



 PEMBERTON

ESG REPORT 2022

December 2022

Managing Partner Foreword

We believe environmental, social and governance (ESG) factors are fundamental in combining long-term value for our shareholders, limited partners, and co-investors with stronger and more profitable growth for our portfolio companies. Since the inception of the firm in 2013, building a sustainable business has been at the core of our vision for Pemberton. We set out to build an asset management business that delivers best-in-class investment performance, and has a positive impact on our portfolio companies and the communities in which we operate. We believe Pemberton is an ESG pioneer in the alternative credit direct lending space. We became a UNPRI signatory in 2018 and have subsequently helped to shape the private credit industry's focus on ESG with initiatives including: our ESG questionnaire, our commitment to delivering consistent ESG monitoring and rating, and the introduction of our innovative ESG margin ratchet to incentivise our portfolio companies to improve their ESG policies and processes. We are also proud to be a carbon neutral firm with an equitable, diverse and inclusive working environment.

The Management team at Pemberton has built sustainability on three pillars:

Corporate Sustainability is the first pillar and involves our people, our governance and processes. It is central to how we build a sustainable proposition for our investors, whilst investing in the well-being and career development of our colleagues. We recognise the impact of climate change and are proud to be a carbon neutral company.

Corporate Social Responsibility is the second pillar in our sustainability vision. We aim to build a sustainable business from within, but also look around us and try to affect change in the community. Pemberton has been a leader within the private credit community and supports several CSR programmes through our local offices. We also co-founded the Social Mobility Private Credit Partnership.

Responsible Investing is at the heart of our investment philosophy. Over the last twelve months, we have continued to enhance our investment processes including launching SFDR Article 8 compliant funds which are based on a rigorous negative and positive screening process. Separately, we have also developed sophisticated methodologies to rate positive governance key performance indicators (KPIs) and determine an ESG rating for each borrower which we will monitor over the duration of our holding period. Ultimately, we are endeavouring to create positive feedback loops and work with management teams and private equity sponsors to increase their ESG focus. Investing in businesses that are on a sustainability journey is important to us and we believe adds value to our investors.

2022 was an important year for us strategically as we launched three complementary investment strategies to our direct lending offering. Whilst it is early on in the ESG journey for these new strategies, we intend to demonstrate a continuation of our sustainable philosophies, as they raise their first vintages and commence deploying capital. In 2023, we will publish our second set of ESG ratings for our portfolio companies and we will seek to encourage and monitor improved performance during our investment and stewardship period.

I am very much looking forward to what Pemberton will achieve in the future for our investors, our borrowers, our employees and ultimately society as a whole.



Symon Drake-Brockman
Co-Founder and Managing Partner



Pemberton at a Glance

Pemberton Asset Management is a leading alternative credit specialist established in 2013. Pemberton combines both asset management and banking expertise across 7 alternative credit strategies, which provide a range of financing solutions for borrowers and risk-reward options for investors.

We combine rigorous credit analysis and local expertise with a focus on sustainability and are relentless in finding opportunities for our investors and building open and transparent relationships with all our partners. We have built one of Europe’s leading alternative credit platforms with c.60 dedicated investment professionals based in our locations in the UK, France, Germany, Italy, Spain, Benelux, Nordics and the US.

€15.4bn
AUM across 5 strategies¹

150+
Professionals firmwide²

178
Investors across the globe

2,450+
Companies reviewed³

14
Locations⁴

c. 100
portfolio companies across 4 strategies

Pemberton has grown into a leading Alternative Credit Platform



All figures as of 5th December 2022

¹ Assets under management are defined as committed capital.

² Pemberton Group, including consultants, contractors, and advisors.

³ Since 2019.

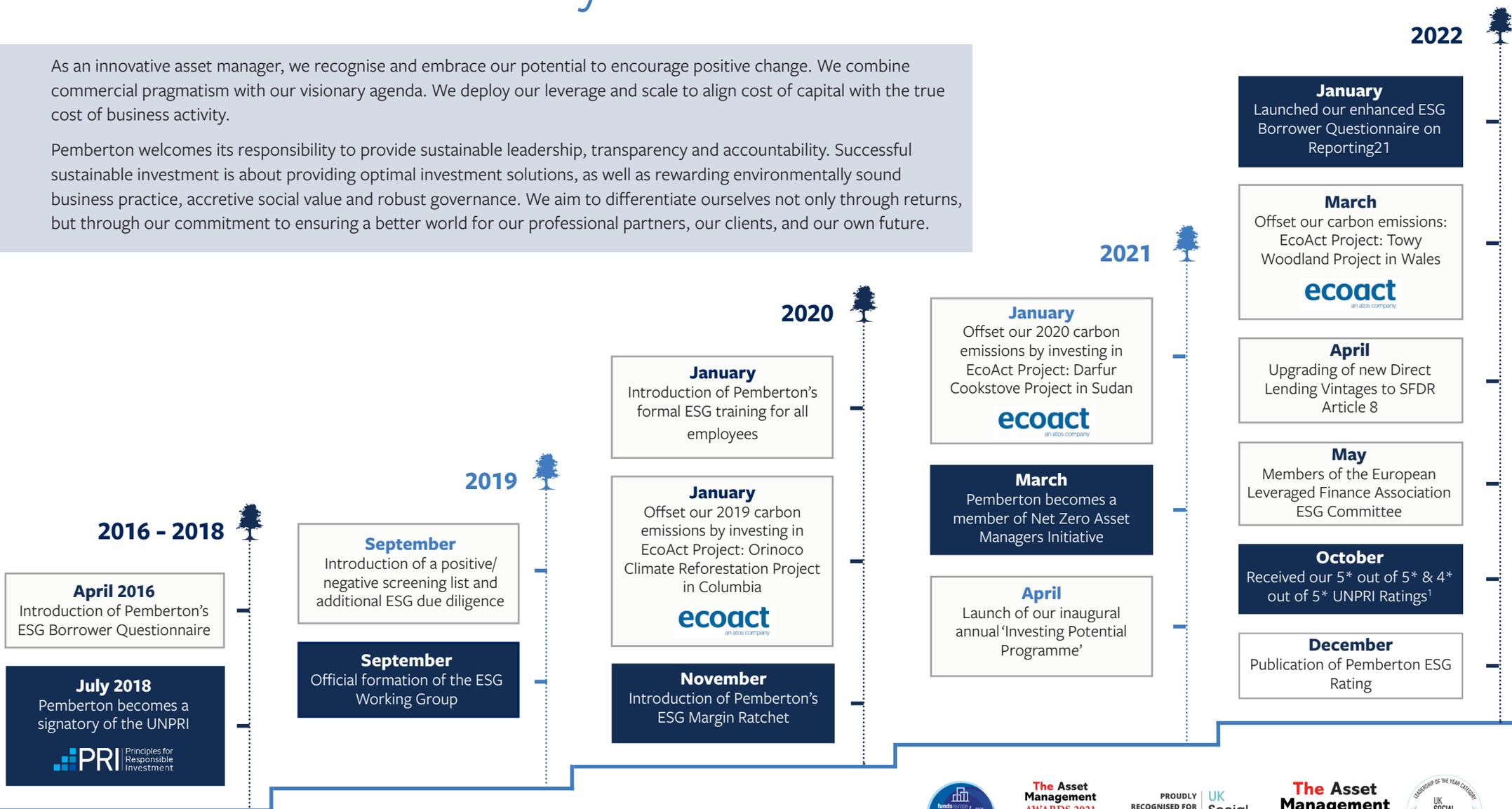
⁴ Across Europe, the US and Middle East. Includes four locations in the US.

⁵ Subject to FCA UK regulatory approval for investment management activity.

Pemberton's ESG Journey

As an innovative asset manager, we recognise and embrace our potential to encourage positive change. We combine commercial pragmatism with our visionary agenda. We deploy our leverage and scale to align cost of capital with the true cost of business activity.

Pemberton welcomes its responsibility to provide sustainable leadership, transparency and accountability. Successful sustainable investment is about providing optimal investment solutions, as well as rewarding environmentally sound business practice, accretive social value and robust governance. We aim to differentiate ourselves not only through returns, but through our commitment to ensuring a better world for our professional partners, our clients, and our own future.



Please refer to the disclaimer at the end of this document for further information on the awards.

¹ Please refer to the disclaimer at the end of this document for further information on our UNPRI rating.



Corporate Sustainability



Corporate Responsibility at Pemberton

Pemberton's Focus on Employee Development



Employment Policy

Pemberton is committed to a policy of **equal employment opportunities, diversity and inclusion**, and we understand that our people are critical to the sustainable success of our organisation.

As such, we have designed our recruitment and development activities to ensure that **all our employees feel engaged and empowered to fulfil their potential**.

This includes ensuring we build a diverse and inclusive team that respects and values the unique contribution of all employees whilst ensuring we provide a collaborative environment.



Continued Business Growth

Investment in our colleagues and growing the organisation **remained a priority** at Pemberton in 2022.

As of the end of September 2022, we have hired 55 new individuals over the last 18 months, across all our teams, globally.

Growth has been focused on a combination of enhancing scale and bench depth across existing teams such as Compliance, Investor Relations, Operations and Legal, as well as **building out our new alternative investment strategies**; NAV Financing, CLOs and Risk Sharing.



Leadership Development

In early 2022 we launched our first Bayes Leadership Course, a course designed by the Corporate Learning Team to **deliver foundational management and leadership training** over a four-day residential leadership course and a one-day leadership workshop to senior executives at Pemberton.

Over the last 12 months, we created our Investment Development Team as a centre of excellence supporting our investment strategies. The purpose and function of this team is:

- **A junior pool of expertise** across strategies and geographies.
- **Natural path to build up talent** from our internship programme and through the organisation.
- We provide our investment development team members **bespoke and regular training** throughout their tenure covering credit analysis, structuring and documentation. **A dedicated ESG training module** is also distributed globally and to all new joiners to ensure all staff members at Pemberton are ESG trained.
- To offer a wide range of **paths for future career progression**.

94%

feel the firm's efforts to care for their wellbeing is either good or very good

90%

feel valued by the firm

83%

feel they have clarity around their career options and a development plan

94%

feel they have information they need regarding the strategic direction of the firm

95%

feel they have high quality relationships with their colleagues

Based on appraisals completed in 2021 by all Pemberton employees. Percentage calculated out of answers corresponding to 'very good' and 'good', excluding 'could be better'.

Culture at Pemberton

Our People

Our people are at the core of our business, and we recognise that the success of the firm is largely dependent on our company culture.

To establish our employees perspective and positioning on Pemberton's culture and to emphasise its importance within the Firm, in 2021 employees were asked to respond to questions on Pemberton's culture, which were then analysed and reported on.

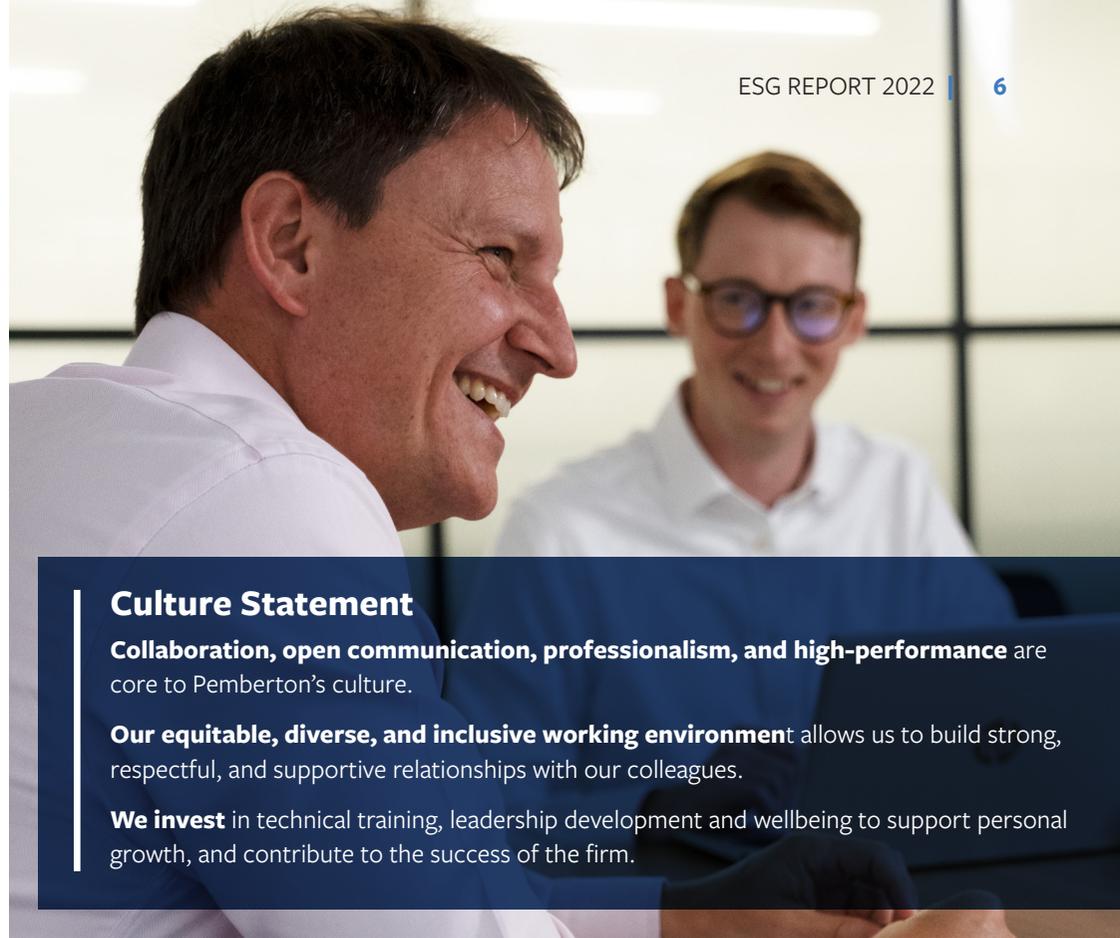
The results were encouraging, but also indicated areas for improvement. In confidential interviews, employees were asked to describe the values and behaviours Pemberton should aspire to, which resulted in Pemberton's culture statement.

In 2022, Pemberton has furthered its commitment to 'company culture' and introduced the Gallup Q12 employee engagement survey which has been distributed across the firm.

Health and Wellbeing

We understand the importance of mental health and wellbeing in the workplace and recognise how vital a work-life balance is. This is why we actively support our employees in incorporating mental wellbeing into their daily lives through mental health training and employee assistance programmes, BioMe and LifeWorks.

In 2020 we launched a series of internal and external BioMe workshops to promote awareness of mental health and wellbeing at Pemberton. The 2020 and 2021 series covered physical, mental, and financial wellbeing. In 2022 we revised physical and mental health through the lens of habit formation.



Culture Statement

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

Our equitable, diverse, and inclusive working environment allows us to build strong, respectful, and supportive relationships with our colleagues.

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

Pemberton ID - Diversity & Inclusion

In 2020, we launched our PembertonID council with the aim to support our organisations' efforts in fostering an inclusive environment by increasing diversity through recruitment and by building awareness and focus in these areas, not only at Pemberton, but in local communities and the industry. The council also manages and puts forward initiatives and ideas which actively contribute to bettering diversity and inclusion.



Paul Aldrich

Partner, Head of People, Performance & Marketing

"Having focused on our employee value proposition we have consulted people across the firm to establish a statement of how our values translate into the behaviours that define our culture. This is incredibly important in maintaining a fulfilling high-performance culture given the firm's significant growth and our future ambitions."

Pemberton's Focus on Social Mobility

Social Mobility

Promoting social mobility within the investment management industry, by making it more accessible for all types of individuals to pursue a career in finance, is a priority for Pemberton.

Investing Potential

Pemberton launched the Investing Potential programme in 2021 and subsequently contacted asset managers, Ardian, Arcmont, Barings and Bridgepoint Credit, who together with Pemberton founded the initiative. The aim of the initiative is to encourage and allow underprivileged and/or previously disadvantaged sixth form students (aged 16 -18 years) to have the opportunity to understand, appreciate and grasp the breadth of career opportunities available within asset management. Pemberton also works closely with organisations, 10,000 Black Interns, UpReach and Dartmouth, who assist us in recruiting suitable interns for the programme.

The inaugural Investing Potential externship began in April 2021, where eight students interacted and connected with professional individuals within the private credit industry during the three-day long program. In April 2022, the programme continued with a total of 10 Students from Queen Elizabeth's School, London Academy of Excellence and Hendon school taking up internships across all the founding firms to participate in a three-day externship program. The internship programme outlined the 'Life Cycle of Asset Management'. Interns would interact daily with senior members at Pemberton, covering topics such as, 'what is private credit', 'where does the capital come from' and 'where does the capital go'.

Pimlico Academy

Pemberton works closely with Pimlico Academy, a local school in London, on their educational enrichment programme which aims to focus on supporting students with their ambitions and helping to combat any anxiety or low confidence issues.

Recently, Pemberton was involved in Pimlico Academy's mock interview programme and their 'insight day', both of which have resulted in building students confidence levels and developing their understanding of financial services.

- **Mock interview day:** Pemberton recently held 27 interviews over two mornings with 15 employees taking part. The interviews lasted 20 minutes each and students had the opportunity to have a professional discussion with various employees at Pemberton.
- **Year 10 Insight Day:** Taking place at Pimlico Academy, the day centred around providing students (aged 13 -15 years) with insight into professional working life and some of the functions performed by our firm. Students grasped the concept of using a SWOT analysis tool and had the opportunity to ask Pemberton employees questions about career choices.

Survey* results of Pimlico Academy students' mock interview sessions

97%

Built confidence in how to present themselves

95%

Enjoyed the process

95%

Gained increased confidence in talking about themselves

95%

Found it was a useful experience

84%

Felt more confident in responding to unexpected questions

*Survey completed across multiple participating institutions.

Pemberton in the Community

Malteser Social Day

Pemberton is a proud supporter of Malteser, a charity based in Germany.

This year, Pemberton supported the Social Day, a nationwide event hosted by the Order of Malta. Companies and their employees spent a day giving back to communities in need.

Pemberton's Frankfurt team utilised Pemberton's 'work-a-day for a charitable cause' programme by visiting the children and youth club 'basement 26', which is located in the former swimming pool area of an elderly care home. The space offers various afternoon programs to children and their parents, including sports, homework help, cooking, and German language courses for parents.

The team spent the day cleaning the courtyard with a high pressure cleaner and were asked to add a creative element to the space.



Malteser International



MainLichtblick

Founded in 2013 and located in Frankfurt am Main (Germany), MainLichtblick is a charitable service provider that fulfils the individual wishes of sick, impaired, and traumatised children and teenagers up to 18 years old, within the Rhine-Main-Region. In 2021, by providing financial backing, the charity helped 4,889 children by granting 370 wishes. These included donations for therapies, purchasing of medical equipment and toys, holidays to theme parks, and day trips.

Every year, Pemberton makes a financial donation to this charitable initiative, supporting wishes such as horse-riding lessons for disabled children. In 2022, Pemberton's donation granted Nike, an 11-year-old with a severe hearing impairment, with specialised hearing aids, bettering her life, both at school and play.

Pemberton's Contribution to Charity

Pemberton encourages all employees to take one paid day away from work to actively help a charitable organisation of their choice, this comes with Pemberton's aim to drive social mobility. Pemberton are also committed to matching any charitable sponsorship a staff member makes to a charitable organisation.

One of Pemberton's Partners in the UK also provides executive coaching to senior leaders at NSPCC, MacMillan and Blood Cancer UK. The firm has also recently anchor-funded a Bloomberg facility at the University of Roehampton to aid students with technology which will further enhance their skillbase.



Pemberton – A Carbon Neutral Firm

Pemberton is proud to be a carbon neutral firm. In partnership with EcoAct, we have voluntarily offset our carbon emissions from 2019 through to 2021. EcoAct calculates Pemberton’s annual carbon footprint based on the Greenhouse Gas Protocol developed by the WRI and WBSCD. Full Scope 1 and 2 as well as partial Scope 3 emissions of all Pemberton operations are considered.

In 2021, Scope 3 emissions accounted for 72% of Pemberton’s footprint. Due to Covid restrictions, a decrease in business travel led to a significant overall reduction in emissions as compared to 2019 — as business travel constituted 31% and working from home 29% of overall emissions.

Each year our employees choose from a selection of different projects how they want to offset the firm’s carbon emissions.

2019 Orinoco Climate Reforestation Project in Colombia

Located in the Orinoco river basin in eastern Colombia, the project aims to reforest what is now largely savannah, due to several decades of cattle farming, while protecting the remaining patches of native vegetation.



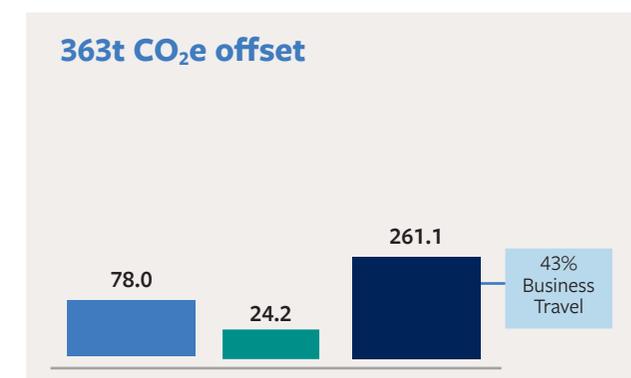
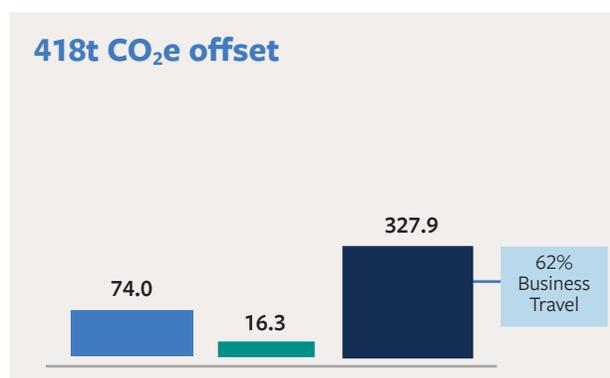
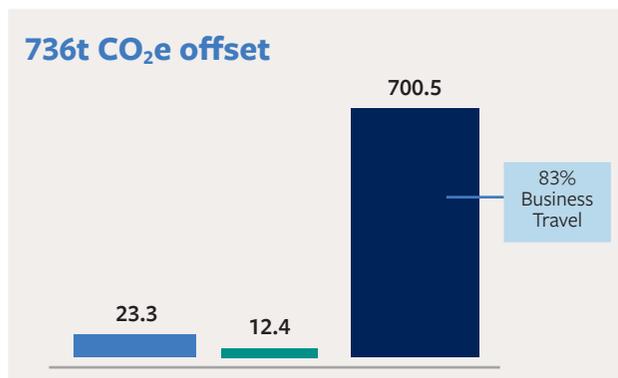
2020 Cookstove Project in Darfur

The project aims to improve household health by replacing traditional cooking methods (burning wood and charcoal inside the home) with low smoke LPG stoves.



2021 Woodland Project in Wales

The project establishes a woodland on 60.9 ha of land previously damaged by grazing through planting a mixed woodland comprising of 25% native broadleaves and 75% conifers.



■ Scope 1 (t CO₂e) ■ Scope 2 (t CO₂e) ■ Scope 3 (t CO₂e)

Signatory of UNPRI and Member of European Leveraged Finance Association

Pemberton Commits to Six UNPRI Principles of Responsible Investing

- 1 **We will** incorporate ESG issues into investment analysis and decision-making processes.
- 2 **We will** be active owners and incorporate ESG issues into our ownership policies and practices.
- 3 **We will** seek appropriate disclosure on ESG issues by the entities in which we invest.
- 4 **We will** promote acceptance and implementation of the Principles within the investment industry.
- 5 **We will** work together to enhance our effectiveness in implementing the Principles.
- 6 **We will** each report on our activities and progress towards implementing the Principles.

European Leveraged Finance Association

In 2022, we became a member of the European Leveraged Finance Association (ELFA) and are working in the Initiative Committees for ESG and Private Debt.

ELFA is a trade association comprised of European leveraged finance investors from over 60 institutional fixed income managers, including investment advisers, insurance companies, and pension funds.

ELFA seeks to support the growth and resilience of the leveraged finance market while acting as the voice of its investor community by promoting transparency and facilitating engagement among European leveraged finance market participants.

2021 UNPRI Rating Results

For Direct – Fixed income – Private debt

Pemberton Score¹



Median Score



For Investment & Stewardship Policy



¹ Please refer to the disclaimer at the end of this document for further information on our UNPRI rating.

Responsible Investing



Responsible Investing at Pemberton

Why we believe in responsible investing

As an institutional asset manager we have a duty to act in the long-term interests of our investors. We do this by investing in high-quality businesses with attractive risk-adjusted returns, while leveraging our expertise, dual-track credit analysis process and local footprint across Europe's largest economies.

Our role as a key provider of debt capital to selected mid-cap Western European companies provides us with the ability to encourage and reward the adoption of better Environmental, Social, and Governance practices across our portfolio. We believe Pemberton as well as lenders like us have a responsibility to make the most of this opportunity to enhance the positive impact of our investors' capital.

While encouraging better business practice is the right thing to do, we believe it also contributes to better returns by ensuring we select borrowers that are well positioned for continued success in a world where more is expected of private businesses by key stakeholders, including employees, customers, regulators and the local communities where these businesses operate. In our view, responsible behaviour is not only ethical - it also makes sense from a business perspective.

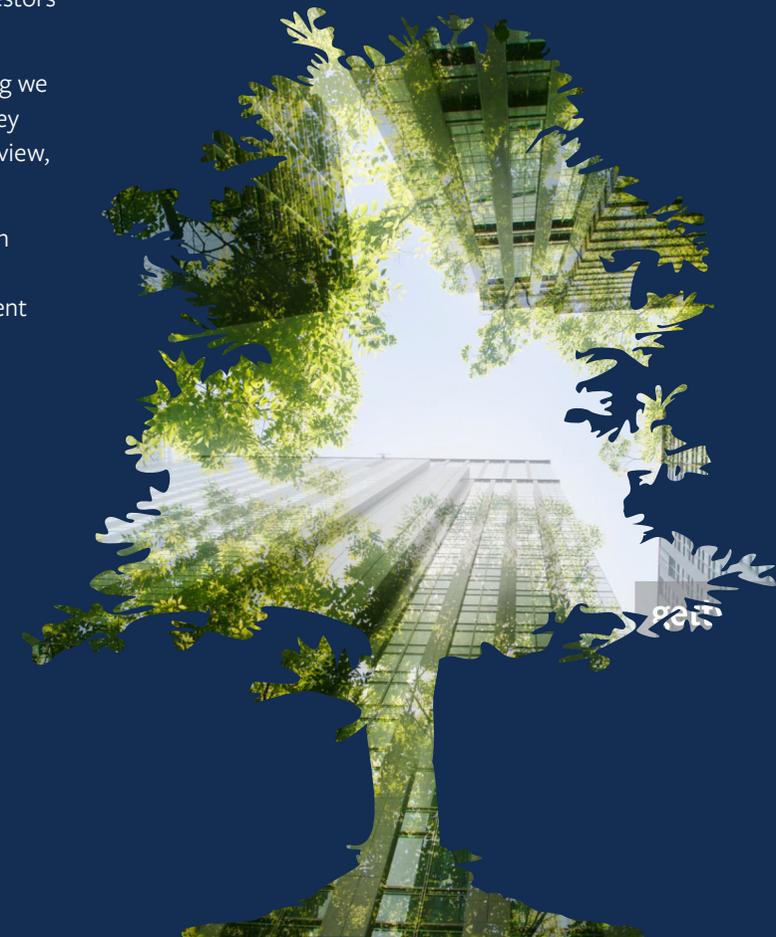
ESG considerations at Pemberton are embedded throughout our investment process, from the initial screening stage through to due diligence analysis, loan structuring, and investment monitoring. Evaluation of an asset's ESG merits is not a secondary consideration, but front of mind for all employees involved in investment selection and structuring, from analysts to Investment Committee members.



Douglass Welch

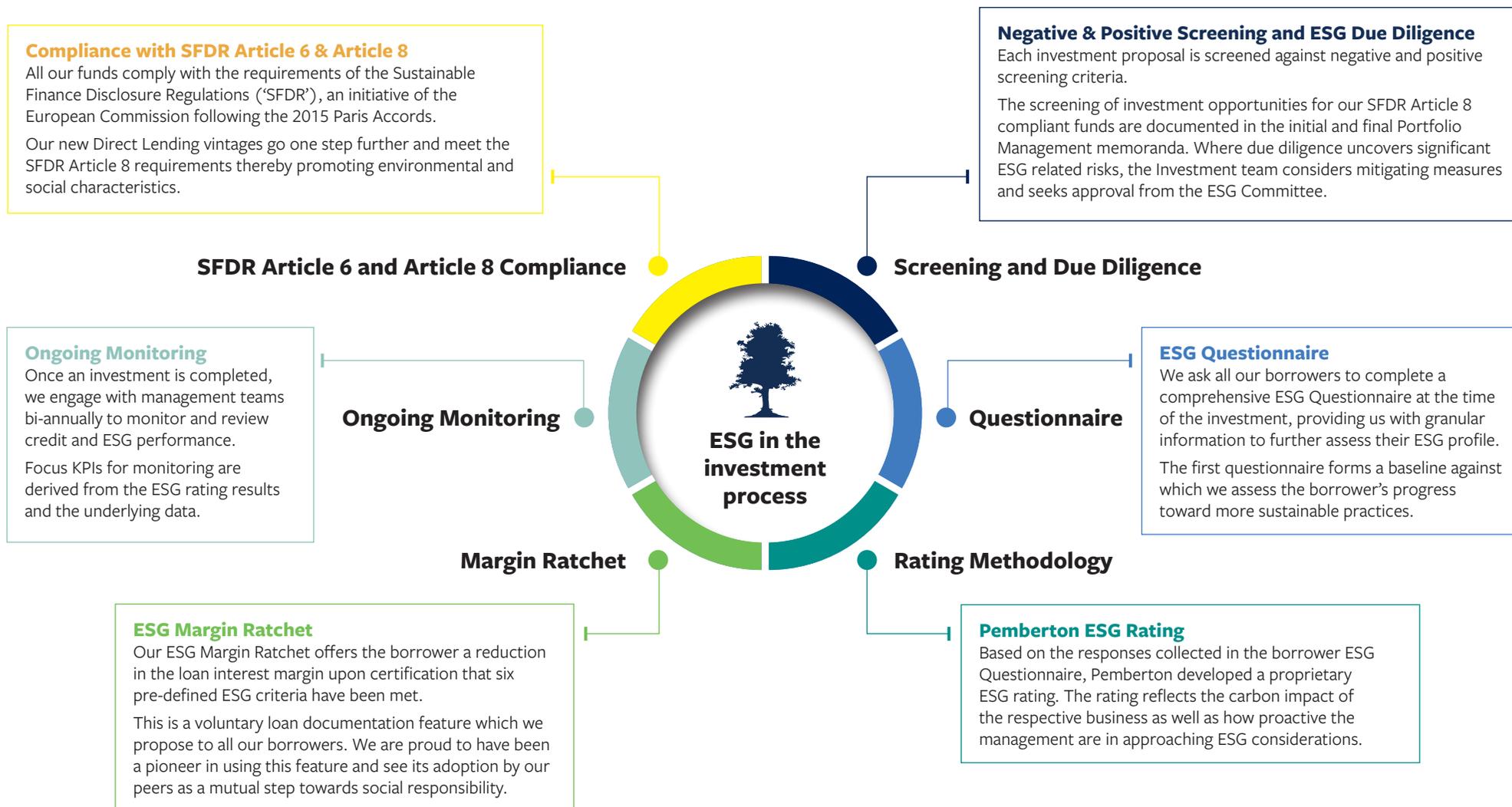
PAMSA, Portfolio Management
Conducting Officer

“The ESG Governance framework is the fruit of many years of evolution. What tends to surprise our investors is how ESG at Pemberton is not an isolated function but an integral part of our investment process, from analysts conducting due diligence on sustainability risks through to oversight by Pemberton’s Investment Committee.”



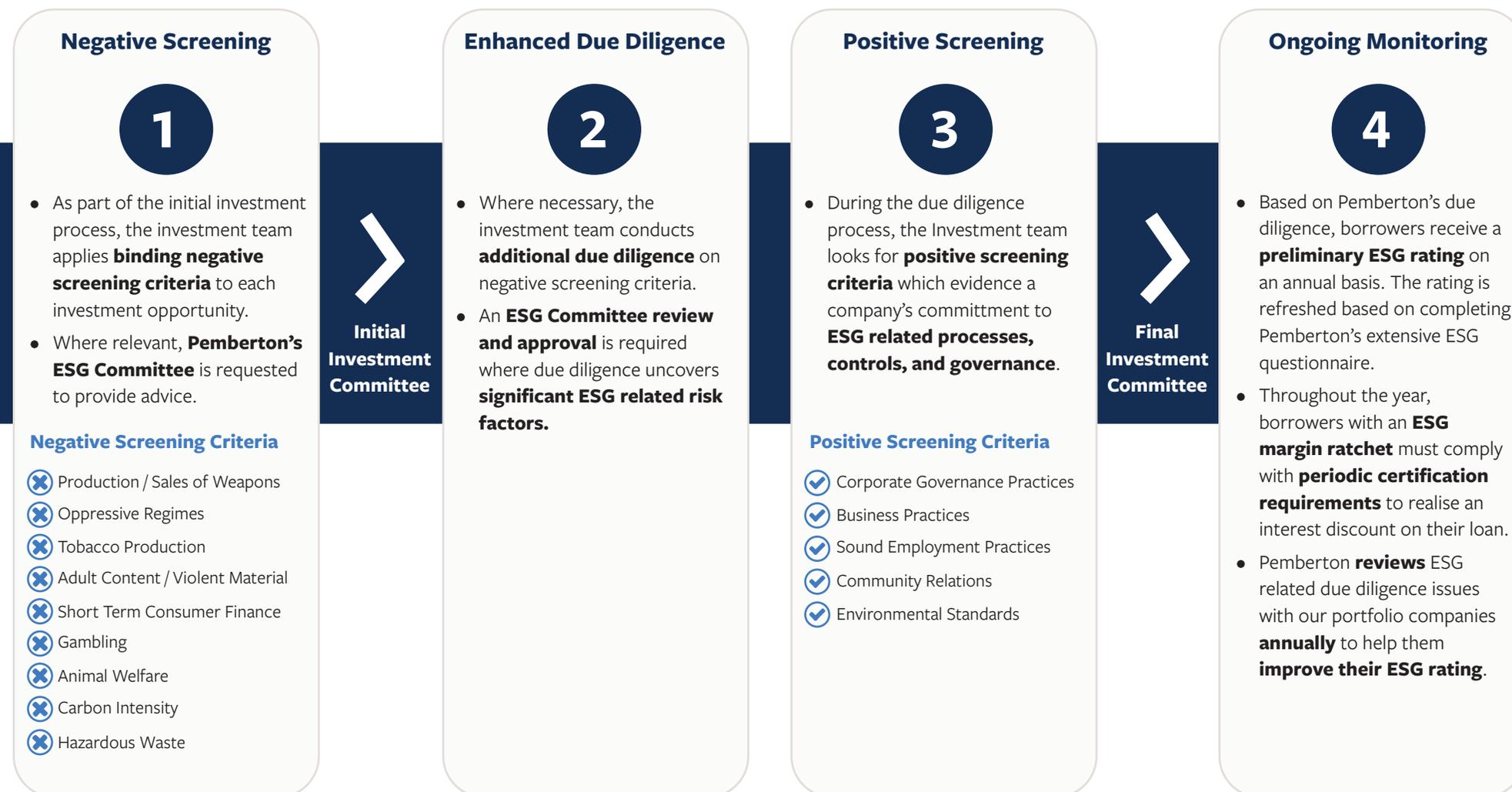
Roadmap to Pemberton’s Responsible Investing

The six branches of responsible investing at Pemberton



ESG in our Investment Process

Our screening process in our SFDR Article 8 Funds



ESG Screening Examples

Since 2020 we have declined 52 potential investments based on our ESG principles¹



Environmental

PROJECT OK

Date: Q3-2022

Sector: Business Services

Geography: France

- Involved in downstream Oil & Gas production and distribution process.
- Initial diligence did not support a committed approach to key ESG principles or facilitating the transition to renewable energies.

Declined

due lack of commitment to improving business practices.



Social

PROJECT NEON

Date: Q1-2022

Sector: Financial Services

Geography: United Kingdom

- Scale debt collection practice with pan-European operations.
- Group handles in excess of 4.2m files per year with significant negative online reviews and press coverage.

Declined

due to concern over aggressive collection practices.



Governance

PROJECT MAESTRO

Date: Q4-2021

Sector: Retail

Geography: United Kingdom

- Sponsor-backed mobile gaming platform with a significant proportion of revenues derived from in-app platforms that resemble gambling (e.g. Slots).
- Revenue model is focused on recurring transactions from repeat customers, with an emphasis on play volumes.

Declined

due to concern over the governance structure and the true nature of the operating model (i.e. gambling).

¹ Please note that these declines were prior to our implementation of SFDR Article 8 and were not based on SFDR Article 8 regulated considerations.

ESG Margin Ratchet

We have been offering ESG margin ratchets to our borrowers since November 2020

Pemberton grants a margin reduction to the borrower if an independent third-party certifies the successful incorporation of six points



A market leader in introducing **ESG Margin Ratchets in Direct Lending**



€5,759m
Total Margin Ratchet Commitments¹



53
Total Number of Investments^{1,2}



40
Total Number of Borrowers¹

The Asset Management AWARDS 2021 WINNER
ESG INITIATIVE OF THE YEAR

Please refer to the disclaimer at the end of this document for further information on the awards.

¹ As of 1st November 2022.

² Projects invested across multiple strategies are only accounted for as one investment. This is an additional ESG incentive to our SFDR Article 8 strategy criteria.

Governance

We have been using ESG questionnaires with our borrowers since 2016

- **Pemberton collects ESG data** from its borrowers upon investment and subsequently on an annual basis.
- **In Q1 2022**, Pemberton **updated its ESG questionnaire** to deliver more detailed reporting to its LPs.
- The questionnaire includes 78 questions and covers all three areas of **ESG: Environment, Social and Governance**. The questions are selected to fulfil the reporting obligations of our funds on the one hand and internal monitoring requirements on the other hand.



E

38 questions focused on environmental topics of the borrower

- Climate Change
- Environmental Policy & Monitoring
- Biodiversity



S

18 questions focused on social topics of the borrower

- Employment
- Diversity
- Health & Safety



G

22 questions focused on government topics of the borrower

- Business Conduct
- Sustainability
- Governing Body
- Supply Chain



Annual ESG Borrower Questionnaire

We monitor year-on-year progress in ESG performance of our borrowers

Comparison of Questionnaire Results – 2021 vs 2020

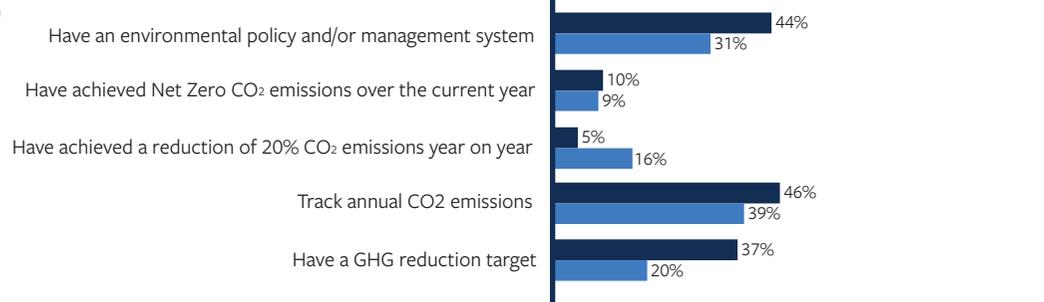
Environment



Social



Governance



Our borrower engagement through the ESG questionnaire

- We work with our borrowers to highlight areas with room for improvement to support them on their journey towards more sustainable business practices.
- We monitor year-on-year ESG performance of our portfolio companies.
- Based on the 2022 ESG questionnaire data, Pemberton has developed an ESG rating on each borrower.

Portfolio companies with an equal opportunities and diversity policy (%AUM²)



Portfolio companies with a good business conduct policy (%AUM²)



Portfolio companies with a GHG emissions reduction target (%AUM²)



¹ Based on 47 borrowers across all direct lending strategies, summing to €5.597bn commitments as at 30th June 2021.

² Based on 69 borrowers across all direct lending strategies, summing to €10.275bn commitments as at 30th June 2022.

ESG Ratings

Pemberton's ESG Questionnaire & Rating: Goal & Methodology

The **goal of the Pemberton ESG rating** is to:

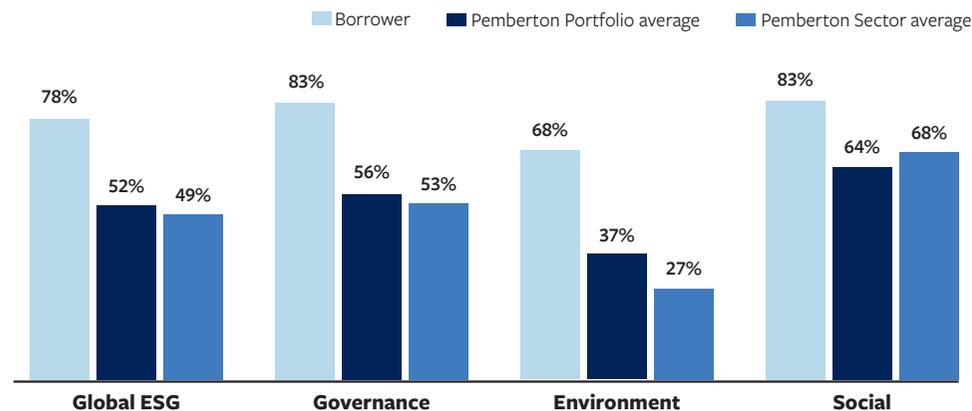
- **Increase transparency** on the ESG performance of the portfolio for our investors, including the management practices, as well as the climate footprint of each portfolio company.
- Incentivise borrowers to collect and share **key ESG KPIs** by starting to track specific KPIs and/or improve the data quality.
- Incentivise borrowers to continuously **improve their ESG performance**.

Borrower Example

2021 ESG Scorecard

ESG Rating: B3

Industry Headquarter	Services: Business France	2021 Revenue	€m 11,619
		2021 Headcount	10,006



¹ Borrowers with annual emissions of less than 25 tonnes CO₂ per million of revenues are classified as low emitters. Borrowers with annual emissions of more than 25 tonnes CO₂ per million of revenues are classified as high emitters.

ESG Management Score

The ESG Management Score measures the proactive actions of the borrower company's management. The score reflects the ESG maturity of a borrower and its approaches and practices to Environment, Social and Governance.



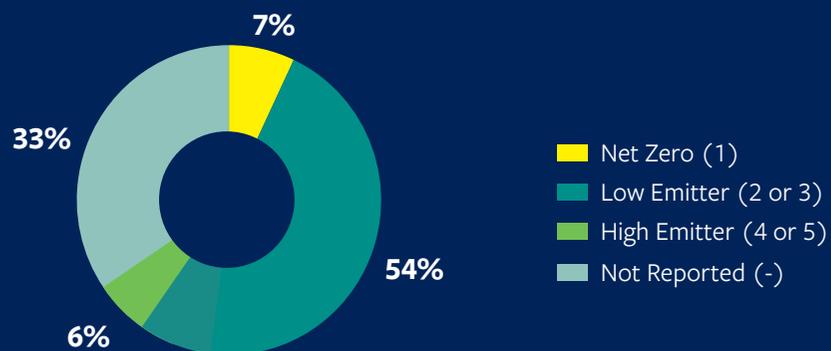
Carbon Emission Rating

The Carbon Emission Rating measures the impact each portfolio company's activities have on the climate. The score is only based on Scope 1 emissions because data for Scope 2 and 3 is not readily available. The score reflects total emissions per millions of revenue.¹

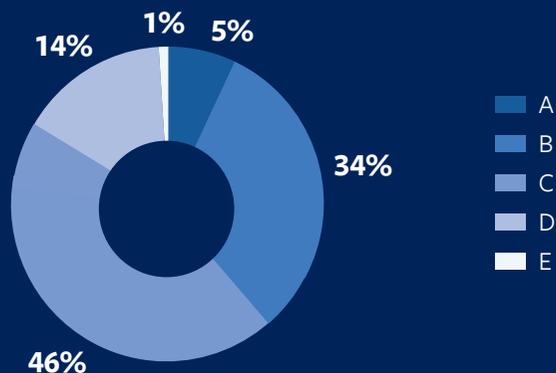


Deep-Dive: ESG Ratings

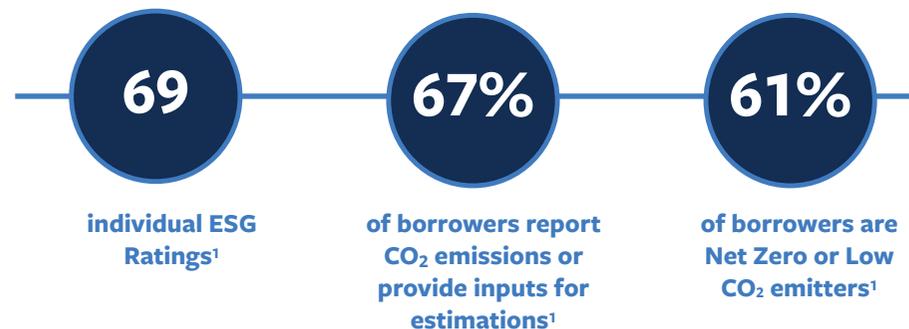
Pemberton Portfolio: Carbon Emission Scores¹



Pemberton Portfolio: ESG Management Scores¹



Rating Outcome 2021



Key Take-Aways

- 61% of our existing portfolio is either a ‘lower emitter’ or net zero while only 6% is classified as a ‘higher emitter’.
- 33% of the portfolio does not report CO₂ emissions currently. As such, we are engaging with the help of external consultants to improve 2023 reporting.
- 5% of our portfolio achieved an ESG Management Score of ‘A’, while 80% earned a score of ‘B’ or ‘C’. We believe this reflects good ESG management practices within the European mid-market space.

Next Steps

- Every new borrower is rated and we update ratings on an annual basis.
- We encourage companies to enhance the quality of their ESG reporting by showing how they benchmark themselves compared to their peers and highlight areas for improvement.
- Through ESG margin ratchets (see page 16), we set incentives for companies to improve their ESG performance and practices.

¹Based on 69 borrowers across all direct lending strategies, summing to €10.275bn commitments as at 30th June 2022.

Natra
Leading international producer of cocoa and chocolate products

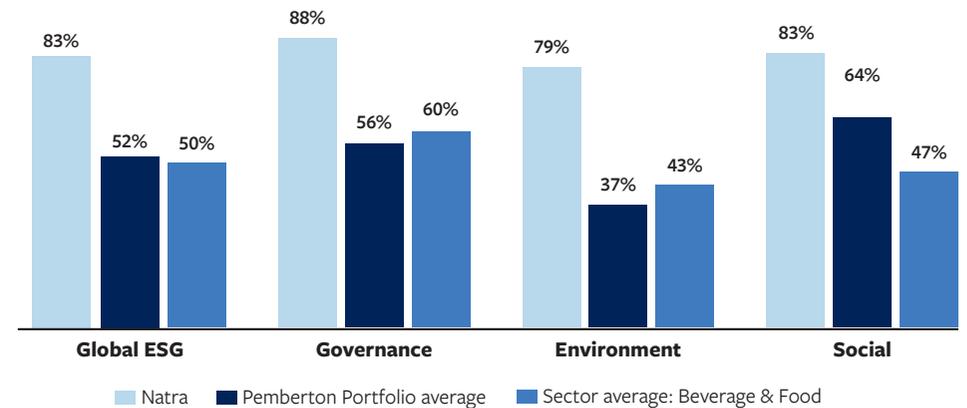
HQ: **Spain**

Investment Date: **September 2019**

PE Shareholder: InvestIndustrial

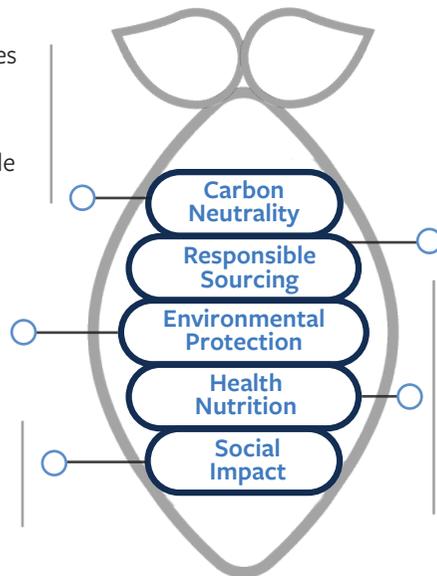
Employees: 1,000+

Pemberton ESG Rating: A1



2021 SUSTAINABILITY HIGHLIGHTS

- 100% of GHG emissions (Scopes 1&2) offset with projects in cocoa-producing communities.
 - 22% of energy is from renewable sourcing.
 - More than 90% of paper packaging is from sustainable forests.
 - 93% of packaging is recyclable or compostable.
- Approval of the project “Empowerment of the cocoa producing communities in Per”, focusing on youth and women.



- 34% sustainable cocoa (vs. 15% in 2015).
- 100% of the palm oil purchased is sourced sustainably.
- 97% of suppliers are committed to responsible sourcing.
- New products contain reduced sugar content, are organic, contain a high cocoa content and are vegan.
- Collaboration with research centres and universities to develop healthier products with more sustainable packaging.

DEEP DIVE:

SUPPORT FOR LOCAL COMMUNITIES

Support for the **indigenous communities** Shipibo Conibo and Cacataibo in the Ucayali region (Peru) with a **reforestation project** in the Peruvian Amazon:

- Prevention of the deforestation of 4,855 hectares of critical tropical forest ecosystem.
- Protection of three endangered species (the jaguar, the blue headed macaw and the tapir).
- Support of seven indigenous communities and two projects for women who use forestry resources for handicrafts.
- Enhancement of the economic development of local enterprises and is the first FCS programme in indigenous communities and in Peru.

“ESG is embedded in our DNA and having Sustainability credentials are pre-requirements for most of our European clients. As time goes by, cocoa-certified chocolates are a growing market in Europe, with interesting opportunities for Natra. We consider ourselves to be a market leader from an ESG perspective and look forward to acting as an enabler for our clients’ ESG ambitions.”

Raimon Trias, CFO of Natra

Learning Curve Group

National training and educational specialist

-  HQ: UK
-  Investment Date: **March 2019**
-  PE Shareholder: Agilitas
-  Employees: 900+

SUSTAINABILITY HIGHLIGHTS

Carbon reduction projects

Introduction of measures to reduce carbon emissions over the next five years, such as:

- Cycle to work and car sharing schemes.
- Installation of electric car charging ports at head-office.

Award-winning learning programme

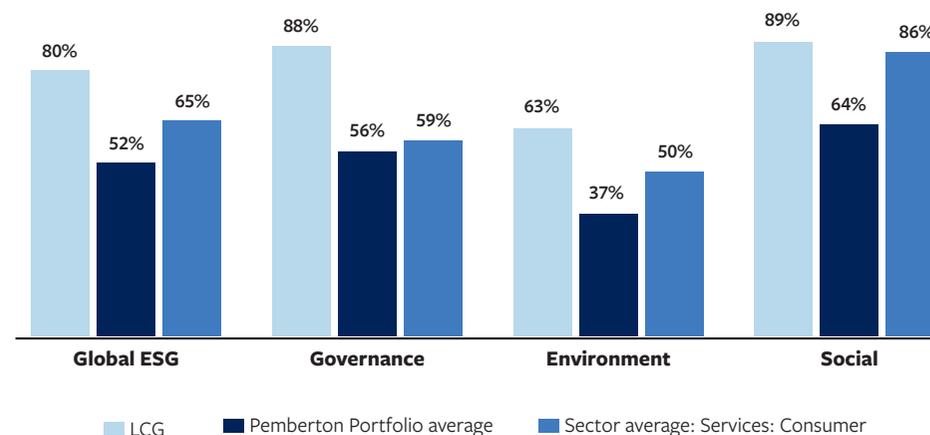
- Training provider of the Year at the 2021 BAME Apprenticeship Awards.
- Showcased the outstanding work and achievement of apprentices from Black, Asian and Minority Ethnic (BAME) communities.
- ‘Learning provider of the year’ award 2022 for the second year in a row for the dedication to inclusion, equality and diversity, provided by the Multicultural Apprenticeship Awards.



Gender equality

- 2021 gender pay gap study has revealed that 75% of the lowest paid and 49% of the highest paid jobs at LCG are occupied by women.
- The plan to improve the gender pay gap includes making jobs more attractive to male applicants such as changing job titles and job adverts to remove gender bias.

Pemberton ESG Rating: **B3**



DEEP DIVE:

PROVIDING HIGH QUALITY EDUCATION AND TRAINING

Over the last 15 years LCG has grown to become one of the largest and most diverse providers in the country, supporting more than 200,000 individuals a year and working with over 4,500 employers to provide high quality education and training for their workforce.

Their 60+ academies offer an alternative to sixth form or college and their employability division supports thousands of unemployed and economically disadvantaged adults across the country. Their access to a broad range of government funding and apprenticeship delivery supports tens of thousands more.

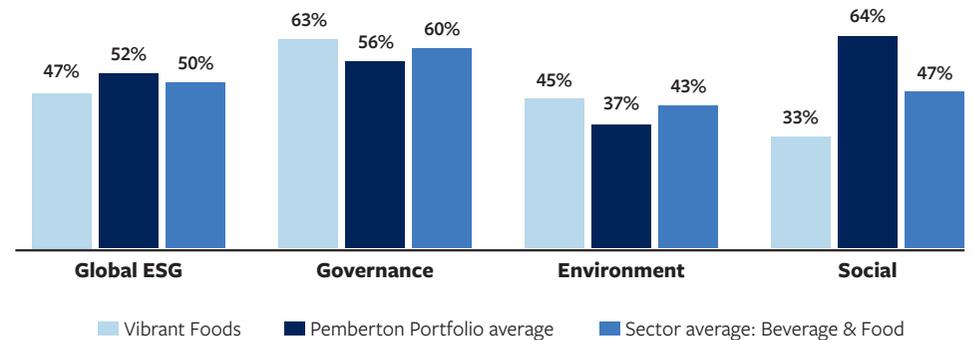
“LCG’s approach to ESG and sustainability is embedded within everything we do. We are proud to work closely with communities in areas of high deprivation and have developed sustainable models within these communities. This ensures that community venues can support even more individuals and LCG can help some of the hardest to reach people. In addition, although we are not an energy intensive organisation, we are committed to measuring our carbon footprint and putting in place a plan to reduce it further.”

Brenda McLeish OBE DL, CEO of Learning Curve Group

Vibrant Foods
 Producer of highly successful south Asian food brands

- HQ: **UK**
- Investment Date: **November 2019**
- PE Shareholder: **Exponent**
- Employees: **600+**

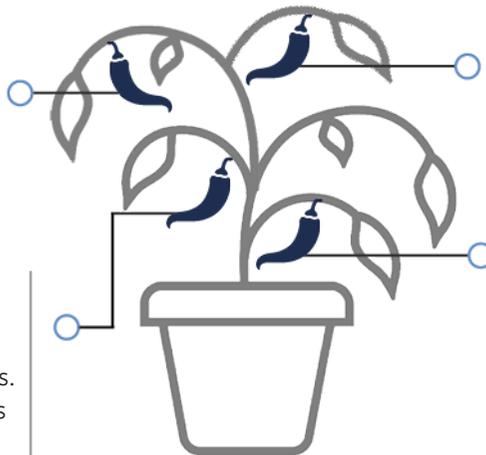
Pemberton ESG Rating: C3



2021 SUSTAINABILITY HIGHLIGHTS

Food redistribution

- 210,000 meals distributed to people in need of donations.
- Donated over 9,000kg of pulses, snacks and spices.
- 92% of food donated is saleable and only 8% surplus food.



Renewable energy consumption

- 824 tCO₂eq usage avoided by manufacturing products with 55% green electricity.

Planned projects for 2022

- Impact quantification of Scope 3 emission sources.
- Social and environmental minimum standards to be rolled out over the supplier base.
- Roll out of ESG questionnaire to suppliers representing 80% of procurement.

DEEP DIVE:

PROVIDING SURPLUS FOOD TO FELIX'S KITCHEN

- Since 2021, Vibrant foods is a supporter of Felix's Kitchen, a London-based food redistribution charity founded in 2016 which helps to feed 4.7 million adults and 2 million children in need.
- Donated 7,566kg of pulses, grains and other vegetables, with a further 847kg in spices.
- Supplies from Vibrant foods have helped to create 20,000 meals, distributed to charities by Felix's Kitchen, for example, across Tower Hamlets, Hackney and Newham.

“We have been working to build a strong foundation for social and environmental impact at Vibrant Foods. Our approach is a holistic one centered around four pillars — quality, climate, culture, and communities — that celebrate the role our plant products and our own practices (inside and outside the business) can play in driving positive change. As a group, Vibrant Foods is still early-on in its impact journey, but we’re hungry to make good things happen.”

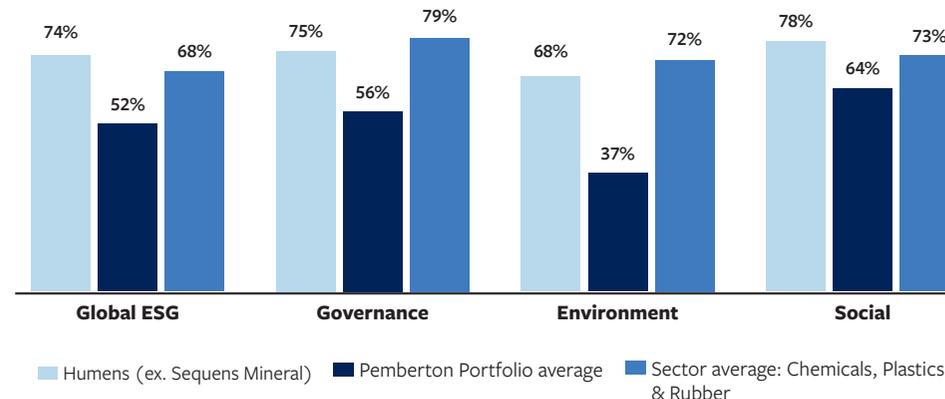
Rohit Samani, Executive Chairman of Vibrant Foods

Humens (ex. Seqens Minerals)

Offering high-quality products within the Pharmaceutical industry

-  HQ: **France**
-  Investment Date: **July 2021**
-  PE Shareholder: **Eurazeo**
-  Employees: **350+**

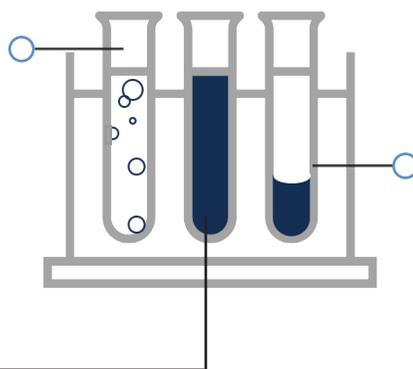
Pemberton ESG Rating: **B5**



SUSTAINABILITY HIGHLIGHTS

Climate change and the environment

- Reduced the usage of coal energy from 85% of the energy mix in 2016 to 58% in 2020.
- 65% material used is recycled.
- 75% reduction in NOx emissions in past 5 years.
- 100% European sites certified ISO 14001.



Disability inclusion programme

- Launched campaign to raise awareness about disabilities.
- 300+ employees received people awareness training.

Safety, quality and compliance

- 100% of sites ISO 9001 certified.
- 25% reduction in work related accidents per million work hours. from 2018 to 2021.
- Code of ethics signed and applied by all managers and partners.
- Improvement of water quality by manufacturing ingredients to stabilize pH, reduce hardness and have anti-corrosive properties.

DEEP DIVE:

INVOLVEMENT IN SUPPORTING THE LOCAL COMMUNITY

Continued multi-layered support to the local communities around Humens’ factories in France:

- **Urgency aid:** in a joint effort with the local social aid bureau, Humens recently **provided housing to Ukrainian families**, who had to flee their country.
- **Tackling local unemployment:** Humens is offering internships to local students from high schools to universities of the local areas, recognizing that professional experience is the key gateway to employment.
- **Best practice sharing:** Humens’ excellence operations manager is part of a local working group made of local companies aiming at **sharing best practises in terms of carbon footprint reduction and sustainability improvement.**

“Making the planet a world of purity is our credo, which we promote proudly through our environmental impact reduction and social responsibility strategy.”

Raymond Sinnah CEO of Humens

Message from our Chairman

Responsible Investing has been a cornerstone of our investment approach since the inception of our business. We started with a focus on avoiding industries with negative externalities including weapons and tobacco and investing in companies with strong corporate governance frameworks, or with private equity sponsors with a vision and plan on how to improve existing governance frameworks during their stewardship.

I am proud of the progress we have made over the years and the further integration of sustainability and ESG into everything we do.

It has fundamentally shaped the way our business has developed and not only guides our investment strategy and the way we treat our employees but also how we engage with the outside world.

Whether it's the way we choose which companies to invest in, the engagement we have with the community, the charitable events that our people do privately without any fanfare or expectation of recognition, or the voice we have within our industry, we are striving to make a difference. They all matter and I am immensely proud of the whole team for the work they do to.

But it is not enough.

I am not satisfied.

I am determined that Pemberton will play a bigger role in this vital endeavour.

Pemberton provides long-term financing solutions and investments in our portfolio companies. By offering our borrowers financial incentives we can influence their behaviour to reduce emissions, tackle inequalities and become better custodians of the earth's resources.

We also have a range of other initiatives that we plan to launch in 2023.

I hope to tell you more about those next year.



Keith Jones
Non-Executive Chairman

Pemberton's ESG Working Group



Ralph Hora

Partner | Business Development Partner and
Chair of ESG Working Group



Paul Aldrich

Partner | Head of People and Performance



Christopher Balkos

Associate Director | Funds Legal



Robin Challis

Partner | Portfolio Manager



Cassandra Fahy

Managing Director | Origination, UK & Ireland



Sophie Foster

Marketing Manager



Carsten Guenther

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Marina Marugg

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Managing Director | Head Counsel Funds



Rob Reynolds

Managing Director | Head of CLOs



Helen Richards

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James Taylor

Director | Head of Investor Relations



Jean Tournaire

Managing Director | Portfolio Manager



Nils Weber

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The Asset Management Award received by Pemberton was given by The Asset Management Awards, which is published by MoneyAge, the award is 100% editorially led and voted on by industry participants. The award was received in the year indicated, granted in respect of the preceding prior year. No amounts were paid by Pemberton in connection with the granting of the award.

The PRI rating was assigned by the Principles for Responsible Investment ("PRI"), an investor initiative in partnership with the United Nations Environment Programme (UNEP) and the United Nations Global Compact (UNGC). The PRI assigned ratings to its signatories for the 2021 calendar year according to its published 2021 Reporting Framework. PRI ratings are assigned to all PRI signatories that submit completed responses to the rating due diligence questionnaire provided by the PRI. Pemberton pays an annual membership fee as a signatory of the PRI but does not pay for the PRI rating itself.

Pemberton was commended in (but did not win) the Diversity and Inclusion Leader of the Year award by the Funds Europe Awards. The commendation was in 2021. No amounts were paid by Pemberton in connection with this commendation.

Pemberton was proudly recognised (a finalist) for Social Mobility Advancement in the UK Social Mobility Awards. This was in respect of 2021. Although Pemberton paid for the cost of attendance at the awards ceremony, no amounts are paid by Pemberton in connection with the granting of the awards.

Pemberton was a finalist in (but did not win) the Leadership of the Year Award in the UK Social Mobility Awards. The silver award was received in 2022, an award all finalists who did not win, received. Although Pemberton pays for the cost of attendance at the awards ceremony, no amounts are paid by Pemberton in connection with the granting of the awards.

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