Responsible Investment Policy

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This Policy was first approved by the Board of Directors of Chrysalis Investments Limited ("Chrysalis" or the "Company") in 2020 and was last updated in November 2026. It summarises the Company's approach to considering material environmental, social and governance ("ESG") matters in the stewardship and realisation of its remaining portfolio.

The Company is a self-managed alternative investment fund. The Board is responsible for the management and oversight of the Company, including decisions relating to individual portfolio investments. The Board is supported by appropriately qualified consultants and external advisers where required.

The Company's investment objective is to maximise the value of its existing portfolio over the realisation period and to make capital returns to shareholders as investments are realised. Accordingly, this Policy is focused on responsible stewardship, the protection and enhancement of value and the consideration of material ESG matters when evaluating realisation opportunities.

OUR APPROACH

Chrysalis holds a concentrated portfolio of private businesses. Following the adoption of the Company's realisation strategy, the Board's focus is on maximising value from these existing investments and returning capital to shareholders in an efficient and timely manner.

In pursuing this objective, the Company:

- seeks to understand the principal financial, operational and ESG matters affecting each portfolio company;
- engages constructively with management teams, boards, co-investors and other stakeholders;
- considers how material ESG matters may affect business resilience, valuation, the availability and timing of realisation opportunities and the interests of shareholders;
- exercises the Company's governance and shareholder rights where appropriate; and
- seeks to realise investments in an orderly and disciplined manner, having regard to market conditions, company-specific circumstances and the objective of maximising value.

The Company recognises that responsible stewardship remains important during the realisation period. Material ESG matters may affect the performance, reputation, resilience and potential realisation value of portfolio companies and will therefore continue to be considered as part of the Company's portfolio oversight and decision-making.

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PORTFOLIO MANAGEMENT & REALISATION

New and follow-on investments

The Company does not intend to make new investments, other than follow-on investments permitted by its investment policy, where the Board considers whether doing so is necessary or desirable to protect or enhance the value of an existing holding, or support an orderly realisation.

When considering any permitted follow-on investment, the Board will consider material ESG matters alongside the financial, commercial, legal and strategic merits of the proposal. The Company will not knowingly provide capital to support activities involving controversial weapons, modern slavery, human trafficking, child labour, illegal or banned products or the exploration or production of fossil fuels.

Portfolio and transaction assessment

The Company considers material ESG matters as part of its ongoing oversight of portfolio companies and, where relevant, when evaluating follow-on funding, restructurings, corporate transactions and potential realisation routes.

The nature and extent of the assessment will be proportionate to the circumstances and may include engagement with management, portfolio company reporting, financial and legal information, board materials, publicly available information and advice from appropriately qualified external advisers.

ESG matters will not be considered in isolation. The Board will consider whether they could materially affect the value, resilience or reputation of a portfolio company, the timing or terms of a potential realisation, or the interests of the Company and its shareholders.

ENGAGEMENT & STEWARDSHIP

Engagement remains central to the Company's approach to responsible stewardship during the realisation period. The Company maintains dialogue with portfolio company management teams, boards, co-investors and other relevant stakeholders to monitor material developments, protect and enhance shareholder value and support appropriate routes to liquidity.

The nature of the Company's influence will vary according to the size of its holding, its governance rights and whether it holds a board or observer position. Where the Company has formal governance rights, its representatives may provide input on strategy, governance, risk management, capital allocation, sustainability and preparations for a potential transaction or other liquidity event.

Where material ESG risks or incidents are identified, the Company will seek to understand their potential impact and engage with the portfolio company where it considers that action is necessary. Matters may be escalated to the Board or an appropriate Board committee depending on their nature and significance.

The Company may exercise voting and other shareholder rights to protect its interests and promote appropriate governance. The timing of any realisation will be determined by the Company's investment objective and the circumstances of the investment. ESG considerations may inform that decision where they are material to value, risk or the prospects of achieving a successful realisation.

DATA & MONITORING

The availability and consistency of ESG data varies across the portfolio. The Company will seek to obtain information that is reasonably available and material to its stewardship and realisation activities, while adopting a proportionate approach reflecting the nature and size of the remaining portfolio.

Portfolio monitoring may include environmental, social and governance information, material incidents, regulatory developments and matters that could affect operational resilience, reputation, valuation or realisation prospects.

The Company may use recognised reporting frameworks, including relevant elements of the ESG Data Convergence Initiative, where these provide useful and proportionate information. The Company does not necessarily expect every portfolio company to report against every metric, particularly as investments are realised and the portfolio reduces in size.

Material ESG incidents will be reported to the Board or the appropriate Board committee. Relevant information will also be included in the Company's shareholder reporting where the Board considers it material.

REALISATION READINESS

The Company will consider a range of potential realisation routes, which may include a trade sale, secondary sale, merger, IPO, sale following an IPO or another corporate transaction. The most appropriate route will depend upon the circumstances of the portfolio company, market conditions, stakeholder alignment and the potential to maximise value.

Where relevant, the Company may engage with portfolio companies on governance, financial reporting, risk management, sustainability and other matters that may support transaction readiness or enhance the attractiveness of the business to potential investors or acquirers.

The Company is not a forced seller and may take a patient and disciplined approach where the Board considers that this is more likely to maximise value for shareholders.

GOVERNANCE

Oversight within Chrysalis

The Board has overall responsibility for the implementation of this Policy and for ensuring that material ESG matters are appropriately considered in portfolio and realisation decisions. The Board may delegate monitoring and preparatory work to members of the Company's management team or an appropriate Board committee but retains responsibility for material investment decisions.

Potential conflicts of interest arising from the Company's self-managed structure will be identified, recorded and managed in accordance with the Company's conflicts procedures. Directors and other decision makers are expected to declare relevant interests and, where appropriate, recuse themselves from the consideration of a matter.

Good Governance

Corporate governance is the process by which companies are directed and controlled. Good corporate governance is key to the success of a company's strategy and culture. The Company expects that portfolio companies will implement strong corporate governance and risk management frameworks, consistent with their size, complexity and the industry that they operate within.

The Company accepts that the corporate governance frameworks of unlisted companies may not initially adhere to listed standards of best practice, however boards are expected to respect the below principles of good governance and to ensure that governance arrangements keep pace with a company's growth. Areas considered may include but are not limited to:

- **Boards and executive leadership:** The Company builds understanding of the quality of leadership teams and boards through assessment of i) board and committee composition and independence, ii) board and executive tenure and succession planning, iii) DE&I oversight and actions at board level and throughout an enterprise, iv) oversight and management of corporate culture.
- **Remuneration:** Private companies are afforded greater flexibility on remuneration than public companies. Notwithstanding this flexibility, it is critical that management and employee incentivisation structures should be aligned with shareholder interests. The Company seeks to understand how remuneration structures encourage correct behaviours and do not create any perverse incentives, short-term actions, or rewards for failure.
- **Protection of minority rights and related party transactions:** The Company expects the boards of portfolio companies to act in the interests of minority shareholders. The Company will escalate engagement in situations where it believes that minority rights are not being appropriately upheld.
- **Systemic risks:** The environment in which companies operate continues to change rapidly and the Company considers whether businesses are exposed to wider systemic risks, including through the assessment of global standards, such as the UN Global Compact.
- **Conduct, litigation and relations with policy makers and regulators:** Poor relations with regulators can severely hamper corporate success and result in value destruction for investors. The Company seeks to understand how management teams engage with regulators and board oversight of regulatory matters. The Company also seeks to understand how a portfolio company guards against malpractice.
- **Corporate culture:** The Company seeks to understand how corporate culture is being led, developed, and monitored and to highlight strengths and areas for development. Where relevant, the Company seeks to understand how management is advancing culture and where and how culture challenges emerge (e.g., expansion into new territories, M&A).

GOVERNANCE (CONTINUED)

- **Audit and internal controls:** The Company considers the quality and independence of auditors, the internal audit process, the maturity of the internal control framework and how a company is evolving its "Three Lines of Defence".
- **Cyber resilience:** Cyber resilience and information security are critical to the success of any business in the modern economy. The Company seeks to understand portfolio company strategy, resourcing and oversight of cyber security matters, with a focus on addressing the privacy of customer data and ensuring that there is a robust strategy for managing cyber security incidents.
- **Artificial Intelligence (AI) and Machine Learning (ML):** The use of AI and ML are becoming increasingly prevalent, and this presents new risks, particularly for technology companies where building trust and transparency is key to expanding a customer base. The Company will consider how a portfolio company mitigates these risks, the maturity of AI and ML policies, how the ethical use of AI is being promoted and how a company plans to comply with evolving national and international standards and regulation.
- **Customer and product responsibility:** The Company seeks to understand how management teams address the interests and expectations of their clients and customers. Customer Centricity is key to developing customer satisfaction and loyalty, maximising customer lifetimes, creating competitive advantages and increasing referral rates. This should not just be limited to product specific matters but also address how customers feel about the core values and ethics of the business, how it addresses matters of privacy, social inclusion, health and safety, and the fair and accurate marketing of its products.

Business Integrity

The Company anticipates that all portfolio companies will maintain the highest standards of business integrity, actively preventing corruption, and ensuring adherence to laws and regulations concerning:

- Anti-bribery and corruption;
- Anti-fraud, tax avoidance and tax evasion;
- Anti-money laundering;
- Anti-trust and insider dealing;
- Conflicts of interest;
- Validity of financial information;
- Gifts and entertainment;
- Data protection.

Integrity should be demonstrated through positive engagement with stakeholders and compliance with local and international laws and regulations, with consideration for clients and customers of the business at its centre. Where business integrity is called into question, the Company engages with portfolio companies with the goal of achieving change while preserving and enhancing the value of the Company's assets.

ENVIRONMENTAL

Climate

The portfolio is predominantly composed of technology-enabled and digitally focused businesses and generally has less direct exposure to emissions-intensive activities than portfolios concentrated in heavy industry. Nevertheless, climate-related physical, transition and regulatory risks may affect portfolio companies directly or through their customers, suppliers and wider markets.

The Company will consider material climate-related matters as part of its portfolio oversight and where they may affect business resilience, valuation, reputation or realisation prospects. The extent of the Company's engagement and data collection will be proportionate to the materiality of the matter and the Company's ability to influence the portfolio company.

ENVIRONMENTAL (CONTINUED)

Sustainability

The Company and its portfolio play a crucial role in promoting sustainability by integrating environmental considerations into their operations and strategies. The Company's expectation is that portfolio companies exercise caution and take responsibility for their impact on the environment, including:

- Complying with all applicable laws and regulations as they relate to the environment;
- Mitigating environmental risks and damage, including the degradation of water, soil and air quality;
- Reversing biodiversity loss;
- Making efficient use of natural resources, including water, air, minerals and metals, natural gas, coal and oil;
- Where economically viable, optimising the use of renewable and alternative energy sources, including sunlight, wind, water and biomass;
- Using low impact materials in their office environment and, where applicable, production environment;
- Optimising the recycling and reuse of materials;
- Adopting sustainable procurement practices.

Where practices are considered unsustainable, the Company engages with portfolio companies with the goal of achieving change while preserving and enhancing the value of the Company's assets.

The Company expects portfolio companies to maintain appropriate standards of business integrity and comply with applicable laws and regulations. Where a material concern arises, the Company will seek to establish the facts, assess the potential impact on the investment and determine an appropriate response.

Depending on the circumstances, this may include engagement with management or the portfolio company board, the exercise of voting or governance rights, obtaining specialist advice, supporting remedial action or taking the matter into account when considering the timing and manner of realisation.

SOCIAL

Everyone has a role to play in promoting social sustainability, maintaining and improving quality of life, equity, social cohesion and human rights over the long term. The Company's portfolio companies are expected to commit to these principles and address areas of weakness in their business strategy.

Human Capital

Good human capital management supports both value creation and business resilience, and the Company believes that investing in human capital correlates with longer-term business success. Human capital management can both upskill and educate a workforce, increase abilities, and retain and motivate employees which has a direct impact both on an individual company and on wider society. The Company believes that as corporate culture is set at an early stage, the relationships formed in the workforce at an early stage in a company's development can be fundamental to its long-term success.

Promoting Diversity, Equity and Inclusion (DE&I) enables companies to attract talent from a wider talent pool. It also contributes to better decision-making, performance, innovation, and employee satisfaction and retention. The Company understands that approaches to human capital management, including DE&I, will differ between companies. The Company is a responsible shareholder and seeks to understand a portfolio company's operating model and engages to advise on best practice and potential improvements.

SOCIAL (CONTINUED)

Human Rights

Companies with poor management of human rights can face a range of issues including fines, workforce issues and supply chain challenges which may affect their license to operate. The Company expects portfolio companies to respect the rights of their workforce, those working in their supply chain and their customers. They are expected to ensure fair working conditions for all, promote non-discrimination, uphold the right to freedom of association and collective bargaining and comply with all internationally recognised human rights, codes and standards, including the UN Guiding Principles on Business and Human Rights. It expects portfolio companies to adopt a modern slavery statement where it is required and customary.

The Company monitors the progress of portfolio companies to ensure that they are promoting good governance and management of human rights issues, this includes the existence of customer and supplier policies that ensure the management of human rights issues through the supply chain.

Health and Safety

Occupational health and safety is a useful metric to measure good workforce practices and a strong operational culture. The Company expects all portfolio companies to provide a healthy and safe working environment for their workforce, implement robust health and safety policies and procedures, including the logging of incidents, implementation of root cause analysis and accident prevention tactics.

The Company monitors health and safety data through its interactions with portfolio companies. Where a portfolio company fails to meet health and safety standards, the Company will engage and encourage the portfolio company to improve its practices and to disclose health and safety indicators. Good health and safety should be embedded in a business, and the Company promotes a zero-harm ethos.

REVIEW

This Policy is owned and approved by the Board. It will be reviewed periodically and following any material change to the Company's investment objective, operating model or applicable reporting obligations. The Policy will remain in effect throughout the realisation period and will be applied proportionately as the size and composition of the portfolio changes.