



2024
ESG
REPORT



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A message from the partners

At Horizon, we deeply understand our responsibility as investors to support companies that make a positive contribution to society. This year, we have taken a closer look at our investment process to actively identify and capitalise on opportunities for enhancing our ESG impact.

We are continually inspired by the commitment of our portfolio companies in addressing a wide array of ESG factors, particularly as they embed these practices in their business models.

We recognize the value in fostering dialogue among our portfolio companies, allowing them to learn from each other's ESG strengths. This collaborative approach not only educates our team at Horizon but also continuously motivates us to support and amplify these initiatives.

As we look towards the future, we remain dedicated to continuously improving and deepening our understanding and commitment to the principles of responsible investing and ESG. Our ongoing efforts will ensure we create lasting value for society and drive sustainable growth for our portfolio companies.





By rigorously measuring the application and effectiveness of ESG factors in our assessment of each investment opportunity and throughout the life of our investments, we aim to apply best practices and drive constant improvement. This approach not only aligns with our values but also enhances long-term business performance.

Simon Hitchcock, Managing Partner





Horizon's ESG journey

2022.

Expanded Scope 3 emission to include employee commuting and suppliers

Held second ESG roundtable on theme of diversity and inclusion

Active member of iCI working group developing climate trainings for investment teams

2020.

Introduced a new ESG policy for Horizon Capital

Developed our proprietary ESG Framework, collecting ESG metrics across the portfolio

Delivered first ESG training for investment teams

Joined the Initiative Climate International (iCI) UK network

2018.

Became a signatory of the UN PRI

2023

Implemented a new ESG data platform

Delivered an ESG roundtable with representative across the portfolio on the theme #embraceequity

2021

Conducted first internal ESG pre-deal screens

Started calculating carbon emission across the portfolio and for the firm

Held first ESG roundtable

Started sponsoring upReach internship programme to improve social mobility in the finance industry

2019

Began to track essential ESG metrics

Horizon's approach to ESG

Horizon Capital has integrated ESG throughout the investment cycle, from pre-deal considerations to active ownership and exit preparation. We collect, track, and monitor ESG data on an annual basis. This comprehensive approach ensures that ESG factors are consistently evaluated and addressed at every stage of the investment process. By doing so, we are able to identify potential risks and opportunities early, implement best practices, and drive continuous improvement across our portfolio. Our commitment to ESG not only enhances the sustainability and resilience of our investments but also aligns with the growing expectations of our stakeholders.

The Process

Origination

- Sector-based exclusions



Pre-Deal

- Value-based exclusions
- ESG diligence through risk screening against Horizon criteria



Completion

- Incorporation of the risks and opportunities identified into the 100-day plan



Ownership

- ESG embedded into company operations
- ESG metrics tracked (including Scope 1-3 carbon footprint)
- Yearly portfolio ESG Roundtables to share best practices



Exit

- Full record of ESG performance during the ownership period
- Vendor ESG DD undertaken by third party (when deemed appropriate)



100% of investment committee papers include an ESG section

85.5% response rate from portfolio on the annual ESG data request



Horizon's carbon footprint

For the fourth consecutive year, Horizon Capital has engaged an external consultant to analyse the emissions from its direct and indirect operations, including those from its investment portfolio.

In total, Horizon Capital emitted 2,363 tonnes of CO₂e across all scopes. The largest source of emissions was investments (97.42%), followed by business travel (0.95%), electricity (0.90%), electricity transmission and distribution loss and well-to-tank emissions (0.29%), hotel stays (0.18%), supply chain (0.16%), and employee commuting (0.10%). Overall, Horizon Capital's GHG emissions decreased by 30% compared to the 2022 baseline, driven by the divestiture of two high-emitting portfolio companies. The reported increase in Scope 2 emissions (+168%) is attributed to a refinement in the estimation methodology.

Scope and methodology

Horizon has used the financial control approach, as the majority of its emissions impact comes from investment emissions, classified under Scope 3 (Category 15). The remaining emissions primarily come from its own offices, premises, and staff, including significant impacts from activities not owned by the company but over which it exerts financial control. Horizon has chosen 2022 as its baseline year, as 2020 and 2021 were highly impacted by Covid-19 restrictions and are not representative of normal activity levels.

Data collection and analysis strictly followed the GHG Protocol Corporate Accounting and Reporting Standard.

GHG emissions (metric tonnes of carbon dioxide equivalent – tCO₂e) by scope

Scope	2022 (tCO ₂ e)	2023 (tCO ₂ e)	% Change Since 2022	
01	Stationary Combustion ¹⁰	-	-	
	Mobile Combustion ¹¹	-	-	
	Fugitive Emission ¹²	-	-	
	Process Emission ¹³	-	-	
02	Electricity, heat, steam and cooling emissions ¹⁴	7.95	21.34	+168%
03	Mobile Combustion ¹⁵	-	-	-
	Investment Emissions ¹⁶	3,333.44	2,301.94	-31%
	Other Emissions ¹⁷	31.51	39.67	+26%
TOTAL EMISSIONS		3,372.90	2,362.95	-30%

2,363

Total tCO₂e
emissions in 2023

147.68

Carbon intensity
per FTE in 2023

Portfolio emissions

Comprehensive emissions analysis has been conducted for each portfolio company to better assess the climate-related risks and opportunities associated with these investments. Where actual data was not available, data have been estimated in line with GHG and SECR reporting guidelines.

The total reported emissions for the companies in the portfolio have increased substantially (+29%, from 9,784 tCO₂e to 12,645 tCO₂e), primarily because of improved data availability for several Scope 3 categories.

Approximately two thirds of the total emissions for the companies in the Horizon Capital portfolio come from Scope 3 sources (66%), while Scope 1 and 2 cover approximately 22% and 11% of the total portfolio emissions, respectively.

	Scope 1&2 tCO ₂ e (2022)	Scope 1&2 tCO ₂ e (2023)	Scope 1&2 % Change	Total tCO ₂ e (2022)	Total tCO ₂ e (2023)	Total % Change
TOTAL EMISSIONS	5,708.66	4,257.76	-25%	9,783.55	12,643.83	+29%



Portfolio highlights

The Marketing Practice: Carbon conscious advertising

As buyers of B2B marketing services become increasingly aware of the carbon impact of their campaigns and the pressing urgency of climate change, there is a growing demand for transparent and accurate carbon accounting. Horizon's portfolio company The Marketing Practice (TMP), saw this as an opportunity to excel.

Collaborating with Neste, the world's leading producer of sustainable aviation fuel, TMP set out to track the environmental impact of a multi-channel media campaign.

The results were impressive: over 4 million people reached and a remarkable 0.26 emissions per impression—0.44 below industry average.

UN SDGs supported: 12, 13



Learn more about TMP's attempt to measure the emissions attributable to B2B marketing campaigns

[Click Here](#)

 The Marketing Practice



E-waste is the fastest growing solid waste stream in the world. Read about Agilico's efforts to reduce it

[Read More](#)

Agilico: A circular economy pioneer

As part of Agilico's ongoing commitment to sustainability, it started to refurbish multi-functional devices (MFDs). Historically, the firm's approach to end-of-contract involved shipping printers and copiers to various places around the world, significantly increasing its carbon emissions. To address this, Agilico launched a refurbishment program.

With around 40,000 devices in the field, Agilico's refurbishment centres extend the lifespan of MFDs through a rigorous process of over 30 checks, ensuring they meet high-quality standards. This initiative reduces electronic waste, offers cost-effective solutions, and aligns with customers' sustainability goals.

By choosing refurbished MFDs, businesses contribute to the circular economy, enjoy reliable printing, and save up to 594 Kg CO₂e—equivalent to a flight from London to New York.

UN SDGs supported: 12



Scaling New Heights: Ridge's Commitment to Sustainable Growth

Status
Current

Sector
Business services

Date of investment
2023

HQ
UK

UN SDGs supported
9, 12

Ridge is a built environment consultancy with over 1,200 people across 11 offices. ESG is deeply embedded into Ridge's business model, as it helps public and private sector organisations to create more sustainable places for people to live, learn and work. Its service scope includes architecture, building services, engineering, planning, surveying, sustainability and transport.

"Most people fail to recognise that the built environment is the largest emitter of greenhouse gases. To reach net zero, we must focus on the design and construction of new smart buildings and infrastructure, as well as retrofitting existing stock," said *Adrian O'Hickey, Senior Partner at Ridge*.

Ridge helps its clients to deliver on their net zero and circularity ambitions by providing services such as:

- Embodied carbon and life cycle assessments of buildings
- Thermal analysis and overheating studies
- Net zero carbon in construction assessments
- Daylight studies, fabric improvement and carbon reduction plans

Ridge's commitment to sustainability extends beyond environmental factors. The firm also focuses on health and safety assessments, social value, community engagement, and urban regeneration.

"It is the multidisciplinary projects requiring a holistic view where our team really shines," *continued O'Hickey*.

Leading by example

In 2023, Ridge undertook a review of its operations to determine carbon usage across scope 1, 2 and 3 emissions. The data is being used to develop a pathway to carbon neutrality. Key areas of carbon usage include:

- Buildings: Implementing carbon reduction measures in offices focusing on lighting, heating, and cooling.
- Transport: Addressing carbon usage from staff travel including commuting and travel to client sites.

"We felt it was important to practice what we preach. That's why we undertook a review of our own operations to establish a baseline and set targets towards achieving net zero by 2050," *commented O'Hickey*.



37%

of GHG emissions come from the built world, making it the largest global emitter

(Source)



Most people fail to recognise that the built environment is the largest emitter of greenhouse gases. To reach net zero, we must focus on the design and construction of new smart buildings and infrastructure as well as retrofitting existing stock.



Adrian O'Hickey
Senior Partner at Ridge.

	2022 (baseline)	2023
Scope 1	337	90.20
Scope 2	27.9	147.40
Scope 3	2,933	2,871

The opportunity ahead

Ridge's addressable market is substantial, estimated at £13bn in the UK alone, offering significant room for growth both organically and through acquisitions.

"We see significant opportunities ahead, driven by macro trends such as the digital revolution, net zero carbon initiatives, social impact agendas, and changing ways of living, working, and learning," said **Luke Kingston**, Managing Partner at Horizon Capital.

Horizon's investment in Ridge marks the first institutional capital in the firm's 75-year history.

"We believe the winners in this market will be the consultants who have the trust of their clients. With its long track record, Ridge certainly stands out as a champion of excellence and sustainability in the built environment." concluded **Kingston**.

If you have any questions, please contact
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