

Movens Capital

ESG Policy

Version 1.0
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1. INTRODUCTION

Movens Capital ("Movens" or "the Fund") is committed to managing environmental, social and governance (ESG) risks, promoting sustainable business practices and supporting responsible growth in portfolio companies. This ESG Policy sets out Movens approach to identifying, assessing, and managing ESG risks across the investment lifecycle.

This Policy reflects our commitment to comply with the European Bank for Reconstruction and Development (EBRD) Performance Requirement 9 (PR9) for financial intermediaries and relevant requirements from Polish Development Fund (PFR).

2. PURPOSE AND SCOPE

2.1 Purpose

This Policy aims to:

- Ensure systematic identification and management of ESG risks in all investments
- Protect and enhance the long-term value of the Fund by avoiding material ESG risks
- Ensure compliance with EBRD ESG requirements and other applicable standards
- Provide transparency to investors and stakeholders on ESG matters

2.2 Scope

This Policy applies to:

- All new investments (equity and debt) made by Movens Capital from 1.2.2026
- Follow-on investments in existing portfolio companies
- All portfolio companies regardless of investment size, sector, or geography
- Investments realized from the Fund inception until 1.2.2026 (retroactive screening)

3. ENVIRONMENTAL AND SOCIAL COMMITMENTS

Movens Capital commits to the following ESG principles and practices:

3.1 Exclusion List

Movens Capital applies strict exclusion criteria to ensure that no investments are made into businesses or activities that pose unacceptable environmental, social, ethical, or legal risks. In addition to complying with applicable laws and international standards, Movens Capital adheres to all exclusion lists required under its investment mandate, including:

- The EBRD exclusion list
- The exclusion criteria required by certain institutional investors (including national promotional institutions and development financing institutions), and
- Additional prohibitions set out in Movens Capital's governing documents.

This includes:

- Production of, or trade in, products deemed illegal under host country laws or international conventions (including PCBs, banned pharmaceuticals/pesticides, ozone depleting substances, CITES-regulated wildlife products, or illegal transboundary waste movements)
- Production, use of, or trade in unbonded asbestos fibers or asbestos-containing products
- Activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage
- Drift net fishing in the marine environment using nets in excess of 2.5 kilometers in length
- Shipment of oil or other hazardous substances in tankers which do not comply with International Maritime Organization (IMO) requirements
- Trade in goods without required export or import licenses or other evidence of authorization of transit from the relevant countries of export, import and, if applicable, transit
- Child and forced labor
- Forced evictions
- Fossil fuel-related exploration and development or fossil fuel-based electricity generation
- Activities involving the force-feeding of ducks and geese
- The keeping of animals for the primary purpose of fur production or any activities involving fur production
- The export of mercury and mercury compounds, and the manufacture, export and import of a large range of mercury-added products
- Projects that impact the following areas: (i) Alliance for Zero Extinction (AZE) sites, (ii) UNESCO Natural and Mixed World Heritage Sites and (iii) free-flowing sections of rivers 500 km or longer in length, with the exception of those projects specifically designed to contribute to the conservation of such areas.
- Speculative investment activities (speculative real estate, financial derivatives, cryptocurrencies, tokens, commodity futures/options)
- State-owned enterprises (more than 50% directly or indirectly owned or controlled by government)

- Listed on EBRD's List of Ineligible Entities¹
- Development of medical drugs requiring FDA/EMA registration OR implantable medical devices OR Class III medical device products
- Technologies involving combustion, transportation, extraction of fossil fuels (coal, heating oil, oil shale) OR oil and gas production, processing, transport, storage, electricity generation (except own consumption)
- Production of single-use plastic products for consumer applications (not for medical purposes)
- Construction or decommissioning of nuclear power plants
- Manufacture, production, processing, or marketing of tobacco, tobacco products, and electronic cigarettes
- Manufacture, production, or marketing of alcoholic beverages or hard spirits
- Production or marketing of pornographic content
- Trading in explosives, arms, and ammunition
- GMO (genetically modified organisms)
- Human cloning
- Games of chance, mutual betting, gaming on machines and gaming on low-prize machines, operation of casinos or other gambling facilities
- Production or marketing of intoxicants, psychotropic substances, or precursors
- IT activities supporting the above activities (where such activity is the main activity of the company)
- Engaged in, or derives revenue from, manufacturing, production, distribution, sale, or purchase of weapons or armaments or other military-related activities
- Business activity violates mandatory provisions of Polish law, EU law, or host country law, OR would violate anti-money laundering or terrorist financing laws
- Government-owned utility (water, electricity, gas, heat, telecommunications, rail transport) majority owned by national or local government

3.2 Applicable ESG Standards

Movens Capital requires all portfolio companies to comply with:

- National environmental, social, health and safety, and labor laws and regulations
- Good international industry practice on ESG matters
- Movens requires compliance with national environmental, social, health and safety, and labor laws. Investments are managed in line with EBRD PR9 and the EBRD Environmental and Social Risk Categorization List for FIs.

3.3 Risk-Based Approach

¹ European Bank for Reconstruction and Development, "Ineligible Entities," *EBRD*, accessed October 29, 2025, <https://www.ebrd.com/home/who-we-are/strategies-governance-compliance/ebrd-sanctions-system/ineligible-entities.html>.

Movens Capital applies a proportionate, risk-based approach to ESG management. The level and depth of ESG due diligence, monitoring, and support is commensurate with the ESG risk profile of each investment:

Risk Category	ESG Management Approach
High	Comprehensive external ESG due diligence, obligatory site visit, annual monitoring
Medium	Enhanced internal ESG review, annual monitoring
Low	Initial ESG screening and desktop review

Movens applies a proportionate approach. Investments are classified as Low, Medium or High risk; the depth of due diligence and monitoring is commensurate with that risk.

4. ESG MANAGEMENT PROCESS

Movens Capital integrates ESG considerations throughout the investment lifecycle:

4.1 Initial Screening

All potential investments undergo ESG screening before proceeding to due diligence using the Initial Screening Checklist. Such screening includes:

- Review against all exclusion list criteria and sanctions lists
- Initial assessment of ESG risks and impacts using the *EBRD NACE Selector and ESG Risk Categorization* tool (excel)
- Assignment of ESG risk category (high, medium, low)
- Identification of any red flags requiring further investigation

Decision: Investments that trigger exclusions are declined. All other investments proceed to a risk-appropriate due diligence process.

4.2 ESG Due Diligence

ESG due diligence is conducted proportionate to the ESG risk category of a target company. For potential investments qualified as high or medium ESG risk, the ESG due diligence process may include the following reviews:

- Compliance with national ESG laws and regulations
- ESG management systems, policies, and procedures (or lack thereof)
- Historical ESG performance and any past incidents
- Material ESG risks associated with operations
- Labor and working conditions
- Health and safety practices
- Environmental impacts (waste, emissions, resource use, climate risks)
- Community and stakeholder relations (if relevant)

The scope and detail of the due diligence will be case-specific, taking into consideration a proportionate, risk-based approach to ESG risks.

4.3 Environmental and Social Action Plans (ESAPs)

When ESG gaps or non-conformities are identified during the due diligence process, Movens Capital works with the portfolio company to develop an Environmental and Social Action Plan (ESAP). A typical ESAP should include:

- Corrective actions required to address identified gaps
- Assignment of responsibility for each action to the portfolio company
- Clear and realistic timelines for implementation
- Incorporation into investment documentation (shareholder agreement)

- Regular monitoring during the holding period (at least annually)

4.4 Investment Committee Review

ESG considerations are integrated into investment decision-making for each potential investment. The Investment Committee reviews:

- ESG risk category and rationale
- Key ESG risks and mitigation measures
- Proposed ESAP (if applicable)
- Any other ESG-related investment conditions or considerations

Decision: Investments with unacceptable ESG risks or companies unwilling to address material ESG issues are declined.

4.5 Legal Documentation

Investment agreements with portfolio companies should include ESG provisions requiring portfolio companies to:

- Comply with applicable national ESG laws and regulations
- Confirm non-engagement in activities on the EBRD Exclusion List
- Implement agreed ESAPs within specified timelines (if applicable)
- Notify Movens Capital of critical ESG incidents
- Provide ESG performance updates (at least annually as part of annual ESG reporting)
- Allow Movens and its representatives to conduct site visits

4.6 Portfolio Monitoring

Movens Capital monitors ESG performance of its portfolio companies throughout the investment holding period through:

- Tracking implementation of Environmental and Social Action Plans (ESAPs), where applicable.
- Receiving periodic (at least annually) ESG performance updates from portfolio companies.
- Reviewing reported ESG incidents and ensuring corrective actions are implemented.
- Conducting additional reviews or site visits only for high-risk investments or upon EBRD request.

Movens Capital uses Atlas Metrics, an ESG data collection and reporting platform, to gather annual information from portfolio companies, monitor progress, and consolidate data for reporting.

Note: For Low- and Medium-risk investments, monitoring focuses on document-based reviews and the annual ESG reporting process conducted through Atlas Metrics.

4.7 ESG Incident Management

Portfolio companies are required to report critical ESG incidents to Movens Capital. An ESG incident is any event with (or potential for) significant negative ESG impacts.

Movens Capital:

- Works with portfolio companies to develop corrective measures
- Documents all incidents in an internal incident register
- Tracks resolution and reports in annual ESG reporting

Examples of reportable critical ESG incidents: Workplace fatality, serious injury, major environmental spill, significant regulatory violation, discovery of child/forced labor.

4.8 Annual ESG Reporting

Movens Capital prepares the annual ESG report with overview of ESG performance across the portfolio. The specific contents of the report may evolve over time in line with investors requirements and internal Movens processes.

Timeline: The ESG report should be submitted annually to LPAC (LP Advisory Board) within 120 days after the end of the financial year.

5. KEY ESG TOPICS

Movens Capital expects portfolio companies to address the following key ESG topics.

5.1 Labor and Working Conditions

Portfolio companies must:

- Comply with national labor laws and regulations
- Provide workers with written employment contracts
- Ensure fair wages, benefits, and working conditions
- Prohibit child labor and forced labor
- Promote non-discrimination and equal opportunity
- Respect workers' rights to freedom of association
- Maintain grievance mechanisms for employees

5.2 Health, Safety and Security

Portfolio companies must provide a safe and healthy working environment, including:

- Identifying and assessing workplace health and safety risks
- Implementing preventive and protective measures
- Providing appropriate personal protective equipment
- Training workers on health and safety matters
- Establishing emergency preparedness procedures
- Investigating and documenting accidents and near-misses

5.3 Environmental Management

Portfolio companies should implement appropriate environmental management practices:

- Compliance with environmental laws and regulations
- Prevention and minimization of pollution and waste
- Efficient use of energy, water, and materials
- Proper waste management and disposal

6. ROLES AND RESPONSIBILITIES

Implementation of this Policy is a shared responsibility:

Role	ESG Responsibilities
Partners	Overall ESMS oversight, ESG Policy approval, IC ESG decisions, critical incident escalation
Deal Leads	ESG screening, DD coordination, ESAP development & monitoring, incident management, portfolio ESG reviews
ESG Responsible	ESMS implementation support, annual ESG report preparation, liaison with LPs on ESG matters, ESG training, documentation
Portfolio Companies	ESG compliance, ESAP implementation, incident reporting, annual ESG reporting

7. POLICY REVIEW AND UPDATES

This Policy will be reviewed annually and updated as needed.

9. DISCLOSURE AND TRANSPARENCY

This ESG Policy is publicly available and communicated to:

- All Movens Capital investment team members
- Portfolio companies (at time of investment)
- EBRD and other co-investors
- Published on Movens website