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London, W1J 8LQ

MARCENA CAPITAL LTD | RESPONSIBLE INVESTMENT & STEWARDSHIP

# Environmental, Social and Governance ("ESG") Policy

**POLICY GOVERNANCE & SCOPE**

**Policy Owner:** Dhruv Sharma (Chief Executive Officer)

**Applicability:** Corporate Operations & Investment Activities

**Industry Affiliation:** UK Private Capital (formerly BVCA) Member

**Review Cycle:** Annual Review & Continuous Stewardship

**REGISTERED OFFICE & FRAMEWORKS | 2026**

Marcena Capital Ltd

15 Stratton Street, London, W1J 8LQ

Aligned Frameworks: UN PRI & FCA ESG Sourcebook

Effective Date: November 2026 (v2.0)

## 1. Introduction and Purpose

Environmental, Social, and Governance (**"ESG"**) considerations are fundamental to how modern enterprises operate and how institutional capital is deployed. Their relevance extends beyond corporate strategy, shaping investment decisions, counterparty relationships, risk management, and the broader trajectory of sustainable economic value creation. As regulatory expectations and institutional standards continue to evolve across global markets, integrating ESG principles is a core component of responsible fiduciary stewardship.

Marcena Capital Ltd (**"Marcena Capital"**, **"we"**, or **"the Firm"**) is committed to embedding material ESG considerations across its corporate operations, investment strategies, due diligence processes, and portfolio stewardship practices. We believe that rigorous, proportionate ESG integration enhances long-term risk-adjusted investment performance, contributes constructively 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 financial and operational materiality and in fulfilment of its fiduciary obligations as a responsible investor. We recognise that our position as an active allocator and adviser of capital affords us both the opportunity and the responsibility to foster positive ESG outcomes within our own organisation and across the companies and funds in which we invest. All sustainability-related communications and disclosures made by Marcena Capital are prepared in accordance with the Financial Conduct Authority's (**"FCA"**) anti-greenwashing rule (**ESG 4.3.1R**) to ensure they are fair, clear, not misleading, and substantiated.

This ESG Policy is a living document. It is reviewed at least annually and evolves continuously as Marcena Capital deepens its analytical capabilities, refines its stewardship practices, and aligns with emerging regulatory and industry standards.

## 2. Corporate Operations and Internal ESG Commitments

At the corporate level, Marcena Capital's internal ESG commitments are structured around the three pillars of Environmental, Social, and Governance responsibility. Each pillar reflects operational areas where Marcena Capital exercises direct control to drive measurable outcomes:

| Corporate Pillar | Core Focus Area | Operational Commitment |
|---|---|---|
| **Environmental** | Physical Office & Resource Footprint | Minimising environmental impact at 15 Stratton Street through energy efficiency, paperless workflows, and sustainable building practices. |
| **Social** | Staff Wellbeing & Inclusive Culture | Maintaining a supportive, meritocratic, and flexible workplace where all team members can thrive and develop professionally. |
| **Governance** | Flat Structure, Cross-Functional Resilience & Transparency | Operating with clear accountability, management transparency, cross-functional knowledge sharing, and rigorous regulatory compliance. |

### 2.1 Physical Office and Environmental Footprint

Marcena Capital operates from its primary office at **15 Stratton Street, London, W1J 8LQ**, within a building under institutional ownership committed to minimising environmental impact through ongoing sustainable building management and energy efficiency measures. Marcena Capital actively supports and aligns with these standards, prioritising digital documentation, responsible waste management, and low-carbon remote collaboration, to ensure its day-to-day occupation is consistent with responsible environmental stewardship.

### 2.2 Staff Wellbeing and Workplace Culture

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

- **Flexible and hybrid working arrangements:** supporting remote and hybrid working options to promote work-life balance alongside operational effectiveness.
- **Enhanced leave provision:** providing company-funded leave days across the Christmas and New Year period, over and above statutory holiday entitlement.
- **Social connectivity and cohesion:** hosting regular virtual and in-person team gatherings during working hours to strengthen collegiality and team alignment.
- **Learning and professional development:** offering structured opportunities for continuing professional education, technical training, and career progression.
- **Adaptable working hours:** accommodating individual responsibilities and personal circumstances where operationally practicable.
- **Recognition culture:** maintaining formal and informal recognition of individual and team contributions across transactions and firm initiatives.
- **Competitive and aligned remuneration:** structuring short-term and long-term incentives to align individual performance with ethical conduct and firm-wide success.

### 2.3 Corporate Management and Internal Transparency

Marcena Capital operates a collaborative, flat management structure that avoids rigid bureaucracy, creating an environment where initiative, intellectual rigour, and personal accountability are valued at every level. All perspectives are heard, and recognition of achievement is a shared responsibility across the Firm.

As a specialist investment team, Marcena Capital places strong emphasis on cross-functional awareness. Team members develop a working understanding of colleagues' areas of specialism, stepping in to collaborate and support across mandates where appropriate. This approach reinforces operational resilience and business continuity while enabling every individual to broaden their commercial and technical perspective.

Marcena Capital is equally committed to management transparency. Personnel are kept informed of the Firm's strategic direction, investment pipeline, and organisational priorities, fostering clear alignment between individual responsibilities and Marcena Capital's long-term objectives.

## 3. Responsible Investment, Stewardship, and Exclusions

Marcena Capital's ESG responsibilities extend across the direct investments, co-investments, and fund commitments it evaluates, executes, and monitors on behalf of its clients and investment vehicles. Material ESG considerations are embedded throughout the investment lifecycle—from initial screening and due diligence through to investment committee approval, portfolio monitoring, and exit.

### 3.1 Stewardship and Active Management

Marcena Capital takes an active, engaged approach to ESG stewardship. Material ESG factors are identified at the pre-investment stage using structured materiality assessments tailored to the sector, stage, and business model of each prospective portfolio company or fund manager (including healthcare, life sciences, enterprise technology, and dual-use innovation).

Following investment, Marcena Capital monitors progress against identified ESG priorities on an ongoing basis. Where performance deviates from expectations or material governance, social, or environmental risks emerge, Marcena Capital engages constructively with company management or the relevant fund manager and escalates matters where required. Beyond direct bilateral engagement, Marcena Capital collaborates with co-investors, fund managers, and industry bodies to promote high standards of governance and operational integrity over the life of each investment.

### 3.2 Exclusion Policy

Marcena Capital's primary mechanism for addressing ESG risk is rigorous due diligence, active ownership, and direct engagement rather than blanket divestment. We believe constructive engagement offers greater capacity to drive durable operational improvements. Any decision to decline, exit, or exclude an investment on ESG grounds is assessed carefully where material ESG risks cannot be mitigated to an acceptable standard.

Notwithstanding our engagement-led approach, Marcena Capital maintains strict baseline exclusions. We will not knowingly invest in entities or activities directly involving:

- **Thermal coal mining and extraction:** unabated thermal coal mining or new coal-fired power generation capacity.
- **Tobacco manufacturing:** the production or manufacture of tobacco products.
- **Prohibited controversial weapons:** the development, manufacture, stockpiling, or trade of weapons prohibited under international treaties and conventions to which the United Kingdom is a signatory, including cluster munitions (Convention on Cluster Munitions), anti-personnel landmines (Ottawa Treaty), and biological or chemical weapons. (For the avoidance of doubt, this exclusion does not restrict lawful investments in sovereign-compliant defence, cybersecurity, aerospace, and dual-use technologies supporting UK, European, and NATO security frameworks.)
- **Forced or child labour:** any enterprise engaging in modern slavery, human trafficking, or unlawful child labour.

## 4. Environmental Considerations in Investment Assessment

Marcena Capital engages with prospective and existing portfolio companies and fund managers regarding their environmental sustainability policies, operational footprint, and regulatory readiness. As part of our due diligence process, we review each counterparty's environmental practices through structured ESG due diligence questionnaires and management discussions across three primary areas:

- **Climate and Operational Resilience:** greenhouse gas (GHG) emissions profile, energy consumption and efficiency, and exposure to climate-related physical and transition risks.

- **Resource Stewardship:** responsible use of raw materials, supply chain sustainability, water stewardship, and energy efficiency across operations and R&D facilities.
- **Pollution Prevention and Waste Management:** safe handling and disposal of clinical, laboratory, industrial, hazardous, and electronic waste, alongside regulatory environmental compliance.

### 4.1 Climate Risk Assessment Framework

When evaluating prospective investments, Marcena Capital assesses material physical and transition risks associated with climate change:

| Climate Risk Category | Nature of Risk | Key Assessment Factors |
|---|---|---|
| **A. Physical Risks** | Direct operational and asset risks arising from acute weather events or chronic climatic shifts. | • Acute event-driven risks: extreme weather events (floods, storms, droughts, wildfires) disrupting facilities or supply chains.<br>• Chronic longer-term risks: rising temperatures, resource scarcity, and sea-level rise affecting physical operations. |
| **B. Transition Risks** | Structural, regulatory, technological, and market shifts accompanying the transition to a lower-carbon economy. | • Policy & regulatory: carbon pricing, emissions reporting mandates, and environmental product standards.<br>• Technology & market: clean-technology substitution, shifting customer preferences, and supply chain adaptation.<br>• Legal & reputational: liability exposure or reputational harm from non-compliance or inadequate climate governance. |

## 5. Social Considerations in Investment Assessment

Marcena Capital recognises that the businesses and funds we back have a direct impact on employees, patients, end-users, supply chain workers, and wider society. Key areas of social due diligence and monitoring include:

- **Employment and Working Conditions:** fair labour practices, employee rights, diversity of thought and background, and equitable employment standards across portfolio companies.
- **Occupational Health and Safety (OHS):** robust workplace, laboratory, and manufacturing safety standards, risk controls, and employee welfare.
- **Modern Slavery and Human Rights:** zero tolerance for forced labour, human trafficking, child labour, and human rights violations within investee operations and global supply chains.
- **Product Safety, Data Privacy, and Societal Impact:** clinical and product quality (particularly across healthcare and MedTech investments), cybersecurity and personal data protection, ethical technology deployment, and positive community engagement.

### 5.1 Occupational Health and Safety ("OHS")

Marcena Capital expects the companies and fund managers in which it invests to maintain rigorous OHS standards that protect personnel and contractors. Our OHS evaluation is guided by four core principles:

1. **Hazard avoidance:** proactive identification, assessment, and elimination of workplace, clinical, or technical hazards before incidents occur.
2. **Safe technology and equipment:** ensuring that systems, laboratory facilities, medical devices, and operational equipment meet statutory safety certifications and are fit for purpose.

3. **Optimised working conditions:** maintaining physical and organisational environments that support employee health, safety, and productivity.
4. **Operational integration:** embedding health and safety accountability into day-to-day management and board reporting rather than treating safety as an isolated administrative exercise.

Compliance with these principles is evaluated through structured due diligence enquiries, review of health and safety policies and incident logs, and, where appropriate, operational site visits.

### 5.2 Modern Slavery and Human Rights

Marcena Capital upholds the highest standards of ethical business conduct in accordance with the **UK Modern Slavery Act 2015**. We maintain a strict zero-tolerance approach to modern slavery, forced labour, child labour, and all forms of worker exploitation, whether within our own operations or across the investment portfolios and supply chains of the managers and companies with which we partner. Full details are set out in Marcena Capital's **Modern Slavery Policy**, which operates alongside this ESG Policy.

## 6. Governance, Integrity, and Counterparty Due Diligence

Marcena Capital regards robust corporate governance as foundational to capital preservation and value creation. Since inception, the Firm has been structured around principles of transparency, independent judgement, and strict alignment with investor outcomes.

The Firm's governance and regulatory framework is set out in its **Corporate Governance Policy and Compliance Programme**, which is reviewed periodically to reflect UK regulatory developments and institutional best practice. Oversight of Marcena Capital's corporate policies and investment activities is exercised through:

- **The Board of Directors:** led by the Chief Executive Officer (**Dhruv Sharma**) and Managing Director (**Lucy Morrisey**), responsible for overall corporate governance, strategic direction, regulatory compliance, and formal approval of this ESG Policy.
- **Investment Decision-Making & Oversight:** senior investment leadership responsible for ensuring ESG materiality assessments, reputational checks, and risk mitigations are integrated into investment approvals and ongoing portfolio monitoring.
- **Compliance Function:** responsible for overseeing adherence to FCA Handbook rules, anti-money laundering (AML) and counter-terrorist financing regulations, conflicts of interest management, and data protection obligations.

### 6.1 Conflicts of Interest, Related Party Transactions, and Political Impartiality

Effective identification, prevention, and management of conflicts of interest is central to maintaining the trust of our investors, clients, and counterparties. In accordance with **FCA SYSC 10**, Marcena Capital maintains a formal framework to ensure that actual or potential conflicts of interest, including related party transactions, are identified, disclosed, recorded, and managed appropriately, as detailed in our **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.

### 6.2 Manager and Counterparty Reputational Due Diligence

Marcena Capital conducts rigorous reputational, operational, and integrity due diligence on all prospective fund managers, co-investment partners, and portfolio company principals prior to committing capital. This assessment encompasses:

- **Track record and attribution review:** detailed evaluation of historical investments, exits, governance conduct, and clinical or commercial outcomes.
- **Financial and credit verification:** assessment of financial standing, solvency, and institutional backing.

- **Regulatory, litigation, and public record searches:** verification of regulatory permissions, disciplinary history, sanctions screening, and adverse media searches across relevant jurisdictions.
- **Independent referencing and market intelligence:** structured reference checks with institutional LPs, co-investors, board members, and sector specialists with direct experience of the counterparty.

Marcena Capital complies fully with the **UK Bribery Act 2010**, the **Proceeds of Crime Act 2002**, and the **Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017**, and conducts comprehensive Know Your Client (**"KYC"**), Customer Due Diligence (**"CDD"**), and Anti-Money Laundering (**"AML"**) checks on all clients, investors, and transaction counterparties in accordance with our **AML and Counter-Terrorist Financing Policy**.

Where due diligence identifies adverse findings, governance weaknesses, or questionable associations, matters are formally escalated to the Chief Executive Officer and Compliance function for rigorous evaluation prior to any investment commitment or continuation.

### 6.3 Anti-Fraud, Bribery, and Corruption

Marcena Capital operates a strict zero-tolerance policy toward fraud, bribery, tax evasion, and corruption in all forms. In addition to pre-investment integrity screening, our internal compliance controls monitor for financial crime and integrity risks throughout the lifecycle of every mandate. Full details are set out in Marcena Capital's **Anti-Fraud, Bribery and Corruption Policy**, which should be read alongside this ESG Policy and our **AML Policy**.

## 7. Industry Membership and Responsible Investment Principles

In 2022, Marcena Capital became a member of the **British Private Equity and Venture Capital Association (BVCA)**, now operating as **UK Private Capital**, reaffirming our commitment to institutional standards of responsible investment, transparency, and ESG best practice across the private capital ecosystem.

### 7.1 UK Private Capital Member Code of Conduct

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

- **Ethical standards:** dealing fairly, honestly, and with integrity with all counterparties, including fellow members, institutional investors, and companies seeking private capital.
- **Professional conduct and inclusion:** 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 our portfolio.
- **Independence of membership:** taking no improper advantage of our position as a UK Private Capital member or of confidential information shared through the association.
- **Sustainable value creation:** recognising that our primary purpose as a General Partner, investment adviser, and Limited Partner is to build the long-term operational strength and enterprise value of investee businesses, generating sustainable returns for investors.
- **Active and constructive ownership:** maintaining active, constructive involvement in portfolio investments for the direct benefit of each enterprise and its stakeholders.
- **Transparency in syndications:** operating with candour and full disclosure when co-investing or sponsoring investment syndications with institutional partners.
- **Investor accountability:** keeping investors regularly and accurately informed of material portfolio developments through timely financial reporting and valuation updates.
- **Industry reporting:** supplying relevant non-confidential industry data to UK Private Capital or its nominated agents in support of aggregate industry research and transparency.

### 7.2 Six Guiding Principles for Responsible Investment

In alignment with the internationally recognised **United Nations Principles for Responsible Investment (UN PRI)** framework, Marcena Capital applies six core principles across all investment activities:

| Principle | Core Commitment | Implementation at Marcena Capital |
|---|---|---|
| **Principle 1** | **Incorporate ESG into Investment Analysis** | Integrate material ESG factors into investment analysis, due diligence, and decision-making processes across every stage of the investment lifecycle. |
| **Principle 2** | **Be Active Owners** | Embed ESG considerations into ownership policies and governance practices, exercising our rights and responsibilities as an engaged investor. |
| **Principle 3** | **Seek Appropriate Disclosure** | Require proportionate, meaningful ESG and governance disclosure from the portfolio companies and fund managers in which we invest. |
| **Principle 4** | **Promote Industry Adoption** | Advocate for high standards of governance and responsible investment principles across co-investors, counterparties, and the wider private capital market. |
| **Principle 5** | **Collaborate for Effectiveness** | Work constructively with institutional peers, industry associations (including UK Private Capital), and stakeholders to enhance responsible investment practices. |
| **Principle 6** | **Report on Progress** | Maintain transparency with our clients and investors by reporting on our stewardship activities and progress in implementing this Policy. |

## 8. Policy Review and Governance Approval

Marcena Capital reviews its adherence to this ESG Policy, the UK Private Capital Member Code of Conduct, and the Six Guiding Principles for Responsible Investment on an annual basis. This review evaluates stewardship activities undertaken during the preceding year and identifies enhancements to strengthen the Firm's ESG risk management framework.

| Policy Owner | Title | Review Frequency | Current Effective Version |
|---|---|---|---|
| **Dhruv Sharma** | Chief Executive Officer<br>Marcena Capital Ltd | Annual (or upon material regulatory change) | v2.0 — November 2026 |