



ECI Impact Report

December 2024

Certified



Corporation

Contents

Introduction	3
Measuring our Impact	4
Our Goals	7
1. Decarbonisation	11
2. DEI	14
3. Employee engagement	18
4. Cyber	22
5. Charity	26
Working with our portfolio	29

Introduction








Tom Wrenn, Managing Partner



At ECI our mission has always been about building successful businesses. That means sustainable businesses, prepared for the future and able to deliver long term growth. We believe business can and should be a force for good, boosting employment, creating a positive impact for its employees and its customers, and supporting economic growth."

When we signed up to B Corp in 2023, it helped us to define our role and ambition within that wider ecosystem. Not only to improve the impact of ECI as a business, but also to work closely with our portfolio companies to help them on their ESG journey. As an investor we have a role to help them deliver profitable growth, but beyond that we also want to help them to improve their impact on their stakeholders and the planet. B Corp helped us look at where to focus and to make a continued plan for the future – committed to improving our impact at ECI and with the companies we work with. To do this, we've invested in our capability to support those businesses to grow and become more resilient, and we will continue to do so going forwards.

In this Impact Report we wanted to focus on those areas where ECI is most focussed as an organisation and the areas where we most commonly help the management teams that we work with. Those are:

<p>Decarbonisation</p> 	<p>DEI</p> 	<p>Employee engagement</p> 
<p>Cyber</p> 	<p>Charity</p> 	



Measuring our Impact

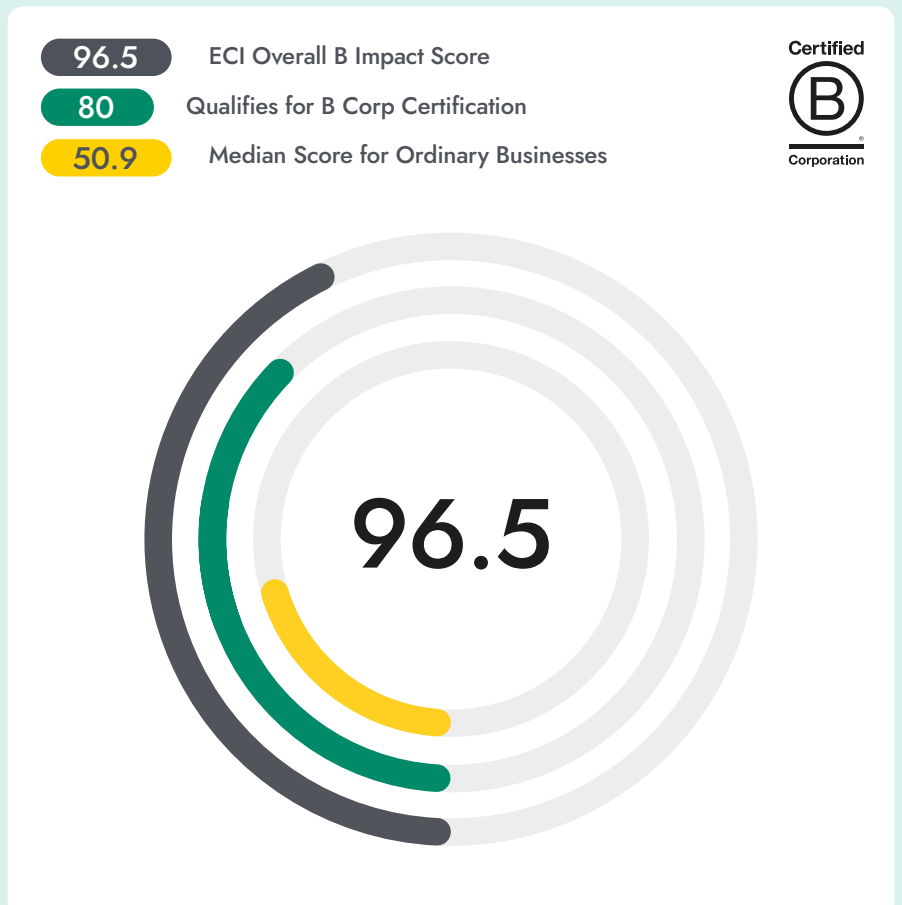
Overall impact

We believe that as an investor we can support businesses to become more ambitious, more resilient, and to contribute more as an employer and to the wider economy. At ECI we have numerous stakeholders, from end investors to the employees at companies we back, giving us a unique ability to amplify our own impact across the wider business ecosystem.

The B Corp assessment gave us a helpful baseline for how we were doing and other areas we want to focus on. In this report we will discuss what we want to achieve in the future, and the key milestones we want to hit across the key B Corp pillars.

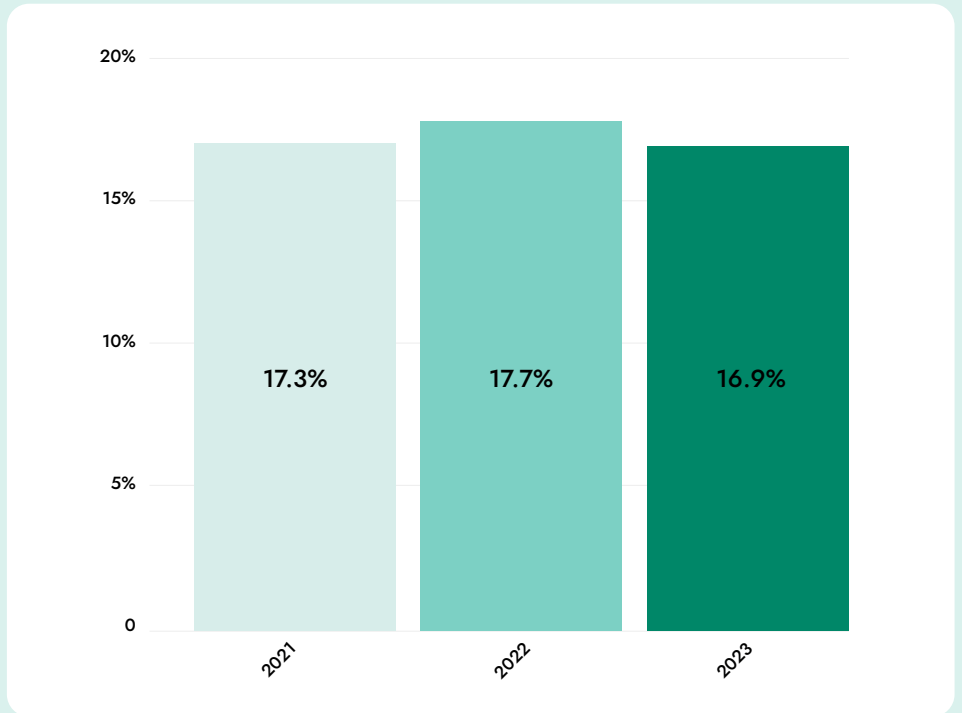
Overall B Impact score

Based on the 2023 B Impact assessment, ECI Partners earned an overall score of 96.5. The median score for ordinary businesses who complete the assessment is currently 50.9.



ECI portfolio outperformance compared to UK GDP

ECI portfolio average revenue growth compared to UK GDP annualised.



c.70% revenue growth is organic but data includes M&A.

Employment impact

+41%

Average growth in UK employees for ECI portfolio companies during our investment.*



Our Goals



The ECI journey

“ ECI have progressed several initiatives in the last year including commencing investment from our Article 8 ECI 12 Fund, which cemented our commitment to support our portfolio to decarbonise. We were also proud to become B Corp certified in the last year. We have spent a lot of time putting the right foundations in place around data collection, particularly with regards to carbon and DEI, implementing new carbon tracking software and launching our first diversity survey in 2024. We’ve also hired a Head of People in 2024 to support further progress around DEI and employee engagement. In 2025 a number of new roadmaps will be put in place, and we are excited to continue to make progress across these key pillars of sustainability, people, cyber and charity and will go into further detail on these objectives in the following chapters.”



Fiona Moore
Head of ESG





Planet

88%
of portfolio reporting Scope 1 and 2 data
Complete

Close of ECI 12, an Article 8 fund with Environmental objectives
Complete

ECI start tracking scope 1, 2 and 3 data
Complete

100%
Target: 100% of portfolio with a duration of 1 year reporting actual/estimated carbon data
90% complete

Assess ECI Net Zero strategy

80%
Target: 80% of existing portfolio* reporting actual carbon data

100%
Target: Discuss decarbonisation strategy with 100% of ECI 12 portfolio*

50%
Target: 50% portfolio tracking Scope 1, 2 and 3

Launch Net Zero review for portfolio

80%
Target: 80% of existing ECI 12 portfolio achieving reduction in carbon intensity since investment

Set target for portfolio having Net Zero plan by exit

People

DEI internal framework and scoring completed with reference to Level20 report
Complete

D&I training programme agreed
Complete

Launch internal diversity questionnaire
Complete

Hire a Head of People
Complete

Mental health programme of awareness, training and support commences
Complete

Revise family policies to be more inclusive
In progress

Implemented a return-to-work coaching programme
Complete

Create DEI roadmap to increase diversity across business and biannual tracking measures

Increase frequency of engagement survey to annual

Deliver anti bullying & harassment training across the company



Community

107%
of fundraising target achieved for charity partner The Bread and Butter Thing
Complete

Launched corporate volunteer day
Complete

Launch of charity partnership with Glass Door
Complete

Review ECI Charity strategy

Review Internship programme to improve industry access

Governance

Launched enhanced ESG questionnaire for portfolio
Complete

ESG values incorporated in HR reviews
Complete

100%
Target: 100% of companies in portfolio meeting CIS 70% requirement
95% meeting requirement

Sign up to ESG Data Convergence Initiative
Expected Q1 2025

Create supply chain code of conduct

Launch ESG training program

Upgrade to the NIST Cybersecurity Framework (CSF)

100%
Maintain 100% portfolio meeting CIS requirement

Improve ECI cyber training completion to >95%

100%
Target: 100% investment team undertake carbon training

Decarbonisation



01

Decarbonisation

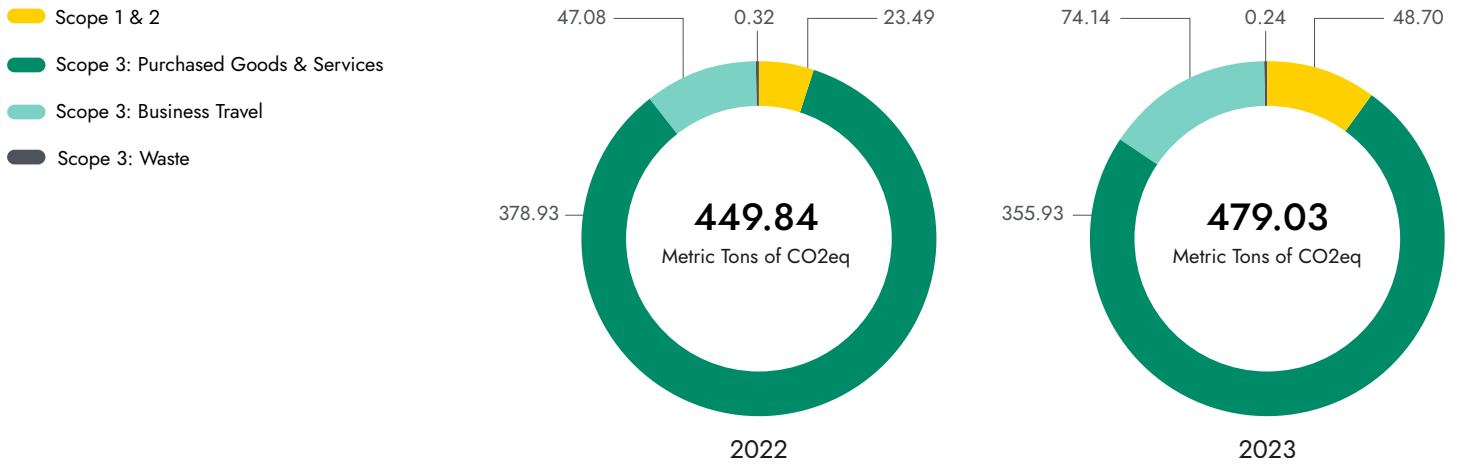
In the last 12 months we have made good progress on helping our portfolio start their decarbonisation journey, with 90% now tracking carbon data, meaning we can now support them to reduce intensity. ECI 12, our Article 8 fund, has started investing, which means a formal commitment to supporting management teams to decarbonise. Having implemented our own carbon tracking software in the last 12 months, we now also have data for ECI's carbon footprint and will be focussing on assessing a Net Zero commitment in 2025.



ECI carbon footprint

The most significant jump in our Scope 1 and 2 footprint in 2023 was the move to a much larger head office at 80 Strand, which as well as just powering more floorspace also uses gas heating which has a much higher carbon factor. ECI have lobbied the landlord to be able to install gas metering by floor and to deliver a long term transition away from gas to help improve this. As the businesses that we invest are increasingly

international, it is unsurprising that business travel increased in 2023, and we would expect this to further increase in 2024. In 2025 we will assess travel efficiency to encourage use of trains and assess where offsetting may be appropriate. This is the first time we have had a YOY assessment in carbon footprint, albeit slightly abnormal due to the office move. Going forwards we will use this data to set targets for carbon reduction.



2025 Objectives

- 1 Assess ECI Net Zero strategy
- 2 Target 80% of existing portfolio* reporting actual carbon data
- 3 Discuss decarbonisation strategy with 100% of ECI 12 portfolio

DEI



02

Diversity and Inclusion

We have invested time in ensuring that ECI has best practice processes in place around recruiter assessments, interview processes, and aligning our objectives with guidance from Level20, the industry body promoting gender diversity in private equity. We launched our first internal DEI survey in 2024, asking employees around gender, ethnic and socioeconomic background, and also hired our first full time HR role, introducing Tamsin Webster as Head of People in 2024. This is a significant milestone for ECI to ensure that our people and culture has the right level of focus.



In the last 12 months we've also hired 7 new colleagues, including our second recent hire from Europe to support our understanding of the European marketplace. Our strong partnerships with search practices ensured our candidates were drawn from a wealth of academic and socioeconomic backgrounds, and four of the seven hires were female.

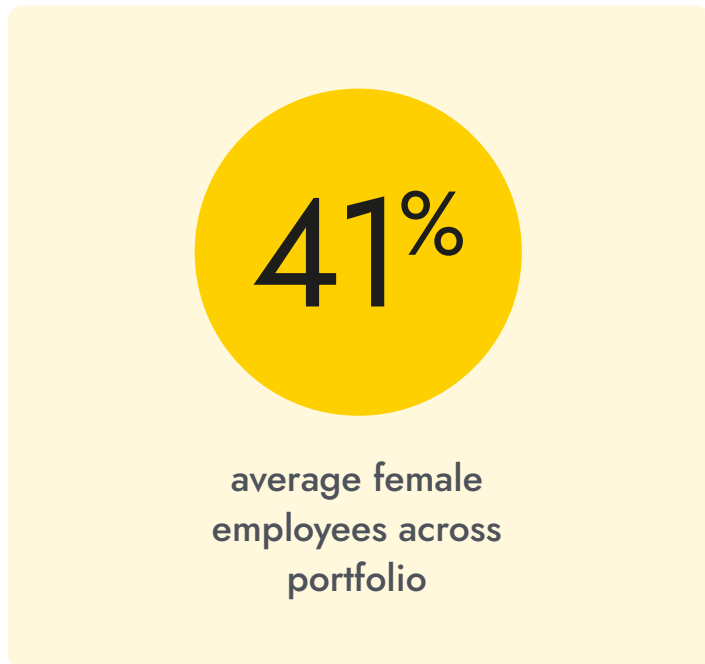


We also conducted a full review of our family policies in 2024, looking for best practice to create an environment supportive of our colleagues managing all aspects of their lives in a meaningful way. This is leading to updated policies in 2025 to provide our team members the flexibility and support that they need.

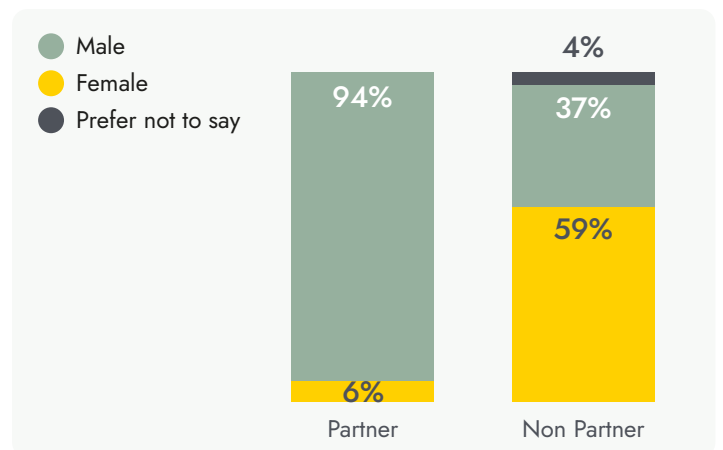
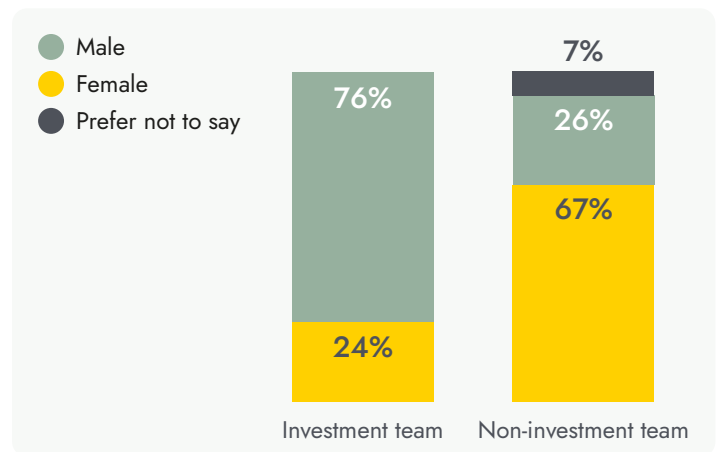
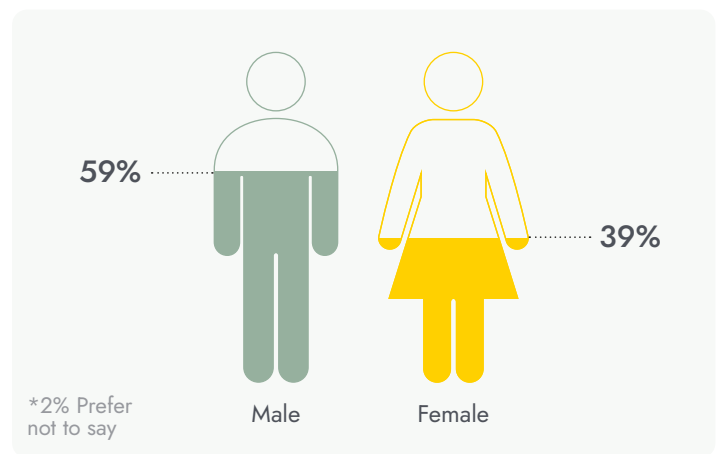
We know that there is a lot of work to do, both within ECI and the industry, to achieve better diversity, particularly aligned with seniority, and we intend to keep investing time to improve on this important topic.

Gender

Portfolio

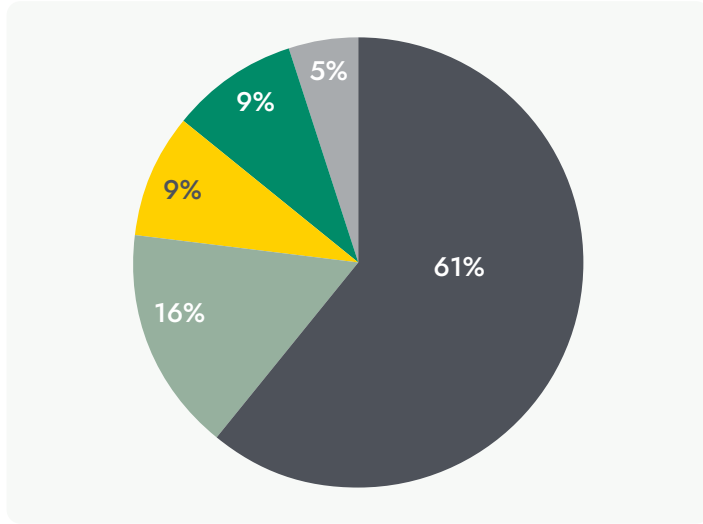


ECI



Ethnicity

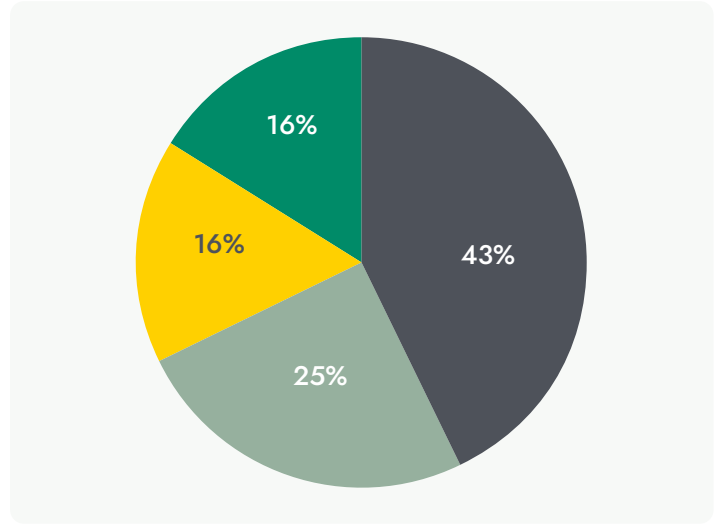
Which ethnicity do members of ECI identify with?



- White British
- White Other
- Asian or Asian British
- Mixed or Multiple ethnic groups
- Other

Education

Which type of school did members of ECI attend for the most time between the ages of 11 and 16?



- A state funded school - non-selective
- A state-or state-funded school that was selective on academic, faith or other grounds
- Attended school outside of the UK
- Independent or fee-paying school

2025 Objectives

1 Compliance and leadership training for managers to incorporate DEI

2 To achieve our 2030 diversity targets, in 2025 we will set a roadmap with interim milestones

3 Deliver anti bullying & harassment training across the company

Employee Engagement



03

Employee engagement

We have been doing employee engagement surveys since 2018, and we also encourage all of our portfolio to complete surveys and work on improving their score, as we know from assessing the data that there is a direct correlation between engaged people and performance.

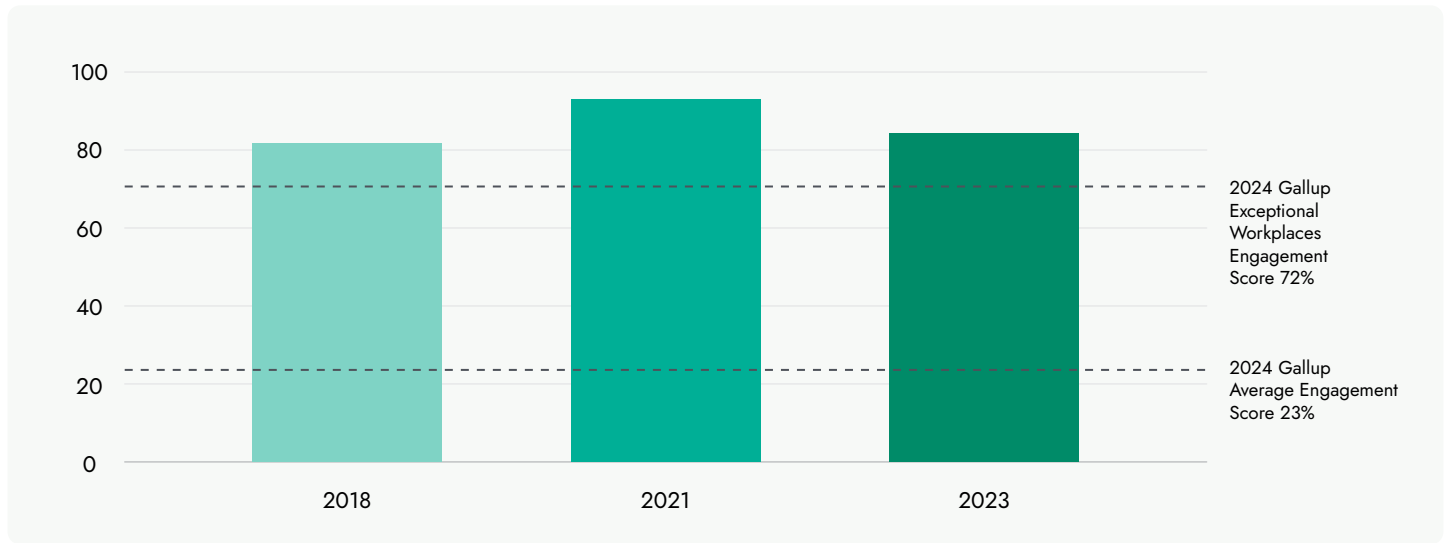


For the ECI engagement survey, which happens every 2-3 years, results are shared internally, and a list of actions are agreed at Board level and shared back with the whole team. Going forwards, the survey will be conducted annually, to ensure there is momentum in the progress made to improve engagement and respond more proactively to changes in engagement that might be internally or externally driven.



ECI Employee Engagement score

Engagement NPS at ECI



	2024		2024
Gallup Average Engagement score	23%	Gallup Exceptional Workplaces Engagement score	72%

Portfolio



portfolio conduct an employee engagement survey



companies in the portfolio have Great Place to Work accreditation

*In portfolio for >12 months

2025 Objectives



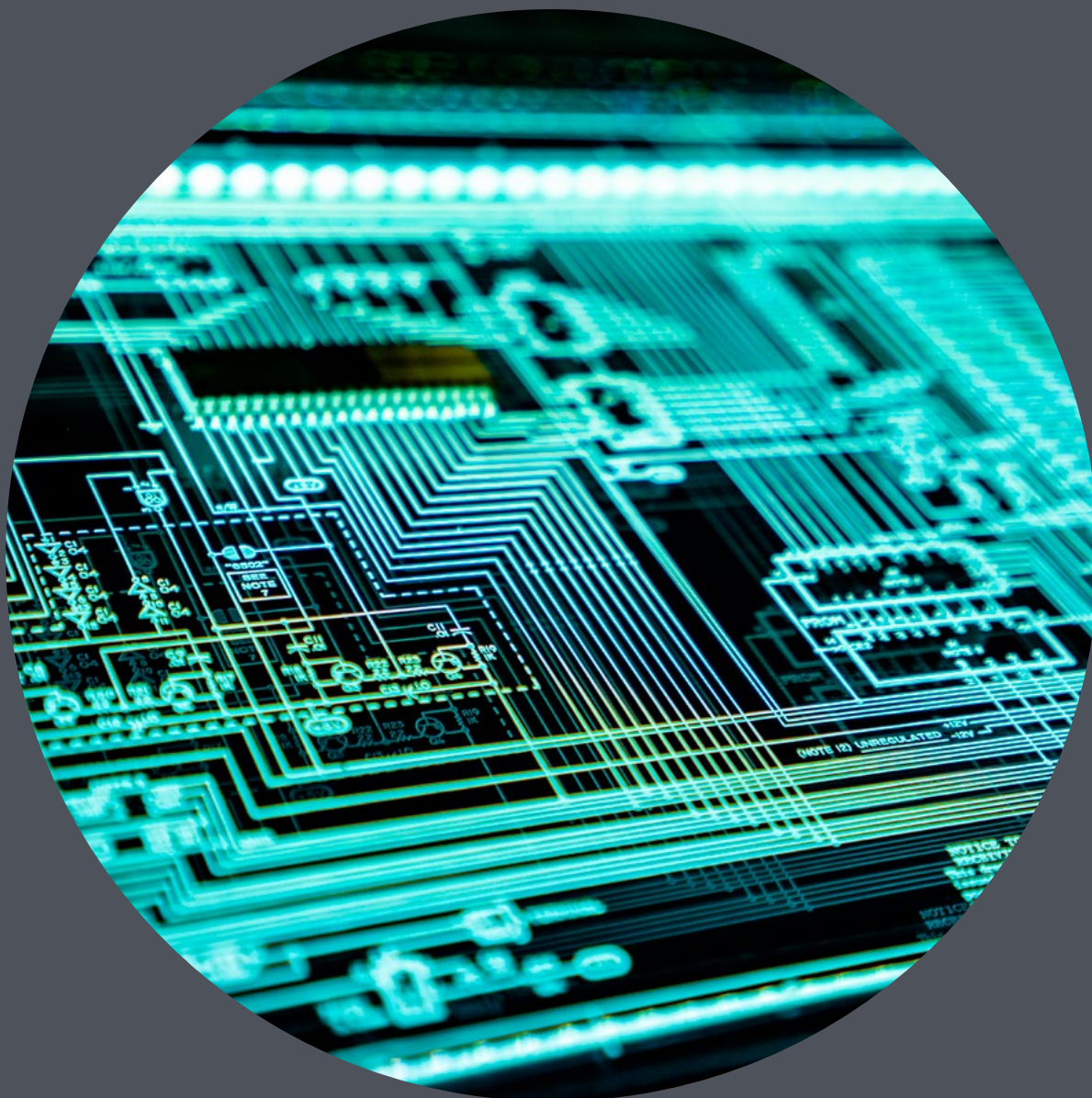
Increase frequency of survey to annual

Case Study



The engagement survey in 2023 highlighted some areas for improvement which launched focus groups and new workstreams around appraisal processes, career planning, internal communication and the need for a defined HR lead. In 2024 we hired a senior HR leader, Tamsin Webster, as Head of People with previous experience at starts ups and large corporates such as Lloyds Banking Group and BlackRock. She spent much of her career building effective cultures, organisational design, HR systems and processes, and more recently has focussed on coaching leadership teams and high potential talent, and has been an active member of the Diversity Project led Dame Helena Morrissey.

Cyber



04

Cyber

Our Head of Cyber has been actively promoting and assessing CIS compliance with the portfolio and at ECI since 2021, helping to promote and improve cyber resilience. As well as ensuring they achieve good cyber hygiene, we encourage a top-down approach from the Board raising cyber awareness throughout the business. The last 12 months has also seen ongoing ECI team training, and a topic on cyber with tech leads in the portfolio at our ECI Digital Summit. Going forwards we will continue to adapt our toolkit and approach to a changing cyber landscape particularly with the changes related to AI.



In 2025 we will upgrade our cyber security framework, and shift from traditional cybersecurity training to a human risk management approach, which focuses on identifying and mitigating human behaviour risks, significantly reducing the likelihood

of insider threats and user errors. This approach promotes a more proactive response, fostering a culture of security awareness and responsibility throughout the organisation.

ECI

	2023	2024
Phishing Success Rate passed	NA	92%
User Training Completion Rate	96%	88%
CIS Score	86%	88%

Portfolio

	2023	2024
% of ECI portfolio meeting CIS 70% requirement	60%	95%
CIS Average on exit	73%	75%

2025 Objectives

1

Improve ECI user training completion to >95%

2

Upgrade from the CIS Cybersecurity Framework to the NIST Cybersecurity Framework (CSF) offers broader, more comprehensive guidance that better aligns with international standards

3

Implement proactive monitoring of ECI and its portfolio external landscape using a third-party vendor monthly and help to remediate issues quickly

4

Add Cyber KPIs to the ECI Board report



Charity



05

Charity

ECI partners with a new charity each year, surveying our team to find out which issues they are most passionate about, finding relevant charities we can best support within those spaces, doing diligence around impact, and then selecting a charity and building a genuine partnership. We always aim to not just raise funds, but also to give our time and support to the charity, encouraging all members of the ECI team to engage. In 2023 our charity partner was The Bread and Butter Thing, a charity that makes life more affordable for people on low incomes, builds stronger communities and reduced food waste.



As well as number of fundraising initiatives such as a Bake Off and a charity auction, we also volunteered at The Bread and Butter Thing's food warehouses and delivered a number of pro bono projects. This year we have selected a new charity partner, Glass Door, a charity that coordinates the UK's largest

network of open-access services for people affected by homelessness. In 2025 we will continue with fundraising and partnership initiatives with Glass Door and also review our long term charity strategy to ensure we are delivering the most effective partnerships.

Our partnership with The Bread and Butter Thing



of fundraising target hit



hours volunteered by the team



ECI team raise funds for a new van for The Bread and Butter Thing

2025 Objectives

1

Hit fundraising target for new charity partner Glassdoor

2

Review charity partnership strategy

Working with our portfolio



Working with our portfolio

ECI do a full ESG assessment within the first 100 days of investing in a company, which gives them an overall ESG score on our framework as well as a prioritised list of actions to help them to make progress. A key objective during our investment is to support management teams progress across this framework and improve their positive impact.



“ We designed our ESG toolkit around the needs of our portfolio, designed to help us share best practice. We benefit from seeing a whole range of companies making progress on their ESG journey, so whether its helping them access software providers, case studies, or a network of individuals they can tap into, it enables management teams to expedite some of the early lessons and challenges as they look to set their strategies and improve performance across ESG.”



Mia Smith
ECI Commercial Team

1

Pre investment

- Due diligence exercise to identify and understand ESG risks and opportunities.
- ESG specialists brought in where specific risks have been identified.

2

Immediate post-deal

- External ESG assessment post-deal as part of the 100 day plan.
- Identification of key risks and opportunities for management attention.

3

Post-investment

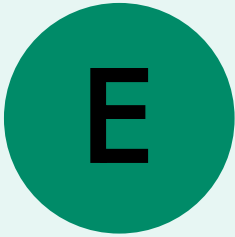
- Board level agenda item and proactively encourage progress on ESG performance.
- Bi-annual KPI reporting of both core and company specific indicators.
- Annual ESG reporting outlining activity and progress across all portfolio companies.
- ESG Toolkit available to all management teams to help progress ESG initiatives.

4

Value driver at exit

- Demonstrating ESG commitments and progress at point of exit.

Areas of ESG Toolkit



Environment



Calculating your carbon footprint



Building a net zero strategy



Best practice off-setting



Social



Charity partnerships



Positive community impact



People (DEI & employee engagement)



Governance



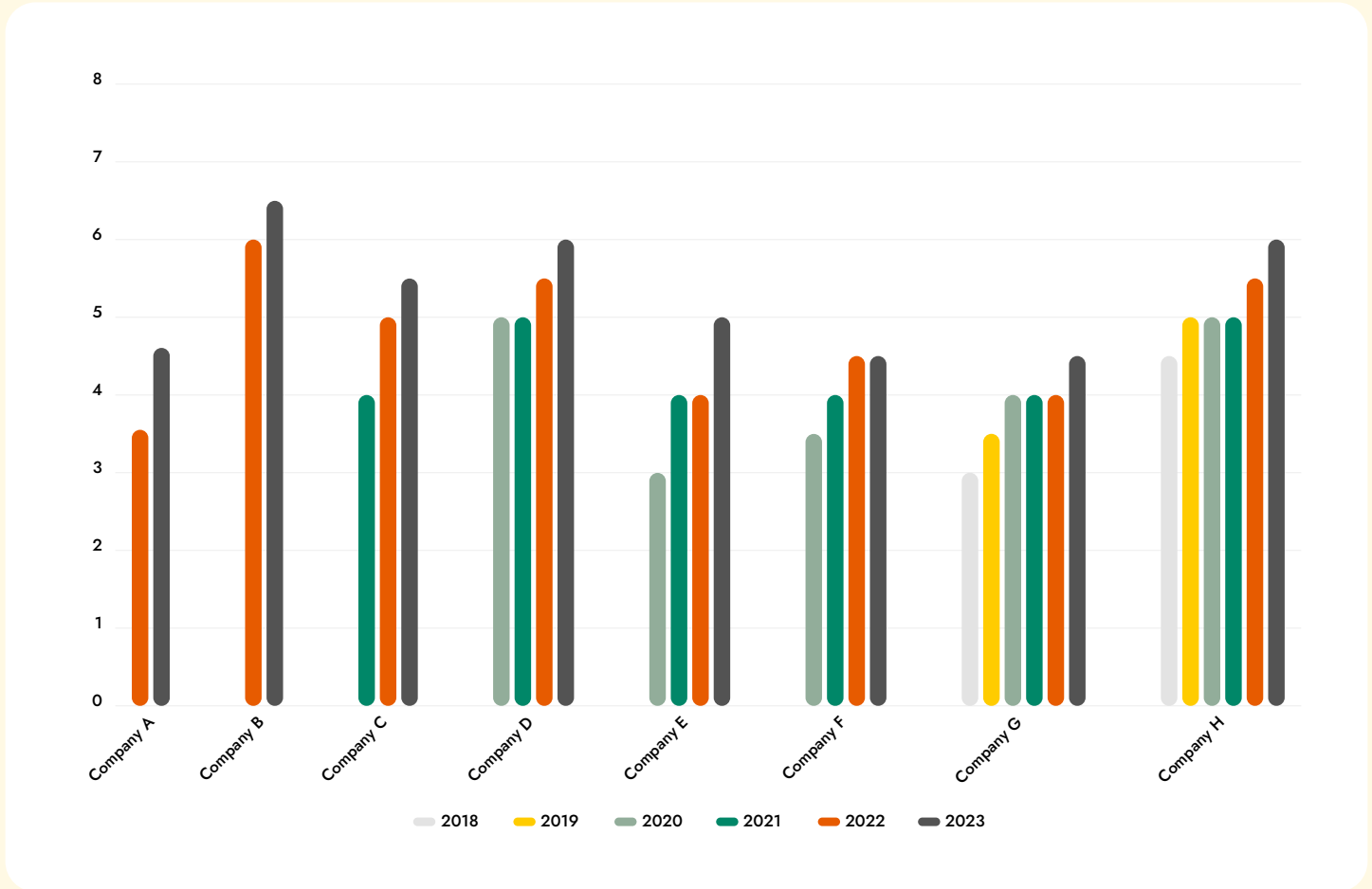
Key policies



Cyber resilience

Key highlights

Portfolio ESG score progression since investment



Basic	1	Meets minimum requirement
	2	Early signs of activity outside of compliance
Developing	3	Issues understood as business risks
	4	Evidence of understanding upside to risk
Developed	5	Identification of business opportunities
	6	Issue leadership position
Strategic	7	Early signs of cutting-edge product and service innovation
	8	Product and service innovation embedded in business culture



improved score in 2023

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