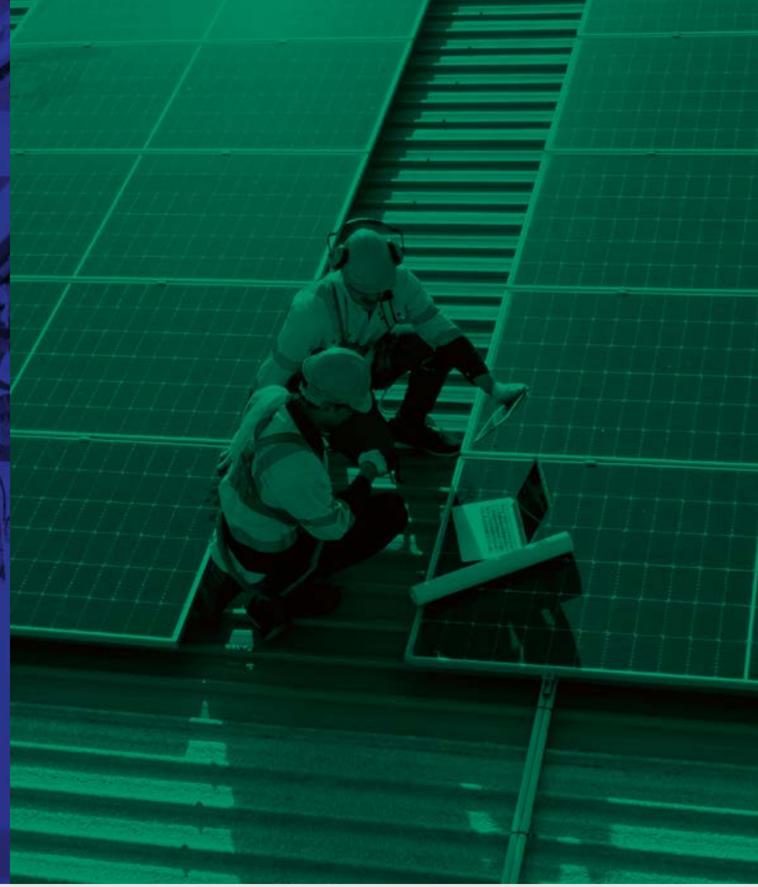




Innovation powering responsible growth

Responsible Investment Report 2025

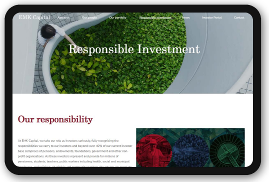
EMK Capital

Our investment approach

We invest in businesses where we see an opportunity to identify unrecognised value and unlock hard-to-realise value, in a responsible and sustainable manner. We do this through the EMK Way: a structured, disciplined and repeatable approach to private equity investing, underpinned by the principles of Enterprise, Management and Knowledge.

Delivering the EMK Way requires integrated, highly specialist capabilities. Central to this approach is EMK Accelerate, the firm's in-house specialist capability, which is embedded throughout the investment lifecycle. Working alongside the Investment team, EMK Accelerate combines strategic, operational and functional expertise to support and enhance sub-sector thesis (SST) development and value creation across the portfolio.

Our sustainability practice is embedded within EMK Accelerate, helping portfolio companies identify and manage material sustainability risks, enhance decision-making and capture opportunities that support resilient, long-term value creation for all stakeholders.



Read about the EMK Way on our website.

The EMK Way

Enterprise

We invest in transformation. Before we commit capital, we define a clear and tailored plan to strengthen the business and build enterprise value through targeted strategic, operational and commercial initiatives.

Management

We believe leadership quality is a critical driver of outcomes. We invest in the individuals leading our businesses to ensure our portfolio companies have the right leaders, capabilities and support to execute their growth plans effectively.

Knowledge

We build deep conviction through rigorous research and proprietary insight. We develop a deep understanding of markets, customers, competitors and operations, enabling us to identify opportunities others may overlook and act dynamically and with conviction.

Inside this report

Innovation shaping resilient growth

We see sustainability as a powerful driver of innovation, resilience and long-term value creation.

Read how Cardo is using sustainability as a lens for innovation on page 22.

Read how our portfolio companies are supporting the energy transition on page 25.

Read a case study on how we approach climate risk on page 12.

Welcome letter

Investing for resilience, innovation and long-term value

"Responsible Investment is not just a risk lens, but a catalyst for innovation and long-term business strength."

Managing Partners:
Edmund Lazarus and Mark Joseph

Responsible Investment ("RI") is embedded into the EMK Way and helps shape the way we assess risk, identify opportunities and create value. Our investment principles are grounded in rigorous analysis, active ownership and a resolute focus on transformational value creation.

Across our track record, over more than two decades, portfolio companies that have been through a full hold period have on average multiplied EBITDA five-fold and delivered average annual EBITDA growth of more than 25%. This reflects the strengths of the EMK Way and its focus on an active and transformational approach. RI practices have always been a fundamental part of our EMK Way. They help enable better decision-making and drive long-term business quality and performance.

Our EMK Way is even more important in the current operating environment. Portfolio companies are navigating a more complex backdrop, where technological change, geopolitical uncertainty and an uneven macroeconomic outlook intersect with the practical demands of the climate transition and evolving reporting expectations and requirements. In that context, RI is about focusing on the issues that matter most for performance and resilience, and acting with clarity, discipline and speed.

We apply this throughout the investment lifecycle. Over the reporting period, we improved the quality and consistency of sustainability data, advanced decarbonisation planning, and strengthened governance and reporting, enhancing oversight and accountability including over our ambitious approach to adoption of AI technologies. Our RI commitment also contributed to operational improvements and strategic innovation, from more efficient resource use to stronger customer alignment and improved management of supply chains and emerging risks.

EMK implements its RI policies throughout the investment hold period. As an active owner, we work closely with management teams to apply RI in a way that is relevant, proportionate and aligned with each business' strategy and operations. This includes integrating RI considerations into value creation plans, governance structures and board discussions, grounded in the operating realities of each company. In practice, our focus is on supporting leadership teams to address the issues most material to performance, resilience and growth through targeted plans and innovation-led improvements.

Looking ahead, our focus is on deepening how RI translates into outcomes across the portfolio. This includes further improving the quality of portfolio data, advancing decarbonisation and strengthening alignment with credible emissions-reduction pathways. We will continue to leverage RI as a lens to identify operational improvements, strengthen resilience and support innovation. Our objective remains to build stronger, more resilient businesses and deliver durable long-term returns through practical, accountable implementation with the support of our investors.

In numbers

20 years
Managing Partners' track record

>25%
average annual EBITDA growth across the track record

EMK at a glance

A growth-focused private equity firm investing in European and international mid-market businesses through the EMK Way

In numbers

c.€8.3bn
assets under management

17
global locations

€4.7bn
invested since 2004

375
new senior managers appointed

24
active portfolio companies

393
add-on acquisitions

c.€7.6bn
combined portfolio revenues

20,900+
FTEs employed by EMK portfolio companies

EMK Accelerate

Owner mindset and approach

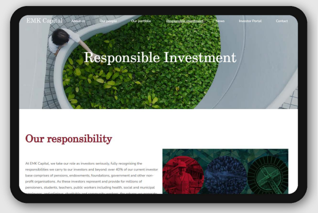
€350m+
in value uplift

Broad capabilities and expertise

50+
CXOs placed

Proprietary intelligence and IP

29
ongoing SSTs with 12 completed in H1 2026



Use the QR code to access more information about our global portfolio of companies.

Head of Responsible Investment's review

Driving value through responsible investment

"Responsible Investment is a source of sharper judgement and stronger execution – helping businesses manage risk, meet customer expectations and unlock value."

Eva Vogt
Partner and Head of Responsible Investment

Our focus in 2025 was firmly on execution. Through EMK Accelerate, we bring RI expertise to each stage of the investment lifecycle: supporting investment decisions before we invest, helping portfolio companies turn priorities into practical plans, and improving the evidence needed to track progress.

Sharpening investment judgement

We use RI considerations to understand key risks, vulnerabilities and opportunities that support the investment case. These are assessed during screening, due diligence and Investment Committee discussions, with the scope focused on the issues most relevant to each business. We have strengthened this process through targeted tools, including a refreshed asset-level climate and nature risk assessment and enhanced controversy and human rights screening (see page 14). We also delivered training for the EMK Investment team, supported by external advisors, focused on effective sustainability governance at the board level.

From insight to implementation

Through our Sustainable Business Transformation Programme (SBTP), which structures how we engage with portfolio companies, we work with management teams to identify the issues most relevant to their business. This ensures sustainability priorities are aligned with value creation and translated into actions with measurable objectives. This often involves developing a comprehensive sustainability strategy linked to commercial priorities; other times, the focus is on operational or governance improvements relevant to resilience, customer requirements or exit readiness.

Strengthening data and reporting

Improving the quality, consistency and usefulness of data is central to this work. High-quality data enables management teams and boards to make decisions. We strengthened data collection and reporting, improved consistency across metrics, and increased use of tools and benchmarks to assess performance and identify gaps.

EMK published the methodology and findings from its portfolio emissions data quality review in Addressing the Carbon Confidence Gap, a research paper developed with input from the University of Cambridge Investment Management and the Cambridge Institute for Sustainability Leadership, offering a data-driven approach to improving emissions data quality. We have also used external benchmarks such as EcoVadis to assess companies' sustainable business management systems across four areas: labour and human rights; environment; sustainable procurement; and ethics. These ratings are commercially relevant for our B2B businesses, with 12 companies assessed since launch, and nine achieving Bronze or above.

Delivering commercial value

Commercial outcomes are increasingly evident across the portfolio, reflected in capital efficiency, lower costs, customer traction and growth. In some cases, stronger performance has supported financing structures such as Green or Sustainability-linked loans, supporting both funding and strategic priorities. In others, stronger sustainability credentials are helping businesses meet customer requirements and compete more effectively in markets where these practices are increasingly a prerequisite. Sustainability-linked innovation is also driving change across the portfolio, including circular product design, refurbishment models that extend product lifecycles, and new capabilities responding to regulatory developments such as digital product passports (further examples on page 21).

Looking ahead: scaling impact through execution

RI at EMK has evolved from capability building to a focus on execution, with 2025 marking a clear step forward. The focus now is on continuing to translate that progress into measurable impact at the portfolio level, informing decisions, strengthening performance and shaping long-term strategy.

A key part of this transformation is the role sustainability plays in supporting innovation. It is shaping how businesses respond to changing customer expectations, regulatory developments and competitive dynamics, driving new capabilities, products and operating models. This remains an evolving capability, but one that is increasingly integral to how we invest and build stronger, more resilient businesses.

2025 in review

Performance highlights

Signatories of UN PRI

PRI Principles for Responsible Investment

Policy, governance and strategy

Private equity

Confidence building measures

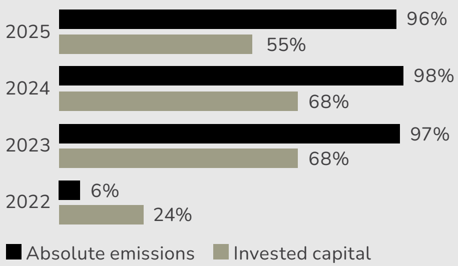
Science-based targets

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

96.4%

portfolio coverage of SBTi-validated target as of 2025

Portfolio coverage: invested capital versus absolute emissions



Read more about our approach to decarbonisation on page 18.

2025 awards and recognition

- EMK named finalist for the Real Deals Sustainable Investment Awards
- EMK shortlisted in the Recognition for Action – Climate category of the UN PRI Awards
- Portfolio company Reconomy awarded Special Recognition at the BVCA's Excellence in Sustainability Awards
- Portfolio company Reconomy awarded ESG Initiative of the Year at the Environmental Finance Sustainable Investment Awards
- EMK named finalist for the Real Deals Private Equity Awards for ESG

Industry partnerships

People and culture

Building for the next stage of growth

“A strong, collaborative team is essential to how EMK invests, supports its portfolio and builds lasting capability.”

Tina Houshmand
Partner and Chief Talent Officer

As EMK continues to grow, our people and culture agenda remains focused on building a high-performing and connected investment platform. Our core priorities – recruitment, onboarding, staffing, individual development, performance management, and firm growth – have remained consistent. What has changed is the pace and intensity of delivery.

As the Investment team has expanded, we have focused on strengthening the structures, expectations, and development pathways that enable our people to perform at their best, while preserving the culture that has underpinned EMK's success to date.

One team, one culture

A central priority has been maintaining “one team, one culture” across an increasingly international platform. For us, this means ensuring colleagues across offices benefit from a consistent experience, shared expectations, and a common language around performance, feedback and development.

As the firm grows, this consistency becomes even more important – supporting efficiency, collaboration, and alignment across deal teams.

Strengthening the talent pipeline

Over the past year, we have placed particular emphasis on the early stages of the talent pipeline. We have accelerated our Associate hiring and strengthened onboarding for junior investment professionals. This includes clear ownership from a dedicated Integration Manager, regular feedback, structured coaching, and informal buddy support. This is further supported by a skills inventory to help Associates and Managers identify areas for targeted exposure and the roll-out of EMK's bespoke training Curriculum. This creates a more focused and supportive ramp-up period, helping new colleagues understand EMK's ways of working and contribute more meaningfully to deal teams earlier in their tenure. It is also designed to support breadth, confidence, and capability over time, in line with EMK's talent strategy of maximising success of developing our Associates to future Partners.

Developing leaders and feedback culture

At the Partner level, we have continued to invest in individual coaching, clearer development planning and expectation setting, stronger feedback loops, and more defined roles and responsibilities within deal teams. Looking ahead, we are introducing more programmatic Partner development as part of the EMK Curriculum.

More broadly, we are deepening our feedback culture and our understanding of individual differences. Through cross-border staffing, psychometric insights, team coaching, and deliberate team composition, we aim to strengthen complementary perspectives, working styles, and skill sets. Our goal is to ensure that, as EMK grows, we remain intentional about maximising our performance through developing our people, strengthening our operations and culture, and setting colleagues up for long-term success.

Monitoring organisational strength

We track a range of people and culture indicators to monitor the strength and stability of the platform, including leadership experience, professional development activity, recruitment and retention trends, and the breadth of nationalities and backgrounds represented across the firm.

45
investment professionals

75+
years of senior Accelerate EMK Way experience

33
EMK Accelerate professionals

16
nationalities represented on the EMK team

150+
years of senior investment team EMK Way experience

536
years of collective investing experience at EMK

Geographical cross-staffing
- 50% of investment professionals' time spent working on investments outside their home market

No HQ
- One international team
- Develop and execute SSTs together

Managing Partners as servant leaders
- Support deal teams
- Involved throughout investment lifecycle
- EMK Way conscience

EMK's approach

Our approach to responsible investment

At EMK, our approach to responsible investment is grounded in the EMK Way: a disciplined, expertise-led philosophy supported by over 536 years of collective experience across our team.

We create long-term value by integrating sustainability into the way we assess risk, support operational improvement and strengthen strategic positioning, guided by three core principles: **value creation, value protection and net positive impact**.

These principles are embedded in our Responsible Investment Policy and applied across the investment lifecycle. They help us build more resilient businesses, support better decision-making and uncover opportunities for innovation and long-term value creation in a changing operating environment.

Use the QR code to read our Responsible Investment Policy.

Use the QR code to read our Sustainability Policy.

Integration into the investment process

Integrating responsible investment into value creation

Pre-investment

Screening

Each target is screened against key sustainability criteria, including:

- portfolio and fund-level restrictions;
- ESG controversies and adverse media;
- exposure to climate and biodiversity risks and hazards;
- human rights risk; and
- materiality-based analysis of risks, impacts, and opportunities.

Assessment

Based on screening results, we develop a tailored scope of work to assess each target, typically including:

- performance assessment on material topics;
- net zero readiness;
- fund requirements check; and
- regulatory preparedness.

Investment decision

- Sustainability due diligence findings are a mandatory component of the Investment Committee Memo.
- The Head of Responsible Investment reviews these for quality.
- For investments that proceed, key objectives are included in the 100-day plan.

Ownership

Onboarding

- Following deal completion, companies are onboarded to the EMK Sustainable Business Transformation Programme (SBTP).
- This kick-start programme is designed to build sustainability leaders within their industries. Read more about the SBTP on page 9.

Engagement and advisory

- Through EMK Accelerate, we provide oversight and governance of the Fund's sustainability objectives and provide advisory services to help portfolio companies develop and implement their sustainability strategies.
- We host a series of webinars covering key topics of interest.

Assessment and monitoring

As companies build sustainability foundations, we monitor their progress on an ongoing basis. This includes:

- regular catch-ups with each portfolio company; and
- an annual questionnaire to track sustainability performance metrics.

Exit

Sales and marketing

- Prior to exit, the EMK team prepares vendor due diligence documentation, facilitated by external advisors where necessary.
- This showcases sustainability performance, milestones achieved, and the value protected and created during the ownership period.

Sustainable Business Transformation Programme

Our engagement platform

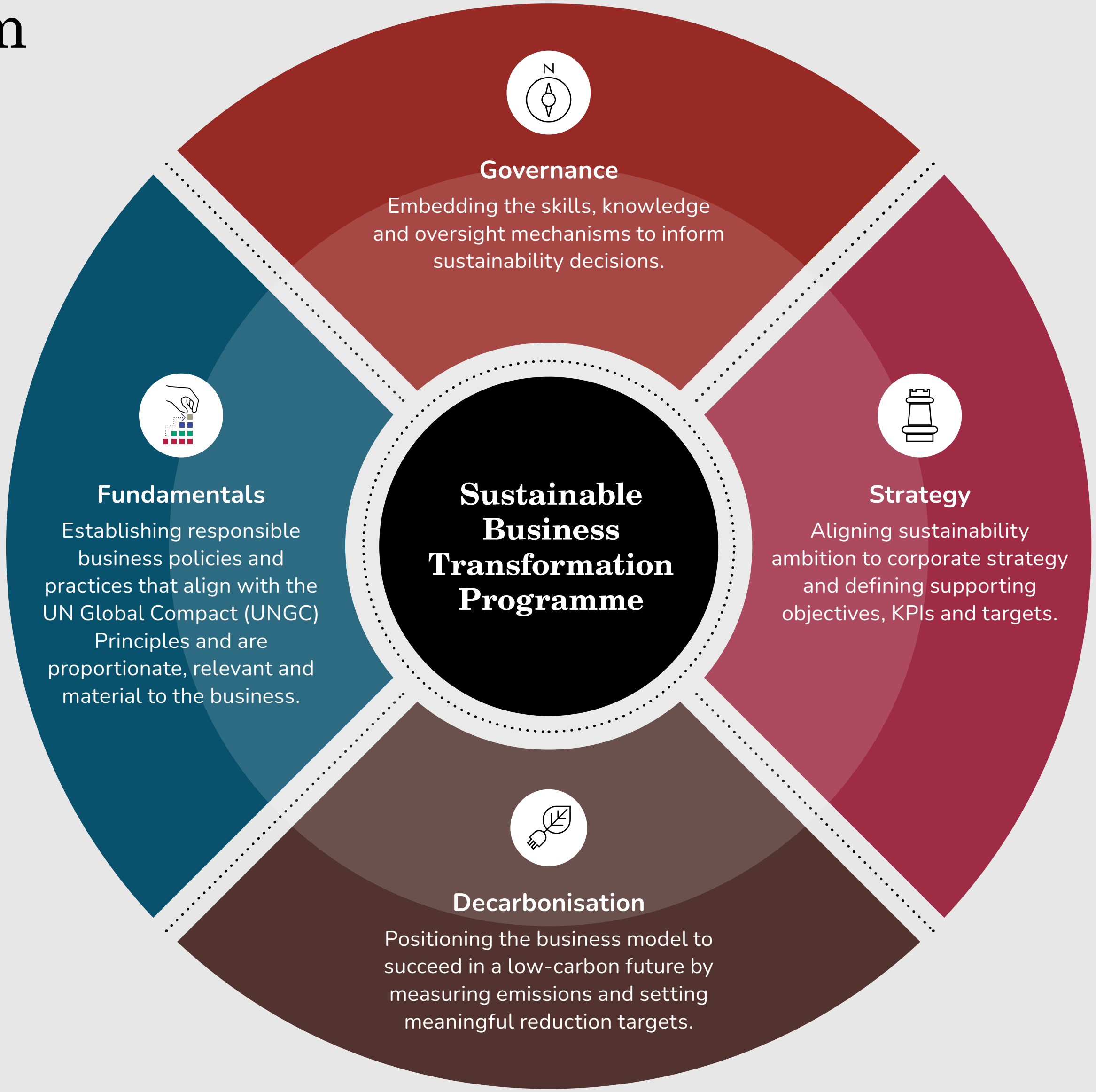
EMK partners closely with its portfolio companies to integrate material sustainability considerations into their businesses as a core element of value creation planning.

Our Sustainable Business Transformation Programme (SBTP) is launched early in the hold period as a structured engagement framework designed to embed sustainability in a practical, commercially relevant way. Its purpose is to closely support portfolio companies with the governance, strategy and operational foundations needed to manage risk, support innovation and strengthen long-term business performance.

The SBTP is built around four core themes that guide our engagement with portfolio companies and provide a basis for tracking progress over time: Governance, Strategy, Decarbonisation and Fundamentals. We review the programme regularly to ensure it remains aligned with evolving standards, market practice, regulatory developments, and the issues most relevant to our portfolio.

The framework also incorporates external tools and benchmarks where they add value. This includes EcoVadis, which we use to help assess the fundamentals of a sustainable business management system, including environment, human rights, business ethics and sustainable procurement. Its tailored methodology, which adjusts for company size and industry, makes it an effective tool across a varied portfolio.

The SBTP is designed to accommodate a diverse portfolio. It recognises that each business faces different sustainability risks, opportunities and priorities, and allows companies to develop bespoke roadmaps within a consistent EMK framework. This balance between flexibility and structure helps ensure that sustainability is embedded in a way that is proportionate, decision-useful and supportive of long-term value creation.



Value protection

Innovating for better insight to build resilience

We focus on identifying and managing sustainability-related issues early to protect and strengthen value, understanding them clearly and responding with discipline.

From climate exposure and supply chain vulnerabilities to governance, data and human rights considerations, our focus is on strengthening resilience before these become constraints. Through robust governance, sharper analytics and continuous refinement of our tools and processes, we aim not only to protect downside but also to help businesses adapt, innovate and remain competitive in a changing environment.

In numbers

100%
of portfolio companies assessed and monitored for climate risk leveraging geospatial technology

66
average EcoVadis score across 12 portfolio companies with a rating

11 Climate and nature
14 Due diligence
16 Digital resilience

EMK in conversation

Q What are some of the most significant sustainability risks EMK is considering across its portfolio?

A The risk landscape is becoming more complex. Regulation remains important, but initiatives such as the EU Omnibus proposals have created uncertainty around the scope, timing and direction of some requirements. Meanwhile, customer, employee and supply chain expectations may continue to move faster than regulation. We therefore support our portfolio companies to look beyond minimum compliance and understand which issues could affect their competitiveness, reputation or licence to operate. Artificial intelligence is one emerging area. Alongside its potential benefits, AI is increasing scrutiny of the energy, water and infrastructure required to support resource-intensive systems. It also creates governance risks relating to privacy, cybersecurity, fairness, human rights, workforce disruption and accountability. Other recurring priorities include climate resilience, biodiversity, supply chain standards, employee health and safety, and changing customer requirements. The relevance of these issues varies significantly by company, so our focus is on identifying and managing the risks most material to each business rather than applying a uniform checklist.

Lindsay Davis
Responsible Investment Manager

Q What does innovation in sustainability risk management look like in practice?

A It means using better data, specialist tools and sharper processes to identify risks earlier and respond more effectively. From due diligence through to ongoing portfolio monitoring, we use technology to strengthen areas such as controversy and human rights screening, climate and nature risk assessment, emissions analysis and sustainability performance tracking. These tools do not replace judgement, but they help us review more information, identify emerging patterns and focus attention where it matters most. This makes our approach faster, more consistent and more targeted, supporting better decisions and helping management teams address risks before they become more costly or disruptive.

Climate and nature

How EMK approaches climate and nature risk

We monitor climate and nature-related risks and opportunities across the portfolio using a dedicated analytics platform that combines asset geolocation, sector and country exposure, and company financial data.

This provides a more granular view by linking asset locations to projected climate and nature hazards and assessing the potential impact on financial performance and overall business resilience.

Focus on climate

We use this analysis to screen prospective investments and assess our existing portfolio. It supports ongoing monitoring of climate-related issues and helps identify both potential vulnerabilities and areas where companies may benefit from the transition to a lower-carbon economy. We use these results to guide deeper engagements with portfolio companies where risk or opportunity is deemed to be material.

For further detail on the underlying methodology for our climate risk assessment, and for an index of our TCFD-aligned reporting, see page 31.

Physical risk

Based on this assessment, our portfolio's overall climate risk profile is more weighted towards physical risk than transition risk. Under a 2050 high-warming scenario, the screening highlights physical hazard exposure in some of the regions in which portfolio companies have operations, reflecting the location of those operations rather than a company-specific vulnerability. These risks are assessed using asset-level geolocation data and hazard modelling, with company-level results derived from the aggregation of asset exposures.

Our portfolio is predominantly services-based rather than asset-intensive, which substantially moderates the extent to which location-based hazard exposure may translate into direct business disruption or financial impact. Physical risk therefore remains an area of ongoing focus, but results are interpreted in the context of each company's services-led operating model, limited asset footprint and resilience measures.

Transition risk

The portfolio's transition risk profile is more moderate overall, with most portfolio companies assessed as low to medium risk and no companies currently screening as high on transition risk. The analysis evaluates exposure across policy, technology, legal and reputational dimensions, alongside scenario-based market effects on company performance.

Across the portfolio, policy risk is generally lower, while the more relevant transition pressures relate to technological change, legal developments and reputational considerations. This suggests that transition risk is present across the portfolio but is currently more diffuse and less acute than physical risk at an overall level.

Opportunities

The analysis also highlights significant areas of climate-related opportunity. Portfolio companies with adaptable business models, lower direct asset intensity, or exposure to sectors and services that support resilience, efficiency or decarbonisation are well positioned as customer demand, regulation and technology evolve.

The findings indicate that meaningful parts of the portfolio are well positioned to benefit from the transition through stronger market positioning, greater resilience and increased demand for climate-relevant products and services.

Climate and nature continued

Case study

Arctic Seafarm: climate risk monitoring in practice

During the hold period, we use insights from our climate risk tools to support portfolio companies where climate exposure is material. In Arctic Seafarm's case, EMK supported the company in assessing how climate change could affect the resilience of its planned land-based salmon farming model.

Building on initial diligence and work carried out with external advisors, we undertook a deeper review of key operational and supply chain exposures. This highlighted two priority themes: physical exposure to flooding and storm surge across sites and access routes, and transition exposure in feed, where climate-related pressure on agricultural and marine ingredients could increase cost volatility over time. The analysis helped identify practical mitigation options, including targeted flood-defence review, greater supply chain resilience and consideration of more climate-resilient feed inputs. This illustrates how EMK uses climate analysis not only to meet stakeholder requirements, but also to support better strategic planning by helping management teams focus on the risks and decisions likely to matter most.

EMK in conversation

Q What did the Arctic Seafarm climate risk assessment tell you?

A For EMK the priority was to make it decision-useful rather than a high-level screening exercise. With support from the Responsible Investment team and external advisors, we used it to look more closely at the issues most likely to matter commercially. One of the most useful areas was feed. Feed is a major cost input, and the analysis helped us think more clearly about how climate pressure on agricultural and marine ingredients could affect cost volatility over time. That was valuable because it moved the conversation beyond broad climate ambition and into practical questions around resilience, procurement and long-term competitiveness.

Q What were the most decision-useful insights to come out of the assessment?

A Two things stood out. First, the physical risk analysis helped pinpoint where exposure was most relevant in practice: not just at the production site, but across access routes and parts of the supply chain, particularly in relation to flooding and storm surge. That helped focus attention on practical mitigation, such as site-specific defence review and a more detailed understanding of how disruption to access routes and logistics infrastructure could affect operational resilience. Second, the deeper review of feed highlighted that some ingredients may be materially more exposed than others to climate-related disruption and price volatility over time. That is important because it links climate analysis directly to commercial decisions on sourcing and feed composition, cost resilience and, potentially, product positioning.

Sebastian Vedelsby
Investment Manager

Climate and nature continued

Focus on nature: building our approach to nature risk and opportunity

In 2025, we took an early but important step in strengthening our approach to nature by carrying out our first dedicated screen for nature-related risks and opportunities across the portfolio. This work built on insight generated through our climate and nature risk platform, which we use to assess both portfolio companies and new platform investments for exposure to nature issues including biodiversity-sensitive locations, forest loss, soil erosion and water scarcity.

We complemented this with an internally developed AI-enabled screening tool, used to review companies' business models and geographies to identify top-line nature-related risks and opportunities on a materiality basis. The output is not intended to be a definitive assessment, but a practical starting point to help prioritise where deeper analysis and more targeted engagement may be most useful from 2026 onwards, particularly where more immediate issues or clearer areas of relevance have been identified.

At the portfolio level, the analysis indicates that nature-related exposure is generally indirect and concentrated in the value chain rather than in companies' own operations. For many of our service-led, software and asset-light businesses, the more relevant issues relate to upstream materials, electronics, data-centre infrastructure, waste streams and procurement practices, rather than direct dependence on land or ecosystem services. More concentrated areas of relevance arise in a smaller number of businesses with stronger links to biological systems, water, chemicals, materials sourcing or project-level site impacts. The clearest theme across the portfolio is circularity and resource efficiency, including business models and initiatives that support reuse, recycling, product life extension, lower material intensity and stronger resource stewardship.

Regulatory drivers: nature on the agenda

This growing focus also reflects the wider direction of travel in Europe. Disclosure frameworks already cover biodiversity and ecosystems, while product and supply chain regulation, including the EU Deforestation Regulation, is increasingly focused on traceability and land-use exposure. Not all portfolio companies are directly in scope, and the relevance will vary by sector and business model. However, these developments reinforce the value of understanding potential exposure to nature-related issues early in the investment process.

Case study

Aureos: Using data to support biodiversity-sensitive project delivery

In 2025, Aureos began supporting its client, SSE, on a Golden Eagle Roost Study linked to the Stornoway 132kV overhead line project. The client-funded study brings together Aureos, local ecologists and industry experts to generate more robust, quantifiable data on golden eagle roosting patterns outside the breeding season.

The study uses trail cameras across 10–12 roost sites in Scotland to better understand eagle behaviour and inform how helicopter activity is planned around restricted buffer zones. Over time, the findings are expected to help identify operational windows that reduce potential disturbance to golden eagles and other wildlife, while also helping project developers manage delivery timelines more efficiently.

Although preliminary results are not expected until the end of 2026, the study is a practical example of how project-level biodiversity considerations can be integrated into infrastructure delivery. It also reflects a broader opportunity for portfolio companies to use better data to support more targeted, proportionate and evidence-led approaches to nature-related risk management.

Due diligence

Embedding sustainability into investment decisions

By thoroughly assessing the sustainability risks, impacts and opportunities of a potential investment, we support informed decision-making that aligns with our risk appetite and policy commitments.

Prepare

- Prepare a research note to define the scope of sustainability due diligence.
- Complete a basic questionnaire to support the screening process.

Screen

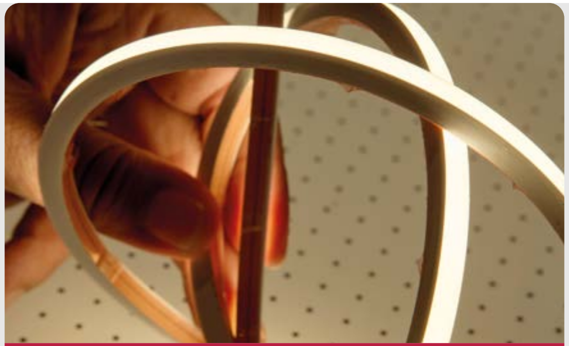
- Conduct a gap analysis against fund requirements and portfolio or fund-level exclusions.
- Evaluate climate and nature-related risks by sector and geography with a third-party risk assessment platform.
- Assess supply chain and human rights risk exposure based on the target's industry, geography and suppliers.

Assess

- Conduct enhanced due diligence on high-risk areas identified during screening.
- Engage directly with the target's senior management team for assessment.
- Leverage specialist consultants for analysis and site visits as needed.

Review

- Include a section on sustainability risks and opportunities in the Investment Committee Memo.
- Ensure the memo is reviewed by the Head of Responsible Investment and presented to the Investment Committee.
- Incorporate material pre-investment risks into the 100-day action plan for post-investment mitigation.



Case study

L&S Lighting: carrying sustainability priorities from due diligence into ownership

L&S Lighting is a designer and producer of embedded LED technical lighting systems and solutions for premium residential, commercial and industrial applications. Following investment, and as part of EMK's broader approach to translating sustainability priorities into ownership plans, EMK supported the development of a more structured approach to supplier oversight as part of the company's broader sustainability strategy. This included introducing supplier sustainability assessments focused on key suppliers representing approximately 80% of total group spend, enabling the business to concentrate on strategic supplier relationships where both risk management and influence are most meaningful. Suppliers are assessed against defined sustainability and compliance criteria, including ethical labour practices, environmental standards and broader responsible sourcing expectations. The assessment is repeated annually, with the proportion of suppliers covered progressively increasing. Beyond assessment, L&S aims to build long-term collaboration with suppliers, working together to address areas for improvement and strengthen sustainability performance across the supply chain. The work illustrates how sustainability priorities considered through the investment process can be translated into practical initiatives that support stronger supply chain oversight and resilience.

Due diligence continued

Strengthening human rights due diligence through technology

Human rights is a growing area of focus for businesses and investors, not least because the regulatory bar is rising. In Europe, measures such as the Corporate Sustainability Due Diligence Directive and the Forced Labour Regulation are increasing expectations around how companies identify, assess and respond to human rights risks across their operations and value chains.

These risks remain notoriously difficult to detect in practice, particularly where they sit deeper in supply chains, arise through outsourced labour models, or are shaped by fragmented geographic exposure and limited visibility beyond tier-one suppliers.

Against this backdrop, EMK has established a collaborative initiative to strengthen human rights due diligence in practice. Working with industry peers and an external human rights specialist advisor, we are building a more structured screening methodology that uses robust data sources, clear risk indicators and AI-assisted analysis to assess potential acquisitions through the lens of operations, supply chains, labour models, key inputs, outsourcing and geography. The objective is to advance a systematic way of surfacing potential human rights risks early in the investment lifecycle, improve the consistency of preliminary diligence, and generate more focused follow-up questions for management and suppliers where risk appears heightened. Over time, we hope this work will also contribute to stronger market practice by sharing practical insights on how technology and collaboration can support better human rights due diligence.

We are translating these insights into updated practical expectations for portfolio companies post investment, particularly in supply chain management. Portfolio companies are already expected to establish appropriate governance frameworks, including Codes of Conduct, Supplier Codes of Conduct and procurement policies aligned with recognised international frameworks such as the UN Global Compact. These mechanisms help communicate expectations around ethical labour practices, environmental responsibility and responsible sourcing. Companies are also expected to take a risk-based approach to supplier engagement, prioritising key suppliers and areas where potential human rights or broader sustainability risks are most likely to be material.

Human rights risk training for EMK portfolio companies

EMK hosted an introductory webinar for portfolio companies on business and human rights, led by external advisor Impactt. The session explored common human rights risks in operations and supply chains, including forced labour, child labour, unsafe working conditions, excessive hours, low wages and discrimination. Impactt explained why these issues are increasingly business-critical, from regulatory and reputational pressures to operational resilience and transaction readiness. The webinar also introduced key international frameworks and outlined a practical, risk-based approach to human rights due diligence, including governance, risk assessment, supplier engagement, monitoring and remediation. The session was designed to be relevant across EMK's diverse portfolio, and to invite portfolio companies to consider more deeply how they can engage meaningfully with human rights in their respective contexts.

Digital resilience

Responsible technology in a changing world

Digital resilience is an increasingly important part of responsible ownership. For EMK, this includes both cybersecurity and the disciplined adoption of AI. Cybersecurity is fundamental to business continuity, operational resilience and stakeholder trust, particularly as portfolio companies become more digital and interconnected. We use third-party cybersecurity advisors to undertake cybersecurity risk assessments to help portfolio companies identify vulnerabilities and improve preparedness.

We see AI as both an opportunity and a source of emerging risk. Used well, it can enhance analysis, improve decision-making and strengthen risk management. Used poorly, it can create governance, privacy, compliance and operational challenges. EMK has a dedicated task force to identify AI tools that can support internal processes and to assess how AI may affect the sectors in which our portfolio companies operate. Our sustainability practice is already applying AI in targeted ways, including through tools supporting climate and nature risk analysis, human rights screening and controversy monitoring. Our focus is on practical use cases, supported by appropriate governance, data integrity and ethical oversight.

EMK in conversation

Q How is EMK thinking about the opportunities and risks created by artificial intelligence?

A We see AI as both a value creation opportunity and a value protection priority. Used well, it can improve efficiency, decision-making, customer experience and product development. But the pace of adoption also creates risk, particularly where tools are deployed faster than governance, data controls or cyber resilience can keep up. Our focus is on helping EMK and our portfolio companies identify where AI can create real competitive advantage, while ensuring the right oversight, policies and controls are in place. The objective is to enable responsible AI adoption in a way that protects customers, employees, data and long-term enterprise value.

Q What does responsible AI oversight look like in practice across EMK's portfolio?

A It starts with practical questions: where is AI being used, what data does it rely on, which decisions could it influence, and what risks does it introduce? As AI becomes more embedded in operations, governance needs to move from broad principles to day-to-day controls. Cybersecurity is a key part of this.

AI can increase the speed, scale and sophistication of cyber threats, while new AI tools can introduce vulnerabilities through data exposure, third-party access and system integration. We are therefore strengthening our focus on cyber resilience across the portfolio, alongside broader AI governance around data protection, regulatory readiness, human oversight and unintended impacts on customers or employees. EMK's role is not to impose a single model across very different companies. It is to help each business develop practical, proportionate controls that reflect its size, sector and risk profile. Done well, this allows companies to innovate with confidence while reducing the risk that AI adoption outpaces governance.

Shrey Mehta
Partner – EMK Accelerate

Case study

Trustonic: integrating sustainability considerations in AI adoption

Our portfolio company Trustonic, a provider of smartphone security technologies, uses AI to automate workflows, detect cybersecurity threats, identify data patterns and provide actionable insights – all whilst complying with GDPR, data residency rules and global AI regulations. Its cloud infrastructure is optimised for efficiency, reducing energy consumption and cutting carbon emissions by 16% over the last two years, supported by a shift to renewable-powered providers within our main supplier portfolio and a remote-first workforce that minimises physical footprint. These efforts have avoided 16.2 tCO_2e in emissions, strengthened resilience and aligned operations with client sustainability expectations and corporate growth priorities. Through its Telecoms Platform, it advances digital inclusion in emerging markets by enabling access to smartphones for underserved populations, supported by a vendor network committed to ethical AI and carbon-neutral operations.

Value creation

Exploring the innovation edge of sustainability

We see sustainability not as a parallel agenda, but as a driver of innovation and improved performance.

At EMK, value creation means identifying the opportunities that can help businesses grow stronger, more efficient and more relevant over time – whether through better products and services, stronger customer alignment, lower-cost operations or more resilient business models. Guided by the EMK Way, we integrate sustainability into the investment lifecycle because we believe it can help unlock new ideas, sharper execution and more durable long-term performance.

18 Decarbonisation
20 Incentivising sustainability
21 Sustainable innovation

5
portfolio companies have a sustainability-linked loan in place

16
portfolio companies have bespoke sustainability strategies in place

EMK in conversation

Q What makes Cardo such a compelling example of innovation-led value creation in the portfolio?

A Cardo, a global leader in wireless mesh communication, sound and safety systems for motorcycle riders, skiers, outdoor adventurers, cyclists, and other groups in motion, is not necessarily the first business in our portfolio that comes to mind when people think about sustainability. But the team has really embraced the challenge of becoming more sustainable and has embedded that thinking into the business' ethos and culture. As a result, it has become one of the strongest examples in our portfolio of how innovation can support both commercial performance and longer-term resilience. Cardo's technical leadership has helped it build a differentiated market position, particularly in mesh communication technology. Alongside this, the business is exploring ways to extend product lifecycles through refurbishment and repair initiatives, including pilot repair centres and a range of high-quality refurbished devices.
These initiatives have the potential to open new revenue streams, broaden access in more price-sensitive segments and respond to growing customer interest in durability and circularity. Together, they support product differentiation, brand strength and operational resilience.

Q What has enabled Cardo to turn sustainability priorities into practical business initiatives?

A Cardo's innovation mindset has helped the business engage with sustainability in a practical and commercially relevant way. A lot of that has been shaped by Adrian Farja, VP of Operations and Engineering, who leads on sustainability from an engineering and operations background and has done a great deal to embed it as a shared problem-solving agenda across the business, rather than a standalone workstream. That has encouraged creative thinking across functions – from product durability and repairability to packaging redesign, procurement, logistics and refurbishment initiatives. These efforts energise employees, respond to evolving customer expectations and, where well executed, support efficiency, differentiation and long-term resilience.
In that sense, sustainability at Cardo is strengthened by the company's culture of innovation, while also helping to direct that innovation towards opportunities with lasting business value.

Dan Rix-Standing
Partner

Decarbonisation

Delivering on our science-based targets

Decarbonisation is one of the most important innovation opportunities within sustainability. For EMK, it is not simply about reducing emissions; it is about encouraging the operational improvements, strategic shifts and new ways of thinking that can help businesses remain competitive in a changing economy.

In practice, this is reflected in our continued focus on decarbonisation as a core priority for EMK. Our science-based target enables us to track progress, while alignment with industry frameworks including PMDR and NZIF helps improve comparability and transparency for investors. Together, they provide a structured basis for measuring how companies are progressing from commitment to delivery.

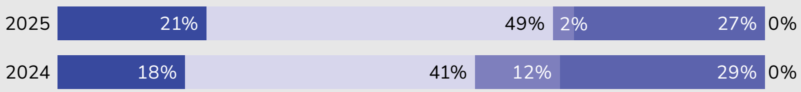
For more details on our methodology and underlying data, see page 29 in the appendix.

EMK's performance against its science-based targets

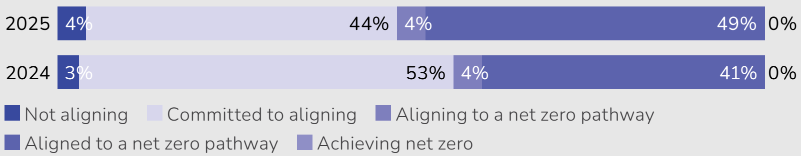
Target		Unit	Baseline (2021)	2025	Status as of 31 December 2025
50%	reduction in Scope 1 and 2 emissions by 2030, from a 2021 base year	Tonnes of CO_2 equivalent (tCO_2e)	8.75	5.89	On track ☑
100%	active annual sourcing of renewable electricity by 2025 and to continue through 2030	% electricity from renewable sources	91%	100%	On track ☑
50%	of eligible[1] private equity investments by GHG emissions to set SBTi-validated targets by 2026	% of portfolio covered by SBTi-validated targets by absolute GHG emissions	0%	96.4%	On track ☑
100%	of eligible[1] private equity investments by GHG emissions to set SBTi-validated targets by 2030				

Alignment with industry decarbonisation frameworks[1]

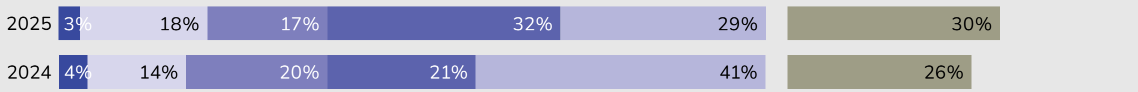
Net Zero Investment Framework (NZIF) by invested capital



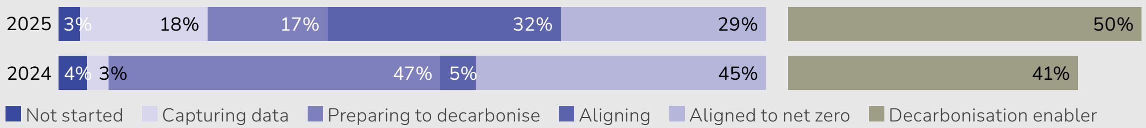
Net Zero Investment Framework (NZIF) by absolute emissions



Private Markets Decarbonisation Roadmap (PMDR) by invested capital



Private Markets Decarbonisation Roadmap (PMDR) by absolute emissions



1 2025 figures include new acquisitions during 2024 including: L&S, Pinerock, Aureos, MARCH, Arctic Seafarm and Argos Surface Technologies.

Decarbonisation continued

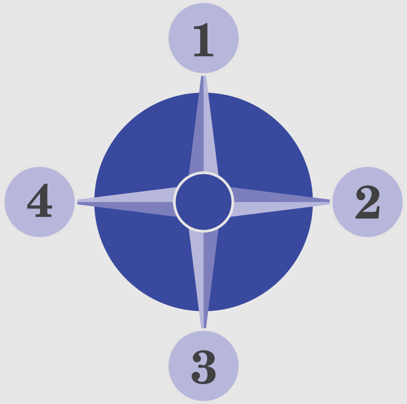
Aligning our portfolio to a low-carbon future

The Carbon Compass is EMK's framework for helping portfolio companies navigate the net zero transition, reduce emissions and identify commercial opportunities. As pressure to cut carbon increases across sectors, this work can strengthen customer relevance, support growth and help turn sustainability into a competitive edge.

In 2025, our Carbon Compass workstream helped accelerate progress on decarbonisation across the portfolio. As companies have matured in emissions measurement and science-based target setting, they have been better equipped to translate ambition into practical decarbonisation plans. As a result, the proportion of companies with plans in place increased from 29% to 71%.

Tracking decarbonisation plans across the portfolio helps ensure that companies have a clear roadmap for reducing emissions, prioritising the most material opportunities, and assessing the investment case for action. This includes identifying where upfront investment may deliver financial as well as environmental benefits, such as through energy efficiency measures, fleet electrification, or other operational improvements.

The Carbon Compass



1. Measurement

All portfolio companies are expected to measure Scope 1, 2 and 3 emissions. We support our companies in selecting an appropriate carbon accounting platform and use PCAF data quality ratings to improve accuracy, consistency and decision-usefulness over time.

95%

of portfolio companies measure their emissions

2024: 90%

2. Target setting

Science-based targets turn ambition into accountability. Our goal is for 100% of portfolio companies, measured by absolute emissions, to have SBTi-verified targets by 2030, creating a clearer pathway for decarbonisation and progress tracking.

8 out of 16

eligible portfolio companies have SBTi-validated targets

3. Renewable energy

Renewable electricity is one of the most practical levers for reducing Scope 2 emissions. We encourage portfolio companies to increase renewable electricity use as a way to cut fossil fuel dependence and support progress towards net zero.

76%

of portfolio companies source >50% renewable electricity

2024: 50%

4. Decarbonisation plan

We support portfolio companies in developing costed decarbonisation plans linked to their targets. This helps businesses prioritise the most effective actions, align emissions reduction with strategy and deliver measurable progress over time.

71%

of portfolio companies have a decarbonisation plan

2024: 29%

Case study

MARCH
Engineering progress

MARCH: the Carbon Compass in action

EMK acquired MARCH, a leading provider of critical engineering works, in late 2024 and worked with the business throughout 2025 to translate emissions measurement into a practical decarbonisation plan with clear actions, timelines and ownership. Using a 2024 baseline of 28,797 tCO_2e, MARCH set a plan to reduce Scope 1 and 2 emissions by 25.2% and Scope 3 emissions by 15% by 2030, and registered its commitment through the SBTi, with target submissions planned by July 2026. The plan focuses on specific delivery levers: improving fleet efficiency, reducing gas use, switching remaining sites to renewable electricity, electrifying part of the van fleet, removing under-used vehicles, and engaging priority suppliers in steel, electrical components and waste. MARCH also identified potential savings of c.£600,000 over five years from the Scope 1 and 2 plan. This is the Carbon Compass in practice: moving from measurement and target setting to a costed plan focused on operational delivery with a clear ROI.

Incentivising sustainability

Aligning incentives with sustainable value creation

We use incentives to reinforce the sustainability priorities most relevant to business performance.

Where sustainability targets are clearly linked to operational improvement, risk management or commercial positioning, they can help sharpen execution and strengthen accountability without creating a trade-off with return maximisation.

One way we do this is through financing. At firm level, EMK's Fund III subscription facility's interest rate has a margin ratchet linked to the delivery of annual sustainability performance targets aligned with our Sustainable Business Transformation Programme. At portfolio company level, sustainability-linked financing connects debt economics to a small number of business-relevant targets for some of our portfolio companies. These include GHG emissions and waste reduction goals, progress on supplier sustainability assessments and health and safety as part of a broader approach to procurement oversight and health and safety KPIs. In each case, the aim is the same: to tie financing incentives to measurable outcomes that support resilience, discipline and long-term value creation.

We may also link elements of executive remuneration to selected sustainability targets. In Fund III, this reflects one of our SFDR Article 8 characteristics. Where implemented, these incentives are tied directly to the value creation plan. The aim is not to reward sustainability activity in isolation, but to align management focus with operational and strategic priorities that support long-term value creation and investor returns.

EMK in conversation

Q What makes a sustainability-linked financing structure effective?

A From a financing perspective, the ratchet mechanism is where design choices matter most. Margin adjustments need to be meaningful enough to create a genuine economic incentive while staying within market norms for Sustainability Linked-loan (SLL) margin mechanics. Equally important is the verification framework: lenders will expect external assurance on sustainable performance target (SPT) performance. Getting the baseline-setting methodology right at the outset is critical, as retroactive adjustments could generate significant lender scrutiny and documentation complexity.

Nadia Ulstein-Rygnestad
Head of Debt – EMK Accelerate

Q How does EMK think about choosing the right sustainability priorities to include in financing structures?

A From the DCM side, KPI selection also carries a signalling function with the lender group. A well-chosen target communicates something substantive about our portfolio companies' approach to forward risk management and operational resilience. We also consider reporting infrastructure early in the process: the ability to produce auditable, consistent data is what underpins lender confidence in the structure and reduces friction at the annual SPT review. Ultimately it's about materiality: we look for areas where there is a clear link between the target, the value creation plan and the lender's credit perspective. The best KPIs are measurable, commercially relevant and capable of being tracked with confidence. If the structure is well designed, it reinforces management focus on the areas most likely to strengthen performance over time, whether that is resource efficiency, supplier oversight, health and safety, or another priority tied to the company's operating model.

Sustainable innovation

Innovation in action across the portfolio

Service Key: strengthening market position through sustainability execution

Service Key, an Italian provider of integrated facility management services, is a good example of how strong sustainability execution can translate into commercial advantage. EMK worked with the business in 2024 to develop its sustainability strategy, and in 2025 the focus shifted to delivery: embedding cross-functional governance, monthly monitoring and clearer initiative-level tracking, with 86.0% progress achieved against the year's goals. The programme has moved beyond governance into practical operational improvements, including a progressive shift to hybrid and electric vehicles, 100% renewable electricity with Guarantees of Origin, heat pump installation, lower-impact cleaning products, eco-cleaning protocols, more local sourcing and asset refurbishment, including 60 cleaning trolleys refurbished rather than replaced. These efforts have helped strengthen Service Key's market positioning and credibility with customers. Sustainability credentials were a binding condition in a major tender, where the company scored 92/100, and Service Key also received the Premio Industria Felix ESG – L'Italia sostenibile che compete, reinforcing its position as an innovation-driven and responsible operator.

Reconomy: scaling circularity through technology

In 2025, Reconomy, an international provider of circular economy services, deployed its DRS Technology Platform in Poland, adapting its established DRS Core to support the country's decentralised deposit return model. The platform integrates consumer returns, retailer and operator processes, deposit and refund management, payments, regulatory reporting and real-time scheme data within a single national system. Commercially, the deployment demonstrates Reconomy's ability to translate specialist technology into a scalable service for complex regulated markets, strengthening its position as a partner for future DRS schemes across Europe and North America. Environmentally, it helps ensure eligible bottles and cans are captured, accurately accounted for and channelled into high-value recycling streams rather than lost from circulation. By combining compliance expertise, data and user-friendly technology, Reconomy is making circularity easier to implement at scale while opening new growth opportunities in markets responding to rising packaging regulation and demand for efficient resource recovery.

£16.5m
invested in closed-loop technologies in 2025

Heras Group: using lower-carbon materials to strengthen tender competitiveness

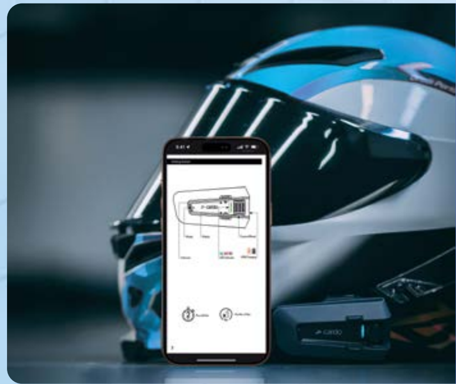
Heras Group is Europe's leading provider of 360° security solutions, delivering integrated perimeter and technical security. Its Norwegian business, Garda Road Safety, provides a good example of how sustainability can support revenue and margin in public infrastructure markets. In response to changing customer demand and tighter climate requirements in public procurement, the business worked with suppliers to source steel with lower emissions, supported by third-party verified Environmental Product Declarations (EPDs). This meant Garda Road Safety could meet customer requirements for documented emissions reduction without incurring the additional cost of separate "green steel" certification. In the Nordland project for the Norwegian Public Roads Administration, the contract included bonus mechanisms linked to greenhouse gas reductions. This reflects the Norwegian government's approach, particularly in road safety infrastructure, of balancing environmental impact with cost considerations and creating incentives for lower-emission project delivery. More broadly, the work has helped strengthen Heras Group's position in future tenders by showing it can combine practical delivery with lower-emission solutions in a market where customers are increasingly rewarding innovation and emissions performance.

Sustainable innovation continued

Focus on Cardo: innovation-led value creation

Cardo, a global leader in wireless mesh communication, sound and safety systems for motorcycle riders, skiers, outdoor adventurers, cyclists and other groups in motion, demonstrates how sustainability can drive innovation-led value creation.

Through its "Sustainability in Motion" framework, the business has focused on the areas where sustainability is most commercially relevant: product design, packaging, resource efficiency, refurbishment and supply chain responsibility. In practice, this means using sustainability not as a separate agenda, but as part of how the business strengthens its proposition, deepens customer relevance and creates new sources of value.

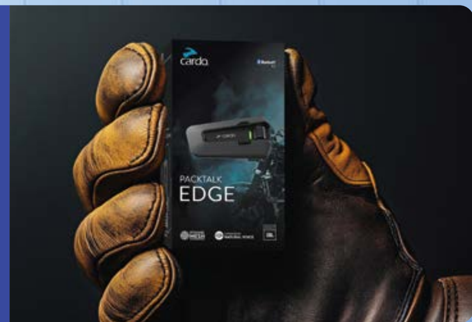


Product and technology leadership

Cardo has built its market position over more than 23 years through a focus on rider safety, performance and technical leadership. Recent innovation has extended that position further, including the introduction of Motorcycle Crash Detection in Packtalk Pro. Developed specifically for on-road motorcycling, the system combines device sensors, the Cardo Connect app and cloud-based analysis, with a learning algorithm designed to improve over time as more rider data is gathered. Cardo has continued to refine the feature through software updates, including measures to reduce false alerts. This targeted application of in-house R&D to rider safety reinforces Cardo's premium positioning and technical leadership.

Sustainability in product lifecycle

Cardo has also used sustainability as a practical lens for product improvement. The business has redesigned packaging to reduce material use by 77% and avoid more than 400 tonnes of CO_2 annually, while digitising manuals to eliminate over 60 tonnes of paper. It has also expanded refurbishment initiatives, allowing 62% of returned units to be resold or reused for service. These actions reduce waste and improve resource efficiency, while also helping extend product lifecycles and create incremental value.



Customer relevance and new value streams

These initiatives are commercially relevant as well as environmentally beneficial. Refurbishment and repair can broaden access in more price-sensitive segments, while stronger sustainability credentials can support customer trust and brand differentiation. In this way, sustainability is helping Cardo respond to changing customer expectations while opening up new revenue opportunities and reinforcing long-term market relevance.

Net positive impact

The opportunity to innovate a more sustainable future

We believe long-term value is strongest when commercial success is aligned with meaningful outcomes in the wider world. For EMK, net positive impact means proactively strengthening the positive environmental and social contributions of our businesses, while reducing negative externalities throughout the investment lifecycle.

It is not a separate ambition. It is integral to value creation and protection, supporting innovation, strengthening stakeholder trust and helping portfolio companies build more resilient, future-ready businesses.

In numbers

30%

of invested capital classified as "decarbonisation enablers" under the Private Markets Decarbonisation Roadmap

>2.7m[1]

in measured social value quantified by portfolio companies

1 Combined 2025 social value from Reconomy (£1.5 million) and Aureos (£1.2 million).

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25 Spotlight on the energy transition
26 Spotlight on the circular economy
27 Spotlight on social value

EMK in conversation

Q You oversee several EMK investments that benefit from and enable the transition to a lower-carbon, more sustainable economy – Reconomy, MARCH Engineering and Aureos. What's the context here?

A The transition to a lower-carbon economy is not a niche investment theme; it is reshaping how entire industries operate. Regulation, energy efficiency and security, resource costs, and supply chain resilience are all driving companies to rethink how they produce, procure, distribute, manage waste and reduce emissions. At EMK, we look for businesses that are well positioned to enable that transition – companies whose core services help customers improve efficiency, meet compliance obligations, reduce environmental impact, or build the infrastructure needed for a more resource-efficient, secure and competitive economy. Reconomy, MARCH Engineering and Aureos are good examples. They are not "green" businesses added onto traditional models; the sustainability angle is embedded in what they do commercially. That is what makes the thesis attractive: these companies benefit from structural market demand while also helping customers solve increasingly important energy, operational and environmental challenges.

Q What do these businesses have in common from an investment perspective?

A From an investment perspective, they share three important characteristics. First, they benefit from regulatory and structural tailwinds that are increasingly non-discretionary. Customers need these services to comply with regulation, maintain business continuity, improve efficiency, secure energy, or deliver against their own sustainability commitments. Second, they provide essential services and tend to have strong customer relationships, repeat or recurring revenue characteristics, and resilient demand. Third, they operate in markets where there is clear scope to drive transformational growth – whether by expanding capabilities, moving into adjacent services or geographies, or consolidating fragmented sectors. So the transition creates the market opportunity, but the investment case is not just about exposure to a theme. It is about backing high-quality businesses with resilient demand, clear value creation levers and the potential to scale.

Nicholas Armstrong
Partner

Understanding and managing material impacts

Measuring our impacts: materiality as a tool

EMK's responsible investment approach is grounded in the view that businesses create value most durably when they understand not only the sustainability issues that affect them, but also the impacts they have on people, society and the environment. While EMK is not an impact fund and has no formal impact mandate, we seek to identify, monitor, and communicate material impacts where these are relevant to portfolio company strategy, risk management and long-term value creation.

Our approach is embedded through the Sustainable Business Transformation Programme (SBTP), which assesses whether portfolio companies have completed a materiality assessment and considers the quality and usefulness of that assessment as a strategic tool. We encourage companies to adopt a double materiality lens: considering both financial materiality – the sustainability-related risks and opportunities that may affect enterprise value – and impact materiality – the significant positive and negative effects the business may have across its operations and value chain.

This is particularly important across EMK's portfolio, which spans a diverse range of sectors and business models with very different impact profiles. A circular economy platform, a technology business and a healthcare provider will not create, or need to manage, impact in the same way. A company-led materiality process therefore provides a more decision-useful and context-specific basis for identifying priority impacts than a single portfolio-wide impact scorecard.

Alongside this, EMK collects sustainability indicators across the portfolio, including selected Principal Adverse Impact (PAI) metrics, to support monitoring and respond to investor information requests. These data points are not presented as a complete measure of impact, but they contribute to a broader evidence base for understanding sustainability performance and identifying areas for further engagement.

In this way, EMK's focus is not on claiming impact by default, but on building the governance, analysis and company-level discipline needed to identify where material impacts arise, strengthen management responses and support more resilient, responsible businesses over time.

Case study

Reconomy: understanding impact through a double materiality lens

Reconomy's materiality assessment demonstrates how a portfolio company can develop a more precise understanding of the impacts associated with its business model, operations and value chain. Its double materiality matrix assesses topics through both a financial and an impact lens, identifying where Reconomy may contribute to positive outcomes – such as reduced material outflows, increased reuse and recycling, and improved customer access to sustainability data – as well as where actual or potential negative impacts require management, including renewable infrastructure gaps, resource constraints and working conditions in the value chain.

This approach is particularly relevant for Reconomy because impact is closely linked to its core circular economy proposition. In 2025, the company measured its own circularity gap for the second time, reporting that 30% of the materials it managed went to closed-loop recycling and estimating a circularity gap of 70%. This was an 11% improvement on 2024. It also seeks to quantify the wider positive contribution of its activities, estimating that its 2025 operations shifted Earth Overshoot Day by 12 minutes in 2024 and 15 minutes in 2025. These measures are not a complete account of impact, but they illustrate a serious effort to understand, evidence and improve the environmental outcomes associated with Reconomy's business model.

Spotlight on the energy transition

The energy transition is not a single market or technology. It is a broad shift in how energy is generated, distributed, stored and used – and in how buildings, infrastructure and supply chains are adapted for a lower-carbon economy. It's also one of the biggest innovation opportunities of the century, and across the portfolio, EMK's portfolio companies are contributing in different ways: some by delivering the physical infrastructure of the transition, some by improving energy efficiency at asset level, and some by helping customers reduce waste and carbon across wider value chains.

VDK

VDK is directly exposed to the transition through the installation technologies it delivers across buildings and infrastructure. In 2024, an estimated 69% of group revenue was EU Taxonomy-eligible, with energy-efficient equipment, energy management systems, heat pumps, renewable energy and EV charging all contributing to that mix. One practical example is Blankespoor's retrofit of 123 rental homes using hybrid heat pumps, PV panels and energy-efficient ventilation, which delivered at least 50% energy savings per residence and led to a follow-on phase covering c.570 additional homes.

Aureos

Aureos is a UK infrastructure engineering services provider maintaining, upgrading and expanding critical power, renewable energy, rail and transport networks. Its work supports the energy transition to deliver infrastructure for grid resilience, electrification, renewable power integration and reliable transport systems. On RWE's Norfolk Vanguard East and West offshore wind projects, Aureos Energy is supporting the main civil works for Siemens Energy at the onshore converter stations near Necton. Each project has a planned capacity of 1.4 GW. Electricity will be transmitted ashore as high-voltage direct current and carried approximately 60 km underground along the shared cable route from Happisburgh to Necton, where it will be converted to 400 kV alternating current for connection to the National Grid. Together, the two projects represent 2.8 GW of planned offshore wind capacity.

MARCH

MARCH is a leading provider of critical engineering services supporting complex industrial, manufacturing and infrastructure environments through design, fabrication, installation and maintenance services. Its work supports the transition by helping customers improve operational efficiency, upgrade critical assets, reduce downtime and implement lower-carbon, more resource-efficient industrial processes. On the North London Heat and Power project, MARCH installed 2,235 solar panels and associated control systems, helping deliver up to 20% lower energy use and annual carbon savings of 334,602 kg CO_2.

Reconomy

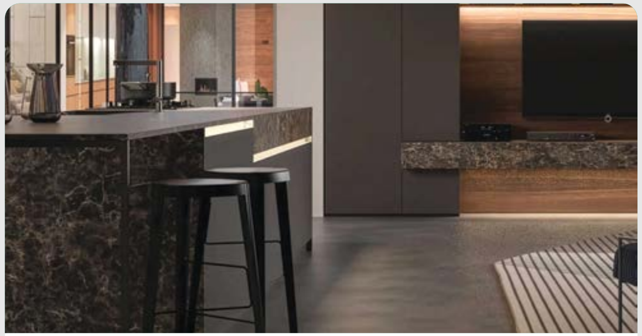
Reconomy is an international provider of circular economy services, helping businesses manage waste, resources, environmental compliance and reuse logistics efficiently. This helps customers optimise resources, improve returns and reuse flows, and make faster, data-led decisions. Its work supports the transition by helping customers reduce the energy and carbon intensity of product returns while keeping products and materials in circulation for longer. Through its Re-use Loop, Reconomy helps retailers and brands shift returns logistics towards rail, HVO and electric vehicles, improve vehicle utilisation and replace single-use packaging. In 2025, 21% of linehauls were travelled by rail and 12% ran on HVO, reducing emissions by 89% compared with fossil diesel. A reusable return-box programme for a customer also reduced CO_2e per carton by 50% compared with single-use alternatives.

Spotlight on the circular economy

A circular economy keeps products and materials in use for longer, reduces reliance on virgin inputs and captures more value from what already exists. Within our portfolio, this shows up in different ways: through large-scale resource and returns management, through refurbishment and lifecycle extension, and through better data on where materials are going and what value can still be recovered from them. Reconomy and Egiss are playing particularly impactful roles in enabling the circular economy.

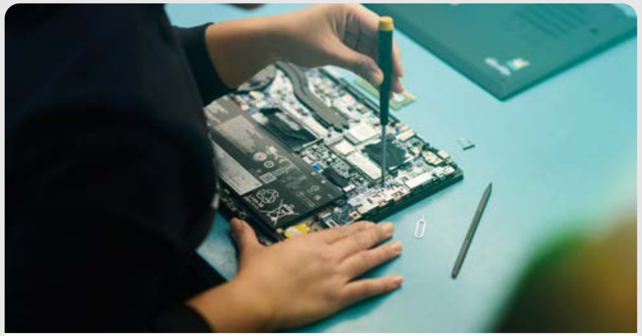
Reconomy: a circular economy superstar

Reconomy is the clearest portfolio expression of this theme. As an international circular economy specialist, its business model is built around helping customers move from linear to circular systems through waste and resource management, environmental compliance, and returns, reuse and refurbishment services. In practice, that means helping customers reduce waste, improve recovery rates, optimise supply chains and make better use of data to manage resources more efficiently. The scale of that activity is significant: Reconomy manages over 8 million tonnes of materials annually and handles more than 132 million product returns each year. Its refreshed Action: 2030 strategy places circularity at the centre of the business, with a specific focus on closing the circularity gap and supporting customers' own sustainability objectives. Reconomy exemplifies a company whose positive impact is inseparable from its commercial model.



L&S Lighting: designing circularity into lighting solutions

L&S Lighting, a designer and producer of bespoke embedded LED technical lighting systems, illustrates how product design can drive sustainability impact far beyond a company's own operations. Life Cycle Assessments completed in 2025 on the Group's eight highest-volume products revealed that over 95% of lifecycle climate impact arises while products are in use — meaning the greatest contribution L&S can make is designing ever more efficient lighting. This insight now directs innovation towards luminous efficiency, eco-design and end-of-life recovery, so each new product generation helps customers reduce energy consumption and meet their own decarbonisation objectives. Circular thinking extends across operations: products are manufactured using 100% renewable electricity, and FSC-certified packaging coverage tripled to 60%.



Egiss: enabling circularity in enterprise IT

Egiss shows how circularity can be embedded in enterprise technology services. The business is a global IT lifecycle partner that helps organisations procure, deploy and manage technology assets across their full lifecycle. What distinguishes Egiss is its integrated approach: responsible end-of-life management is built into the core offer, rather than treated as an add-on. Through its IT Asset Disposition (ITAD) service, Egiss enables the take-back, refurbishment, reuse and recycling of end-of-use equipment, helping customers reduce e-waste, lower demand for virgin materials and cut lifecycle emissions. The emissions associated with a refurbished laptop are approximately 10% of those associated with manufacturing a new device, which in 2025 led to ~11,588 tCO_2e avoided. The business is now targeting ITAD adoption across 75% of global customers by 2030, showing how circularity can become part of mainstream customer lifecycle planning.

Spotlight on social value

For EMK, positive impact extends beyond environmental outcomes. It also reflects the wider value businesses create through their services, the employment and development opportunities they provide, and their contribution to the communities around them. Across the portfolio, this includes areas such as mental health support and access to care, apprenticeships and local hiring, volunteering and community partnerships, and wider social benefit embedded in day-to-day commercial delivery.

onebright mental health

Onebright

Onebright's relevance to this theme lies in the service it provides. As a specialist mental healthcare provider, it supports adults, children and young people through therapy and neurodevelopmental services, and works with employers to strengthen workplace mental health provision. The business supports more than 60,000 people a year, works with more than 200 UK businesses and draws on a network of over 3,000 clinicians delivering care in 49 languages. Onebright is a strong example of social value embedded directly in the commercial model: its growth means more people can access timely, specialist mental health support, while employers and partners can better support wellbeing, resilience and return-to-work outcomes.

% of patients with a successful outcome[1]

Reconomy

Reconomy

Reconomy has a positive impact not only through its circular economy and resource-efficiency services, but also through its dedicated Social Value Programme. The Reconomy Social Value Programme uses the company's operations, partnerships and employee engagement to create positive community outcomes, including volunteering, training, employment support and support for people facing barriers to opportunity (such as ex-offenders and young people leaving social care). The company generated £1.5 million in social value in 2025, contributing to a total of £6.7 million since 2018, using the UK's TOMs Framework. Reconomy also strengthened its SME network, with 69.6% of its suppliers in 2025 being small and medium-sized enterprises – reinforcing inclusive economic growth.

£6.7 million

in social value since 2018

AUREOS

Aureos

Aureos, a UK provider of infrastructure engineering services across power, renewables, rail and transport networks, embeds social value into project delivery by focusing on practical benefits for local communities, including ethical supply chains, local business support, employment opportunities, skills development and targeted community investment. Its approach is supported by dedicated Social Value Hubs, which use local data to identify priorities, develop action plans and track outcomes, while project-level Social Value Assessments help align delivery with client expectations and local needs. In 2025, this included initiatives such as hosting RAF Air Cadets at Aureos' Bathgate training centre to introduce young people to careers in the electricity sector, contributing £10,000 to Sheffield's Castlegate Festival through YOR4GOOD, and funding specialist equipment for a sensory room in Shipley expected to support over 400 families each week.

>£1.2 million

in social value generated in 2025

1 The patient outcomes figures presented relate to Onebright Mental Health, Onebright Group's UK outpatient mental health business, and do not include Psicon, its UK neurodevelopmental services business, or Prescriba, its Danish mental health business. Onebright Mental Health measures progress through its services using clinically validated psychometric measures recorded before, during and after treatment, including PHQ-9 and GAD-7. A successful outcome is defined as a client being discharged following treatment with scores below the relevant clinical thresholds.

Appendix

Calculating our emissions

Decarbonising our investments has been a focus for EMK since 2021 when we first started measuring and reporting Scope 1, 2 and 3 GHG emissions across our portfolio companies.

Measuring emissions across all three scopes is essential for effective business planning at the portfolio company level. It enables us to assess progress against our portfolio coverage science-based target (SBT) (see page 18 for further detail on our targets and performance).

Assessing our performance against our science-based portfolio coverage target requires extensive and granular emissions data, which presents a number of challenges. In this note, we outline our approach to calculating emissions and the methodologies we use to address some of these challenges.

Defining in-scope companies

As per the SBTi Private Equity Guidance, portfolio companies are "eligible" for inclusion in portfolio coverage calculation if criteria 1 and either of criteria 2 or 3 are met:

1. EMK holds at least one board seat and ownership is >25%.
2. The company has been in EMK's portfolio for >24 months.
3. The company has been in EMK's portfolio for <24 months but has set science-based targets before the 24-month threshold.

As of the date of this report, 16 out of 22 portfolio companies meet these criteria and are included in our science-based portfolio coverage target calculation. A breakdown of absolute emissions by portfolio company can be found on page 30.

Data quality

We use the GHG Protocol to calculate our own emissions and require our portfolio companies to adopt the same framework. Emissions data from portfolio companies is self-reported, and we track the methodology used to generate this data across each scope – whether it is based on activity data, spend-based estimates or direct measurement.

We recognise that portfolio companies are at varying stages of maturity in their emissions reporting. To support them, we collect emissions data annually as part of our sustainability review and validation process. This process includes internal review and is further strengthened by the data verification exercise undertaken as part of our participation in the ESG Data Convergence Initiative (EDCI). In 2024, we engaged external carbon experts to undertake a detailed validation and assurance exercise on our 2023 data, with the aim of enhancing the accuracy, reliability and consistency of our emissions data over time.

We communicate the quality of emissions data from each portfolio company using a scoring methodology. We actively encourage portfolio companies to improve the robustness of their GHG inventories over time. Enhancing data quality not only strengthens the accuracy of our firm-wide emissions reporting, but also equips portfolio companies with a more comprehensive understanding of their carbon footprint – supporting better-informed strategic and operational decisions.

EMK Scope 1, 2 and 3 emissions (tCO_2e)

Category	2021	2022	2023	2024	2025
Scope 1					
Natural gas for heating office	5.1	5	5.1	—	5.9
Scope 2					
Electricity for offices	3.7	6.2	1.1	—	—
Scope 3					
Waste generated in operations	—	—	—	—	1.26
Business travel	47.8	1,140	1,025	1,792	1,248
Capital goods	0.1	—	—	—	—
Fuel and energy-related activities	10	12.7	16.5	17	19
Purchased goods and services	1,850	1,028	3,960	4,736	4,405
Upstream transport and distribution	2.2	1.2	1.4	—	0.5
Investments (Scope 1–3) – by allocation to EMK funds	178,518	303,816	539,744	1,183,468	1,193,807
Total emissions	**180,437**	**306,009**	**544,753**	**1,190,013**	**1,199,487**

SBTi portfolio coverage

Company	Year of acquisition	Declared net zero or Paris-aligned target or are already net zero or Paris-aligned	2025 GHG emissions Scope 1, 2 and 3 (tCO_2e)	Methodology	Data scoring*	Scope 1 + 2 % data reported directly by companies	Scope 1 + 2 % estimated carbon data	% absolute emissions (SBTi)
Reconomy	2017	**Corporate SBTi target set**	296,287	Direct Report	1	100%	0%	18.32%
Bright Data	2017	**SME SBTi target set**	9,525	Direct Report	2	100%	0%	0.59%
Onebright	2019	Corporate SBTi Target commitment	8,520	Direct Report	2	100%	0%	0.53%
Covidence	2019	No public target	1,816	Direct Report	2	100%	0%	0.11%
Trustonic	2020	**SME SBTi target set**	1,738	Direct Report	2	100%	0%	0.11%
The Digital Neighbourhood	2020	Corporate SBTi Target commitment	12,028	Intensity 2024	3	0%	100%	0.74%
VDK Groep	2020	**Corporate SBTi target set**	979,385	Direct Report	2	100%	0%	60.55%
Cardo Systems	2021	**SME SBTi target set**	8,576	Direct Report	2	100%	0%	0.53%
Egiss	2021	**SME SBTi target set**	105,787	Direct Report	2	100%	0%	6.54%
RIG	2021	No public target	8,358	Intensity 2024	3	100%	0%	0.52%
Eyecare Groep	2021	No public target	11,986	Direct Report	2	100%	0%	0.74%
Future Group	2021	No public target	2,122	EEIO	4	0%	100%	0.13%
Bark	2022	No public target	5,008	Direct Report	2	100%	0%	0.31%
Service Key	2022	Corporate SBTi Target commitment	4,902	Direct Report	1	100%	0%	0.30%
Heras (Garda Group)	2023	**Corporate SBTi target set**	158,021	Direct Report	2	100%	0%	9.77%
Servion	2023	Corporate SBTi Target commitment	3,359	Direct Report	2	100%	0%	0.21%
L&S	2024	No public target	762,327	Direct Report	2	100%	0%	Not yet in scope of target (<24 months in portfolio)
Pinerock	2024	Corporate SBTi Target commitment	124,107	Direct Report	2	100%	0%	
Aureos	2024	No public target	53,296	Direct Report	1	100%	0%	
MARCH	2024	No public target	33,648	Direct Report	2	100%	0%	
Arctic Seafarm	2024	No public target	26,236	Direct Report	2	100%	0%	
SBTi portfolio coverage by absolute emissions (55% by invested capital)								**96.41%**

Key

- Within scope boundary for SBTi coverage calculation
- Currently outside of scope boundary for SBTi coverage calculation 2025 due to ineligibility
- Emissions % covered by validated SBTi target

Note: Companies acquired during the final six months of the relevant calendar year, from 1 July onwards, are not included in this table.

Data scoring*	
Emissions verified by a third party	1
Emissions directly reported by the portfolio company	2
Emissions estimated based on an intensity factor from the previous reporting year	3
Emissions estimated using NACE codes and the EEIO methodology	4

Assessing climate risk

Our assessment is based on a bottom-up review of portfolio companies using a structured climate risk methodology.

For physical risk, assets are assessed against a range of acute and chronic climate hazards using geolocation-based climate projections and vulnerability functions. Each asset receives a physical risk score based on its exposure and vulnerability across the most material hazards, and company-level physical risk is then derived by aggregating asset-level scores. This provides a forward-looking view of how rising climate hazards may affect company operations through disruption or damage.

For transition risk, companies are assessed across four core risk vectors – policy, technology, legal and reputational – together with scenario-based market impacts. The analysis uses sector- and geography-specific data to evaluate how decarbonisation pathways may affect business models, demand, costs, legal exposure and stakeholder expectations. Company-level transition risk scores are based on these combined indicators.

The analysis is informed by data gathered from portfolio companies, with the most recent full dataset collected in 2024. We update this information periodically. Given the long-term nature of climate risk, however, we do not consider annual refreshes of the whole portfolio to be material or proportionate in all cases, particularly where underlying assessments rely on long-dated scenarios and modelling assumptions rather than near-term operational change alone.

This approach is intended to support climate-related governance, strategy and risk management disclosures in line with the TCFD framework, while recognising that climate risk assessment is inherently subject to modelling assumptions, data limitations and scenario uncertainty.

2025 TCFD-aligned statement

	Key updates	Read more
Governance	• Delivered dedicated climate and sustainability governance training for the EMK Investment team, supported by external advisors • Continued to link climate-related objectives to executive remuneration and select debt agreements, including the Fund III subscription facility margin ratchet (an SFDR Article 8 characteristic) • Maintained climate risk assessment as a component of mandatory sustainability due diligence	**Responsible Investment Policy** – See Section VI, "Oversight of Our Approach to Responsible Investment"
Strategy	• Refreshed the asset-level climate and nature risk assessment using a dedicated analytics platform combining asset geolocation, sector and country exposure, and company financial data • Completed the firm's first dedicated portfolio-wide nature-related risk and opportunity screen, complemented by an internally developed AI-enabled screening tool • Reviewed physical and transition risk profiles under a 2050 high-warming scenario, with several companies screening high/extreme on physical risk and a more moderate transition profile overall • Applied climate analysis at company level to support strategic planning (e.g. Arctic Seafarm physical and feed-related transition exposure)	**Responsible Investment Report 2025** – Analysis of our most recent portfolio-wide climate risk assessment (page 11)
Risk management	• Continued bottom-up climate risk assessment using a structured physical and transition risk methodology, supported by the climate and nature risk platform • Operationalised the Carbon Compass (measurement, target setting, renewable energy, decarbonisation planning), to support portfolio companies with an approach to decarbonisation • Identified higher-risk portfolio companies and led targeted interventions where material (see Arctic Seafarm case study, page 12)	**Responsible Investment Report 2025** – Climate risk management summary (page 11); due diligence process overview (page 14); engagement approach with portfolio companies on decarbonisation (page 19)
Metrics and targets	• Published Addressing the Carbon Confidence Gap, a portfolio emissions data quality paper developed with the University of Cambridge Investment Management and the Cambridge Institute for Sustainability Leadership • Advanced science-based targets: 96% of eligible private equity investments by GHG emissions now covered by SBTi-validated targets (on track against the 50%-by-2026 milestone)	**Responsible Investment Report 2025** – Decarbonisation targets and performance (page 18); emissions calculation methodology and data quality assessment (page 30); portfolio emissions performance (page 31)

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As set out in this Report, EMK is primarily reliant on the relevant portfolio companies in gathering and providing data. Such a reliance is mitigated through due diligence at the outset, partial internal validation and regular iterative reporting throughout the lifecycle of an investment. Estimations may be used where there is a lack of available data and will aim to reflect the true economic reality as closely as possible.

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