

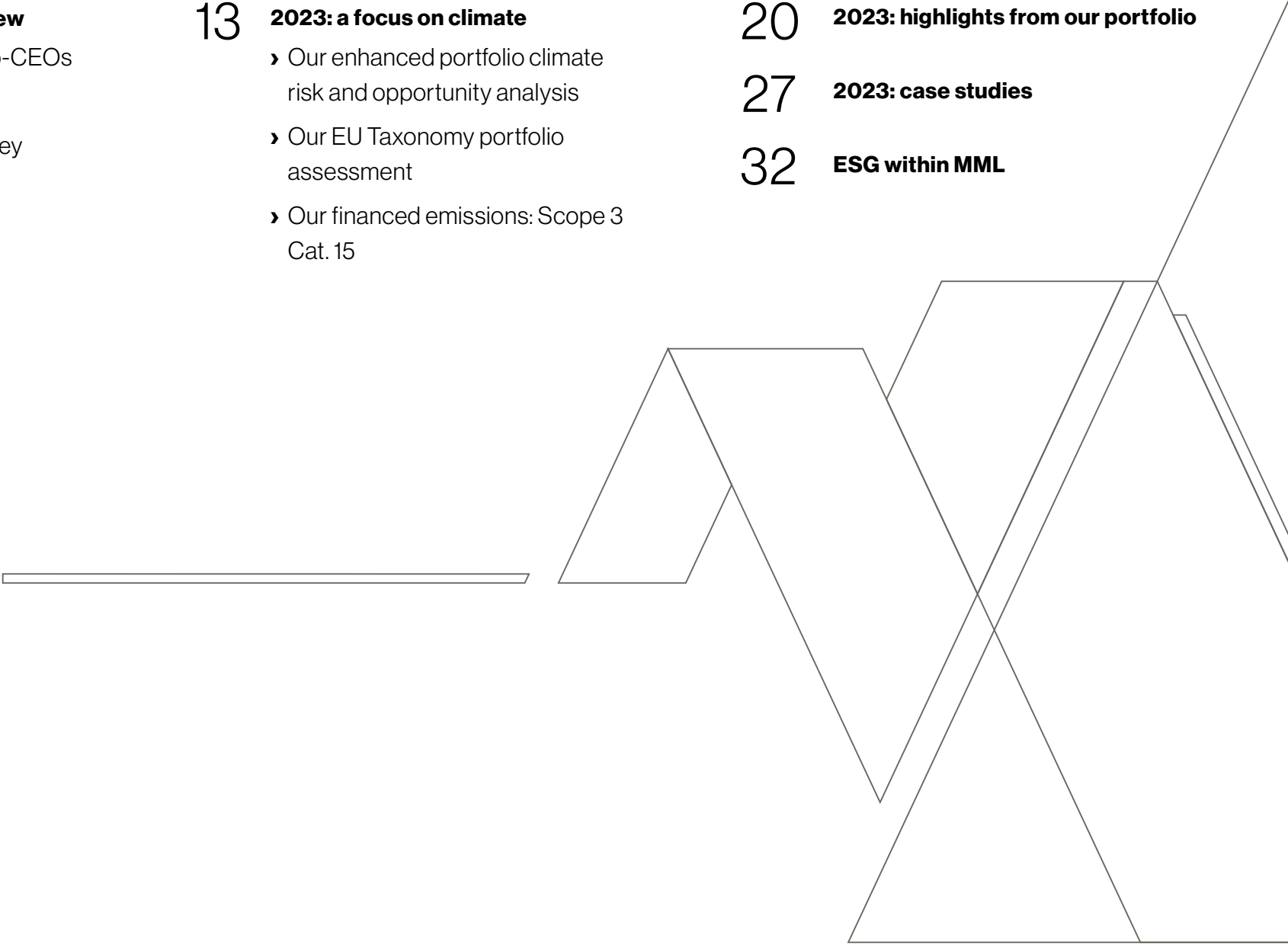


RESPONSIBLE, PARTNERSHIP INVESTING

ESG IMPACT REPORT 2023

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Introduction and overview

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

Welcome to our ESG Impact Report 2023, the second in our annual reporting commitment. For those who have followed our responsible investing journey, you will remember our first Report set out our ESG commitments, ranging from our approach to investing, through to holding ourselves to account in how we operate at MML. This year, we are excited to lay out how we have lived by those commitments, supporting ESG progression across our portfolio, building the long-term sustainability of our portfolio growth, and delivering value for our investors.

As we work to ensure positive economic value is created, we are also working with our investee companies for the betterment of society, their communities, as well as protecting the environment and global biodiversity, a win for all our stakeholders.

With a focus on climate this year, we have enhanced our robust climate approach in line with the **Task Force on Climate-Related Financial Disclosure** (TCFD) recommendations. We have completed a portfolio-wide climate resilience assessment, looking beyond our holding period and working with our portfolio companies to drive value through a robust risk management approach. This has enhanced our existing climate assessment, with a full review of both physical and transition risks and opportunities across two climate scenarios, one Paris-aligned and the other business-as-usual (4°C). Our assessment confirms no significant climate risk exposure from both a physical and transition perspective,

validating our low portfolio climate risk materiality. Along this vein, we have also ensured we have met our disclosure obligations under the latest Energy Savings Opportunities Scheme (ESOS), supporting our portfolio companies to identify energy saving opportunities and implement future action plans.

Against the backdrop of our commitment to only raise Sustainable Finance Disclosure Regulation (**SFDR**) **Article 8 Funds** going forward, we have completed our first disclosures under SFDR for those relevant Funds. In line with our ambitions of delivering best in class ESG credentials, whilst building value for our investors, we have also looked ahead to our potential buyer pools at exit, identifying those portfolio companies that could attract Impact Fund investors, and therefore benefit from **EU Taxonomy** assessments. The results of our first EU Taxonomy assessments are included later.



Bal Johal
co-CEO

We are also on track to make the necessary disclosures across our portfolio under the **EU's Corporate Sustainability Reporting Directive (CSRD)**, supporting our management teams with a readiness programme in development.

But there is more to our ESG engagement than meeting the regulatory requirements. We continue our commitment to ESG as a key component to delivering our fiduciary duty of pursuing financial upside and supporting the long-term sustainability of growth across our portfolio. We do this because we believe ESG factors impact business performance and that companies which are considered best-in-class will achieve premium valuations and mitigate business risk. We exercise high quality and genuine engagement with our companies creating both protection for our investments and value-creation.

As we uniquely focus on growing mid-market companies through partnership with management teams, and although our investment period is usually four to five years, we expect future investors to be looking five to ten years beyond our point of exit, such that we need to be thinking ten to fifteen years forward. Our partnership ethos means we are focused on working alongside the founders and entrepreneurs who 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-



At MML, we remain a certified CarbonNeutral® business for the third year running, having offset our own operating emissions, whilst also pursuing options to further manage and reduce those emissions.”

term, sustainable value. In the following pages you will see how we have continued to build value for our investors by supporting our companies towards best-in-class ESG, both in terms of ambition and commercial return. We aim to be industry-leading, but we are not alone, and we continue to support wider industry initiatives such as the **ESG Data Convergence Initiative (EDCI)**, submitting our first year of EDCI metrics, and have been a proud signatory of the **United Nations Principles for Responsible Investing (UN PRI)** since 2019, receiving our first score in 2023, above industry average, and aiming to see that further increase in coming years.

At MML, we remain a certified **CarbonNeutral®** business for the third year running, having offset our own operating emissions, whilst also pursuing options to further manage and reduce those emissions. We were also delighted to be included in **The Sunday Times Best Small Places to Work 2024**, as well as continuing our community engagement work, most notably as founding supporter of the **Mountain Adventure Fund**.

As we look to the future, we continue to horizon scan, looking for opportunities to improve and enhance our impact. Our approach through all of this is to create an angle of partnership to generate value for our investors and to help management along their journey of success. We look forward to updating you again on our progress next year.



Ian Wallis
co-CEO

MML at a glance

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.

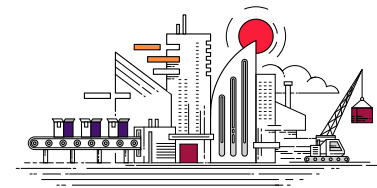
Open minds mean better deals, so we take a fresh approach to every single investment. We are focused on investing alongside management owners. We do not bring a "control" mentality to the table, understanding our role as a partnership investor, providing capital and strategic support to help deliver 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.



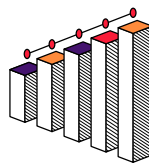
Our primary focus is driving value growth. However, we also place significant value on supporting the long-term sustainability of that growth."



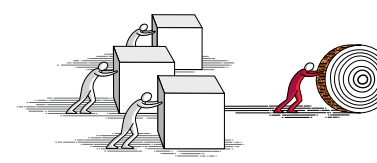
4 global offices
London, Paris,
New York, Dublin



150+ companies
invested in



€2.7bn assets
under management



60+ employees

Industry engagement

Signatory of:



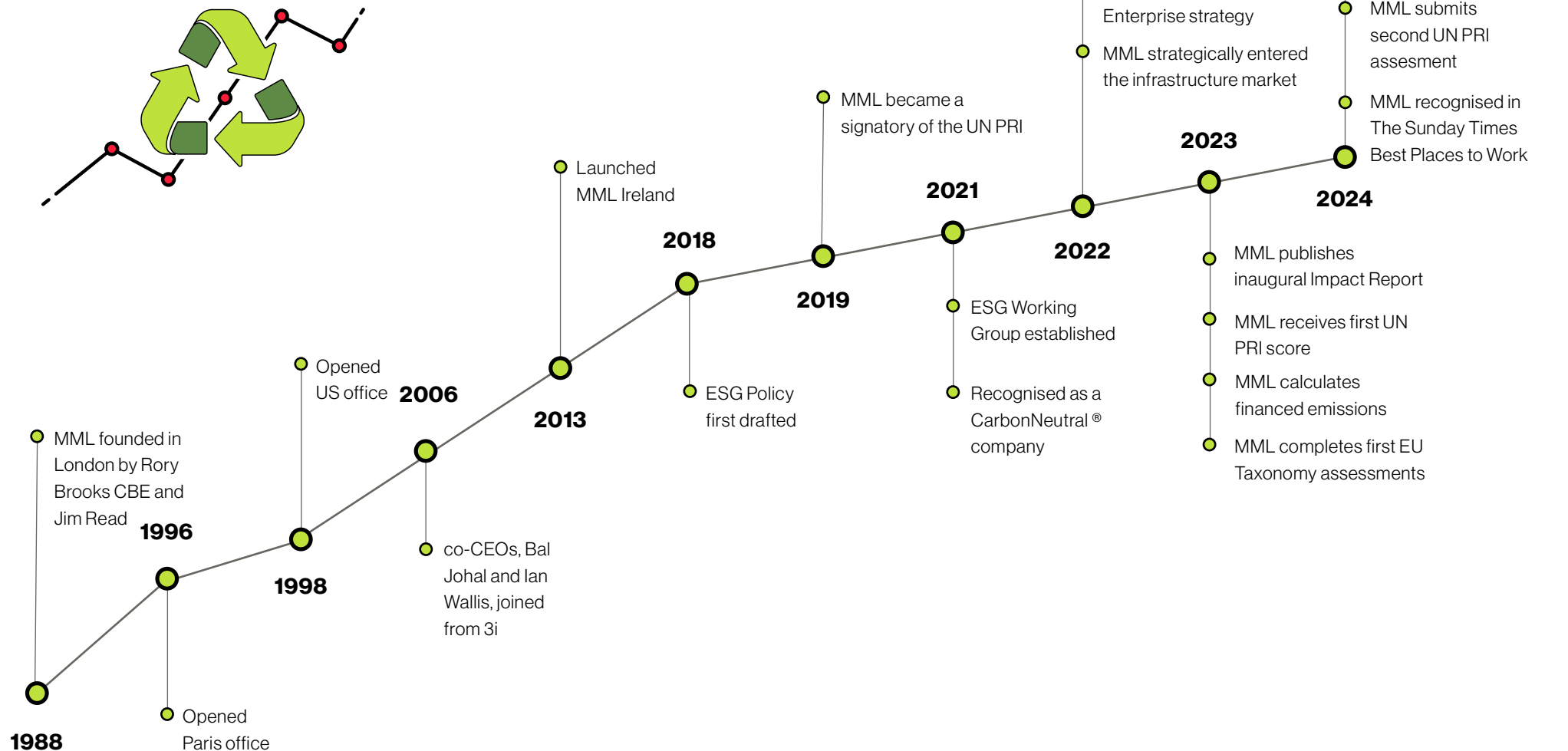
ESG Data
Convergence
Initiative



EuropeanDataCooperative

Our **sustainability** journey

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



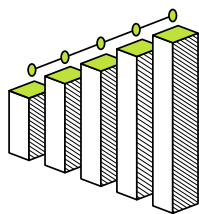
Our **ESG** approach

Our impact is through partnership with our portfolio companies

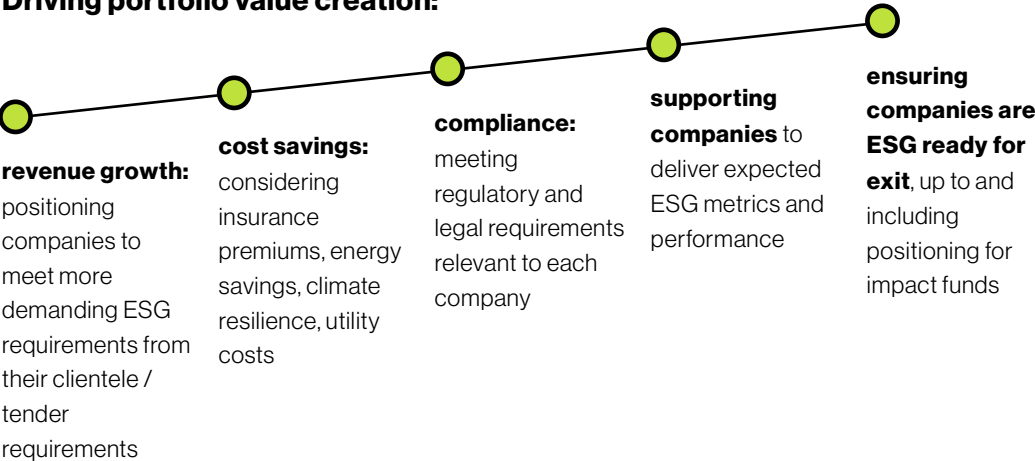


Delivering value

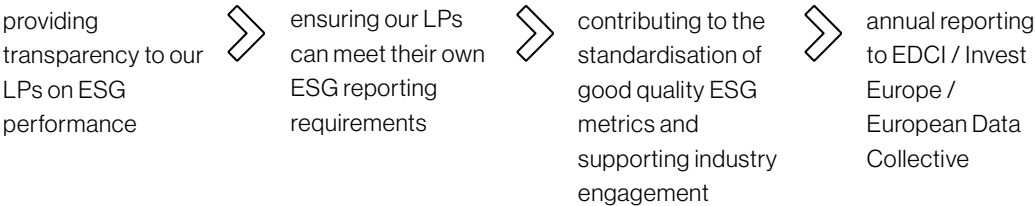
for our LPs
continues to
underpin our
sustainability
engagement



Driving portfolio value creation:



Delivering ESG portfolio reporting:

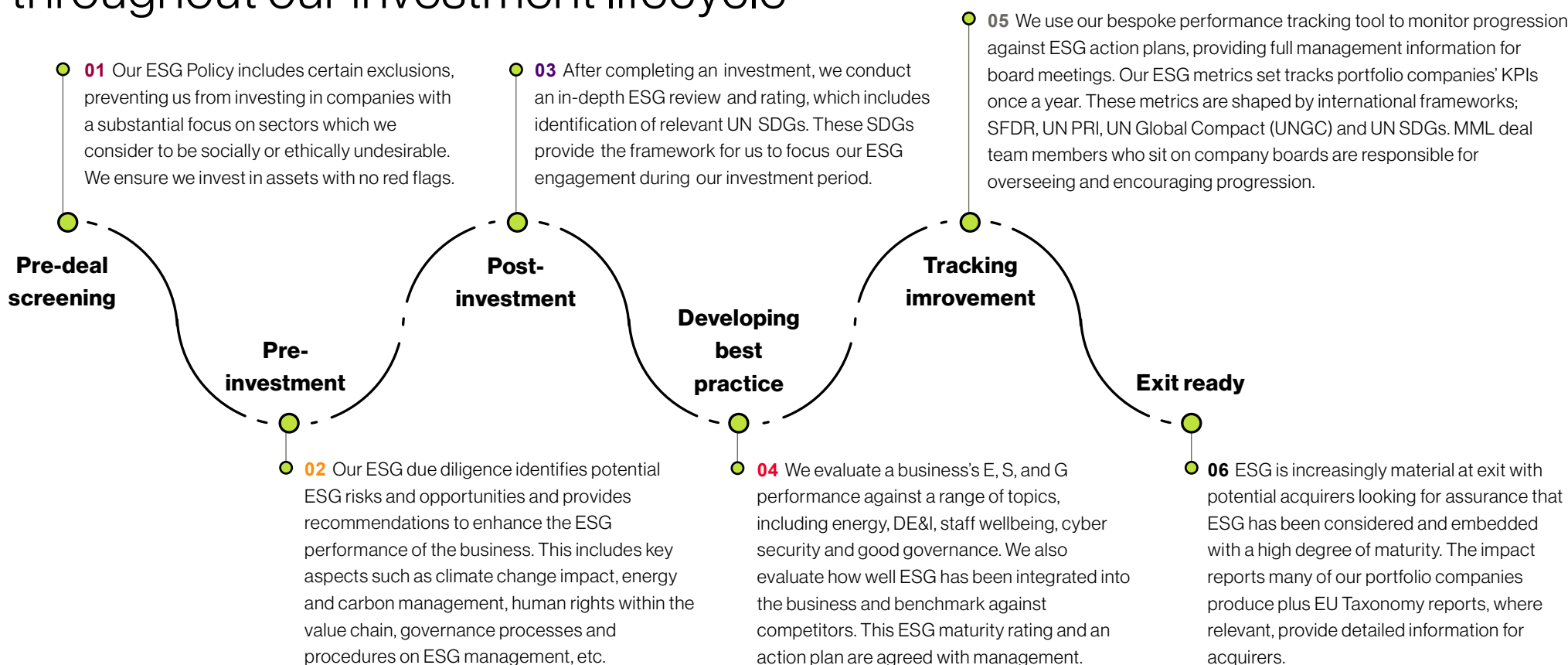


Creating a positive environment at MML

Supporting talent retention and encouraging diversity of thought



ESG is fully integrated and embedded throughout our investment lifecycle



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



Sustainability Partnerships



Exclusions

Certain sectors and activities are excluded from potential investments, including:



Alcohol and tobacco



Gambling



Weaponry

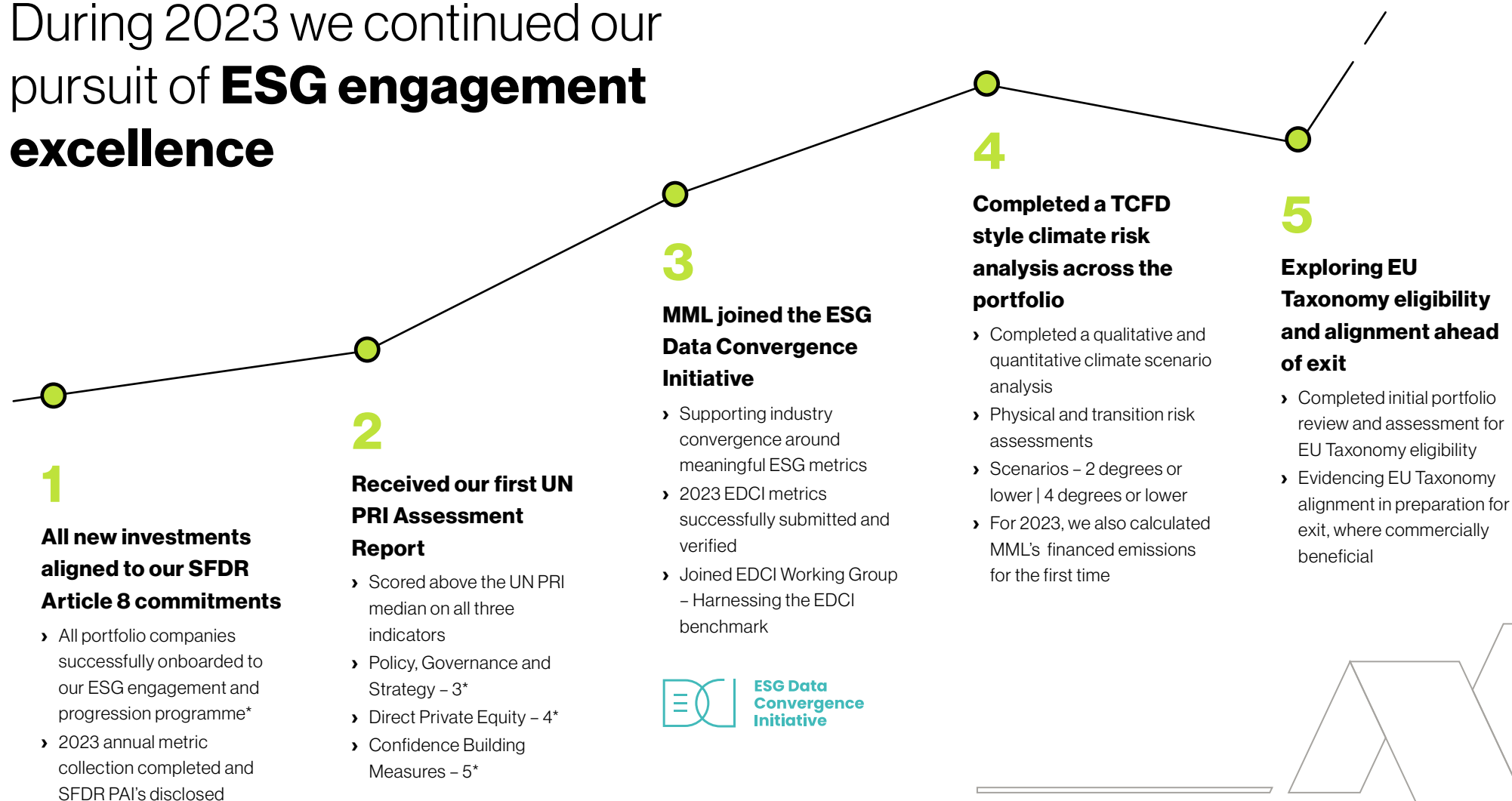
Note: TCFD has been subsumed by ISSB with reporting standard IFRS S2 now

Our **ESG approach** is centred on materiality, always looking to drive commercial value

We take a value-lens approach to identifying and incorporating new ESG practices each year, looking to evolve our approach and embed new and refined aspects to drive commercial value across our investments. We remain mindful of more portfolio companies coming into scope of the growing sustainability regulations, either directly or indirectly through the value-chain.

	Driving value through ESG					
	Already embedded			Enhanced engagement in 2023		Further enhancements committed to in coming years
Fund level	Adhere to Exclusions Policy	Safeguarding the environment and equality of opportunity	Committed to ethical business conduct and contributing to the communities in which we operate	Reporting SFDR PAI disclosures	Reporting EDCI metrics and benchmarking	Working to develop thematic ESG strategies and enhancements across the Funds
	Metric tracking across the portfolio: e.g. GHG, energy use, board gender ratio, etc.	Tracking contribution to the UN SDGs				
Investment Committee and Investment Team	External consultancies engaged to conduct pre-deal ESG DD which is discussed at IC	Consider and report on SFDR PAIs at DD stage		Actively managing SFDR PAIs	Completed a portfolio review of CSRD reporting and other upcoming regulations	
	Consider physical and transition climate risk assessment at DD stage	Consider good governance, management and policies at DD stage		Completed good governance test – across UNGC Principles, OECD Guidelines, etc.	Assessed potential investments for EU Taxonomy eligibility and alignment	
Portfolio company level	Active ownership and ESG engagement from Investment Directors at board level	External consultancies provide recommendations to enhance the business – reduce ESG risks and capitalise on opportunities		Ensured all SFDR Article 8 Fund companies calculate GHG scope 1,2 and 3 emissions	Completed a TCFD-aligned climate risk portfolio assessment	Reference benchmarks: using portfolio data to analyse ESG improvements against benchmarks

During 2023 we continued our pursuit of **ESG engagement excellence**



**ESG Data
Convergence
Initiative**

Signatory of:



*excluding MML Partnership Fund VI and MML Ireland I

2023

A focus on climate



2023: a year we enhanced our climate engagement

We chose to focus our ESG development on environmental engagement in 2023, completing three new and significant workstreams across our portfolio since our last Impact Report. Managing our climate resilience through robust governance and investment processes and working to minimise our impact remains a key tenant of MML's ESG engagement.



1

Our first initiative was to **enhance our climate materiality assessments**. Having already introduced the identification of climate risk and opportunities to our due diligence processes, we rolled out an enhanced portfolio wide climate risk and opportunity analysis, in line with TCFD recommendations. Our assessments covered **both physical and transition risks** across two climate scenarios - one Paris-aligned and the other business-as-usual (4°C), using bespoke software to model physical risks and a desktop materiality-based approach to transition risks. As you will see in the coming slides, the results of our analysis have validated our existing analysis, and we are pleased to re-confirm our portfolio faces **no significant climate risk exposure with a low materiality**.

2

Our second initiative was guided by the **EU Taxonomy**. The EU Taxonomy is a classification system establishing a standardised list of sustainable economic activities. The system aims to reduce the risks of greenwashing, help companies become more climate-friendly, mitigate market fragmentation and shift investments to where they are most needed. With this in mind, we are cognisant of the quantum of funds being raised with EU Taxonomy investment criteria. As we look to drive value at exit, establishing EU Taxonomy eligibility and alignment, where relevant, and determining the percentage alignment to EU Taxonomy objectives, where possible, has the **potential to widen our buyer pool and increase exit value**. Included in the coming slides is a summary of the EU Taxonomy assessment we completed across the portfolio and the results of our first two EU Taxonomy eligibility and alignment exercises.



3

Our final new initiative has been linked to our carbon footprint calculations. Having been certified as a **CarbonNeutral® business since 2021**, seeking to minimise our GHG emissions and offset all scope 1, 2 and 3 (excluding financed emissions), we have taken a step further to **calculate our 2023 financed emissions**. We now have full information on our carbon footprint, and although some portfolio companies are already offsetting their emissions or have net zero targets in place, we will continue to monitor the impact of our investments and work to encourage further reductions and offsetting.



Our enhanced climate risk and opportunity analysis



Our TCFD-aligned portfolio wide climate analysis evaluated climate-related risks and opportunities over four time-horizons – present (2025), short-term (2030): aligned with our typical investment holding periods, medium-term (2035): capturing potential investment tail risks for longer hold periods, and long-term (2040): a longer-term view on potential risks across target sectors.

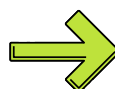


Our approach

Categorised 25 portfolio companies by



Prioritised risks and opportunities



Analysed risks and opportunities



Evaluated the results and next steps

- › Determined 13 companies are operating in high impact climate sectors based on UNEP FI. For these companies, we considered exposure to physical and transition risks based on factors such as goods / services, geography, supply chain
- › The 12 companies in non-high impact sectors were excluded from the transition risk assessment, but carried forward for location-based analysis in the physical risk assessment

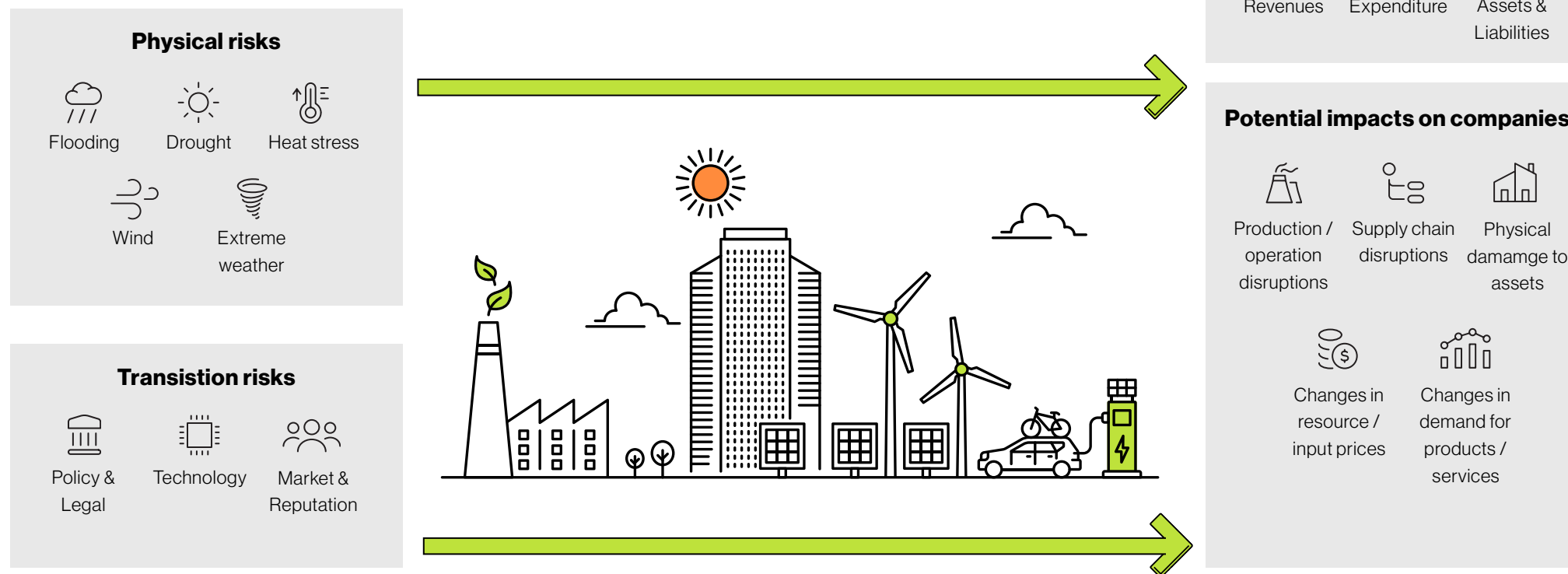
- › For **physical risks**, we selected critical assets, supply chain locations, and key office regions to analyse for each company
- › For **transition risks and opportunities**, we used a multi-criteria analysis to identify potential impacts to companies from policy and legal, market and reputation, and technology changes in the future

- › For **physical risks**, we conducted a 2°C and 4°C scenario analysis for selected locations using specialist software to determine sites at risk of disruption and / or direct damage from climate-related events
- › For **transition risks and opportunities**, we used a 2°C scenario analysis to determine qualitative financial impacts on revenues, expenditures, assets and liabilities, and capital and financing

- › We evaluated the aggregated impact on our companies and Funds, which overall, showed low risk, in addition to areas of significant opportunity
- › We will use the results to inform actions to mitigate, capitalise on, and monitor risks and opportunities across our portfolio going forward

Our portfolio is confirmed to be **resilient to climate change**

All our portfolio companies fall within the lowest physical and transition risk quadrant, with low climate risk to business impact. We have also identified climate opportunities to share with management teams and consider potential value creation.



We have rolled out climate change training to our investment team to capitalise on future risks and opportunities

Notes: Transition exposure includes risks from technology, policy and legal, market and reputation. This predominantly driven by sector exposure to those climate risks.

Physical risks includes weather related events on business-owned sites. N.b. business disruption was considered separately.

Our EU Taxonomy portfolio assessment – targeting enhanced value creation at exit

With a growing number of Impact Funds being raised, we have reviewed opportunities to widen potential buyer pools by assessing our portfolio through the lens of the EU Taxonomy. With a focus on commercial benefit at exit, we are looking to identify which companies are EU Taxonomy aligned and therefore potentially Impact Fund compliant.



Our approach



Determined the percentage of Opex, Capex and Revenue alignment with the specified economic activity

Focused on **Kyte Powertech** and **Natural World Products** to undertake our first full EU Taxonomy alignment assessments

4 companies identified to be substantially contributing – Kyte, NWP, Premier Modular and GPS

1 company identified as substantially contributing but does not have data available to evidence (held by client)

7 companies identified as potentially contributing – to investigate further

Case studies: EU Taxonomy



Natural World Products (NWP) was founded over 30 years ago and has become Ireland's leading recycler of organics. The products produced by their best-in-class recycling process provide sustainable and positive climate solutions having a positive impact on the natural world.

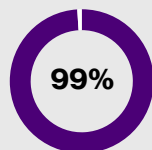
Under the Taxonomy for this activity, the environmental objective can be either (or both):

- › Mitigation of Climate Change
- › Adaptation of Climate Change, whilst at the same time satisfying the technical screening requirements of Doing No Significant Harm (DNSH) to the remaining objectives and complying with the Minimum Safeguards.

NWP meets the EU Directive in accordance with the Substantial Contribution criteria, as well as the DNSH and Minimum Social Safeguards, through their governance and certifications of ISO 9001, 14001 and 45001.

NWP's identified EU Taxonomy:

"5.8 - construction and operation of dedicated facilities for the treatment of separately collected bio-waste (1) through composting (aerobic digestion) with the resulting production and utilisation of compost."



Taxonomy aligned

NWP is 100% aligned for Opex and Capex, and 97% aligned for Revenue, giving an overall alignment of 99%.

*Kyte has since been exited from MML's portfolio



Kyte's distribution transformers, substations and accessories play a critical role in the green transition by facilitating the efficient and reliable distribution of electricity from high-voltage transmission lines to lower-voltage distribution networks.

Kyte meets the EU Directive in accordance with the Substantial Contribution criteria, as per Commission Regulation (EU) 548 / 2014 (1). These are tested in accordance with IEC 60076 standards – as per EC Declaration of Conformity document for evidence. A comprehensive assessment of Kyte's operations against the Do No Significant Harm (DNSH) and Minimum Social Safeguards criteria against the other five EU Taxonomy Objectives, considered their ISO 9001, 14001, 45001, 50001; increasing the procurement of recycled raw materials for products and packaging; PCC licence, ISO 14064 pending accreditation.

Kyte's identified EU Taxonomy:

"3.2 - manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation."



Taxonomy aligned

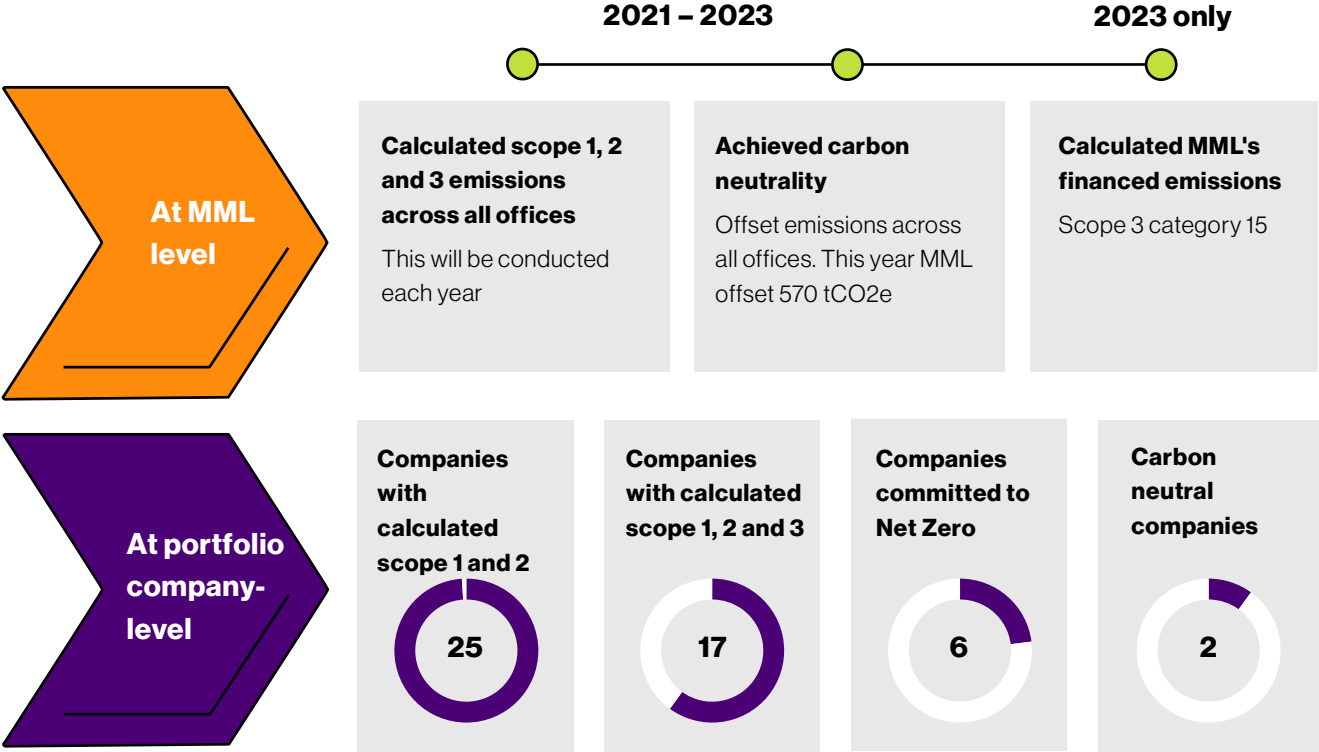
Kyte meets all criteria and is 100% aligned for Opex, Capex and Revenue, meaning no further recommendations were made except for the outputs of the climate resilience work.

MML's carbon journey

MML has been recognised as a **CarbonNeutral®** company since 2021, offsetting our scope 1, 2 and 3 operating emissions, and widening our inclusions each year as our reporting and access to data improved.

Alongside our operational carbon footprint, we have also been supporting our portfolio companies to track and report their scope 1, 2 and 3 emissions on an absolute basis, as well as several intensity metrics. Our portfolio companies report their carbon emissions annually and we track progress in improving carbon intensity across the portfolio.

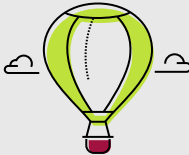
Our approach to climate metrics continues to evolve and, in 2023, we further expanded our calculations to include MML's financed emissions across our Funds. We continue to work in partnership with our portfolio companies to encourage emission reduction plans and offset.



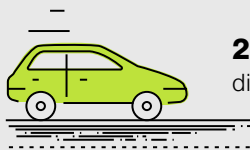
570 tCO₂e offset in 2023 is equivalent to:



28,500
trees planted



114
hot air
balloons filled



2,073,330
diesel car miles



258
homes heated annually
(average gas kWh)

2023

Highlights from our portfolio



Highlights from our portfolio



100,331
total employees



£3bn
total Revenue



100%
companies with an
ESG action plan



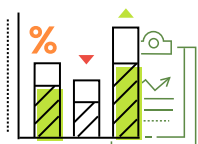
17/25
companies had cyber security
training in the last 12 months



100%
companies have ESG as a
board agenda item



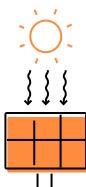
100%
companies calculated scopes
1 & 2 GHG emissions



>150
ESG metrics collected from
each company



100%
companies tracked
to UN SDGs



18/25
companies using
renewable energy



15/25
companies with good ESG
governance – ABC &
Modern Slavery



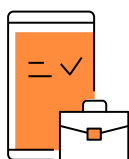
41%
women in workforce



17/25
companies calculated scopes
1, 2 & 3 GHG emissions (incl.
partial scope 3 calcs)



18%
average percentage of
women on the board



13/25
companies with employee
engagement surveys



6/25
companies committed to
Net Zero



17/25
companies calculated
unadjusted gender pay gap



15/25
companies with
DE&I policy



1,773 tCO₂e
total carbon offset
by portfolio

Data at 31 December 2023. Includes portfolio companies from MML Partnership VII and MML Ireland II, onwards

United Nations Sustainable Development Goals across our portfolio



For each of our portfolio companies, we identify UN SDGs which align with their corporate values, strategy and organisational activities and monitor their contribution throughout our investment period.

The UN SDGs 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.



Data-driven monitoring and evaluation of our portfolio contributions to UN SDGs

We use our annual ESG metric collection to monitor our portfolio contributions to the UN SDGs identified for each company, mapping key metrics to each UN SDG. By analysing the data, we can identify opportunities (positive impacts), risks (negative impacts), and knowledge gaps, setting clear targets for monitoring and measuring improvement year-on-year.

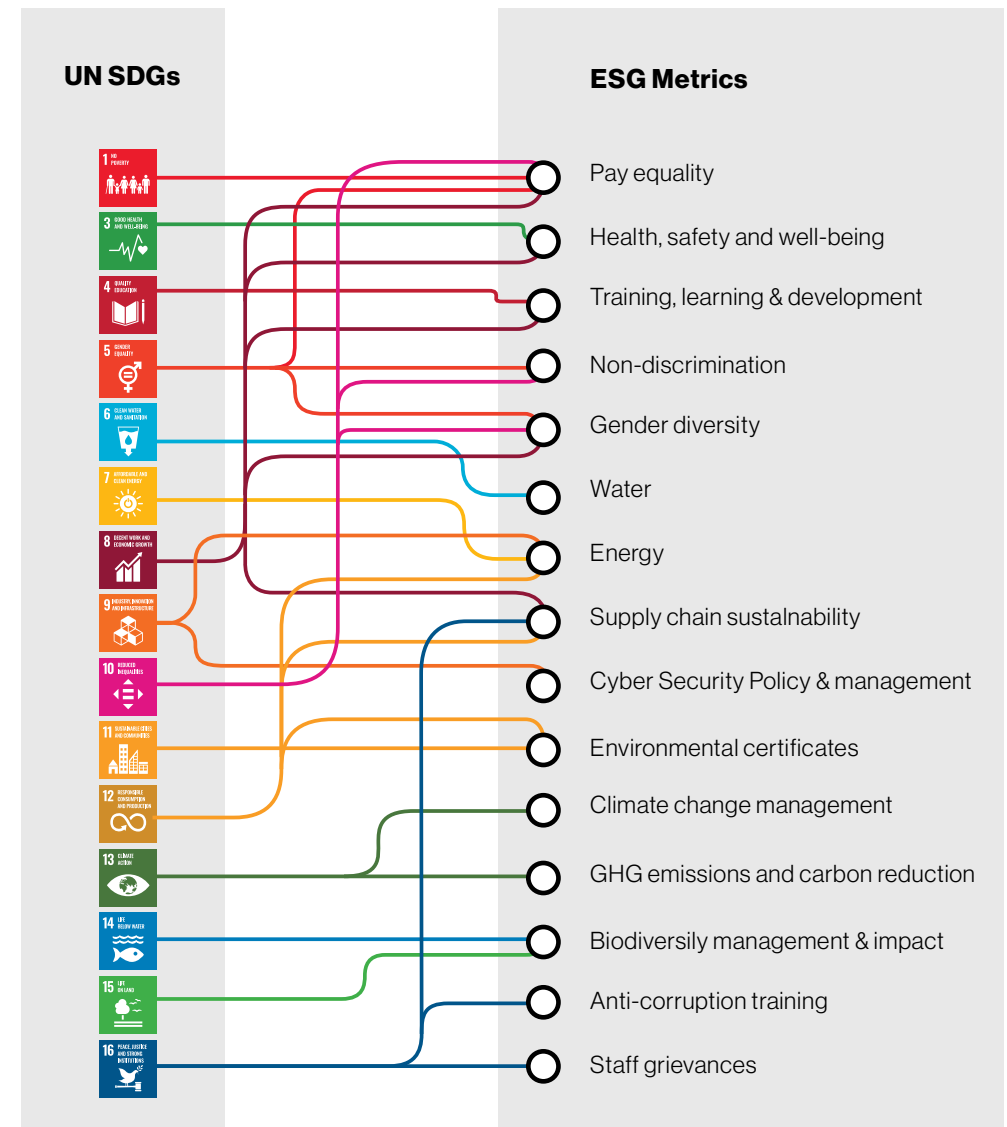
As our metric set is intrinsically linked to the UN SDGs, the data produced by our annual metric collection reveals the increasing support our portfolio companies have given to specific SDGs over the course of the year.

Our portfolio companies have implemented and created a number of initiatives, policies and committees to not only support the UN SDGs, but to improve ESG within their companies as well.

MML's partnership approach is instrumental in achieving this improvement, through our continuous engagement with management teams and board members, our work in helping to create and track KPIs and our assistance with the annual metric collection and monitoring, all helping to encourage and support our portfolio to make improvements that will help to create value.

Data as per 31 December 2023

Includes portfolio companies from Partnership Fund VII and MML Ireland II onwards



Tracking our UN SDG impact:

examples from our portfolio



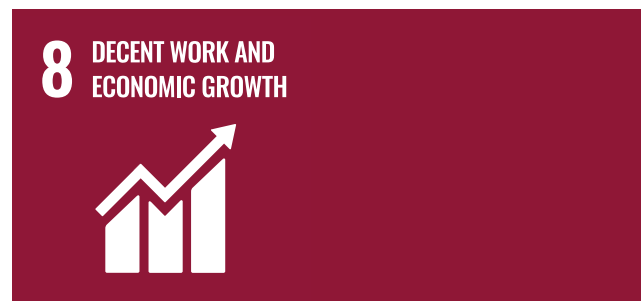
Metric tracking:

% of female board members

- › Percentage of females on portfolio company boards increased from 16% in 2022 to 18% in 2023

Unadjusted gender pay gap

- › Percentage of portfolio companies calculating gender pay gap increased from 41% in 2022 to 68% in 2023
- › 2023's portfolio-wide unadjusted gender pay gap is 16%



Metric tracking:

Does your training programme include upskilling topics?

- › Percentage of portfolio companies including upskilling topics within their training programmes increased from 65% in 2022 to 88% in 2023

Do you have a Diversity, Equity and Inclusion Policy in place?

- › Percentage of portfolio companies with DE&I Policy in place increased from 47% in 2022 to 60% 2023



Metric tracking:

Do you purchase and consume renewable electricity source?

- › Percentage of portfolio consuming renewable electricity increased from 41% in 2022 to 72% in 2023

Do you monitor the total weight of waste generated?

- › Percentage of portfolio monitoring the total waste they generate increased from 35% in 2022 to 68% in 2023
- › Understanding the total weight of waste generated is the first step in taking measures to change practices to reduce generated waste

Do you have an ESG Policy, statement or guidance document in place?

- › Percentage of portfolio companies with an ESG Policy or equivalent in place increased from 41% in 2022 to 56% in 2023

Key KPIs by company

We have captured the majority of EDCI and SFDR data points across our portfolio for a second year.

In 2023 we collected our advanced set of 150 ESG metrics from our portfolio, tracking their KPIs for the second year. We continued to focus on supporting robust, high-quality data collection that is accurate and reliable, facilitating year-on-year comparison.

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 shows our tracking of SFDR Principle

Adverse Impact indicators and EDCI metrics across our portfolio companies, at 31 December 2023.

Strategy	Company	GHG emissions			Energy	Diversity				Work-related accidents			Net new hires	Employee engagement		SFDR
		Scope 1 (ICO)	Scope 2 (ICO)	Scope 3 (ICO.e) (optional)	Renewable energy usage (kWh)	% women on Board	% women in C-suite	underrepresented groups on Board (optional)	% LGRTQ members on Board (optional)	Injuries	Fatalities	Days lost due to injury	Total net new hires (FTEs)	Employee survey Y/N	Employee survey response (optional)	No. of PAIs out 16
Partnership	ARO															14
	BSN															15
	GDI															12
	LV Overseas															15
	OnPoint															14
	Rouse															15
	StoneTurn															15
	Spencer Ogden															15
	Veezu															16
	Western Global															13
	Zanders															16
	Freeland •															16
	Arha •															16
Infrastructure	Ross Shire Engineers •															16
	Premier Modular •															16
Enterprise	GPS (Also Fund 7) •															16
	Rewire •															16
Ireland	Kickmaker •															16
	Innopharma															10
	IrishHomeCare															11
	Cruinn															13
	Kyte Power															13
	Vyta															16
	Virginia Transport															9
	Natural World Products															13

• Denotes Article 8 Fund

■ Data available

■ Data not yet reported

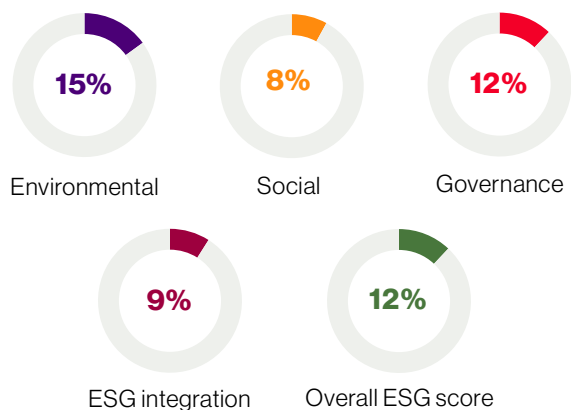
Data as per 31 December 2023

Includes portfolio companies from Partnership Fund VII and MML Ireland II onwards

Arhs and Kyte exited during 2024

Supporting ESG progression across the portfolio

Average % improvement from first evaluated score to latest score across our portfolio

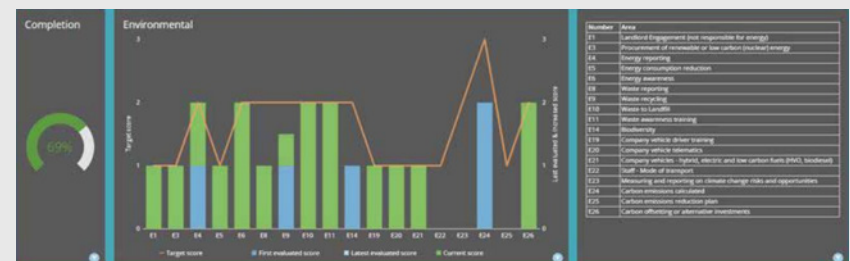
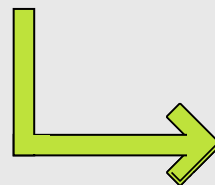


We continue to utilise our bespoke tracking tool to monitor the ESG practices and progression across our portfolio. The framework helps determine current ESG-related actions taken by our companies as well as sets specific ESG targets for each company to achieve. The tracking tool allows the companies, and ourselves, to understand ESG progress across the entire portfolio, by Fund and by individual company. The ESG data collected and tracked via the framework and portal is directly related to areas within a company that drive growth, increase revenue and improve customer retention. Every one of our portfolio companies is at a different point in its ESG journey, and our performance tracker tool serves as a streamlined way for everyone to track and monitor improvement towards set portfolio company-specific ESG targets.

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
	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		



2023

Case studies



RSE | Case study



Fund strategy

Partnership Capital

Sector

Infrastructure services

Employees

>1000

HQ

Inverness

Company description

RSE is the UK's leading technology provider to the water industry, specialising in the design, manufacture and maintenance of water treatment plants. RSE's innovative modular build methodology is well positioned to transform the industry, driving better quality water for consumers alongside better environmental outcomes.

ESG value proposition

A leading ESG-focused organisation that develops technology and solutions to overcome the environmental, technical and commercial challenges of sustainable water purification technology solutions. RSE provides unique modular solutions to clients across the UK. Their robust ESG approach improves organisational performance, adds value for key stakeholders and is accelerating the industry towards more sustainable solutions.

Top SDG contributions



Clean Water and Sanitation:

Water treatment solutions treat 210 million litres of water daily to provide a fresh water supply to customers.



Decent Work and Economic Growth:

Provides local employment and career development opportunities within a business experiencing growth.



Industry, Innovation and Infrastructure:

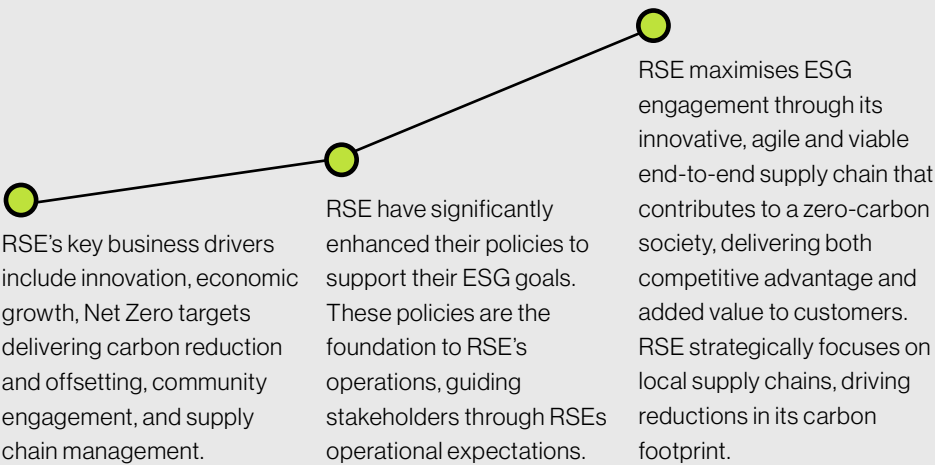
Innovation team developing new solutions to traditional water-industry construction methods. Provides modular, offsite water-treatment construction options, which can improve health, safety and reduce carbon costs.



Climate Action:

Implementing low-carbon energy solutions across business operations such as solar panels, biomass boilers and EV charge points, significantly reducing carbon intensity metrics.

2023 key highlights



Examples of RSE driving low carbon in the supply chain

- › Development of a modular Ceramic Treatment Unit (m-CTU) range, which drives 33% programme efficiencies, 10% capex savings and 30% CO² reductions over current ultrafiltration membrane water treatment plants delivered through traditional build techniques.
- › Development of an innovative Timber Modular Build (TMB) featuring a hybrid structure of cross-laminated and glue-laminated timber to replace traditional fabrication materials, reducing embodied carbon by over 74% and exceeding fire resistance regulations.

RSE's innovative, carbon-efficient build methodologies combined with its investment into its people (continually growing graduate and apprenticeship programmes) and sustainability efforts helped the business win Contractor of the Year at the 2024 Water Industry Awards.

RSE has also recently been shortlisted for the Gamechanger Award, as part of the BE-ST Accelerate to Zero Awards, which highlights the Timber Modular Build as a pioneering product in the sustainability space. Winners will be announced in November 2024.

Premier Modular | Case study



Fund strategy

Infrastructure Private
Equity

Sector

Circular economy

Employees

330

HQ

Brandesburton, East
Yorkshire

Company description

As one of the UK's leading offsite modular building specialists, Premier Modular aim to offer exceptional service, innovative construction solutions and unrivalled build quality for both temporary and permanent building applications.

Strategy and vision

With their commitment to sustainable and flexible solutions, Premier Modular creates high-quality spaces for people to live, learn and work within.

ESG value proposition

The promise of top-grade construction services coupled with leading sustainability and social value commitments attracts customers. Partnerships with industry experts and the option for customers to choose sustainability-focused add-ons to projects assist clients in not only saving money in the long-term but also meeting the increasing demand for low-carbon operations.

Top SDG contributions



Good Health & Wellbeing: Strong commitment to supporting employees through ESG-focused policies.



Quality Education: Involved in community projects that support and assist people with learning difficulties. Provide training opportunities to staff.



Decent Work & Economic Growth: Investment in employees and company culture is one of Premier Modular's top four strategic pillars.



Industry, Innovation & Infrastructure: Daily business operations support sustainable industrialisation and resilient infrastructure.



Sustainable Cities & Communities: Provides a wide variety of sustainable add-ons which customers can choose to improve building specifications.



Responsible Consumption & Production: Daily business operations support sustainable production patterns.



Climate Action: Dedicated member of staff tasked with considering the company's climate-related challenges and opportunities. 100% green energy contract signed.

2023 key highlights

ESG is incorporated into all aspects of Premier Modular's business operations, championed at board level and represented in numerous company policies, including Zero Waste to Landfill.

ESG training and guidance is provided to all employees and members of the Premier Modular management team are tasked with responsibility for company climate-related issues. This ensures that managing ESG within the company is a team-wide effort with buy-in across departments.

Environmentally-friendly initiatives undertaken by Premier Modular recently include installing solar panels on their factories and switching from using diesel-fuelled trucks to UN V series li-ion powered trucks, demonstrating continued dedication toward achieving company sustainability goals. They support their customers to make environmentally-friendly decisions by making a range of add-on options to their buildings available such as solar heating systems, passive ventilation, smart building energy management systems, green roofs, and rainwater harvesting.

The partnership between Premier Modular and Windsor Materials Handling, spanning over three decades, showcases the power of strategic collaboration in advancing industry-leading sustainability initiatives. By harnessing Windsor's expertise in materials handling and maintenance, Premier Modular consistently innovates within the offsite construction sector, reducing carbon impact whilst delivering high-quality, energy-efficient modular buildings.

In addition to their business achievements, Premier Modular actively participates in various community initiatives aimed at making a positive impact, including the Reach Foundation and St. Michael's Youth Project.

BSN Social Care | Case study



Fund strategy

Partnership Capital

Sector

Healthcare

Employees

330

HQ

Harrow

Company description

BSN Social Care is the parent company for six leading UK fostering agencies. Founded, owned and managed by social workers, BSN's focus is putting the needs of children, foster carers and colleagues first and delivering outstanding outcomes for some of the UK's most vulnerable children and young people.

Strategy and vision

By providing love, care, education and ongoing support, BSN strives to provide a start in life that literally saves lives, integrates people into society and nurtures successful, independent, young adults.

ESG value proposition

BSN's business practices inherently incorporate a number of positive ESG behaviours. Operating in a manner that not only cultivates a reputation of excellent care but provides services that aim to improve society at large.

2023 key highlights

The board and senior leadership team at BSN actively drive ESG initiatives, consistently monitoring progress against their commitments and transparently reporting on the company's performance. They have established clear metrics and accountability measures to ensure ongoing advancement toward ESG goals.

Recognising that supporting its workforce is critical for attracting and retaining top talent, BSN prioritises employee health and well-being by offering robust support and training opportunities.

BSN is dedicated to educating the young people in its care about sustainability and environmental stewardship. Guided by Dale Vince's "Manifesto", BSN addresses three primary sectors contributing to carbon emissions: energy, transport, and food. BSN meticulously tracks the ESG impact of each excursion taken by its young people. Notable ESG-related activities include visits to the British Gas Training Academy to explore sustainable technology, workshops at a sustainability centre focused on practical recycling skills, and a day trip to a Gloucestershire farm to learn about sustainable farming practices.

"We believe that by inspiring and educating our young people, we empower them to influence those around them while equipping them with skills for future green jobs, ultimately enhancing their potential outcomes upon leaving care."

Top SDG contributions



Reduced Inequalities:

Helping children and young people to have a positive start to life via facilitating safe and supportive living environments.



Quality Education:

Providing educational support to ensure children and young people have access to education and an effective Personal Education Plan.



Peace, Justice and Strong Institutions:

Daily business operations promote justice for the young people in BSN's care and work to take children out of abusive and / or violent situations.

Zanders | Case study



Fund strategy

Partnership Capital

Sector

Business services

Employees

500

HQ

Utrecht (Netherlands)

Company description

As a leading treasury and risk consulting firm, Zanders is a financial performance partner that helps companies protect and enhance value for shareholders and all stakeholders.

Strategy and vision

By combining deep expertise with a personalised approach, Zanders helps clients achieve their goals and optimise their financial performance on a global scale. A full range of services and a bespoke suite of SaaS solutions assist in ensuring clients can effectively manage their liquidity and financial risks and make informed decisions.

ESG value proposition

Supporting employee-focused programmes and actively working to diversify the workforce enhances company morale and enriches perspectives within the team. Organisations with a happy, supported, and diverse workforce typically experience higher productivity levels and lower turnover rates. Additionally, incorporating climate-related and environmental risk advisory services expands the range of products and services available to clients.

Top SDG contributions



Decent Work and Economic Growth:

Daily business operations facilitate sustainable economic growth for clients and increasing focus on potential human rights issues.



Reduced Inequalities:

Engaged in work to embed DE&I into company policy and culture and provide productive and decent work opportunities to a diverse range of individuals.



Climate Action:

Measures and reports scope 1, 2 and 3 GHG emissions. Recently created an Environmental Policy that is being implemented across the company.

2023 key highlights

Zanders has implemented several initiatives to continuously advance its ESG efforts. A cross-organisational Diversity, Equality & Inclusion (DE&I) working group has been established. This group raises awareness through messages from the Chief People Officer (CPO), LinkedIn campaigns, and events related to topics like Diversity Day and International Women's Day.

To enhance DE&I, Zanders is actively expanding its recruitment pool to ensure job advertisements reach a diverse range of potential candidates, thereby enriching the perspectives and viewpoints within the company.

Recently, Zanders conducted a thorough evaluation of the UN SDGs in relation to its business values, identifying the goals that align most closely with its operations. The ESG-related ambitions and actions of the company are aligned with these SDGs.

Annually, Zanders engages EcoVadis to perform a sustainability assessment, currently ranking in the top 15% of assessed companies within its industry and holding a Silver medal status. The company is actively working towards achieving Gold medal status.

Since 2023, Zanders has also been a proud member of the United Nations Global Compact (UNGC) initiative.

ESG within MML



ESG developments within MML

MML included in The Sunday Times Best Places to Work 2024 (UK - Small)

Completed our first employee survey as part of the process



Response rate



Average engagement score



Net Promoter Score



Flight risk



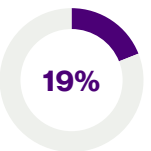
Continued focus on diversity & inclusion



Female employees



BAME employees



Female investment team employees



BAME investment team

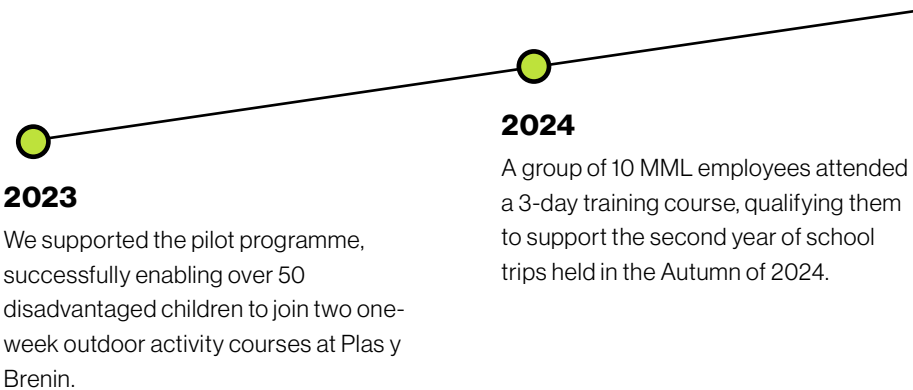


Founding supporter of



MOUNTAIN ADVENTURE FUND

Aiming to provide inner-city children with the opportunity to be inspired and motivated by the rugged outdoors.

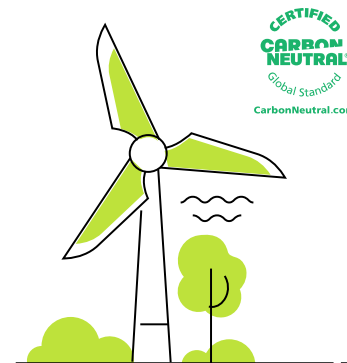


Certified CarbonNeutral® company since 2021

We continue to offset our Scope 1, 2 and 3 operating emissions across all offices.

570 tonnes of CO₂

emissions offset in 2023, supporting solar and wind renewable power projects in India.



In summary

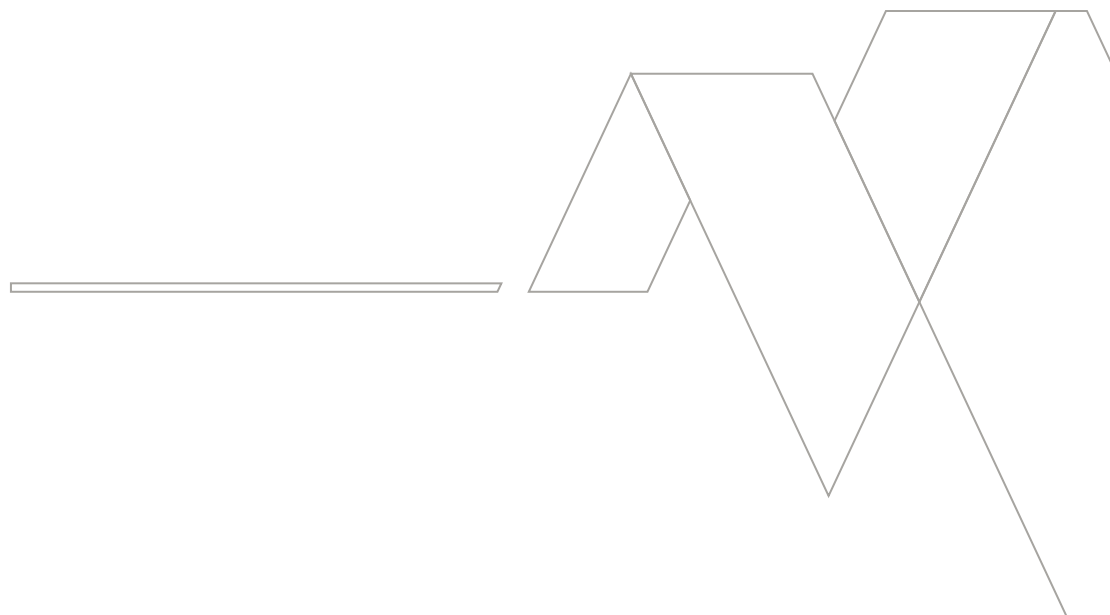
We are delighted to see so many of our **portfolio companies continue to do well by doing good**, especially within the context of the fast-changing regulatory environment which continues to mature with increasing sophistication and the associated growing expectations of our investor base. In line with this, we have maintained our commitment to pursuing best in class ESG engagement, evolving in line with the legislative environment, and ensuring we are not only compliant but that our investee companies are well-positioned to benefit from the increasing focus on these areas.

As a driver of economic growth, we continue to believe **ESG performance is indicative of strong governance and good management**, with companies that have these attributes being attractive investment propositions, both at entry and exit. With strong governance practices across our portfolio companies, we are proud to promote sustainable and robust business operations. We can evidence this using the Governance segment of our annual ESG metric set, which includes fundamentals such as policy creation and board statistics being tracked. These valuable ESG data points, such as whether an ESG Committee has been established and whether the company has negotiated any ESG or sustainability-linked loans or financing, inform our boards and encourage positive engagement, serving as a guide for our portfolio companies to take the necessary steps to bolster business operations, with the goal of enhancing company value as much as possible at exit.

Whilst our **primary ESG focus at MML during 2023 was to enhance our climate engagement**, as discussed earlier in this Report, our portfolio has **also made great contributions to UN SDG 5 (Gender Equality) and UN SDG 8 (Decent Work and Economic Growth)**. We are delighted to see these positive impacts reflected in many core social metrics, with significant commitments to employee development, safety, wellbeing and equity, ultimately feeding into a reducing employee turnover rate across the portfolio. Whilst we have seen a reduction in the percentage of female employees overall, our

proportion of females in senior leadership positions has increased, as well as a very positive movement in our unadjusted gender pay gap. We will continue to encourage strong social practices across our portfolio companies, with the primary focus of positively impacting employee retention and productivity whilst also benefiting from the associated cost savings.

Looking forward, as the sustainability industry continues its rapid evolution, **our ESG Working Group will continue horizon-scanning** for all material changes that may impact our strategy, investment process or current investee companies. This strategic foresight is further enhanced by the breadth of work our external experts provide and with whom we engage regularly, from finance and legal expert partners to operations and specialist sustainability consultancies, bringing considerations to the fore surrounding topics like future ESOS compliance, CSRD and CSDDD, among many others, as we look to support our portfolio companies across all relevant ESG compliance requirements, whilst also remaining mindful of the FCA anti-greenwashing. With our 2024 progress already well underway, we look forward to sharing another update with you in next year's Impact Report.



Our ESG **Working Group**



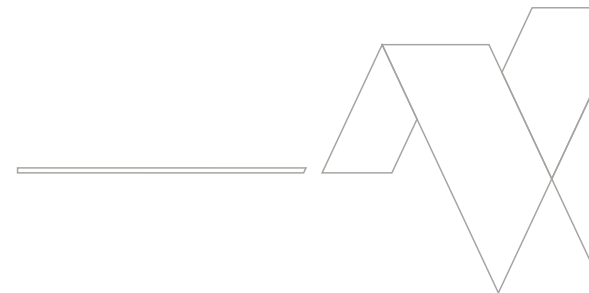
Henry Alty
Investment Director
Europe



Brock Birkin
Senior Investor Relations
Manager
Europe



Charles Devas
Finance Manager
Europe



Andrew Honan
co-Managing Partner
(Infrastructure Private
Equity) and Chair of
Sustainable Investing
Europe



Helen Lowe
Investment Director
Europe



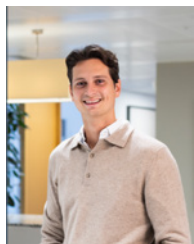
**Muireann
MacAuliffe**
Investment Manager
Dublin



Lazbart Oseni
Investment Associate
US



Vicki Smith
ESG Manager
Europe



William Stewart
Investment Director
Europe



Charles Le Texier
Investment Manager
Europe



Jo Weir
Chief Compliance Officer
Europe