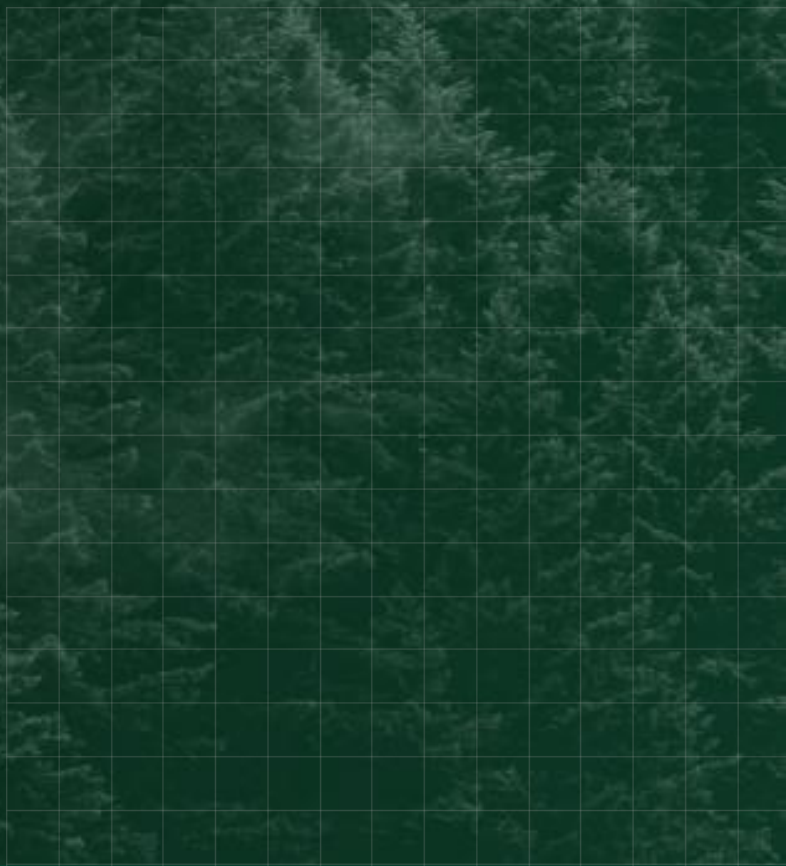


Responsibility at Park Square Capital

2024/25 Report



At Park Square Capital LLP, we remain committed to responsible business practices across both our investment activities and day-to-day operations. We embed sustainability considerations into our governance, decision-making, and investment processes, reflecting our long-term approach to value creation and risk management.

This marks our second Responsibility Report, offering an update to stakeholders on our responsibility-related initiatives and progress over the 12-month period ending 30 June 2025. We have carefully considered industry best practices as well as reporting frameworks, such as the International Sustainability Standards Board (ISSB) and the Global Reporting Initiative (GRI) in the production of this report, and hope that you find it both informative and transparent.

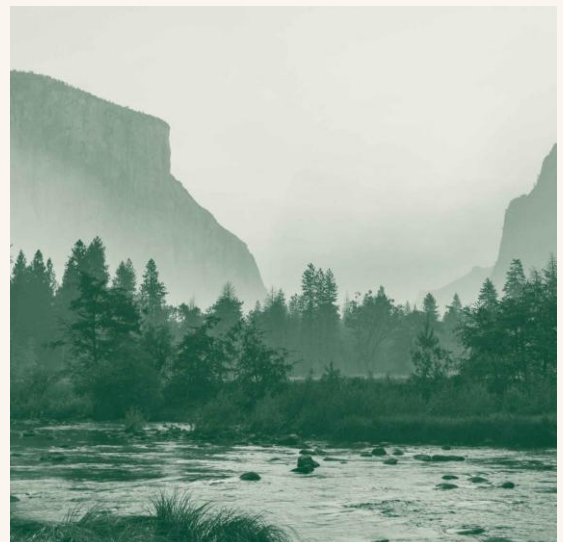
Highlights from the last 12 months include:

- Achieved a score of 97% in the 2024 UN PRI Private Debt module¹;
- Championed events to raise awareness and promote careers in financial services to historically underrepresented groups;
- Voluntarily conducted a firmwide Double Materiality Assessment; and
- Increased the Firm's ESG portfolio data availability for 2024, reaching 90% vs 84% for FY2023.²

This year has been marked by a number of achievements, reflecting our ongoing commitment to excellence across the firm. As a recognised leader in private credit, we remain steadfast in our belief that acting in a responsible manner is fundamental to our success.



Matthew Maguire, Chief Financial Officer & Head of ESG



Notes (1) Provided in November 2024 and based on Park Square's 2024 PRI Reporting Framework. PRI Assessment Report scores are derived from the PRI Reporting Framework, using indicator-level scoring aggregated into module percentages and star ratings. The scores above reflect the 2024 reporting period, based on the 12-month year-end from 30 June 2023 to 30 June 2024. No compensation was provided in connection with obtaining each of the ratings/rankings. For full summary scorecard, please contact ESG@parksquarecapital.com. (2) Disclosure Rate is defined as the % of portfolio companies providing information publicly or privately to Park Square. Calculation is weighted based portfolio cost exposure as at December 2024 and 2023, respectively.

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01.

Park Square At A Glance

Park Square At A Glance

21_{years}

investing experience

\$19_{bn}

assets under management

140₊

professionals

In 2004, Park Square's Founder and Managing Partner, Robin Doumar envisioned the model for an investment fund dedicated to diligent lending and focused on generating strong returns for investors throughout the cycle. This vision was underpinned by core business principles that remain just as relevant today as they were in 2004. It evolved into Park Square Capital, a firm built on the pillars of people, partnership, and performance.

Today, we are a global private credit investor, providing flexible financing solutions to high-quality and stable companies across Europe and the US. We manage over \$19 billion of capital on behalf of our investors, which include public and private pension funds, sovereign wealth funds, insurance companies, and asset managers.

Our role is to identify, secure, and connect high-quality companies to the right capital structures. We offer three complementary credit strategies and pride ourselves on structuring capital to match each opportunity, adapting to different company needs, scenarios, and market conditions.

Key to Park Square's success is our people. Today, we have a team of over 140 professionals across 10 global offices. The Firm's highly experienced senior team is supported by a deep bench of investment talent and a performance-driven operations team.

Capital Partners

Junior Capital Solutions

Est. 2004

AUM \$8.7bn

Credit Partners

Large Company Senior Loans

Est. 2007

AUM \$3.2bn

Loan Partners

Mid-Market Direct Lending

Est. 2017

AUM \$7.3bn

Park Square has developed and follows certain principles of business to protect the interests of its clients and stakeholders, as well as its own.



Investors First: Our investors' interests always come first. If we perform well for them, our success will follow.



Integrity & Compliance: We are committed to honesty, integrity, and fairness, and we strictly follow the rules and agreements that govern our business.



Excellence in Execution: We pursue excellence through rigorous analysis and aim to distinguish ourselves by the quality of our work.



Aligned Incentives: Proper alignment of incentives is key to success — across portfolio companies, investors, and our team.



People & Culture: We go to exceptional lengths to hire the right people and build inclusive teams that reflect the communities we operate in.



Teamwork & Respect: We stress teamwork, open communication, and respect in everything we do.



Calculated Risk-Taking: We take smart risks to maximise value, celebrating success and learning from failure.



Entrepreneurial Spirit: We are entrepreneurial in building our business and focused on continuous improvement.



Talent Development: Our people are our greatest asset. We offer mentorship, development, and merit-based career advancement.



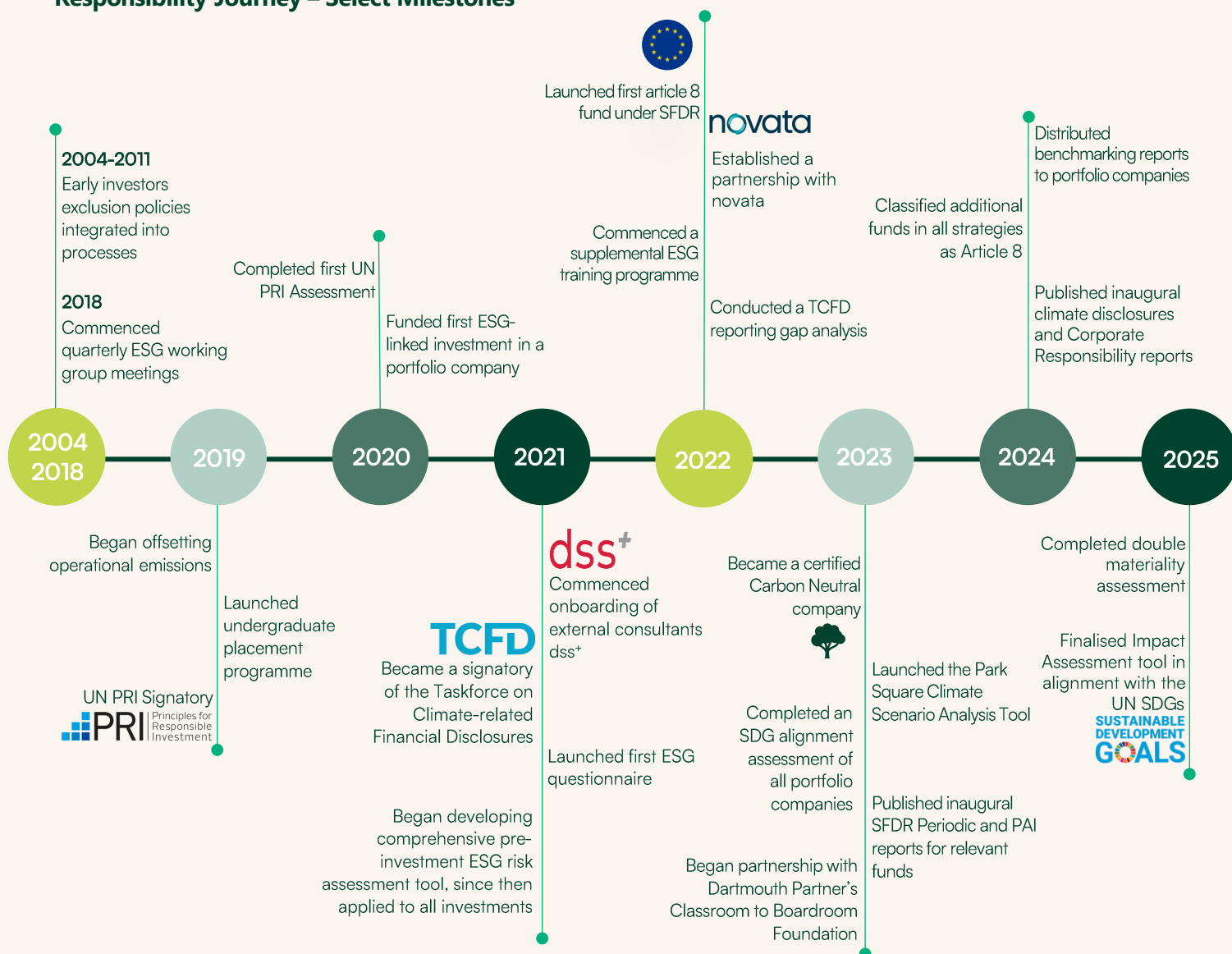
02.

Responsibility

Park Square's Responsibility Journey

Our responsibility journey is continuously evolving to ensure we are in line with market best practice in the Private Credit space. By regularly refining our approach, we continue to build on long-established responsibility principles within our operations and investment process.

Responsibility Journey – Select Milestones



“ We are proud of the progress made on our responsible investment journey and remain committed to continuously aligning our approach with recognised guidelines on responsible investing and evolving industry best practices. ”

Matthew Maguire, Chief Financial Officer & Head of ESG

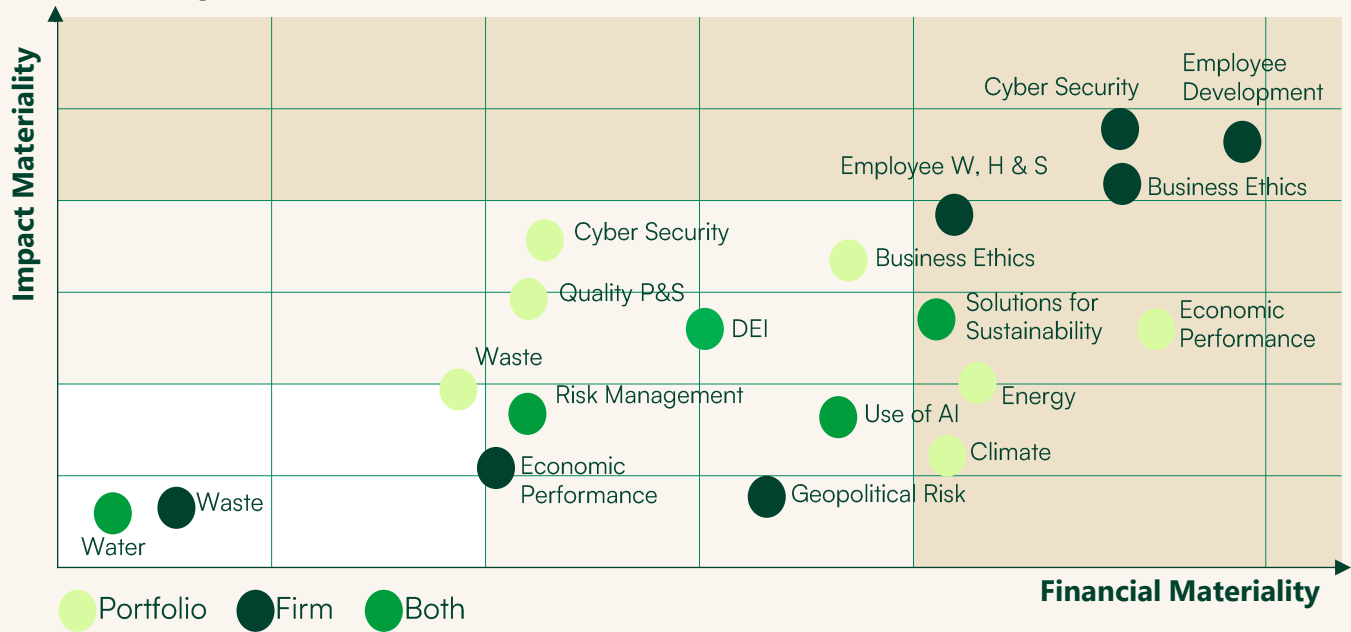


Responsibility Grounded in Materiality



Park Square seeks to identify and prioritise responsibility topics that have the greatest impact on its business and stakeholders, ensuring the focus aligns with both financial risks and societal and environmental outcomes.

Materiality Matrix¹



Double Materiality

We initiated our double materiality assessment in 2025 to ensure that our priorities are focused on the responsibility topics that matter most to the Firm and our portfolio. Using dss+’s proprietary framework, alongside Park Square inputs such as portfolio data, upstream value chain data, internal risk register, and relevant reports, 16 responsibility topics were identified as relevant for the business at both the Firm and portfolio levels.

Priority Topics for 2025/26

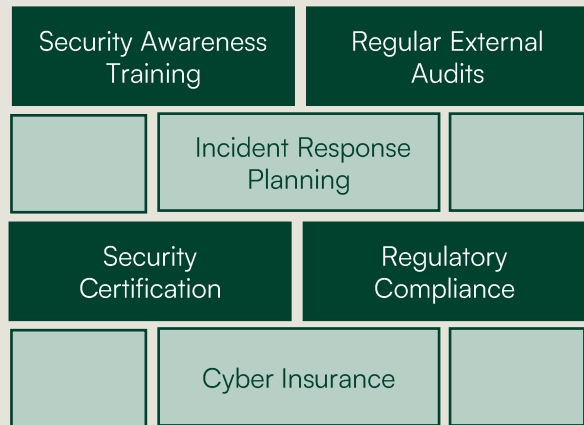
Based on the assessment, the most material topics for Park Square currently are:

- Employee Development, Engagement and Retention;
- Cyber Security;
- Business Ethics; and
- Employee Wellbeing, Health and Safety.

We acknowledge that materiality is dynamic and therefore plan to update this assessment on a regular basis.

Spotlight — Cybersecurity in our Portfolio

Park Square assesses investments for a wide range of cybersecurity practices and protocols including:



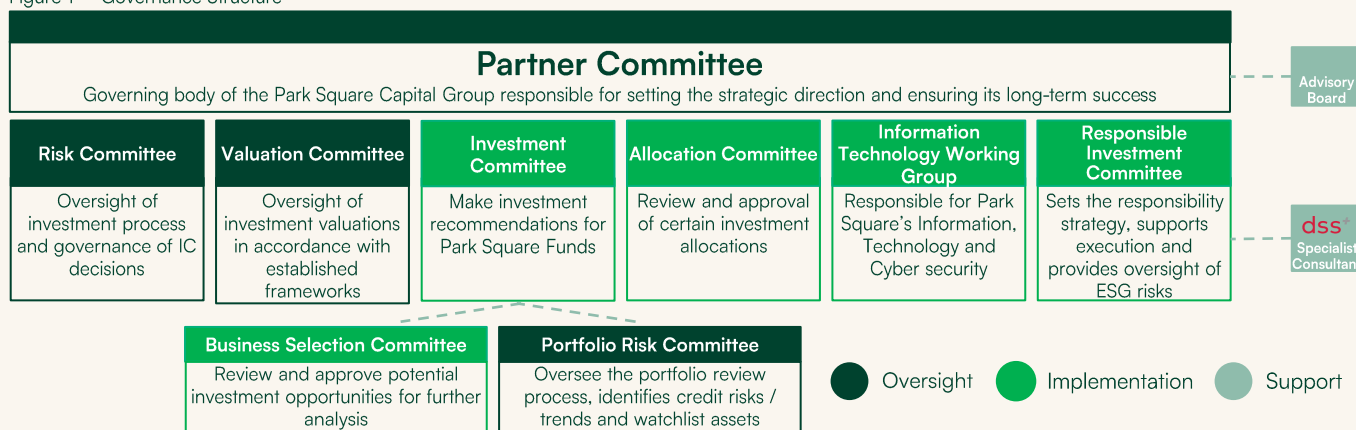
Notes (1) Please note that this figure presents a selected subset of topics included in our Double Materiality Assessment. Materiality scores were determined following workshop-based discussions with Park Square’s Responsible Investment Committee and external consultants, DSS+.

03.

Governance

Park Square has a clear governance structure for Responsible Operations and Investment. This structure ensures that all activities across the firm are aligned with our commitment to responsibility.

Figure 1 — Governance Structure¹



Governance Structure

Park Square's governance structure, illustrated in Figure 1, ensures effective alignment between our operating and investment activities, while reinforcing our ongoing commitment to corporate responsibility. The Partner Committee sets the Firm's strategic direction and provides oversight of responsible investment practices. This is supported by a network of specialist sub-committees, each with clearly defined mandates, and a dedicated Governance team that ensures our processes and structure are robust across our organisation.

Advisory Board

Our Partners benefit from the guidance of an independent advisory board, comprised of industry experts and thought leaders, ensuring our investment strategy aligns with best practices.

Partner Committee

The Partner Committee is the Governing Body of the Park Square, responsible for setting strategic direction, risk strategy, and internal governance while ensuring long-term success.

The committee holds final authority over policy decisions, oversees day-to-day operations, approves People Strategy, and monitors progress against strategic objectives.

Responsible Investment Committee

The Responsible Investment Committee oversees responsibility strategy, assesses and approves deals with respect to ESG where relevant, and oversee communications to stakeholders regarding ESG matters.

Specialist Consultants

Park Square maintains several key relationships with external advisors to ensure that we are continually operating according to market best practice.

Our collaboration with dss⁺, a specialist sustainability consultant, was established in 2021 and ensures we continue to maintain best practices in the responsibility of our operations and our ESG integration approach. dss⁺ also provides support on internal training, keeping Park Square at the forefront of ESG integration and climate risk management in private credit.

Park Square's Global Presence

Our growing global presence, with over 140 professionals across 10 offices², allows us to better serve our key stakeholders. As we expand internationally, we remain dedicated to integrating responsibility into our culture and processes, enhancing our ability to serve portfolio companies and investors effectively across diverse markets.

Park Square is committed to the highest standards of integrity, fairness, and accountability in its operations, and recognises the important role that the team play in achieving this.

Regulatory Compliance & Management

Park Square adheres to all relevant regulations in its jurisdictions of operation. Through ongoing monitoring and proactive measures, we seek to uphold the highest standards of risk management and regulatory compliance.

Park Square's Compliance Manual and Staff Handbook includes our Code of Ethics, which underpins our commitment to responsible practices. The Firm's compliance policies and strategy are overseen by the Chief Compliance Officer and General Counsel supported by a dedicated compliance team and external consultant.



Annual Training on Business Ethics & Compliance

We aim to embed responsible practices across all levels of the Firm through regular training and mandatory periodic declarations, ensuring employees uphold these standards and reinforcing our focus on ethical conduct and sustainable risk management.

“ We are committed to upholding strong regulatory standards across the firm, embedding a culture of responsibility that safeguards the interests of all stakeholders. ”

Luke Varley, General Counsel



Conflicts of Interest

Park Square's Conflicts of Interest (COI) Policy aims to identify potential conflicts, establish procedures for managing them, and communicate these measures across the business, ensuring compliance with regulatory standards. This policy is supported by additional guidelines for handling specific conflicts.

Park Square provides regular in-person compliance training to all employees on topics including financial crime, market abuse, and regulatory responsibilities. Training content is updated to reflect evolving requirements.

Anti-Money Laundering

Park Square's Compliance Manual sets out the firm's controls in relation to anti-money laundering (AML) and anti-bribery measures. We perform 'know your customer' (KYC) checks, provide ongoing training, and require periodic compliance declarations from employees. These measures ensure effective controls are in place to prevent financial crime and maintain regulatory compliance.

Whistleblowing

Our Whistleblowing Policy provides guidelines for employees to report concerns confidentially. This policy outlines Park Square's expectations while ensuring protection against victimisation and unfair treatment.

Sustainable Finance Disclosure Requirements

Our Responsible Investment Policy and website include the required disclosures under Regulation (EU) 2019/2088, reinforcing our commitment to sustainability-related transparency in the financial services sector.

Modern Slavery

Park Square ensures that as far as we can reasonably be aware, no modern slavery takes place in any part of our business or our supply chains, aligning with the Modern Slavery Act. We continuously review our policies, due diligence, and monitoring processes, as outlined in our [2024 Modern Slavery Statement](#).

04.

Operations & Team

Operational Footprint Overview

At the Firm level, Park Square measures its environmental footprint and collects, monitors, and reports GHG emissions data.

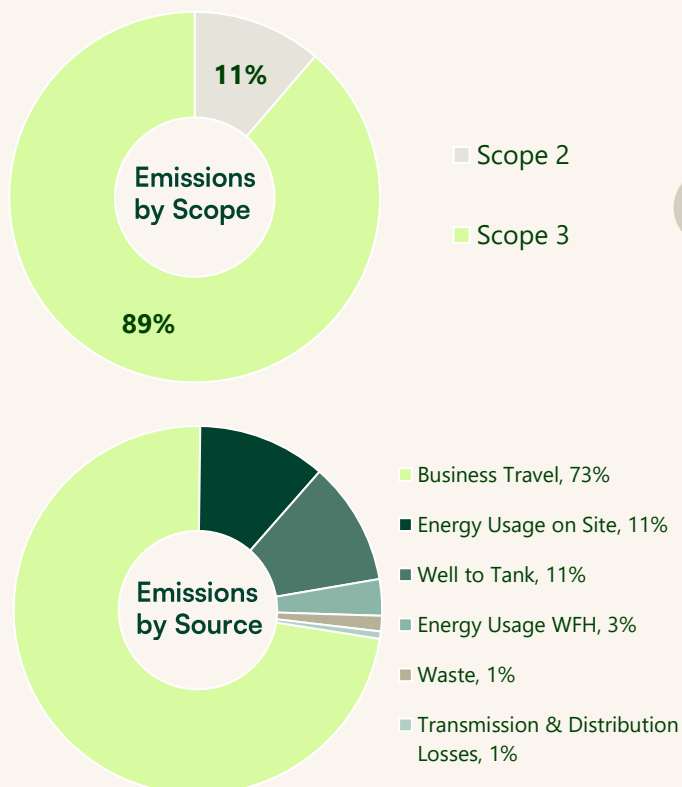
Park Square's 2024 Carbon Footprint

For FY24, Park Square completed a full assessment of the Firm's emissions profile, working with a third-party consultant in accordance with the Carbon Neutral Protocol. The Firm's total greenhouse gas (GHG) emissions for the FY24 period amounted to **553 tonnes of CO₂ equivalent (tCO₂e)¹**.

- **Scope 1:** not significant for our business
- **Scope 2:** indirect emissions produced by organisational energy usage
- **Scope 3:** emissions from our business activities at sources not controlled or owned

For financed emissions, please see our [TCFD report](#).

Emissions Breakdown



Reducing Operational Emissions

As a private debt firm, Park Square recognises that the most material source of its carbon emissions arises from its investment activities. Nonetheless, the Firm is committed to leading by example and continues to take meaningful steps to reduce emissions from its own operations. For example, Park Square:

- Uses 100% renewable electricity at its London headquarters;
- Encourages the use of video conferencing where appropriate and lower-emission transport modes, such as train travel over air travel and public transport over taxis; and
- Integrates sustainability into its procurement decisions, such as switching to net zero fruit supplier for our London office.

Offsetting Operational Emissions

The Firm has been offsetting carbon emissions from its London office operations and travel since 2019. Park Square conducted its first full carbon assessment of its office footprint in 2023 and is certified as a **Carbon Neutral Company²**.

Carbon Offset Example: Salkit Windfarm

Salkhit Wind Farm is the first grid-connected wind farm in Mongolia to meet the growing electricity demand within the region. The development helps to increase technical knowledge and expertise for future renewable development across the country.

168.5GWh

expected total annual net electricity generation

178,778tCO₂e

emission reduction each year

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

Notes (1) Emissions reporting period from 1 January 2024 to 31 December 2024, calculated following ISO 14064 and GHG Emissions Protocol Standards; (2) Certified in February 2025 by Carbon Neutral Britain. Carbon Neutral certification covers the period from 1 January 2024 to 31 December 2024. (3) This example was selected from a portfolio of carbon offset projects based on objective factors, including certification under one or more of the International Carbon Offsetting standards.

Our team and our collective experience is Park Square’s greatest asset. We believe in promoting an inclusive workplace and have aligned our people strategy to support this.

We have built one of the largest teams in Europe dedicated to private credit and are committed to nurturing our talented team.

140+ Purpose-driven professionals.

20+ Years average experience across our senior team.

14+ Average tenure across our senior team.

People

As a global private credit investor, our success is built on the strength of our people. With team members from across the globe, we benefit from a wide range of cultural perspectives and language capabilities that allow us to operate effectively on the ground and engage directly with investors, private equity sponsors and portfolio companies. These backgrounds are more than a reflection of our footprint but are also a strategic advantage.

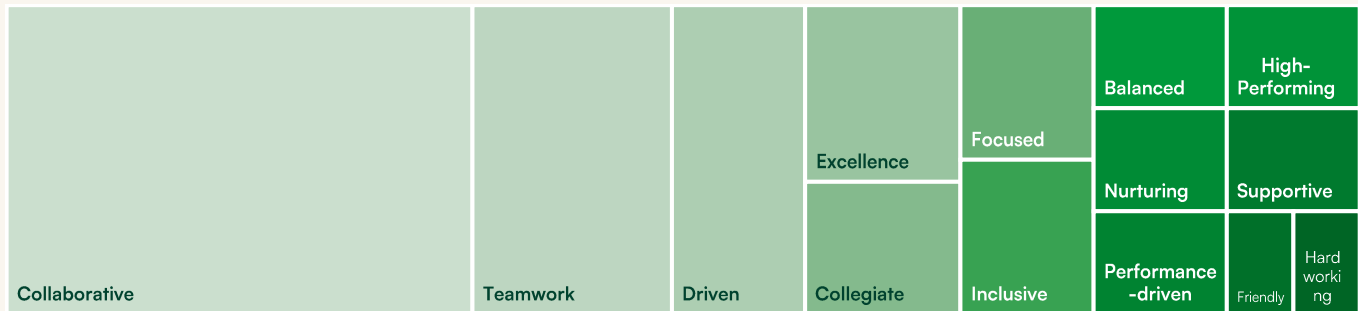
29 unique nationalities represented¹

We are committed to providing career opportunities and advancement based on merit and go to great lengths to build high-impact teams that reflect the markets in which we operate. We are committed to providing our high-performance team with promising career progression and exceptional careers.

Our culture rewards hard work, collaboration, and excellence.

Our Culture

In our FY24 annual employee survey, we asked how employees would describe the company to friends and family. We were pleased to see responses that strongly aligned with our core values of performance, teamwork, and aligned interests.



As a signatory to the ILPA Driving Inclusion in Alternatives, we support efforts to broaden representation across the industry and provide stakeholders with transparency on our own workforce demographics.



Wellbeing

Park Square is committed to supporting the health, wellbeing, and financial security of our employees. Our benefits package typically includes private health and dental insurance, critical illness cover, life assurance, income protection, travel insurance, a cycle-to-work scheme, and access to personal financial education sessions.

As part of our commitment to employee wellbeing and inclusion, we marked Mental Health Awareness Week with a series of events, including a lunch and learn session on mental wellbeing and guided yoga classes.

These activities created space for reflection, learning, and connection, supporting our aim to foster a culture where both mental and physical wellbeing are prioritised alongside professional development.

Notes: All rights to the trademarks and/or logos listed herein belong to their respective owners and Park Square Capital’s use hereof does not imply any affiliation with, or endorsement by the owners of these trademarks and/or logos. (1) Data is based on 30 August 2025.

We have a well-established senior team with deep credit market and operational experience that takes great pride in the mentorship of the wider group.

“ We invest in our people through structured mentorship and coaching schemes, complemented by internally designed development programmes that accelerate skills acquisition and deepen professional knowledge. ”

Dan Richardson, Head of HR



Building Future Leaders

Developing talent from within is central to Park Square’s people philosophy. Park Square offers structured training and development programmes from graduate through to Partner level, ensuring our team members are equipped to become the Firm’s future leaders.

In 2024, we celebrated 16 internal promotions, a testament to the exceptional contributions and progression of our people.

Mentorship and Coaching

Mentoring and buddy programmes are embedded in our culture, enabling junior team members to learn from experienced colleagues and develop the soft skills essential for professional success. These informal networks foster collaboration, knowledge-sharing, and personal growth complementing formal development initiatives.

Training and Development

All new joiners undertake a structured two-week induction programme focused on core technical skills and business understanding.

Ongoing development is delivered through role-specific modules for Associates, Vice Presidents, Principals, and non-investment managers, covering topics like negotiation, leadership, and communication. These sessions are delivered on an ongoing basis by external coaches.

The investment team receives regular ESG and risk training, drawing on market trends, case studies, and expert insights. Park Square also supports professional qualifications such as the CFA and ACA, alongside internal programmes focused on compliance, cybersecurity, and manager development with the “PSC University” for junior professionals.



Notes (1) PSC University is delivered as a series of modules throughout the year, designed to deepen understanding of the firm, explain business functions, and support roles.

Park Square is proud to drive initiatives aimed at making financial services more accessible to historically underrepresented groups.

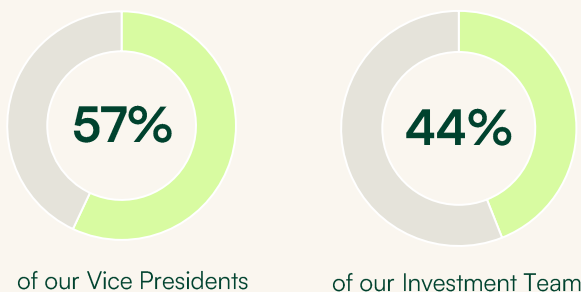
Talent Programmes

Investment Analyst Graduates

Park Square focuses its core recruitment efforts on hiring talented graduates directly from universities, enabling access to a broader and more diverse pool of candidates than through experienced hire channels.

Our Investment Analyst Graduate Programme, now in its eighth year, continues to be a key talent pipeline, 57% of our Vice Presidents and 44% of our overall Investment Team are alumni of the programme¹.

Graduate Programme Alumni



University Placement Programme

To further expand access to careers in private credit, Park Square run a well-established university placement scheme, offering 13-month business roles to undergraduates as part of their degree. The programme is designed to support high-potential students from diverse backgrounds, particularly those without prior experience in financial services.

Each year, the scheme brings new talent into our Business Operations team, with many participants returning to Park Square upon graduation. Notably, all of our 2025 non-investment graduate intake are returning placement students from 2024.

Undergraduate Placement Students Feedback

On placement I got to build important skills, **gain industry knowledge** and explore different parts of the firm which helped me **grow professionally** and personally

”

From day one you **are treated as an equal** and **given responsibilities** that are far beyond what I expected

”

The placement scheme was highly rewarding, giving me the chance to **challenge myself and engage with new concepts** alongside a talented, supportive team

”

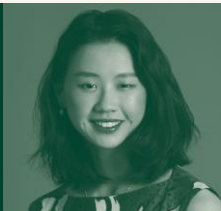
Apprenticeship Programme

For the first time in summer 2025, Park Square introduced a new school leaver Apprenticeship Programme, as the Firm's latest initiative to broaden access to careers in private credit. Park Square believes this programme will help the team attract more diverse individuals from underrepresented groups into the industry, offering them the opportunity to gain practical work experience while earning a degree.

The Apprenticeship Programme complements our existing graduate and placement career pathways and reinforces our commitment to social mobility and workforce inclusion.

“ I'm honoured to be recognised as an Operational Leader at The Drawdown 2025 Awards², which acknowledges my early in career contributions and continued growth. Park Square's philosophy of developing talent from within has shaped my own journey and continues to build a strong, collaborative culture where people are empowered to grow. ”

Rebecca Ho, Finance Manager



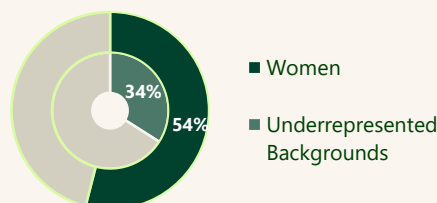
We build high-performing credit teams by promoting talent on merit and ensuring representation that reflects the communities we serve. Through industry events and early-career initiatives, we invest in the next generation of professionals who share our commitment to excellence

Our Operating Communities

International Universities

We recruit talent from leading universities across Europe and the US to build teams that reflect the markets we serve. This approach brings in diverse perspectives that strengthen our credit platform and help us build a broad talent pipeline for the future. By engaging early-career professionals through graduate programmes, we invest in the next generation of high-performing individuals who share our commitment to excellence.

Early in Careers Statistics¹



Charity Events

In summer 2025, Park Square Capital's Associate Director Jordan Leigh Miller had the pleasure of hosting Bottomless Closet's 3rd Annual Women's Charity Event², in partnership with Ninety-One and TPG.

Bottomless Closet is a New York-based organisation that provides underprivileged women with professional attire, resume assistance, and guidance for entering the workplace to achieve long-term success. Those who attended the event donated clothing in contribution to this important non-profit association.



Early in Careers Events

Dartmouth Partners

The Park Square Capital team had the pleasure of attending the **'Professional Pathways'** event on Alternative Investments, hosted by **Dartmouth Partners' Classroom to Boardroom Foundation**³.

The event featured insightful discussions, including a presentation with Associate Director Emily Williams on the private credit market and various other sessions aimed at deepening students' understanding of the sector.



Young Women in Finance

Park Square hosts an **annual Insight Day for Young Women in Finance**, welcoming sixth form students from three state schools. The event introduces them to private markets through engaging presentations, interactive workshops, and hands-on exercises, designed to be both accessible and informative.



Bath University Partnership

In November 2024, we continued our longstanding partnership with the University of Bath by hosting a Women in Finance event. Park Square Capital team members engaged with students on campus, sharing insights into private credit, career pathways, and our undergraduate placement programme. The event supported our commitment to improving access to finance careers for underrepresented groups

05.

Investing

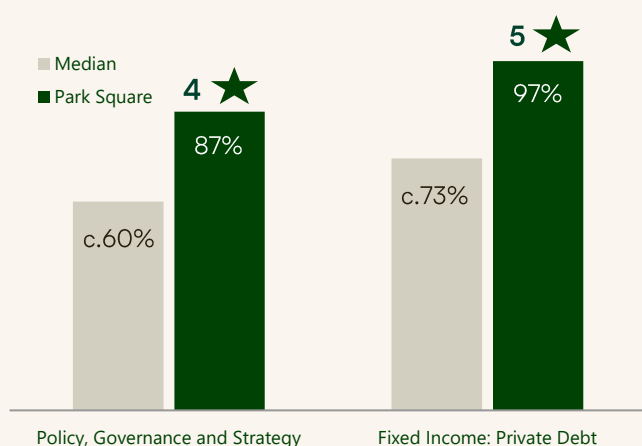
Principles & Commitments

As a firm, we believe that investing in high quality, well-managed, stable businesses reduces risk and drives long-term outperformance in credit. To deliver attractive risk-adjusted returns, we rigorously assess all risks, and our sustainability assessment and monitoring are a key part of this.

PRI Assessment

As part of our commitment to responsible investment, Park Square has been a signatory of the UN Principles for Responsible Investment (“UN PRI”) since 2019. We are proud to have earned a 5-star rating in the 2024 UN PRI Private Debt module¹.

2024 UNPRI Rating Results



Our score of 97% significantly surpasses the median of c.73% and highlights our dedication to responsible investing in private credit. Additionally, we scored 87% for Policy, Governance, and Strategy, and 80% for Confidence Building Measures.

Park Square has considered responsibility since its inception and has a well-established Responsible Investment Policy applicable to all funds, that describes the Firm's approach to identifying and managing ESG risk factors within the investment and portfolio management processes.

Park Square is committed to developing its policy and approach to responsibility in line with industry standards, emerging regulation, and market best practice.



For 2025/6 our **key objectives** include:

1

Enhance portfolio company engagement to support improvements in sustainability-related goals

2

Assess the impact profile of our portfolio to better understand the sustainability-related nature of our portfolio

3

Refine ESG assessment tool to reflect the results of the double materiality assessment

We are proud of the way we integrate sustainability risk considerations into our investment process but recognise that the standards for best practices are continually changing as new risks emerge.

We are committed to continually developing our policies and approach to ESG integration. Including continuing to advance ESG data management, promoting sustainability practices, engaging in policy discussions, monitoring regulations, and improving transparency across our portfolio.

“Disciplined credit analysis and risk awareness are central to our approach. We view ESG factors as essential to identifying resilient businesses and making informed, long-term investments.”

Axel Wehtje, Partner, Co-Head of
European Direct Lending & Chair of
the ESG Committee



Sustainability Integration in the Investment Process

Park Square

ESG analysis is not simply an add-on to the financial and legal investment processes, it is an integral component. From business selection through to exit, the consideration of ESG risks is a key feature in Park Square’s credit analysis and portfolio monitoring.

ESG in the Investment Process

Park Square believes that incorporating ESG risks into its business decisions is an important part of its investment strategy. This approach reduces investment risk and supports the development of sustainable long-term value across the portfolio.

The Firm considers ESG risks during both the due diligence process prior to investment and the ongoing monitoring of portfolio companies. It will decline opportunities where it believes there is inappropriate exposure to ESG risks or insufficient management of them.

To support the identification of ESG issues for inclusion in Investment Committee (“IC”) submissions, Park Square has developed the following tools and resources for its investment team:

- Exclusions Policy;
- Proprietary ESG Screening Tool;
- Climate-risk Scenario Analysis Tool;
- Third-Party Data;
- Expert Networks; and
- Specialist ESG Resource.

Further details can be found in the [Responsible Investment Policy](#).

Proprietary Risk Screen Tool

Our proprietary ESG risk assessment tool, developed in collaboration with dss+ is integral to evaluating and managing ESG factors throughout the investment lifecycle and is aligned to globally recognised materiality frameworks.

This tool is a core element of our commitment to responsible investment and aligns with industry best practices as outlined in our [Responsible Investment Policy](#) and [Climate Change Addendum](#).

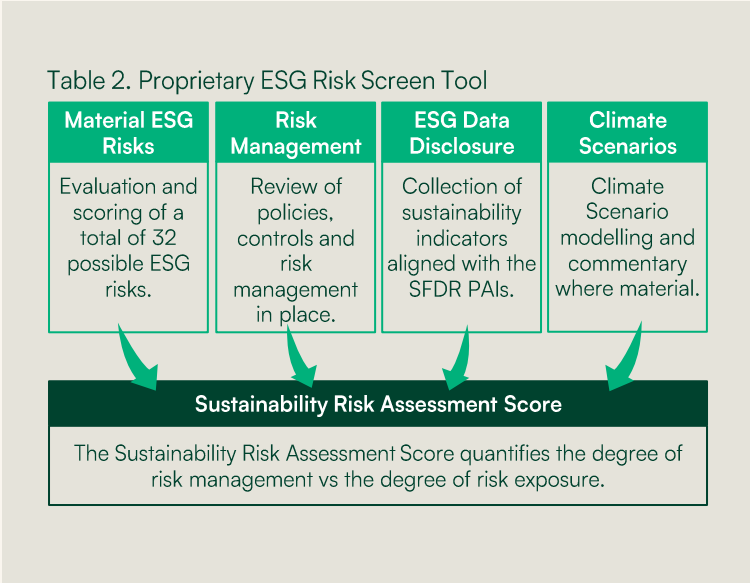
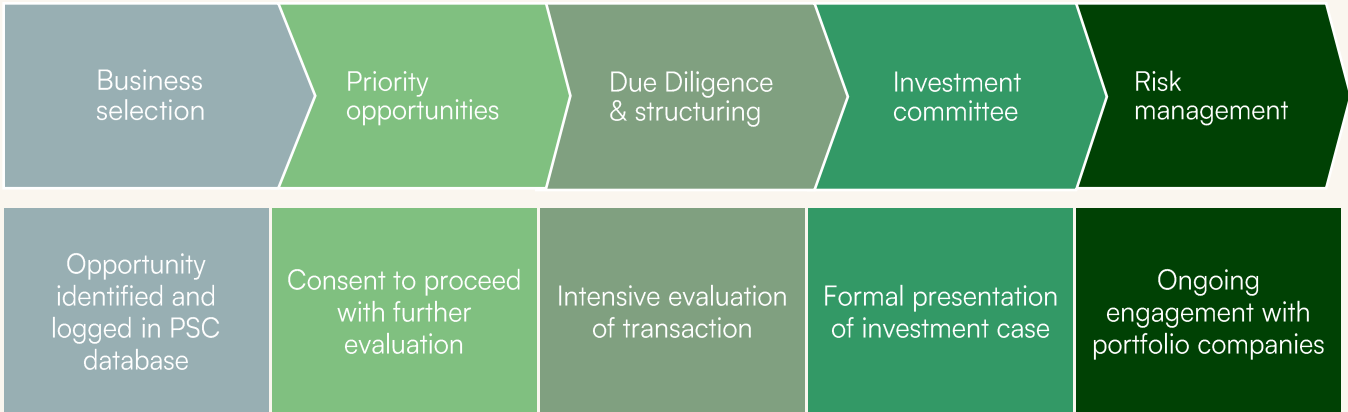


Table 1. Overview of Park Square's Investment Process



Climate Risk

We are dedicated to continuing to develop our responsible investment practices and pragmatically assessing emerging ESG risks and regulations

Climate Change

In a year marked by political and global uncertainty, climate-related risks have remained a persistent concern for our investors. The evolving physical and transition risks associated with climate change continue to underscore the importance of integrating climate considerations into long-term risk management.

As an established private credit investor, Park Square recognises its responsibility to monitor climate risks across its portfolio while minimising the environmental impact of its operations. A TCFD signatory since 2021, Park Square published its second Climate-related Disclosures Report in 2025, outlining its approach to managing climate risks.

Over the past year, the Firm enhanced its ESG Risk Assessment tool to include new indicators such as exposure to rising electricity costs and GDP-weighted physical risk assessments. The scenario analysis captures both transition (policy, legal, market, reputation, technology) and physical (acute, chronic) risks.

The FY2024 analysis, covering 100% of AUM, confirmed Park Square's overall exposure to climate risk remains limited across investment and operational geographies.

For more information, please see Park Square's 2024 Climate-related Disclosures report [here](#).

Training

To ensure that our Investment Team is well equipped to conduct ESG analysis, supported by dss+, we provide regular **training sessions** and **briefing notes**. Topics covered to date include:



Material Sustainability Topics in Park Square Target Sectors (e.g., Healthcare, Software)



Identifying and Assessing Climate-related Risks



Overview of regulatory updates (e.g. EU Corporate Sustainability Reporting Directive)



Macro Themes in Sustainability: Regulations, climate change, diversity, equity and inclusion



ESG linked-loans: How to set meaningful and relevant KPIs

Sector	Short-term Emissions targets ¹	Carbon Pricing	Sector-Based	Physical Risks ²
Software & IT	66%	Low	Moderately Low	Moderately Low
Business Services	48%	Low	Moderately Low	Moderately Low
Healthcare & Life Sciences	71%	Low	Low	Moderately Low
Building Products	83%	Low	Moderate	Moderately Low
Financials	59%	Low	Moderately Low	Moderately Low

“ Scenario analysis underpins how we assess climate risk across both our portfolio and operations. We are continuously improving our approach to enhance resilience and identifying potentially material risks. ”

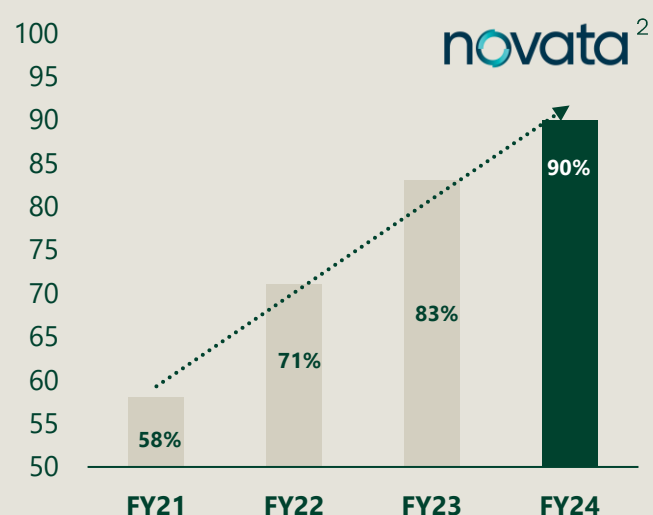
Andrew Haywood, Partner, COO and CCO



Park Square adopts a proactive and structured approach to monitoring the sustainability performance of borrowers, recognising the challenges of engagement and stewardship as a lender.

Engagement

In FY2024, we achieved a 90% portfolio disclosure rate, up from 83% in FY2023¹ which we believe is market leading. Results are analysed and benchmarked annually to inform engagement priorities.



To enhance oversight, we use the following tools alongside our annual assessment:

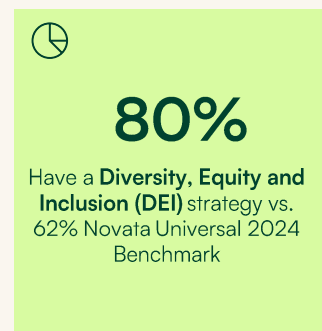
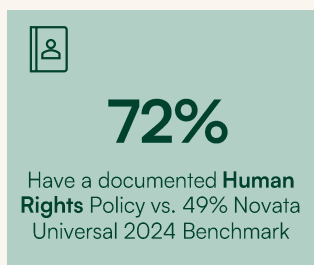
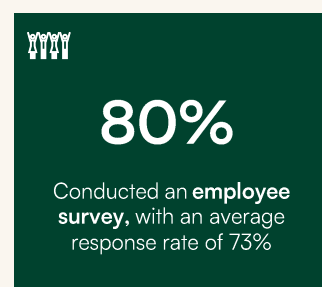
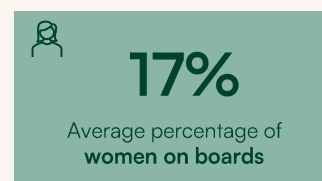
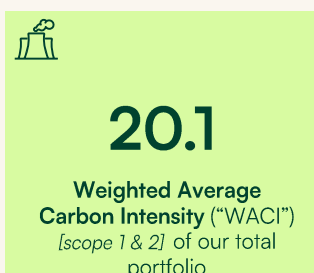
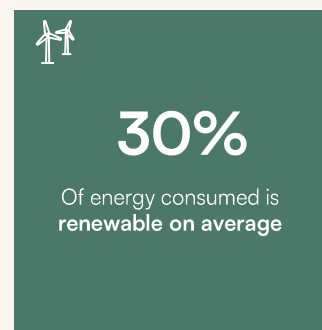
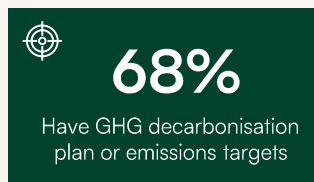
- **Annual Data Collection:** Data is collected across the portfolio to monitor performance and guide strategic dialogue.
- **ESG Watchlist:** Companies with elevated risks are reviewed annually to assess mitigation progress.
- **Benchmarking Reports:** Questionnaire-based reports are shared to encourage transparency and improvement.
- **Third-Party Monitoring:** Real-time alerts from RepRisk and Auquan flag controversies for rapid engagement.
- **Sustainability-Linked Loans:** Financial incentives are tied to ESG performance to drive measurable progress.

These initiatives support consistent ESG monitoring, risk management, and value creation across our portfolio.

Portfolio Highlights³

Whilst governance typically rests with control equity owners, Park Square actively monitors and engages with portfolio companies to promote responsible business conduct, track key ESG metrics, and support sustainable practices.

The highlights below illustrate how these factors are represented across our portfolio.



Notes: All rights to the trademarks and/or logos listed herein belong to their respective owners and Park Square Capital's use hereof does not imply any affiliation with, or endorsement by the owners of these trademarks and/or logos (1) Disclosure Rate is defined as the % of portfolio companies providing information publicly or privately to Park Square. Calculation is weighted based portfolio cost exposure as at December 2024 (2) We established a partnership with Novata in 2022 following the launch of our first ESG questionnaire in 2021. (2) All metrics are excluding the companies without available information and calculations are weighted on portfolio cost exposure as of 31 December 2024.

Sustainability Outcomes

Park Square strengthens its role as a responsible lender by integrating ESG principles into several loan structures and measuring sustainability outcomes.

Sustainability-Linked Loans

In 2025, Park Square implemented an internal framework for Sustainability-Linked Loans (SLLs) to strengthen our commitment to integrating ESG principles into financing practices.




The framework establishes clear guidelines for our investment team in KPI selection, target setting, verification, and margin adjustment mechanisms, ensuring that all SLLs are aligned with the Sustainability-Linked Loan Principles (SLLP).

By linking financial incentives to measurable ESG outcomes, we aim to drive meaningful sustainability improvements across our portfolio while maintaining transparency and accountability.

Several investments include positive and/or negative margin ratchets linked to ESG KPIs. These mechanisms help manage ESG risk and support sustainability objectives identified by the company, sponsor, or lender.

Case Study — Sustainability-Linked Loan

Company Overview: A leading provider of tailored food solutions for taste, nutrition, and functionality.

Key Performance Indicator	Result
 Female representation in senior leadership	Increased female representation to over 40% in senior leadership
 Sustainable product solutions	Over 35% net sales from sustainable product solutions
 Sustainable raw material sourcing	100% of preferred raw material suppliers evaluated by EcoVadis

In 2025, a margin reduction was applied due to all key performance indicators being met or exceeded in FY2024.

Impact Tool

In 2025, Park Square, in collaboration with dss+, developed a proprietary Impact Assessment Tool to evaluate the contribution of portfolio companies to the **United Nations Sustainable Development Goals (UN SDGs)**. The tool enhances rigour, transparency, and comparability in impact analysis, drawing on multiple recognised industry frameworks:

- **Five Dimensions of Impact** — assessing What, Who, How Much, Contribution, and Risk
- **Theory of Change principles** — mapping the causal pathway from investment to intended impact

- **Sustainable Development Investments (SDI) taxonomy** — classifying alignment with the SDGs and identifying any controversial or “No Go” activities
- **IRIS+ metrics** — used to track and measure the impact of investments in a consistent and comparable manner

The tool focuses on a company’s product and service-related contributions to the SDGs, generating an impact integrity score — high, moderate, low, or very low — based on magnitude, risk and contribution. This score supports alignment with our strategic impact themes.



“ Our impact process complements ESG risk management: whilst ESG addresses financially material risks and safeguards, the impact process enables us to evaluate positive environmental and social outcomes of prospective and current portfolio investments. ”

Emily Williams, Associate Director



