



Tailored Investments

Responsible, Partnership Investing

ESG Impact Report 2022





A message from our co-CEOs



MML at a glance



Our ESG approach



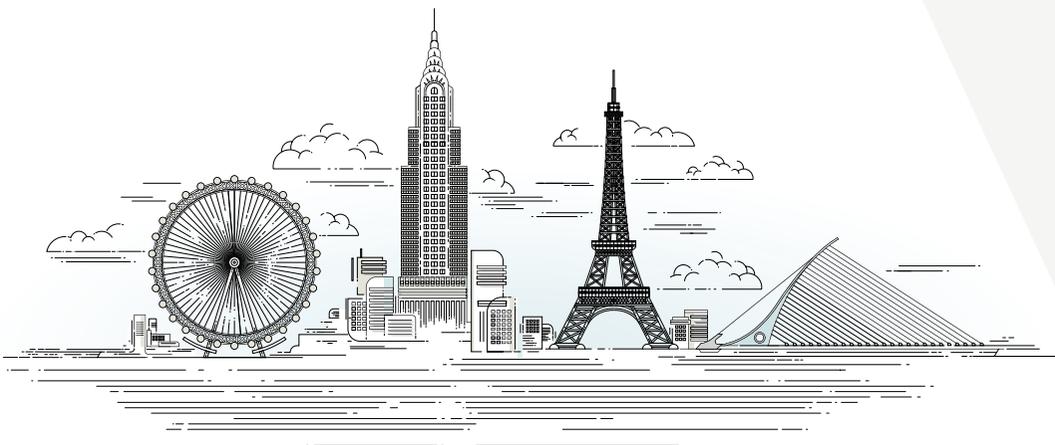
Highlights from our portfolio



ESG at MML



Looking forward



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A message from our co-CEOs, Bal Johal and Ian Wallis



Our over-arching ethos is to ensure our portfolio companies are better positioned and have demonstrated ESG progression at exit compared with the point of the initial investment.

The rise of ESG to a central position in the investment world, and the financial system more broadly, has been one of the greatest developments since MML was founded in 1988. We subscribe to the consensus that ESG factors impact business performance and that companies considered best-in-class ESG operators achieve premium valuations and mitigate business risk. With this in mind, ESG has become a key component of our investment decision-making practices and we are placing significant value on supporting the long-term sustainability of growth across our portfolio.

Our unique investment approach focuses on growing mid-market companies through partnership with management teams, and although our investment period is likely to be c. 4-5 years, we expect future investors to be looking 5-10 years beyond our point of exit, such that we need to be thinking 10-15 years forward. In addition, our partnership ethos means we are even more focused than many private equity investors on working alongside founders, using our influence rather than control. These entrepreneurs are driven by the legacy they are creating, which makes

a defined long-term vision essential. We are proud to support them, helping to build companies they are proud of, not only maximising short-term earnings potential, but creating long-term, sustainable value.

Supporting ESG progression is a core element in fulfilling our fiduciary duties to maximise economic returns and we have worked diligently to ensure it is fully integrated into our investment practices and our ongoing stewardship of our portfolio companies. By doing so, we gain deep insights and understanding into how future value will be created and possible risks may emerge. Strong ESG principles insulate our investments and investors from market fluctuations, ensuring our portfolio companies are well prepared for the ever-changing and increasing demands for sustainable business going forward.

Ultimately, our organisational focus is on growing our businesses and developing their societal “licence to operate”, whilst working to ensure positive economic value is created. We can do this, all the while working with our investee companies for the betterment of society, their communities, and protecting the environment and global biodiversity, a win for all our stakeholders.



Our ESG approach

ESG is considered at every stage of our investment process with a dedicated ESG Policy to guide our hand, including a screening that precludes us from investing in certain industries, and ESG sections that feature prominently from our initial review to Investment Committee discussions and the completion of an investment. ESG risks and opportunities are identified with the support of external third-party consultants who conduct pre-deal ESG due diligence on our behalf. We also use internationally recognised frameworks like the UN Sustainable Development Goals (UN SDGs) and the UN Principles for Responsible Investment (UN PRI) to guide our activities.

For our investee companies, we recognise ESG is a journey, and some companies, either naturally or by design, are further along than others. We operate in partnership with our portfolio companies and alongside experts to ensure our companies get the best possible advice and support on their journey. Our overarching aim is to assist portfolio companies with long-term sustainable and ethical growth for all stakeholders, including employees, other shareholders and partners, acting as a responsible steward of investors' capital and portfolio companies' businesses.

This is why we have developed our stewardship approach, encouraging a collegiate approach to sharing best practices and ideas, alongside dedicated

coaching and support. We have enlisted specialist help from sustainability consultants to provide a detailed ESG scoring for each investee company and an action plan, providing clear individual accountability within each business for their progression. As this report will demonstrate, some of our investments are already leaders in their field, not only establishing sound ESG frameworks in their business, but also supporting their own clients in having a positive impact.

We also recognise the importance of reporting and data gathering to ensure we can track ESG progression. We have developed a comprehensive ESG metric set of over 150 data points, collected from our investee companies annually. This has been one of the major developments in our stewardship approach over the last year, and we are now able to score our portfolio companies and work with specialists to provide detailed action plans to drive improvement and monitor how each company is progressing.

Overall, our approach supports our portfolio companies to derive value from ESG improvements and enables continued consideration of ESG progression, even after exit. We are also working alongside our portfolio companies to ensure we are tracking the Principle Adverse Impact Indicators to be reported in line with the conditions of Sustainable Finance Disclosure Regulation (SFDR) Article 8.



Signatory of:





A message from our co-CEOs



MML at a glance



Our ESG approach



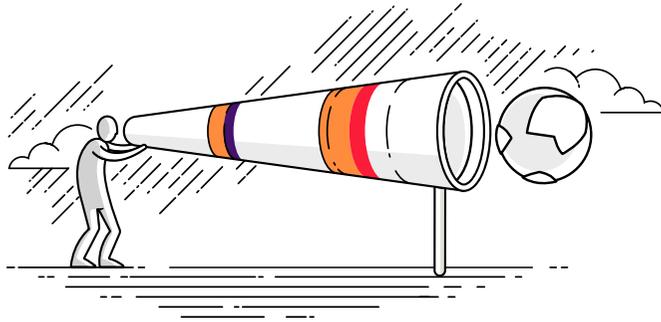
Highlights from our portfolio



ESG at MML



Looking forward



Our long-term vision

We see ESG as a major opportunity for the companies we work with and for our investors. We are delighted to see so many of our portfolio companies doing well by doing good. Some, such as Western Global and Natural World Products are actively playing a role in the transition towards a more sustainable future, supporting the green fuel revolution. We also recognise the regulatory trajectory is shifting and in the coming years the financial world will be subject to more ESG regulation. We believe the approach we have adopted puts us on a firm footing to deal with a fast-changing legislative environment, ensuring not only that we are compliant but that our investee companies are well-positioned to benefit from the increasing focus on these areas.

We are committed to moving ahead of the regulatory trends where possible to ensure not only compliance, but best practice and we hope you enjoy reading about our recent progress. We would like to thank our investors, our management teams, and the wider team here at MML for their support in further developing our approach to ESG investment. We are proud of the progress we have made so far and are committed to working alongside our investee companies to ensure they go further and faster in the coming years.



MML at a glance



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MML is an established, multi-strategy mid-market private equity firm investing in partnership with management teams to deliver their bold expansion plans.

We create value from original thinking, designing deals which enable management teams to take the next step on their journey. We focus on a small number of investments where the business case is strong and the chemistry with people is right. As an independent firm, our Partners take personal responsibility for our part in each businesses' successes. Open minds mean better deals, so we take a fresh approach to every single investment.

We are focused on investing alongside management owners. We do not bring a "control" mentality to the table, understanding our role as a partnership investor, providing capital and strategic support to help deliver transformational growth. The businesses we back benefit from short lines of communication and consistent points of contact with our Partners who are experienced decision-makers, and we believe the combination of our tailored approach (investing across the capital structure), international transacting capability and direct engagement with owner managers provides for a highly differentiated investment strategy.

We recognise we are being invited into the businesses we back and to make this work effectively requires creativity and a partnership mentality.

Key sustainability partners



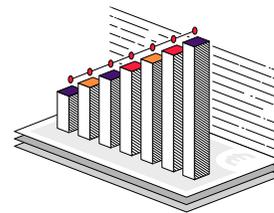
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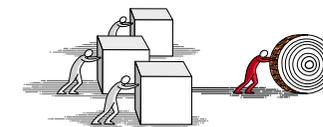
4 global offices London, Paris, New York, Dublin



\$2bn assets under management



150+ companies invested in



50+ employees

Our ESG approach



Our key priorities

As a progressive partnership investor we are committed to delivering attractive returns in a socially responsible way. Although it can be difficult to quantify the financial value of ESG progression, we believe there is an inherent valuation link between strong and secure ESG credentials and the associated long-term sustainability of a business' growth. By ensuring our portfolio companies are well prepared for the demands of sustainable business, we support value creation by alleviating risk, as well as identifying immediate profitability via new sustainability-focused business developments.

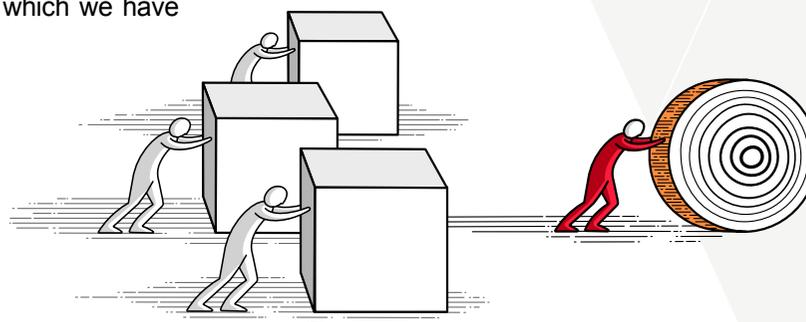
ESG considerations are present throughout our investment process, from pre-deal screening and due diligence to our active stewardship approach post-investment. When we make final decisions on whether to invest in a company, an ESG section is included in pre-deal Investment Committee papers and discussed at Investment Committee meetings. Our Investment Committee looks at ESG in a holistic way and considers the financial upside of ESG opportunities, in line with our fiduciary duties. If making a choice between financially viable options, we will always favour those with a more positive ESG impact, and as part of making an investment, we identify UN SDGs for each company which can be monitored throughout our investment period.

We have a dedicated ESG Policy which is our “north star” document to focus our activities and investment practices and an ESG Working Group to oversee our policies and approaches, as well as promoting new initiatives. We have aligned our approach with internationally recognised frameworks, including the UN PRI, of which we have been a signatory since 2019.

In supporting our portfolio companies to demonstrate progression in their ESG credentials during our investment period, we believe we are positioning them to continue to grow and derive value long after our exit.

Finally, over the last few years we have seen the impact of regulatory changes on the market. Private equity firms are increasingly required to report on the environmental sustainability and climate risk of their investments. The EU currently leads different jurisdictions with the creation of the EU Taxonomy and the SFDR, however, the trend across all jurisdictions is towards similar regulatory regimes.

In line with our commitment to act as a responsible steward of investors' capital and portfolio companies' businesses, we aim to represent MML Capital, our portfolio companies, investors, and all other stakeholders with integrity. From 2023 onwards, all new Funds raised by MML Capital will be Article 8 Funds, in compliance with the EU's SFDR, and will report industry-standardised ESG metrics to the ESG Data Convergence Initiative.



Signatory of:



MML subscribes to the UN PRI core principles:

Incorporating ESG into our investment analysis and decision-making processes

Being active owners and incorporating ESG reviews, ratings and action plans into our ownership policies and practices

Seeking appropriate disclosure on ESG by the entities in which we invest, including the annual collection of our ESG metric set

Promoting acceptance and implementation of the principles within the investment industry

Working together to enhance our effectiveness in implementing the principles

Reporting on our activities and progress towards implementing the principles

MML has been a proud signatory of the UN PRI since 2019. The UN PRI is the world's leading proponent of responsible investment, encouraging investors to use responsible investment to enhance returns and to better manage risks.

In 2023 we are undertaking our first reporting exercise as part of the UN PRI process.

We use our membership of the UN PRI, alongside the United Nations SDGs, as a core reference point for all our ESG work. We support all the SDGs, but feel we can make the most impact on the following:





We also track our contribution to UN SDGs across our portfolio. These provide a structured lens to align how our investments are contributing to achieving a better and more sustainable future for all. The metrics we collect from our portfolio enable these insights.

United Nations Sustainable Development Goals across our portfolio



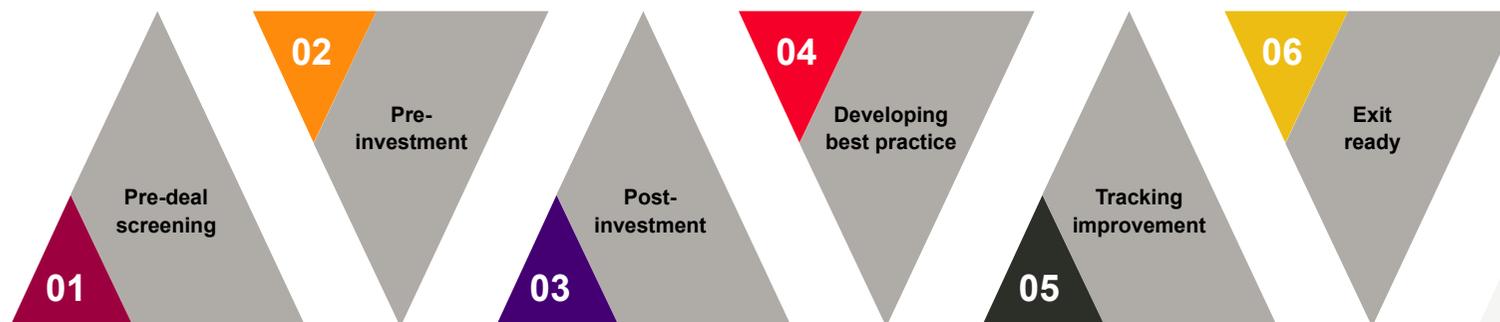
Data as at 31 December 2022. Includes portfolio companies in MML Partnership VII and MML Ireland II, onwards

ESG as part of our investment process

02 Our ESG due diligence identifies potential ESG risks and opportunities and provides recommendations to enhance the ESG performance of the business. This includes climate change impact, energy and carbon management, human rights within the value chain, governance processes and procedures on ESG management, etc.

04 We evaluate a business's E, S, and G performance against a range of topics, including energy, DE&I, staff wellbeing, cyber security and good governance. We also evaluate how well ESG has been integrated into the business and benchmark against competitors. The output is an ESG maturity rating and an action plan which is agreed with management.

06 ESG is increasingly material at exit with potential acquirers looking for assurance that ESG has been considered and embedded with a high degree of maturity. The impact reports many of our portfolio companies produce provide detailed information for acquirers.



01 Our ESG Policy includes certain exclusions, preventing us from investing in companies with a substantial focus on sectors which we consider to be socially or ethically undesirable. We ensure we invest in assets with no red flags.

03 After completing an investment, we conduct an in-depth ESG review and rating, which includes identification of relevant UN SDGs. These SDGs provide the framework to focus our ESG engagement during our investment period.

05 Our bespoke performance tracking tool monitors progression against ESG action plans, providing full management information for board meetings. Our ESG metrics set tracks portfolio companies' KPIs annually. These metrics are shaped by international frameworks; SFDR, UN PRI, UN Global Compact and UN SDGs. MML deal team members who sit on company boards are responsible for overseeing progression.

Key tenants of our investment approach

We are committed to a consistent approach across our portfolio, being cognisant of ESG materiality varying between company and sector.

Exclusions

Certain sectors and activities are excluded from potential investments:

- Alcohol and tobacco
- Gambling
- Weaponry
- Other



Sustainability partnerships



Our stringent pre-deal ESG process assesses the viability of an investment, beginning with pre-investment ESG risk and opportunity profiling to ensure it is in line with our core commitments. We assess every investment through these criteria and will reject investment opportunities that fail to meet our standards.

ESG factor	Some of our considerations
<p>Safeguarding our environment</p> 	<ul style="list-style-type: none"> • Limited environmental impact from activities. • Limiting energy consumption where possible. • Recycling all possible materials. • Striving to achieve a sustainable non-impactive working environment.
<p>Considering our contributions</p> 	<ul style="list-style-type: none"> • Contribution to the wider community, including charitable efforts. • Inclusion of all stakeholders for relevant discussions. • Public perception of the firm and portfolio companies.
<p>Maintaining our governance</p> 	<ul style="list-style-type: none"> • Managing and adhering to a code of ethics. • Considering social responsibility. • Maintaining strong anti-corruption policies. • Protecting IP in the firm and portfolio companies. • Creating structures to develop the new products and ideas.
<p>Supporting our people</p> 	<ul style="list-style-type: none"> • Ensuring equality of opportunity. • Ensuring remuneration based on contribution. • Ensuring the health and safety of staff at work. • Considering the learning and development needs of the individual.



Active stewardship is fundamental to our business model and includes ESG. We are committed to supporting our investee companies to improve their ESG performance during our investment horizon, engaging with management teams, facilitating specialist coaching and support, and driving the ESG agenda at board level. To ensure consistency in our approach we have developed our post-investment stewardship model creating new mechanisms to document, monitor, and improve our portfolio companies' performances.

After we complete an investment, we work alongside external ESG consultancies to go beyond the pre-deal due diligence, conducting an in-depth ESG review and rating. The ESG reviews support our management teams to understand their current ESG positioning and to develop an action plan to improve and enhance their scoring. As part of this process, the development of an ESG Committee and creation of an ESG Policy are considered essential to ensuring accountability.

The ESG review includes a rating on E, S and G, as well as overall ESG integration. A market landscape review is undertaken, looking at both competitors' and clients' ESG initiatives and requirements. Combining this with the company's business activities, strategy, sector-specific requirements and business model, a bespoke ESG action plan is developed and agreed with management. Action points are agreed to be meaningful and manageable before

being assigned to key individuals, typically those holding board seats, to ensure active oversight and appropriate accountability for the delivery of ESG progression throughout our investment period.

Alongside management, MML deal team members who sit on the company board, are responsible for overseeing and encouraging progress against the agreed action points, and MML requests ESG is included in regular board agendas to support proactive monitoring of ESG performance. Finally, our bespoke performance tracker allows live progress to ESG ratings and action points to be monitored, providing key decision-makers with clear and transparent information.

For many businesses, a strong ESG performance is indicative of good management and governance.

The integration of ESG into corporate decision-making is both good risk management, mitigating a variety of ESG-related issues that could cause financial or reputational damage, as well as helping to identify sustainability-led profitability and value creation opportunities.

MML's stewardship approach:

Assist long-term sustainable and ethical growth for all stakeholders, including employees, other shareholders, and partners

Integrate ESG considerations with new and ongoing portfolio management activities

Create an environment of accountability regarding ESG, both at fund and portfolio company level

Consider and adhere to stringent anti-corruption ethics and policies

Manage public relations relating to MML and our portfolio companies effectively with the best interests of stakeholders

Act as a responsible steward of investors' capital and portfolio companies' businesses

Represent MML, portfolio companies, investors, and any other stakeholders with integrity

Data-driven performance evaluation and improvement

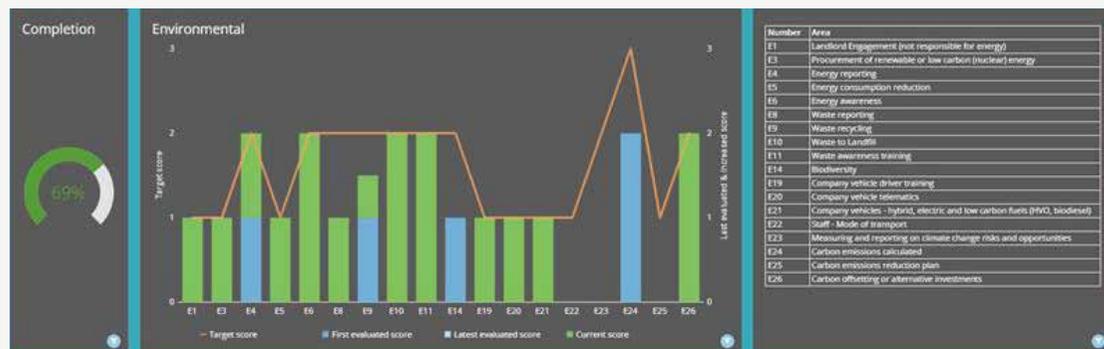
Tracking our portfolio companies' ESG performance enables us to consider the impact of our investments. We also believe creating a robust ESG data framework is critical to driving a sustainable, durable, data-driven ESG strategy, bridging the gap between regulatory compliance, risk management and business strategy by integrating the data into wider business analysis and successfully positioning ESG as a lever for growth.

By targeting areas of ESG that drive revenue growth, for example, customer needs and regulatory compliance, and reducing costs, we ensure maximum value creation is identified. This end-to-end approach to ESG supports management teams to leverage their ESG data insights and upscale their business products and services accordingly.

Our investee companies are onboarded onto a centralised ESG data platform enabling cross-portfolio analysis

Our bespoke performance tracking tool provides full management information for board meetings and allows us to record observable progress.

Example: ESG performance tracker – Environment focus



Each action point is allocated to a management team member responsible for delivery and progress notes. Scores and progression are updated, to reflect "live" latest ESG performance.

Area	Measuring and reporting on climate change risks and opportunities	Measuring and reporting on climate change risks and opportunities	Measuring and reporting on climate change risks and opportunities
Person responsible	Sarah Smith	John Smith	John Smith
Completed actions related to last evaluated scores			
Recommended actions to undertake to reach target scores	Consider what climate risks are material to the company, both physical and transitional based on a scenario analysis aligned to 1.5 degrees warming and 4 degrees warming	Produce a climate strategy that includes climate change risks and opportunities, aligning with TCFD framework. These should also be included in the Company Risk Register and Business Continuity Plan	Include following categories of climate change risks in either the Aspects register or elsewhere: policy, legislation, technology, market, physical (acute and chronic)
Progress notes	Formed a working group to identify climate change impact on the business with cross-functional representation		

Highlights from our portfolio



Highlights from our portfolio

> **6,500**
total employees

~ **£1.6bn**
total revenue

~ **150**
ESG metrics collected from
each company



100%
companies
tracked to
UN SDGs

16%
average percentage
of women on the
board



100%
companies
with an ESG
action plan



7/17
companies
using
renewable
energy



8/17
companies
with good ESG
governance
policies



10/17
companies
with employee
engagement
survey



17/17
companies with
cyber security
programme in
place



52%
women in
workforce



3/17
companies
committed to
Net Zero



10/17
companies calculated
unadjusted gender
pay gap



100%
companies have ESG
as a board agenda
item



100%
companies
calculated
Scopes 1 & 2
GHG emissions



8/17
companies
with DE&I
policy



1,850 tCO₂e
total carbon offset by
portfolio



Data as at 31 December 2022. Includes portfolio companies in MML Partnership VII and MML Ireland II, onwards

Key KPIs by company

In 2022 we designed an advanced set of 150 ESG metrics to track our portfolio' KPIs once a year. We provide each company with bespoke support from sectoral experts to understand their metrics, the data capture process and ensure they are reporting high-quality data that is accurate and reliable.

The table below shows our tracking of SFDR Principle Adverse Impact Indicators and EDCI metrics across our portfolio companies, at 31 December 2022. These metrics remain our key focus area, with the aim of providing a complete set of high-quality, reliable metrics for our investors and to meet SFDR Article 8 commitments.

● Data available

● Data not yet reported

Fund	Company	Sector by NACE Rev.2	GHG emissions			Energy	Diversity				Work-related accidents			Net new hires	Employee engagement		SFDR
			Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 3 (tCO ₂ e)	Renewable energy usage (kWh)	% women on Board	% women in C-suite (optional)	% underrepresented groups on Board	% LGBTQ	Injuries	Fatalities	Days lost due to injury	Total net new hires (FTEs)	Employee survey Y/N	Employee survey response	No. of PAIs tracked out of 16
Partnership	Arrow Communications	Information and communication	●	●	●	●	●	●	●	●	●	●	●	●	●	●	11
	BSN Social Care	Human health and social work activities	●	●	●	●	●	●	●	●	●	●	●	●	●	●	14
	GDI	Construction	●	●	●	●	●	●	●	●	●	●	●	●	●	●	11
	GPS	Manufacture	●	●	●	●	●	●	●	●	●	●	●	●	●	●	14
	LVO	Transportation	●	●	●	●	●	●	●	●	●	●	●	●	●	●	12
	OnPoint	Professional, scientific and technical activities	●	●	●	●	●	●	●	●	●	●	●	●	●	●	10
	Rouse	Professional, scientific and technical activities	●	●	●	●	●	●	●	●	●	●	●	●	●	●	10
	Spencer Ogden	Administrative and support service activities	●	●	●	●	●	●	●	●	●	●	●	●	●	●	15
	StoneTurn	Professional, scientific and technical activities	●	●	●	●	●	●	●	●	●	●	●	●	●	●	16
	Veezu	Transportation and storage	●	●	●	●	●	●	●	●	●	●	●	●	●	●	12
	Western Global	Manufacture	●	●	●	●	●	●	●	●	●	●	●	●	●	●	11
	Zanders	Professional, scientific and technical activities	●	●	●	●	●	●	●	●	●	●	●	●	●	●	14
Ireland	Cruinn Diagnostics	Wholesale of pharmaceutical and medical goods	●	●	●	●	●	●	●	●	●	●	●	●	●	●	11
	Irish Homecare	Human health and social work activities	●	●	●	●	●	●	●	●	●	●	●	●	●	●	13
	Kyte Powertech	Manufacture	●	●	●	●	●	●	●	●	●	●	●	●	●	●	12
	Natural World Products	Waste management and remediation	●	●	●	●	●	●	●	●	●	●	●	●	●	●	14
	Vyta	Waste management and remediation	●	●	●	●	●	●	●	●	●	●	●	●	●	●	14



Fund strategy:
Value-Added Infrastructure

Company description:
Worldwide specialist in returnable packaging solutions, maintaining a network of reusable metal crates to replace single-use wood and metal crates, especially in the rubber sector.

Number of employees:
263

UN SDG tracking:

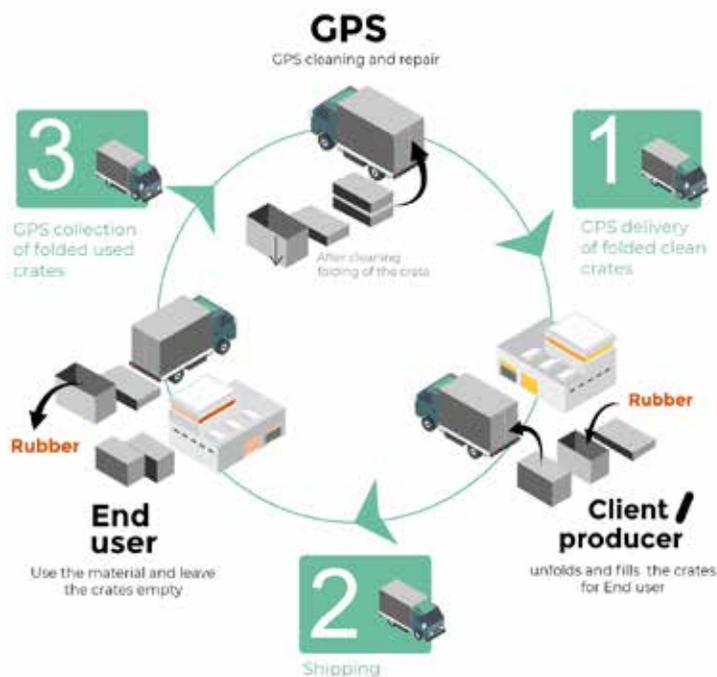


GPS provides a fleet of metal crates and the associated logistics that allow its clients to replace single-use wooden crates. The clear environmental benefit was a significant factor in choosing to make our investment in GPS, but we are equally proud of GPS' continued investment in ESG, working to embed it within their company structures and developing a documented ESG Strategy. Many of the carbon emissions associated with freight transport are within the 'last mile' between distribution hubs and stores or homes and GPS has begun a process of investigating how they move towards using a low-carbon fleet of vehicles.

A circular business model

GPS' returnable crate operating model puts them ahead of many of their competitors in terms of ecological footprint.

The cradle-to-grave life-cycle analysis of their operating model quantifies and compares GHG emissions between GPS' returnable crate system and the disposable pallet (one-way) system. This test showed that over three separate geographies (US, Japan and Indonesia) GPS crates reduce GHG emissions by 37%, 69% and 69% after 10 years (a fraction of the anticipated life-cycle). GPS are committed to improving its on-land transport of empty crates in the coming years, and we look forward to their progress on this front.



Key ESG milestones:

1. Monthly reporting of total company energy consumption
2. Waste recycling programme in place
3. All company vehicles equipped with telematic systems
4. Carbon emissions reporting on Scope 1, Scope 2 and three categories in Scope 3
5. Third-party review and benchmarking of ESG policies, actions and performance
6. ESG included in Board meeting discussions

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Fund strategy:
MML Ireland

Company description:
Leading recycler of organic
material in Ireland, creating
organic compost from incoming
materials.

Number of employees:
54

UN SDG tracking:



NWP provides sustainable recycling solutions that have a positive impact on the natural world, contributing over 50% of all reported recycling from local authority collected municipal waste in Northern Ireland.

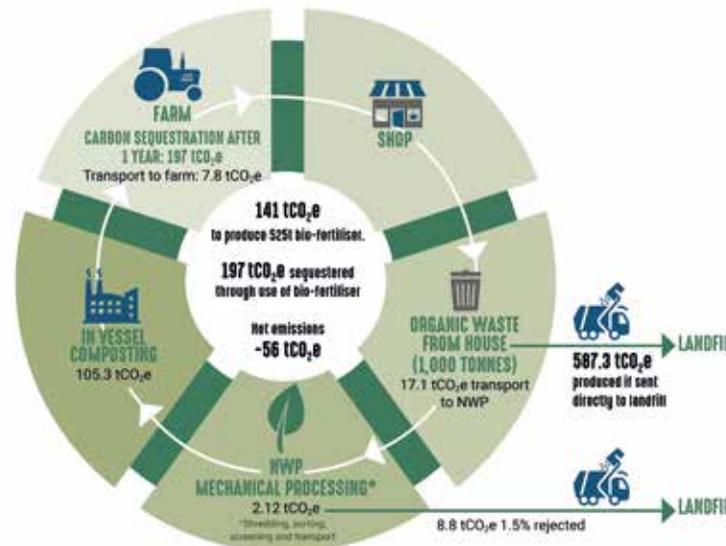
From start to finish, NWP's circular recycling process results in significant carbon capture, sequestration and GHG reduction benefits by reducing the biodegradable waste sent to landfill and thus reducing harmful greenhouse gas emissions. Each year, NWP services and infrastructure divert over 300,000 tonnes of waste from landfill and incineration. This amounts to hundreds of thousands of tonnes of CO₂ and other GHGs kept out of our atmosphere.

NWP's recycling of organics is a closed-loop activity where natural materials are converted from organic waste to bio-fertiliser. By helping to return organic matter to heavily farmed soils, NWP utilise the beneficial properties within the organic waste to support crop growth and yields, producing some of the highest quality peat-free composts and soil conditioners.

Supporting decarbonisation

The diagram compares NWP's recycling process with a direct-to-landfill approach analysing each using 1000 tonnes of co-mingled food and garden waste.

By recycling 1,000 tonnes of organic waste and producing 525 tonnes of bio-fertiliser, NWP produces just 141 tonnes of carbon, 446 tonnes less than the direct-to-landfill approach. When carbon sequestration is considered the overall impact is a net emission reduction of 56 tCO₂e.



Key ESG milestones:



1. Notable environmental performance across operations, product, leadership, and governance
2. Peat-free compost is certified to BSI PAS100 “helping to preserve the UK’s peatlands and direct carbon sequestration from compost use”
3. Certified to ISO 9001, ISO 14001, and ISO 45001. A good governance structure is in place, with policies readily accessible, reviewed regularly, and made available to employees

SPENCER OGDEN

Fund strategy:
Partnership Capital

Company description:
Leading international specialist recruiter to the renewables, engineering and built-environment sectors. The business operates a graduate consultant model with 12 offices across the UK, Europe, US and APAC regions.

Number of employees:
433

UN SDG tracking:



Spencer Ogden have shifted their focus from traditional oil and gas recruitment to sustainable energy whilst becoming more socially conscious “creating careers to power a sustainable future”. Their corporate purpose identifies a broad goal to progress sustainably, which is expanded by their Reason for Action. This principle underlines their commitment “to leverage their global position and conduct socially and environmentally responsible business which benefits communities and follows clear principles of equitability, progression and sustainability”. In the last twelve months, Spencer Ogden has placed 538 permanent employees and filled 424 contractors in the renewables sectors.

Award winning workplace

Spencer Ogden’s inclusive work environment has been externally recognised, winning awards in the United States and Europe in 2022.

- Spencer Ogden USA awarded:
 - Top Workplaces for Employee Appreciation
 - Top Workplaces for Employee Wellbeing
 - Top Workplaces for Professional Development
- Awarded the Sustainability Leadership Award by the Business Intelligence Group in the UK
- Named a winner of the Best and Brightest Companies to Work For in the US, and regionally in New York and Denver, for the second year running
- Named a winner of the Nation’s Best and Brightest in Wellness Program for the second year running
- Awarded highly commended for the Diversity and Inclusion Award at the European Wind Investment Awards



Key ESG milestones:

1. Board hired an ESG & Sustainability Coordinator
2. Partnered with Ripple Energy so employees can invest in small-scale renewable wind projects
3. Calculated Scopes 1, 2 and 3 GHG emissions, for the past three years. Carbon neutral for 2021 and offsetting emissions for 2022
4. Set Net Zero target of 2030
5. All suppliers are ESG vetted
6. ESG and related policies in place, aligned to 10 UNGC principles with ESG Committee integrated into governance
8. Supported the removal of 7,500kg of plastic from the ocean last year through charitable endeavours
9. Developing corporate and charitable environmental initiatives with the SDGs as guiding principles



Western Global's double walled and robust liquid storage tanks ensure fuels and other liquids are stored in the securest and most environmentally friendly way. They have supplied over 100,000 liquid storage tanks in over 50 countries to a wide variety of sectors including emergency response, aviation and infrastructure development.



Key ESG milestones:

**Fund strategy:
Partnership Capital**

**Company description:
Global leader in the design and
distribution of liquid storage
solutions.**

**Number of employees:
190**

UN SDG tracking:



Enabling the clean fuel transition

In recent years, Western Global has supported the transition to cleaner liquid energy sources, providing storage solutions that are suitable for clean fuels such as Hydrotreated Vegetable Oil ("HVO"). HVO can be used as a direct replacement for diesel, helping to reduce carbon emissions by up to 90%. Blue-chip equipment providers like JCB and Caterpillar have already certified numerous products to be HVO compatible without any engine modifications.

With demand for HVO rising sharply, Western Global's foresight as an early entrant place them in a strong market position to capitalise on future growth. Clean liquid fuels will be especially important for hard-to-decarbonise industries, such as infrastructure development and emergency response which rely on liquid fuels and have historically struggled to transition away from traditional fossil fuels. In addition to off-grid power requirements, sectors like aviation require liquid fuels because of their special characteristics like energy intensity.

According to the International Energy Agency, the demand for HVO will nearly triple from 2020 to 2026 and the US Energy Information Administration's HVO capacity could more than double through 2025 (which would be over a 10-fold increase from 2017).

A winning workplace culture

As part of its ESG strategy, Western Global defined its five core corporate values as Teamwork, Openness, Passion, Integrity, and Celebrating Success. By clearly embedding these values in its identity, Western Global has created a people-centric culture. They achieved national recognition for good practice in 2022, being recognised as one of the top ten manufacturing companies to work for by Fortune magazine.

Alongside defining its values, Western Global has maintained high levels of employee engagement and retention – over 35% of employees have five years or more service and total turnover was below 16%, below the industry average. Diversity is a clear strength, with over 15 different nationalities represented across the company. They have also developed innovative, effective training programmes for their employees. For example, the 'Ready Maker Recipe' programme allows staff to develop training plans to ensure they can develop professionally.

Western Global regularly consults its workforce to meet their needs and are responsive to suggested improvements. They have made significant progress in improving employee engagement with 91% of employees confirming that Western Global demonstrates its core corporate values and 93% concluding that Western Global maximises human potential. This focus on people and culture is reflected in Western Global being certified as a Great Place To Work across all locations.

1. Fortune Top 10 Manufacturing Company in the USA (Small & Medium Workplaces)
2. Certified products as suitable for HVO fuel
3. Supported Red Cross Humanitarian Response to Ukraine War with the donation of two transportable fuel storage trucks
4. Offset Scope 1 and Scope 2 emissions
5. Set up an ESG Committee to support and drive their ESG journey

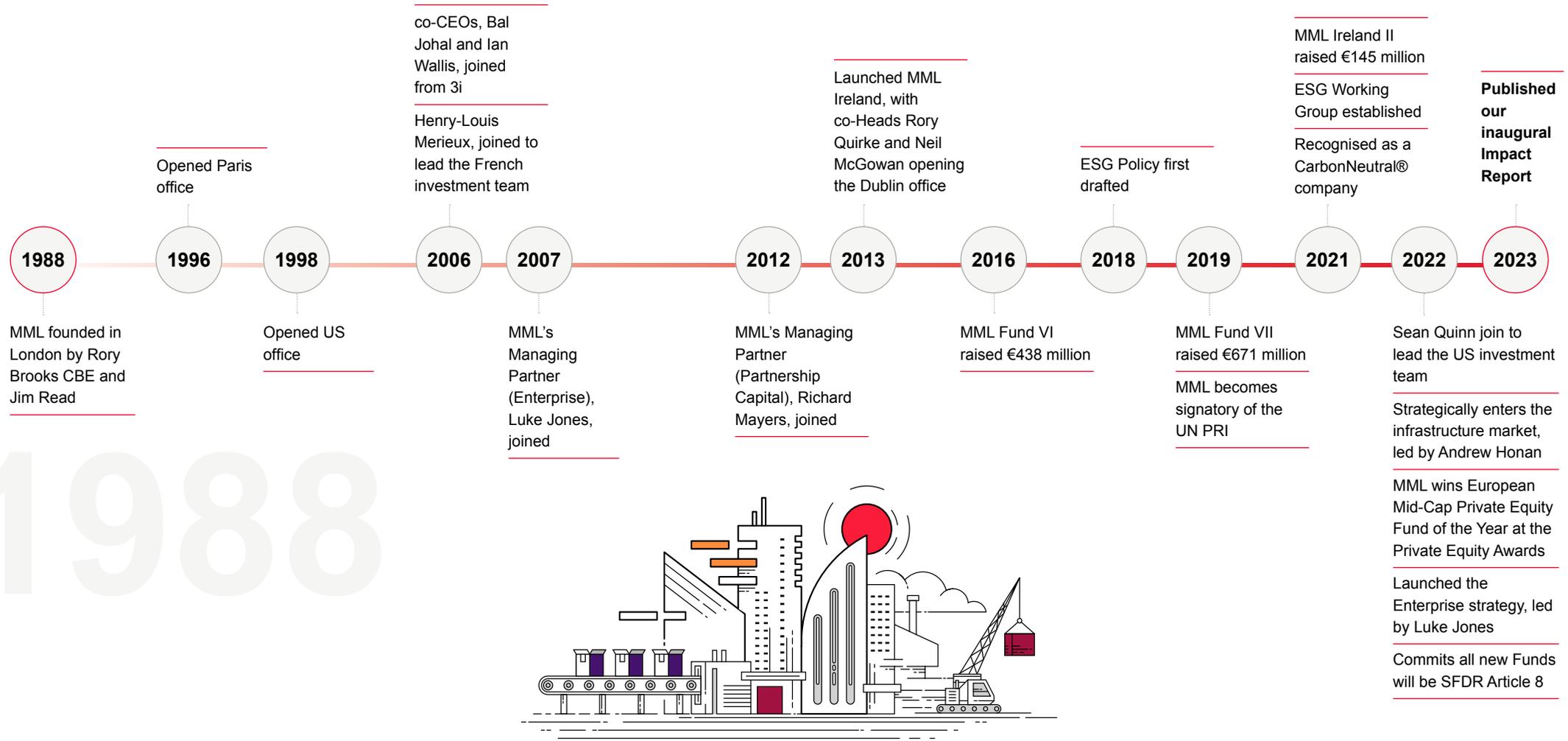
ESG at MML



Our sustainability journey

Our main body for internal ESG monitoring and engagement is our ESG Working Group, which tracks and assesses our performance and regularly reports to our Management Board.

2023



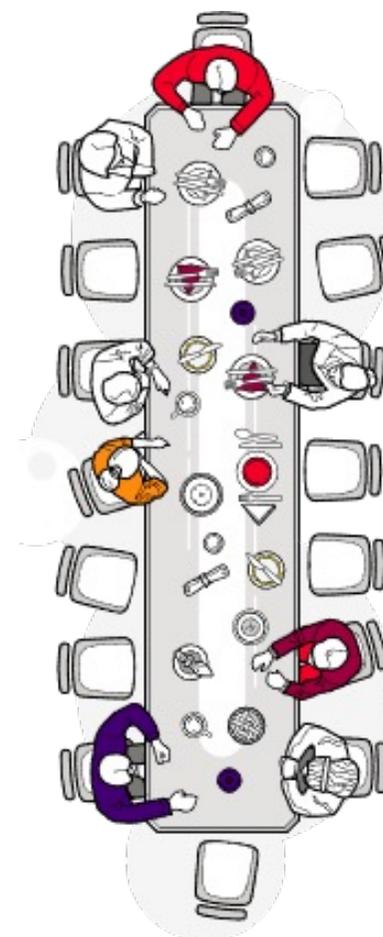
Our ESG Working Group

We established our ESG Working Group in 2021, reflecting our increasing commitment to the positive societal and environmental impact we can have through our investing activities. We created a body that could support the enhanced integration of ESG across our investment processes as well as within our own operations. The mission of the Working Group is to investigate, recommend and support constantly improving practice on environmental, social and governance matters.

The Group is led by Andrew Honan, Managing Partner (Infrastructure) and Chair of Sustainable Investing, and includes Vicki Smith, our dedicated ESG Manager, as well as representatives from across our business and international offices, ensuring a “one MML approach”. The Group reports directly to our Management Board.

We understand that to ensure our future compliance with regulatory changes, we must have strong and dedicated internal processes in place. This is why we created our ESG Policy, to hold us accountable to our ESG commitments and to communicate to our investors the role that ESG plays within each of our Funds. Our ESG Policy is regularly updated and reflects our latest ESG objectives and principles, the legislative environment, the growing availability of data and KPIs, and our commitment to both working in partnership with our portfolio companies and holding them to account for their ESG progress.

We understand that to ensure our future compliance with regulatory changes, we must have strong and dedicated internal processes in place.





A message from our co-CEOs



MML at a glance



Our ESG approach



Highlights from our portfolio



ESG at MML



Looking forward




Andrew Honan
Managing Partner (Infrastructure) and Chair of Sustainable Investing London



Vicki Smith
ESG Manager London



Henry Alty
Investment Director London



Brock Birkin
Senior Investor Relations Manager London



Charles Devas
Finance Manager London



Helen Lowe
Investment Director London



Muireann MacAuliffe
Investment Associate Dublin



Lazbart Oseni
Investment Associate New York



William Stewart
Investment Director London



Charles Le Texier
Investment Manager Paris



ESG initiatives at MML

Promoting diversity and inclusion

At MML, we try to see every angle, and especially like to find angles that others might not see! Which is why we value our diversity so much. We aim to attract, retain, and promote the best talent from a variety of backgrounds and experiences. We regularly review our recruitment processes to ensure we are meeting a diverse range of candidates. We also emphasise knowing our employees on a personal level, learning and understanding their personal situations and supporting their balance between work and home life.

36%
of MML's
employees
are female

7%
of MML's
employees
are BAME



Carbon neutrality

We have been recognised as a CarbonNeutral® company since 2021, balancing our carbon emissions across our four offices by offsetting our CO₂. We offset 341 tonnes of CO₂ emissions for the period 1st January 2022 – 31st of December 2022.

We went beyond offsetting only our Scope 1 and 2 emissions and included some material categories of Scope 3. These included purchased goods and services, fuel and energy related activities, waste, business travel and employee commuting. We aim to continue to improve our sustainability performance and will review how we can do more when it comes to reducing carbon in our business.



341 tonnes
of carbon
offset

100%
carbon
offset

341 tonnes of
carbon offset is
equivalent to:



15,400
trees planted



61
hot air
balloons filled



1,120,325
diesel car miles



139
homes heated
annually
(average gas kWh)

Our community work

A charitable ethos is deep rooted in our culture with a programme of charitable engagement running across our offices, primarily focused on helping under-privileged children and youth. All MML employees receive one day for charitable engagement each year, and with many of our team pursuing philanthropic activities outside of work, we look to support and sponsor their personal charitable endeavours.



Ireland and the UK

Last year, our Ireland team chose to support the Peter McVerry Trust, a local charity established to tackle homelessness, drug misuse and social disadvantage, providing low-threshold entry services primarily to younger people and vulnerable adults with complex needs. Our team spent a day volunteering at a facility outside Dublin that provides extra emergency accommodation during the winter months, particularly in times of extreme weather.

In 2023, we will be working with Little Village in London, a charity that supports families with babies and children under five living in poverty across London. We will spend a day volunteering at one of their baby bank warehouses, helping to collect, sort and package pre-loved clothes and equipment to be gifted to local families dealing with challenging circumstances like homelessness, unemployment, low wages and domestic violence.

We are also proud to see MML team members supporting charitable causes close to their hearts. Our colleague, Robert Knight, has been raising money alongside five others for the Royal Marsden Cancer Trust. This year Robert and his team cycled 10,000 km including a gruelling climb up Puig Major, the highest peak in Majorca. They have already doubled their initial fundraising target of £5,000.

MML's Robert Devonshire, Amar Shanghavi and Christian Brown also successfully cycled 500 km from Lyon to Cassis, which included summiting Mt Ventoux. The trip was in support of the Firefly Project which focuses on supporting children and young people battling the effects of poverty and disadvantage in London. The MML team has raised over £21,000 to date.



New York

In 2022 our New York office donated to the Cystic Fibrosis Foundation in support of ongoing research to find a cure for cystic fibrosis.

This year, our New York office donated to the Catholic Renewal Organization's Feeding Our Neighbours programme which supports New York food banks. The Catholic Renewal is a group of financial professionals committed to providing charitable assistance to those in need. They have raised over \$10 million for the Feeding Our Neighbours programme.

We also donated to New York Pops, helping to raise funds for The New York Pops 78-musician orchestra led by Steven Reineke, and its PopsEd music education programmes. Over the years, PopsEd has provided 100,000 underserved students with free concert tickets, in-school music lessons, and opportunities to perform with the orchestra. For many of these children, PopsEd is their only access to a music curriculum.



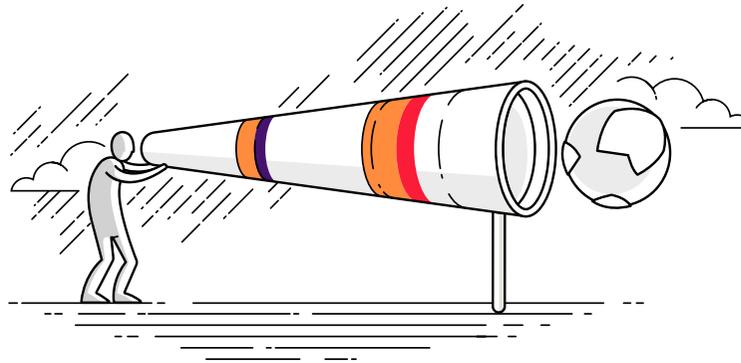
Supporting the Karnataka Wind Farm

We have supported the Karnataka wind farm project in India as part of our 2022 carbon offsetting work. India is a fast-growing country with a high demand for energy. However, 74% of its electricity still comes from fossil fuels. This project will help to reduce India's reliance on fossil fuels by installing wind turbines to generate renewable wind energy. The power generated by the wind turbines will be sold to the state grid, displacing electricity that would otherwise have been generated from fossil fuels. By supporting this project, we are also helping to create employment opportunities and improve infrastructure in the local area. During the construction and operation phases, the project will create jobs for local people in a variety of fields, including engineering, construction, and maintenance.



Looking forward





As a partnership investor, we are proud to work alongside management teams, with our collaborative approach fully ingrained across our investment strategy and practices, including our ESG engagement. As ESG continues to rise in prominence, reflecting both an increasing societal appetite for environmental and social consciousness amongst the investor community and a recognition that ESG issues are material to long-term business performance, we remain focused on our own responsibilities as an active custodian of financial and human capital.

Factoring ESG into our investments is imperative if we are to fulfil our fiduciary duty to maximise returns for our investors. We see the topic of ESG as central to our investment approach, enabling us to develop deep insights and understanding into how future value will be created. As a driver of economic growth, ESG performance is indicative of strong governance and good management, with companies that have these attributes being attractive investment propositions. Companies that take ESG seriously are also likely to have maximised cost savings in areas like energy usage, be in a position to

tender for contracts with ESG components, be able to recruit and retain high-quality workforce and be ready to deal with incoming regulatory scrutiny.

Companies that have strong ESG performance are also shown to have increased productivity and workforce satisfaction. Growing a business in the coming years will require business leaders to get sustainable business practices right, in a way that appeals to the business leaders of tomorrow, attracts talent, and ultimately helps retain every company's most important asset, its workforce. By integrating ESG principles into our processes, we insulate our investments and investors from market fluctuations and ultimately work to maximise financial returns. Furthermore, global challenges such as climate risk, regulatory changes, social and demographic shifts and privacy and data security concerns, represent new or increasing risks for companies and investors. To position ourselves for long-term growth and de-risk investments from market failures, fluctuations, or black swan events, we believe ESG factors must be given appropriate consideration in all investment and stewardship decisions.



A message
from our
co-CEOs



MML at
a glance



Our ESG
approach



Highlights from
our portfolio



ESG
at MML



Looking
forward



As this report highlights, many of the companies we invest in can rightly see themselves as leaders in the ESG space. Some companies, notably Spencer Ogden, were decorated with various awards for their ESG progress. Other investee companies such as NWP, Western Global and GPS are providing tangible and measurable impact for their customers by supporting reduced carbon emissions and moving towards more sustainable business models. We are incredibly proud of the steps our management teams have taken in 2022 and are excited to continue to work in partnership with them this year, going from strength to strength.

By incorporating ESG into our investment cycle, we also ensure we are staying ahead of regulatory and legal changes. We are already working through compliance with SFDR regulations and have been tracking our portfolio for some time on a series of metrics that identify their ESG performance. We recognise the legislative direction of travel and that ESG regulation will continue to tighten in the coming years. With many of our investors operating in the European Union, we have been following the developments there very closely. We have committed that future MML Funds will be aligned with EU regulatory objectives and will be Article 8 Funds, which means our future investments will promote sound environmental, social and governance qualities, alongside other non-ESG traits. In 2023 we will be undergoing our first UN PRI assessment and we will continue to ensure we are tracking company performance as per the requirements of the EDCI.

We believe we are well-positioned to adapt to future legislative developments, maintain legal compliance and position our investments in a way that will maximise our investors' returns. We are excited to report back on the further progress we will make during 2023, along with our portfolio companies, within the ESG field.



Tailored Investments

