

Responsible
Investing
Report

2025

A Message from Leadership



Terry Mullen

At our core, our endeavor is to build high-growth, technology- and innovation-rich businesses that are strategically important in their markets and deliver value for all stakeholders. To help accomplish this, we incorporate responsible investment management into our investment decision-making and management practices because we believe that companies with robust responsible investment standards are typically better managed, have fewer business risks and ultimately deliver better value.

In 2025, we added four portfolio companies to our metrics collection exercise, which included the measurement of their greenhouse gas emissions. We continued to enhance our responsible investing initiatives—both at the firm level and across our portfolio companies. We submitted our first formal report to the United Nations-supported Principles for Responsible Investment and achieved above-median scores for both the governance and the private equity modules. In addition, we completed our third reporting submission to the ESG Data Convergence Initiative, which captures key metrics for the calendar year 2025 and allows us to benchmark our portfolio companies' responsible investing performance while

“ We believe that companies with robust responsible investing standards are typically better managed, face fewer risks, are more attractive to potential buyers, and ultimately generate greater value.”

enabling greater transparency for our investors. We also updated our physical and transition climate risk assessments in alignment with the Task Force on Climate-related Financial Disclosures.

In recognition of the accelerating adoption of artificial intelligence (AI) technologies, we rolled out Responsible AI Use Policy templates and guidance to our portfolio companies. This initiative encompassed facilitating governance workshops, management discussions, policy review sessions and collaborating with our portfolio companies' legal, compliance, and operating leadership teams. Additional details can be found in the Responsible AI Governance section of this report.

This report provides an update of our responsible investing initiative, and we deeply appreciate your continued trust in Arsenal as stewards of your capital.

Sincerely,

A handwritten signature in black ink, appearing to read 'Terry Mullen'. The signature is fluid and cursive.

Terry Mullen
Managing Partner

Arsenal At a Glance

Arsenal Capital Partners is a leading private equity investment firm that specializes in building market-leading industrial growth and healthcare companies. Since its inception in 2000, Arsenal has raised institutional equity investment funds totaling over \$10 billion, completed more than 300 platform and add-on acquisitions, and achieved more than 35 realizations. Driven by its commitment to unlock potential in people, businesses and technologies, Arsenal partners with management teams to build strategically important companies with leading market positions, high growth, and high value-add.

Clear Purpose and Focus

Over the years, Arsenal has earned a trusted reputation as a highly valued, long-term partner that helps companies design and implement strategic transformation. We work in a highly relational manner, anchored in humility, curiosity, integrity and resilience. Through collaboration, rigorous debate, and a culture that embraces challenge, together we capitalize on deeper market opportunities and build strategically important companies with enduring value.

Arsenal By the Numbers¹

\$10bn

in assets under management

25

years of successfully building businesses

7

funds raised since Arsenal's inception

24

current portfolio companies

100+

Arsenal employees

50+

senior advisors

1. As of December 31, 2025

Investment Sectors



Industrial Growth

We seek to build differentiated innovative materials and industrial technology solutions businesses that deliver high performance and value-add to their customers.



Healthcare

We aspire to build valuable companies that serve as catalysts for transforming the healthcare system with a focus on pharma services and healthcare technology and services.

Our People

At Arsenal, we believe that unlocking potential starts with people. Superior performance is rooted in differentiated knowledge, experience, and capabilities. By equipping our teams and portfolio companies with the right leadership, expertise, and culture, we drive sustained growth. We look to positively impact and benefit all constituencies by doing business the right way.

Human Capital Development

Our human capital strategy seeks to enable our employees to reach their full potential. This philosophy is embedded in how we recruit, onboard, develop, and retain our top talent.

We demonstrate this commitment during the recruitment process by conducting leadership assessments to understand key strengths and areas for growth to make informed hiring decisions. Leveraging these key insights, we then create onboarding and training programs that ensure each new hire is successfully integrated into our firm.

Once onboarded, we deliberately and consistently invest in our talent to ensure continued development and growth. We provide coaching to strengthen our teams, and we facilitate bi-annual review processes that are tailored to each team member's goals and areas of development.

We also enhanced our mentorship program, reinforcing our commitment to apprenticeship and long-term career development. Thirty-six of Arsenal's junior and senior professionals were thoughtfully paired to foster personalized guidance and real-time feedback. This is one of

the many ways that we are continuing to develop our next generation of leaders. We remain focused on developing an exceptional team, empowered to create enduring value.

Arsenal's Culture

Our culture is centered around collaboration, teamwork, and servant leadership. We strive to bring our best talents to the table, not as individuals seeking recognition, but as a collective working toward shared goals. This mindset fosters a strong sense of personal and shared accountability and is the foundation for how we operate.

This is embedded in every aspect of our model, which integrates exceptional industry, operating, and investment capabilities. Our team works in a highly interconnected way, which requires humility, openness, and a commitment to mutual respect. This type of engagement extends beyond our internal team to our portfolio company management teams and investors. We invite them to participate in a collaborative and transparent relationship that drives long-term success.

Arsenal's Core Values

Our values-based culture attracts top talent, connects the team, and energizes the firm. We practice these core values in our daily interactions with management teams, our investors, and our communities.



Responsible Investing at Arsenal



Responsible Investing Foundation

Arsenal is committed to creating positive outcomes for all stakeholders by conducting business with integrity and purpose. Since the firm's inception, our goal has been to develop market-leading companies that play critical roles in their industries. To do this, we endeavor to work with our portfolio companies and help them align with thoughtful responsible investing practices, because we believe that companies with robust responsible investing standards are better managed, face fewer risks, are more attractive to potential buyers, and ultimately generate greater value. These principles guide every aspect of our responsible investing approach.

Governance

We have a formal, cross-functional responsible investing committee whose primary mandate is to support our ongoing responsible investing initiatives based on business imperatives, industry and regulatory developments, and best practices. This committee is composed of senior firm leaders, and allows for an open dialogue, ensuring that the committee is empowered to make decisions concerning Arsenal's responsible investing strategy, and it guides the internal implementation of responsible investing initiatives.

Training

During onboarding, all investment professionals participate in responsible investing training. In addition, we conduct periodic firm-wide training sessions, including regular, mandatory training related to anti-harassment, ethics and compliance, and cybersecurity.

Responsible Investing Committee Members



Marion Hayes
Head of Responsible Investing, Committee Chair



Terry Mullen
Managing Partner



Tim Zappala
Senior Partner



Patricia Grad
Head of Investor Relations



Frank Scrudato
Chief Compliance Officer



Sal Gagliardo
Operating Partner, Industrial Growth



Martin Coulter
Operating Partner, Healthcare

Industry Engagement





Responsible Investing Integration

We aim to incorporate responsible investing considerations throughout the investment lifecycle, because we believe that this enables us to create more resilient companies and generate long-term value. Our approach is guided by the Sustainable Accounting Standards Board (SASB) framework, which focuses on the sustainability considerations that most directly impact enterprise value.

Pre-Investment

Screening

- Complete Arsenal's pre-screening checklist to ensure that the target company is compatible with its Responsible Investing Policy
- Identify responsible investing risks and opportunities for value creation prior to making an investment

Due Diligence

- Work with third-party advisors to complete a physical climate risk assessment for all investments
- Engage third-party advisors to conduct comprehensive ESG due diligence tailored to the industry and asset type of the investment

Investment Committee

- Incorporate material findings in final Investment Committee memo for review
- Discuss key responsible investing risks during Investment Committee meetings, as appropriate

Ownership

Onboarding

- Engage with portfolio company in the first 100 days of Arsenal's ownership and explain Arsenal's responsible investing program and key expectations
- Collaborate with portfolio company to identify one prioritized ESG focus area, based on risk mitigation and value creation opportunities

Monitoring

- Work with each company to set annual targets for its ESG focus area
- Monitor progress against established targets during quarterly board meetings
- Annually, collect key metrics to track and benchmark responsible investing performance for in-scope companies
- Assist companies in meeting responsible investing requirements set by their customers

Exit

Disclosure

- Prepare a summary of the company's responsible investing performance, including key qualitative and quantitative results
- Share performance improvements on key responsible investing topics during Arsenal's ownership



Select Responsible Investing Milestones

Since the firm’s inception, Arsenal has continually worked to embed strong responsible investing practices through robust corporate governance processes, elevated attention on human capital, effective risk management, and standardized environmental, health and safety guidelines.

In 2018, we published our inaugural Responsible Investing Policy, formalized ESG due diligence reviews for platform investments, and released our first Responsible Investing Report. We continually aim to elevate our responsible investing program in line with market trends, investor expectations, and the evolving regulatory landscape.

2022

- Hired dedicated Head of Responsible Investing
- Began to align with the Task Force on Climate-related Financial Disclosures (TCFD)
- Committed to measuring greenhouse gas (GHG) emissions for Fund VI and the Small Cap Fund
- Established Responsible Investing Committee

2023

- Became signatories to the United Nations-supported Principles for Responsible Investment (PRI)
- Joined the ESG Data Convergence Initiative (EDCI)
- Published responsible investing resource library for portfolio companies

2024

- Submitted first mandatory PRI report
- Deployed ESG metrics collection software
- Conducted pilot energy efficiency audit
- Measured GHG emissions for select Fund V portfolio companies

2025

- Added four new investments to Arsenal's responsible investing reporting initiative
- Rolled out Responsible AI Use Policies at the firm level and portfolio company level
- Four portfolio companies have set net zero targets and committed to the Science Based Targets Initiative



TCFD Reporting

We acknowledge that climate change may adversely affect our portfolio both via transition risks as well as physical risks, and we believe that as investors, we have a critical role to play in ensuring that the portfolio companies they manage are well-positioned for a climate-resilient economy. We align with the Task Force on Climate-Related Financial Disclosures (TCFD), ensuring that we manage any material climate change-related risks and opportunities.

Governance

Arsenal's Responsible Investing Committee oversees the firm's policies related to the integration of climate considerations throughout the investment process, including the assessment of climate-related risks and opportunities for each portfolio company. We manage this process in conjunction with our Head of Responsible Investing, investment teams, and operating partners.

As part of this process, we conduct a physical climate risk assessment during the due diligence process for any new portfolio company as well as any material add-on acquisition for existing investments. Arsenal's Head of Responsible Investing reviews the assessment results prior to closing an investment and flags any material risks, where applicable. Finally, we provide periodic firm-wide training sessions on climate-related topics to maintain and enhance our team's knowledge of climate-related risks and opportunities.

Strategy and Risk Management

In addition to embedding physical climate risk assessments in our due diligence process, we also participate in climate-focused industry meetings and webinars to stay abreast of emerging climate science and regulatory requirements. In early 2026, we completed our third physical climate risk analysis for Arsenal's approximately 280 portfolio company sites. We assessed two climate scenarios: (i) a strong mitigation scenario, also known as Representative Concentration Pathway (RCP) 2.6, which assumes that global temperatures rise approximately 1.8°C by 2100, and (ii) a "middle-of-the-road" scenario, or RCP 4.5, which assumes that climate change worsens through the end of the century with global temperatures rising by approximately 2.4°C by 2100.¹ Each climate scenario considers key physical hazards, such as wildfires, inland flooding, tropical cyclones and hurricanes, sea level rise, water stress and heatwaves.

The portfolio-wide physical climate risk assessment showed that based on both the strong mitigation and middle-of-the-road scenarios, only one of our approximately 280 portfolio company sites may face a greater than 2% asset value loss risk due to cyclone damage by 2050. This asset value loss risk is measured prior to factoring in any insurance coverage that a portfolio company may have.

In early 2026, we updated our transition risk assessment to better understand the potential implications of the transition to a lower-carbon economy on our portfolio stemming from carbon trading regimes. Utilizing bottom-up GHG emissions data where available, supplemented by top-down proxy emissions data, the transition risk analysis assessed the probability that our portfolio companies could be subject to a

1. A Representative Concentration Pathway (RCP) is a greenhouse gas concentration (not emissions) trajectory adopted by the Intergovernmental Panel on Climate Change. The pathways describe different climate futures, all of which are considered possible depending on the volume of greenhouse gases emitted in the years to come. The RCP 2.6 assumes that global carbon emissions peak almost immediately and begin to decline to a global mean temperature rise of ~1.8°C by 2100 in line with the objective of the Paris Agreement. The RCP 4.5 assumes emissions will peak around 2040 before beginning a steady decline, resulting in a global mean temperature rise of between 2.0°C and 3.0°C by 2100.
2. The review of international emissions trading systems is based on publicly available resources, such as the International Carbon Action Partnership, which can be accessed [here](#).



TCFD Reporting (cont.)

future emissions trading system (ETS) regime in the next five to ten years.² Across Arsenal's approximate 280 portfolio company locations, 17 of our industrial facilities are currently regulated by an ETS regime, representing approximately 6% of portfolio company sites. An additional 36 facilities of our portfolio company sites may fall under an ETS regime in the next five to ten years if inclusion thresholds are reduced, bringing the total portfolio exposure to approximately 19%.³ Using the portfolio position of each company and their

respective revenue, the weighted average greenhouse gas intensity across Arsenal's portfolio companies was estimated at 45.3 metric tons of carbon dioxide equivalent (mtCO₂e) per million dollars in revenue. In comparison, the MSCI World Index carbon intensity is 121.0 mtCO₂e per million dollars in revenue. In summary, we believe that the transition risk in our portfolio is comparatively low and financially immaterial, as Arsenal does not invest in fossil fuels.

Metrics and Targets

One

portfolio company site with material physical climate risk exposure (pertaining to asset values on a pre-insurance basis)

81%

of portfolio company sites with no carbon pricing exposure in the next ten to 15 years

63%

lower weighted average carbon emissions intensity compared to the MSCI World Index⁴

Four

portfolio companies have set a net zero target and are committed to the Science Based Targets Initiative

Zero

fossil fuel investments

3. Arsenal measures the GHG emissions for its entire portfolio with the exception of two healthcare companies and three industrial growth portfolio companies, for which we applied a top-down GHG estimate based on proxy data published by the U.S. Energy Information Administration while taking into account the type of operations and asset square footage.

4. Compares Arsenal's GHG emissions intensity against the MSCI World Index, based on the weighted average Scope 1 and Scope 2 mtCO₂e per US\$1 million in revenue. Source: [MSCI IndexMetrics®](#)



Arsenal's Operational GHG Emissions Inventory

Below is a summary of Arsenal's operational Scope 1, 2, and select Scope 3 GHG emissions, calculated according to the Greenhouse Gas Protocol (GHG Protocol) Standards.¹

		UNIT	2021 (Base Year)	2023	2024	2025
OPERATIONAL GHG EMISSIONS	Scope 1 Direct	mtCO ₂ e	1	1	5	5
	Scope 2 Indirect (Location-Based)	mtCO ₂ e	86	95	148	169
	<i>Electric</i>	%	77%	80%	32%	34%
	<i>Steam</i>	%	23%	20%	68%	66%
	Scope 3, Category 6 (Business Travel: Air) ²	mtCO ₂ e		510	346	396
ORGANIZATIONAL METRICS FOR INTENSITY CALCULATIONS	Employee Headcount	FTE	68	94	111	111
	Office Square Footage	sq. ft.	21,500	26,900	40,000	40,000

1. GHG emissions have not been validated by an independent audit firm. In late 2023, Arsenal moved its office location.
 2. Arsenal started to measure its Scope 3, Category 6, GHG emissions in 2023. In 2024, we moved from EPA-based emissions factors to UK DEFRA emissions factors for the business travel emissions inventory to align with leading GHG measurement practices.



Responsible AI Governance

We believe that artificial intelligence (AI) represents one of the most significant operational and strategic opportunities facing private equity-backed companies today. At the same time, the accelerating adoption of AI technologies introduces significant governance, compliance, cybersecurity, reputational, and operational risks that require disciplined oversight and thoughtful implementation. Consistent with our broader responsible investing approach, we believe that effective AI governance is not separate from value creation, but foundational to it.

Arsenal's responsible investing framework encompasses the belief that proactive risk management and strong governance practices improve long-term outcomes and reduce business risk across the investment lifecycle. As AI adoption accelerated across industries in 2025, we recognized that AI governance warranted a similarly structured and value-oriented approach.

In response, last year we introduced a comprehensive AI governance framework across our portfolio companies. This initiative was informed by a cross-functional panel of 16 internal domain experts with backgrounds spanning AI deployment, operational leadership, cybersecurity, health-care compliance, industrial operations and corporate governance.

We also engaged external legal counsel and incorporated extensive research into emerging regulatory frameworks and industry best practices. The resulting guidance reflects both our collaborative culture and our commitment to disciplined operating processes.

Our AI framework is not designed as a rigid, one-size-fits-all compliance exercise. Rather, it establishes a set of fundamental governance expectations and risk-management principles while allowing portfolio companies flexibility in how those requirements are operationalized based on sector, scale, technology maturity, customer requirements and regulatory exposure. Arsenal's responsible AI governance initiative is centered on four themes.

Arsenal's Digital, AI, and Data Analytics Group

In 2024, Arsenal established its Digital, AI, and Data Analytics Group. These experienced professionals leverage next-generation innovation and emerging technologies in predictive analytics, artificial intelligence, and digital automation to enhance the development, delivery, and administration of products and services for Arsenal's portfolio companies.



Dimitrios Agrafiotis, Ph.D.
Digital, Analytics, and AI



Christine Livingston
AI and Data Analytics



Nico Frantzen
AI Solutions Architect



Nick Reding
Machine Learning and Data Science



Jeff Christensen
Product and Digital Innovation



Responsible AI Governance (cont.)

Key themes of Arsenal’s AI governance initiative:

1. Transparency

Our AI governance initiative provides requirements and recommendations regarding disclosure of AI usage to customers, sponsors, and end users where appropriate or required by law. Arsenal’s guidance encourages portfolio companies to establish clear internal standards governing when AI-assisted outputs should be identified, how AI-supported workflows should be documented, and how users should be informed when AI systems influence decisions or recommendations.

2. Accountability

To strengthen governance structures and assign clearly defined ownership responsibilities, Arsenal encourages portfolio companies to establish cross-functional AI Steering Committees (or comparable oversight structures). The policy framework further outlines expectations for defined roles and responsibilities among employees involved in AI systems development, deployment, usage, and oversight. Arsenal’s guidance also emphasizes personal responsibility for AI-assisted work product, reinforcing the principle that human accountability cannot be delegated to automated systems.

3. Auditability

Arsenal’s guidance recommends formal output validation requirements, incident reporting procedures, documentation protocols, and periodic reviews to ensure AI systems and methods remain aligned with evolving best practices and regulatory expectations. In subsectors such as healthcare technology and life sciences, the framework specifically calls for AI outputs to be traceable in ways that support rigorous validation and regulatory review processes. Formalized check-ins between portfolio company leaders and Arsenal’s AI domain experts provide a forum to strengthen AI governance, support compliance program implementation, and facilitate the sharing of leading insights.

4. Regulatory Requirements

We are cognizant that the regulatory environment surrounding AI is evolving rapidly and inconsistently across jurisdictions. Accordingly, our guidance recommends that portfolio companies establish mechanisms for monitoring changing domestic and international AI regulations and legal frameworks, as appropriate for each business, with a particular focus on evolving regulation, enforcement action on intellectual property protections, data privacy obligations, cybersecurity controls, consent management and third-party vendor requirements. Finally, recognizing that AI risks and governance priorities vary significantly by sector, our guidance includes sector-specific considerations tailored to the industries in which Arsenal invests.

Responsible AI Use Policy Implementation

In 2025, we distributed policy templates that provide portfolio companies with a practical starting point for implementation while preserving flexibility for company-specific tailoring. This process comprised governance workshops, management discussions, policy review sessions and collaboration with our portfolio companies’ legal, compliance, and operating leadership teams.

Consistent with Arsenal’s culture of continuous learning, collaboration, and operational partnership, we intend to continue refining our AI governance approach as AI technologies evolve.

Responsible Investing in Our Portfolio



Portfolio Highlights

Arsenal is a signatory to the ESG Data Convergence Initiative (EDCI), which is an industry-wide private equity effort designed to streamline how ESG data is collected, reported and benchmarked. Earlier this year, we completed our third reporting submission to the EDCI for Fund V, Fund VI and the Small Cap Fund. We share the results of our EDCI submission with our investors upon request. In addition, we collect a series of bespoke ESG metrics with a particular focus on policy implementation.¹ Below are select highlights from our 2025 metrics collection exercise.



94%

measure their GHG emissions



10%

year-over-year carbon intensity reduction²



100%

have a health and safety policy



75K

health and safety training hours



75%

have a Responsible AI Use Policy






1. Investments made in the latter half of 2025 will be included in next year's metrics collection. Highlights exclude MaxHealth and ATP due to divestment in early 2026.
2. Based on the TCFD-recommended weighted average carbon intensity (WACI) formula for Fund V, Fund VI and the Small Cap Fund. Excludes Hopebridge due to lack of bottom-up emissions data. In cases where 2025 GHG emissions data was not yet available, 2024 GHG emissions were applied.



Sustainable Development Goals



The United Nations Sustainable Development Goals (UN SDGs) provide a blueprint for a better and more sustainable future for all by addressing the global challenges that our world faces. The business activities of many Arsenal portfolio companies address several of the UN SDGs.

UN SDG GOAL	TARGET	PORTFOLIO COMPANY EXAMPLES
 3. Good Health and Well-Being: Ensure healthy lives and promote well-being for all at all ages	3.4	CellCarta precision medicine testing for oncology, infectious diseases, and autoimmune diseases Certara pediatric drug development with bio simulation services and regulatory science OncoHealth technology-enabled oncology care Rancho biomedical data science services used in drug discovery and precision medicine
 7. Affordable and Clean Energy: Ensure access to affordable, reliable, sustainable and modern energy for all	7.2	AvCarb advances zero emissions energy technology through the production of fuel cells that generate both heat and electricity from clean hydrogen fuel
 9. Industry, Innovation and Infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.4	Invio solar manufacturing facility automation Polywood sources and processes recycled plastics Fenzi designs and manufactures innovative warm-edge spacers for glass units to improve thermal efficiency
 12. Responsible Consumption and Production: Ensure sustainable consumption and production patterns	12.4 12.5	Chroma waste reduction target of 30% by 2030 against 2021 baseline; G-Series products enable total utilization of color pellets and reduces waste Revolution closed-loop manufacturer of post-consumer recycled and post-industrial recycled products Polywood manufacturer of recycled, high-density polyethylene outdoor living products Headwall increases recycling rates through hyperspectral imaging technology
 13. Climate Action: Take urgent action to combat climate change and its impacts	13.2	Chroma energy reduction target of 25% by 2030 across all plants against 2021 baseline Revolution establishing energy-efficient production lines CellCarta, Certara, Lumanity, and WCG have committed to the Science Based Targets Initiative



Industrial Growth Case Study

Diverting Plastics from Landfills and Oceans through Consciously Crafted Outdoor Furniture

POLYWOOD®
Sustainable Outdoor Furniture

Headquartered in Syracuse, Indiana, Polywood is a vertically integrated provider of recycled, high-density polyethylene (HDPE) outdoor living products. The company is a leading brand in this fast-growing, structurally advantaged material.

The outdoor furniture market is experiencing significant secular growth driven by substitutions away from materials, such as wood, metal, and wicker to HDPE. This is due to HDPE's superior durability, minimal maintenance requirements, and infinite recyclability.

The company takes great strides in diverting plastics from landfills and oceans. Its facilities recycle millions of plastic containers annually—plus furniture returns and 99% of production scrap are reprocessed into lumber again. Specifically, Polywood's low-cost HDPE lumber utilizes approximately 40% from both recycled plastics and scrap in its manufacturing process.

661,920 lbs

of reclaimed furniture were reground and made into new furniture

7mm lbs

of shavings from Polywood's dust collection system were reprocessed into new furniture

27mm lbs

of scrap material were reground and made into new furniture

Polywood's Recycling Process

1



Containers arrive at Polywood's recycling plant bundled in large bales. The flattened containers are sent up a conveyor to a giant shredder to be pre-shredded.

2



Next, the shredded container flakes are pre-washed and any heavy materials that might have gotten mixed in (glass, rocks, etc.) are removed.

3



The cleaned and sorted material is finely ground into a 1/2" flake and sent to a float tank where any other non-plastic items will sink out of the mix. The flakes are then dried and air separated.

4



Polywood recovers furniture returns and 99% of production scrap material to reprocess back into lumber.

5



The final product is clear pellets that are ready to be made into genuine Polywood lumber.



Healthcare Case Study

Saving Lives through the Responsible Use of Artificial Intelligence

Rancho bio • sciences

Headquartered in San Diego, California, Rancho is a leader in biomedical data science services for drug discovery and translational research. The company utilizes technology alongside a highly credentialed team of scientists, bioinformaticians, and data scientists, including approximately 80 PhDs.

Data plays an indispensable role not only in the drug development process and biomarker discovery, but also in the diagnosis of rare diseases, and treatment decisions. However, this is only possible through fast and accurate collection, organization, and standardization of data, which makes the output accessible and useful.

A key example of Rancho’s impact through biomedical science services is its collaboration with Rady’s Children’s Genomics Institute. For this partnership, Rancho helped develop an internal AI platform,

designed for frontline physicians to rapidly order and interpret diagnostic genome sequencing, particularly for critically ill infants in the ICU. Rancho’s proprietary AI platform guides clinicians from test results through to family communication, treatment decisions, and confirmatory testing – all within a single system. This is especially valuable for ultra-rare diseases, where no comparable solution exists. The platform’s ability to handle the disjointed and complex data of functional gene annotations has transformed pediatric care and demonstrated Rancho’s unique value.

This innovative technology approach underpins Rancho’s vision to save lives through data by providing quality, speed, and innovation.

400

genetic diseases captured by Rancho’s platform, compared to 80 genetic disorders by the Newborn Screening Program of the California Dept. of Public Health (CDPH)

<24 hour

turnaround time of genomic sequencing, enabling Rady’s to return results in three–five days, compared to two-week average of standard genomic tests

4.2%

true positive rate, compared to 3.6% for CDPH¹

100%

positive predictive value, compared to 27% for CDPH¹



1. See Kingsmore et. al., (2024), Genome-based newborn screening for severe childhood genetic diseases has high positive predictive value and sensitivity in a NICU pilot trial. The American Journal of Human Genetics, 2643–2667. <https://doi.org/10.1016/j.ajhg.2024.10.020>.

Arsenal Gives Back



Arsenal Gives Back

We support philanthropic organizations whose mission aligns with our values and purpose.

In 2025, Arsenal and its employees' philanthropic efforts reached more than 55 organizations with missions focused on medical research, education, performing arts, and more. Between individual contributions and firm-matched donations, Arsenal collectively donated more than \$390,000.

In addition, Arsenal organized our second annual firm-wide gift drive through New York Cares' Winter Wishes. As a result of our employees' generosity, we were able to provide holiday gifts to 125 children who have experienced domestic violence, food insecurity, or homelessness.

\$390K

in collective donations

125

children received holiday gifts

55+

non-profit organizations who received donations from Arsenal's employees

Organizations We Support





Legal Disclaimer

This Responsible Investing Report (the “Report”) is provided by Arsenal Capital Partners and its affiliates (“Arsenal”) for informational purposes only and is solely intended to summarize the responsible investing process and strategies of Arsenal and the funds managed by Arsenal. This Report should not be relied upon for any other purpose. The Report does not summarize investment performance. This Report does not constitute an offer to sell, or the solicitation of an offer to buy, any security, product, or service, including interests in any investment fund managed by subsidiaries of Arsenal (the “Funds”).

This Report covers the time period beginning on January 1, 2025, and ending on December 31, 2025, unless otherwise indicated.

Any past performance information provided herein is neither indicative nor a guarantee of future performance or returns. Arsenal’s responsible investing program is consistent with and subject to Arsenal’s fiduciary or similar duties and applicable legal, regulatory, and contractual requirements and is expected to change over time. Additionally, the act of selecting and evaluating material responsible investment or ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by Arsenal or a third-party advisor will reflect the views, internal policies, or preferred practices of any particular investor or other asset manager or reflect market trends. References to portfolio companies are intended to illustrate the application of Arsenal’s investment process only and should not be viewed as a recommendation of any company or be used as an indication of the current or future performance of Arsenal’s investments. Any information provided in this Report about past investments is provided solely to exemplify various aspects of the previously utilized responsible investing processes and strategies of Arsenal and the portfolio companies. Data provided in this Report is intended to illustrate applicable, available information relating to Arsenal and the portfolio companies. Not all ESG metrics are available for or applicable to Arsenal or each portfolio company, and methodologies for measuring ESG metrics may differ. The investments described in the selected case studies were not necessarily made by any single fund or other product and do not represent all of the investments purchased or sold by any fund or other product. Certain information contained herein relating to

responsible investing goals, targets, intentions, or expectations reflect current thinking and may be subject to change, and no assurance can be given that such goals, targets, intentions, or expectations will be met.

While Arsenal intends to include responsible investing as a component of its investment process, as described herein, there can be no assurance that Arsenal’s responsible investing initiatives, policies, and procedures as described herein will be applied to a particular investment. Arsenal is permitted to determine in its discretion, taking into account any applicable contractual commitments or regulatory requirements, that it is not feasible or practical to implement or complete certain of its responsible investing initiatives, policies, and procedures based on cost, timing, or other considerations; such responsible investing initiatives, policies, and procedures are not necessarily (and are not purported to be) deployed in connection with each investment. There is no guarantee that Arsenal will remain a signatory, supporter, or member of any ESG initiatives or other similar industry frameworks.

The United Nations Sustainable Development Goals (“UN SDGs”) are aspirational in nature. The analysis involved in determining whether and how certain initiatives may contribute to or support progress towards the UN SDGs is inherently subjective and dependent on a number of factors and may not be completed prior to Arsenal making an investment or at all. Arsenal makes no commitment or guarantee that it is investing in companies that have a formal commitment or plan or take specific actions to contribute to or support progress towards the UN SDGs. There can be no assurance that reasonable parties will agree on a decision as to whether certain projects or investments contribute to a particular UN SDG or related real-world outcome or that any such contribution or outcome is desirable. Accordingly, investors should not place undue reliance on Arsenal’s application of the UN SDGs, as such application is subject to change at any time and in Arsenal’s sole discretion.

The information contained in this Report may not necessarily be complete and may change at any time without notice. Arsenal does not have any responsibility to update this Report to account for any such changes. Certain information contained herein may be

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