



**Responsible Investment Report**  
2024

## About CORDET

CORDET was founded in 2013 to provide senior secured bespoke financing solutions to Northern European borrowers in the lower mid-market at attractive risk-adjusted returns. CORDET, a leading European AIFM in its core markets, has so far successfully arranged +€1.2 billion in financing commitments across more than 60 transactions for lower mid-market companies in Northern Europe.

We are investors with a credit focus. We originate, evaluate and structure our debt investments locally through offices in London and Stockholm and we seek to develop and maintain long-term and sustainable partnerships with borrowers, banks, intermediaries and financial sponsors.

Our primary focus is to provide superior risk-adjusted returns to our investors through a strong credit focus. We invest only in sectors where we have prior experience. As a result, our decision-making process is based on thorough fundamental, bottom-up analysis, conservative structuring and risk adjusted pricing.

CORDET's decision-making processes, guidelines and principles provide a strong framework to ensure responsible investment. CORDET believes it is crucial to understand the environmental, social and corporate governance ("ESG") aspects of the businesses in which we invest, and that these aspects represent instrumental elements of long-term value creation.



### Robust Credit Culture & Workout Expertise

Disciplined selection approach underpinned by an independent credit team, rigorous multi-stage credit process centered on ESG and downside protection with extensive workout expertise



### Supportive Partner

Developing relationships that encourage consistent deployment through additional financing with existing borrowers



### Differentiated Sourcing and Local Networks

Experienced local network that allows for a differentiated sourcing approach and increased selectivity when identifying investment opportunities



### Bespoke Solutions

Ability to construct bespoke financing solutions which allows for additional features to preserve capital as well as provide maintenance covenants & additional return where warranted.



### For Borrowers

- Independent and entrepreneurial approach
- Flexible lending solutions – enabling growth and superior value creation opportunity
- Speed of execution and hands on approach
- Partnership focus and long-term perspective
- Deal certainty and early conviction feedback
- Experience and value focus allowing openness to complex situations



### For Investors

- Diversified, sustainable and stable portfolio
- Sector and market expertise – only investing in industries that we understand well
- Strong focus on both ESG risk and opportunities
- Rigorous credit process overseen by senior team
- Low structural risk and strong downside protection
- Superior risk reward exposure



## CORDET in Numbers

CORDET's primary focus is on Responsible Investing that creates value for investors and all our stakeholders

**+€1.2bn** of capital deployed since inception

**€198.6m<sup>1</sup>** of capital deployed across new deals in 2024

**+4,800** opportunities within a strong pipeline across all target geographies

**45** borrowers across two portfolios and one SMA to date

**22** professionals averaging 15 years<sup>1</sup> experience, speaking 10 languages, representing 10 nationalities

**4** core target regions of UK & Ireland, Nordics, DACH and Benelux

**3** offices in each of London, Stockholm, and Luxembourg\*



<sup>1</sup> Gross deployment including recycled capital, co-investments and undrawn commitments

\* Non-operating office

## Inside this Report

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## Letter from our Managing Partner

Dear Stakeholders,

I am pleased to present CORDET's 2024 Responsible Investment Report and share the progress we have made in advancing our ESG agenda across the firm and our portfolio.

Throughout 2024, CORDET remained focused on embedding ESG principles across every stage of our investment cycle. From pre-investment diligence to post-investment engagement and reporting, our ESG efforts were guided by a commitment to long-term value creation, transparency, and alignment with global standards. These efforts were driven by the dedicated work of our ESG Working Group, who played a crucial role in driving our sustainability ethos forward across all levels of the firm.

Despite the ongoing macroeconomic uncertainty and reduced market activity, the CORDET team were able to navigate through this whilst maintaining our strong ESG focus, embedding ESG ratchets in all new deals completed in 2024, encouraging our borrowers to onboard and achieve ambitious sustainable targets. CORDET also continued to provide further ESG training to the team, including in topics such as including Article 8 & 9, ESG screening, and portfolio monitoring.

At the portfolio level, ESG engagement remained a core part of our portfolio oversight in 2024 as we received positive and consistent data coverage from each of our borrowers and leveraged that proprietary data to feed back best practice.

CORDET also celebrated a new collaboration with the Young Westminster Foundation, reflecting our commitment to extending our ESG presence beyond our portfolio.

We are also proud to receive improved scores in our 2024 UN PRI assessment, reflecting progress made across several areas.

- Confidence Building Measures: 5 stars (100/100) vs. PRI median of 4 stars
- Direct – Fixed Income – Private Debt: 4 stars (86/100) vs. PRI median of 4 stars
- Policy, Governance and Strategy: 4 stars (78/100) vs. PRI median of 3 stars

We also advanced our climate-related disclosures, drafting a more extensive TCFD report, and began internal preparations on becoming a TNFD adopter. Our disclosures under SFDR Article 8 were further strengthened, with updated website materials finalised in May 2024.

CORDET will continue to onboard ambitious targets, which include:

- Expanding ESG margin ratchet implementation
- Finalising and publishing our first full TCFD-aligned report
- Continuing to refine our internal ESG Scorecard and reporting processes
- Advancing disclosure alignment under both SFDR and TNFD frameworks



As we look toward 2025, our conviction towards responsible investment for investors and all of our stakeholders remains unchanged, and our focus towards sustainability will continue to inform how we deploy capital, support our borrowers, and engage with investors. I want to extend my thanks to our team, investors, and portfolio companies for their continued partnership in advancing long-term, sustainable outcomes.

Sincerely,

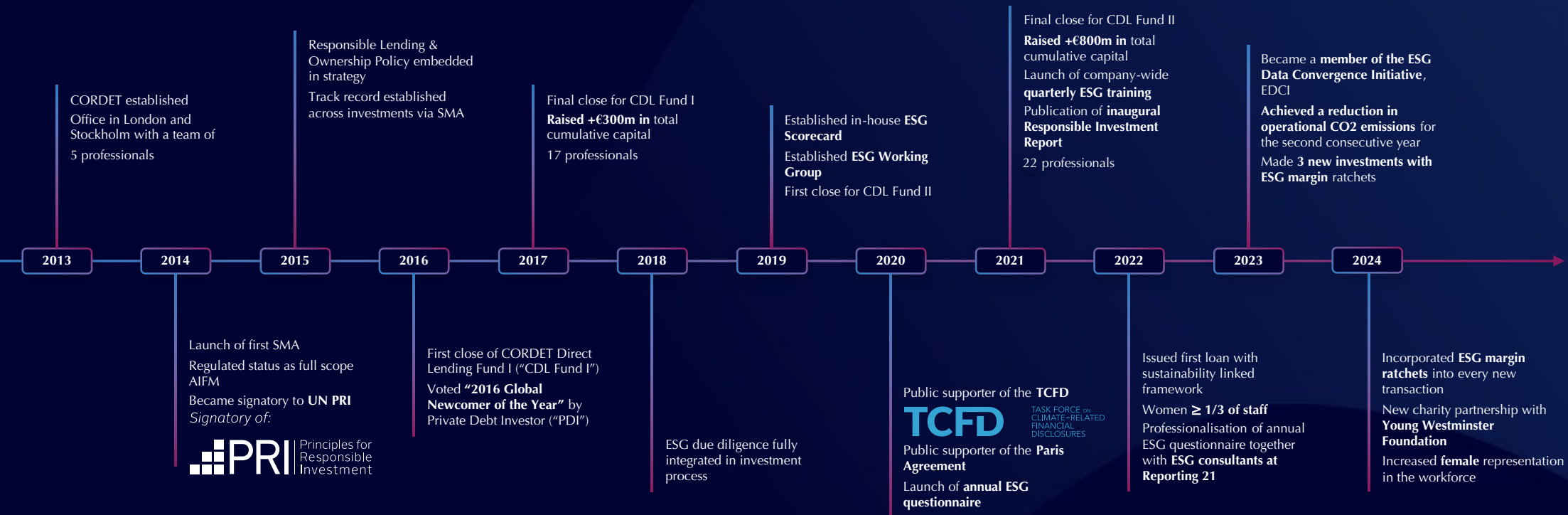


*Jakob Lindquist*  
Managing Partner



## CORDET's Journey

# CORDET's Journey







## The CORDET Difference

The CORDET difference is based on the following four aspects.

### Specialist focus

We have a clear focus on being a Credit Specialist. We only invest in sectors where we have extensive knowledge and experience (our circle of competence).

### 'All-weather investor' approach

The CORDET team benefits from extensive lending and investing experience over several credit cycles, as well as significant restructuring know-how, allowing us to successfully pursue an 'all-weather investor' approach.

### Relationships

CORDET aims to build and maintain strong and longstanding relationships with our investors, borrowers, and other partners.

### Alignment

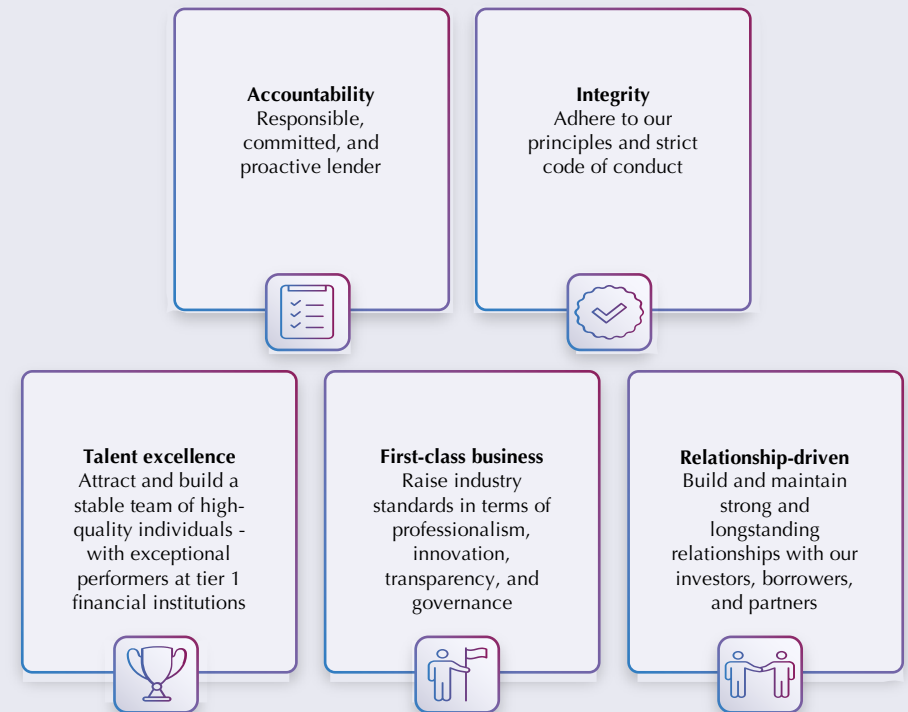
CORDET believes in having skin in the game. Therefore, the team owns the firm and co-invests alongside our investors.

## Mission and Values

CORDET's mission is to build a successful, diversified, and leading European Alternative Investment Fund Manager (AIFM).

Our purpose is to provide superior risk-adjusted returns to our investors, support management teams in making enduring and material improvements in their companies' financial performance, while operating as a first-class business which attracts, empowers, and retains exceptional talent.

### Our Values



## Recognition and Awards

CORDET's focus on delivering tailored financing solutions within the Northern European lower mid-market continued to receive industry-wide recognition in 2024.

In 2024, CORDET was shortlisted for Debtwire's "Nordic Direct Lending Manager of the Year" award, recognising its activity across the Nordic region and its commitment to disciplined credit underwriting and local market knowledge. In 2024, CORDET invested €42.5m across 5 transactions in the Nordic region.

CORDET was named "Best Alternative Credit Investor in the United Kingdom" by CFI.co for the fourth consecutive year, reflecting CORDET's consistent presence in the UK alternative lending space.

These acknowledgements are appreciated as independent reflections of the work carried out across CORDET's platform and its long-term approach to credit investing.



"CORDET is proud to have been recognised industry-wide in 2024, and it is with great honour for CORDET to be shortlisted for the "Nordic Direct Lending Manager of the Year" by Debtwire and named "Best Alternative Credit Investor in the United Kingdom" by CFI.co. In a year marked by economic uncertainty, CORDET remained committed to supporting Northern Europe's lower mid-market through disciplined underwriting, deep local expertise, and long-term partnerships with our borrowers."

– Jakob Lindquist, Managing Partner of CORDET

### Growing Reputation within Investor and Borrower Communities

- "Best Alternative Credit Investor" (United Kingdom) by CFI in 2024
- Shortlisted for "Nordics Direct Lending Manager of the year" by Debtwire in 2024
- #1 ranked "European small-cap direct lending fund of the year" by Debtwire in 2023
- Shortlisted for "European Small-Cap Direct Lending Manager of the Year – People's choice award" by Debtwire in 2023
- "Best Alternative Credit Investor" (United Kingdom) by CFI in 2022
- #3 ranked "Lower Mid-Market Lender of the Year" by PDI in 2022
- #2 ranked "Lower Mid-Market Lender of the Year" by PDI in 2021
- #3 ranked "SME lender of the Year" by PDI in 2020
- "Manager Awards" finalist by Creditflux in 2020
- #3 ranked "SME lender of the Year" by PDI in 2019
- "Best Fund Manager" runner up by Growth Finance in 2019

## The CORDET Team

 **15** Y avg. experience

 **22** Professionals

 **38%** Women








## ESG Highlights

## ESG Highlights



Aligning our sustainability framework with  PRI Principles for Responsible Investment and  TCFD guidelines.



Maintaining a consistently strong  PRI score since becoming a signatory in 2014.



Completed 18 new transparent business transactions in 2024, aligned with stringent exclusion criteria and our bespoke ESG scorecard.



For new investments, CORDET has continued to apply ESG margin ratchets based upon material and ambitious ESG targets, incentivising portfolio companies to adopt more sustainable practices.



Demonstrating our commitment by avoiding investments linked to negative climate impact.



Supporting ESG-focused private equity sponsors and responsible owners, reinforcing our dedication to sustainable practices.



Firmly dedicated to enhancing Diversity & Inclusion, an integral part of our ESG commitment.



Supported youth access and inclusion through our partnership with the Young Westminster Foundation



Promoting women in finance through annual participation in “Women’s Finance Days” at SSE, Stockholm



## 2024 ESG Portfolio Highlights

At CORDET, we offer ESG margin ratchets in every investment to encourage our portfolio companies to accelerate their journey towards sustainability. A recent example is our investment in the globally recognised provider of economic data and information services, Capital Economics. Following input from an external consultant, material and ambitious ESG targets aligned with the UN SDGs were agreed upon. Throughout the investment period, Capital Economics will be assessed on these targets, providing incentivisation to deliver meaningful actions which will enhance sustainability. For each target, details on methodology have also been discussed and agreed with the Capital Economics team, to further ensure transparent and credible reporting.



1. **Carbon Removal to Support Climate Action**  
The first target aligns with UN SDG 13: Climate Action. The company will set a carbon emissions baseline, including travel-related emissions, and introduce progressive annual removal targets. This builds on its already low direct emissions and reflects alignment with science-based climate commitments.
2. **Promoting Diversity Through Inclusive Internships**  
The second target supports UN SDG 10: Reduced Inequalities. The business will formalise and grow its internship programme for under-represented communities, starting with two interns in the current year and increasing this over time.
3. **Strengthening Training and Development**  
The third target addresses UN SDG 4: Quality Education and UN SDG 8: Decent Work and Economic Growth. The company will introduce a formal training framework, ensuring that all employees have the opportunity to develop their skills through structured learning, with minimum participation targets to be set.
4. **Enabling Community Volunteering**  
The fourth target is linked to UN SDG 11: Sustainable Cities and Communities. A formal volunteering programme will be launched, allowing employees to dedicate time to local community initiatives, with organisational commitment to track and increase participation.
5. **Maintaining Strong Governance Standards**  
The fifth target aligns with UN SDG 16: Peace, Justice and Strong Institutions. The business will continue its annual external governance review to ensure high standards in board effectiveness, policy, and oversight are maintained.

By focusing on carbon removal, advancing D, E & I, strengthening employee development, supporting community involvement, and upholding strong governance, Capital Economics is contributing to a more sustainable and inclusive future. These efforts align with CORDET's commitment to responsible investing, and as an investor we are proud to support these initiatives, which demonstrate that sustainable practices are integral to long-term value creation.



## ESG Investment Highlights 2024



- In 2024, CORDET partnered with a leading eLearning and training provider specialising in digital procurement and supply chain training for large corporates.
- The core offering comprises skills assessment, delivery of learning content, reporting and management information on learning goals.
- Through highly flexible and hybrid learning methods, Skill Dynamics enables its customers to equip a wider workforce with the tools and knowledge needed to ensure up to date procurement and supply chain efficiency.



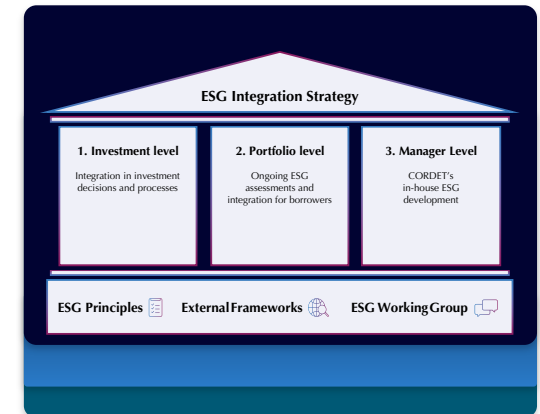
- In 2024, CORDET partnered with the leading Norwegian provider of SaaS-based competency management solutions, serving healthcare organisations across Norway and the U.S.
- Their platform streamlines the creation, assignment, and management of essential competency requirements, ensuring healthcare providers meet high standards in workforce capability and compliance.



- In 2024, CORDET partnered with a leading player in the DACH region specialising in CAD/CAM/MES solutions for the offsite wood construction industry.
- With over 35 years of industry experience, hsbcad is dedicated to reshaping today's construction industry into a sustainable and innovative tomorrow, consistently pushing the boundaries of technology to deliver the most efficient, flexible, and user-friendly software in efforts to reduce waste and CO<sub>2</sub> emissions.

## ESG Integration

Responsible investments and ESG integration are fundamental to our business. CORDET became a signatory of the UN PRI agreement already in 2014, two years before holding the first close of our first fund. Since then, we have continuously expanded our ESG commitments and our current sustainability framework is aligned with both UN PRI, UN SDGs and TCFD. Our ESG Integration Strategy forms the cornerstone of our approach to responsible investment. Built on a robust foundation, it incorporates our core ESG Principles, draws insights from external frameworks and leverages the collective expertise of our ESG Working Group members. The strategy's execution is structured around three key pillars: 1. Investment Level Integration; 2. Portfolio Level Integration; and 3. Manager Level Integration. The following pages provide a detailed exploration of each of these components.



## CORDET's ESG Principles

|               |   |
|---------------|---|
| ESG Standards | Constantly and consistently operate as a responsible lender and fund manager by promoting adherence to ESG standards at CORDET and in all borrower companies.   |
| ESG Diligence | Thoroughly diligence relevant ESG factors, and the management of those factors, in the early stages of assessing potential lending opportunities as these can have a significant impact on the operating success, and therefore repayment potential, of the underlying companies. |
| ESG Dialogue  | Engage in an active dialogue with members of the financial and business communities, as well as with relevant stakeholders, to support best practices as related to the advancement of responsible business standards.  |

## The UN Principles for Responsible Investment

The Principles for Responsible Investment, PRI, is a global initiative, supported by the UN, focusing on responsible investment practices. Signatories pledge to incorporate ESG issues into analysis, ownership, and decision-making processes while promoting acceptance and implementation of the 6 Principles for Responsible Investment. CORDET's public transparency reports are available on our website, [www.cordet.com](http://www.cordet.com), or from UN PRI's website, [www.unpri.org](http://www.unpri.org).

Signatory of:



At CORDET, we also promote responsible business standards by taking into consideration globally accepted best practices. In addition to adhering to our own principles, and as a signatory of the UN PRI since August 2014, CORDET is committed to the following six principles of the UN PRI.

### The 6 UN PRI Principles and CORDET Actions

- |    |   |   |
|----|---|---|
| 1. | We will incorporate ESG issues into investment analysis and decision-making processes.          | ESG issues are considered at every stage of the investment review process from screening to review to decision.                                 |
| 2. | We will be active owners and incorporate ESG issues into our ownership policies and practices.  | Our relationship driven approach enables a close interaction with ability to influence and bring ESG issues up the agenda.                      |
| 3. | We will seek appropriate disclosure on ESG issues by the entities in which we invest.           | We discuss ESG issues and opportunities continuously with portfolio companies and have an annual ESG Questionnaire to assess ESG KPIs.          |
| 4. | We will promote acceptance and implementation of the Principles within the investment industry. | We are an active promoter of the UN PRI Principles and always highlight our commitment to UN PRI to investor and potential portfolio companies. |
| 5. | We will work together to enhance our effectiveness in implementing the Principles               | We engage in several forums and conferences annually to share best practices with industry peers and ESG advisers.                              |
| 6. | We will each report on our activities and progress towards implementing the Principles          | We report annually to the PRI and share our PRI transparency reports with our investors.  |

## ESG Working Group

The working group comprises a broad combination of expertise and seniority to ensure that each topic presented to the group is analysed from multiple different perspectives. The senior team members have significant industry experience and represent top management oversight and input on CORDET's ESG considerations.



**Christian Dybdahl-Ovesen**

*Partner & Investment Professional*

Initiated CORDET's first ESG process and submissions and has remained involved ever since. Participated in numerous industry events and conferences on the wider ESG topic.



**Chris Birt**

*Partner & Investment Professional*

Initiated CORDET's first Sustainability Linked debt investment. Previously COO and deeply involved in ESG analysis of new investments.



**John Sealy**

*Partner & Chief Credit Officer*

Over 30 years' experience in the European private debt market. Formulated ESG Policy at previous employer Rothschild & Co Five Arrows. Responsible for ensuring investment process remains aligned with CORDET ESG policy.



**Henrik Wikerman**

*Investment Professional*

Responsible for executing CORDET's ESG related work alongside the Chief Credit Officer since 2018. Focused on Renewable Energy and Sustainable Development as part of his MSc Degree at KTH Royal Institute of Technology.



**Emma Bohlin**

*Investment Professional*

Monitors the ongoing ESG activities, and coordinates efforts within the ESG Working Group as well as within the wider Company.



**Joe Briggs**

*ESG Adviser*

Experience advising funds on ESG issues including from a legal and placement perspective. Holder of the CFA UK Level 4 Certificate in ESG Investing.





### 2024 ESG Working Group Initiatives

- Collaborated with external consultants at Reporting 21 to calculate CORDET's carbon footprint.
- Further enhanced the detail and granularity of data related to our carbon footprint assessment.
- Made progress on our intent to implement a full carbon offsetting programme and received recommendations on programmes to support by Reporting 21.
- Organised and facilitated CORDET's quarterly ESG training sessions throughout the year.
- Initiated drafting of CORDET's TCFD report and began internal dialogue on TNFD adoption.
- Prepared for the classification of Fund III to be launched as an "Article 8" fund under the SFDR classification.

## 1. Integration at the Investment-level

1.

### Credit Request:

As we receive new credit requests, the Deal Team screen the proposal and apply a strict exclusion criteria. The initial screening and exclusion criteria ensure we spend our time and effort on the opportunities aligned with our ESG policy.

2.

### Tear Sheet:

At the Tear Sheet stage, the Deal Team assess ESG aspects using a scorecard. In many cases, an ESG DD report is received from potential sponsor either at Tear Sheet or MCR stage.

3.

### MCR:

At MCR stage, the Deal Team further deepen their understanding of ESG aspects using the scorecard. In this work, they are assisted and challenged by the ESG Working Group.

4.

### ICC:

At ICC, the Deal Team and ESG Working Group collaborate to address any concerns raised during MCR. We perform a detailed Legal DD review to ensure that no environmental regulation concerns exist.

5.

### Pre Closing:

Before the deal closes, we perform a robust KYC DD ensuring strong legal protection against any identified material ESG risks in loan documentation.

6.

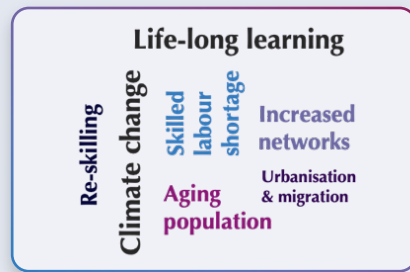
### Post Closing:

If not executed during the Pre Closing stage, Post Closing entails establishing and implementing a sustainability linked framework with ESG ratchets related to at least 3 ESG KPIs. The KPIs are typically designed to support material yet achievable targets for each borrower.

## Top-Down Analysis

At CORDET, our investment strategy is centred around supporting niche leaders benefiting from underlying structural growth drivers including, Technological change, Skilled labour shortage, Increased networks, Urbanisation & migration, Ageing population, Climate change, Re-skilling and Life-long learning.

Our investment strategy, alongside our commitment to investing in ESG positive businesses, gives us an automatic alignment and advantage when assessing ESG opportunities and risks, as all investments generally are closely linked to ESG positive outcomes. The work in this area is guided by our Sustainability framework, with strong alignment to industry bodies such as the UN PRI, UN SDGs and TCFD. The approach allows for a systematic and comprehensive way of assessing ESG characteristics, understanding the political, economic, social, technological, legal and environmental macro-level factors.



## Bottom-up Analysis

### Negative Screening

At CORDET, we apply exclusion criteria that exclude potential borrowers that have contributed to systematic denial of basic human rights, demonstrate a pattern of non-compliance with environmental regulations, show a pattern of engaging in child labour or forced labour, or produce weapons that through their normal use may violate fundamental humanitarian principles, may kill or maim people or devastate places. We also follow UN PRI guidance and exclude companies producing tobacco products or alcoholic beverages, and companies whose business is commercial gambling or pornography. The exclusion criteria and avoidance of ESG negative sectors are applied consistently and have ultimately led to us declining a number of investments.

On a case-by-case basis, we often decline investments with a secondary but significant exposure to these sectors. Examples of such potential investments include hospitality businesses with the majority of revenue coming from the sale of alcohol and affiliate marketing businesses with the majority of revenue coming from promoting online gambling activities.

## ESG Scoring Methodologies

We also exclude from our portfolio any businesses that receive a negative overall score following assessment pursuant to the CORDET ESG scoring methodology. The ESG scoring methodology has been developed in-house by us and provides a proprietary assessment tool by which we can include ESG analysis at every stage of our three-stage investment decision process, from Tear Sheet to MCR and ultimately to the ICC decision.

The ESG scoring methodology tool allows for a structured assessment of ESG risks and opportunities to be performed without using an overly complicated rating system. This allows for a qualitative and semi-quantitative analysis of ESG risks and opportunities which is detailed, efficient and protects from unwanted greenwashing. ESG factors assessed include:



Each ESG factor is assessed, commented on and scored, as reflecting if a company is having a positive, neutral or negative impact on each ESG factor. This ESG scoring methodology translates into a thorough and detailed review of ESG considerations on every transaction, beginning with a high-level assessment of any issues at the outset, and ending with a full written report and statement on each issue as part of every ICC memo. The ESG scoring methodology and resulting report therefore form a key part of the overall decision made by the ICC in its assessment of each CORDET credit commitment. In sponsor-backed transactions, we often also benefit from ESG due diligence reports prepared by third-party ESG consultants.





## 2024 ESG Portfolio Highlight

Throughout 2024, Sagacity Solutions Ltd has continued to demonstrate a strong commitment to inclusive leadership and data-driven innovation under the guidance of CEO and co-founder Anita Dougall. The company has achieved several milestones in its ESG journey.

- Sagacity actively promotes diversity and inclusion in the technology sector, with a particular focus on increasing female representation in STEM and fostering an inclusive workplace culture. In recognition of her leadership, Anita Dougall was ranked #2 on the 2025 E2E Female 100 list, which highlights the UK's fastest-growing female-led businesses.
- To support long-term sustainable growth, Sagacity continues to partner with Queen's Park Equity, aligning with an investor committed to responsible value creation.
- Sagacity's technology-driven solutions enable greater efficiency and accountability across regulated industries such as telecoms, energy, water, and financial services and thereby reducing emissions.
- With a client base of over 350 brands, the company delivers measurable efficiency through data-led customer insight and operational transformation initiatives.

Anita Dougall's leadership reflects how inclusive values and data expertise can drive responsible growth and positive societal impact.



## 2024 ESG Portfolio Highlight

In 2024, Medicus has continued to act on its commitment to ESG through both operational improvements and initiatives that promote equitable healthcare and social responsibility. Internally, the company has embraced digital transformation and taken steps to improve access to reproductive services in a sustainable and inclusive manner. Resulting in the following ESG achievements in 2024:

- A dedicated sperm and egg bank was established to increase access to donor gametes locally, reducing cross-border transport and supporting more sustainable and inclusive fertility care across Scandinavia.
- To reduce its environmental footprint, Medicus conducted all board meetings digitally in 2024, minimising the need for travel and supporting its digital transformation agenda.
- An employee was nominated for the 2024 Jentepriisen – an award by Plan Norway recognising contributions toward improving the rights and opportunities of girls in Norway and globally.

Medicus continues to champion equitable healthcare and gender equality, reinforcing its role as a purpose-driven healthcare provider committed to societal impact. Medicus's initiatives reflect a strong alignment between environmental responsibility, inclusive care, and advocacy for human rights.

## 2. Integration at the Portfolio-level

At CORDET, we are aware that in terms of carbon footprint our biggest source of emissions stem from our portfolio companies. In our role providing tailored support and flexible financing solutions, we seize every opportunity to inspire and influence our portfolio companies in strengthening their ESG commitment and reducing emissions.

### Compliance with Principles

We support management teams in their compliance with CORDET's Responsible Investment principles by making available information, tools and training on best practices.

### Partnership with Reporting 21

The first step in addressing an issue is to acknowledge its existence. At CORDET, we put great emphasis on obtaining high quality ESG data from our portfolio companies. To measure and track sustainability performance amongst our portfolio companies we have partnered with Reporting 21, their software and consultants. As market leaders within ESG tracking for portfolio companies they facilitate data collection for annual reporting activities. Additionally, they offer strategic guidance for enhancing portfolio ESG performance.

### Increase Awareness Amongst Portfolio Companies

At the centre of ESG integration at the portfolio-level is CORDET's ESG Questionnaire, which is completed by all borrowers on an annual basis. CORDET encourages all borrowers to respond in full, and all answers to the questionnaire are assessed by the ESG Working Group, led by our Chief Credit Officer. Following a comprehensive review, all responses are then fed into CORDET's overall ESG risks and developments assessment of the portfolio.

Starting in 2022, the ESG Working Group have selected the most relevant set of KPIs to focus on for the questionnaire. The aim of doing this is to ensure that CORDET is effectively measuring what it deems to be the most pertinent ESG factors, thereby improving transparency and accountability around these items. All stakeholders will be able to compare the progress of these key KPIs on an annual basis, which will be published in the Responsible Investment report.

The results of the ESG questionnaire provide CORDET with an additional touchpoint with portfolio companies, allowing the team to revert to each individual company and show them their score compared to the rest of the CORDET portfolio companies.

Depending on the level of our stakeholder role, CORDET will engage more or less to drive development of ESG matters, with a focus on materiality. Where deemed that CORDET is able to help in a material way, the team will hold follow-up calls with the relevant portfolio companies to discuss ESG items, engaging them to think about certain questions and setting out proposals and plans for developing in the next year.

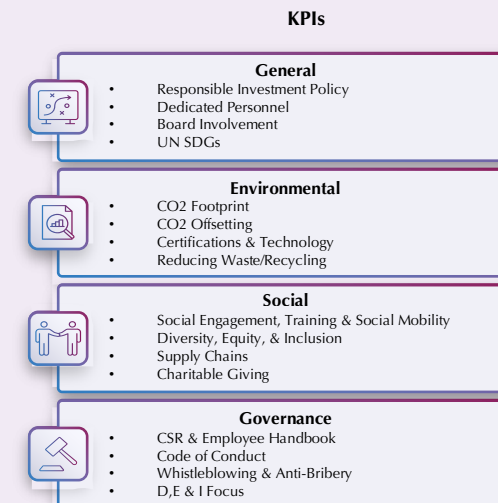
CORDET has already seen some significant changes within portfolio companies, in part due to CORDET's encouragement in tackling certain issues and being proactive in holding discussions with portfolio companies. For example, Tru//ST Payments, where CORDET have a majority stakeholder role, have hired a dedicated ESG person to oversee and lead their advancements on CSR and ESG. While CORDET is generally a lender and not an active owner of portfolio companies, the team still takes its role as an ESG advocate very seriously and ensures that as much as possible is done to encourage the adoption or improvement of ESG practices.

CORDET also use external ESG consultants to identify certain risks within companies where due diligence is being carried out.

Ultimately, CORDET's focus is on avoiding investing in companies with material ESG risks and on supporting companies in making material changes such that they are de-risked from ESG risks. CORDET is able to use the results from the ESG questionnaire as an annual yardstick to track development over time, as well as a tool for discussion with portfolio companies to catalyse real, material and meaningful change.

### ESG Ratchets

Together with portfolio companies and consultants, we agree on a minimum of three ESG KPIs covering E, S, and G, which represents material, ambitious but attainable targets to improve the sustainability of the companies. Each achieved target generally gives discount on the interest payments as a financial incentive given by CORDET to portfolio companies to contribute to a sustainable future.








## ESG Portfolio Review

Thorough ESG integration in all our investment decisions and processes has contributed to a diverse and resilient portfolio that exhibits strong ESG characteristics, as presented in the following table. As at the time of this report, CORDET has not launched a direct impact strategy to invest in companies that align with the UN SDGs. However, CORDET has, thanks to the high focus on ESG through our investment decision process, a strong alignment with the UN SDGs across its portfolio and for each of its investments in the portfolio.

### The Sustainable Development Goals (SDGs)






The SDGs were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. For both companies and investors, the pursuit of SDGs offers an avenue of growth and value creation while also addressing social problems. In addition, assessing alignment (or misalignment, possibly) with the SDGs can work as a framework to identify potential operational or investment risks.


**MEDICUS** 

**IVF Healthcare**

A leading Norwegian IVF player exhibiting the highest success rates in Norway. Specialised in fertility, gynaecology, and endoscopy. It offers comprehensive and patient-centred care.




 




**aspire Education** 

**Educational Platform**

Leading DACH-based education platform for life-long learning, offering a wide range of face-to-face, online, and hybrid courses in the B2P, B2B, and B2C markets.



**trust payments** 

**Online Payments**

Global provider of online payments and security solutions focusing on delivering an end-to-end solutions platform to e-commerce clients.



**DIAKRIT** 

**Real Estate Service**

A real estate platform enabling real estate agents, homeowners and buyers with high quality, interactive digital content to advertise, buy and sell properties online.



**SELO** 

**Food Processing Solutions**

Engineering service company supplying food processing equipment and robotics to blue-chip customers. Market leader in equipment for pet food and meat substitutes.



**Aura** 

**Managed Printed Solutions**

Leading specialists in Workspace Consultancy & Transformation, Visual Communications and Augmented Print & Workflow solutions



**Virgin EXPERIENCE DAYS** 

**Experience Gifting**

A multi-channel gifting, recognition and rewards business focused on the sale of +2,000 branded and white-label curated experiences, e.g. cookery classes to consumers in the UK and the US.



**PDSVISION** 

**Software Solutions**

Niche market leading one-stop-shop provider of software solutions in PLM, CAD and IoT and related services for customers facing complex product development and manufacturing challenges



Key:



Gender equality



Low resources



Low carbon emissions



Employee satisfaction



Innovative solutions



Advanced technology

**BOSTON**  
MULTI FAMILY OFFICE

**Fiduciary Services**

High quality, well reputed trust, fiduciary and corporate services provider.




  

**Sagacity**

**Data Management**

Leading UK provider of tech-enabled customer data management solutions, using innovative automated processes to support its customers to increase their efficiency.







  

**Dossier**

**Hospital Software**

Dossier Solutions is a provider of competency management SaaS solutions, serving healthcare organisations across Norway and the US







  

**SKILL DYNAMICS**

**Online Learning**

Skill Dynamics is an eLearning and training provider specialising in digital procurement and supply chain training for large corporates.



**Cykelgear.dk**

**Cycling Equipment**

Leading Danish online retailer of cycling equipment and accessories, efficiently serving cyclists in the Nordics with deliveries of critical repair equipment.




 

**instabox**

**Parcel Logistics**

Digital freight company that offers its e-commerce clients a revolutionising parcel delivery service through its own in-house logistics, freight and consumer pick-up locker solution.







  

**CAPITAL ECONOMICS**

**Information Services**

Capital Economics is a provider of economic data and information services, catering to a wide range of clients across financial institutions, corporations, and government agencies



**ONE FOUR NINE**

**Wealth Management**

Independent Financial Advice and fund management group, providing access to a broad range of wealth management products and solution.







 

**YUVENDA**

**Retail Software**

Yuvenda is a provider of an end-to-end SaaS platform solution for retail, hospitality, and lifestyle businesses, enhancing the consumer shopping experience.



**nestorit**

**IT Solutions**

A Swedish full-service provider within IT solutions, copy & print, telephone, conference and office material focused on the SME segment



**hsbcad**

**Construction Software**

Hsbcad is a leading DACH software company specialising in CAD/CAM/MES solutions for the timber offsite construction industry

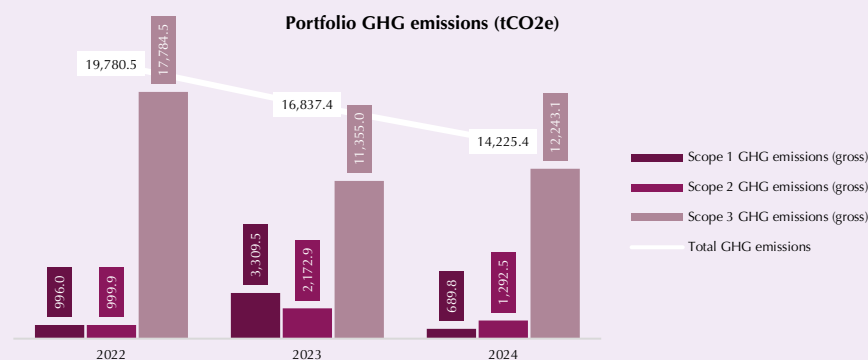


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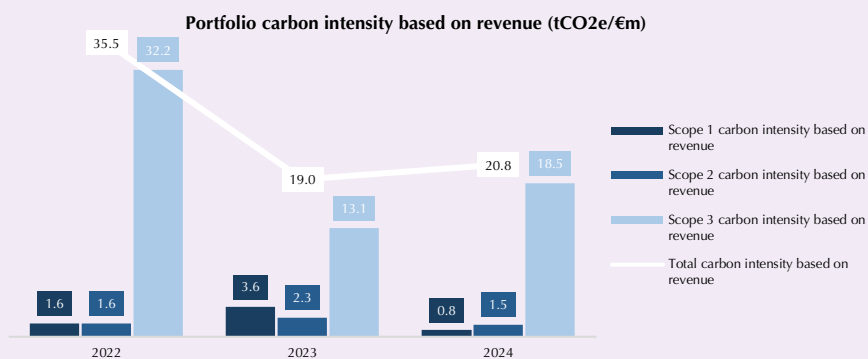


## Portfolio ESG metrics<sup>1</sup>



Note: 2024 respondent rate: 35.0% for Scope 1, 40.0% for Scope 2, and 35.0% for Scope 3. 2023 respondent rate: 56.3% for Scope 1, 62.5% for Scope 2, and 56.3% for Scope 3. 2022 respondent rate: 46.7% for Scope 1 and 2, 40.0% for Scope 3.

Total GHG emissions for the portfolio declined over the 2022–2024 period. Between 2023 and 2024, Scope 1 and 2 emissions decreased, while Scope 3 emissions increased. The decrease in respondent rate is due to several new portfolio companies being added in 2024 which have not yet started tracking and reporting their GHG emissions.

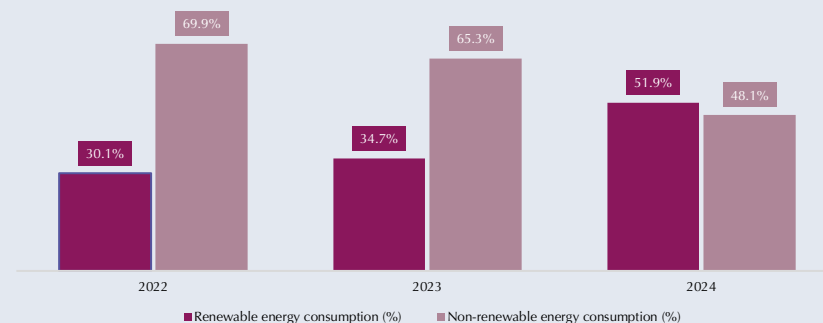


Note: 2024 respondent rate: 35.0% for Scope 1, 40.0% for Scope 2, and 35.0% for Scope 3. 2023 respondent rate: 56.3% for Scope 1, 62.5% for Scope 2, and 56.3% for Scope 3. 2022 respondent rate: 46.7% for Scope 1 and 2, 40.0% for Scope 3.

The portfolio's carbon intensity based on revenue increased slightly in 2024 compared to 2023, though it has followed a clear downward trend since 2022. The main driver of the increase in FY24 was higher Scope 3 carbon intensity, as both Scope 1 and 2 carbon intensities declined year-over-year. The Scope 3 carbon intensity increased due to higher total Scope 3 GHG emissions and a decrease in total revenue for portfolio companies tracking and reporting GHG emissions.

<sup>1</sup> Only funds with more than three borrowers are included to protect data confidentiality.

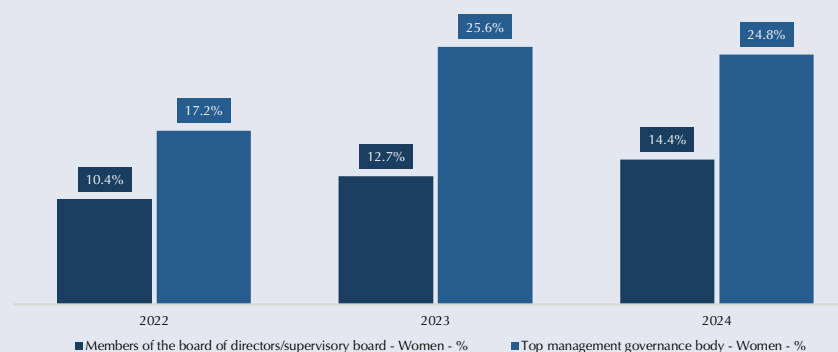
## Renewable and non-renewable energy consumption (% of total)



Note: 2024 respondent rate: 55.0%. 2023 respondent rate: 56.3%. 2022 respondent rate: 46.7% for renewable, 40.0% for non-renewable.

The share of renewable energy consumption has increased over 2022–2024 while the share of non-renewable energy consumption has declined, indicating an increased usage of renewable energy across the portfolio.

## Percentage of women in Board of Directors and Management

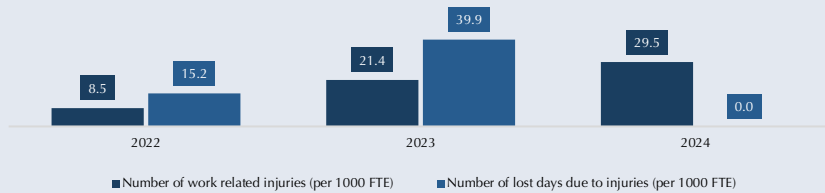


Note: 2024 respondent rate: 100.0%. 2023 respondent rate: 100.0%. 2022 respondent rate: 86.7%.

The percentage of women serving as board directors across our portfolio companies has steadily increased since 2022, while the percentage of women in Management was broadly flat in 2024 compared to the previous year.



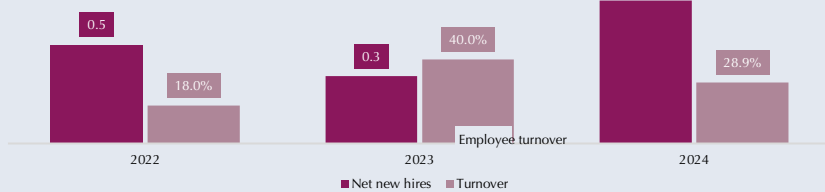
### Number of work related injuries and lost days due to injuries (per 1000 FTE)



Note: Work related injuries: 2024 respondent rate: 90.0%, 2023 respondent rate: 100.0%, 2022 respondent rate: 66.7%. Lost days due to injuries: 2024 respondent rate: 85.0%, 2023 respondent rate: 93.8%, 2022 respondent rate: 73.3%.

The number of work related injuries per 1000 FTE has increased slightly between 2022-2024, however mainly related to a single portfolio company which has taken actions to reduce these incidents by e.g. developing policies and routines, enhancing physical security, and recruiting a dedicated Operations Security Manager. The number of lost days due to injuries has decreased to 0 in 2024.

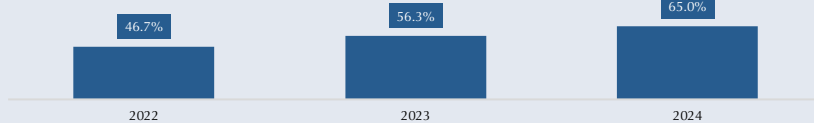
### Net job creation and employee turnover<sup>1</sup>



Note: Net new hires: 2024 respondent rate: 90.0%, 2023 respondent rate: 100.0%, 2022 respondent rate: 66.7%. Turnover: 2024 respondent rate: 70.0%, 2023 respondent rate: 81.3%, 2022 respondent rate: 60.0%.

Net new hires increased between 2023-2024 and turnover rate decreased over the same time period, indicating an increased level of hiring and lower reduction of staff.

### Employee engagement survey (% yes)



Note: 2024 respondent rate: 100.0%, 2023 respondent rate: 100.0%, 2022 respondent rate: 73.3%.

The percentage of employees responding to the companies employee engagement survey has increased steadily between 2022-2024 up to 65.0%.

<sup>1</sup> Net new hires is defined as (Number of hirings – Number of departures (permanent headcount)) / Net job creation, where Net job creation is defined as Number of hirings – Number of departures (all types). Turnover is defined as Number of departures (all types) – Total number of FTE (previous year)

## Governance – Women's representation and ESG enactment

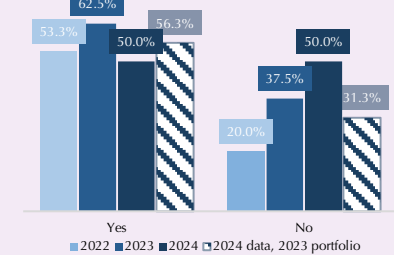
### Percentage of women in Board of Directors and Management



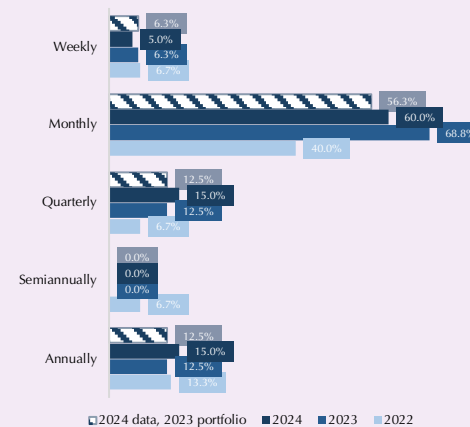
Women's representation grew in both Boards and Management on a like-for-like basis in 2024 compared to the previous year. Including new portfolio companies added in 2024, the female share in Board of Directors grew but the share in Management declined slightly.

The share of companies having an ESG Manager has declined in 2024 on both a like-for-like basis and including portfolio companies added in 2024. While some companies have initiated the integration of ESG personnel into their teams, others have either phased out their internal ESG roles or opted to outsource these functions. This shift reflects a broader trend where organisations

### ESG staff



### ESG discussed at Management level



are adjusting their approach to managing ESG responsibilities, possibly in response to changing needs or strategic priorities.

There has been an increase in the ESG discussed at Management level metric on an annual and quarterly basis when including newly added portfolio companies, but a flat development on a like-for-like basis. The share of portfolio companies discussing ESG on a monthly or weekly basis has declined including newly added portfolio companies, and on a like-for-like basis declined monthly but stayed flat on a weekly basis.



## Manager-Level Highlights

### Integration at the **Manager-level**

At CORDET, our ESG commitment extends beyond investment and portfolio levels and plays a significant role within our own business. In 2024, we have continued to refine and enhance our in-house ESG processes on our journey to become carbon neutral.

#### CORDET's Carbon Footprint

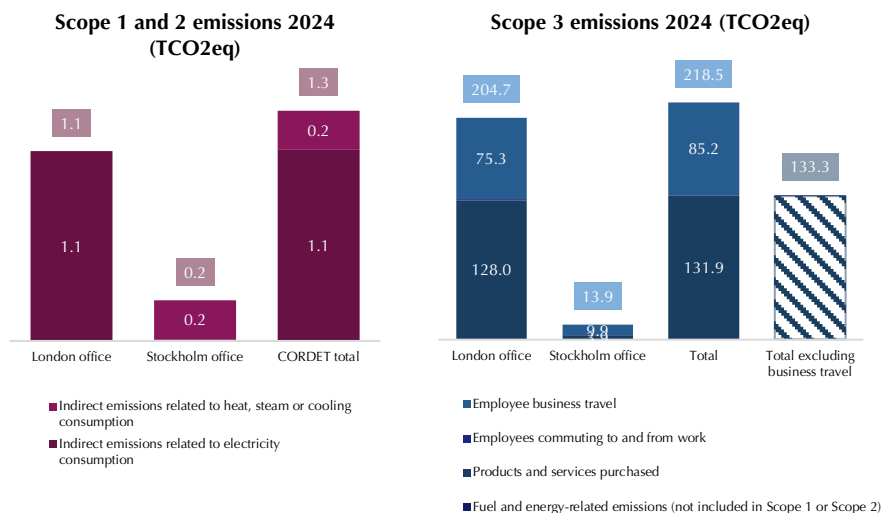
Alongside our initiatives at investment and portfolio level, we constantly strive to improve CORDET's operational carbon footprint and environmental credentials.

In 2024, we enhanced the granularity of our data collection for carbon footprint calculations. As a result, current emissions data is not directly comparable to previous years, which lacked this level of detail. The improved assessment provides greater insight into our emissions profile and highlights areas where reduction efforts can be targeted. However, many emission sources remain challenging to reduce, as they stem from activities essential to CORDET's investment operations.

During the year, we have also continued our partnership with Sirsa and Reporting 21 for the tracking and estimating of our in-house GHG emissions as well as CO<sub>2</sub> offsets.

Scope 3 represented 99% of GHG emissions in 2024, mainly due to the purchase of products and services and business travels. In 2024, emissions from business travel increased significantly, primarily driven by fundraising activities. As a manager, CORDET is expected to experience some cyclical variation in its carbon emissions, with travel-related impacts rising during fundraising periods.

The Scope 2 emissions, linked with electricity consumption from both of our offices, accounts for 1% of the 2024 carbon footprint. Scope 1 emissions are 0 as no gas, district heat consumption, or fugitive emissions could be reported in 2024. The total carbon footprint 2024 was 219.82 TCO<sub>2</sub>eq, whereof 218.52 TCO<sub>2</sub>eq Scope 3 emissions, 1.31 TCO<sub>2</sub>eq Scope 2 emissions, and 0 TCO<sub>2</sub>eq Scope 1 emissions. Excluding business travel, the total carbon footprint was 134.63 TCO<sub>2</sub>eq.



### CORDET Initiatives

- 2020: Decision to offset carbon footprint stemming from all future air travel
- 2020: First annually recurring carbon footprint assessment
- 2021: Quarterly ESG trainings with almost 100% attendance
- 2023: Enhanced carbon footprint assessment with more granular reporting data
- 2024: Reinforced commitment to ESG training and development for employees through courses

## D, E, & I at CORDET

At CORDET, we continue to view equal opportunities as a cornerstone of our culture and we remain committed to building a workplace environment where every individual has the opportunity to learn, grow, and succeed.

Diversity, Equity and Inclusion remain essential components of CORDET's identity, enriching our organisation and helping CORDET respond to the challenges of an increasingly complex world. Across our team of 22 individuals, we speak 10 different languages and represent 10 nationalities. In 2024, CORDET took further steps to increase female representation across the firm, building on the progress CORDET have made in prior years, with women representing 25% of our investment team and 38% of the firm.

CORDET showcased our broader commitment to increasing social mobility through offering meaningful opportunities for talented individuals seeking professional work experience. CORDET recognises the understated value of providing unique opportunities to talented individuals and reducing barriers of entry within the financial industry.

CORDET remains deeply committed to learning and development, ensuring all members of the CORDET team have access to training and support, with such opportunities continuing to play a pivotal role in fostering individual and collective success.

In a global context marked by heightened social divisions and polarisation, particularly in the wake of political shifts and global tensions, CORDET reaffirms our commitment to inclusion and mutual respect.

### CORDET Initiatives

- 2020: Twice weekly roundtable meetings for all team members and activity challenges in lockdown
- 2021: Updated parental leave policy
- 2023: Second update to parental leave policy to further ensure equal opportunities between genders, health and wellbeing scheme
- 2024: Established a cycle-to-work scheme to promote sustainable commuting to work

### CORDET representation of women (% of FTE)

|                               | 2021 | 2022 | 2023 | 2024 |
|-------------------------------|------|------|------|------|
| % of women in Investment Team | 10%  | 13%  | 30%  | 25%  |
| % of women at CORDET          | 17%  | 33%  | 35%  | 38%  |



## Celebrating our Contribution to Society

At CORDET, we recognise the importance of making a positive impact beyond our core business activities. As a firm committed to contributing sustainably to the environment we reside in, CORDET takes pride in supporting local communities in various ways that drives meaningful and long-term change.

Starting in 2024, CORDET is proud to be supporting and striving towards greater social mobility within our local community by supporting the needs and aspirations of the younger generations by working with the Young Westminster foundation (YWF), a diverse and inclusive organisation that champions the voices and experiences of young people within the Borough of Westminster in London. CORDET remains committed to contributing positively socially at a firm-level, organising ESG awareness sessions and supplementary educational training, increasing awareness across the firm.

CORDET also encouraged employees to continue to participate in fitness-based challenges and external sponsor charity events, with donations tied to employee involvement and team outcomes.

## Ambitions and Future Engagement

In creating and designing our Responsible Investment Policy and Report, the ESG Working Group has considered numerous international standards to develop CORDET's structured approach to ESG issues and assist with the integration of responsible lending and ownership procedures into our investment and credit process. In addition to becoming a signatory of the UN PRI, CORDET has committed to regularly assessing and implementing ESG global best practices including the adoption of relevant ESG industry framework.

## Progress and Ambitions

CORDET is proud of the progress made towards fulfilling its commitment to Responsible Investment and delighted to share further details of its ambitions and new initiatives for 2025 and beyond.

### Progress in 2024

- Utilised the EDCI database to perform industry level benchmark analysis on our portfolio companies' ESG performance.
- Provided opportunities to relevant professionals at CORDET to obtain ESG training certificates.
- Progressed the work to complete our Carbon Offsetting Policy.
- Continued our engagement with portfolio companies' ESG strategies.
- Explored further opportunities to improve and expand our sustainability strategy and reporting.

### Commitments for 2025 and beyond

- Continue to utilise the EDCI database to perform industry level benchmark analysis on our portfolio companies' ESG performance.
- Provide opportunity to relevant professionals at CORDET to obtain ESG training certificates.
- Finalisation of our Carbon Offsetting Policy.
- Fund III to be launched as an "Article 8" fund under the SFDR classification.
- Enhance gender representation across CORDET and in the independent GP Board.
- Continue our engagement with portfolio companies' ESG strategies.
- Explore further opportunities to improve and expand our sustainability strategy and reporting.
- Investigating social mobility driven intern opportunities for 2026



