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ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY



ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

INTRODUCTION:

Endless LLP (“Endless” or “the firm”) is an independent UK based private equity house established in 2005.

We provide financial investment and hands-on operational expertise and support to businesses facing market or financial related challenges, often where the company has been starved of investment and likely to be in some financial distress. Our primary focus is investment in turnaround and special situations, acquisition of non-core businesses, financial restructurings and challenging management buy-outs.

This policy outlines how we consider and manage Environmental, Social and Governance (“ESG”) factors as part of our investment appraisal and our portfolio management process.

ESG PRIORITIES

ENVIRONMENTAL

- // Minimising our environmental impact
- // Reducing GHG emissions
- // Reducing our energy and water usage
- // Minimising waste generation and maximising recycling

SOCIAL

- // Protecting our employees
- // Prioritising employee wellbeing
- // Improving diversity within Endless and our businesses
- // Safeguarding jobs through investment activities

GOVERNANCE

- // High standards of corporate ethics
- // Diverse hiring
- // Anti-bribery and corruption measures
- // Protecting the security of staff, stakeholders and investors

SUSTAINABLE DEVELOPMENT GOALS

Our ethos and approach to our portfolio stewardship closely aligns to SDGs 8 & 9, summarised as Decent Work and Economic Growth and Industry, Innovation and Infrastructure.

Our portfolio companies are also committed to making progress against other goals through their activities.

SDG 08



DECENT WORK
AND ECONOMIC GROWTH

SDG 09



INDUSTRY, INNOVATION
AND INFRASTRUCTURE



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MISSION STATEMENT

Our ESG mission is to maximise the positive impact which our investments have on the economy and on society. We believe that by doing this we will enhance long term value creation for our investors and we will create more sustainable businesses.

PRINCIPLES

The Endless team is committed to:

- // Driving employment preservation, security and creation through our investment activities
- // Behaving ethically and transparently
- // Promoting good governance and driving a culture of continuous improvement in the firm and across our portfolio
- // Incorporating ESG considerations into our investment appraisal process
- // Carrying out annual ESG audits for the firm and for our portfolio
- // Setting up annual ESG objectives for the firm and reporting on our progress and requiring our portfolio companies to do the same
- // Adherence to all UK or national laws in the jurisdictions in which the company operates
- // Continuous improvement of ESG performance across the portfolio

GOVERNANCE

This policy will be implemented by all members of staff at Endless with the guidance of the ESG Manager and oversight from the members of the Partner group.

THE INVESTMENT APPRAISAL PROCESS

When appraising new investment opportunities, the investment team completes an ESG review, which will form part of the due diligence outputs for consideration by the Investment Committee.

This ESG review follows a materiality based approach to perform a preliminary assessment of the strength of the target's ESG policies, focusing on areas like climate risk, health and safety, sustainability and sector/ geography specific risks. These risks are summarised, along with opportunities for value creation within the business. Recommended actions from this preliminary assessment are added to the Value Creation Plan for the business.



INVESTMENT EXCLUSIONS

Committing not to invest in companies whose primary activities are:

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- A.** Arms/weapons trading and arms/weapons production
-
- B.** Production or distribution of pornography or the sex industry
-
- C.** The manufacture or sale of tobacco
-
- D.** Those which breach UN conventions and declarations on human rights
-
- E.** Those which involve systematic breaches of environmental protection laws in the jurisdictions where the business operates
-
- F.** Animal testing for cosmetics or food products
-
- G.** Unsustainable fishing methods
-
- H.** Production, publication and distribution of racist or anti-democratic media
-
- I.** Nuclear power generation or fuels
-
- J.** Unbonded asbestos fibres
-
- K.** Products or activities that are banned as per global conventions and agreements
-
- L.** The supply or purchase of sanctioned products, goods or services to or from countries or regions covered by UN or UK government sanctions



APPLYING THE POLICY

POST INVESTMENT

STABILISATION PHASE

Once an investment has been made, the firm enters a “100 day period” during which intensive management of the investment often results in key changes being made to operations to strengthen the business and focus on delivering on the value creation strategy established during the investment appraisal process.

During this period, the outputs from the ESG Review performed at due diligence stage will be re-visited; priorities will be identified and an ESG Action Plan will be agreed with management against target outcomes.

POST-STABILISATION PHASE

Approximately six months after our initial investment and once the initial intensive stabilisation phase is over, investments will be required to complete an ESG audit performed by our selected independent partner. Our partner is a globally recognised provider of sustainability ratings. We have invested in their platform as it provides us with an independent, robust and simple reporting mechanism. Improvement initiatives will be identified following the review of the outputs from the audit.

These initiatives will be added to the ESG Action Plan and portfolio companies will be asked to report on progress quarterly.

The audit will be performed periodically and portfolio companies will be encouraged to improve their sustainability scores, along with other targets for continuous improvement.

REPORTING

We have established a set of KPIs which we will track and report across the portfolio. These initially include; carbon emissions, energy usage, workforce diversity and waste management. This set of KPIs would continually expand to meet our growing ambition for increased sustainability performance.

TARGETS

Endless is committed to reducing the impact of its own operations, along with the impact of its portfolio companies through reductions in greenhouse gas emissions and reducing adverse impacts on the natural environment. A selection of our current investments and all future investments would be required to set robust targets, which will be validated by external initiatives like the Science-Based Targets Initiative, which our portfolio companies are already engaging with.

THIS POLICY HAS BEEN APPROVED BY:

GARRY WILSON
Managing Partner

DARREN FORSHAW
Senior Partner

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