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Environmental, Social and Governance ("ESG") Policy

Introduction

Environmental, Social and Governance ("ESG") considerations have become fundamental to how businesses operate and how capital is deployed. Their relevance extends beyond corporate strategy, shaping investment decisions, stakeholder relationships, and the broader trajectory of sustainable economic growth. As these expectations continue to intensify across markets and regulatory frameworks, integrating ESG principles is no longer discretionary: it is a mark of responsible stewardship.

Marcena Capital Ltd ("Marcena Capital") is firmly committed to embedding ESG considerations across its operations, investment strategies, processes, and practices. We believe that rigorous ESG integration enhances long-term investment performance, contributes meaningfully to societal wellbeing, and supports environmental sustainability, while directly addressing the expectations of our investors, clients, partners, and staff.

In pursuing this commitment, Marcena Capital prioritises ESG themes based on investment materiality and in fulfilment of its fiduciary obligations as a responsible investor. We recognise that our position as an active allocator of capital affords us the opportunity and the responsibility to influence positive ESG outcomes both within our own organisation and across the companies and funds in which we invest.

This ESG Policy is a living document. It will continue to evolve as Marcena Capital deepens its understanding, refines its approach, and seeks continuous improvement across every dimension of its operations.

Marcena Capital Corporate

At the corporate level, Marcena Capital's ESG commitments are structured around the three pillars of Environmental, Social and Governance responsibility. Each pillar reflects areas where Marcena Capital can exercise direct influence and drive meaningful, tangible outcomes.

- Environment: Physical offices and other workspaces
- Social: Staff wellbeing and workplace culture
- Governance: Good management and sound decision-making processes

Physical Office

Marcena Capital operates from a building under institutional ownership, where the landlord's overarching vision is to minimise the environmental footprint through ongoing sustainable practices and energy efficiency measures. Marcena Capital actively supports and aligns with this vision, ensuring that its day-to-day occupation of the space is consistent with responsible environmental stewardship.

Staff Wellbeing

Marcena Capital is committed to fostering a healthy, inclusive, and rewarding workplace in which every team member can thrive. We believe that a motivated, supported workforce is integral to long-term performance and organisational resilience. Our current staff wellbeing initiatives include:

- Flexible working arrangements — including remote and hybrid working options to support work-life balance
- Additional leave provision — company-provided leave days across the Christmas and New Year period, over and above statutory entitlement
- Social connectivity — regular virtual and in-person team gatherings during working hours to strengthen relationships and team cohesion
- Learning & development — structured opportunities for professional growth, team-building, and skills development
- Flexible hours — accommodating individual needs and personal circumstances where operationally practicable
- Recognition culture — formal and informal acknowledgement of individual and team contributions and achievements
- Competitive remuneration — short-term and long-term incentive structures that align individual performance with firm-wide success

Good Management

Marcena Capital operates a flat management structure that intentionally avoids rigid hierarchies, creating an environment where meaningful contribution, initiative, and accountability are expected and valued at every level of the team. All voices are heard, and recognition of effort and achievement is a shared responsibility across the firm.

As a lean, specialist team, Marcena Capital places importance on cross-functional awareness. Each team member is expected to develop a working understanding of colleagues' areas of specialism, stepping in to assist where appropriate. This approach reinforces operational resilience and continuity, while simultaneously providing every individual with the opportunity to broaden their skill set and professional perspective.

Marcena Capital is equally committed to management transparency. Staff are kept informed of the firm's strategic direction, broader purpose, and organisational mission: fostering strong alignment between individual roles and the firm's long-term objectives, and enabling each team member to understand the significance of their contribution.

Marcena Capital Investments

Marcena Capital's ESG responsibilities extend beyond its own operations to the investments it makes and manages on behalf of its clients. ESG considerations are embedded at every stage of the investment lifecycle from initial assessment through to ongoing monitoring and exit.

Stewardship and active management

Marcena Capital takes an active and engaged approach to ESG stewardship. Key ESG factors are identified at the point of investment using structured materiality assessments, ensuring that only the most relevant and financially significant considerations are prioritised for each asset or strategy.

Following initial investment, Marcena Capital monitors and tracks progress against identified ESG factors on a continuous basis. Where performance deviates from expectations or material concerns emerge, Marcena Capital will engage directly with the relevant counterparty and, where necessary, escalate accordingly. Beyond direct investment relationships, Marcena Capital engages with a broader set of stakeholders, including portfolio companies, fund managers, and industry bodies, to understand, monitor, and constructively influence ESG outcomes over the life of each investment.

Exclusions

Marcena Capital's primary approach to managing ESG risk is through active ownership and direct engagement rather than blanket exclusions. We believe this approach offers greater capacity to influence positive outcomes than divestment alone. Any decision to exit or exclude an investment is considered carefully and as a measure of last resort, pursued only where all other options to manage or meaningfully reduce material ESG risk have been exhausted.

Notwithstanding this approach, Marcena Capital maintains a set of absolute exclusions. We will not knowingly invest in activities involving:

- Thermal coal mining
- Tobacco product manufacturing
- Cluster munitions manufacture or storage

These exclusions reflect Marcena Capital's view that the ESG risks associated with these activities are both severe and structurally irremediable through engagement alone.

Environmental

Marcena Capital engages proactively with its investment managers on their environmental sustainability policies, strategies, and practices. Our environmental focus spans three interconnected areas:

- Climate & Resilience — greenhouse gas emissions, energy consumption and efficiency, and exposure to climate-related physical and transition risks
- Resource Management — water consumption and stewardship, raw material use, and energy efficiency
- Pollution & Waste — contaminated land, hazardous and non-hazardous waste management, and pollution prevention

As part of its due diligence process, Marcena Capital requests, reviews, and evaluates each manager's sustainability policy, supplemented by a structured series of ESG-specific questions within our requests for information.

Climate Risk Assessment

When evaluating any potential investment, Marcena Capital assesses both the physical and transition risks that may arise from climate change:

A. Physical Risks

Physical risks arise from the direct consequences of a changing climate and include:

- Event-driven risks such as increased frequency and severity of extreme weather events, including cyclones, droughts, floods, and wildfires
- Longer-term chronic risks, including shifts in precipitation patterns, rising temperatures, increased weather variability, and sea-level rise

B. Transition Risks

Transition risks arise from the structural changes accompanying the global shift to a lower-carbon economy and include:

- Policy and regulatory changes such as emissions constraints, carbon taxes, water restrictions, and land-use controls
- Technology disruption, evolving market dynamics, and shifting supply and demand fundamentals
- Legal liability exposure and reputational risk associated with carbon-intensive activities or inadequate climate disclosure

Social

Marcena Capital recognises that the investments it makes and the business activities it supports have a direct bearing on people: employees, communities, and society more broadly. We are committed to ensuring that social considerations and stakeholder wellbeing are meaningfully integrated into our investment assessment and ongoing management processes.

Key areas of social focus include:

- Employment & Working Conditions — fair labour practices, worker rights, and equitable employment standards throughout the investment portfolio
- Occupational Health & Safety — appropriate workplace safety standards, risk management, and employee welfare
- Modern Slavery & Human Rights — zero tolerance for forced labour, child labour, and human rights abuses within investee businesses and their supply chains
- Community Impact & Urban Cohesion — consideration of local community effects, urban integration, and the aesthetic and social contribution of the assets and environments in which we invest

Occupational Health and Safety

Marcena Capital expects the businesses and managers in which it invests to maintain robust occupational health and safety ("OHS") standards that genuinely protect workers and promote safe working environments. Our OHS assessment framework is guided by four core principles:

- Hazard avoidance — proactive identification and elimination of workplace risks before they materialise
- Safe technology — ensuring that equipment, systems, and processes meet appropriate safety standards and are fit for purpose
- Optimised working conditions — maintaining physical and organisational environments that support worker health, comfort, and productivity
- Integration of health & safety into operations — embedding OHS considerations into day-to-day production and management activities, rather than treating safety as a separate compliance function
- Compliance with these principles is assessed through a combination of site visits, structured due diligence enquiries, and other methods of inquiry. Further detail on manager conduct assessments is set out below.

Modern Slavery and Human Rights

Marcena Capital is committed to upholding the highest standards of ethical business conduct and corporate compliance. We take a zero-tolerance approach to modern slavery, forced labour, child labour, and all forms of worker exploitation and abuse; whether within our own operations or across the investment portfolios and supply chains of the managers and companies with which we work.

Marcena Capital actively endorses and promotes ethical business practices that protect the fundamental rights and dignity of workers at every level. Our commitments in this area are set out in full in Marcena Capital's Modern Slavery Policy, which should be read alongside this ESG Policy.

Governance

Marcena Capital holds good governance to be foundational, not aspirational. Since its inception, the firm has been structured around principles of transparency, independence, and alignment with investor outcomes, recognising that sound governance is both an ethical obligation and a driver of long-term investment performance.

The firm's approach to governance and regulatory compliance is set out in its Corporate Governance Policy and Compliance Program, which serves as the core governing document for these matters. This document is reviewed periodically and updated as required to reflect regulatory developments and evolving best practice. The key bodies established to govern Marcena Capital's corporate policies and oversee its investment strategies are as follows:

• Marcena Capital Company Directors with advice from Board

Conflicts of Interests and Related Party Transactions

Marcena Capital recognises that the effective identification and management of conflicts of interest is central to maintaining the trust of its investors, clients, and counterparties. The firm has established a formalised framework to ensure that conflicts, whether arising wholly or partially from activities conducted in the course of its financial services business, are identified, disclosed, and managed in accordance with regulatory requirements and best practice.

The full details of this framework, including the procedures governing related party transactions, are set out in Marcena Capital's Managing Conflicts of Interest and Related Party Transactions Policy.

Marcena Capital maintains strict political impartiality. The firm does not make financial contributions, expenditures, or donations for political purposes to any political party, politician, elected official, or candidate for public office, in any jurisdiction.

Manager Reputation

Marcena Capital conducts thorough reputational due diligence on all manager counterparties as a standard component of its investment assessment process. This assessment draws on multiple sources of information, including:

- Track record review — analysis of past investments, projects, and outcomes
- Credit reference checks — formal verification of financial standing and creditworthiness
- Regulatory and public record searches — online searches and enquiries with relevant regulatory bodies
- Reference and market intelligence — anecdotal and substantive evidence gathered from third parties with direct experience of the manager

Marcena Capital is a reporting entity under the Anti-Bribery Act and maintains robust procedures for Know Your Client ("KYC") and Anti-Money Laundering ("AML") checks in respect of all designated services provided by the firm; set out further in its AML Policy.

Where due diligence identifies questionable conduct, practices, or associations, findings are formally flagged and escalated through Marcena Capital's internal sign-off process. The nature and severity of any such concern is evaluated before any investment decision is made or continued.

Fraud and Corruption

Marcena Capital operates a zero-tolerance policy with respect to fraud and corruption in all its forms. The firm recognises that fraudulent and corrupt practices carry significant civil and criminal consequences for both individuals and institutions, and that by their nature, such practices can be difficult to detect, even within well-regulated environments.

In response to this risk, Marcena Capital conducts rigorous due diligence on all prospective manager counterparties to establish, to the extent reasonably practicable, that no party has been involved in fraudulent or corrupt activity. This process is complemented by the firm's broader compliance framework, which is designed to identify and respond to potential integrity risks at every stage of the investment lifecycle.

Full details of Marcena Capital's approach to this area are set out in its Anti-Fraud and Corruption Policy, which should be read in conjunction with this ESG Policy and AML Policy.

Industry Membership & Responsible Investment Principles

In 2022, Marcena Capital became a member of the British Private Equity and Venture Capital Association, now rebranded as UK Private Capital, reaffirming its commitment to industry-wide standards of responsible investment and ESG best practice. Membership carries with it a set of binding obligations under the UK Private Capital Member Code of Conduct, to which Marcena Capital is fully committed.

UK Private Capital Member Code of Conduct

As a member of UK Private Capital, Marcena Capital adheres to the following conduct standards:

- Ethical standards — dealing fairly, honestly, and with integrity with all counterparties, including other members and companies seeking private capital
- Professional conduct — conducting business in a manner that upholds the reputation of the private capital industry, while actively promoting equality, diversity, equal opportunities, anti-discrimination, and anti-harassment within the firm and across its portfolio
- Independence of membership — taking no improper advantage of its position as a UK Private Capital member, nor of any information directed to the association
- Value creation focus — recognising that the firm's primary purpose as a General Partner and Limited Partner is to build the long-term strength and value of its investee companies, generating sustainable capital gains for its funds
- Active and constructive ownership — maintaining active involvement in the companies in which it invests, applying that involvement constructively and to the direct benefit of each business
- Full disclosure in syndications — operating on the basis of complete transparency and full disclosure when co-investing or sponsoring investment syndications with third parties
- Investor accountability — keeping investors fully and regularly informed of material developments, including through the provision of timely financial reports and performance updates
- Industry reporting — supplying investment and performance information to UK Private Capital or its nominated agent, in support of aggregate industry reporting and transparency

Responsible Investment Principles

In addition to the above conduct standards, Marcena Capital adopts the following six principles as a guiding framework for the ongoing development and implementation of its ESG policy across all investment activities:

- Incorporate ESG into investment analysis — integrate ESG considerations into investment analysis and decision-making processes at every stage of the investment lifecycle
- Active ownership — embed ESG issues into ownership policies and practices, exercising the rights and responsibilities that come with being an active, engaged investor
- Seek appropriate disclosure — encourage and require meaningful ESG disclosure from the entities in which we invest, proportionate to their nature and materiality
- Promote industry adoption — advocate for the acceptance and implementation of responsible investment principles across the broader investment industry
- Collaborate to enhance effectiveness — work collectively with peers, industry bodies, and stakeholders to strengthen the practical implementation of these principles
- Report on progress — maintain transparency by reporting on Marcena Capital's activities and measurable progress in implementing these principles over time

Marcena Capital reviews its adherence to both the Code of Conduct and these responsible investment principles on a periodic basis. This includes a structured evaluation of activities undertaken during each period and the identification of specific opportunities to further strengthen the firm's ESG risk management framework and responsible investment practices.

Policy Owner: Chief Executive Officer