

Responsible Investment
Annual Review 2026

 Bluewater

Contents

Introduction	2
Bluewater at a glance	3
Responsible Investment	4
2025 ESG performance	5
Our Portfolio	8
Portfolio sustainability in practice	10
Reflections from Severn	12
Our Progress	13
Reporting & frameworks	14
Supporting our communities	15
Looking Ahead	16

Responsible Investment Annual Review 2026

We are pleased to present Bluewater's 2026 Responsible Investment Annual Review. Our focus remains on creating long-term value, supported by strong responsible investment practices.

We believe active ownership and stewardship help build more resilient businesses, and we work alongside management teams to manage risk, improve operational performance and support future growth.

Over the past year, we have worked closely with our portfolio companies on the issues most material to their businesses, helping management teams make practical improvements. ESG performance across the portfolio continued to improve, with 92%⁽¹⁾ of reporting companies now rated 'Competent'⁽²⁾ or above. This was supported by initiatives focused on operational resilience, workforce capability, environmental performance and governance.

This year also marked the successful exit of Severn Group. Over the course of our ownership, we helped Severn bring more structure to its approach to sustainability, showing the role long-term stewardship can play in strengthening a business.

Within Bluewater, our latest PRI assessment recognised the progress we have made in our own practices. We also finalised our SFDR framework in anticipation of Fund III reporting under Article 8, which will strengthen our approach to transparency, engagement and measurement.

In the year ahead, we will continue to build on this progress across the portfolio and within Bluewater, and keep challenging ourselves to raise our standards.

– *Bluewater Responsible Investment Committee*

HIGHLIGHTS

PORTFOLIO ESG PROGRESS

The portfolio continued to improve its ESG performance, with 92%⁽¹⁾ of reporting companies now rated 'Competent'⁽²⁾ or above.

SEVERN EXIT

Our approach helped Severn bring more structure to sustainability, supported year-on-year improvement and helped to build a stronger business over the course of our ownership.

IMPROVED PRI SCORE

We received an improved score from the UN Principles for Responsible Investment (PRI), providing recognition of our continued progress.

ENHANCED SFDR ARTICLE 8 FRAMEWORK

We finalised our SFDR framework in anticipation of Fund III reporting under Article 8. The framework will strengthen our approach to transparency, engagement and measurement.

1. Based on the 13 portfolio companies reporting in 2026, including two that have subsequently been realised.
2. The portfolio company ESG ratings and scores are provided by our external partner, Holtara, and are based on their methodology.

Bluewater at a glance

Bluewater is a mid-market private equity firm focused on investing across the energy supply chain.

Founded in 2011 and headquartered in London, we have commitments of over \$2.5 billion across two funds including co-investments, and have invested in 25 portfolio companies to date.



\$2.5bn+

capital raised

11

unrealised portfolio companies

~7,500

employees across the current portfolio⁽¹⁾

-  **BLUEWATER OFFICE**
-  **PORTFOLIO HEADQUARTERS**
-  **PORTFOLIO OPERATIONS**

OUR INVESTMENT STRATEGY

Bluewater's investment strategy focuses on highly demanded, mission-critical products and services across **four key themes**:



Critical components manufacturing



Smart energy services



Strategic infrastructure & lifecycle services



Energy intelligence & digital systems

1. Represents the employee numbers reported as at 31 December 2025 excluding Severn and Edge, which were sold in 2026.

Responsible investment as a lever for better businesses

At Bluewater, responsible investment supports our returns-focused approach by helping portfolio companies address the risks and opportunities that affect their long-term value.

We have been a signatory to the UN Principles for Responsible Investment (PRI) since 2020. Our focus centres on active ownership and stewardship throughout our period of investment. We work with each management team to agree priorities, monitor progress and support practical improvements on the issues most material to their business.

Our aim is to identify priorities with management teams and support improvements over the course of our ownership.

Signatory of:



ACTIVE STEWARDSHIP

Our approach is based on regular engagement and clear accountability throughout the ownership period. This allows us to focus on practical action rather than compliance alone.

Board-level oversight across the portfolio	Annual ESG objectives set with management teams	Regular review of progress and emerging priorities	Support for continuous improvement in the areas most relevant to each business

PRIORITY AREAS

Our priority areas reflect the issues most relevant to the sectors in which our portfolio companies operate, and form the basis of the annual ESG objectives we set with each management team.

Climate	GHG emissions measurement & reduction
People	Health, safety & wellbeing Human & labour rights Conduct & culture
Governance	Anti-bribery & corruption Cybersecurity Oversight & accountability
Community	Philanthropy & community engagement

MEASURING PROGRESS

Working together with Holtara, our ESG reporting and benchmarking provider since 2022, has given Bluewater and our portfolio company management teams a consistent year-on-year view of performance, enabling us to:

- identify strengths and areas for improvement
- benchmark progress over time
- support more informed discussions with management teams and boards
- respond to growing expectations for transparency and disclosure

PORTFOLIO PROGRESS

2025 ESG performance

Our ESG reporting now provides a clear view of how the portfolio has improved over time. Here, we look at where companies stand today and how ratings and scores have changed over the past four years⁽¹⁾.



92%⁽²⁾ of portfolio companies are now assessed as 'Competent'⁽³⁾ or above, of which 67% are rated 'Excellent'⁽³⁾ or 'Leader'⁽³⁾

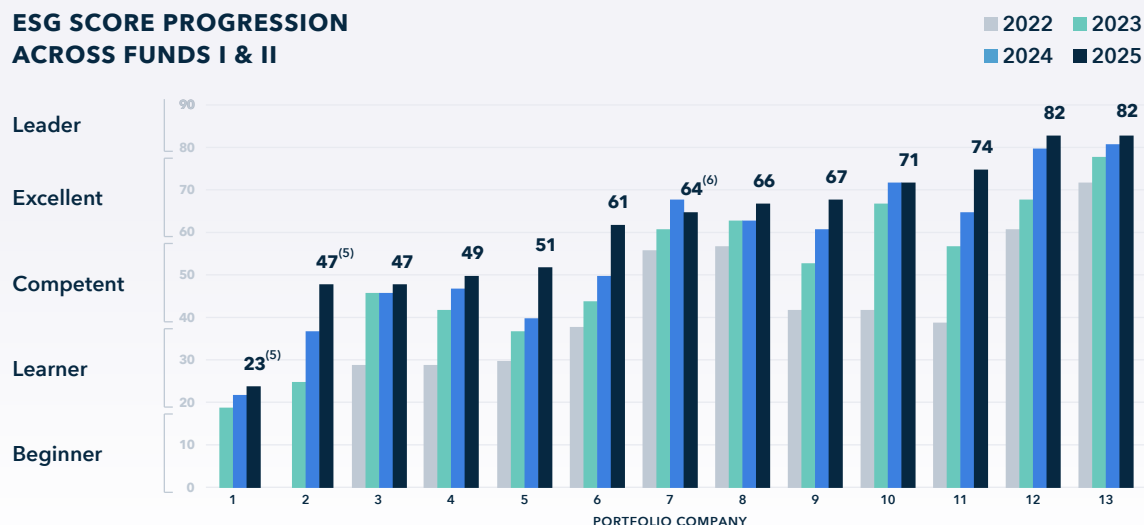


Six portfolio companies moved up a rating category year-on-year⁽⁴⁾



On average portfolio companies have improved their scoring by 11% year-on-year⁽⁴⁾

- Based on 11 portfolio companies with continuous data from the 2022 baseline; excludes two portfolio companies with data from 2023 onwards.
- Based on the 13 portfolio companies with 2025 data, including two that have subsequently been realised.
- The portfolio company ESG ratings and scores are provided by our external partner, Holtara, and are based on their methodology.
- Based on the 13 portfolio companies with data for both 2024 and 2025, comparing overall ESG score year-on-year.
- Portfolio company data available from 2023 only.
- Score reflects reduced data availability following the disposal of certain operating assets during the year.

ESG SCORE PROGRESSION
ACROSS FUNDS I & II2022-2025 SCORE TRENDS⁽¹⁾

Using 2022 data as our baseline we have seen the following results:

Average increase in portfolio company scores across E, S and G:

↑63% Environmental

↑48% Social

↑35% Governance

100% of portfolio companies improved in Environmental, Social and Governance scoring individually

100% of portfolio companies moved up at least one ESG rating category, including three that moved up two categories

Evolving our ESG assessment framework

For the 2027 reporting cycle, Bluewater will adopt Holtara's new materiality-based assessment framework, allowing us to focus more closely on the ESG topics most material to each portfolio company.

The updated approach introduces tailored questionnaires and maturity-based scoring, providing a more nuanced view of ESG performance and reflecting how developed each company's approach is. The 2027 cycle will therefore establish a new baseline for measuring progress and results may not be directly comparable with previous years.

2022-2025 data highlights

With our ESG assessment methodology evolving from next year, we wanted to take the opportunity to look back at the progress made over the past four years⁽¹⁾.

Over this period, we have seen portfolio companies improve how they manage and report on ESG. Environmental reporting has become more comprehensive, policies and due diligence have developed, and sustainability considerations are increasingly reflected in business practices and risk management.

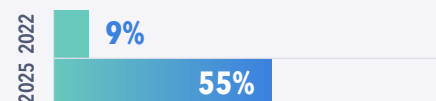
1. Data is presented on a like-for-like basis for 11 portfolio companies, comparing 2025 performance with a 2022 baseline. Excludes two portfolio companies with data from 2023 onwards.

ENVIRONMENTAL

91% of portfolio companies now report both Scope 1 and Scope 2 emissions, up from **55%** in 2022



55% of portfolio companies now report partial Scope 3 emissions, up from **9%** in 2022



73% of portfolio companies now report both energy consumption and waste generation, up from **9%** in 2022



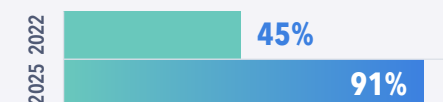
CLIMATE RISK MANAGEMENT

100% of portfolio companies now manage climate-related risks through a formal process, up from **64%** in 2022



HUMAN & LABOUR RIGHTS

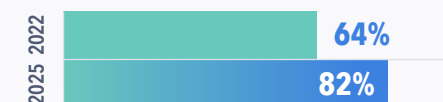
The proportion of portfolio companies with a formal human & labour rights due diligence process increased from **45%** in 2022 to **91%** in 2025



HEALTH & SAFETY



82% of portfolio companies now report contractor working days lost due to injury, up from **64%** in 2022



continued on page 7 →

2022-2025 data highlights

EMPLOYEE ENGAGEMENT & DEVELOPMENT

91% of portfolio companies conduct employee engagement surveys, up from **82%** in 2022



55% → 91%
of portfolio companies offer external training

55% → 82%
of portfolio companies have employee development roadmaps

CYBERSECURITY



9% → 45%
of portfolio companies require contractors to sign the cyber policy or complete cyber training

CONDUCT & CULTURE



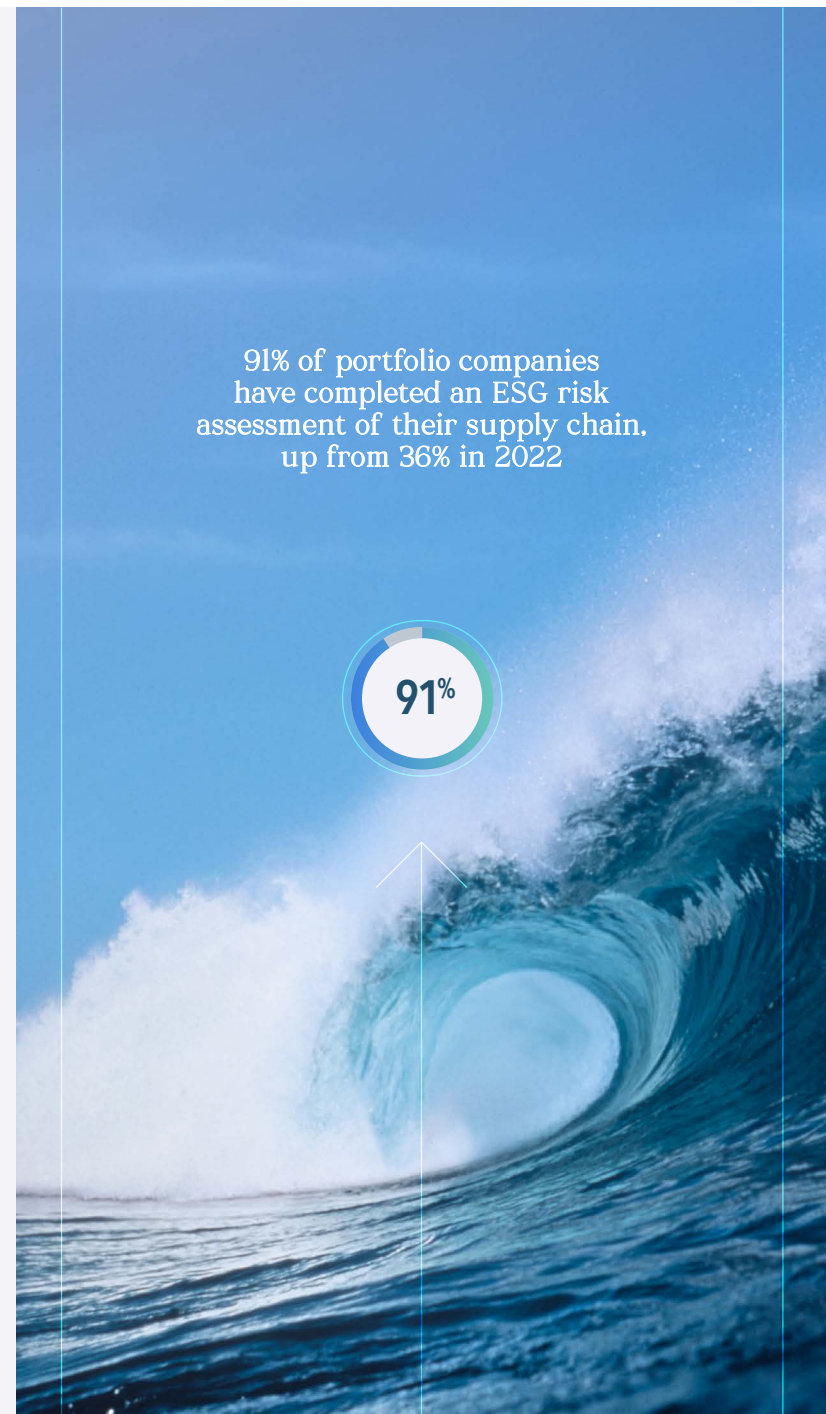
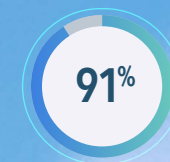
73% → 91%
of portfolio companies have codes of conduct covering conflicts of interest

36% → 82%
of portfolio companies require contractors to sign the code of conduct or complete formal training

Four years of data has shown us where companies have improved and where there is still work to do. It has guided us on where to focus with management teams and helped us set priorities.

We will continue to build on this foundation and support our portfolio companies to make meaningful progress year-on-year.

91% of portfolio companies have completed an ESG risk assessment of their supply chain, up from 36% in 2022



Our portfolio

Our current portfolio spans the energy supply chain, from specialist manufacturing and infrastructure to technology and safety-critical services.

The businesses serve a range of energy and industrial markets, with their activities reflecting the current and evolving needs of the sectors in which they operate.

AUTHENTIX

Advanced authentication solutions that protect the integrity of global supply chains

Focus:
Regulatory-driven authentication

Headquartered:
United States



Protects critical public and financial systems from counterfeiting, working with central banks, governments and global brands to safeguard supply chain integrity

CRC EVANS

Global welding and coatings specialist for energy and infrastructure projects

Focus:
Critical infrastructure services

Headquartered:
United Kingdom



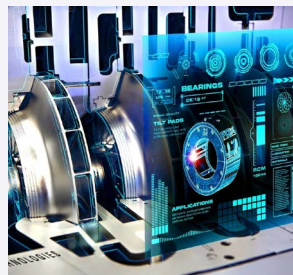
Welds and coats pipelines for energy and infrastructure projects worldwide, with growing activity in hydrogen, carbon capture and nuclear

FOX INNOVATION & TECHNOLOGIES

Technology-led aftermarket services for turbomachinery and rotating equipment

Focus:
Lifecycle services for rotating equipment

Headquartered:
United States



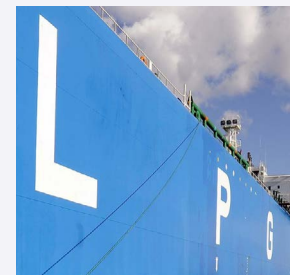
Upgrades compressors and turbines used in energy and industrial plants, improving performance, reducing energy use and extending equipment life

GES

An independent developer and operator of energy storage terminals

Focus:
Energy security & transition infrastructure

Headquartered:
Singapore



Develops and operates energy storage terminals, supporting secure energy supplies and infrastructure for lower-carbon fuels

3T

Provider of technology-enabled safety training for the energy sector and other critical industries

Focus:
Safety-critical training & technology

Headquartered:
United Kingdom



Trains people working in high-risk industries, helping build skills and improve workplace safety through practical training, simulation and digital learning

Our portfolio

IMSERV

UK metering, energy data intelligence and technology platform

Focus:
Smart energy services

Headquartered:
United Kingdom



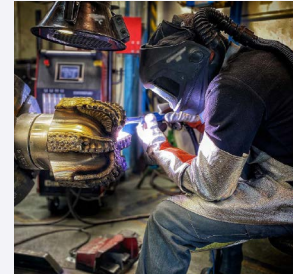

Monitors over 1.25 million electricity meters across the UK, helping businesses understand and manage energy use, costs and carbon emissions

VAREL

Manufacturer of drilling, cementing and completion products

Focus:
Specialist components manufacturing

Headquartered:
United States

Makes products used to drill and complete energy wells, with technology designed to improve efficiency, reliability and equipment life

EXLOG

Specialist energy services provider offering surface data logging, well intervention and data & consultancy

Focus:
Technology-enabled well services

Headquartered:
United Kingdom




Provides data, technology and specialist services that help energy companies improve the efficiency and safety of well operations across conventional and evolving energy markets

WELLESLEY

Independent exploration and appraisal focused on the Norwegian Continental Shelf

Focus:
Energy exploration & appraisal

Headquartered:
Norway




Explores for oil and gas in Norway, focusing on opportunities close to existing infrastructure, where developments can be powered from shore for lower-emission production

JERNBRO

Provider of industrial maintenance and project services across Scandinavia

Focus:
Lifecycle industrial services

Headquartered:
Sweden



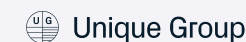

Provides maintenance and repair services to extend equipment life, improve efficiency and reduce downtime

UNIQUE GROUP

Provider of subsea technology and engineering solutions

Focus:
Advanced offshore technology & engineering

Headquartered:
United Arab Emirates




Combines specialist technology and engineering expertise to improve the safety and efficiency of offshore and subsea operations

Portfolio sustainability in practice

Our portfolio companies continue to strengthen their businesses, build resilience to emerging risks and pursue opportunities for sustainable long-term growth.

The case studies that follow highlight this work in practice →

OPPORTUNITIES FOR SUSTAINABLE GROWTH

Diversifying into lower-carbon markets



The context

CRC Evans is building on its established welding and engineering expertise to expand into new energy and critical infrastructure markets.

In practice

CRC Evans is working in partnership with Monter on more than 200km of hydrogen-ready pipeline across Croatia, Slovenia and Italy, designed to support future hydrogen transport in the North Adriatic Hydrogen Valley region.

The company has also opened a new 90,000 sq ft Centre of Excellence in Burnley, integrating specialist welding, protective coating and advanced manufacturing capabilities to support growth across nuclear and renewable energy and other critical industries.

The impact

These initiatives create further opportunities for CRC Evans to diversify as new energy and infrastructure markets evolve.

Improving asset efficiency



The context

As many industrial operators are looking to improve the performance of existing equipment rather than replace it, Fox's compressor modernisation technology allows ageing equipment to be upgraded for current operating needs, with the potential to improve efficiency, reduce energy use and extend its working life.

In practice

Fox continues to develop its compressor modernisation work, upgrading existing equipment with newer technology to improve its performance. In a recent project for a major oil and gas producer, a compressor revamp increased operating efficiency by 6% and volume flow by 30%, supporting lower operating costs and better use of energy.

The impact

As customers look to improve the efficiency of existing assets, Fox has an opportunity to grow by helping them reduce energy use and extend the life of their equipment.

BUILDING OPERATIONAL RESILIENCE

Creating a safer workplace



The context

Health and safety is central to Jernbro's operations, with the business taking a structured approach to building a strong safety culture. With its work across industrial sites, preventing accidents and improving safe working practices remain an ongoing priority.

In practice

During 2025, Jernbro improved the structure and accessibility of its management system, organising safety instructions and processes more effectively. It also continued its Quarterly Focus initiative, using targeted training and guidance to address specific areas for improvement.

The impact

Jernbro's safety performance continues to improve, with reductions in lost-time injuries, minor accidents and sick leave resulting from workplace incidents.

Strengthening operations with AI



The context

3t trains more than 200,000 delegates a year, with around 90% of revenue coming from mandatory training. Managing these volumes effectively depends on reliable and accurate processes behind the scenes.

In practice

This year, 3t has increased its use of AI and automation across its technology platform and internal workflows. This includes automating parts of its training management system to make bookings more efficient and using AI to process and validate certification data. These initiatives are supported by a strong governance framework that provides oversight around how AI is used.

The impact

As training volumes increase, AI and automation are helping 3t improve how its core operations run, supporting greater efficiency, reliability and accuracy.

Investing in skills and capability



The context

IMSERV continues to invest in its people, building the skills and capability needed as customer requirements and the energy industry evolve.

In practice

Through its Training and Innovation Centre, IMSERV has continued to develop its workforce. During the year, its Field Training Team became an EUSR Approved Training Provider, enabling it to deliver recognised qualifications to employees and others in the industry.

The impact

IMSERV is strengthening its in-house capabilities, supporting employee development and building a robust pipeline of technical talent to help support operational resilience as industry requirements evolve.

Building a stronger business: reflections from Severn

Severn Group's ESG Director, Eleanor Sherry, reflects on how the company's sustainability approach evolved during Bluewater's ownership, the role of leadership in driving change, and the lessons learned along the way.



Q When you joined Severn in 2022, what did sustainability look like compared with today?

A When I joined, there was lots of good work happening, but largely in pockets. Different divisions were collecting different data, running different initiatives and focusing on different priorities, without a single strategy bringing everything together.

One of the biggest changes has been developing a group-wide approach. We established clear priorities, created a cross-functional sustainability committee and brought people together from across the business. We now have clearer objectives, better governance and regular reporting to track progress.

“ Every year we could point to something tangible that we'd introduced or improved. We weren't trying to do everything at once, we just kept building on the foundations year after year.”

Q How did the introduction of portfolio-wide reporting help?

A It made a huge difference. When I joined, the first Holtara assessment had just been completed, giving me a clear picture of where we were performing well and where we had gaps. That became our roadmap.

Rather than trying to tackle everything at once, we could focus on the areas that would make the biggest difference. Year-on-year reporting also brought more people into the process and increased awareness of why the data mattered.

It has also proved invaluable as customer expectations have evolved, with more customers now asking for similar information.

Q Severn progressed to 'Leader'⁽¹⁾ in ESG maturity. What made the biggest difference?

A It's really been about continuous improvement. Each year we've built on the foundations established the year before, from introducing Scope 3 reporting and developing our Supplier Code of Conduct to improving environmental initiatives across different sites.

Leadership has been critical. Sustainability is regularly reviewed by the executive team and reported to the Board, helping make it part of how the business is managed.

Q Which initiative had the biggest impact?

A Health and safety improvements have probably had the biggest impact. An independent audit against industry best practice allowed us to benchmark every site consistently and identify where improvements were needed. It also created greater collaboration. Health and safety teams that had previously worked quite independently began sharing ideas and learning from each other, which has been just as valuable as the audit scores themselves.

Q What has been the biggest challenge – and what are you most proud of?

A The biggest challenge has been making sustainability something that belongs to everyone, rather than one individual or team. Including sustainability and health and safety objectives within performance reviews has helped bring it into everyday conversations across the business. Personally, I'm most proud of our work around inclusion and diversity, from partnerships with local schools and engineering programmes to establishing a women's network and reducing our gender pay gap.

1. The portfolio company ESG ratings and scores are provided by our external partner, Holtara, and are based on their methodology.

PROGRESS AT BLUEWATER

At Bluewater, we continue to review how we operate and to take practical steps to strengthen our business.

UNDERSTANDING OUR ENVIRONMENTAL IMPACT

We measure and offset our emissions annually, giving us a better understanding of our carbon footprint and how it changes over time. Our travel policy helps manage the impact of business travel, the largest source of our emissions, with trips kept under close review to ensure each one is necessary.

2024/2025 GHG Emissions

Scope	tCO ₂ e	% of total
Scope 1 ⁽¹⁾	0	0%
Scope 2 ⁽²⁾	0 ⁽⁴⁾	0%
Scope 3 ⁽³⁾	1,277 ⁽⁵⁾	100%

1. Scope 1: direct emissions from owned or controlled sources.
2. Scope 2: indirect emissions which include those caused by generation of energy purchased by a company.
3. Scope 3: all other indirect emissions that occur due to a company's activity but from sources that are not owned or controlled by the business.
4. Due to Bluewater's purchase of renewable electricity, Scope 2 emissions (calculated using the market-based method in line with the GHG Protocol) are reported as zero.
5. Covers four of the 15 Scope 3 categories.

SUPPORTING OUR PEOPLE

We support our team through a range of benefits covering health and wellbeing, family life and practical support. This year, we changed medical insurance provider to strengthen mental health support, including therapist cover. We also continue to offer confidential wellbeing resources and opportunities to volunteer and support causes that matter to the team.

RESPONDING TO EVOLVING RISKS

During the year, we further developed our approach to cybersecurity and built on our existing governance of AI as its use across the business grows.

Enhanced cyber awareness:

We expanded employee training to cover a broader range of emerging cyber threats, supported by automated phishing simulations that help our team identify and respond to potential risks.

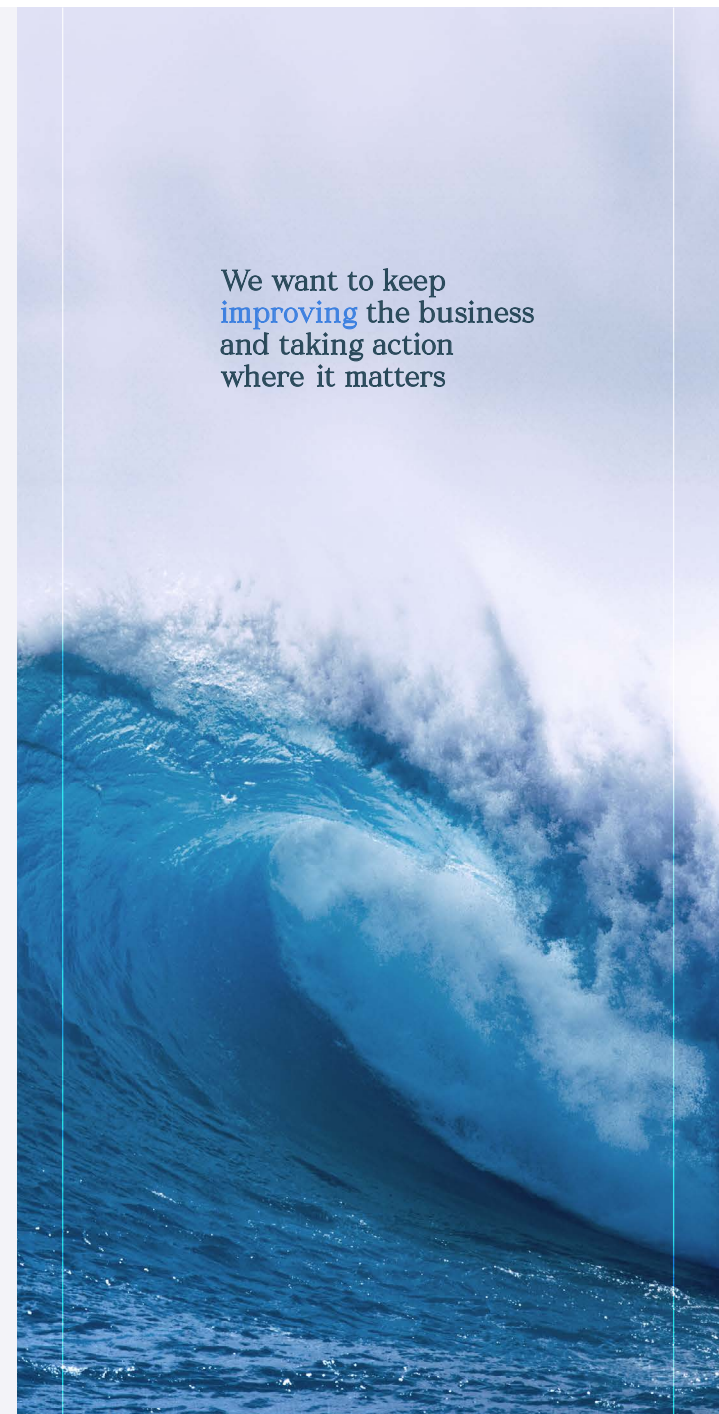
Strengthened systems and controls:

We reviewed our security settings, user access permissions and potential vulnerabilities and addressed the areas identified for improvement.

Clearer AI governance:

We updated our AI policy to provide clearer guidance on the appropriate use of AI tools across the business.

We want to keep **improving** the business and taking action where it matters



REPORTING & FRAMEWORKS

Working to recognised standards

We use established frameworks and external reporting to help us assess our progress and provide transparency around our approach. This year, we improved our PRI assessment and finalised our SFDR framework ahead of Fund III.

Preparing for Fund III

EU Sustainable Finance Disclosure Regulation (SFDR) regime

Ahead of Fund III, we have finalised our SFDR framework in anticipation of the Fund reporting under Article 8.

The framework has been designed to sit alongside our investment strategy, with a focus on engagement, measurement, transparency and improving sustainability practices across the portfolio.

Sustainability risks will also form part of the investment process, including through our exclusion criteria and sustainability due diligence of prospective investments.

PRI reporting

Our latest PRI assessment shows continued progress, with improved scores across both Policy, Governance and Strategy, and Private Equity.

The improvement in our Policy, Governance and Strategy assessment reflects greater disclosure, in particular of our Scope 3 emissions and the methodology used to calculate them.

In Private Equity, the improvement was driven principally by extending ESG KPI tracking across all portfolio investments, building on the coverage achieved in previous years.

The PRI introduced a streamlined reporting framework for 2026, with changes to its structure, content and assessment methodology. As a result, 2026 assessment scores will not be directly comparable with previous years.

We will share our performance under the new framework in next year's report.

Bluewater 2025 PRI Summary Scorecard

		PRI Median					Module Score	
Module score	AUM coverage	☆☆☆☆ (0<=25%)	☆☆☆☆ (>25<=40%)	☆☆☆☆ (>40<=65%)	☆☆☆☆ (>65<=90%)	☆☆☆☆ (>90%)		
Policy Governance and Strategy ☆☆☆☆							77	
Direct - Private equity ☆☆☆☆	>50%						73	
Confidence building measures ☆☆☆☆							80	

Supporting our communities

Bluewater has a long-standing commitment to supporting charities and community initiatives, with a particular focus on children's health and education, and our local London community.

We value the relationships we have built with our charity partners over a number of years, while also supporting new organisations whose work reflects the causes that matter to our team. Through these partnerships, we aim to make a meaningful contribution to the communities around us.

2025/2026 CHARITY PARTNERS



A team effort for Noah's Ark and The Passage

Sixteen members of the Bluewater team took part in the JPMorganChase Corporate Challenge, completing the 5.6km run in London's Battersea Park to raise funds for two charities doing important work in our community.

Bluewater's Charity Committee pledged £500 for every runner who completed the challenge, with the final donation rounded up to £10,000 and shared between Noah's Ark Children's Hospice in Barnet and The Passage in Westminster.

Noah's Ark Children's Hospice provides specialist care and support for seriously unwell children and their families, helping them make the most of their time together.

The Passage supports people experiencing or at risk of homelessness, providing practical support and services to help them move towards a more secure and independent future.

LOOKING AHEAD

Building on experience

As we reflect on the progress shared in this year's report, we remain focused on the role responsible investment can play in building stronger businesses and creating long-term value.

The examples throughout this report show continued improvement across our portfolio, from strengthening governance and operational resilience to developing people, improving environmental performance and responding to opportunities for sustainable growth.

We also continue to develop our approach, drawing on the experience gained across our existing investments and carrying those lessons forward as we look ahead to Fund III. This means understanding what matters most to each business and working with management teams to support improvements that are relevant to their operations and long-term development.

As the energy landscape evolves, it will bring both challenges and opportunities for the businesses in which we invest. Supporting them through these changes will remain a priority for Bluewater in the years ahead.

“We believe our deep sector expertise, combined with a practical approach to responsible investment, will help us to support stronger, more resilient businesses.”

Frazer Blyth
Head of Investor Relations & Marketing





One Connaught Place
London
W2 2ET United Kingdom

+44 (0)20 7290 5090

info@bluewaterpe.com
www.bluewaterpe.com

This document is provided for information purposes only. It does not constitute investment advice or an offer or solicitation to invest in any fund managed or advised by Bluewater. Portfolio company ESG data is self-reported and has not been externally audited or assured; ESG ratings and scores are provided by a third-party provider using its own methodology. Information, opinions and estimates reflect judgements at the date of publication and are subject to change without notice. Blue Water Energy LLP, operating under the trading name "Bluewater", is authorised and regulated by the Financial Conduct Authority (FCA FRN: 565160).