

2025

ESG REPORT



HEADWAY
CAPITAL
PARTNERS



01	Letter from Headway	03
02	About Headway Capital	04
03	ESG Values	06
04	ESG Process	06
	Pre-investment	06
	Post-investment	07
	Metrics	07 - 08
05	Case Studies	09
	Essential Pharma	09 – 10
	BlueSun	11 – 12
	Toradex	13 – 14
	ForLife	15
	Update on Companies Featured in 2024 Report	16
06	Firm-level ESG	17
	Diversity & inclusion	17
	Internal culture	18
07	Looking Forward	19



Headway is delighted to present its 2025 ESG report. Headway seeks to be the partner of choice for private equity general partners and independent sponsors (together, referred to as “managers”), with whom it invests on a deal-by-deal basis in lower middle market buyout assets in Europe and North America.

Experience, flexibility, and transparency are key factors contributing to Headway’s success in forming and maintaining strong relationships with its managers. Headway is proud to have a diverse team, which enriches its ability to develop and nurture mutually beneficial relationships with high calibre managers and portfolio company management teams globally. Building strong relationships and transparent lines of communication with its managers allows Headway to develop a sound understanding of the ESG practices of both its managers and underlying portfolio companies, and to encourage these parties to identify and act on areas of potential improvement. Given Headway’s investment strategy, there are varying degrees to which the firm can influence the adoption and integration of ESG initiatives by its managers and underlying portfolio companies, and its approach is therefore dynamic. Whilst it is not always feasible for Headway to exert influence, Headway recognises the importance of ESG and believes that sustainable investment and consideration of ESG factors are in the long-term best interest of all stakeholders.

In recent years, Headway has made significant progress in developing its approach to ESG and integrating ESG considerations into its investment process:

- Headway became a UNPRI signatory in 2021 and submitted reporting in 2023, 2024 and 2025. This reporting has proved valuable in providing Headway with guidance for the further development and improvement of its ESG practices, with continuous improvement seen in Headway’s private assessment scorecards.
- In 2022, Headway retained award-winning Sustainability & ESG Consultancy Sancroft to develop its ESG due diligence framework (the “ESG Framework”), a questionnaire that Headway’s managers are requested to complete on both their firms and underlying portfolio companies to enable Headway to evaluate ESG risk. The ESG Framework provides valuable insights that are considered as part of Headway’s investment decision-making process and used to identify potential areas for improvement post-investment. The ESG Framework has been successfully adopted by the Headway’s current fund HIP V with a 100% response rate for investments completed as of 30 June 2025.

Headway also implemented various initiatives in 2025 to strengthen its commitment to ESG:

- Headway continued to collect key ESG data points (KPIs) on managers and portfolio companies in HIP V as part of its second annual survey, allowing it to monitor progress since ownership.
- Additional KPIs were added to further assess the ESG practices of its managers.
- Headway's ESG committee continued to hold quarterly meetings to assess its ESG practices, review the HIP V portfolio, and set target actions for each following quarter in relation to both Headway and its managers. The ESG committee is comprised of Laura Shen (Managing Partner), Zoe Yeo (Partner) and Amelia Offer (Investor Relations Director).

In 2026, Headway will continue to develop its commitment to ESG considerations through the following activities:

- Continued adoption of its ESG due diligence process for new investments and KPI collection process for its entire portfolio.
- Continued development of the ESG Framework and KPIs to ensure Headway is capturing and considering the most relevant information.
- Further investment in the development and integration of ESG practices within Headway, including training and education for the investment team.

Headway looks forward to providing you with an update on these initiatives in its next annual ESG report. Thank you for your interest in Headway and its ESG practices.





Headway Capital is an independent London-based investment firm active across Europe and North America. Headway invests with private equity managers on a deal-by-deal basis with a focus on lower middle market buyout assets and independent sponsors.

Headway partners with independent sponsors and private equity managers to provide value-added capital for their transactions.

Headway closed its latest fund, HIP V, in May 2024 at €627m. HIP V is in its investment period and was 68.0% committed to 24 transactions as of 30 June 2025.

Headway by numbers as of 30 June 2025



AUM
€1,263 million



Headcount
20



Offices
London, UK
and Boston, US

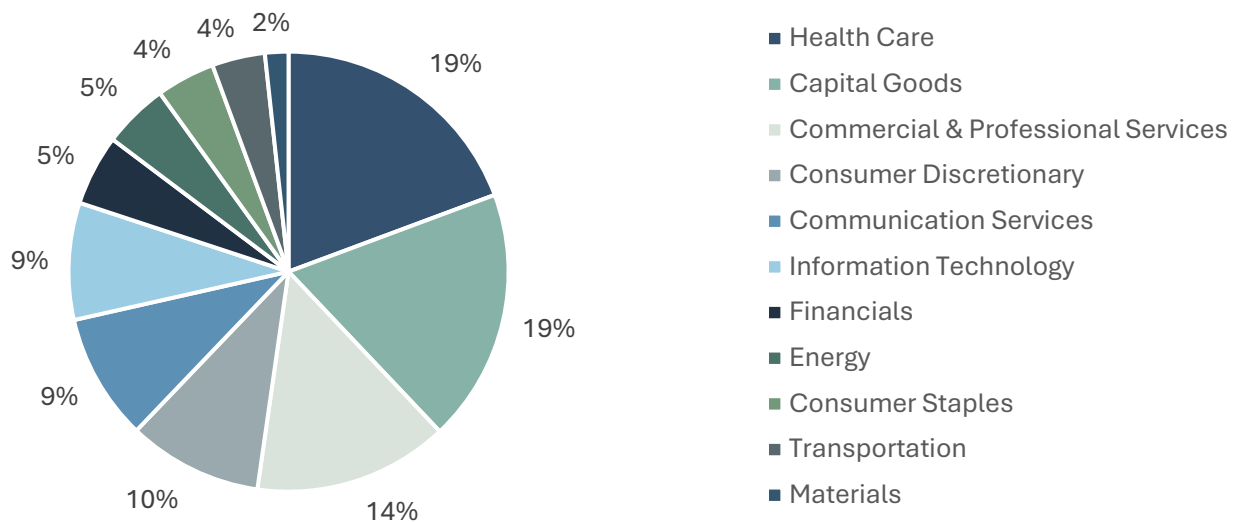


Number of managers backed
130



Number of completed investments
153

HIP V FMV by sector as of 30 June 2025





Headway believes that integration of ESG into its investment process will result in better outcomes for its investors and closer alignment between their investment objectives and those of society more broadly. Headway also recognises that consideration of both current and potential ESG investment risks is critical in today’s fast changing environment. The firm has developed an ESG approach that is dynamic and fit for its investment strategy.

Headway’s approach seeks to:

01

Identify key material ESG risks and opportunities as part of the due diligence, investment decision, and ownership phases of its investment process.

02

Map material ESG issues to the United Nations Sustainable Development Goals (“SDG”), and to consider SDG alignment in its investment decisions.

03

Build greater awareness of ESG with its managers, particularly independent sponsors, to encourage the integration of ESG into their investment policies and investment management practices and the implementation, measurement, and reporting of sustainability factors within their portfolio companies.

Furthermore, as a UNPRI signatory, Headway’s ESG approach is guided by the six PRI Principles:



01

We will incorporate ESG issues into investment analysis and decision-making processes.

02

We will be active owners and incorporate ESG issues into our ownership policies and practices.

03

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

04

We will promote acceptance and implementation of the Principles within the investment industry.

05

We will work together to enhance our effectiveness in implementing the Principles.

06

We will each report on our activities and progress towards implementing the Principles.



Headway's ESG approach is focused on evaluating ESG risk from investment origination through realisation, and on encouraging its managers to support the building of long-term sustainable businesses in an environmentally and socially responsible manner.

In 2021, Headway took steps to strengthen its commitment to ESG through various initiatives, including the development of a more comprehensive Responsible Investment Policy (available on Headway's website) and an ESG Framework to form part of its investment process. Headway first implemented the ESG Framework in its current fund, HIP V, and continues to evolve the tool to reflect changing regulations and experience gained through its active use. For example, the ESG Framework underwent a significant update in 2024, which involved an increase in the number and depth of climate related questions and a realignment with updated SASB guidance. Headway is committed to the continued refinement and improvement of its ESG process over time.

Given Headway's investment strategy, its ESG process is designed to identify risks at both the manager and portfolio company levels. Headway seeks to encourage the adoption of positive ESG practices wherever possible. In some situations, such as where HIP V is not a lead investor, Headway may have a limited degree of influence. Furthermore, most of the managers with whom Headway invests are not regulated and are thus not required to follow ESG regulation. Therefore, their ESG efforts are voluntary and, whilst encouraged by Headway wherever possible, these efforts may be limited by available resources.

Pre-investment

- 01 Headway first ensures that each potential investment is not active in a sector on its Exclusion List (controversial weapons, tobacco, small arms, and thermal coal).
- 02 Headway also checks for any red flags relating to the underlying company or manager through Worldcheck and public information searches.
- 03 During the course of its due diligence process, Headway gathers relevant information through posing questions to managers to identify ESG risks and opportunities unique to each manager and prospective investment. The ESG Framework is the key tool used in this part of the process and is supplemented with additional resources where available e.g. manager ESG or UNPRI reports, and company sustainability or ESG reports.
- 04 Headway's investment committee considers these ESG findings during its discussion of each investment's risks and opportunities. This information is considered when deciding whether to proceed with an investment as well as in identifying post-acquisition practices that should be recommended to the manager and portfolio company.



Post-investment

- 01 Headway receives regular reports and updates (usually quarterly and not ESG-specific) on the performance of its underlying investments and monitors the press twice per week with searches for relevant articles on its underlying portfolio companies and quarterly searches on their managers.
- 02 For HIP V only, Headway monitors a selection of core ESG KPIs annually to follow the progress of its managers and portfolio companies with respect to relevant ESG topics.
- 03 During Headway's quarterly ESG committee meetings, the committee reviews the latest available ESG portfolio data and explores opportunities to engage with managers of new investments.
- 04 Headway regularly (at least once a year) engages with its managers to support them on the effective management of ESG initiatives and seeks to encourage improvement where practical, including:
 - Responsible investment policies and ESG monitoring processes of managers;
 - Board responsibility for ESG;
 - ESG reporting; and
 - Climate engagement (net-zero strategy, measurement of emissions or taking steps to reduce impact).

Metrics

Headway achieved a 100% response rate for its ESG Framework on the 24 closed transactions in HIP V as of 30 June 2025.

Headway tracks a selection of KPIs relating to its managers and portfolio companies (as shown in the table below) in its current fund HIP V on an annual basis. In 2025, Headway expanded its list of KPIs based on learnings from its 2024 UNPRI submission (for example, whether the manager has a system for monitoring ESG incidents in portfolio companies, has a response plan to deal with ESG incidents, and itself produces an annual sustainability or ESG report).



Headway achieved a 100% response rate for its annual KPI survey of HIP V investments as of 30 June 2025, with results shown below. As HIP V is actively investing, its portfolio composition has changed substantially from 2024 to 2025 which has also impacted the portfolio's KPIs.

Category		% Yes '25	% Yes '24	Change
Governance (manager)	Does the manager have a separate standalone ESG/responsible investment policy?	78%	79%	-1%
	Does the manager have a system for monitoring ESG incidents in portfolio companies?	28%	n/a	New KPI
	Does the manager have a response plan to deal with any ESG incidents?	33%	n/a	New KPI
	Does the manager produce an annual sustainability or ESG report?	28%	n/a	New KPI
Governance (company)	Does the company have a code of conduct in place?	88%	93%	-6%
	Does the company have an ESG policy in place?	67%	73%	-7%
	Does the company produce an annual sustainability or ESG report?	42%	20%	+22%
	Is responsibility for ESG assigned to one or more board members?	50%	60%	-10%
	Is ESG discussed at the board at least once per year?	83%	93%	-10%
Environmental (company)	Does the company have a net zero strategy?	21%	27%	-6%
	Does the company measure its greenhouse gas emissions?	50%	53%	-3%
	Scope 1 Emissions measured?	46%	40%	+6%
	Scope 2 Emissions measured?	50%	40%	+10%
	Scope 3 Emissions measured?	29%	20%	+9%
Social (company)	What % of the highest governance body are:			
	Female	58%	47%	+12%
	From a minority ethnic background (based on HQ location)	38%	33%	+4%

Note that the 30 June 2024 column includes data from 15 portfolio companies; 1 was exited and 10 have been acquired to reach a total of 24 portfolio companies as of 30 June 2025. Where any data item is not available for a company or manager, it is assumed to be "No" for the purposes of calculating "% Yes" which is based on the total number.

Headway uses this KPI data to identify areas of improvement and track progress as part of its continued engagement with its managers on ESG. **Since our last survey, three portfolio companies and one manager have begun producing ESG reports and one manager introduced an ESG policy.**

Since 30 June 2024, Headway's investment committee has declined five investments on ESG grounds.



Headway is delighted to present four new ESG case studies in its HIP V portfolio: Essential Pharma, BlueSun, Toradex and ForLife. These case studies were selected based on availability of ESG information and also represent a range of sectors in which HIP V has invested, providing a balanced insight into the HIP V portfolio.

Essential Pharma

Explanation of the business:

Essential Pharma ensures the sustainable supply of low volume, difficult to manufacture but clinically well-established pharmaceutical products to patients. Funds advised by Gyrus Capital, a Switzerland-based private equity investment firm, first invested in Essential Pharma in 2019, including co-investment from Headway's prior fund HIP IV. In 2024 a continuation vehicle (in which HIP V invested) was formed to recapitalise the business. This 2024 refinancing will accelerate Essential Pharma's impact, enabling further expansion and innovation in essential medicines. Founded in 2018, Gyrus Capital specializes in transformational investments in the European healthcare and services sectors, focusing on complex situations like carve-outs and succession transitions in market-leading mid-cap companies.

Essential Pharma continues to lead on ESG, with sector-leading APEX scores and impactful environmental initiatives.

01 APEX E/S/G scores improved year-on-year from 47/60/54 (2023) to 53/61/58 (2024), compared to sector benchmark of 32/33/45

02 % of waste reused or recycled increased from 20% in 2023 to 28% in 2024

03 Scope 2 GHG Emissions Intensity reduced by 25% in 2024 to 0.24 tCO₂e/FTE (vs. 0.32 tCO₂e/FTE in 2023)



Essential Pharma has strengthened its ESG commitments over the past two years:

- 01** In 2024, MERIT (Making the Environment Rewarding by Inspiring Togetherness) was established to oversee the rolling 3-year ESG strategy.
- 02** In 2024, ICECAP (Increased Commitment to the Environment Changes Attitudes and Performance) was established to lead environmental initiatives.
- 03** In 2025, Gyrus assisted Essential Pharma on setting near-term net zero commitments and implementing mechanisms to drive emissions reductions.

Ensuring and increasing a consistent supply of essential medical products:

- 01** Essential Pharma’s products address c.750,000 patients per year in over 70 countries suffering from chronic diseases in regions with medicine shortages and threats of medicine discontinuation. Since Gyrus first invested, the number of Marketing Authorisations has risen to 255 (from 109) and the number of SKUs (unique medicines) has increased to over 400 (from 150).
- 02** In 2024, Essential Pharma donated 60,852 units of essential medicines to Zambia, Ethiopia, and Gaza, benefiting over 30,918 patients. With an estimated value exceeding £5.3m, this initiative, in partnership with International Health Partners, strengthened local healthcare systems and reinforced Essential Pharma’s commitment to global health equity.





Explanation of the business:

BlueSun is a multinational company based in Spain dedicated to the manufacture of personal care and home care products such as laundry detergents and home fragrances. It employs over 900 people, manages 22 brands, and operates in more than 45 countries. Its three production plants, located in Mataró and Seville (Spain), and, since May 2025, in Zittau (Germany) occupy a combined area of over 300,000 m² and produce more than 440,000 tons annually. BlueSun belongs to PHI Industrial Acquisitions (PHI), a fund focused on the acquisition and active management of companies, founded in 2006. PHI invests in businesses to create value through growth and operational improvements. HIP V invested in BlueSun in 2025.

BlueSun aims to achieve carbon neutrality by 2050:

01

Electricity is the company's primary energy source, so BlueSun has focused on increasing the percentage of its energy consumption from renewable sources by installing photovoltaic panels at its plants located in Mataró and Seville to cover more than 10% of its electricity consumption.

02

Where plastic is required for packaging, BlueSun uses packaging which contains over 50% of post-consumer recycled plastic and employs innovative formats such as Doypack (which reduces plastic consumption by over 70%).

03

BlueSun changed from plastic to cardboard packaging for its laundry capsule tubs and redesigned their shape to allow more efficient palletizing for transport. This saves 320 tons of virgin polypropylene per year (c. 2,000 tons of CO₂ equivalent).





Key environmental KPIs:

BlueSun’s sustainability strategy follows a circular model, maximizing the lifespan and utility of resources through use of recycled materials in its production and recycling of its waste.

- 01 12% decrease in cumulative water consumption per ton produced for the 2023–2025 period compared to 2022.

- 02 Cumulative waste intensity reduced by 1.7% in the 2024–2025 period vs. 2023, demonstrating a downward trend. Over 92% of total waste is recycled or treated. (Mataró: 99% recycled and zero to landfill; Seville: 91% recycled or treated).

- 03 GHG emissions intensity has remained broadly stable in recent years, though it has trended downward since 2022, reaching 0.046 tCO2/ton produced in 2025 (vs. 0.048 in 2024, 0.047 in 2023, and 0.049 in 2022).



In addition to its environmental commitments, BlueSun prioritises social and governance considerations:

- 01 6% increase in % of female employees from 30.7% in 2023 to 32.4% in 2025, supported by the integration of the new German entity; women represented 48% of senior employees (directors and managers) in 2025.

- 02 BlueSun is a participant of the UN Global Compact since 2019, and its ESG practices are audited independently by SMETA (comprehensive 4-pillar methodology) and EcoVadis (awarded Silver medal, indicating top 15%).



Explanation of the business:

Toradex is a Switzerland-headquartered specialist provider of embedded hardware and software. It provides computing solutions for mission-critical IoT and embedded applications. Toradex’s products include Arm-based systems-on-modules, single board computers and embedded Linux platforms for industrial, medical, transport and smart infrastructure applications. Its offerings combine hardware, software and long-term support services designed to reduce complexity, time to market and total cost of ownership over extended product life cycles for OEMs building connected devices and edge AI systems. Toradex is owned by Verium, a Zurich-based investor which first invested in Toradex in 2016. HIP V invested in 2022 as the lead investor in a continuation vehicle established to fund the acquisition and future growth initiatives of Toradex and Mobil in Time (which has since been sold).

Toradex approaches ESG through a combination of internal governance frameworks, external benchmarking and product-level security and lifecycle management:

01

Toradex is formalising a group-wide ESG framework that links its technology roadmap with sustainability, security and ethical business conduct across the value chain. The company focuses on designing energy efficient, long lifecycle embedded computing platforms while strengthening its ESG policies and practices.

02

External validation is an important pillar: Toradex has been assessed by EcoVadis and currently holds a Bronze medal rating. In 2025, Toradex was in the top 19% of companies evaluated globally by EcoVadis across the categories Environment, Labour & Human Rights, Ethics and Sustainable Procurement.

03

Toradex aligns its practices with evolving regulatory expectations and engages in long term partnerships with customers to provide a foundation for managing security, compliance and lifecycle considerations of their devices and addressing evolving cybersecurity and regulatory requirements.





Key environmental initiatives:

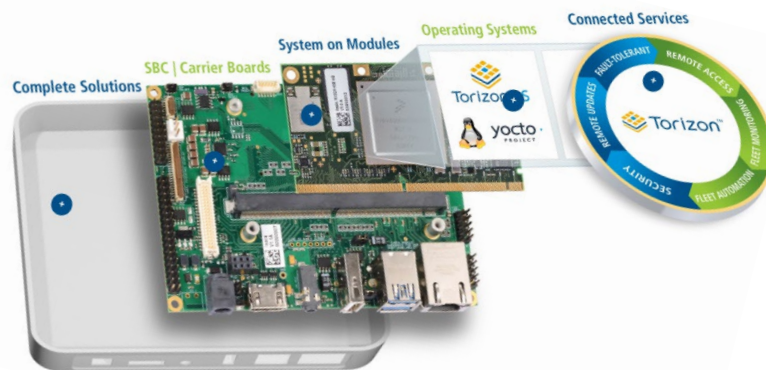
Over 99% of Toradex’s climate impact¹ occurs outside of its direct operations within the broader value chain. Toradex continues to pursue operational measures aimed at improving energy efficiency and monitoring emissions, including workplace energy efficiency initiatives and responsible travel policies. Toradex’s products are used in a wide range of applications where energy consumption and product longevity are relevant considerations:

01 Toradex develops high-performance, low-power embedded computing platforms (e.g. Verdin and Aquila AM69 SoM) designed to support energy-efficient industrial automation and edge AI applications.

02 The company’s embedded Linux/Torizon support strategy enables long-term software maintenance and product lifecycles, which can help support extended device lifetimes and reduce the need for frequent hardware redesigns.

03 In 2024 (vs. 2022 baseline)¹, Toradex achieved a 28% reduction in natural gas use per employee, reduced its carbon footprint by 9% (total scope 1, 2 and 3 emissions of 117,505 kgCO₂e in 2024 vs. 129,271 in 2022) and reduced its emissions per employee by 18% (1,958 kg CO₂e per employee in 2024 vs. 2,394 in 2022).

¹ Current reporting boundary covers Swiss HQ activities and product-related value chain emissions (Scope 3) but excludes certain operational emissions associated with international Toradex offices due to data availability constraints (expected to be incorporated into reporting by 2026).



In addition to its environmental initiatives, Toradex prioritises social and governance considerations:

01 The company achieved an EcoVadis Bronze rating with strong scores in Labour & Human Rights and Ethics, supported by codified policies, employee training and supply-chain standards addressing topics such as fair working conditions and anti-corruption.

02 Product governance and cybersecurity are strengthened through secure boot, software bill of materials, vulnerability monitoring, and over-the-air updates on Torizon, as well as Toradex’s information security management system certified in August 2025 in accordance with ISO/IEC 27001, which support customers in addressing security and regulatory requirements such as the EU Cyber Resilience Act and similar frameworks.



Explanation of the business:

Founded in Berlin in 1990, ForLife designs, develops and manufactures high-quality medical devices and aids with a core focus on stoma care. They work closely with patients and healthcare professionals to improve people's health and quality of life with ostomy as well as continence, nutrition and wound care needs. Duke Street acquired ForLife from GHD Gesundheits GmbH, Germany's largest outpatient health, therapy and service company, in December 2024 and HIP V invested in the transaction, which also included the simultaneous acquisition of assets of Trio, specialists in stoma care based in Yorkshire, England. This includes the Genii™ stoma bags, containing the unique Sil2 Breathable Silicone Technology®, which will now be available to a much broader population of patients. These acquisitions together will create a player of growth and scale in the ostomy care market. Duke Street's investment into ForLife will further strengthen its product development and substantially increase its distribution capabilities, supporting its ability to reach more ostomy patients in European markets.

ForLife's mission is to bring the highest standard of products to ostomy patients across Europe, enabling dignity, mobility and infection prevention, alongside careful consideration of sustainability:

The ForLife ESG management system is independently assessed on an annual basis by EcoVadis. As part of this evaluation, EcoVadis reviews relevant policies, procedures, and performance indicators related to environmental protection, labour and human rights, business ethics, and sustainable procurement. Based on this assessment, ForLife receives an annual ESG rating that confirms the effectiveness and transparency of its sustainability management practices.



01 The company follows a Code of Sustainability, using 100% renewable electricity in production and logistics and selecting European suppliers to reduce transport emissions. ForLife operates from one of the most sustainable buildings in Germany, which earned a BREEAM Excellence Award.

02 ForLife's supplier selection and evaluation are based on the German Supply Chain Sustainability Act (LkSG). This ensures that companies in Germany meet their human rights and environmental responsibilities in global supply chains.

03 ForLife's products are single-use by necessity, but 40% of the company's waste is recycled and 90% of its packaging is recyclable.



Plenergy



Plenergy is a low-cost petrol retailer operating in Spain and Portugal. In 2024, the company achieved the ESG objectives it had set out, including formalizing its ESG processes and practices with steps such as performing double materiality analysis, achieving ISO 45001 certification, adherence to the UN Global Compact, solar panel installation and reforestation initiatives, and achieving 69% reduction in tonnes of CO₂ equivalent per cubic metre of fuel sold vs. 2022 baseline. Plenergy has set out its ESG Strategy for 2025-26 to continue its positive momentum, targeting further improvements across environmental, social and governance pillars.

Suir



Suir is a specialist engineering company focused on serving the datacentre and renewables sectors. In the past year, Suir has launched its new Sustainability Strategy and Roadmap formally integrating ESG priorities into business planning and client delivery. In January 2025, Suir committed to set GHG reduction targets in line with SBTi, with full detail to be presented in its 2026 sustainability report. The company plans to implement a formal sustainable procurement system and has partnered with Supply Chain Sustainability School and is undergoing annual EcoVadis assessments.

Arquisocial



Arquisocial is a social care service provider in Spain, with a focus on homecare. The company has joined the UN Global Compact and improved its governance with both internal policies and external ISO certifications. The company is dedicated to the development of its workforce and Campus Arquisocial, its digital training platform, delivered c.25,000 hours of training in its first year. Arquisocial monitors its use of resources and achieved significant reduction in absolute water and propane consumption (-16.8% and -29.7% respectively in 2024 vs. 2023) despite increased revenues. Absolute electricity and natural gas consumption rose slightly by 6.8% and 1.5% respectively in the same period.

Humens



Humens is a market-leading specialty minerals company in Europe and Asia. In the past year, the company continued to make progress towards its goal of zero coal in 2026. Humens launched Nabion, a sustainable mineral-based alternative for fabric and dish cleaning which does not contain phosphates (which are present in traditional STPP-based products and can cause algal blooms in waterways). Humens is also working with partners to develop a more environmentally friendly form of concrete from recycled construction waste.

Note: Icon Parking was featured in the 2024 ESG report and has since exited.



Diversity and inclusion

At Headway, diversity is a key consideration within its hiring practices as the firm strongly believes that a diverse and multi-cultural team allows for a wider range of perspectives and a healthier working environment. Headway’s team comes from a wide range of countries and backgrounds and speaks 13 different languages. The team also regularly welcomes interns through Headway’s six-month intern programme, designed to help candidates gain the necessary experience to enter the private equity industry, with a particular focus on female interns. Below are some additional metrics on gender and background of the 24 permanent Headway team members as of March 2026:

	% female	% ethnic minority	% state school*
Total workforce	58%	29%	79%
Investment team (non-Partners)	56%	44%	78%
Partners	29%	29%	71%

* By majority of time spent in education during ages 11-18



Internal culture

Team culture is of high importance to Headway. The firm takes a proactive approach to building and sustaining an open, positive, and collaborative culture, and finds its ongoing partnership with an experienced culture coach an invaluable means by which to achieve this through anonymous 360 reviews and team workshops. Ultimately, Headway seeks to provide a psychologically safe workplace in which all team members feel able to speak openly and to know that they are valued.

- Headway actively encourages its team to contribute ideas on ways the firm can be improved and involves team members on implementations of these ideas.
- Headway’s team participates in regular culture workshops which result in changes to ongoing practices (such as the development of improved feedback processes within the team, both informally and through structured channels).

- Headway’s team has grown significantly in recent years. Headway has developed its approach to supporting and training junior staff with both internal and external training programs.
- Headway takes a proactive approach to encouraging social events and organises annual offsites to allow the team to strengthen relationships, especially between those who do not work closely together on a daily basis.



Summer 2025 offsite in Winchester, UK



Headway is independent and owned fully by its partners; all team members participate in carried interest, which the firm believes is an important and effective means by which to achieve team alignment.



Headway prioritises the personal growth and development of all team members. As part of its commitment to this, Headway is developing a long-term succession plan to provide visibility on career progression.



Headway is pleased with the progress made so far on its ESG journey and looks forward to building on this as it learns from experience and continued ESG engagement. Headway recognises the importance of transparency and is committed to continuously improving ESG-related disclosures and communications to its investors, including the annual publication of its ESG report.

Since HIP V's investment period began in September 2022, Headway has declined several investments on ESG grounds but only began tracking this number in 2024 on its upgraded CRM pipeline platform. Since 30 June 2024, 5 investments were declined on ESG grounds.

Headway's priority goals for the coming year include:

- 01 Continued use and development of the ESG Framework (including regular evaluation of format and type of information collected).
- 02 Continued annual KPI collection and expansion of the KPIs, with new KPIs recently added due to learnings from engagement in the PRI reporting process.
- 03 Use of data available from both the ESG Framework and annual KPI collection to target specific engagement opportunities within the portfolio as selected by Headway's ESG committee on a quarterly basis: for example, encouraging managers to improve ESG practices (such as developing a responsible investment policy where there is not one in place) or requesting that ESG responsibility or accountability is assigned to at least one portfolio company board member.
- 04 Improving Headway's internal ESG knowledge and practices, including training for all investment team members.

Headway looks forward to providing you with an update on the progress of these initiatives in its next annual ESG report.



Thank you
for your interest
in Headway and its
engagement with ESG.



HEADWAY
CAPITAL
PARTNERS

Headway Capital Partners LLP
90 Whitfield Street, 1st Floor
London — W1T 4EZ

Main: +44 20 7518 8888

investorrelations@headwaycap.com

HCP US, Inc.
30 Monument Square, Suite 302
Concord — MA 01742

Main: +1 617 899 8946