

Responsible Investing Report

2024/25



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Responsible Investing Report 2024/25

About This Report

The aim of this report is to provide transparency on Pemberton's management and performance on material governance and sustainability factors as they relate to our assets under management and within the firm's own operations.

We offer an in-depth review of responsible investing, which is integral to Pemberton's investment philosophy – anchored in rigorous due diligence and risk management – and showcase the firm's progress throughout 2024. Building on our previous reports, it reflects our ongoing commitment to continuous improvement.

Reporting on portfolio companies covers activities during the 2024 calendar year, unless otherwise stated. Data for governance and sustainability within our direct lending strategies was collected in H1 2025.

This report has been prepared with reference to the following frameworks and standards:

SASB: The Sustainability Accounting Standards Board (SASB) materiality framework for our industry.

VSME: For Pemberton's own workforce disclosure, we align to the VSME standard for non-listed small and medium-sized enterprises, published by European Financial Reporting Advisory Group (EFRAG), as guidance for our mid-market coverage. The VSME provides an accessible baseline framework to support businesses in reporting sustainability-related information.

TCFD: Our Portfolio Climate Resilience disclosure aligns with the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD), meeting UK FCA requirements.

This report is provided for informational purposes only and does not constitute an offer or solicitation to invest in any Pemberton product or strategy.

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Foreword

Over the past year, responsible investing has operated in an increasingly complex landscape. Geopolitical tensions – including the ongoing war in Ukraine and evolving U.S. policy – have heightened market volatility and uncertainty. At the same time, regulatory expectations are accelerating, with sustainability disclosures becoming more rigorous, detailed, and global in scope. These dynamics have placed new pressures on ESG and complicated implementation for the investment industry.

Yet we believe this heightened scrutiny presents an opportunity: a call for investors to move beyond box-ticking or performative gestures and demonstrate genuine substance behind their strategies.

At Pemberton, responsible investing is not a slogan. It is a discipline – embedded in our investment philosophy and grounded in rigorous due diligence and informed decision-making. Social and environmental shifts are transforming industries, economies, and markets. We believe that long-term performance will increasingly depend on how companies respond to structural challenges such as climate change, resource scarcity, demographic change, and social inequality. Our role as prudent investors is to understand these forces, manage emerging risks, and uncover resilient, long-term value.

Governance remains a core competence across all Pemberton's lending teams, as it is the foundation on which all resilient businesses are built. We avoid investments where there are governance shortcomings.

This 2024/25 Responsible Investing Report reflects that philosophy in action. Our approach is shaped by the diverse needs of our limited partners (LPs), who operate across a wide range of geographies and regulatory contexts. Where governance and sustainability factors are financially material, we integrate them into our investment process to support our core objective: delivering strong risk-adjusted returns.

We also recognise that some of our LPs wish to align capital deployment with broader social and environmental outcomes. We collaborate closely with these partners to tailor solutions that meet these objectives alongside financial returns.

This year's integrated report includes our annual assessment of climate-related risks and opportunities, aligned with TCFD recommendations. We invite you to explore our progress – and hope you agree that meaningful strides have been made since our last report.

Symon Drake-Brockman
Co-Founder and Managing Partner

Keith Jones
Chairman



“
Our team's focus is on asking the right questions to better understand an investment's risk-return profile, with governance and sustainability considerations enhancing the analysis.”

Symon Drake-Brockman
Co-Founder and Managing Partner



“
Pemberton remains steadfast in our commitment to transparency. This report offers a clear view of how our responsible investing has continued to evolve, including deepening our climate insights.”

Keith Jones
Chairman

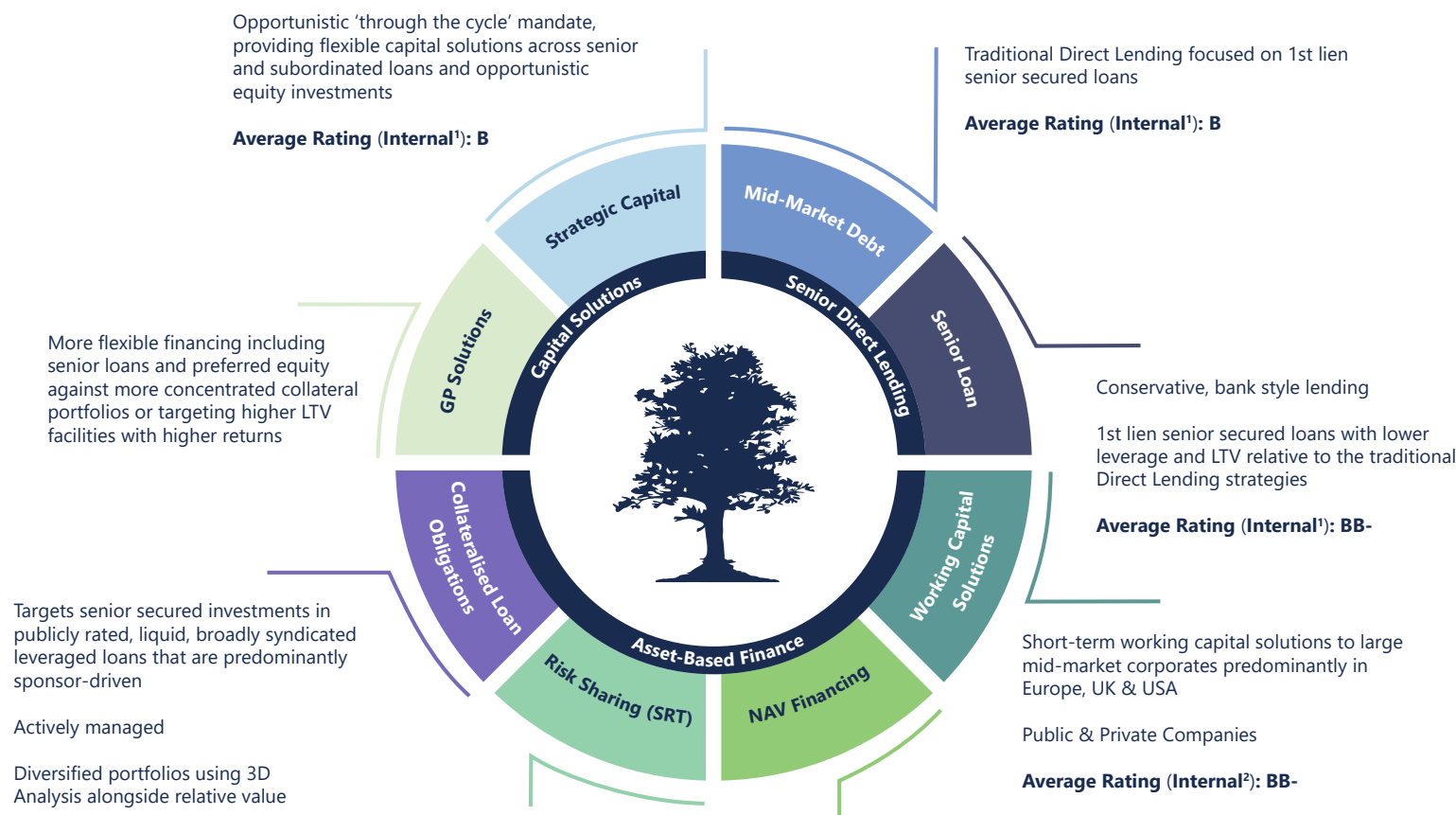
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Leaders in European Private Credit

Pemberton Asset Management

Built on more than a decade of experience and deep credit expertise, we provide innovative, cycle-tested private credit solutions for LPs and GPs. Pemberton's extensive origination network of ten European offices, local market and sector expertise are core characteristics of Pemberton's value proposition. A substantial investment team, a broad and independent credit function and rigorous credit analysis inform our investment approach. We are committed to advancing responsible investing in private credit and fostering long-term value through transparent partnerships.



1 Obligor Rating, S&P equivalent.

2 Insured share class is A-equivalent credit quality.

3 Assets are externally rated.

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Pemberton at a Glance



€24.6bn

AUM⁴ across 8 strategies



€37.6bn

Invested⁵ since inception



330+

Investors across the globe



4,275+

Direct lending companies
reviewed since 2019



200+

Professionals⁶ firmwide



15

Locations⁷ across Europe, Australia,
the U.S. and the Middle East

2024 Milestones



Private Debt ELTIF

In partnership with Pemberton, Zurich Insurance has launched its first ELTIF, granting eligible investors more flexible access to private assets



GP Solutions (NAV Strategic)

First Close in June 2024 of US\$1bn anchored by Abu Dhabi Investment Authority



Santander Partnership

A landmark partnership to launch *invensa*, a global inventory management and solutions company

All figures as of June 2025 unless stated otherwise.

4 Assets under management are defined as committed capital.

5 Across all strategies including recycled capital.

6 Pemberton Group, including consultants, contractors and advisors.

7 Includes one office and two locations in the U.S.

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2024 Responsible Investing and CSR Snapshot

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93%

Completion of our annual ESG Borrower Questionnaire

2023: 91%

43%

Of interns came from social mobility partnership initiatives

2023: 40%

5/5

UN PRI Score for Fixed Income-Private Debt category⁸



~130,000

People employed by companies in our direct lending portfolio⁹

2023: ~100,000

87%

Of AUM raised in 2024 classified as SFDR Article 8

2023: 85%



100%

Of employees completed mandatory ESG training¹⁰

2023: 100%



33%

Managing Director/Partner new hires were female

2023: 50%

63%

Direct lending borrowers had an ESG-linked margin ratchet¹¹

2023: 62%

19%

Female representation on investment teams

2023: 20%¹¹



61%

Of engagement with direct lending borrowers

2023: 60%



44%

Of all board members are female

2023: 44%

82%

Carbon data coverage by direct lending borrower count

2023: 68%

⁸ Reflects score on Fixed Income-Private Debt category only, scored 4/5 on Policy, Governance and Strategy.

⁹ Workforce of portfolio companies varies year-on-year with no expected trend or target

¹⁰ ESG training undertaken every year, with expectation of completion by all employees.

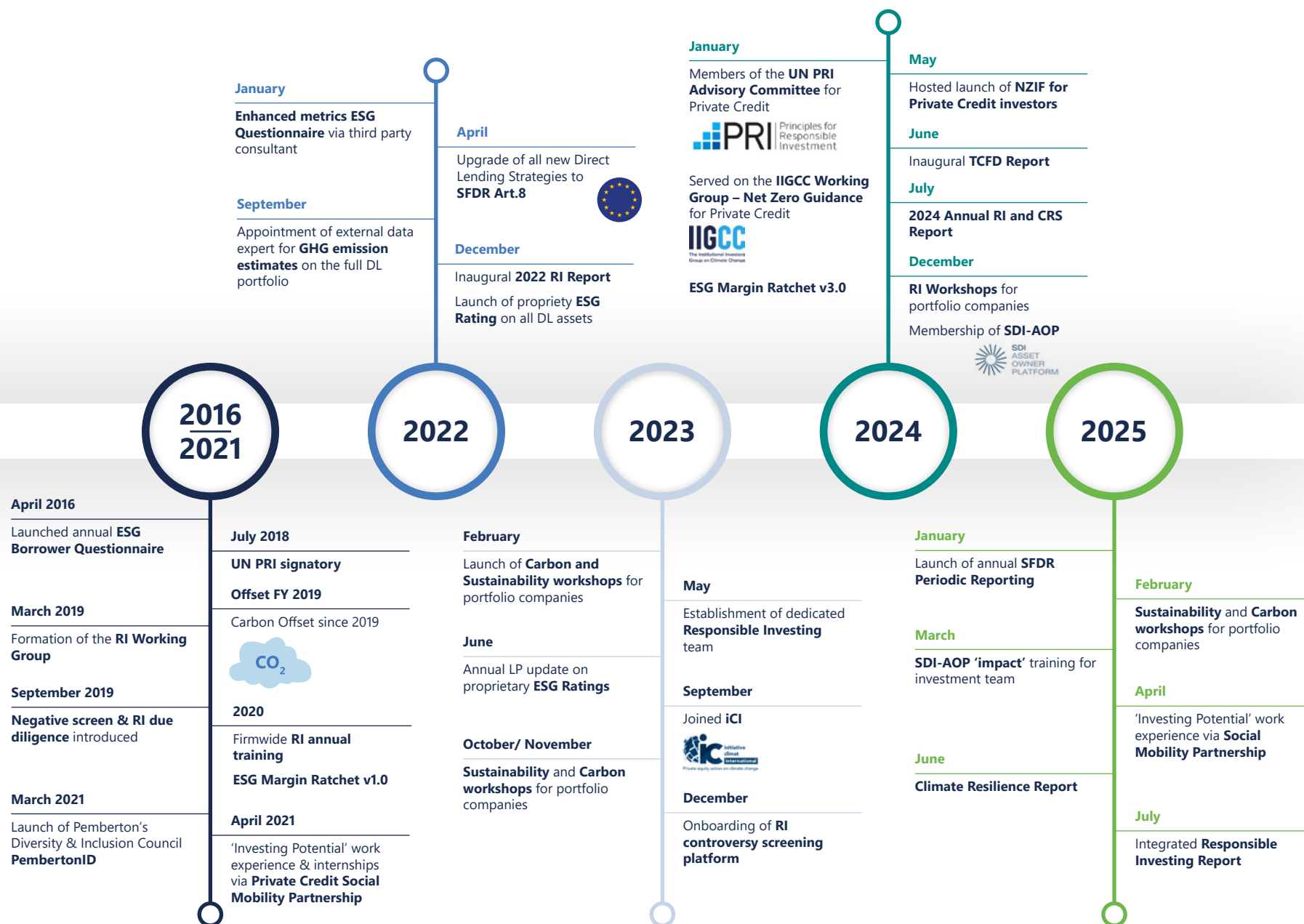
¹¹ We reported a higher % in last year's report – this data reflects a streamlined definition that will remain consistent going forward.

Responsible Investing

Corporate Social Responsibility

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Pemberton's Responsible Investing Journey



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Action Through Collaboration

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An important pillar in our responsible investment and corporate social responsibility (CSR) activity is to engage with industry groups for knowledge-sharing and to shape best practice.

The opportunity to collaborate with our peers on advancing responsible investing in private credit enables shared learning and accelerates progress, while ensuring we are well-informed on emerging trends and themes.

We also apply Pemberton's resources to community outreach initiatives, including a keen focus on providing work experience and internships for underserved talent and to promote social mobility.



Pemberton became a signatory to the UN PRI in 2018. Our firm serves on the **Private Debt Advisory Committee** (PDAC) supporting the design, delivery and dissemination of sustainable investing guidance for our asset class.



Pemberton published its inaugural **TCFD Report in 2023**. This year's annual assessment, Climate Resilience Report, provides investors and other stakeholders with an understanding of our business and investment exposure to climate-related risks, and our management of these risks.



The **Initiative Climat International** (ICI) is a global community of private market investors (250 members representing USD4.1 trillion AUM, including Pemberton), seeking to better understand and manage the risks associated with climate change.



Pemberton became a member of the European Leveraged Finance Association (ELFA) in 2022 and serves on **ELFA's ESG Committee** that seeks to advance and streamline borrower disclosure through the development of tools such as the ESG Fact Sheets.



Pemberton joined the **Sustainable Investments Asset Owner Platform (SDI-AOP)** in 2024, which provides a common taxonomy for classifying investments aligned with the UN SDGs.



We partner with **UpReach** to actively foster and advocate for the specific recruitment of interns from lower socioeconomic backgrounds into private credit and asset management.



Pemberton is a participating firm in the **10,000 Black Interns** initiative that champions under-represented talent and promotes equity of opportunity. In 2025 it reached its goal of 10,000 internships in the UK since 2020, and continues to grow.



Pemberton recently became a member of the **Diversity Project**, an initiative championing a diverse and inclusive UK investments and savings industry.



Pemberton is a member of the **AIMA-affiliated Alternative Credit Council**, specifically focused on asset management firms in private credit, providing guidance and support on regulatory, advocacy and educational efforts.



2024 UNPRI Rating Results

For Direct – Fixed Income – Private Debt

Pemberton Score¹²

★★★★★
94%

Median Score

★★★★☆
82%

For Policy, Governance and Strategy

★★★★☆
83%

★★★★☆
79%

¹² The PRI rating was assigned by the Principles for Responsible Investment (PRI), an investor initiative in partnership with the United Nations Environment Programme (UNEP) and the United Nations Global Compact (UNGC). The PRI assigned ratings to its signatories for the 2024 calendar year according to its published 2024 Reporting Framework. PRI ratings are assigned to all PRI signatories that submit completed responses to the rating due diligence questionnaire provided by the PRI. Pemberton pays an annual membership fee as a signatory of the PRI but does not pay for the PRI rating itself.

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A Year of Progress

Since our last report, we have continued to advance and deepen our responsible investing activity in step with Pemberton's business growth, while remaining anchored to key priorities including:

Portfolio Climate Resilience disclosure remains a core pillar of our responsible investing approach and is detailed in the climate section of this report. A notable milestone in 2024 was the expansion of our carbon emissions dataset to cover CLOs and NAV Financing. In direct lending, our ESG-linked lending framework continues to incorporate climate-related incentives, including for carbon reduction targets.

Strengthening data quality across the investment cycle is a central focus. Reliable, consistent data is essential – not only for informed decision-making but also for transparent, comparable portfolio reporting.



We enhanced our toolkit with the expansion of carbon data coverage – both reported and estimated – to encompass strategies representing 94% of committed capital.



We delivered targeted responsible investing guidance and training to all investment professionals, to support integrated and informed decision-making.

We continue to invest in third-party platforms that offer benchmarks and built-in guardrails to support data integrity. In parallel, we remain committed to supporting our borrowers as they navigate evolving disclosure requirements.¹³ In 2024, for example, we hosted targeted workshops on workforce and climate reporting – led by external experts – to help portfolio companies build practical, actionable capabilities.

Deepening active engagement on governance and sustainability performance has also been a strategic priority. During 2024 we executed multiple new ESG-linked margin ratchets, developed through in-depth, three-way discussions with borrowers and private equity sponsors on sector-specific key performance indicators (KPIs) and appropriate sustainability performance targets (SPTs). This collaborative process gives us early visibility into a company's sustainability strategy at the

point of lending and establishes clear alignment on performance objectives across all parties involved.

Our responsible investing framework is designed to deliver sound investment decisions and deliver long-term value for our LPs by financing well-managed, resilient European businesses with strong growth potential. With the solid momentum of 2024, we are well positioned to drive continued innovation in the alternative credit space.



“

My team partners with our investment teams to provide best-practice frameworks, robust data, and subject matter expertise to integrate governance and sustainability considerations across the investment lifecycle – managing risk, driving value, and strengthening portfolio resilience.

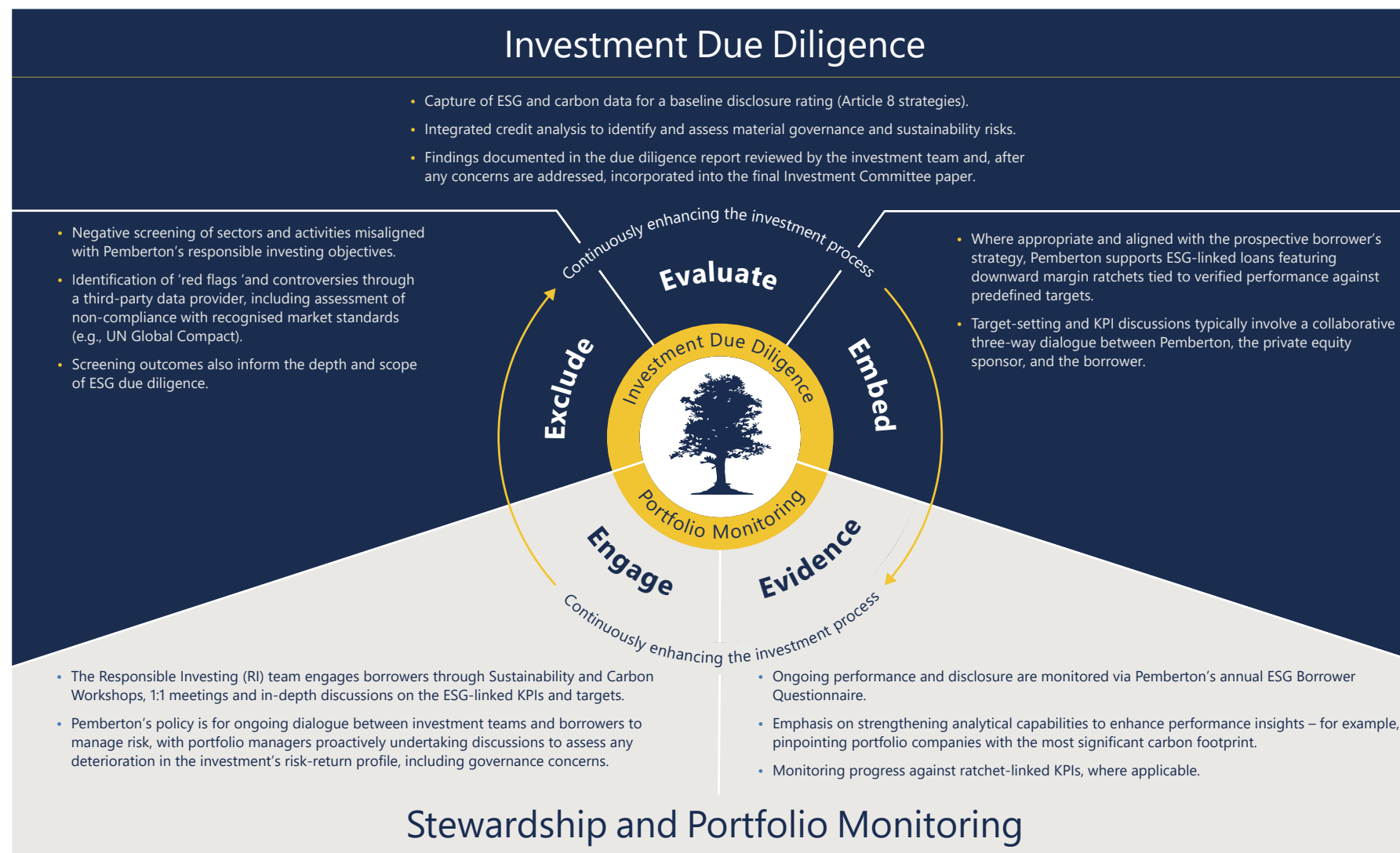
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Niamh Whooley

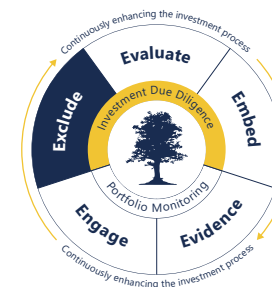
Head of Responsible Investing

¹³ Many of our mid-market companies initially fell in scope of the EU Corporate Sustainability Reporting Directive (CSRD) for FY2025, although the recent EU Omnibus Directive introduced a 'stop-the-clock' provision, granting a two-year extension to support readiness and disclosure capabilities.

Direct Lending: Systematic Integration Approach



Exclude: Negative Screening



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Pemberton applies a **Negative Screen**¹⁴ approach across its investment strategies, focusing on sectors and activities with elevated regulatory, legal, reputational or market risks. At the firm level, this includes involvement in the production or sale of controversial weapons (e.g., antipersonnel landmines, cluster munitions), associations with oppressive regimes, activities related to tobacco, adult or violent content, short-term consumer finance such as predatory lending, gambling, and practices with significant animal welfare concerns.



During the year, Pemberton declined several investment opportunities in energy-intensive businesses.

Our climate strategy prioritises engagement over exclusion, supporting and incentivising companies to measure and reduce their carbon emissions (see Portfolio Climate Resilience section). Nonetheless, avoidance of high-carbon sectors most vulnerable to rising costs from tightening climate regulation, energy price volatility and other carbon-related pressures is consistent with Pemberton's credit risk appetite.

We favour non-cyclical assets with strong cash flows and flexible cost structures, such as Business Services and Software Consulting. We remain cautious of companies with substantial fixed assets requiring high capital expenditure, as this can constrain cash flow for debt servicing, especially in downside scenarios.



Pemberton evaluates investment opportunities across a range of sectors, including financial services. In screening a recent lending opportunity to a debt collection business, several material factors were considered:

- (a) Fair customer treatment and regulatory compliance
- (b) Robust safeguarding of data privacy and security
- (c) Potential reputational risks linked to the lending

Financing was declined due to a lack of comfort around the controls needed to de-risk collection efforts, such as protection of vulnerable customers, adequacy of employee training and track record on complaints, including those upheld by regulators.

We seek to avoid association with businesses or practices that could harm the firm's reputation and that of our investors.



Governance is central to Pemberton's investment philosophy and a core competence across all lending teams. We believe that resilient businesses are grounded in strong, effective governance. Key considerations include:

- Board oversight
- Management experience and track record
- Effective risk management
- Ethical business conduct

We do not invest where there are material governance concerns. For example, in 2024, an investment opportunity was declined due to credit risks and the company's involvement in an antitrust investigation related to alleged price fixing, indicating poor risk governance and controls.



“

We directly originate lending opportunities to high quality assets through the team's sourcing power and extensive relationships with private equity sponsors that own the businesses. Governance and sustainability considerations have long been a focus of our due diligence.”

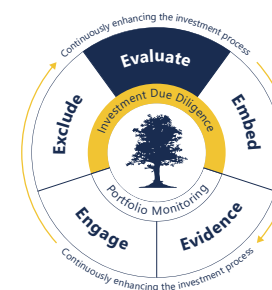
”

Cassandra Fahy

Co-Head of Origination, UK
Member, RI Committee

¹⁴ Having screens on environmental, social and governance considerations does not assure compliance with the UN-sponsored "Principles for Responsible Investment." No strategy, formula or approach can guarantee gains or avoid losses.

Evaluate: Investments



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We do not claim that governance or sustainability factors are the sole or primary drivers of investment decisions. However, evaluating related risks and opportunities provides a fuller picture of an investment's risk-return profile and potential repayment risks.

Due diligence is a cornerstone of private credit investing, critical to informed and prudent decision-making. Our investment teams focus acutely on the sensitivity of a company's cash flows to adverse events that could arise, including material governance and sustainability risks. For example, supply chain risk can encompass social factors such as labour concerns, including human rights and health and safety issues, while environmental risks may involve challenges like deforestation or resource inefficiencies within the value chain.



Project Care

Due diligence was undertaken for a lending opportunity to a European company that provides education, residential care, and specialised services for children with complex behavioural and physical needs. The residential care serves individuals unable to live at home or in foster care due to the intensity of their needs.

Part of the review involved confirming political consensus on the essential role of private providers in addressing systemic shortfalls and rising demand.

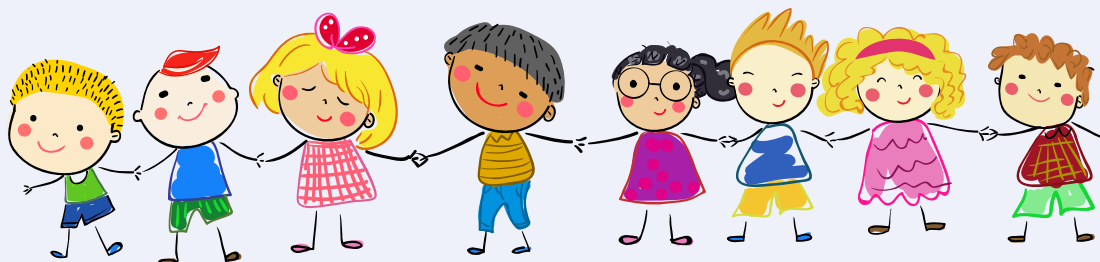
A key focus of the due diligence was the quality of care. The provider had received above-market ratings from the national regulatory agency for education and children's services. This was



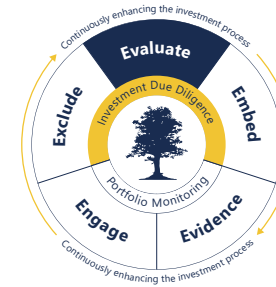
Case Study

further reinforced by an independent assessment, commissioned by the private equity sponsor and conducted by former inspectors, which supported the view of the company as a high-quality, outcomes-driven care provider. Operational due diligence also reviewed the company's quality assurance systems across all facilities.

Workforce stability emerged as a critical success factor. With persistent sector-wide challenges in attracting and retaining skilled carers – and the number of approved carers remaining flat despite increasing demand – the review evaluated the company's employee engagement, training, and retention practices to ensure resilience and continuity in care delivery.



Evaluate: Investments



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As credit investors, we maintain a disciplined focus on mitigating downside risk. However, this integrated analysis can also yield valuable insights into a company's resilience and long-term growth prospects.

Our world is facing an array of environmental and social challenges, and mid-market companies can be part of the solution. Sustainability-driven tailwinds – including evolving policy frameworks, regulatory developments, shifting consumer preferences, and increasing flows of public capital – can strengthen the investment case.

Ultimately, our approach is designed not only to manage risk effectively but also to capture long-term value creation opportunities that traditional financial analysis may overlook.



Project Circular

We financed a European circular economy business focused on recycling urban and industrial dry waste through partnerships with businesses and municipalities. In addition to producing recycled paper, the company converts plastic waste into secondary raw materials, achieving up to 50%¹⁵ lower CO₂ emissions compared with virgin production. With a near-zero landfill rate and a zero-landfill target, the company also transforms non-recyclable waste to replace coal in cement production.

Integrated credit analysis highlighted that this company's growth is supported by secular trends, regulatory incentives and high barriers to entry.



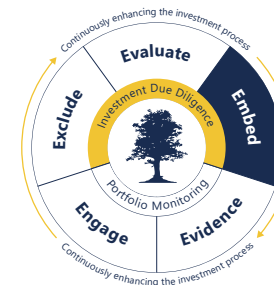
Case Study



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¹⁵ The challenge of private markets is that evidencing of sustainability claims by borrowers can be limited, and hence Pemberton's efforts to encourage disclosure of verifiable information and data.

Embed: Margin Ratchet



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An effective lever in our asset class, when applied judiciously, is the use of ESG-linked margin ratchets that reduce loan interest margins when borrowers meet predefined sustainability performance targets. In our latest iteration (v3.0), we have incorporated sector-specific KPIs to ensure they are both relevant and material to the borrower's business. Our guiding philosophy is that targets must be ambitious – pushing beyond business-as-usual – yet achievable. This approach has gained good traction, particularly among private sponsors committed to sustainability, enabling us to align on clear, measurable performance expectations.

Recently we financed a global group headquartered in Europe that delivers engineered solutions for infrastructure projects designed to limit environmental impacts. The company's products have benefits such as minimising soil contamination, erosion control, coastal preservation, rockfall protection and engineered solutions to mitigate flooding.

The agreed sector-specific KPIs include year-on-year expansion of ISO 14001 certification to ensure proper disposal of industrial waste, and ISO 45001 certification to uphold effective workplace safety, across all operational plants. These ISO standards, developed by the International Organization for Standardization, provide globally recognised specifications to ensure consistency, quality, and safety across diverse industries and activities.

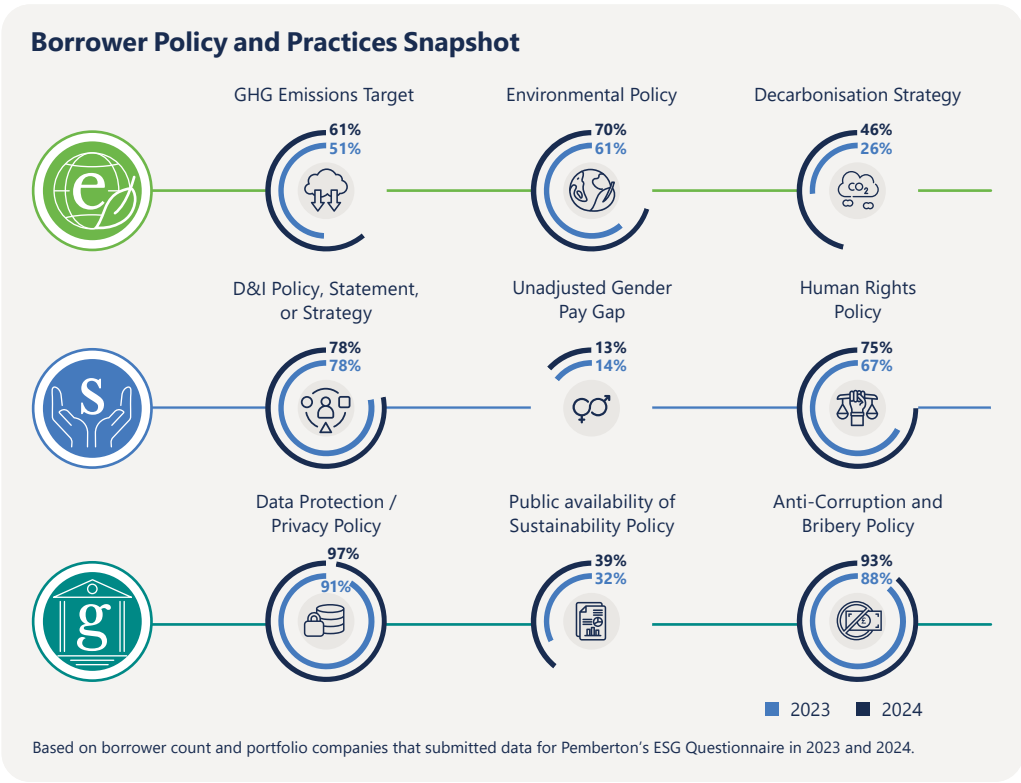


Evidence: Scaling Data

Like any other fundamental variable, data helps us make more informed investment decisions, but data availability and quality remain a key hurdle in private markets. To address this, since 2016, Pemberton has deployed an annual ESG Borrower Questionnaire in direct lending. This is augmented by a pre-investment ESG and carbon data capture process that establishes a baseline disclosure rating at the time of lending.

Data is collected through third-party platforms that incorporate regulatory frameworks like SFDR, alongside standardised metrics, comprehensive guidance, and private market benchmarks – fortified by embedded guardrails to help ensure data accuracy.

Our questionnaire is updated annually to enhance data capture and maintain alignment with the evolving reporting requirements of our limited partners.

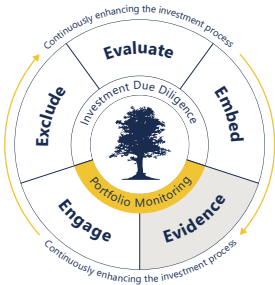


Themes in ESG Borrower Questionnaire

- Carbon Emissions
- Energy Management
- Water and Wastewater Management
- Ecological Impacts

- Employee Diversity and Inclusion
- Employee Health and Safety
- Human Rights
- Supply Chain Management

- Board Diversity
- Data Security
- Business Model Resilience
- Business Ethics, Bribery and Corruption



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Evidence: Proprietary ESG Rating

While ESG ratings are not a silver bullet for evaluating how portfolio companies manage environmental, social, and governance risks, Pemberton's proprietary rating – including a dedicated carbon footprint score – provides a consistent framework for tracking year-on-year progress on disclosure and policy implementation.

In 2024, we observed a significant improvement in ESG performance across our direct lending portfolio, with the proportion of borrowers achieving an 'A' rating rising from 19% to 44%. Overall, 80% of borrowers now fall within the A–B rating band. This momentum is likely supported by preparations for the EU Corporate Sustainability Reporting Directive (CSRD), with many companies anticipating they would fall within scope for FY2025, prior to the 'stop-the-clock' deferral of reporting obligations announced in the first half of 2025.

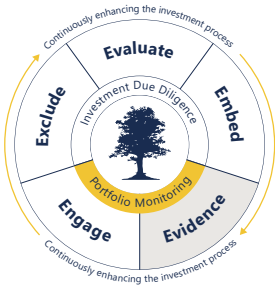
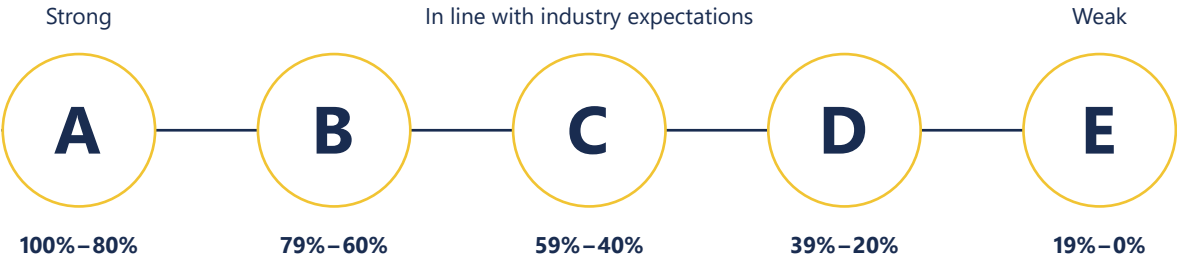
To enable meaningful year-on-year comparisons, new borrowers and realised loans are excluded from

the analysis. However, it is notable that 32% of new borrowers entering the portfolio in 2024 have already achieved an 'A' rating – highlighting a welcome shift in baseline reporting maturity. To reflect this, we will continue to evolve our rating methodology to place greater emphasis on performance-based metrics.

ESG Management Rating

Pemberton's ESG Management Rating ranks borrowers from A (Strong) to E (Weak) based on responses to its annual ESG Borrower Questionnaire. The score reflects maturity of disclosure and policies across environmental, social, and governance areas, benchmarked against European mid-market standards. A separate carbon footprint score tracks emissions disclosure, reduction targets, and portfolio carbon footprint impact.

Pemberton's Proprietary Rating Scale



Spotlight on Progress

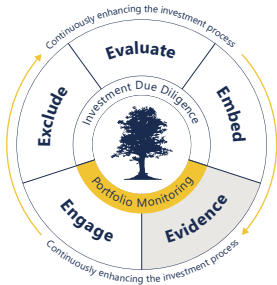
A European producer with a leading franchise in the fresh packaged food convenience sector progressed from a **C rating in 2023 to an A rating in 2024** under Pemberton's ESG Management Rating – marking a strengthening of its sustainability practices.

Over the past 18 months, the company actively engaged with Pemberton's portfolio support programme, including participation in two thematic workshops focused on workforce and carbon best practice reporting.

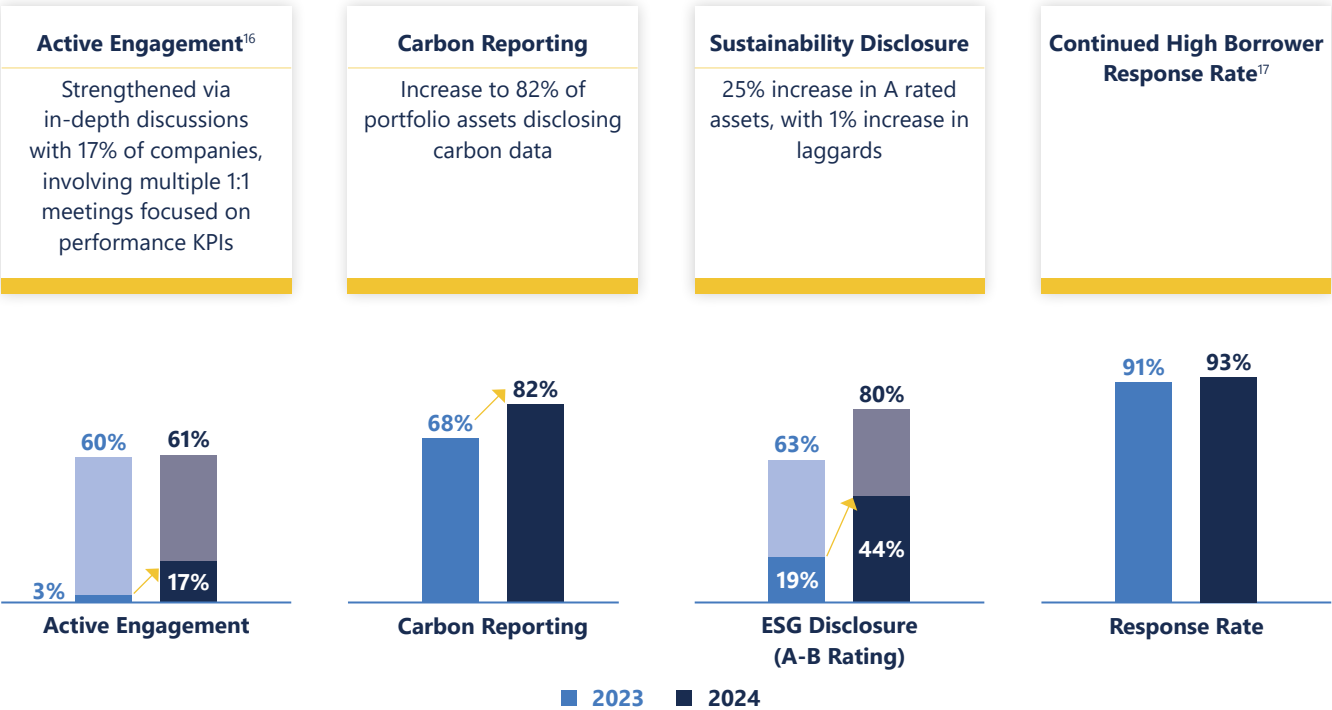
The most notable area of improvement was the **enhancement of carbon emissions disclosure** – a growing priority for the company's customers as they seek to better understand and manage supply chain climate impacts. This progress is reflected in the company's improved carbon footprint score.

With over 600 employees across seven manufacturing sites in Europe, the company also continues to advance performance in workforce management.

Evidence: Year-on-Year Progress



Our Rating and Engagement in Action



As borrowers mature on their sustainability journey, engagement is evolving from a focus on disclosure to performance-oriented dialogue

Note: Percentages shown are based on borrower count. In previous reporting we presented data using committed capital as the basis for percentage calculation.

Source: Pemberton Capital Advisors LLP.

16 Active Engagement defined as in-person workshops, teach-ins and/or 1:1 meetings.

17 Response rate assessment excludes investments realised intra-year or where realisation was known and occurred in H1 of the following year. Non-responses may be linked to timing of investment vs reporting campaign timing or other agreed exemptions. The ESG data presented herein does not necessarily reflect the situation upon the day financing has been approved and is subject to change over time. Further, such ESG data may not be representative of Pemberton's approach to Sustainable Finance Disclosure Regulation ("SFDR") or other regulatory initiatives. Pemberton uses ESG data collected via its own internal due diligence, external consultants and third-party data analytical tools when considering a prospective borrower's ESG risk profile. Such due diligence relies on the availability and accuracy of various sources, such as borrower disclosures, which often include forward-looking statements of intent and are not necessarily fact-based or objectively measurable. Pemberton is also dependent on the subjective judgements in respect of ESG risks of its investment analysts.

Portfolio Monitoring



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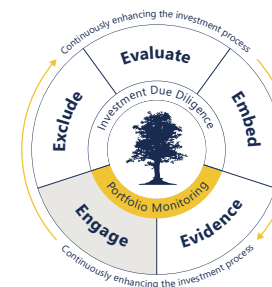
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Engage: Monitoring Performance



Active Engagement

Private credit investors have a voice. Contrary to common perception, active engagement is both possible and effective within our asset class, offering meaningful opportunities to support performance improvement over the life of the loan.

Where we have a degree of influence – primarily as the lead or sole lender in our direct lending strategies – we engage directly with portfolio companies with the objective of mitigating risk and long-term value protection.

The Responsible Investing (RI) team maintains ongoing dialogue with portfolio companies through a range of channels. These include thematic workshops designed to provide practical guidance on measuring and reporting material sustainability issues, ‘teach-ins’ around use (including metric calculations) of our third-party data capture platform, and one-to-one meetings.

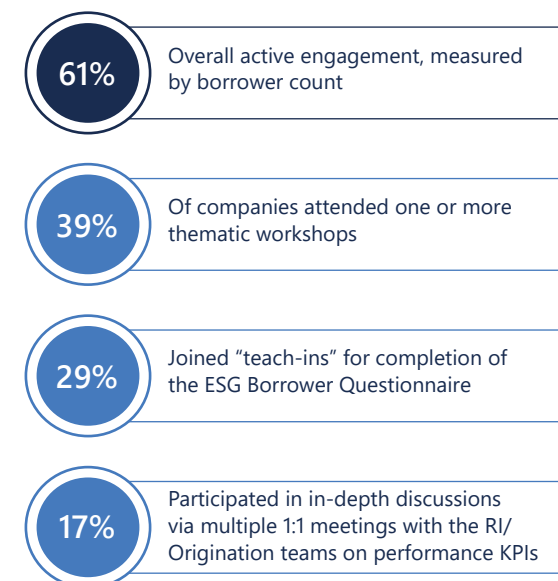
Thematic sessions during the year focused on carbon emissions and workforce-related best practices, delivered in partnership with external subject-matter experts, to support borrowers in preparing for upcoming regulatory reporting requirements.

A central lever in our engagement strategy is Pemberton’s ESG Margin Ratchet v3.0. More than a pricing tool, it facilitates deepened three-way dialogue between private equity sponsors, prospective borrowers, and our Origination and RI teams. The benefit of this approach is a comprehensive view of the sustainability strategy of the borrower from the outset of lending. This engagement involves multiple discussions to agree the materiality of issues for the company, assess performance trends – including review of historical data (where available) – and evaluate whether proposed targets are suitably ambitious and measurable.

Responsibility for post-investment performance monitoring lies with the investment teams. Portfolio managers maintain regular engagement with borrowers to detect any signs of deterioration in the risk-return profile, including emerging RI concerns.

To reinforce that governance and sustainability considerations are integral to our investment approach, Pemberton’s Origination and Credit teams share the annual ESG Scorecard with portfolio companies, which benchmarks performance versus other assets.

2024 Engagement Statistics – Direct Lending Portfolio



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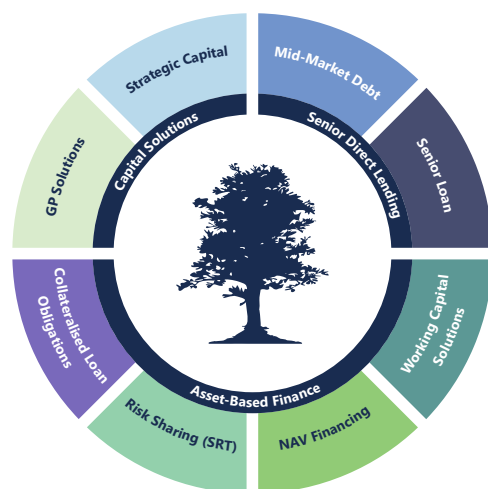
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Cross-Platform Frameworks

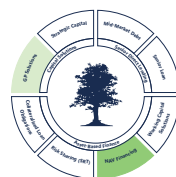


Pemberton's Responsible Investing Policy and governance processes form the foundation of all investment strategies, covering over 98%¹⁸ of our assets under management. This framework establishes a clear charter for our approach, including that – as a first step – all potential investments across the platform must undergo:

- A '**red flags**' **controversy screen** using a specialist data provider
- Pemberton's **Negative Screen**, with two additional categories for funds classified as Article 8 under the Sustainable Finance Disclosure Regulation (SFDR)
- **Escalation** to the Responsible Investment Advisory Council, where required

Subsequently, our investment teams tailor assessment frameworks based on each strategy's specific risk profile. Governance and sustainability data availability tends to be stronger in direct lending – where Pemberton often acts as lead or sole lender – enabling

more direct engagement with borrowers. In contrast, other private credit asset classes face greater barriers to data access. Nonetheless, our teams remain committed to actively encouraging market participants to improve their ESG disclosures.



NAV Financing and GP Solutions provides lending to private equity funds, general partners, and limited partners for a range of liquidity and capital needs. Classified as Article 8, these vintages integrate governance and sustainability considerations throughout the financing lifecycle.

As part of due diligence, a Negative Screen is applied to all underlying portfolio companies and the sponsor of each NAV Financing and GP Solutions deal. In parallel, a Positive Screen questionnaire is completed by the sponsor, covering key environmental and social metrics, along with governance policies and practices – forming the basis of a preliminary ESG rating for the General Partner.

This assessment is reviewed and updated annually for ongoing risk monitoring. The Responsible Investing team also evaluates the sponsor's governance and sustainability disclosures, contributing an independent view on programme strength, which is recorded in the Portfolio Management assessment.

Positive Screening: Applies to All Sponsors (Preliminary & Annual ESG Questionnaire)



- Carbon Emissions
- Energy Management
- Water and Wastewater Management
- Ecological Impacts



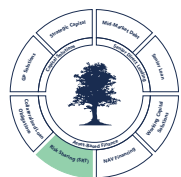
- Employee Diversity and Inclusion
- Employee Health and Safety
- Human Rights
- Supply Chain Management



- Board Diversity
- Data Security
- Business Model Resilience
- Business Ethics, Bribery and Corruption

¹⁸ Within SRT, we have limited look-through to the originating banks' loan portfolios to ascertain indirect exposure on the Negative Screen, while all other elements of the RI Policy and governance processes apply.

Cross-Platform Frameworks



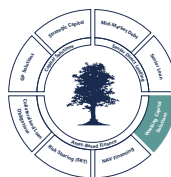
Pemberton's **Significant Risk Transfer (SRT)** strategy enters long-term partnerships with global banks and leading European lenders to share risk on corporate and SME loan portfolios and other core assets. The latest SRT vintage is Article 8 and seeks to promote the environmental characteristic of climate change

mitigation. A Positive Screen assessment of lenders includes analysis that seeks to identify investments where there are robust emissions reduction targets and net zero ambition, together with a trend in reducing exposure to fossil fuels through lending.



Collateralised Loan Obligation strategy. For Pemberton's CLO team, asset selection involves both macro and fundamental credit assessment including corporate strategy, transparency and disclosure, as well as management track record. The focus is on cash flow sensitivities, including governance and sustainability

risks. For example, a portfolio borrower had to close a key plant in an emerging market due to severe water shortage, representing a significant reduction in production capacity. This was deemed a negative credit event and the exposure sold. The CLO team incorporates a Responsible Investing toolkit in decision-making including a carbon intensity calculator, an ESG rating from a leading rating agency that is adjusted for Pemberton's view, particularly in relation to the Governance pillar. The RI process is monitored by an Independent Sustainability Coordinator.



For **Working Capital Solutions (WCS)**, the assessment of governance and sustainability factors takes account of the short tenor (<1 year) and transactional nature of the credit relationship with borrowers, while ensuring our investors can benefit from the attractive characteristics of this asset class in a responsible manner.

Trade transactions can pose higher risk for money laundering, sanctions and geopolitical risk requiring strong compliance and KYC controls, including identification of any 'red flags' such as Politically Exposed Person (PEP) exposure. A review of available governance and sustainability is undertaken, and while datasets are often incomplete, this is supplemented with the significant experience of our investment team in understanding geopolitical, supply chain and other risks that must be considered (highlighted to the Investment Committee under Integrated Risk Assessment).

Case Study



Sector: Technology

Geography: North America

Description: A producer of technical equipment supplied to major IT and AI companies

Declined: WCS transaction declined following an integrated governance analysis which revealed the company's auditors previously resigned due to financial opaqueness and allegedly poor internal controls. Further research uncovered investigations into sanction evasion and undisclosed related party transactions.

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This section builds on Pemberton's inaugural 2023 climate disclosure, reaffirming our commitment to transparency in how we identify, assess and manage climate-related risks and opportunities across our operations and investment activities.

This climate disclosure covers the period 1 January 2024 to 31 December 2024 and aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), meeting the UK Financial Conduct Authority (FCA) requirements applicable to regulated entities. It covers the business and investment activities of Pemberton Capital Advisors LLP (PCA) – our UK legal entity and investment advisor to Pemberton Asset Management S.A. (PAMSA), an Alternative Investment Fund Manager (AIFM).

Our reporting follows the TCFD's four thematic pillars with Strategy and Metrics and Targets presented in this section.

TCFD Thematic Pillars



Focus and Approach

Given the relatively low climate-related risk exposure of our own operations, our climate strategy focuses primarily on portfolio emissions.

We recognise that climate change presents interrelated risks and opportunities that impact the industries and economies in which we invest. Proactively addressing these factors strengthens risk management and enhances portfolio resilience.

Though the TCFD was disbanded in 2023 after its final status report, its principles continue to underpin global climate disclosure standards. Oversight has transitioned to the International Financial Reporting Standards (IFRS) Foundation, under the guidance of the International Sustainability Standards Board (ISSB). The UK FCAs climate disclosure requirements are expected to be updated following the UK government's anticipated endorsement of IFRS disclosure standards in 2025.

Transparency and Accountability

Pemberton is focused on building stakeholder confidence in our climate strategy through consistent measurement, clear disclosure, and continuous improvement.

A key milestone in 2024 was expanding climate analysis across our multi-strategy private credit platform. For the first time, we now disclose carbon emissions – reported or estimated – for CLOs and NAV Financing, marking tangible progress even as data quality and availability remain a challenge.

In direct lending, we initiated early-stage scenario analyses targeting sectors and regions with elevated climate risk. We also advanced the disclosed climate data across the strategy to support more forward-looking risk assessments – particularly around transition risk – and to inform portfolio decarbonisation efforts.

At its core, effective responsible investing depends on meaningful collaboration with our investors. This section is particularly relevant for those seeking to align their investments with climate goals while managing associated risks. In 2024, we enhanced our ability to meet rising LP expectations by deploying an AI-powered tool to track climate-related side letter provisions and identify recurring investor themes – strengthening our overall climate risk governance framework.

Our Commitments

As detailed in our climate strategy on the following pages, Pemberton's private credit portfolios generally face limited short-to-medium term exposure to elevated climate risk, with notably no material exposure to fossil fuels.¹⁹

Nonetheless, we recognise that private markets play an important role in supporting sustainable growth among Europe's mid-market companies.²⁰ The European Commission estimates that SMEs – which includes mid-market firms – contribute up to 63% of the region's total greenhouse gas emissions.²¹ While central to Europe's net-zero ambition,²² these businesses often lag their public market counterparts on disclosure of emissions data and decarbonisation progress.

As a lender to private businesses, Pemberton views it both as a responsibility and opportunity to support portfolio companies in managing climate risks and navigating a complex regulatory landscape. Through active engagement, we aim to help ensure borrowers remain compliant with evolving regulations, including disclosure requirements, and are positioned for success in the low-carbon transition. Sustained progress, of course, requires aligned policies and continued government action.

Investments

Where we hold a degree of influence, which is greatest as the sole or lead direct lender, we have the following commitment, supported by actions best suited to our asset class.



***Note:** Target alignment is defined as the actions and milestones set out in the Net Zero Investment Framework, Private Debt Guidance, IIGCC, published May 2024.

Group Operations

While Pemberton's climate-related risk exposure is primarily portfolio-driven, we also recognise the importance of managing the impact of our own operations. Our London headquarters occupies 20,000 sq. ft of leased office space within a multi-tenant building. Although we do not control the building's environmental performance targets, we maintain an active dialogue with the property management team and are encouraged by their ongoing decarbonisation initiatives, as outlined below.

Further detail on our operational carbon footprint is provided on page 44.

BREAAM
Headquarters building has a rating of 'Good',* under this globally-recognised assessment for the built environment.

Renewable energy
100% renewable electricity tariff (Scope 2), plus roof solar panels that sell power to the grid.

Decarbonisation
Project underway for gas CHP boiler (Scope 1) to be replaced* by air-source heat pumps.

Emissions offset
While carbon footprint reduction remains the priority, Pemberton's CSR programme involves employees in selecting an annual offset project for Scope 1, 2, and partial Scope 3 (all travel) emissions.

***Note:** The building is expected to regain its BREAAM 'Excellent' rating – previously reported for 2023 – following the replacement of the gas-fuelled combined heat and power (CHP) boiler.

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19 As of 31 December 2024, our exposure to fossil fuels remains limited to less than 1% of AUM, primarily through: (a) short-term receivables in Working Capital Solutions (WCS) associated with oil, oil services, and metallurgical coal; and (b) indirect exposure via Significant Risk Transfer (SRT) transactions, where counterparty banks' loans are linked to these sectors.

20 While no standard definition of the mid-market exists, Pemberton generally targets companies with EBITDA between €15–75 million.

21 Flash Eurobarometer 498: SMEs, green markets and resource efficiency, March 2022

22 This goal is enshrined in the European Climate Law and is part of the broader European Green Deal.

The actual and potential impacts of climate-related risks and opportunities on Pemberton's businesses, strategy and financial planning.

TCFD recommended disclosures:

- a) Description of the climate-related risks and opportunities Pemberton has identified over the short, medium, and long term.
- b) Description of the impact of climate-related risks and opportunities on Pemberton's businesses, strategy, and financial planning.
- c) Description of the resilience of Pemberton's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Climate-Related Risks and Opportunities

Given the scale of our investment activities relative to our operational footprint – including our London headquarters and network of 11 offices – climate-related impacts are most material at the portfolio level.

Our strategy reflects our commitment to delivering strong risk-adjusted returns while proactively managing material risks and opportunities – including those arising from climate change.

As a credit provider, our exposure to climate risk is primarily linked to how these risks affect a borrower's ability to service debt. For instance, companies with high carbon intensity may become subject to more stringent regulations or face higher transition costs. Similarly, businesses operating in sectors exposed to physical climate risks – such as extreme weather events – may face increased supply chain disruptions or operational instability. Over the lending period, these risks may materialise in various forms, from deteriorating credit quality (e.g., stressed cashflows) to increased likelihood of default.

We assess climate-related risks and opportunities across varying time horizons, tailored to the nature and duration of each investment strategy. Broadly, however, we categorise horizons for our private credit activity as follows:

Short-term (0-3 years)

Related to the assumed asset life of an individual investment, aligned to an average refinancing horizon of three years. In this timeframe, climate risks may directly affect cashflows and impair the portfolio company's ability to meet debt obligations.

Medium term (3-8 year)

Related to the typical legal maturity of loans and the expected lifespan of our funds. A medium-term lens helps to assess future credit risks connected to climate factors, including the viability of future credit arrangements and the resilience of borrowers' business models. Portfolio sectoral exposure is also a key consideration – where evolving regulatory and policy dynamics may either enable or constrain growth.

Longer-term horizon (>8 years)

Related to broader strategic priorities and the impact of financed emissions, including how we future-proof our business. Ongoing engagement with limited partners regarding their climate-related priorities helps guide long-term portfolio construction and firm-level planning.

Further detail on the climate-related risks and opportunities identified across these time horizons is presented on the next page.

Climate-Related Risks and Opportunities

Category			Description	Potential impact to Investees	Potential impact on Pemberton	Time horizon		
Climate-related risks						Short	Medium	Long
Transition	Policy, regulatory and legal	Obligations that require more extensive emissions disclosure, or impose carbon taxes or pricing	Increased operating costs Risk of missed interest payments, impairments, breached covenants	Increased costs e.g., compliance Reduced fund performance Lower AUM/investor demand				
		Greater challenges in navigating differing stakeholder expectations in relation to climate action						
		Heightened risk around misleading or inaccurate climate-related statements						
	Market, technology and reputation	Disruptive trends that require product or services and supply chain redesigns	Increased operating costs Decreased revenue Risk of missed interest payments, impairments, breached covenants	Reduced fund performance Lower AUM/Investor demand Brand damage				
		Sectors or companies adversely exposed to the transition to lower emission technologies						
		Shifting consumer preferences and reduced demand for products that are carbon intensive						
		Market trends that could impact investors' decision to invest in our funds						
		Risk from not meeting our commitments						
	Physical	Acute and chronic	Weather events that could lower asset valuations and ultimately impact fund performance	Increased costs Risk of missed interest payments, impairments, breached covenants	Reduced fund performance			
	Climate-related opportunities							
Transition & Physical	Products and services	Offerings aligned to resource efficiency and decarbonisation Preparing for resilient supply chains	Increased revenue	Growth in AUM Investor retention				
Transition	Market and reputation	Investment propositions that address client preferences Climate-linked financing e.g., reduced cost of capital if borrower meets criteria	Increased revenue	Growth in AUM Investor retention, Brand perception				

Low Impact Medium Impact High Impact

Note: This chart reflects a delayed policy response scenario, in which climate-related impacts are expected to escalate into an increasingly disorderly transition. Under this pathway, transition risks are likely to become more acute beyond 2030, with regulatory interventions potentially becoming more stringent and implemented over compressed timelines – driving up compliance and operational costs. Pemberton continues to monitor these emerging risks and integrate them into the due diligence for new investment opportunities. Exposure to shifting consumer preferences is assessed as low, given our portfolio's orientation toward lower-emission sectors.

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Resilience of Business, Strategy and Financial Planning

While any short-term horizon deterioration in the risk-return profile of individual investments may not materially impact Pemberton’s financial position, we recognise that sustained underperformance of funds – or a failure to align products with the evolving climate preferences of investors – could introduce medium-to-long term risks.

A proactive strategy that ensures the adaptability of our funds to climate-related risks and opportunities, alongside the decarbonisation of our investment portfolios, has an important role to play in strengthening the long-term resilience of our business strategy and our ability to deliver sustainable returns.

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Our climate strategy is built around 3 pillars:



Integrate Climate Considerations

Integrating climate considerations in the investment process, as appropriate, to identify, assess, and manage material climate-related risks and opportunities.



Strengthen Data Disclosure

Strengthen data disclosure for carbon emissions and business-relevant decarbonisation plans by portfolio companies.



Invest in Transition Companies

Invest in transition companies that are supported by environmental regulation and policy tailwinds in the transition to a clean energy future.



Integrate Climate Considerations

Portfolio-level carbon metrics offer valuable insight into both sector-specific and broader policy-related risks – key considerations for credit investors focused on downside protection. In private markets, given the illiquid nature of investments, it is key to proactively assess a company’s cashflow sensitivity to climate-related risks *ex ante*.

As such, climate risk evaluation is an important step in the due diligence process across most of Pemberton’s funds. Investments flagged for elevated climate exposure – typically in high-emitting sectors more exposed to regulatory, technological, or market transitions – are recorded in papers reviewed by our Investment Committee.

Portfolio Exposure to Potentially Elevated Transition Risk

As of 2024 ²³	Direct Lending ²⁴	NAV Financing	Significant Risk Transfer	Collatorised Loan Obligations ²⁵	Working Capital Solutions
% of Unrealised Value with Elevated Transition Risk by Strategy ²⁶	8%	3%	42%	22%	37%
High-Risk Sectors	Capital Goods & Industrials Construction and Building Materials	Marine Transportation Specialty Chemicals Paper Products	O&G Chemicals Automobiles	Chemicals Electrical Equipment Industrial Conglomerates	Automobiles Chemicals
% of Unrealised Value with Elevated Transition Risk – Pemberton Overall Portfolio	7.45%	0.03%	0.04%	1.03%	0.43%

Note: As TCFD does not explicitly define high-emitting sectors, Pemberton maps its coverage to the IIGCC High Impact Sectors (NZIF Implementation Guide, March 2021), to identify sectors with potentially higher emissions.

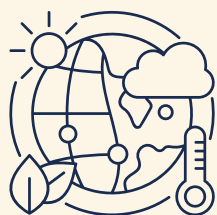
23 Unless stated, all data used as of 31st December 2024. If data not available as of this date, we used the latest available figures at the time of conducting the analysis.
24 Using the IIGCC categorisation that aligns to GICs, with the exception of direct lending where we use our own internal sector classification.
25 CLO calculation based on committed capital.
26 Values presented represent share of % of Unrealised Value with Elevated Transition Risk with respect to each individual strategy.

Climate Risk Diagnostic

In our direct lending strategy, we apply a climate diagnostic to all prospective borrowers, which includes a snapshot of both physical and transition risks exposure. Investments identified as higher risk are prioritised for climate KPIs within the ESG-linked margin ratchet, and for targeted engagement during ongoing portfolio monitoring.

The climate diagnostic has 3 inputs:

- 1 Pemberton's coverage is mapped to the IIGCC Net Zero High Impact Sectors²⁷ to identify those that have potentially high emissions.
- 2 These sectors are further mapped to three risk types – physical, transition and regulatory risk – as categorised by the SASB Standards Climate Risk Technical Bulletin.²⁸
- 3 Pre-investment data capture of Scope 1, 2 and 3 emissions or, in instances where there is no self-reported data, activity input by prospective borrower to calculate its carbon footprint to minimum PCAF Score 4.²⁹



Project Planet

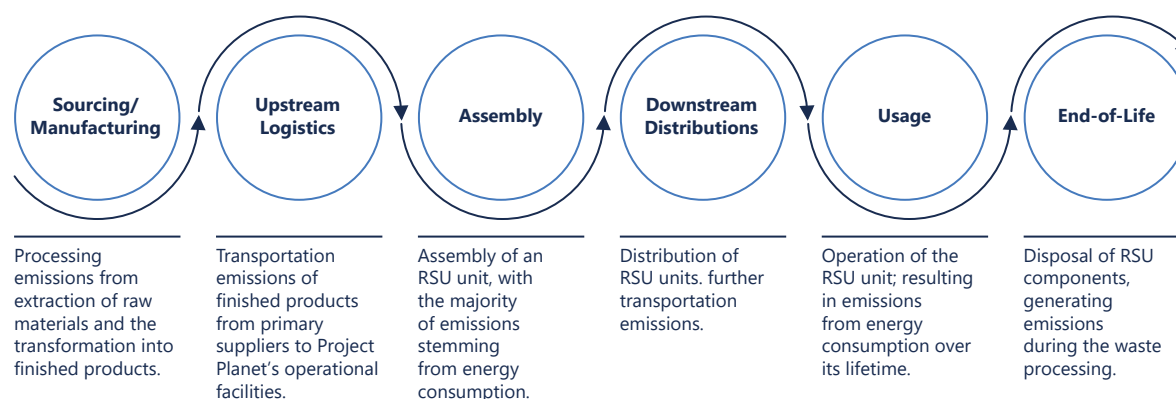


Case Study

Pemberton provided financing to a European mid-market company that manufactures remote surveillance units (RSUs), which are deployed to prevent theft or vandalism in outdoor areas such as wind farms, solar parks, infrastructure and construction sites. Lifecycle analysis³⁰ showed that approximately two-thirds of the company's emissions occur during sourcing, manufacturing and usage, with Scope 3 – primarily from the operational use of RSUs – accounting for 30% of the total carbon footprint.

Leveraging the ESG-linked margin ratchet, Pemberton worked with the PE sponsor and the company to agree a KPI focused on phasing out diesel-powered RSUs. The company committed to increasing clean power, primarily solar, by 7% annually from a 2023 baseline, aiming to fully eliminate diesel use by 2031.

Lifecycle assessment of the environmental impact of the product offering.



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27 IICC Net Zero Investment Framework, Implementation Guide, March 2021

28 <https://sasb.ifrs.org/wp-content/uploads/2023/11/SASB-Climate-Risk-Technical-Bulletin-2023-0823.pdf>

29 Partnership for Carbon Accounting Financials (PCAF) December 2022.

30 Undertaken by the PE sponsor

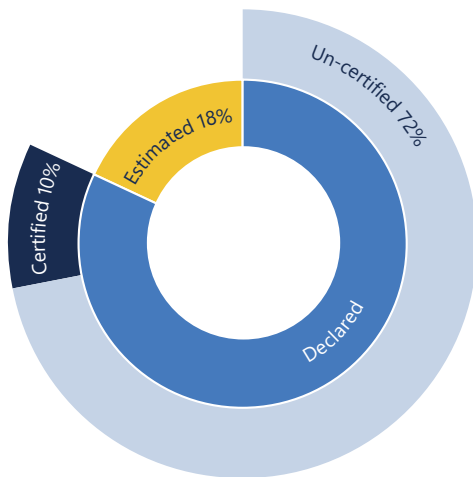


Strengthen Data Disclosure

The breadth and the quality of emissions data we capture is critical to the strength of our climate risk analysis. Carbon intensity, like any other fundamental variable, can help us better assess an investment's risk-adjusted return potential.

Our most advanced data coverage is for direct lending portfolios, where we can leverage our position as lead or sole lender to encourage borrower disclosure.

Carbon Emissions Disclosure (Scope 1+2)



Based on number of assets as of 31st December 2024.

FY2024 Portfolio Highlights

82% of assets self-declared carbon data (up from 68% in 2023³¹)

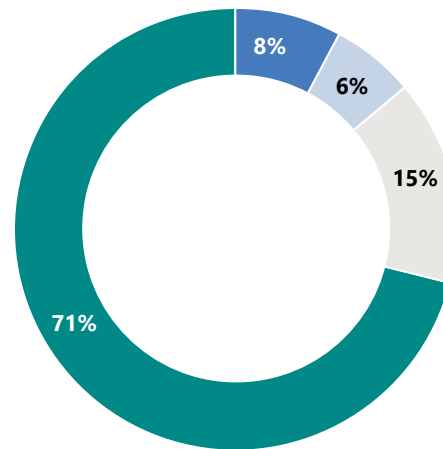
10% of companies provided third-party certification of emissions data

18% carbon emissions were estimated using an activity-based methodology³²

Top Contributing Sectors

Pemberton's direct lending portfolio has limited exposure to high-risk climate sectors and no exposure to fossil fuels. However, we have identified three sectors – Capital Goods and Industrials, Construction and Building Materials, and Food and Beverage – that together account for 29% of committed capital but contribute 78% of the portfolio's Scope 1 and 2

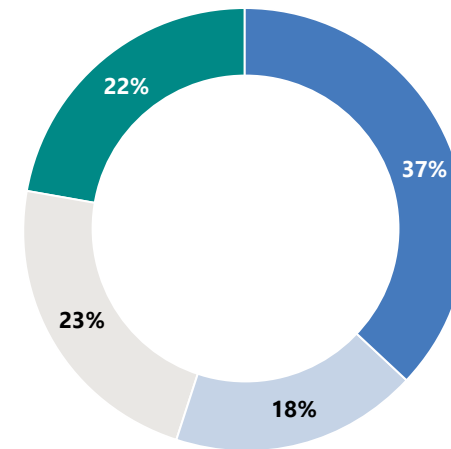
Sector by Committed Capital



- Capital Goods & Industrials
- Construction and Building Materials
- Food & Beverage
- Other

emissions. Their disproportionate emissions intensity makes them a clear priority for our climate risk management efforts. It is important to note, however, that this sectoral breakdown offers only a preliminary, high-level view. For instance, a notable share of Scope 2 emissions in Capital Goods and Industrials is attributable to a renewables business, underscoring the need for a lifecycle perspective, including avoided emissions from product use.

Contribution to Emissions



- Capital Goods & Industrials
- Construction and Building Materials
- Food & Beverage
- Other

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31 Figures are based on number of borrowers. Figures are not directly comparable year-on-year, due to changes in portfolio composition as loans are realised and new investments are added.

32 With the support of a third-party specialist advisor, emissions were estimated using a revenue-based methodology. Industry classification mapping was employed to assign emissions factors, and combined Scope 1 and 2 emissions were calculated using the EXIOBASE model. Scope 3 emissions were estimated using sector-specific benchmarks; however, data quality scores reflect the inherent limitations of proxy-based assumptions.

Climate Risk in Other Private Credit Strategies

While data availability across other strategies remains limited, Pemberton continues to encourage market participants to enhance their disclosure to enable climate risk assessment:

Collateralised Loan Obligations (CLOs): In collaboration with a third-party data provider, during 2024 we advanced the availability and consistency of reported and estimated emissions data for underlying CLO assets, enabling disclosure for this strategy in this report.

NAV Financing: These loans to private equity funds or vehicles have limited look-through to the underlying collateral. A pilot initiative is underway requesting emissions data from PE sponsors for portfolio companies, where available. Meanwhile, estimated emissions³³ are reported for the first time this year.

Significant Risk Transfer (SRT): These transactions involve transferring a portion of the credit risk associated with loan portfolios to investors, while the originating bank retains the assets (and the loans referenced in the transaction are already made). While underlying carbon data for the collateral is inaccessible, we assess banks' fossil fuel lending trends and climate target ambition using public sources.

Working Capital Solutions (WCS): While obligor-level data is accessible, the underlying transactions often number in the tens of thousands and lack individual traceability in terms of emissions. As a result, accurately quantifying the carbon footprint of our WCS financing remains a significant challenge.



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³³ Using a third-party specialist advisory, the methodology applied used a revenue-based approach, industry classification mapping assigned emissions factors, and combined Scope 1 and 2 emissions were calculated using EXIOBASE's model. Sector benchmarks informed Scope 3 estimates, though data quality scores reflect reliance on proxies.



Project Volt

Pemberton's integrated credit analysis seeks to identify risks and long-term value drivers, including those related to governance and sustainability factors. For a credit investor, embedding this analysis in the investment process helps to identify and ultimately reduce downside risk. At the same time, applying a climate lens can provide valuable insights into the long-term growth potential of a company.



Case Study

For Project Volt, climate-related tailwinds – such as supportive regulation and targeted public investment – were identified as key enablers of the business's sustained growth. Pemberton financed this European mid-market company that partners with housing associations (HAs) and local authorities (LAs) to improve energy efficiency in social housing and public buildings. Its services include Energy Performance Certificate (EPC) upgrades, smart meter installations, insulation, and the rollout of low-carbon technologies such as air source heat pumps (ASHPs) to replace gas boilers.

Decarbonisation and efficiency

Integrated credit analysis for Project Volt identified favourable market shift factors:

- Decarbonisation of HA/LA estates is in early stages, lagging behind 2030 targets.
- Regulations are expected to accelerate investment, driven by new carbon compliance requirements.



Resilience of Strategy in Different Scenarios

In line with guidance from the UK FCA, Pemberton has initiated early-stage scenario analysis to assess the exposure of its direct lending portfolio to transition risks for carbon-intensive sectors. These sectors – representing 29% of the portfolio's committed capital – are the most vulnerable to rising operating and capital costs driven by tightening climate regulations, evolving national energy strategies, and the rapid shift to low-emissions technologies.

In our 2023 report, we introduced the Network for Greening the Financial System (NGFS) climate scenarios as a framework for evaluating potential climate-related credit losses. Building on this foundation, during 2024 we began to explore quantifying the potential financial impact across the direct lending portfolio. We focused on two core NGFS scenarios – **Net Zero (Orderly)** and **Hot House World** – which represent opposite ends of the policy ambition spectrum.

Two contrasting scenarios



The Net Zero (Orderly) scenario assumes globally coordinated policy action to achieve net-zero emissions by 2050, with tools such as carbon pricing and regulation driving the transition. While it mitigates long-term physical climate risk, it introduces short-term economic pressures – such as inflation and reduced GDP growth – particularly for carbon-intensive sectors.

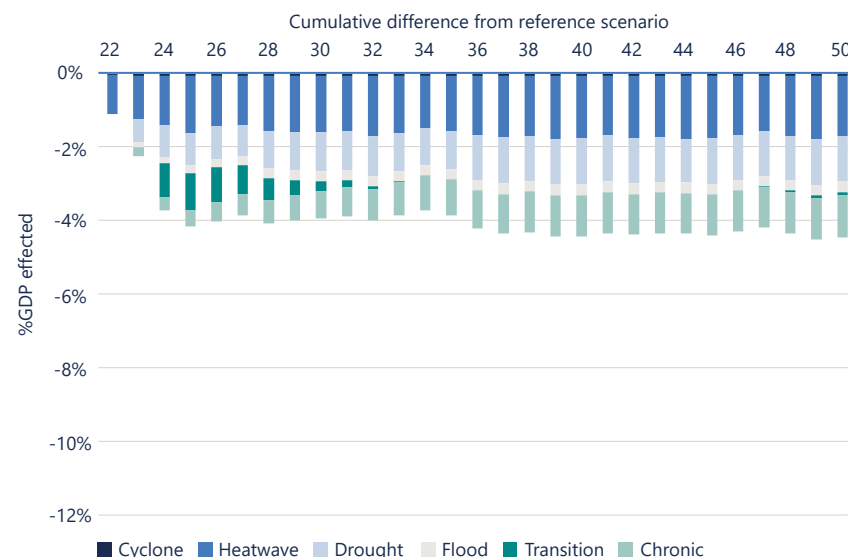
The Hot House World scenario assumes no significant policy shifts beyond today's measures, leading to continued emissions growth and global temperature increases of ~3°C by 2100. Transition risks remain

minimal, but the intensification of physical climate risks – such as more frequent extreme weather events, sea level rise – negatively affecting global economic stability.

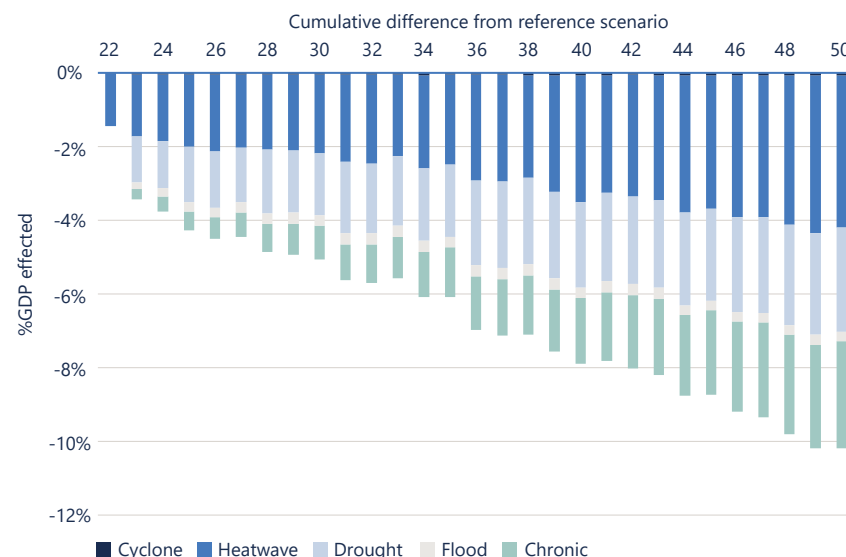
The 2024 NGFS update flags an increasing likelihood of **disorderly transitions** even within the Net Zero pathway, due to delayed policy implementation and economic shocks. Staying on a sub-2°C trajectory may require sudden and aggressive policy intervention, including theoretical carbon prices reaching \$300/tCO₂ by 2035.

The charts below illustrate the projected GDP impact of these scenarios on Europe. Notably, even in the Net Zero scenario (left-hand chart), physical climate risks are expected to have a greater economic impact than transition risks. In the Hot House World scenario (right-hand chart), European GDP could be ~ 10% lower than in the NGFS reference case,³⁴ which includes the effect of rising temperatures on factors such as labour and agricultural productivity.

EUROPE: GDP Impact in Net Zero scenario^{35,36}



EUROPE: GDP Impact in Current Policies scenario^{35,36}



³⁴ NGFS 'reference scenario' that NGFS uses, which is a fictional world where there is not transition nor any climate change.

³⁵ For illustrative purposes only. Represents NiGEM|Gross Domestic Product (GDP) figures for the NiGEM NGFS v1.23.2[Climate Analytics] and NiGEM NGFS v1.23.2[REMIND-MAGPIE 3.2-4.6] inputs model. Source: NGFS Phase 4 data set, V4.2. April 2024.

³⁶ No changes between NGFS Phase 4 and NGFS Phase 5 modelled data for measuring acute physical risks.

Illustrative Stress Testing: Financial Impact in Net Zero Scenario

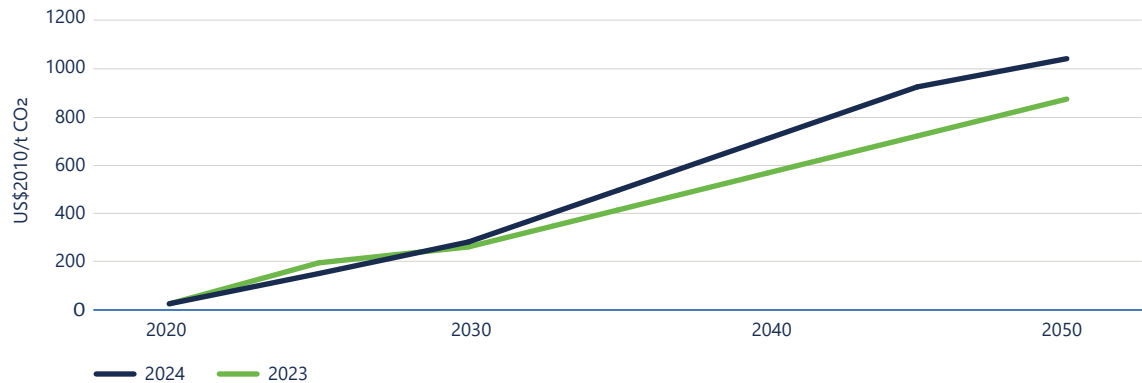
To begin to estimate the potential financial impact of transition risks, we applied NGFS Europe-specific shadow carbon prices as a proxy for future regulatory costs – such as carbon taxes and cap-and-trade systems.

As illustration, below is a representative high impact borrower for which we modelled its certified emissions data – adjusted for projected growth – alongside NGFS Europe-specific carbon pricing assumptions through to 2030. Using the borrower’s financial base

case at the time of investment, we conducted a stress test to evaluate its capacity to service debt under the Net Zero scenario. The analysis focused on key credit metrics – EBITDA, Debt-Service Coverage Ratio (DSCR), and Total Net Leverage – to assess potential financial strain. Consistent with the portfolio’s typical three-year refinancing horizon, the assessment was limited to the period through 2030.

Our findings indicate minimal short-term impact on all three financial metrics, suggesting that, for this borrower, there is relatively limited near-term effect of transition risks.

EU “Shadow” Carbon Price: 2023 vs 2024 Net Zero 2050 Climate Scenario³⁷



Scenario	Financial Metric	2025	2026	2027	2028	2029	2030
Net Zero 2050 – Europe – Carbon Shadow Prices	EBITDA Margin (%)	(0.50)	(0.60)	(0.70)	(0.80)	(0.90)	(0.90)
	DSCR	(0.1)	(0.2)	(0.1)	(0.1)	(0.2)	(0.5)
	Total Net Leverage	0.3	0.3	0.3	0.4	0.4	0.4

Portfolio-wide application of this stress-testing analysis is currently limited by data quality constraints, particularly the lack of comprehensive Scope 3 emissions data for sectors where value chain emissions are material. To address this, we are undertaking targeted engagement with high-emissions borrowers to enhance disclosure and improve the quality of data used in scenario modelling. Our aim is to generate more decision-useful insights that can strengthen risk management and portfolio resilience.

Key Direct Lending Portfolio Insights

Low Exposure to High-Carbon Sectors: Our portfolio is weighted towards lower-emission sectors such as Business Services and Software Consulting, which have limited exposure to energy price volatility and other carbon-related input costs.

Favourable Geographic Distribution: A substantial share of our portfolio is invested in Western European countries- including the UK, France, the Netherlands and Germany – that are actively implementing decarbonisation policies and energy transition initiatives.

Limited Physical Climate Risk: Exposure to geographies projected to face more severe physical climate disruption – such as Southern and Southeastern Europe, particularly Spain and Italy – is relatively low, accounting for approximately 7% the portfolio’s unrealised value. While weather events like last year’s Valencia floods may have short-term economic impacts (estimated at 1–2% GDP reduction for Spain in Q4 2024), these markets remain a limited portion of our risk exposure.

A Resilient, but Adaptive Strategy: Our preliminary scenario analysis indicates that the direct lending Portfolio is resilient to both transition and physical risk in the short to medium term.

We note this assessment is subject to several limitations such as an assumption of no change in sector or geographic exposure – appropriate for near-term stress testing – and constraints such as structural illiquidity of private credit and asset quality that may limit our ability to swiftly reallocate away from higher-risk sectors or geographies as climate risks evolve.

As we continue to refine our scenario analysis and risk modelling, we are prioritising internal capability building – training investment teams and embedding climate risk considerations into company-level due diligence.

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37 For Illustrative purposes only. NGFS Climate Scenarios Database, REMIND-MAGPIE model (Phase IV & Phase V publications)

Metrics and Targets

Tools to Identify, Assess and Manage Climate Risk

Pemberton's approach to managing the financial risks associated with climate change is embedded in our broader investment strategy and reflects the materiality of our portfolio exposures. Since 2023, our Responsible Investment team has been actively developing and refining tools to integrate climate risk into investment decision-making. Improved access to data and metrics has enhanced our ability to identify and assess risks not only at the sector level, but also at the level of individual borrowers using indicators such as carbon intensity. While these tools are tailored for our direct lending, we plan to expand their application across other strategies, where feasible, to ensure a consistent and scalable approach to climate risk management.

The metrics and targets used by Pemberton to assess and manage relevant climate-related risks and opportunities.

TCFD recommended disclosures:

- Metrics used by Pemberton to assess climate-related risks and opportunities in line with its strategy and risk management process.
- Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and related risks.
- Description of the targets used by Pemberton to manage climate-related risks and opportunities and performance against targets.

Climate Risk Diagnostic

Coverage mapped to **High Impact Sectors**, i.e. potentially high emissions

Sectors mapped to climate risk categories – **physical, transition risk**

Pre-investment **data capture** of Scope 1, 2 and material scope 3 (estimated where not available)

Net-Zero Alignment

2050 net zero **commitment**

Disclosure of verified emissions

Board **oversight & strategy**

Paris-aligned reduction **targets**

Monitoring reduction trend

Carbon Emissions Toolkit

Financed emissions

Weighted average carbon intensity

Carbon footprint

Sector exposure

Top holdings

Carbon score for each direct lending borrower

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Metrics and Targets

Summary Table to Pemberton’s Assessed Portfolios

We present selected climate-related metrics – namely carbon footprint, weighted average carbon intensity (WACI) and financed emissions – to provide transparency on Pemberton’s exposure to climate-related risk across assessed portfolios. These metrics support our broader risk framework, guiding the identification of high-emitting exposures and informing engagement.

While offering insight, the data has **inherent limitations** as detailed in the following page. Measuring climate performance remains challenging, particularly in private markets due to issues such as data quality, evolving methodologies, and limited data availability.

For **Direct Lending (DL)**, emissions data is sourced directly from portfolio companies. We request evidence of third-party certification of this data, but this remains limited. Where data is estimated it aligns with PCAF Data Quality Score 4.

For **CLO assets**, we rely on a specialist data provider focused on the leveraged finance market. This enables us to apply consistent and comparable metrics across a diversified pool of syndicated loans, despite the fragmented nature of disclosure.

NAV Financing emissions are based on modelled data and should be interpreted with caution. In the absence of underlying portfolio company-level disclosure, estimates require assumptions that may not fully reflect actual emissions. As with DL, estimated data aligns with PCAF Score 4.

Despite these challenges, data quality is improving. Initiatives such as the Partnership for Carbon Accounting Financials (PCAF) and Initiative Climat International (iCI) are enhancing both the availability and decision-usefulness of emissions data in private markets.

While limitations remain, the direction of travel is clear: private market investors are increasingly expected to disclose emissions – particularly where we have a degree of influence over portfolio company governance and sustainability practices.

Financed Emissions by Strategy³⁸

Strategy	Financed Emissions (tCO2e)			Carbon Footprint	Weighted Average Carbon Intensity (WACI)	Coverage		
	Scope 1	Scope 2	Scopes 1+2			Declared	Estimated	Total
Direct Lending	141,156.86	277,335.06	412,456.57	32.02	50.53	80%	20%	100%
Collatoralised Loan Obligations	23,387.30	12,840.01	36,227.31	45.89	59.63	67%	20%	87%
NAV Financing	4,018.25	8,586.86	12,605.11	88.49	225.07	0%	100%	100%
Total ³⁹	168,562.40	298,761.94	461,288.98	33.38	52.42	78%	22%	99%

38 Each of these metrics will be subject to volatility, including from market movements, so we do not expect related metric data to take a linear pathway going forwards.
39 The total carbon footprint and WACI are calculated as a weighted aggregate, where each strategy’s contribution is proportional to its share of the overall portfolio of invested assets.

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Metrics and Targets

Portfolio-level

Sector Risk: Pemberton currently has no material exposure to high-risk climate sectors such as fossil fuels. We remain committed to tracking and disclosing any future exposure to these sectors as part of our ongoing climate risk oversight.

Transition Risk Assessment Across Strategies: We have identified sectors with elevated transition risk across all our private credit strategies. In direct lending these sectors are prioritised for targeted engagement and scenario analysis to better understand and manage potential vulnerabilities.

Target: In 2023, we set an interim target for 40% of our direct lending AUM to be managed in line with net zero by 2030. Over the longer term (beyond 8 years), we aim to expand this alignment across all strategies, with an ambition to achieve 100% net zero alignment by 2050.

Asset-level

Portfolio Monitoring: Each direct lending asset is assigned a proprietary carbon footprint score, which contributes to Pemberton's broader ESG rating framework. This enables us to monitor year-on-year progress on emissions disclosure and reduction across portfolio companies. We continue to refine this metric as data availability and quality improve.

Investment Due Diligence: Our climate risk diagnostic tool is embedded in direct lending, enabling a snapshot of both physical and transition risks at the investment stage. Climate risk considerations are incorporated in due diligence across most Pemberton strategies, and any identified elevated exposures are documented in Investment Committee materials, ensuring appropriate oversight and risk governance.

Net Zero Alignment: All direct lending assets are eligible for an ESG Margin Ratchet, which includes a dedicated pricing incentive for portfolio companies to align against defined net zero milestones.⁴⁰

Areas under development and limitations

While we have made good progress, we recognise opportunities to further strengthen our practices. Key areas under development include:

- Ongoing monitoring of progress toward Pemberton's interim 2030 target.
- Continued enhancement of climate assessments in due diligence, where information is available.
- Evaluating data providers for their potential to support the integration of nature and biodiversity considerations within our broader climate framework.
- Advancing the integration of climate change into our existing risk management protocols.

We also acknowledge the following limitations in this report:

- **Risk Quantification:** Climate risk is inherently uncertain, and the lack of historical data makes quantifying the risks more difficult than other areas of our risk profile.
- **Emissions Coverage:** Carbon emissions data availability remains the biggest challenge when calculating carbon performance metrics such as Weighted Average Carbon Intensity, Total Carbon Emissions or Carbon Footprint. We are using both reported and estimated emissions.
- **Comparability:** Differences in methodologies, data sources, and reporting completeness limit comparability across time and between companies.
- **Private Markets Constraints:** Data quality issues are magnified in private markets, where there is currently no standardised or mandatory emissions disclosure.

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⁴⁰ Target alignment is defined as the actions and milestones set out in the Net Zero Investment Framework, Private Debt Guidance, IIGCC, published May 2024.

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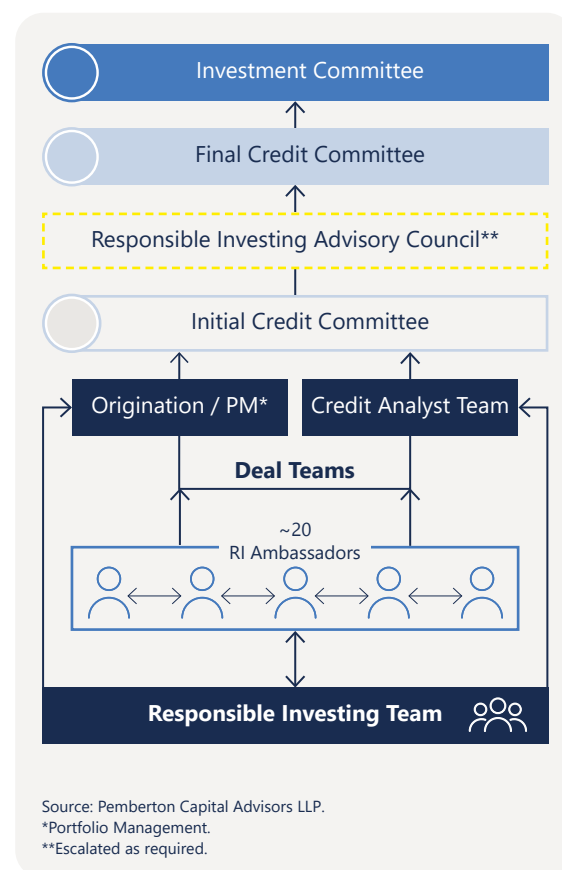
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Responsible Investing Oversight



The day-to-day integration of governance and sustainability considerations into investment processes is a core responsibility of all portfolio managers and investment professionals at Pemberton. This is supported by the firm's dedicated Responsible Investing (RI) team, which provides access to best practice frameworks, ESG data and tools, and subject-matter expertise.

To ensure strategy-specific relevance, the RI team collaborates closely with designated 'RI Ambassadors' – representatives from each investment strategy – who help adapt the firm-wide Responsible Investment Policy and oversight processes to their respective portfolios.

Where investment opportunities involve elevated or ambiguous ESG or climate-related risks, the matter may be escalated to the RI Advisory Council. Chaired by a Management Committee member and comprising senior business leaders and the Head of Responsible Investing, the Council ensures decisions are aligned with the long-term interests of investors and the Group. Council decisions and insights are formally reported to the quarterly RI Committee to reinforce oversight and accountability.

Pemberton also fosters firm-wide capability-building through tailored RI training, including on emerging themes and regulatory developments. All employees receive RI training during onboarding to instil an early understanding of our commitment to the UN Principles for Responsible Investment (UN PRI), followed by annual refreshers.

Targeted training equips investment teams with the tools and guidance to effectively evaluate governance and sustainability factors, including the likelihood of risks materialising and their potential financial implications.



Responsible Investing Governance

Responsible Investing (RI) is embedded in the Group's strategic priorities and, where relevant, integrated into Board-level agenda setting. Oversight is delegated to the RI Committee, a sub-committee of both the PAMSA and PCA Boards, which is responsible for steering RI strategy, overseeing policy implementation, and monitoring progress across the business.

The Committee is comprised of senior leadership, including the CEO, Chief Operating Officer, and the Chairman – who also chairs the Committee – ensuring strong ownership and alignment with overall business objectives. The Head of Responsible Investing is a core member, contributing subject-matter expertise and supporting the design and execution of monitoring and reporting processes for the RI Policy.

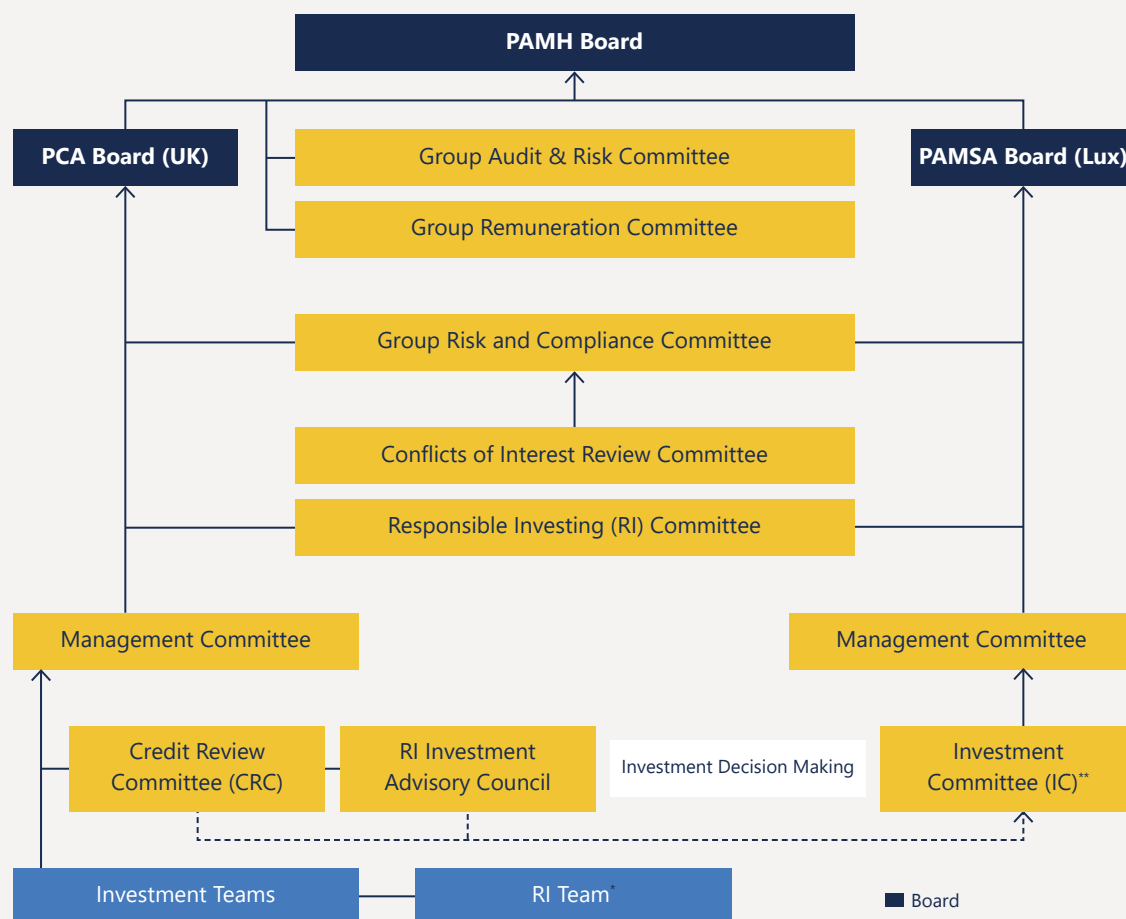
The Committee reviews Management Information (MI) that is in turn summarised to the Board, covering:

- Regulation and Reporting
- Governance and Training
- Portfolio ESG and Carbon Data Monitoring
- Market Positioning and Stakeholder Expectations
- Pemberton's Corporate Social Responsibility (CSR)

In 2024, the Committee's agenda included reviewing the robustness of key performance indicators (KPIs) linked to Pemberton's ESG Margin Ratchet v3.0.

This governance structure reinforces accountability for delivering the Group's responsible investing and climate-related objectives.

Organisational Oversight of Responsible Investing and Climate Related-Matters



* Dedicated Responsible Investment (RI) team

**With the exception of two strategies managed by PCA

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Risk Management

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Responsible investing is inherently cross-functional and cannot be siloed. Investors and regulators expect rigorous oversight and transparency across a wide spectrum of sustainability and governance issues that span multiple areas within the firm.

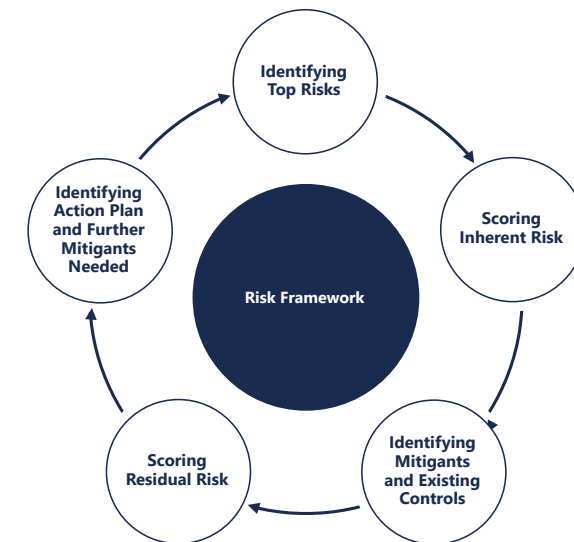
To meet these expectations, Pemberton applies a comprehensive risk management framework firmly anchored in the 'three lines of defence' model, clearly delineating responsibilities among risk owners, overseers, and independent assurance providers. This disciplined approach covers both financial and non-financial risks.

Our Risk function leads the identification and mitigation of current and emerging risks, including those related to responsible investing. It embeds strong governance, controls, and compliance across the firm and funds, ensuring adherence to all applicable laws and regulations.

Each strategy follows a tailored risk process, with elevated governance or sustainability concerns escalated to the Responsible Investing Advisory Council as needed. Compliance with risk policies and training is linked to performance evaluations and compensation through a Balanced Scorecard approach.

In 2024 the Risk team conducted a firm-wide review to assess readiness for growing responsible investing and climate-related obligations. This included deploying an AI tool to extract and analyse RI clauses from side letters, enhancing our ability to track, report, and meet LP-specific requirements. Common themes were consolidated into a structured, reportable format, which is now monitored and presented to the Responsible Investing Committee.

Material RI risks are identified through a combination of top-down and bottom-up analysis, ensuring full integration into the Group's broader risk framework and enabling proactive management.



Risk Scoring
<ul style="list-style-type: none"> Regulatory Impact Reputational Impact Impact on Operations

Climate Considerations
<ul style="list-style-type: none"> Time Horizon (short vs long) Likelihood Impact

Source: Pemberton Capital Advisors LLP.



First line of defence: Investment teams, including Origination, are responsible for identifying governance and sustainability risks in investment opportunities, with support from the Responsible Investing team and, where relevant, the RI Council.

Second line of defence: The Risk and Compliance teams oversee investing policies and processes, including those RI-related. The Risk team monitors portfolio guidelines and investment restrictions, escalating any overruns to the Group Risk and Compliance Committee, which reports to the relevant PCA or PAMSA Board.

Third line of defence: Pemberton's Internal Audit team acts in a third line defence capacity and includes sustainability risk in its audit planning and supervision.

Ethics, Conduct, and Information Security

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At Pemberton, we hold ourselves to the highest ethical standards and aim to sustain an environment of integrity and accountability.

During the period 1st January–31st December 2024, all staff were trained on:

- Conduct Rules under the UK's SMCR⁴¹
- Anti-Money Laundering
- Responsible Investing
- Market Abuse / Insider Trading
- Fraud Prevention
- Data Protection Refresher
- Cybersecurity
- Whistleblowing
- Non-Financial Conduct

Code of Ethics

Pemberton's Code of Ethics sits at the heart of Pemberton's operations, embedding transparency and integrity into every aspect of our business. It reflects our fiduciary duty to act with honesty, good faith, fairness and accountability. Employees must confirm their understanding and adherence to the Code, and report any violations – which are logged, reviewed, and escalated as needed.

The Code governs Personal Account Dealing (PAD) and requires reporting or preclearance for gifts, entertainment, and outside activities. It supports legal compliance, mitigates conflicts of interest, and protects confidentiality of client information.

Speak Up Policy (Whistleblowing)

We foster a culture where employees are empowered to raise concerns. Our Speak Up Policy ensures:

- Unethical or inappropriate conduct is identified and addressed;
- Clear, accessible reporting channels are in place;
- Disclosures are managed promptly, confidentially, and professionally;
- Employees are protected from retaliation.

An independent Speak Up contact – the Chairman of the Audit Committee – oversees the policy's integrity and effectiveness.

Conflicts of Interest

Our Conflicts of Interest Policy outlines how we identify, prevent, and manage actual or potential conflicts that may arise in the course of business. It is supported by complementary policies, including the Code of Ethics, and those covering allocations, valuations, and breaches.

The Conflicts Committee regularly reviews the policy framework and addresses specific cases. The Compliance team maintains a Conflicts Register and provides induction training on the Code of Ethics, the Compliance Manual, and related policies.

Information Security and Data Privacy

Protecting data and information assets is essential to maintaining trust with our investors, clients and employees. As cyber threats evolve, we continue to enhance our risk management approach to ensure secure, resilient, and compliant operations.

Our information security management system is certified to ISO/IEC 27001:2022 and Cyber Essentials Plus. We follow globally recognised frameworks, including the NIST Cybersecurity Framework and CIS Controls, to support a risk-based governance model.

We conduct internal and independent reviews – such as vulnerability scans, penetration testing, and simulated attacks – to strengthen our defences against technical and human-factor threats. Ongoing investments in automation, analytics, and third-party risk management improve our ability to detect and respond to threats. Cross-functional collaboration ensures a proactive and integrated security posture.

Cybersecurity awareness is reinforced through mandatory training and targeted communications. Technical teams receive additional guidance on access control, secure data handling, and incident response.

We also maintain robust data privacy practices aligned with global regulations including the General Data Protection Regulation (GDPR). The programme spans the entire data lifecycle – from collection to deletion – and incorporates policies, training, and regular monitoring to protect personal data and promote responsible data handling.

41 Senior Managers and Certification Regime (SMCR)

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People and Performance Purpose and Culture

Our purpose is to deliver attractive returns for our investors and provide flexible capital solutions to our borrowers. As responsible stewards of capital, we seek to provide a working environment where our employees thrive and to contribute positively to the communities in which we operate.



200+

Professionals⁴² firmwide



15

Locations⁴³



28

Nationalities



“

Our performance is powered by a diverse team of highly skilled professionals. We don't just aim to attract top-tier talent – we invest in our people with the same long-term view we apply to our portfolio. Supporting and retaining talent is fundamental to creating lasting value.

”

Paul Aldrich

Partner, Head of People and Performance

Pemberton's culture is built on three pillars: **Supporting**, **Growing**, and **Thriving**. These pillars are brought to life through eight core valued behaviours.



Supporting

Our equitable, diverse and inclusive working environment allows us to build strong, respectful and supportive relationships with our colleagues where everyone's contribution is valued.

Growing

We invest in technical training, leadership development and wellbeing to support personal growth and contribute to the success of the firm.

Thriving

Collaboration, open communication, professionalism and high-performance are core to Pemberton's culture.

All figures as of 30th June 2025 unless stated otherwise.

⁴² Pemberton Group, including consultants, contractors and advisors.

⁴³ Locations across Europe, Australia, the Middle East and two locations and one office in the the U.S.

Responsible Investing
Report 2024/25

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Supporting: Diverse Perspectives

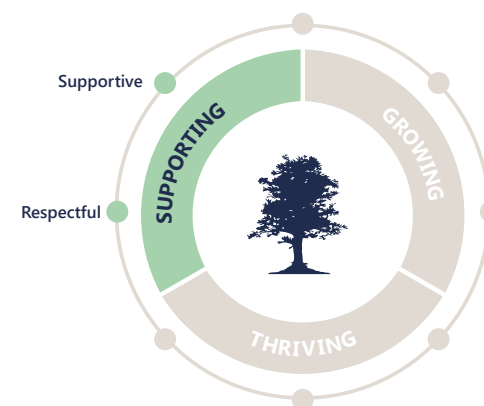
At Pemberton, we view a diverse and inclusive workplace as a strategic driver of stronger decision-making, greater innovation and collaboration, and the long-term resilience of our firm. As a member of the Diversity Project, we collaborate across the UK investment industry to share best practices and help advance progress.

The *PembertonID* Council is a key part of our commitment to an inclusive culture where every individual is valued, empowered and able to contribute fully. It comprises dedicated subgroups focused on Gender, Social Mobility, Neurodiversity and LGBTQ+, each supported by a senior sponsor from the Management Committee to ensure visibility.

Recent initiatives include Inclusive Leadership training for managers, designed to promote a safe and respectful environment aligned with Pemberton's values. We also hosted a neurodiversity workshop for Partners and Managing Directors, and D&I training remains a core element of our annual compliance cycle.

The data on this page reflects female representation among investment professionals at Pemberton, which is below the European private debt industry average of 22%, signalling an opportunity for further progress.

Reflecting our growth and ongoing commitment to inclusion, the *Pemberton Women's Network* was launched in 2024 to provide a forum for open dialogue, peer connection and broader visibility across the firm.



44%

Of all board members are female⁴⁴

2023: 44%



19%

Investment professionals are female⁴⁵

2023: 20%⁴⁶



33%

Managing Director / Partner new hires were female

2023: 50%

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⁴⁴ This includes non-executive board members.

⁴⁵ Permanent employees only.

⁴⁶ We reported a higher % in last year's report – this data reflects a streamlined definition that will remain consistent going forward.

Growing: Training and Development

Our people are the foundation of Pemberton’s success. We are committed to empowering them through meaningful opportunities for growth, professional development and continuous learning – while also prioritising their health and wellbeing.

Our development offering includes a broad range of initiatives, from technical training and presentation skills to mentoring, people management and leadership development. Notably, we have partnered with Bayes Business School to deliver a bespoke leadership programme tailored to our strategic objectives.

To foster knowledge-sharing and collaboration, teams regularly host cross-functional teach-ins. Our *Innovation Hub* serves as a key driver of innovation – a dedicated space to spark ideas around artificial intelligence, digital technology and broader business transformation.

We continue to provide family-friendly benefits and a comprehensive suite of wellbeing resources, helping to create a supportive workplace. Our *Employee Assistance Programme* (EAP) offers confidential support, while 12 accredited Mental Health First Aiders (MHFA) are available on-site to provide guidance when needed, including for colleagues on short term contracts.



Highlights From our 2024 Training Initiatives



Leadership: As of Jan 2025, 77% of Director level and above completed leadership training delivered by Bayes Business School, enhancing strategic capabilities across senior management.



Development: All staff completed the Strength Deployment Inventory (SDI) assessment and follow-up training to deepen their understanding of core motivational drivers – people, performance, and process – and their influence on communication and conflict resolution.



Mentorship and Coaching: 45% of employees actively participate in coaching, mentoring, or both, to facilitate professional development and knowledge sharing.



Innovation: The Innovation Hub hosted monthly global calls for employees to share updates on digital initiatives, including AI projects aimed at driving operational efficiency.



Cross-Firm Training: 20 training sessions were delivered across the Investment Group, Client Group, and Central Functions, supporting firm-wide knowledge and collaboration.

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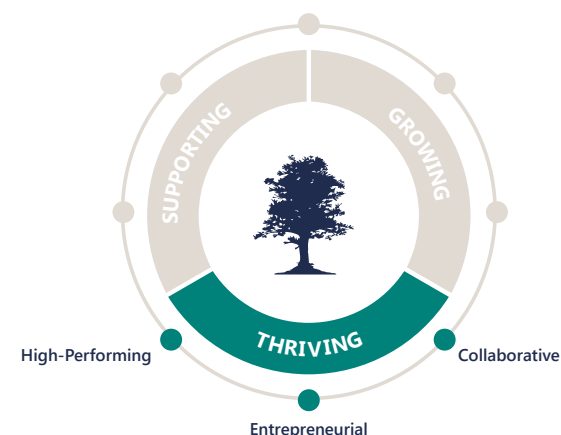
Thriving: A Performance Culture

At the heart of our success lies the strength in our relationships. Pemberton has achieved robust growth by staying entrepreneurial – anticipating and responding to evolving investor needs.

Collaboration and connectivity among our people is essential for delivering Pemberton’s value creation proposition. This is fostered through regular internal communication, including monthly firm-wide update calls, quarterly Town Halls, and bi-annual strategy and team-building offsites that align teams around our strategic goals.

The ultimate test for our business is how effectively we partner with investors. This drives our continuous assessment of their priorities, enabling us to deliver innovative, multi-strategy private credit solutions tailored to their objectives.

In support of this, we recently expanded our North American presence with a series of senior appointments and the opening of a new office in New York. This marks a significant milestone in the growth of our global investor franchise and enhances our ability to meet rising demand from U.S. and Canadian institutional LPs seeking access to European mid-market opportunities.



Alignment of Interests



A culture that aligns interests between shareholders, employees and investors is a fundamental part of operating responsibly. Pemberton’s business ensures the long-term achievement of our objectives by design, with:

- An **ownership structure** that includes a leadership team, and partners from investment, client, credit and origination teams, which in aggregate are controlling shareholders, ensuring long-term alignment of key personnel.
- An **institutional shareholder**⁴⁷ committed to the long-term success of the business and responsible investing, as well as being a substantial investor across a range of our strategies.
- An **annual incentive structure** that includes share of carried interest that vests over time.

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47 Legal & General Group Plc, one of Europe’s Top 3 insurers.

Corporate Social Responsibility

Deep Dive: Advancing Social Mobility

At Pemberton, advancing social mobility within financial services is a cornerstone of our corporate responsibility. We are committed to helping break down barriers to entry and progression in investment management by broadening outreach, recruiting for potential, and fostering inclusion.

Our flagship **Investing Potential Programme** is central to this effort to widen access to financial services careers. Delivered in partnership with Dartmouth Partners – a recruitment agency that supports talent development – and upReach, a UK-based social mobility non-profit, the programme provides a comprehensive, structured, and immersive journey for students from underrepresented and disadvantaged backgrounds.

Participants engage in targeted skill-building alongside hands-on exposure across key asset management functions – including investment analysis, legal, fund finance, and portfolio management – developing both technical knowledge and professional confidence. By emphasising merit and potential rather than traditional background criteria, it helps broaden access to the industry and supports greater diversity and inclusion within the sector.



A recent participant shared highlights from their week-long placement:

Day 1: Kicked off with an introduction to asset management and private credit, plus a session on workplace email etiquette emphasising clear communication. Also networked with fellow programme participants and representatives from Pemberton and other firms.

Day 2: Shadowed the Portfolio Management team, observed investment committee meetings, and explored responsible investing practices with an RI analyst. Hands-on experience with asset management software.

Day 3: Spent time with the Origination team, discussed career development, and met the CEO of a portfolio company to learn about their business and evaluate its investment potential.

Day 4: Attended a session on sourcing new opportunities, then shadowed the Fund Finance team to understand fund valuation, financial modelling, and completed an accounting task linked to a live project.

Day 5: Finished with a networking breakfast connecting with alumni and professionals who shared motivating career insights and emphasised the importance of mindset, consistency, and networking.

Complementing this initiative, our outreach collaboration with Pimlico Academy equips school students with confidence-building workshops, interview practice, and career insights to broaden aspirations from an early age. To date, Pimlico Academy's mock interviews and insight days helped over 30 students develop employability skills. We also partner with 10,000 Black Interns, bolstering diversity through targeted internships that bridge opportunity gaps.

The partnerships outlined here have yielded multiple subsequent internship placements. In 2024

3 of 7
internships

came from our social mobility partnership initiatives.

We are committed to expanding access and creating opportunities for diverse talent within the investment management industry.

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Spotlight: Environmental Responsibility

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Group Operations Emissions

We take a proactive approach to identifying and monitoring potential business disruption risks, with the goal of enhancing the resilience of our operational infrastructure. Climate-related risks are integrated into our Operational Resilience Policy and are covered under our Business Continuity and Emergency Response Plans.

As an office-based organisation with a relatively small physical footprint, we consider the Group's operational exposure to physical climate risks to be limited. Our ability to operate remotely ensures business continuity in the event of climate-related disruptions, and our supply chain – focused primarily on the procurement of business services – has low exposure to climate-sensitive sectors. Nonetheless, we remain committed to reducing our operational emissions and continue to evaluate the sustainability practices and carbon footprint of our office environments.

The table here outlines Pemberton's most recent emissions data from our business operations. Scope 1 and 2 increased during the reporting period, reflecting both our first full year operating from a larger headquarter office space and enhanced data capture for our network of offices. Scope 3 related to business travel also rose, reflecting greater business growth, including increased in-person meetings, stakeholder engagement and inter-office collaboration.

We acknowledge the significant impact of business travel in our overall carbon footprint and are actively undertaking measures to reduce it. These include promoting virtual meetings where feasible, adopting sustainable travel options, and offsetting emissions

to support our corporate social responsibility and employee engagement programmes. Each year, Pemberton's personnel nominate an offset project – highlighted on the following page.

GHG Emissions ⁴⁸	Category	FY24	FY23	FY22	FY21	FY20
Direct Emissions (Scope 1)	Combustion of fuel and operation of facilities	84	49	43	82	74
Indirect Emissions (Scope 2)	Purchased electricity/ heat (location-based)	83	52	30	24	16
	Purchased electricity/ heat (market-based)	44		–	–	–
	Total Scope 1 and 2	167	101	72	106	90
Indirect Emissions (Scope 3)	Business travel (flights, rail, vehicles, taxis, hotels) ⁴⁹	1,602	1,505	1,420	115	203
	Home working & commuting	216	219	130	105	83
	Hotel stays					
	WTT & T&D			23	39	40
	Waste incl. water	5	26	4	2	2
	Postage	0	0	0	0	0
	New Scope 3 categories for FY23					
	Purchased goods and services ⁵⁰	8,265	9,582			
	Fuel and energy related activities'	64	23			
	Total Scope 3	10,088	11,355	1,577	261	328
	Total Gross emissions	10,255	11,456	1,649	367	418

Source: Pemberton Capital Advisors LLP. Emissions calculated by a PCAF-accredited third-party specialist.

⁴⁸ Numbers in table have been rounded up or down to the nearest metric ton of CO₂e.

⁴⁹ COVID-19. Employee business travel and employee commuting to and from offices were constrained.

⁵⁰ 2023 was the first year that Purchased Goods and services (PG&S) and fuel and energy related activities were calculated for Pemberton.

Offsetting Pemberton's Operational Emissions

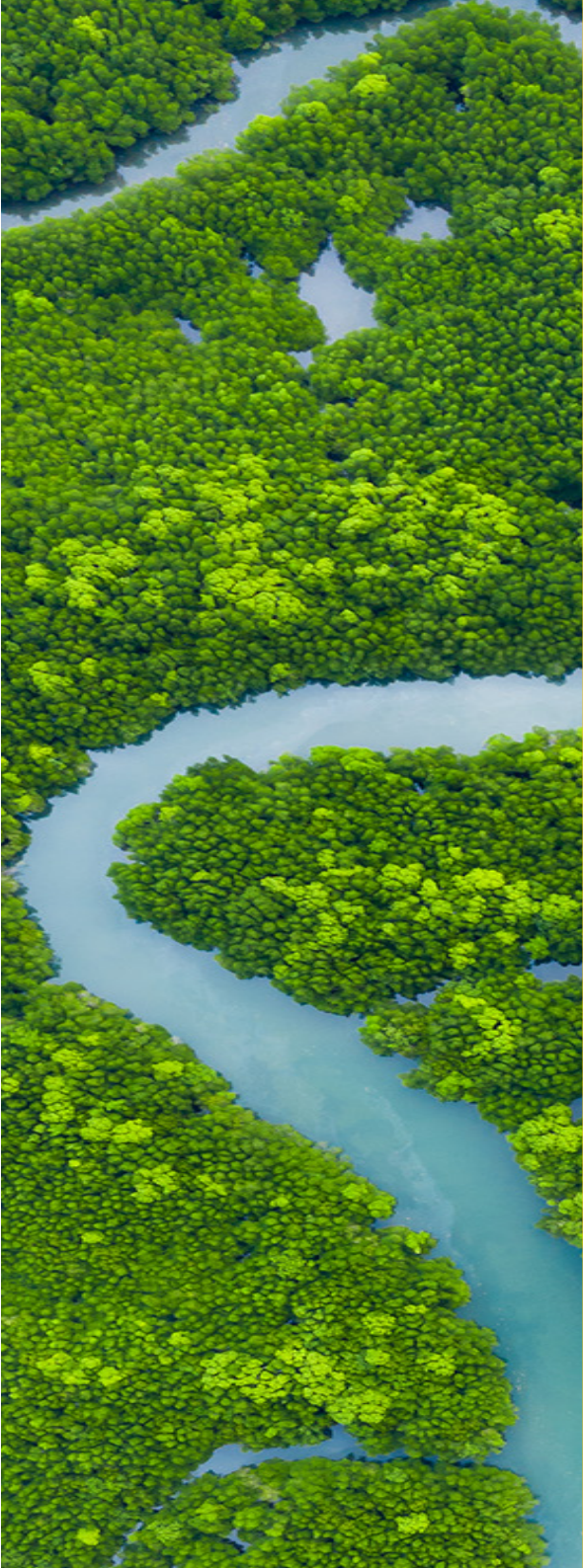
Pemberton's CSR programme involves employees in selecting an annual offset project to cover Scope 1, Scope 2, and partial Scope 3⁵¹ (all travel) emissions. This reinforces our shared commitment to environmental stewardship.

Carbon removal through reforestation on formerly degraded land

For 2024 emissions, employees selected a Forest Stewardship Council (FSC)-certified reforestation project on formerly degraded cattle ranching land in eastern Paraguay. This initiative sequesters carbon through planting various eucalyptus tree species, transforming degraded ranching land into sustainable forest plantations.

FSC certification ensures no indigenous trees are removed and includes safeguards that protect local water sources and biodiversity. The project's Verified Carbon Standard (VCS) certification provides independent validation and verification of carbon credits, reinforcing the transparency and credibility of the associated offset claims.

Beyond environmental benefits, the project supports the local community by collaborating with landowners and ranchers under a benefit-sharing agreement, generating supplementary income through carbon credit revenues. Approximately 20 full-time jobs are created per 1,000 hectares planted.



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51 All 2024 Scope 3 emissions listed on page 44 except for purchased goods and services (PGS).

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TCFD Index

Pemberton's progress against TCFD disclosure framework and requirements

Page	Strategy	Disclose actual/potential impacts of climate risks & opportunities on the business, strategy and financial planning, where information is material	2023 Status	2024 Advancement
23	Description of climate risks and opportunities	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	●	Supporting summary table framed by time horizons
24	Impact of climate risks and opportunities	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	●	All-strategy exposure to potentially elevated climate risk
29	Resilience to climate risks and opportunities	Describe the potential impact of different scenarios, including a 2-degree scenario, on the organisation's businesses, strategy, and financial planning	●	Financial impact under different climate scenarios – direct lending
Governance		Disclose the organisation's governance around climate-related risks and opportunities		
36	Board oversight	Describe the Board's oversight of climate-related risks and opportunities	●	
35	Management's role	Describe management's role in assessing and managing climate-related risks and opportunities	●	
Risk Management		Disclose how the organisation identifies, assesses, and manages climate-related risks		
37	Identification and assessment of climate risks	Describe the organisation's processes for identifying and assessing climate-related risks	●	Continued improvement in data quality, metrics in direct lending
32	Management of climate risks	Describe the organisation's processes for managing climate-related risks	●	Strengthening operational readiness for LP climate needs
37	Integration of climate risks	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	●	
Metrics and Targets		Describe the metrics and targets used to assess and manage relevant climate-related risk and opportunities, where the information is material		
33–34	Carbon emissions	Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas emissions, and the related risks	●	Expanded data coverage for direct lending, CLOs, NAV Financing
34	Climate-related metrics	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	●	
22	Climate-related targets	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	●	

Source: Pemberton Capital Advisors LLP.

● Complete ● In progress

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Topic	Code	Metric	Category	Response
Transparent Information & Fair Advice for Customers	FN-AC-270a.1	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings 1.	Quantitative	To the best of our knowledge, there have been no licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings.
	FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers 2.	Quantitative	In 2024, Pemberton did not incur any monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers.
	FN-AC-270a.3	Description of approach to informing customers about products and services.	Discussion and Analysis	Pemberton's Business Development ("BD") and Investor Relations ("IR") teams are responsible for the relationship with both existing and prospective investors. Strong and transparent investor dialogue is key to our success, underpinned by continual assessment of their needs and investment objectives in order to deliver innovative, multi-strategy private credit solutions. Pemberton's Compliance department has established processes to ensure that all client-facing communications and materials adhere to applicable laws, rules, and regulations. Pemberton hosts an annual Investor Day to present an overview of Pemberton's Funds' performance and other key developments, as well as interactive Q&A with clients to address any prevailing questions. Pemberton also reports quarterly on fund performance to its investors.
Employee Diversity & Inclusion	FN-AC-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees 3.	Quantitative	Information on Pemberton's workforce gender data can be found on pages 6, 39–40 of this report. We note a number of EU countries impose restrictions on the collection and processing of personal data related to race and ethnicity by employers.
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing and (3) screening.	Quantitative	<p>Pemberton's RI Policy and governance processes underpin all investment strategies, provide the overarching charter for our approach to responsible investing, and covers >98% of Pemberton's assets under management. This includes that, as a first step, all potential investments across the platform must undergo:</p> <ul style="list-style-type: none"> • A 'red flags' controversy screen using a third-party ESG specialist data provider. • Pemberton's Negative Screen, with two additional screening categories for any funds classified as Article 8 under the Sustainable Finance Disclosure Regulation (SFDR). • Escalation to the RI Advisory Council, as required. <p>Thereafter, our investment teams customise ESG assessment frameworks to their coverage and the specific characteristics of each strategy. We note that sustainability data availability is generally more advanced in direct lending, where Pemberton has a degree of influence as the lead or sole lender and two-way interaction with borrowers is the norm. In other private credit asset classes, the hurdle of data availability is amplified, and pertinent information can be difficult to obtain despite best efforts. However, to the extent possible, as engaged investors, Pemberton's teams are committed to push market participants to enhance their disclosures.</p>

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Topic	Code	Metric	Category	Response
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-AC-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies.	Discussion and Analysis	Our approach to incorporating financially material governance and sustainability factors in the investment process can be found in our RI Policy . Such factors can be important tools for identifying investment risk and capturing opportunities on behalf of our investors. Our robust integration through the investment lifecycle is further detailed in the Responsible Investing (RI) section of this report (Page 9). Our RI assessment frameworks vary by private credit asset class, with investment teams customising to the specific characteristics of each strategy. More information is also available in Pemberton's 2024 Climate Resilience Report , an advanced climate disclosure.
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures.	Discussion and Analysis	Please see our approach to Stewardship outlined within Pemberton's RI Policy. As a private credit investor, we do not have access to proxy voting. As a lender and not an owner, we do not control the boards or management teams in our portfolio companies, but there are several ways (ESG-linked margin ratchets, Engagement) that Pemberton can help these businesses focus on meaningful action on sustainability risks and opportunities. Pemberton strives to exercise influence and pursue stewardship responsibilities to the extent possible for an investor in private credit. Where Pemberton does have a degree of influence, specifically as the lead or sole lender to companies, our active engagement activity is detailed on page 18 of this report.
Business Ethics	FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations 4.	Quantitative	For the period 2024, to the best of our knowledge, there has been no monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.
	FN-AC-510a.2	Description of whistleblower policies and procedures.	Discussion and Analysis	Pemberton has put in place policies and procedures that allows employees to express concerns and report violations of Pemberton's policy and applicable law. Our "Speak Up" policy is designed to make sure all employees feel supported in speaking up and reporting matters they suspect may involve improper, unethical or inappropriate behaviour. Pemberton has outlined clear procedures for the reporting of such matters. Further information can be found in the "Speak Up" policy. The policy provides protection from dismissal and unfavourable treatment for employees who report suspicions of wrongdoing by appointing an independent Speak Up contact, the Chairman of the Audit Committee, whose role is to oversee the integrity, independence, and effectiveness of the policy.
Activity Metrics	FN-AC-000.A	Total assets under management (AUM).	Quantitative	As of 30/06/2025, Pemberton's AUM is €24.6bn.

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VSME Social Disclosure Index⁵²

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Module		Metric	Responses
B8	Workforce	Type of contract	Permanent contract
			176
			Temporary contract
			25
		Total employees	201
			Gender
			Male
			61
			Female
			140
			Other
			0
			Not reported
			0
		Total employees	201
			Country of employment
			United Kingdom of Great Britain and Northern Ireland
			166
			Luxembourg
			12
			France
			4
			Germany
			4
			United States of America
			3
			Netherlands (Kingdom of the)
			3
			United Arab Emirates
			2
			Jersey
			2
			Denmark
			2
			Italy
			1
			Australia
			1
			Spain
			1
		Total employees	201
			Turnover rate
			Number of employees who left during the reporting period
			26
			Number of employees at the beginning of the reporting period
			147
			Number of employees at the end of the reporting period
			176
			Employee turnover rate [%] in the reporting period
			16%
B9	Workforce	Health and safety	Number of recordable work-related accidents in the reporting period
			1
			Number of hours worked by one full-time employee in the reporting period
			2000
			Total number of hours worked in a year by all employees in the reporting period
			402000
B10	Workforce	Remuneration, collective bargaining and training	Rate of recordable work-related accidents in the reporting period
			0.5
			Number of fatalities as a result of work-related injuries and work-related ill health
			0
			Employees receive pay that is equal or above applicable minimum wage determined directly by the national minimum wage law or through a collective bargaining agreement
			Yes
			Average gross hourly pay level of male employees
			Currently not disclosed
			Average gross hourly pay level of female employees
			Currently not disclosed
			Percentage gap in pay between the undertaking's female and male employees [%]
			Currently not disclosed
			Number of employees covered by collective bargaining agreements
			0
			Percentage of employees covered by collective bargaining agreements [%]
			0%

52 This data is as of 31st December 2024

Module			Metric	Responses
B10	Workforce	Remuneration, collective bargaining and training	Gender	Number of annual training hours per employee during the reporting period
			Male	8.95
			Female	9.27
			Other	
			Not reported	
			Average number of annual training hours per employee	9.11
C5	Additional (general) workforce characteristics		Number of male employees at management level	73
			Number of female employees at management level	15
			Female-to-male ratio at management level for the reporting period	21%
			Total self-employed workers without personnel that are working exclusively for the undertaking	5
			Total temporary workers provided by undertakings primarily engaged in employment activities	4
C6	Additional own workforce information	Human rights policies and processes	Does the undertaking have a code of conduct or human rights policy for its own workforce?	Yes
			If yes, does this cover:	
			Child labour	No
			Forced labour	No
			Human trafficking	No
			Discrimination	Yes
			Accident prevention	No
			Other?	Yes
			Specify other types of content covered by the code of conduct or human rights policy	Fraud, Bribery, Corruption; ESG/ Sustainability; Compliance with Laws; Risk Management; Conflict of Interest; Modern Slavery Act statement: https://pembertonam.com/legal/
			Does the undertaking have a complaint-handling mechanism for its own workforce?	Yes
C7	Severe negative human rights incidents		Does the undertaking have confirmed incidents in its own workforce?	
			If yes, are incidents related to:	
			Child labour	No
			Forced labour	No
			Human trafficking	No
			Discrimination	Yes
			Other?	No
			Specify other human rights related to the confirmed incidents	
			Description of actions taken to address the confirmed incidents.	Pemberton Capital Advisors LLP (“PCA”) is currently party to an Employment Tribunal Claim by a former employee. PCA is and will be robustly defending all claims. Pemberton Group has no other litigation or claims.
			Is the undertaking aware of any confirmed incidents involving workers in the value chain, affected communities, consumers and end-users?	No
			Specification of any confirmed incident involving workers in the value chain, affected communities, consumers and end-users	

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Climate Glossary

This glossary lists key terms used in this report and aims to provide transparency and clarity on our interpretations and definitions. Where applicable, we aim to incorporate relevant third-party frameworks and standards into our definitions.

Carbon Neutrality: Carbon neutral means that any greenhouse gas (GHG) emissions derived from a defined scope of the company's activities are balanced by an equivalent amount being removed, including using offsets.

Climate risk is evaluated through two lenses:

- **Transition risk:** the risk that asset values may decline because of changes in climate policies, or changes in the underlying economy due to decarbonisation. These risks emerge from policy, legal, technology, and market changes as the economy shifts towards using less carbon.

Examples: Carbon regulation (e.g., tax or cap and trade systems) • Energy-related technology changes (e.g., rise of low-carbon sources of energy such as renewables) • Shifting customer preferences • Liability (e.g., litigation against companies due to a lack of action)
- **Physical risk:** the risk to properties, collateral, or investments due to specific climate-related weather events and longer-term shifts in the climate. Physical risk has the potential to reduce the financial value of assets. Risks related to the physical impacts of climate change include acute risks and chronic risks.

Examples: • Acute physical risks (e.g., increased severity of extreme weather events, such as cyclones and floods) • Chronic physical risks (e.g., changes in precipitation patterns and extreme variability in

weather patterns, rising mean temperatures and sea levels) • Air pollution • Water stress • Forest and land degradation.

Materiality: Defines ESG issues that have – or have the potential to have – a substantial impact on an organisation's ability to create or preserve economic value.

Net Zero: Achieving an equal balance between GHG emissions produced and GHG emissions removed from the atmosphere.

Paris Agreement: The Paris Agreement, adopted within the UNFCCC⁵³ in December 2015, commits participating countries to limit global temperature rise to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C, adapt to changes already occurring, and regularly increase efforts over time.

Partnership for Carbon Accounting Financials (PCAF): An industry-led initiative enabling financial institutions to measure and disclose greenhouse gas (GHG) emissions of loans and investments.

Scenario Analysis: A plausible description of how the future may develop based on a coherent and internally consistent set of assumptions about key driving forces (e.g., rate of technological change). As noted by the UK FCA, "in a world of uncertainty, scenarios are intended to explore alternatives that may significantly alter the basis for 'business-as-usual' assumptions".⁵⁴

Scope 1 Emissions: Direct GHG emissions that occur from sources owned or controlled by the reporting company – i.e. from combustion in owned or controlled boilers, furnaces, vehicles, etc.

Scope 2 Emissions: Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company.

Scope 3 Emissions: All other indirect GHG emissions (not included in Scope 1 and 2) that occur in the value chain of the reporting company. The 15 Scope 3 GHG Protocol categories consist of:

- Purchased Goods and Services
- Capital Goods
- Fuel and Energy-related Activities (Not included in Scope 1 and 2)
- Upstream Transportation and Distribution
- Waste Generated in Operations
- Business Travel
- Employee Commuting
- Upstream Leased Assets
- Downstream Transportation and Distribution
- Processing of Sold Products
- Use of Sold Products
- End of Life Treatment of Sold Products
- Downstream Leased Assets
- Franchises
- Investments

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⁵³ The United Nations Framework Convention on Climate Change is the UN process for negotiating an agreement to limit dangerous climate change (<https://unfccc.int/>)

⁵⁴ <https://www.fca.org.uk/publication/corporate/cfrf-guide-2023-scenario-analysis-guide-asset-managers.pdf>

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