatives.
- › The company has also reported positive external feedback in areas such as customer satisfaction and offering of responsible investment products.
- › The bank has established partnerships with various organisations to promote sustainability, including the CDP, the Carbon Disclosure Project, and Forum pour l'Investissement Responsable (FIR). Milleis also partnered with GABI to install beehives on the roof of its former administrative headquarters, engaging employees in beekeeping and raising funds for charitable organisations.

# ESG Within the Portfolio Continued



## Providing access to affordable and equitable health care



Because life matters most.

# further®

- › Founded in 2012, Further develops and sells niche insurance products globally within the health segment. Its flagship product - critical advantage insurance – gives the insured access to second medical opinion, concierge services and medical treatment).
- › Geography and cost often define treatment options. Further’s goal is to make access to the world’s leading medical expertise simple, personal and affordable.
- › Further Identifies and develops innovative, niche solutions and brings them to the mass market, bridging the gap between medical expertise and patient access.
- › Further seeks to eliminate health care disparities through products and services that are equitable and inclusive.
- › For an average premium of just £36 per year / £3 per month, patients have access to up to £2 million of treatment and costs covered during the lifetime of the policy.

**Further demonstrates its commitments to these values through the diversity and inclusivity of its own organisation, for example**

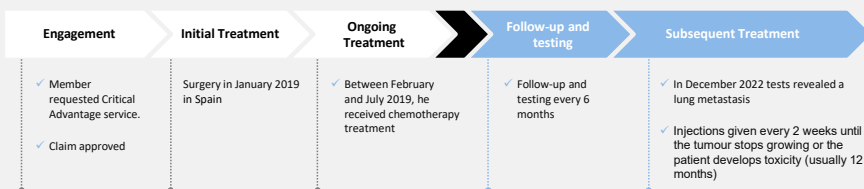
40%

of highest paid employees identify as women

65%

of employees identify as women

## Case study of a 55-year-old man in the UK, diagnosed with colon cancer in 2018.



### Costs to date:

- **Medical Expenses** (including surgery, medications, consultations): €74,385
- **Travel and accommodation:** €39,280
- **Other expenses**, including interpreter: €12,500

**Total cost: €200,550**

### Estimated costs for the next 12 months:

- **Medications:** €142,800
- **Consultations/tests:** € 2,500
- **Travel and accommodation:** €12,000
- **Other expenses** including interpreter: €4,000

**Total estimated cost: €361,850**

# Value Creation and Exit: ESG Incorporation Leading to Better Outcomes



- › Oona Health was established by four founders in 2012. They utilised data, analytics and applied healthcare expertise to navigate insureds towards higher-value, lower-costs healthcare providers.
- › AnaCap invested in Oona in 2019, and at that time, Oona had no specific engagement with ESG matters. However, throughout AnaCap's stewardship, focus was placed on compliance, ESG and participation in the EcoVadis review, and Oona made significant strides in this four-year period.
- › Oona adopted its first ESG policy in 2020 with encouragement from the AnaCap team. Oona also joined the United Nations Global Compact while starting to track energy related ESG metrics in the same year.
- › Oona was awarded a Silver medal from EcoVadis in 2022 and a gold medal (top 5% of companies) in 2023.
- › The company's improved ESG profile contributed to overall better terms at exit and helped improve its profile with customers and investors.

“The Oona Health ESG journey started as a result of AnaCap's acquisition of Oona Health... There is no doubt that the ESG journey we have been through with AnaCap has been value-creating for Oona's growth journey and final exit.”

**Allan Buhl Møller**

CFO, Oona Health

## Value Creation and Exit: ESG Incorporation Leading to Better Outcomes Continued



- › MRH Trowe started as a family business focused on “personal-independent-competent” insurance concepts and has grown to one of the top 10 industrial brokers in Germany.
- › The company put in place a series of environmental initiatives such as the purchasing of renewable energy and the recycling of office products, as well as intensely focusing on governance and compliance.
- › It had a limited ESG footprint prior to AnaCap's investment, but an EcoVadis review after 1 year of stewardship saw them earn a bronze medal for FY 2021 and following further engagement and development, they earned a silver medal for FY 2022.



# Community Relations Supporting Access and DE&I

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- › AnaCap is committed to cultivating partnerships with organisations who are leading the way in enhancing disadvantaged young peoples' access to academic and professional opportunities.
- › As an example of this commitment, in 2021 AnaCap launched an internship programme with Sponsors for Educational Opportunity ("SEO") London specifically for young adults from underserved and underrepresented backgrounds who took part in work experience at AnaCap designed provide wide exposure to our business and a potential springboard for their future careers.
- › We held this internship again in 2022. It is an enriching experience both for the firm and the interns and we have received a lot of positive feedback.
- › We kept in regular contact with interns from prior SEO schemes and continued to build relationships with other SEO students, including hosting networking events, access opportunities, and providing regular mentorship from AnaCap partners and other staff, including:
  - › Regular mentoring with selected SEO students with an AnaCap partner 1:1 during 2022.
  - › Starting in 2023, quarterly sessions with an AnaCap partner and 5 students coming to the office for a lunch and learn discussion.
  - › Masterclass for 120 SEO students to launch the 2023 internship. Students ranked it an overall 9.5 out of 10. [See more feedback in side bar.](#)



Co-Managing Partner  
Nassim Cherchali with five  
SEO students at AnaCap's  
offices in London

## Charitable contributions

AnaCap's financial contributions to For Kid's Sake have enhanced the health and well-being of the youth population of Bangladesh.



**"Absolutely the best PE insight masterclass so far. I experienced a thorough and engaging walk through of the deal process, a pinch of how AnaCap differentiates itself from other PE funds, and how they managed to take the lead at precious investment opportunities. With all regards, it's amazing!"**

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**"Really enjoyed the SEO x AnaCap masterclass. It was great to have so many people on the call from different teams such as investing, legal and finance. Everyone spoke about what their specific role involved, and I appreciated the long Q&A session at the end which allowed for several questions and many insightful answers from the AnaCap team."**

# 2023 Priorities and Path Forward

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Building on the great work over the past year, we are thrilled about a number of initiatives we are pursuing in 2023 and beyond...

It was an honour to be nominated for the RealDeals ESG Awards. Seeing our name next to a number of industry leaders is a testament to our work. We hope to build on this recognition and drive ESG initiatives more prominently in our portfolio company acceleration efforts.

## Data capture, quality and reporting

We will continue to track core environmental, social and governance metrics internally and at our portfolio companies. By working with partners like Reporting 21, we can better ensure the data are uniformly quality-controlled so that we can better utilise it to identify areas for improvement. We will continue to prioritise accurate and insightful ESG reporting to our investors and other stakeholders.

## Environmental data capture

We plan to further integrate environmental considerations into our processes and more accurately track and assess the carbon footprint and energy consumption of both our firm's operations and our portfolio companies' emissions.

## Partnership with our portfolio companies

We will continue to maintain engagement with our portfolio companies across all parts of the firm, sharing our knowledge and facilitating them to also share ESG-related knowledge and best practice amongst themselves.

## Accountability

We will continue to set core expectations for new and existing portfolio companies and will hold them and us accountable for meeting them.

## Industry engagement

AnaCap recently became a member of the PRI-endorsd Initiative Climate International (iCI). The iCI is a global, practitioner-led community of over 200 private markets firms and investors representing over US\$3.2 trillion in AUM that seek to better understand and manage the risks associated with climate change. AnaCap looks forward to the opportunity to contribute to this organisation, sharing knowledge, experience, and best practices.

## DE&I action plan

We will continue to focus on training, engagement and wellbeing and develop a 12 month and 5-year action plan for further improvements internally and within our industry and community. We will continue to run our summer internship in partnership with SEO.



**“I am excited to lead AnaCap's ESG strategy through the ever-evolving landscape, driving engagement and value for our portfolio companies and investors.”**

**Victoria Brown**  
General Counsel



# AnaCap's Governance Approach: Policies and Initiatives

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- › Adoption Leave Policy
- › AnaCap Business Continuity Plan
- › AnaCap Organisational Requirements
- › AnaCap Suitability Obligations
- › Annual Compliance Declaration and Declaration of Fitness and Propriety
- › Anti-Bribery & Corruption Policy
- › Anti-Money Laundering Policy
- › Capital Adequacy and Reporting Requirements
- › Code of Conduct
- › Code of Ethics
- › Complaints Management Policy
- › Compliance Program Certification Form
- › Computer, E-mail and Internet Policy
- › Conflicts of Interest Policy
- › Consultancy and Outsourcing Checklist
- › Data Incident Response Plan
- › Data Protection Policy
- › Disciplinary and Dismissal Procedure
- › Diversity Inclusion Policy
- › Electronic Communications Policy
- › Financial Promotions Checklist and Approval Form
- › Flexible Working Policy
- › Gifts, Inducements & Hospitality Policy
- › Grievance Procedure
- › Guidance for Approved Persons
- › Health and Safety Policy
- › Internal Data Protection Policy
- › Market Abuse Policy & Personal Account Dealing
- › Maternity Policy
- › Outsourcing Policy
- › Parental Leave Policy
- › Paternity Leave Policy
- › Personal Trading Pre-Clearance Form
- › Political Contributions and "Pay-To-Play" Policy
- › Poor Performance Policy
- › Prevention of Harassment and Bullying Policy
- › Principles For Business
- › Privacy Policy
- › Product Distribution Policy
- › Promoting, Advertising and Marketing Policy
- › Employee Data Privacy Notice
- › Environmental, Social and Governance (ESG) Policy
- › Fair Processing Notice
- › FCA Permitted Business
- › Public Relations Policy
- › Regulatory Records Keeping Policy
- › Senior Managers and Certification Regime Handbook
- › Shared Parental Leave (birth) Policy
- › Sustainable Consumption and Procurement Policy
- › Systems Monitoring and Communication
- › Time off for Dependants (and other leave) Policy
- › UK Employee Handbook
- › Valuation Policy
- › Wall Crossing Policy
- › Whistleblowing Policy
- › Workplace Stress Policy

## Contact Us

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Get in Touch