


Sustainability

At Caledonia we are committed to building our business for the long term.

In this section, as an investment company, we outline how we approach our investment decisions responsibly, and manage our investment portfolio for today and the future.

A healthy and vibrant culture, built around a set of aligned values is fundamental to success. We also explore in this section how we manage our business operations, for the benefit of our employees and wider stakeholders.

 Further information on our stakeholders in the Section 172 statement
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“I really appreciate being able to be more long-term and accountable for the investment decisions I make. I want to see the consequences of my actions and stand over them.”

Employee

Sustainability (continued)

Responsible investment

Our approach

At Caledonia we believe that responsible investment and business success go hand in hand. We are committed to building businesses for the long term and consider the ESG impact of the investments that we make.

Through proactive and constructive engagement with our portfolio, we are committed to fostering continuous improvement and driving positive change.

We expect to invest in businesses and funds which:

- grow, provide employment and generate economic benefit in an environmentally and socially responsible way, both during and after our ownership
- take a responsible approach towards the environment and society, based on good governance practices.

Responsible Investment/Responsible Corporate Working Group

Chaired by our Chief Executive Officer, the Responsible Investment/Responsible Corporate Working Group ('RI/RC Working Group') advises and assists in the development and implementation of Caledonia's approach to sustainability matters, including climate-related issues. The group has met regularly throughout the year.

A review of our approach and progress across each investment pool, alongside our overall business operations for the year ended 31 March 2025 can be found on pages 47 to 55.

Members

CEO (Chair)	Senior members of –	Other key corporate
Chief Financial Officer	Public Companies	managers
Company Secretary	Private Capital	
	Funds	

Function

1. Advises and assists in the continued development and implementation of our approach to ESG matters across the business	2. Seeks to ensure that ESG matters are appropriately factored into decision-making processes	3. Continues to develop understanding of climate-related matters	4. Supports the development of our reporting, particularly on climate-related matters
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Our investments – Public Companies

We aim to invest in businesses which we believe are of high quality and have durable business models that enable long-term compounding.

Our extensive due-diligence process ensures that selection risk is managed by analysing numerous characteristics for each company and then, through ownership, our monitoring and engagement continues to ensure sustainability is embedded in our portfolio management process.

Our approach means we do not typically invest in capital intensive businesses or companies directly involved in the extraction and production of coal, oil or natural gas.

In line with our selective, quality-driven investment approach:

- we exercise our voting rights judiciously, ensuring that we cast votes on all our holdings ahead of shareholder meetings
- while we generally vote in support of management's recommendations, we will abstain or vote against proposals that we believe do not serve the best interests of our shareholders
- we will use influence through engagement and voting to encourage companies to proactively plan for and demonstrate the measures they have implemented to address climate risks and opportunities.

 **Further information on Public Companies – climate change metrics and targets**
Turn to page 54



Sustainability (continued)

Our investments – Private Capital

We look to invest in established businesses with strong financial metrics operating in markets that present attractive opportunities for growth. Our long-term approach to working with our portfolio companies aligns with our responsible investment strategy throughout the investment cycle – from origination, ownership and exit. Working closely to support the management teams of portfolio companies, we look to:

- elevate corporate governance standards through the appointment of seasoned, non-executive chairs and by establishing audit and remuneration committees
- embed our team in non-executive roles, fostering close partnerships with management to drive performance whilst managing risk
- hold regular formal and informal meetings with management that encompass a wide range of topics, including ESG policies, and performance metrics that are reviewed annually
- actively assess and manage their social and environmental impacts, fostering responsible stewardship of their businesses
- encourage investment in technologies to improve energy efficiency and support a successful transition to a low-carbon future.

Progress during the year

- Climate risks and opportunities identified for all portfolio company investments
- Climate risk aggregation model and processes formally established
- Reporting system tracking company ESG policies and KPIs
- Reporting Scope 1 and Scope 2 emissions for the majority of the Private Capital's pool net asset value

Our investments – Funds

We invest in funds operating in North America and Asia with a bias towards lower mid-market buyouts. The pool provides attractive diversification, investing in 80 funds managed by 45 managers with an underlying portfolio of over 600 companies, across a range of sectors.

- We expect our fund managers to consider all factors including ESG considerations, when seeking to optimise returns while effectively managing risk.
- We will encourage our fund managers to consider climate change factors in their selection criteria, both in terms of identifying potential risks and capitalising on emerging opportunities, and to explore initiatives that help reduce emissions within the underlying portfolio.

Progress during the year

- Third-party training completed with a focus on evolving market practice surrounding ESG matters in fund documentation alongside ESG focused training with the Institutional Limited Partners Association
- Use of the ESG Data Convergence Initiative ('EDCI') as a benchmark with our underlying managers, to identify areas for improvement towards greater consistency in data reporting
- ESG related questionnaire embedded into the due diligence process for new funds
- Initial analysis completed on the weighted average carbon intensity for the Funds pool, using estimation factors derived from public markets proxy data

Working with our portfolio – The Butcombe Group



BUTCOMBE
— GROUP —

The Butcombe Group is a high-quality premium pub, brewing and drinks business that extends all the way from London through the South West English countryside across into the Channel Islands, employing over 1,900 people.

The business has been in Caledonia's portfolio since 2016. We continue to work closely with Butcombe's management team to support its long term ESG strategy. The CEO, Jonathan Lawson, has an ambition to operate and grow the business in an inclusive and sustainable manner to deliver a positive impact on regional and local communities and their environment.

Butcombe's ESG strategy 'Our Ambition, Your Future' is focused on three pillars, as detailed on pages 50 and 51, and has ambition to be carbon neutral by 2030.

BUTCO
BREWING CO

BUTCOMBE
BREWING CO

Sustainability (continued)

OUR AMBITION, YOUR FUTURE

OUR WHY

We want to deliver the best experience for all our customers with outstanding service and award-winning food and drink. We will *raise the spirits* and through innovating and *setting the bar high*, we will stay ahead of the competition and be *talk of the town*. We are passionate about building great teams who work together, we do everything *from the heart*.

OUR AMBITION

To operate and grow our business in an inclusive and sustainable manner which has a positive impact on regional and local communities and their environments.



WE LOVE LOCAL



EMBRACING TECHNOLOGY AND INNOVATION



ENABLE COLLEAGUES, DRIVE POSITIVE CHANGE

AND TO BE CARBON NEUTRAL BY 2030



WE LOVE LOCAL

Our ethos is simple; source quality produce and products that are sustainable, traceable and local, wherever possible.

We want to know where every ingredient has come from. We want to treat ingredients with the respect they deserve, and do our bit to reduce food waste through the skill of our chefs and training.

What have we achieved?

Field to Fork approach: Working with high quality and local suppliers that adopt high welfare standards to reduce the number of deliveries and miles travelled

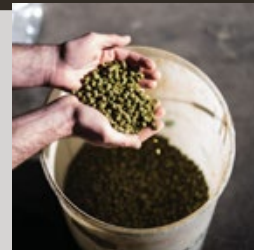
We work with local farmers to recycle the spent grain from our brewing process - the grain is fed to cattle that ultimately produce the cheese we use in our managed pubs

We brew the beer, we sell the beer: Over half of the beer sold in our managed pubs is produced by us in our own breweries, helping us to reduce beer miles

Partnering with Bramley products, an environmentally friendly and sustainable toiletries company

Supporting local initiatives such as used cooking oil collection in Jersey, Healing Waves and Sunflower Project menu donations in CI

We always recruit locally where possible, through open day initiatives and engagement with local colleges and apprenticeships



What are our plans?

As the estate grows, we will continue to innovate our drinks offering and develop more relationships with local suppliers.

Continue to promote the stories of local food and drink producers, farmers and fishermen through our menus and marketing material

Where possible, develop kitchen garden locations across our estate

Continue to support and build new relationships with local charities, sports clubs and groups local to our pubs, to allow us to become a hub for each individual community, culminating in our annual Community Week.

Accreditation and mark of local excellence schemes including 'Genuine Jersey' leading out on promotion and use of Jersey produce and we intend to enhance our locally sourced produce on both Jersey and Guernsey



EMBRACING TECHNOLOGY AND INNOVATION

We are a nimble business that embraces change and utilises technology and innovation to improve our business performance. By increasing our operational efficiency, we will reduce our energy usage and waste to the benefit of the environment.

What have we achieved?

Solar panels have been installed at our distribution centre and will generate up to 58% of the depot's electricity going forwards

Electric car charging points have been installed at 5 of our managed pubs, helping our customers to reduce their emissions

All LPG forklifts have been replaced in our depot with electric equivalents, reducing emissions and utilising self-generated, clean energy

Our trade effluent is now transferred to a biogas generator which more than offsets the site's consumption of gas

Our lightweight glass bottles contain 10% less glass and are 70% recycled. The plastic shrink wrap is made from 50% recycled plastic

We shred and bale the cardboard received on-site to recycle as packaging for our online deliveries

We measure, monitor and target waste reduction in our sites and our recycling rates are in excess of 63%

What are our plans?

We continue to explore further opportunities for solar panels at our brewery and across our pub estate

We are trialling electrification of our delivery fleet to reduce fuel emissions in the future

A further 15 managed sites will install electric car charging points by the end of 2025. We also intend to install car charging points for employees at our depot and breweries

We are in dialogue with our glass suppliers to make our recycling processes more efficient

We are planning CO2 capture in the future to reduce waste and be CO2 self sufficient



BUTCOMBE
— GROUP —

ENABLING COLLEAGUES, DRIVE POSITIVE CHANGE



BUTCOMBE
— GROUP —

Focusing on our most important asset – our people – is at the centre of our strategy. All our colleagues are as individual as our pubs with no two being the same and we continue to invest in training and development for all colleagues, ranging from wine champions to apprenticeships, and our very own internal learning management system.



What have we achieved?

We invest in the Burnt Chef and Employee Assistance Programmes to support the mental and physical well-being of all our colleagues

Our colleagues have the opportunity to grow and develop in our business. Everyone will receive mandatory training applicable to their role and continued investment in our Butcombe Academy management training programme

We have established an internal network to offer support, guidance & mentors to women in the business to increase female representation in senior roles. We are proud that 47% of colleagues are now female

We launched Our Commitment to ensure we have a fully inclusive and supported culture and a zero tolerance for any form of harassment.

We regularly run employee surveys and have been recognised as one of the happiest workplaces

We have introduced enhancements to our maternity leave and a new policy to support returning to the work after a significant life event

We have over 100 colleagues as trained trainers throughout the business

We have trained mental health first aiders across the teams, and built mental health awareness training into all of our management apprenticeships

We prioritise employee wellbeing and offer mental wellbeing support and financial wellbeing advice and guidance



What are our plans?

All our managers will be trained in how to support the well-being of our colleagues and support our ED and I agenda

We will provide development opportunities aiming to develop 80% of our new managers internally through our Butcombe Academy programmes and supported apprenticeships

We will ensure apprenticeship opportunities are at the forefront of our Learning and Development strategy

We are working towards equal representation across management roles. Currently 31% of our pub management colleagues are female

We will engage our pub teams in creating an environment for their communities that helps tackle loneliness and supports their communities well-being where their pub is 'the place to go to feel at home and welcome'

Sustainability (continued)

Environment

Our portfolio, the climate and transition to net zero

At Caledonia, we are committed to building a sustainable future that underpins robust, long term investment performance for our shareholders. We recognise that our principal environmental impact arises primarily from the companies and funds within our portfolio.

With this in mind, we have set an expectation for the businesses we invest in to target net zero emissions (Scope 1 and Scope 2, market-based) by 2050. We understand that the pace at which these targets are met will vary across our portfolio; as risks and opportunities arise from evolving regulatory frameworks, shifts in consumer preferences, or increasing pressure to curb carbon emissions and address wider environmental issues.

We actively engage with our underlying portfolio companies and fund managers to evaluate the robustness and transparency of their carbon emissions data. We continue to enhance our monitoring and reporting systems to enable us to track progress on this journey towards a low-carbon future and we anticipate that many will achieve this target more swiftly.

Our business, the climate and transition to net zero

Our business operations are consolidated within a single central London office. Whilst our operational footprint is modest in comparison to our broader investment activities, we are committed to operating our business in an efficient manner and to reducing our climate impact where feasible. We are seeking to achieve net zero emissions for Scope 1 and Scope 2 (market-based) emissions by 2030.

To reach this target, we are pursuing several initiatives, including:

- maintaining our commitment to sourcing all electricity from renewable suppliers
- enhancing energy efficiency across lighting, cooling systems and IT equipment
- gradually reducing, with the goal of ultimately eliminating the use of gas for heating.

In 2021, our switch to a renewable energy provider markedly reduced our market-based Scope 2 emissions. We continue to recycle nearly all waste and ensure that wastewater is safely returned to the sewer system. The resulting emissions from water and waste processes are categorised under 'other' Scope 3 emissions and are considered immaterial.

It is worth noting that electricity consumption has risen since 2020, mainly due to the return of colleagues to the office after the Covid-19 pandemic and, more recently, our decision to operate 24-hour security for enhanced safety.

In 2023, we engaged an external provider to conduct an Energy Savings Opportunity Scheme audit of our office energy usage. This provided us with a number of recommendations which we have implemented. Looking ahead, our transition strategy will be to explore the implementation of innovative, low-carbon alternatives to replace our traditional gas boiler heating system.

Travel

Most of our colleagues commute to our office via public transport. We actively encourage sustainable travel through our cycle-to-work programme, supported by secure bicycle storage along with changing and shower facilities. Our meeting rooms are equipped with modern audiovisual and teleconferencing facilities, reducing the need for travel where appropriate.

Our Scope 3 emissions primarily relate to international business travel. Since 2020, the net asset value of our portfolio has increased by 64% and the proportion of our overseas investments has almost doubled. Our Public Companies and Funds investment teams continue to deepen their due-diligence, monitoring, governance and stewardship activities against a background of continuing macroeconomic and geopolitical uncertainty. We remain committed to managing our business travel in an informed and responsible manner and will continue to explore ways in which we can reduce these emissions over the medium term.

Climate change metrics and targets including greenhouse gas emissions

The data in the following tables has been prepared in accordance with the regulations, The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implemented the Government's policy on Streamlined Energy and Carbon Reporting ('SECR').

Emissions data		Tonnes CO ₂ e					
Scope	Source of GHG emissions – year to 31 March	2020	2021	2022	2023	2024	2025
Scope 1 (direct emissions)	Combustion of fuel & facilities operation including company car use (sold in April 2022)	24	19	17	16	14	14
Scope 2 (indirect emissions)	Electricity (location-based)	57	47	45	52	59	61
	Electricity (market-based)	57	47	-	-	-	-
Scopes 1 and 2 - location-based		81	66	66	68	72	75
Scopes 1 and 2 - market-based		81	66	21	15	14	14
Scope 3 (indirect emissions)	Business travel	371	7	94	243	375	825
	Other	-	-	-	1	1	-
Total – location-based		452	73	160	312	448	900
Total – market-based		452	73	115	259	389	839
KPI – location-based	Total emissions per average number of employees	7.5	1.2	2.6	5	6.3	11.8
KPI – market-based	Total emissions per average number of employees	7.5	1.2	1.9	4.2	5.5	11.0
Per average number of employees		60	61	61	62	71	76

Notes:

- These emissions have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard guidelines using UK Government GHG Conversion Factors for Company Reporting.
- Caledonia consumes all its water from the mains which we understand is sourced from high stressed areas, with all its waste water currently being returned to the sewer. The resultant CO₂ emissions from its use of water are <1 tonne.
- Caledonia has a mix of recycled and general waste; the related Scope 3 GHG emission data is included under 'Other' in the table above.
- Location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). The market-based method reflects emissions from 100% renewable sourced electricity that we have chosen to purchase.
- 100% of our reported emissions are in the UK, involving business travel primarily departing from or arriving in the UK. Accordingly, this table does not include a column indicating the yearly UK proportion of global emissions.
- The sources of GHG emissions shown in the table above are from the companies included in the consolidated financial statements. Under the SECR regime we are not required to report any emissions from companies that are not included in our consolidated financial statements.
- Caledonia does not release any hazardous air pollutants. Caledonia only has material hazardous waste in the form of batteries and print toner, both of which are responsibly recycled.

Other metrics	Unit	2020	2021	2022	2023	2024	2025
Electricity usage	KWh(k)	224	199	214	270	286	298
Gas usage	KWh(k)	100	93	91	76	67	68
Water consumption	m ³				798	1,166	1,085
General mixed waste	tonnes				-	-	-
Mixed recycling	tonnes				-	-	-
WEEE waste	tonnes				-	-	-
Confidential waste	tonnes				2	2	3
Waste generation	tonnes				2	2	3
Waste recycled	%				99%	99%	100%

Data not available but will be tracked going forward

Sustainability (continued)

Our investment portfolio

Public Companies – climate change metrics and targets

We continue to monitor and manage climate change transition risks within our public companies portfolio. To this end, we expect that all businesses develop and implement robust strategies to achieve net zero Scope 1 and Scope 2 emissions by 2050, or sooner if possible.

For our TCFD reporting, we use the MSCI World Index as a benchmark owing to its similar sector exposure to the companies within our Public Companies pool. The table below presents the primary metrics we use to quantify the Scope 1 and Scope 2 greenhouse gas (GHG) emissions of this pool, which form part of the aggregate emissions linked to our investment portfolio.

The Public Companies pool demonstrates both a significantly lower total carbon footprint and a reduced weighted average carbon intensity ('WACI') compared with the benchmark. This is notable even within traditionally high-emitting sectors such as materials, utilities and industrials.

The data we draw on from MSCI is subject to a reporting lag. The figures for 2024 primarily cover the period from 1 June 2023 to 31 May 2024, while the comparative data largely reflects the period from 1 June 2022 to 31 May 2023.

Our Public Companies investments have seen a 33% decrease in total carbon emissions over the past year. This is predominantly due to the sale of one holding that was previously one of the highest emitters in the portfolio.

Latest annual reported data	Scope	Portfolio (2025)	Benchmark (2025)	Variance vs benchmark	Portfolio (2024)	Units
Total carbon emissions	1 and 2	12,956	42,840	-70%	19,345	Tonnes CO ₂ e
Carbon footprint	1 and 2	13	43	-69%	16	Tonnes CO ₂ e/\$m invested
WACI	1 and 2	51	97	-47%	60	Tonnes CO ₂ e/\$m sales

Carbon emissions data for our public company investments was obtained from the MSCI One platform. MSCI collects the data from publicly available sources, including annual reports, the Carbon Disclosure Project ('CDP') and government databases. All carbon emissions data collected is classified per the GHG Protocol methodology to enable aggregation and comparability across investee companies and sectors. We have not sought to verify this data and assume no responsibility for its accuracy or completeness.

The following table shows other key climate metrics we use to monitor companies in our Public Companies pool that are managing their climate risk exposure and have a decarbonisation plan.

Other metrics	Portfolio (2025)	Portfolio (2024)
Companies targeting net zero for Scopes 1 and 2 by 2050	82%	93%
Companies with top quartile carbon management score	60%	68%
Green revenue exposure	5%	6%

The majority of the companies in our Public Companies pool have plans to achieve net zero emissions by 2050 or sooner, giving us comfort that they are aligned to our goal. Those companies that have yet to establish net zero targets contribute c.18% of the pool's total carbon emissions and, based on our knowledge and engagement of the companies and their commitment to good corporate governance, we believe they will establish appropriate targets.

The majority (60%) of the companies have a top quartile carbon management score, indicating that they have the capability and resources to manage their climate risks and opportunities. We will continue to monitor progress on these metrics.

Private Capital – climate change metrics and targets

This is the first year we are providing emissions data for our Private Capital pool investments. Due to the diverse nature of these investments, emissions may vary significantly based on the types of businesses we own, as well as any acquisitions or divestments within a given year. These variations are not only driven by changes in our portfolio composition but also by improvements in data quality. As our portfolio companies refine their reporting processes and collect more comprehensive emissions data, we expect that reported emissions may increase, reflecting greater transparency and data availability.

Latest annual reported data ¹	Scope	Portfolio (2025)	Units
Total carbon emissions ²	1 and 2	6,742.7	Tonnes CO ₂ e
Carbon footprint	1 and 2	10.0	Tonnes CO ₂ e/£m invested
WACI	1 and 2	10.0	Tonnes CO ₂ e/£m sales

1. Since each of our portfolio companies has a different financial year-end, we have included the most recent data available.
2. The majority (78% of net asset value) of our Private Capital pool have provided emissions data, with most reporting the majority or all of their Scope 1 and Scope 2 emissions.

Task Force on Climate-Related Financial Disclosures ('TCFD')

We continue to recognise the importance of clearly communicating both financial and non-financial ESG performance to our stakeholders.

This is the third year we have produced a separate TCFD report. The following table, which should be read in conjunction with our TCFD report, summarises our response to each of the TCFD recommendations, and explains how we incorporate climate-related risks and opportunities into each of the four TCFD pillars of governance, strategy, risk management and metrics and targets.

As required by Listing Rule 6.6.6R (8), we consider these climate-related disclosures to be consistent with the TCFD recommendations and recommended disclosures, other than the completion of scenario analysis (strategy pillar disclosure (c)) and the development of metrics and targets for all of our investment assets (metrics and targets pillar disclosures (a), (b) and (c)).

We have fully addressed the assets within our Public Companies pool. We have also increased our disclosure for our Private Capital pool. Over time we will seek to develop our metrics and methodology further as the quality of data improves and more information is available for our Funds pool.

TCFD report

Our third standalone TCFD report sets out our progress towards meeting all TCFD recommendations and can be found at www.caledonia.com



Governance

Disclose the organisation's governance around climate-related risks and opportunities. Read more in our TCFD report.

The board is collectively responsible for Caledonia's success. It sets the company's strategy, ensures that the necessary financial and human resources are in place to enable the company to meet its objectives, and reviews management performance.

Caledonia has a well-defined governance framework, appropriate for a relatively small business, based on delegated authority. The board has delegated overall responsibility for the delivery of the strategy to the CEO. Our governance and reporting frameworks enable the board to have oversight of the climate-related risks and opportunities which could impact our business.

The board conducts deep-dive reviews of the activity and performance of each of Caledonia's three investment pools annually. To provide enhanced visibility and monitor progress, an assessment of climate-related risks and opportunities, together with appropriate metrics, is incorporated into reporting.

The remuneration structure for our executive directors includes two variable pay elements:

- a. short-term incentive (bonus) to reward performance on an annual basis against key financial and personal objectives.
- b. long-term incentive to motivate the delivery of long-term shareholder value.

The structure of the annual bonus includes an assessment of delivery against personal objectives, which include elements related to responsible investment and being a responsible corporate.

Sustainability (continued)

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.

Read more in our TCFD report.

Our strategic aim is to achieve capital appreciation and dividend growth for our shareholders over the long term through disciplined investment and careful stewardship of the assets in our portfolio. We recognise our responsibility to support the transition to a lower carbon economy. This is why we have set an expectation that the businesses in which we invest should target net zero emissions by 2050 (Scope 1 and Scope 2, market-based).

Our investment portfolio is well-diversified across the pools, with limited direct exposure to carbon-intensive sectors such as oil and gas and industrials.

Each year we carefully select a small number of new investments in proven, well-managed and sustainable businesses across a wide range of industry sectors and geographies. We seek to avoid investment in businesses that cause material harm to the environment unless they have a clear strategy to reduce their impact over time.

We have considered both physical and transition risks over three time horizons. The availability of robust data and quality information is a prerequisite to effective analysis. We have used the most recent data and information for the constituent businesses in the Public Companies pool using MSCI's One platform. This data has been used to support a scenario analysis exercise, which has provided valuable insights to confirm the resilience of the pool to both physical and transition risks, under various climate scenarios.

The scope of the analysis for the Private Capital pool covers all eight investee companies in the portfolio as at 31 March 2025. We have implemented a data collection framework to measure company specific key performance indicators and an annual survey has been established to enable year-on-year progression to be measured on carbon emissions and other related metrics. The analysis is qualitative in nature. Unlike the Public Companies pool, there is no distinction between the methodology applied for physical and transition risks. The scenario analysis was tailored to the characteristics of each company in the portfolio and was performed with reference to its sector and geographic footprint.

We anticipate that similar information will be developed for the constituents of the Funds pool in the coming years, to broaden our scenario analysis to cover a greater proportion of our investment portfolio.

Our business operations have a modest carbon footprint when compared with the impact of our investment portfolio, with all our employees operating from a single location in central London. We remain committed to minimising the impact of our own operations on the environment and mitigating the risks posed by climate change. We are seeking to achieve net zero emissions by 2030 (Scope 1 and Scope 2, market-based).

Risk management

Disclose how the organisation identifies, assesses, and manages climate-related risks.

Read more in our TCFD report.

The corporate approach to risk management is covered on pages 63 to 67 of this report.

Risks are assessed and managed in accordance with our corporate risk management framework which includes ESG and climate change as one of the principal risks.

Assessments of climate-related risks continue to be incorporated into our strategy and, in discharging its responsibilities, the board is ultimately accountable for the oversight of climate-related risks that could impact the business. Non-executive director oversight of the risk management framework and associated processes is exercised through the Audit and Risk Committee ('ARC').

The Chief Financial Officer has responsibility for ensuring that a risk management framework is in place and each area of the business is responsible for using this to identify, assess and report on their risks and controls.

Investment managers identify climate-related risks in the portfolios they manage and line management is supplemented by key support functions such as Finance, Tax, Human Resources, Facilities Management and Company Secretarial with further oversight from the Operational Risk Committee.

Risks within the companies and funds in which we invest are identified through ongoing research using in-house expertise and external data, together with reporting from investee businesses. Our business operations use third party resources to ensure a good practice approach is taken to identifying risks and addressing them in a timely manner.

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.


Read more in our TCFD report.

We are continuing to improve our analysis and disclose further metrics and targets where we consider these to be material. For the first time this year, in addition to emissions data for our Public Companies pool and our own business operations, we are reporting Scope 1 and Scope 2 emissions for the majority of the Private Capital pool's net asset value.

Information on specific metrics and targets are provided in the TCFD report. In line with SECR requirements, we have also listed our GHG data.

Sustainability (continued)

Our people and culture



Centred around a collection of values that shape our approach to every aspect of investing, our team is key to delivering long-term performance.

Employee engagement

At Caledonia we are committed to building our business for the long term. We seek to create a thriving workplace culture – built on shared, consistent values and purpose that helps us to attract, retain and develop exceptional people. This year we completed our second employee engagement survey to help us understand how we can continue to improve our working environment.

We were delighted to receive a 92% response rate to the anonymised survey and that 96% of those who responded recommended Caledonia as a “great place to work”. We benchmark our analysis against businesses within the UK’s financial services sector and were pleased that Caledonia is once again in the top quartile for both participation and engagement.

Feedback from colleagues helps us to shape the future direction of our business. Since our inaugural engagement survey in 2023 we have been working on a number of initiatives to help ensure that Caledonia remains a great place to work in the years ahead.

We are committed to creating an inclusive environment where our employees can develop and contribute fully, underpinned by good remuneration packages, favourable leave policies and health and wellbeing support, alongside training and development to support progression. Further information on our remuneration policy can be found in the Directors' remuneration report on pages 96 to 114.

“We're very lucky with the environment in which we work, the resources that are made available to us and the colleagues we work amongst. Caledonia has a great culture.”

Employee,
Staff engagement survey March 2025

Sustainability (continued)

Intern programme

At Caledonia we are committed to investing time to plan for success in the future, to sow the seeds that will flourish for generations to come.

Every June and July we welcome a cohort of successful applicants who we believe will benefit the most from the intern programme.

Led by an independent facilitator but with involvement from across Caledonia, the interns experience insight into the investment management industry, benefitting from a detailed programme. This includes building softer skills in a workplace environment, as well as learning from our investment teams on how and why we construct our long-term investment approach. The programme culminates in the group working in small teams to present their 'Dragons Den' style investment recommendations.

Ahead of the programme, each intern is assigned a mentor from the Caledonia team. The role of the mentor plays a key part in helping the intern through the programme. As interns embark on their chosen careers, they can continue to maintain a lasting relationship with Caledonia, creating an important network of talent for the future.

“My experience at Caledonia exceeded all expectations. The culture of openness and support created learning opportunities that extended far beyond the designated workshops, and being part of an intern class with such diverse backgrounds made the ongoing collaboration all the more rewarding. It was an invaluable experience, shaping me both personally and professionally.”

2024 Intern alumna

“My internship at Caledonia was an incredibly rewarding experience — well-structured, intellectually stimulating and genuinely welcoming. From insightful company visits to the supportive mentorship, every aspect was thoughtfully planned. I’ve recommended it to all my finance-minded friends and still cherish the connections I made there.”

2023 Intern alumna





The Caledonia Investments Charitable Foundation

The company made a grant of £300,000 to The Caledonia Investments Charitable Foundation (the 'Foundation') during the year through which we are proud to support causes linked to Caledonia's history, values, culture and team.

The Foundation provides essential funding and support to many good causes each year and seeks to create a thriving legacy by supporting the development of a small number of charities through a multi-year donation programme.



The Foundation's multi-year awards seek to provide a catalyst for future development, enabling the charities to make a significant and lasting impact. Since 2021 the Cornwall Community Foundation ('CCF') has benefited from this support. CCF provides financial and non-financial support for community projects across Cornwall and the Isles of Scilly, investing in people and projects that will make a difference.

This year the Foundation has:

- provided funding to support an events officer to lead and develop the CCF's fundraising and events programmes
- provided financial assistance to support local charities and community projects that address issues relating to financial planning, debt management and financial education.

"We are incredibly grateful to the Caledonia Foundation's multi-year donation. We are already benefitting from the recruitment of an events officer, particularly at our recent gala dinner which raised over £150,000. This, combined with providing vital support, education and resources to those who need it most will transform the lives of many individuals and families across the county."

Susie Croft,
Philanthropy Director, Cornwall Community Foundation

Sustainability (continued)

Fundraising and volunteering

Alongside our support to the Foundation, we encourage our team to volunteer their time and raise funds for charities close to them. We provide our colleagues with up to two additional days of leave to support those causes that they feel passionately about.

This year, Henry Morris, a Director in our Public Companies pool, cycled 980 miles from Land's End to John O'Groats, sleeping under canvas in some of the most beautiful parts of the UK. With the support of the Foundation, he raised nearly £10k for The Outward Bound Trust.

The Foundation was also proud to support members of our Private Capital team to complete the Butcombe Ultra Marathon raising funds for Only A Pavement Away, a charity that supports people looking to rebuild their lives through employment opportunities in hospitality.



Equality, diversity and inclusion

At Caledonia, we believe that a diverse workforce creates the optimum environment in which our business will continue to thrive and grow.

Our recruitment and employment policies are compliant with relevant UK legislation. Recruitment, development and promotion are based on suitability for the role. We will not discriminate on the basis of gender, sexual orientation, marital status, pregnancy, gender reassignment, age, race, nationality, ethnicity, disability, or political or religious beliefs.

We are committed to increasing diversity and inclusion over time. We are mindful of the need for orderly succession planning and ensuring that an appropriate mix of skills and experience is maintained throughout our organisation, from the board to every operational level.

As at 31 March 2025, the gender distribution across the various levels of our business is as follows:

	Male number (%)		Female number (%)	
	2025	2024	2025	2024
Board	7 (64%)	7 (64%)	4 (36%)	4 (36%)
Senior managers	14 (50%)	15 (60%)	14 (50%)	10 (40%)
All employees (including board)	37 (44%)	38 (46%)	47 (56%)	44 (54%)

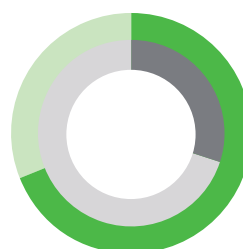
Caledonia operates a flatter management structure than is often found in many other companies and, for information, 60% (2024: 55%) of direct reports to members of our Investment Committee are female.

In accordance with Listing Rule 6.6.6R (9) of the FCA's Listing Rules, the table below sets out details of the diversity of the individuals serving on the board and executive management as at 31 March 2025. Our executive management consists of members of our Investment Committee, being the most senior level of management. Data was obtained on a voluntary self-reported basis. The board met the ethnicity diversity target set out in LR 6.6.6R (9) (a) but not the two gender diversity targets. The targets were introduced in 2022 and, given the gradual change in board membership, it will take time to meet them.

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	7	63.6%	4	6	85.7%
Women	4	36.4%	-	1	14.3%
Not specified/prefer not to say	-	-	-	-	-

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	10	90.9%	4	7	100%
Mixed/Multiple Ethnic Groups	-	-	-	-	-
Asian/Asian British	1	9.1%	-	-	-
Black/African/Caribbean/Black British	-	-	-	-	-
Other ethnic group	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

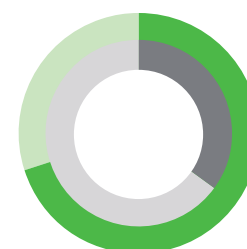
Investment and support employees 2025¹



Investment employees	
Male	69%
Female	31%

Support employees	
Male	30%
Female	70%

Investment and support employees 2024¹



Investment employees	
Male	70%
Female	30%

Support employees	
Male	35%
Female	65%

1. Excluding non-executive directors

Sustainability (continued)



Working environment

At Caledonia, we look to establish, nurture and maintain a culture of high standards in both behaviour and professional integrity. Our comprehensive policies are designed to safeguard employees against unlawful discrimination and to foster a working environment where fairness, consideration and respect are paramount.

Annual performance appraisals, through which employees may be set objectives and against which their achievements are assessed, are intended to ensure that employees have a clear view of their performance and to identify additional learning and development needs to help them meet their full potential.

Grievance procedure and whistleblowing

Our staff handbook clearly sets out Caledonia's formal grievance procedures, offering all colleagues a structured yet flexible framework to raise concerns, whether through formal channels or in a more informal manner.

In addition, there are established robust whistleblowing arrangements designed to provide a safe, confidential and impartial channel for reporting any potential misconduct in our business. These mechanisms enable employees to raise issues independently of their immediate line management, ensuring a culture of transparency and accountability. Responsibility for oversight of our whistleblowing procedure sits with the board.

Health and safety

At Caledonia, we are committed to continuously enhancing health and safety across our workplace, ensuring full compliance with all applicable legislation. While the nature of our business means that occupational risks remain low, we remain dedicated to providing a secure working environment through the supply of safe equipment and comprehensive, ongoing training. This proactive approach is designed to prevent accidents and mitigate any risks of work-related ill health.

Our detailed health and safety policies are outlined in our employee handbook, and staff are encouraged to undertake regular workstation assessments to identify and address any requirements.

For the year ended 31 March 2025 there were no incidents reported under RIDDOR ('Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013'), and no work-related accidents.