

Exponent

Policy on Responsible Investment ('RI')

June 2026



Established in 2004 with a presence in London, Dublin and Amsterdam, Exponent Private Equity LLP (“Exponent”) is a leading private equity firm. The Firm invests in mid-market companies headquartered across Europe (UK, Ireland, Benelux and Nordics) in its core sectors.

About Exponent

Exponent believes that greater understanding leads to greater transformation. We seek to identify untapped potential, navigate complexity and nurture positive relationships in order to unlock meaningful growth for our portfolio companies and investors.

Established in 2004, with offices in London, Dublin and Amsterdam. We invest in companies in UK, Ireland and across Europe, with a focus on the Media, Consumer, Financial Services and Business Services sectors.

With an experienced team of investment professionals, Operating Partners and a deep network of industrialists – Exponent’s approach is to identify and pursue unique opportunities, bringing insight, investment and stewardship to previously constrained companies, so that they achieve their transformational potential.

This policy summarises the Firm’s approach to RI and details the processes and procedures that are employed by the Firm to develop, promote and manage RI across all aspects of our business, including its own operations, suppliers and its portfolio companies.

Principles

Exponent is committed to developing, enhancing and promoting Responsible Investment (“RI”) principles across all aspects of its business and has had an active RI policy since 2010.

Exponent considers Responsible Investment to be an approach to both investing in and owning businesses that incorporates Environmental, Social and Governance (“ESG”) factors. We believe that by considering ESG risks and opportunities, we will better align ourselves with the long-term interests of our investors, employees and portfolio companies and that this will, in turn, have a positive impact on the performance of our investments.

ESG Frameworks and Guidelines

Where appropriate Exponent recognizes and aligns with relevant international conventions, standards and guidelines such as, but not limited to:

- The UN Guiding Principles on Business and Human Rights.
- The Task Force for Climate Related Financial Disclosures (“TCFD”).
- SASB Standards.
- The UN Global Compact.
- The OECD Guidelines for Responsible Business Conduct.

Exponent’s approach to Responsible Investment is one of continuous improvement and an important milestone in the Firm’s journey was becoming a Signatory to the Principles of Responsible Investment (“PRI”) in 2019. The Firm commits to the PRI’s 6 principles as set out below:

1

We will incorporate ESG issues into investment analysis and decision-making processes.

2

We will be active owners and incorporate ESG issues into our ownership policies and practices.

3

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

4

We will promote acceptance and implementation of the Principles within the investment industry.

5

We will work together to enhance our effectiveness in implementing the Principles.

6

We will each report on our activities and progress towards implementing the Principles.



Approach to Responsible Investment

Exponent has developed a robust set of ESG processes and procedures, as set out below, that are designed to ensure the ongoing development and promotion of Responsible Investment, in compliance with the PRI Principles throughout the investment cycle. These processes and procedures are the minimum standard required to be followed by all members of staff.

1. Pre-investment

(i) Negative Screening:

Exponent will not invest in companies that conflict with the ESG values and objectives of the Firm and will not knowingly invest in companies or activities that:

- Intentionally violate human rights.
- Incite violence or racial hatred.
- Undertake activities which constitute a material violation of locally applicable environmental laws or regulations.
- Undertake activities that employ forced or child labour.

Exponent screens all potential investments against the Firm's exclusion list which prohibit investment in certain sectors:

- Interests in oil, gas or mineral rights.
- Coal mining.
- Weapons including the development, production or sale of any biological, chemical or nuclear weapons, cluster bombs or anti-personnel mines and the manufacturing, sale or marketing of weapons, artillery and ammunition to be used in the act of war or military conflict.
- The carrying out of illegal logging.
- Pornography and vice.
- Animal testing, live exports or the fur trade.

Note that careful consideration also needs to be given to businesses principally engaged in:

- Gambling.
- Tobacco.
- Nuclear power generation or the production, handling or reprocessing of nuclear fuels.

Most importantly, Exponent needs to bring judgement to bear on potential investments which are not in sectors that are formally prohibited, but which in Exponent's view, carry unacceptable financial or reputational risk to the Firm and its investors.

The Limited Partnership Agreements ("LPAs") and Side Letters for each Fund have the effect of restricting investments in certain sectors by providing investors excuse rights with respect to those sectors and/or requiring the relevant Funds' Advisory Committee to consent to an investment in such sectors.

(ii) Investment Analysis and Decision Making

It is the responsibility of each deal team to ensure that ESG issues and opportunities are considered during the investment analysis and decision-making phase and brought to the attention of the Investment Committee ("IC").

A section titled "Responsible Investment" must be included in at least one Investment Paper for all transactions, including bolt-on acquisitions. For bolt-ons, the Firm will assess whether the potential acquisition aligns with the acquiring portfolio company's broader ESG strategy. The Firm adopts a risk-based approach, and where ESG considerations are deemed material, it is expected that the Responsible Investment section will be incorporated into multiple Investment Papers. Additionally, a section on "Net Zero" must be included to evaluate the company's capacity to decarbonize under our ownership and contribute to our broader climate commitments. To support our understanding on these topics we screen potential investments for climate and biodiversity risks and opportunities.

Where material ESG risks are identified the deal team should engage external consultants to undertake more detailed and focussed due diligence before a decision to invest is taken by the IC.

The section on RI should be clear and contain sufficient detail to enable the IC to conclude on the relevance of the ESG issue(s) to the business under consideration and its significance to the investment case.

As we invest in companies that operate in variety of jurisdictions and sectors, the ESG factors we consider material for each company will differ. The following (non-exhaustive) list highlights some common focus areas for the Firm:

Environment – climate change, biodiversity, waste management, energy efficiency, hazardous materials, resource depletion, circular economy.

Social – customer satisfaction, data protection and privacy, diversity and equal opportunities, employee attraction and retention, employee engagement, human rights, product mis-selling, product safety and supply chain management.

Governance – anti-bribery and corruption, cyber, compliance, risk management, whistle-blower schemes.

Human Rights – Exponent recognises that respect for human rights is fundamental to responsible investment. We adopt the UN definition of human rights as rights inherent to all persons, regardless of race, sex, nationality, ethnicity, language, religion, or any other status.

Exponent has developed a pre-investment Human Rights Screening Tool to enable the investment team to assess the materiality of human rights risks in potential investments, having regard to countries of operation, sector, company-specific risk factors, and governance mechanisms. Where material risks are identified, specialist due diligence is required prior to investment.

Post-investment, Exponent monitors portfolio companies for emerging human rights concerns. Where issues are identified, we will engage directly with company management to understand the nature of the risk, encourage improvement, and support the development of appropriate policies and practices. We expect portfolio companies to respect human rights across their operations and supply chains, consistent with the UN Guiding Principles on Business and Human Rights.

Guiding Frameworks

Exponent's approach to human rights is informed by the following internationally recognised frameworks:

UN Guiding Principles on Business and Human Rights (UNGPs) – the global standard for business and human rights, built around the pillars of protect, respect, and remedy.

OECD Guidelines for Multinational Enterprises – providing recommendations for responsible business conduct across a range of areas including human rights and supply chains.

UN PRI Principles – reflecting our commitment to incorporating ESG factors, including human rights, into investment decision-making.

2. Stewardship

Exponent is committed to developing and promoting strong ESG principles across all portfolio investments. It is the Firm's ambition to make credible and tangible ESG improvements at each investment during the Funds' ownership. Our ownership model ensures we have control positions of our companies (with board seats) which enables us to exert influence during the ownership period. The Firm's aim is to ensure that all businesses embrace ESG and make it a core tenet of their culture that will survive the Funds' ownership. To enable this to happen, Exponent has implemented the following post-acquisition ESG-focussed processes and procedures:

- A member of the deal team must be appointed as responsible for ESG. It is their responsibility to ensure compliance with all processes and procedures set out below.
- A senior member of the executive team at the portfolio company must be appointed as responsible for ESG oversight within the business.
- Unless a consultant was engaged to consider ESG risks during the investment analysis and decision-making phase, the company must engage, as part of its "100-day" plan, an independent ESG review. This review may form the basis of and assist with the company's ESG program during the period of the Funds' ownership.
- An external Cyber assessment must be completed for all new investments, with the results and accompanying action plan to be discussed at board level. Annual reviews and board discussions will ensure that the portfolio company manages Cyber risk on an ongoing basis unless a company has had its initial review within the last six months.
- We require our portfolio companies to discuss ESG at board meetings bi-annually.
- Early on in the Firm's ownership the portfolio company must ensure they have in place a set of policies, as required by Exponent, that cover key ESG topics such as Anti-bribery & Corruption, Whistle-blowing, Corporate Criminal Offence Policy, Code of Conduct, Gender Pay Gap, Equal Opportunities, GDPR, ESG Policy and Modern Slavery.
- A summary of each Portfolio Company's ESG developments must be reported to Exponent's ESG Committee annually.
- Each portfolio company must track their GHG emissions and discuss Climate Change at board level annually.

3. Monitoring and Disclosures:

Given the nature of the investments made by Exponent (e.g. control positions), the Firm ordinarily has ongoing access to management and management information. Accordingly, the deal team are likely to be informed of any ESG issues at an early stage. Nevertheless, the following ESG reporting procedures should be followed by each business:

- Portfolio Companies are required to develop and report on their personalised ESG action plan to their board and Exponent on a bi-annual basis.
- Portfolio Companies are required to complete an annual ESG questionnaire, covering a variety of E, S and G topics.
- The company CEO/CFO must report to Exponent's Partners on ESG as part of the annual budget review process.
- An ESG issue that is material (e.g. it carries financial or reputational risk that could impact on the company, Exponent or our investors) must be reported to the deal team immediately. It is then the responsibility of the deal team to ensure that such matters are reported to the appropriate member of the Exponent team. Note that certain matters may be required to be reported to the Firm's Compliance Officer, Craig Vickery, in the first instance.
- ESG incidents must be reported to all investors unless, in exceptional cases, it is deemed to be commercially sensitive to do so. Depending on the severity of the incident, it may be appropriate, in some circumstances, to disclose the issue immediately by way of an exceptional communication to the relevant Advisory Committee or all investors. In other less material cases, Exponent will provide updates via the regular quarterly reporting, in accordance with the Fund LPAs.

4. External Reporting

Exponent's policy is to be transparent about Fund and investment matters, including those related to RI and ESG. The Firm is therefore committed to the following reporting to investors:

- Consultant ESG Reports are shared with investors through the investor portal.
- ESG is a standing agenda item for all Advisory Committee meetings.
- Exponent will share publicly its annual ESG report that summarises the ESG activity of the Firm and the portfolio investments over the prior 12-month period and its ESG plans for the next year.
- Exponent is a signatory to the PRI and participates in its annual Transparency Report, which looks at the progress the Firm has made during the previous calendar year.

5. Exit

- Prior to exiting a Portfolio Company, we will assess the company's ESG performance and progress made during the ownership period and provide documentation to interested parties including the Firm's most recent PRI assessment.

Climate Change Annex

Exponent recognises climate change as both a risk and an opportunity for our portfolio and understands that this can have a financial impact on the Firm's investments. We support the recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD), as supported by the UN PRI and have used the TCFD's four pillars as a tool to embed climate change considerations throughout the Firm's approach to Governance, Strategy, Risk Management and Metrics & Targets.

The Firm's Climate governance arrangements are detailed in the Governance and Scope section at the end of the policy.

1. Pre-investment

Exponent will not invest in companies that are incompatible with the Firm's ESG objectives and values of the Firm, as referenced in the Negative Screening section above, this includes:

- Interests in oil, gas or mineral rights.
- Coal mining.

For each investment we screen for climate-change related risks and opportunities and where material risks are identified, more detailed and focused due diligence should be completed before an investment decision can be made. We use third party software to screen for biodiversity and climate change, enabling the investment team to identify whether Climate Change could pose a material risk or opportunity to the business.

2. Monitoring

Climate forms part of the Firm's annual ESG monitoring programme and where material, company-specific targets and KPIs may be required.

The implications of climate change are assessed for the portfolio, using a third-party provider and material climate-related risks and opportunities are monitored and reviewed by the ESG Committee and investment teams. Processes include:

- Climate Screening – portfolio-wide climate screening materiality exercise to tease out prioritized climate risks and opportunities for each portfolio company.
- Scenario Analysis – identified sectoral risks and opportunities are used to assess the financial impact of climate change within different global warming and time horizon scenarios.

Where material risks are identified the portfolio company board is required to consider potential mitigation efforts.

3. Metrics and Targets

Climate change is a core part of the Firm's annual ESG monitoring programme. This includes capturing Scope 1,2,3 emissions data. The Firm engages portfolio companies on emissions reductions throughout its ownership, through sharing best practice, events and training.

Exponent had its Science-based Target validated by the SBTi in 2024 and commits to 100% of its portfolio, by invested capital, having their own validated SBTi target in place by 2035. The Firm has a programme for engaging portfolio companies as they work towards this target.

4. Climate Change Frameworks and Guidelines

Exponent understands that collaboration is an essential tool in addressing climate change. The Firm works with its investors, peers, portfolio, and industry bodies to increase ambition and share developments on this topic.

In 2021, Exponent became a signatory to the iC International, a UN PRI backed network of investors that are collectively committed to achieving the objectives of the Paris Agreement. Members agree to analyse, manage and mitigate climate-related financial risk and emissions in their portfolios, in line with the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD).



Exponent's Own Operations

Exponent is also committed to promoting and adopting ESG best practice within the Firm.

Since its formation in 2004, the Firm has developed a strong and well-defined governance and compliance framework that is set out formally and extensively in its constitutional documents, Compliance Manual and related policy documents, and Staff Handbook ("the Constitutional and Compliance Documents"). This framework includes this Policy on Responsible Investment and sets out, amongst other matters, the expectations of the Firm regarding the code of conduct against which all members of staff and the Firm should be judged. Conflicts of interest are identified and managed in line with the Firm's Conflict of Interest Policy, which is made available to all staff and is reviewed annually.

All members of staff are required to adhere to the Constitutional and Compliance Documents in accordance with their service agreement. Alongside this requirement, the Firm has established the following procedures to ensure ongoing compliance:

- All members of staff are provided with a copy of the Firm's Constitutional and Compliance Documents and they are required to sign an Annual Declaration that they have understood and complied with the Firm's policies.
- All new members of staff receive induction training (both internally and externally led) covering Compliance and ESG.
- All members of staff receive annual Compliance and ESG training (including Cyber and DE&I training).

To the extent that Exponent engages with policymakers, regulatory bodies and government on any sustainability-related regulation, this is overseen by the Firm's Compliance officer to ensure that the objective of any such engagement does not conflict with our commitment to the principles of the PRI.

The Firm has also established several committees that promote further ESG development within the Firm, as follows:

- The ESG Committee meets quarterly to consider, develop and implement new ESG policies and procedures at the Firm and across the portfolio.
- The D&I Committee: established to take the lead on and develop the Firm's diversity and inclusion activities.

The Charity Committee: oversees the Firm's charitable activities, which include providing financial and volunteer support to local charities.

Exponent actively contributes to industry bodies and associations that aim to promote best practice in the private equity industry. We are members of the UK Private Capital Association, Invest Europe and the PRI.

Finally, the Firm is committed to reducing the environmental impact of its activities and is carbon neutral.

Governance and Scope

Richard Lenane, as Managing Partner, is ultimately responsible for all governance matters, including this policy; however, he has delegated ESG oversight to the Firm's COO, Craig Vickery, and day-to-day management of the policy to the Firm's ESG Director, Lizzie Stazicker. It is the responsibility of Mr Vickery and, in particular, Mrs Stazicker to ensure that the Firm adheres to this policy and the PRI principles, that an appropriate record of ESG compliance is maintained on the Firm's files and, where necessary and appropriate, ESG matters are reported to Exponent's investors and other stakeholders on a frequent basis.

To assist with the strategy, implementation and monitoring of the Firm's ESG policies and procedures, Mr Vickery and Mrs Stazicker are supported by the ESG Committee. The Committee consists of Mr Vickery and Mrs Stazicker, a Principal and Partner from the Investment Team, the Firm's Operations Director and a member of the IR team. The ESG Committee reports to the Firm's Governing Body as required but at least once a year. The Board's oversight supports the firm's long-term objectives to influence firm behaviour to consider potential effects of climate change.

The ESG Committee convenes quarterly to:

- To review progress against climate and ESG related activities.
- To ensure that ESG considerations are integrated throughout the deal cycle.
- To ensure Exponent's ESG strategy effectively responds to ESG risks and opportunities.

An overview of Exponent's policy on Responsible Investment is given to all new members of staff upon joining the Firm and annually staff members attest that they will adhere to the Firm's ESG policy, as part of their Annual Declarations. The investment team are responsible for ensuring that the Firm's ESG processes and procedures are fully adhered to throughout the investment cycle.

As a Firm, we have a robust annual programme of training designed to raise awareness of E, S and G topics and keep the team abreast of regulatory changes.

We recognise the importance of getting the best possible advice. The Firm has long standing relationships with some of the leading ESG advisors who assist with due diligence, regulatory updates and training.

This policy has been approved by Exponent's Partners and is reviewed annually and applies to all of Exponent's funds.

A handwritten signature in black ink, appearing to read 'Richard Lenane', with a small dot at the end.

**Richard Lenane,
Managing Partner**

June 2026

