SOHO SQUARE

RESPONSIBLE INVESTMENT REPORT 2024

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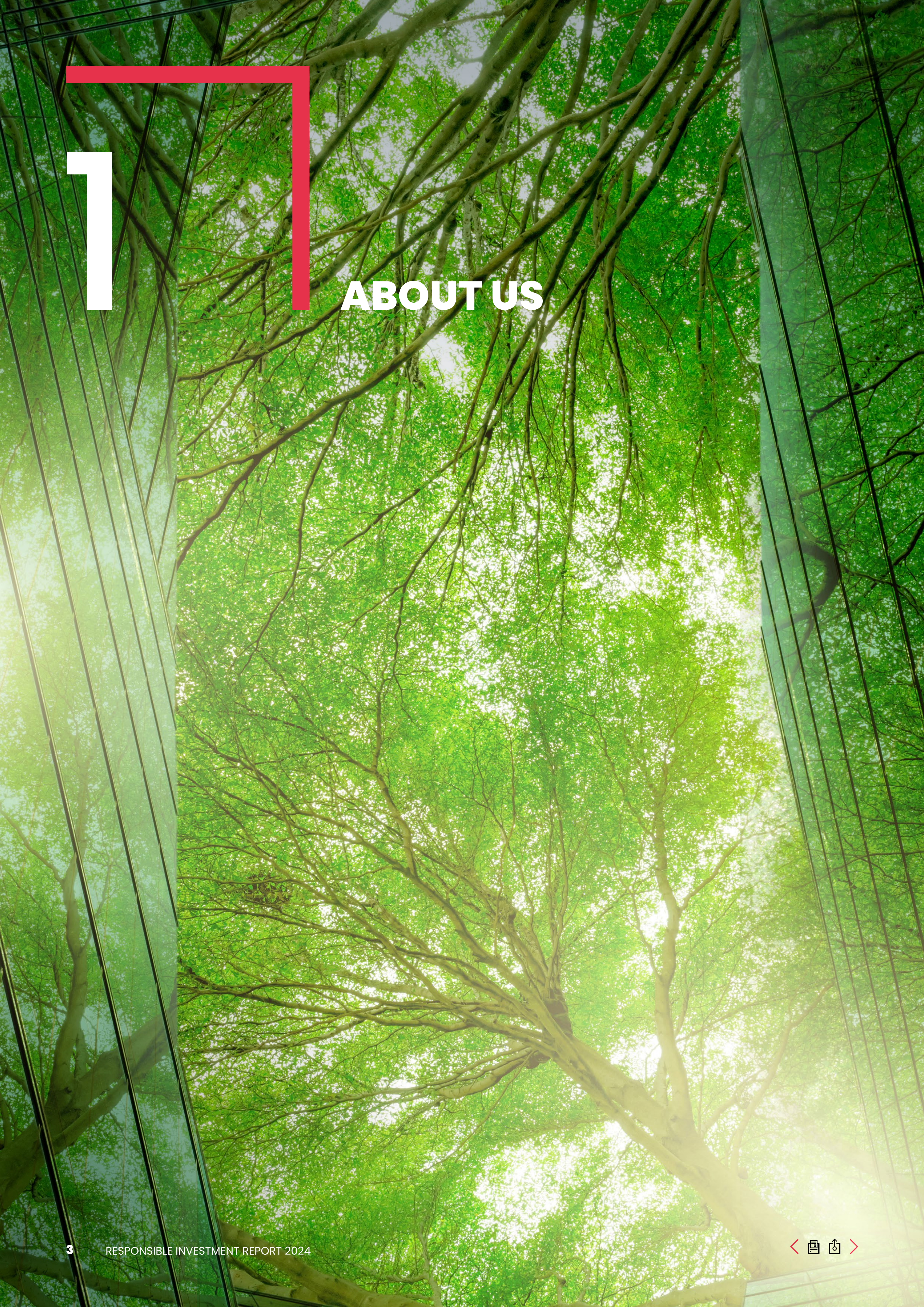


1 ABOUT US

MESSAGE FROM SOHO SQUARE'S LEADERSHIP

At Soho Square Capital, we believe responsible investment practices are fundamental to supporting long-term sustainable growth for our investors, portfolio companies, employees and wider stakeholders.

Walid Fakhry
CEO

Rhonda Nicoll
Head of ESG

Steven Ferris
Head of Asset Management

As a long-term investment partner to UK and European businesses, we recognise that environmental, social and governance (ESG) considerations are increasingly important in protecting and creating value. Integrating ESG factors into our investment and portfolio management processes helps us identify opportunities, manage risk, strengthen governance and support operational resilience across our portfolio.

Over the past year, we have continued to formalise and enhance our responsible investment framework. We have expanded our ESG data collection processes, strengthened governance oversight and worked closely with portfolio company management teams to improve transparency and accountability.

During 2024, all portfolio companies within Soho Square Partnership Capital Fund I calculated Scope 1 and Scope 2 greenhouse gas emissions, and ESG remained a standing agenda item at portfolio company board meetings. We also continued to develop our approach to SFDR reporting and broader sustainability-related disclosures.

We recognise that ESG reporting continues to evolve and that data availability and quality remain a journey for many mid-market businesses. Our focus remains on building a pragmatic, transparent and proportionate responsible investment framework that supports long-term value creation and aligns with the expectations of our investors and other stakeholders.

We remain committed to embedding responsible investment principles into our investment decision-making and portfolio management activities and to supporting our portfolio companies as they continue to develop and strengthen their ESG capabilities.

SOHO SQUARE AT A GLANCE

Soho Square Capital designs investments to support ambitious leaders of UK and European businesses.

OUR APPROACH TO PARTNERSHIP

Focussed

Dedicated to serving the financing needs of UK and European SMEs.

Flexible

Bespoke financing solutions designed to minimise equity dilution and support founder-led businesses.

Experienced

A seasoned investment team providing practical and commercially focused solutions.

Supportive

Long-term partnership and active engagement throughout the investment lifecycle.

We provide flexible structured capital solutions tailored to the strategic objectives of founders, entrepreneurs and management teams.

Our approach combines capital, operational support and strategic partnership. We work collaboratively with management teams to support growth, operational improvement and long-term value creation.

The Soho Square team brings together a breadth of experience across private markets, operational leadership and corporate finance, enabling us to support businesses through periods of transition, growth and strategic development.

65+

INVESTMENTS TO DATE

£15m-40m

TARGET INVESTMENT SIZE

BROAD RANGE OF STRUCTURED CAPITAL SOLUTIONS

ACTIVE PARTNERSHIP APPROACH TO PORTFOLIO MANAGEMENT

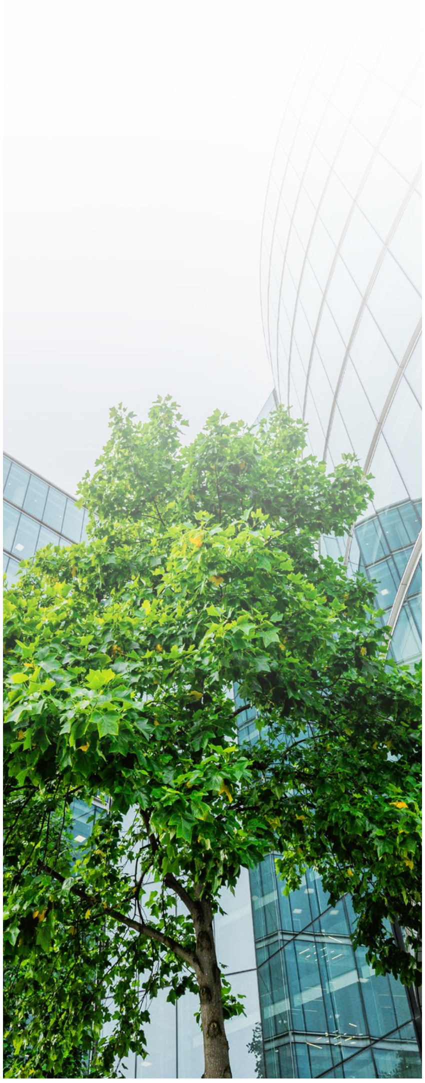
Signatory of:

PRI Principles for Responsible Investment

2 APPROACH

OUR ESG APPROACH

The aim of this Responsible Investment Policy is to outline how we incorporate ESG guidelines into our investment decision-making processes and portfolio management operations.



We believe that responsible investing is an important element in supporting society's move towards a sustainable economic future. We acknowledge that responsible investing will not only benefit our investors but will also deliver broader societal benefits. To do so effectively, we intend to integrate Environmental, Social and Governance (ESG) considerations into our investment analysis and decision making processes by ongoing monitoring of sustainability risks and impacts and by promoting improved practices throughout the investment cycle.

Soho Square is a signatory to the UN Principles for Responsible Investment (UNPRI). By aligning ourselves with the UNPRI Principles, we are joining with other private equity firms that share a collective objective to create a more sustainable future.

The UNPRI Principles cover all aspects of our business, and we endeavour to make them part of our day-to-day processes.

As part of our commitment, Soho Square will report annually on the mandatory Principle Adverse Indicators (PAI) under the Sustainable Finance Disclosure Regulation (SFDR). The SFDR, which is part of the EU's Sustainable Finance Action Plan, lays out mandatory rules for asset managers, with the aim of making the sustainability profile of funds more transparent and better understood.

UNPRI PRINCIPLES

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

OUR ESG APPROACH CONTINUED...

OUR ESG POLICIES

ENVIRONMENTAL

- Minimise and manage environmental impact
- Measure and report carbon emissions

SOCIAL

- Protect employees through high health and safety standards
- Ensure product safety and protect consumer interests
- Engage positively with local communities

GOVERNANCE

- Ensure the adoption and institutionalisation of critical governance policies, including anti-corruption and bribery policies
- Ensure that portfolio companies operate to the highest standards of corporate governance

POLICY AREAS

ESG is easy to define as a concept but is hard to translate into specific rules or sets of actions.

Our approach is intended to be practical through the implementation of broad-based policies that recognise the complexities associated with the implementation of ESG concepts and also by defining exclusion lists that reflect the areas that we believe are not compatible with our broader ESG agenda. We believe that this approach achieves many key objectives while giving us the flexibility to examine and evaluate those ESG issues that may not fall into well-constructed definitions.

We have defined our broad-based policies around the three Environmental, Social, and Governance areas.

DUE DILIGENCE

Soho Square uses a dedicated ESG due diligence framework, supported by an external service provider and supplemented by sector based exclusions.

The framework covers 42 ESG topics, which are scoped in or out based on sector materiality and relevant disclosure or compliance thresholds.

Two analytical lenses are applied:

(i) the sector level ESG risk exposure (low/medium/high); and

(ii) the company's risk mitigation measures. The ESG due diligence is structured around a Red Amber Green (RAG) framework and is informed by internationally recognised standards and reporting frameworks, including the OECD Guidelines for Multinational Enterprises, the International Labour Organization (ILO) core labour standards, the United Nations Global Compact (UNGC) Ten Principles, the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Standards, alongside sector specific good practice. These sources inform the definition of expected practices, minimum safeguards and good practice benchmarks across environmental, social and governance topics.

For each potential portfolio company, this assessment is undertaken to identify the most important ESG issues for the business and to establish a baseline ESG assessment score, agreed with management. This baseline then informs a company specific ESG action plan for the first year of ownership.

OUR ESG APPROACH CONTINUED...

OUR EXCLUSION LIST

The exclusion list that we have adopted is and will continue to be a work in progress. The list represents our current assessment and will continue to evolve to reflect our position on industries and business that we deem to no longer be within our broader ESG agenda.

We commit to restricting investment in companies whose core products or services directly relate to the following excluded activities:

- Production, distribution, or sale of pornography
- Production, trade and/or distribution of tobacco
- Production of, and trade in, prohibited weapons (which include anti-personnel mines, cluster munitions, and biological and chemical weapons)
- Operation of casinos and other gambling enterprises
- Extraction of fossil fuels
- Enterprises whose business models involves the destruction of habitat e.g., palm oil/deforestation

PORTFOLIO MONITORING AND ENGAGEMENT:

Throughout the holding period, we monitor the ESG performance of our portfolio companies on an ongoing basis through regular engagement and through the annual metrics gathering process.

We employ the services of an external specialist adviser who is engaged annually to collect and monitor a set of ESG metrics. This approach ensures that key ESG impacts and risks are identified and managed, progress is tracked, and both investee companies and Soho Square are prepared for sound and transparent reporting with high-quality data.

The metrics set being used to monitor the environmental and social characteristics promoted by the fund comprises a selection of Environmental, Social, Governance (ESG) / Sustainability data informed by internationally accepted frameworks and industry best practice. This includes: GHG Accounting Protocols and PCAF Global GHG Accounting Standards; ESG Data Convergence Initiative reporting initiative; Invest Europe GP ESG Due Diligence Questionnaire; Principal Adverse Indicators; Global Reporting Initiative and the European Sustainability Reporting Standards.

Performance will be assessed by analysing each company's year-on-year progress, with any significant gaps or data changes identified and followed up through targeted engagement where necessary.

Representatives of Soho Square sit on the boards of all investee companies and oversee progress against agreed ESG action points and the promotion of the Fund's environmental and social characteristics. The promotion of these characteristics is formally reviewed at least twice a year, typically in connection with budgeting or year end planning.

EXIT

At exit, Soho Square are committed to being open and transparent regarding ESG performance and any specific ESG initiatives and achievements to potential new buyers.

REPORTING

Soho Square will report on ESG performance on an annual basis to LPs and will cover the specific investee company initiatives as part of this reporting.

OUR ESG APPROACH CONTINUED...

GOVERNANCE & SENIOR TEAM ACCOUNTABILITY

Soho Square has a dedicated team who are each responsible for different stages of the investment, including screening and due diligence, monitoring, and reporting. While these teams are led by senior members of the firm, the responsibility to ensure adherence to our objectives sits with every member of the team.

We are all responsible and share a duty to oversee and ensure ESG integration. As a team, we hold monthly board meetings where ESG progress will be discussed, including specific ESG initiatives introduced by portfolio companies.

3 PORTFOLIO COMPANIES

HIGHLIGHTS FROM OUR PORTFOLIO

5,475
TOTAL EMPLOYEES

£477m
TOTAL REVENUE

120
ESG METRICS COLLECTED FROM EACH COMPANY

50%
women in workforce

100%
companies calculated Scopes 1 & 2 GHG emissions

2/6
companies committed to Net Zero

4/6
companies with Employee Engagement Survey

6/6
companies with good ESG governance policies

4/6
companies with DE & I policy

100%
companies have ESG as a board agenda item

16%
average percentage of women on the board

3/6
companies using renewable energy

PORTFOLIO COMPANIES KPIs

In 2025, we designed 120 ESG metrics to track our portfolio's KPIs annually.

The table below maps our tracking of SFDR Principle Adverse Impact Indicators and EDCI metrics across all 6 portfolio companies, at 31 December 2024.

● Data available

○ Data unavailable

METRICS	**ARCUS** Facilities Management	**CREATE FUTURE** Digital Consultancy	**LMF ENERGY SERVICES** Energy Services	**NEWMARKET HOLIDAYS** Holiday Company	**OLIVER JAMES** Recruitment	**Netomnia** Alternative Fibre Network Provider
Emissions						
GHG Emissions S1, S2 and S3	●	●	●	●	●	●
Energy						
Renewable Energy	●	●	●	●	●	●
Diversity						
Percentage of Women on Board	●	●	●	●	●	●
Percentage of Women in C suite	●	●	●	●	●	●
Percentage under-represented	○	●	○	●	○	○
Percentage of LGBTQ+	○	●	○	●	○	○
Workplace accidents						
Injury	●	●	●	●	●	●
Fatality	●	●	●	●	●	●
Days	●	●	○	●	●	●
Hires						
Net new FTEs	●	●	●	●	●	●
Engagement	●	●	●	●	●	●
Survey Y/N	●	●	○	●	●	○
Response	●	●	○	●	●	○
SFDR						
PAIs/14	14	14	14	11	14	12

CASE STUDY

ARCUS
FACILITIES MANAGEMENT

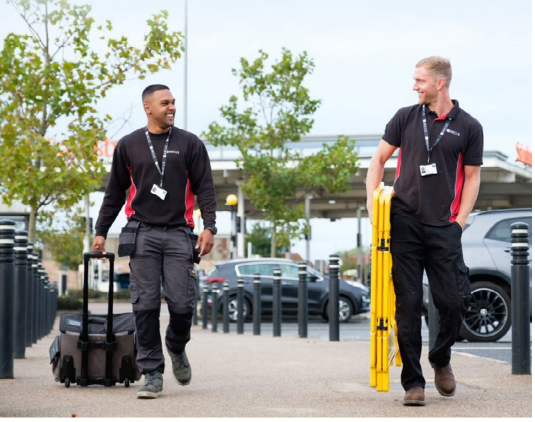
A facilities management sustainability leader

Award-winning facilities management company operating across retail, food retail, hospitality, corporate and logistics sectors. Services include M&E, HVAC, refrigeration, drainage, building fabric, helpdesk, soft services, energy auditing and IoT platforms.

KEY ESG HIGHLIGHTS

1. **Gold SFMI Award** 2023; targeting Platinum by 2030
2. **16,389 tCO2e** total emissions measured across all scopes
3. **50 electric vans ordered;** 125% increase in BEV grey fleet mileage
4. **71% waste recycled;** only 3.86% to landfill
5. **73 people employed** from priority groups (target: 43)
6. **ISO 14001, 9001, 45001 & 27001** certified; Cyber Essentials maintained
7. **£9,173 donated** to local causes; 3 charitable DIY projects completed
8. **Disability Confident Level 2;** Inclusive Employers member, targeting Bronze

73 PEOPLE EMPLOYED
FROM PRIORITY GROUPS
(1.7x TARGET: 43)



COMPANY DESCRIPTION

Arcus FM is deeply committed to sustainable development, embedding ESG principles across its operations. In FY2023/24 the business grew to 3,694 colleagues and achieved the Gold SFMI Award, targeting Platinum by 2030.

Arcus has committed to Science Based Targets of 42% Scope 1&2 reduction by FY2030 and 90% by FY2040 from a FY2022 base year, with total emissions of 16,389 tCO2e in FY23/24.

3,694

NUMBER OF EMPLOYEES

SUSTAINABILITY TRACKING

- 7 UN SDGs (1, 3, 4, 5, 7, 12, 13)
- Science Based Targets (SBTi)
- Scope 1, 2 & 3 reporting
- CDP Climate Change submission

EMISSIONS & CARBON STRATEGY

- FY23/24: Scope 1 5,830 (35.6%), Scope 2 129 (0.8%), Scope 3 10,430 (63.6%)
- SBTi targets: 42% reduction by FY2030, 90% by FY2040
- 3rd year CDP Climate Change submission; CO2e Assessed Organisation & Supply Chain standards maintained

FLEET, WASTE & ENERGY:

1. 50 EVs ordered to electrify the van fleet
2. 125% increase in grey fleet BEV mileage
3. 71% waste recycled/re-used; only 3.86% to landfill
4. 132,978 GJ energy reduction for client services
5. 100% recycled materials in soft services uniforms

SOCIAL VALUE & PEOPLE

Recruited 73 people from priority groups (care leavers, individuals in touch with the justice sector, veterans, people with health conditions) against a target of 43. Donated £9,173 to local causes and completed 3 charitable DIY projects including a garden refurbishment at Birmingham Children Trust. Christmas raffle raised £9,349 for Whizz Kidz.

"AT ARCUS, WE ARE DEEPLY COMMITTED TO SUSTAINABLE DEVELOPMENT, EMBEDDING SUSTAINABILITY PRINCIPLES INTO EVERY FACET OF OUR BUSINESS OPERATIONS."

CHRIS GREEN,
CEO, ARCUS FM

CASE STUDY

Newmarket HOLIDAYS

Award-winning escorted group touring company

FOUR TRAVEL FOR GOOD PILLARS:

1. **Good for the Planet**
   reduce emissions, energy & waste
2. **Good for Places**
   equitable benefits for local communities
3. **Good for Our People**
   employee wellbeing & development
4. **Good for You**
   enriching, wish-list travel experiences

COMPANY DESCRIPTION

Award-winning escorted group touring company delivering wish-list holidays. Nearly 47,000 travellers in 2024 across long-haul, short-haul and special events.

142

NUMBER OF EMPLOYEES

SUSTAINABILITY TRACKING

- UN SDGs (9 OF 17)
- Travel for Good ESG Framework
- Scope 1–3 Emissions Measurement

MEASURING & REDUCING EMISSIONS

Total Scope 1–3 emissions in 2024: 39,222 tCO2e.

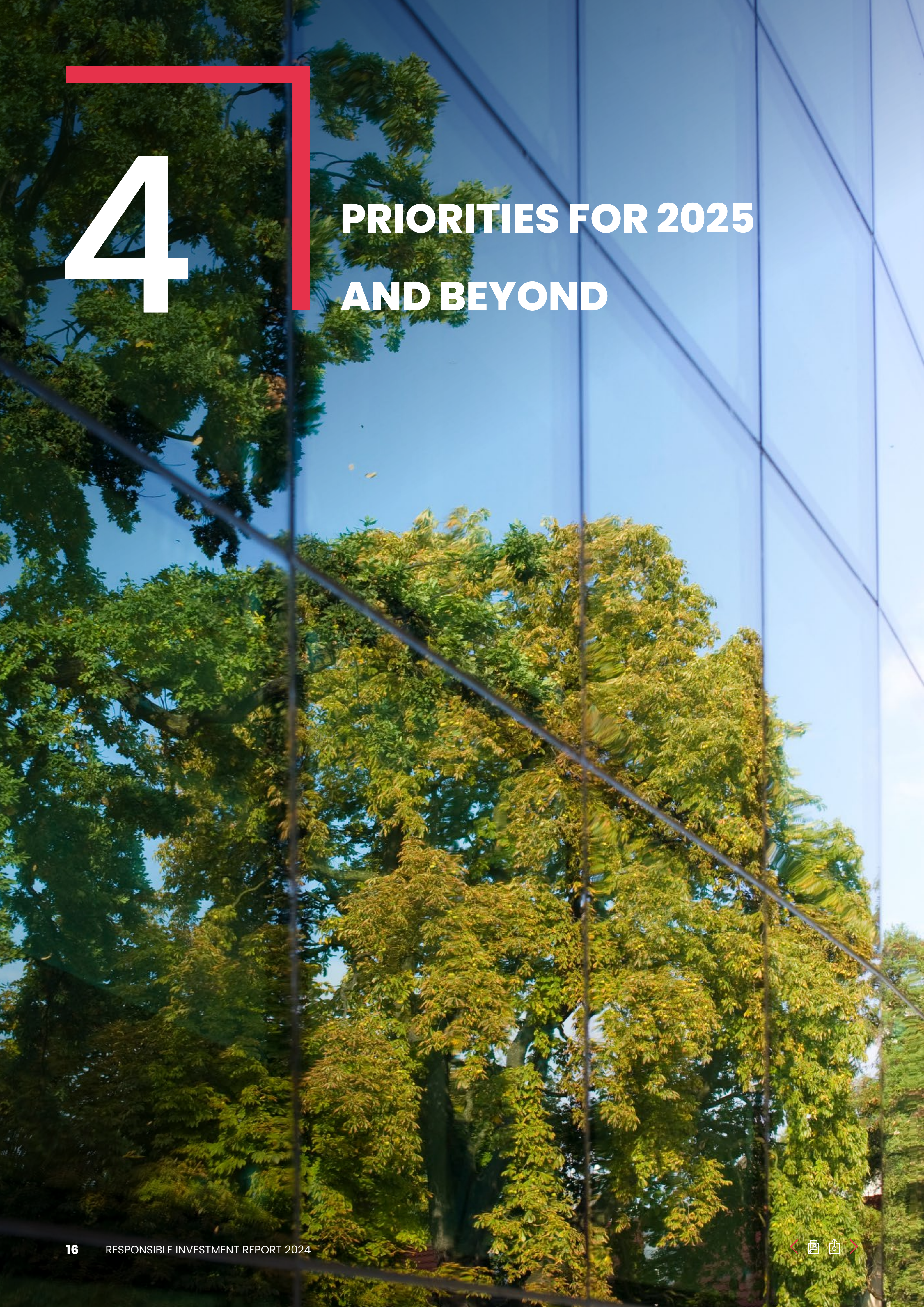
Phased roadmap: improve supplier data (2025), pilot low-emission tours (2026).

COMMUNITY & ENVIRONMENTAL ACTION

Funded sanitation at Los Calpules School in Nicaragua via Just a Drop; restored 331 hectares of peatland in the North Pennines; employee-led Greenmakers group delivered beach cleans, food donations and digital inclusion projects.

SUMMARY

Newmarket Holidays enriches lives through award-winning escorted group touring. 2024 was a milestone year: the launch of the Travel for Good ESG strategy. The company hired its first full-time sustainability lead and donated £40,000 to peatland restoration, restoring 331 hectares in the North Pennines.



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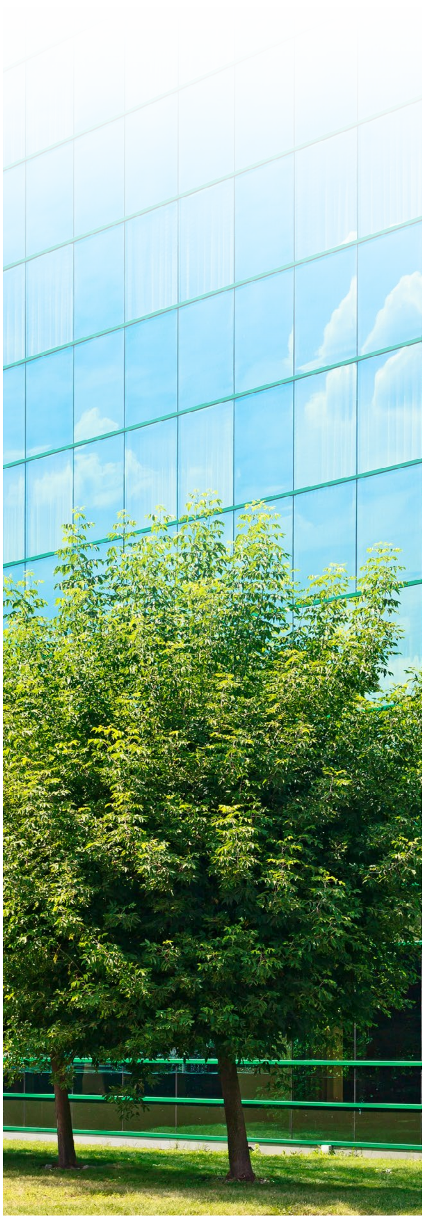
PRIORITIES FOR 2025 AND BEYOND

PRIORITIES FOR 2025 AND BEYOND

DURING 2025 AND BEYOND, SOHO SQUARE INTENDS TO CONTINUE ENHANCING ITS RESPONSIBLE INVESTMENT FRAMEWORK AND ESG REPORTING CAPABILITIES.



KEY PRIORITIES INCLUDE:

- Improving the completeness and consistency of ESG data collection
- Enhancing Scope 3 emissions reporting across the portfolio
- Supporting portfolio company decarbonisation initiatives
- Expanding governance and cybersecurity monitoring
- Increasing diversity and inclusion disclosures
- Continuing to strengthen SFDR-related reporting processes
- Supporting portfolio companies in the development of ESG policies and governance structures

We recognise that ESG expectations, reporting standards and regulatory frameworks continue to evolve. Soho Square remains committed to developing a pragmatic and proportionate responsible investment approach aligned with the long-term interests of investors and stakeholders.

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