

Modern Slavery Statement

Arcmont Asset Management Limited

June 2023

Introduction

This Modern Slavery Statement (“Statement”) is made by Arcmont Asset Management Limited (“Arcmont”), which is authorised and regulated by the UK Financial Conduct Authority (FCA), for the financial year ending 31 December 2022, pursuant to Section 54 of the Modern Slavery Act 2015 (“MSA”).

Arcmont is aware of its obligation under the MSA to take a strong stance against Modern Slavery. This Statement outlines Arcmont's efforts to identify, monitor and address the risks of Modern Slavery in its business and supply chain. In this Statement, Arcmont adopts the term “Modern Slavery” as defined by the MSA, which includes slavery, servitude and forced or compulsory labour and human trafficking, all of which are abuses of a person's freedoms and rights.

Business Structure

Arcmont is a leading Private Debt asset management firm, providing flexible capital solutions to a wide range of businesses across Europe. Arcmont manages €23 billion (as of 31 December 2022) of assets across three private debt strategies. In October 2022, Nuveen Asset Management (“Nuveen”), a Teachers Insurance and Annuity Association (“TIAA”) company, agreed to acquire a controlling interest in Arcmont. As an affiliate of Nuveen, Arcmont will continue to operate as usual and under the Arcmont brand. This statement is made only in respect of Arcmont.

Arcmont is incorporated in the UK and headquartered in London, however, we operate additional offices in the USA, France, Germany, Spain, Sweden and Italy. As of 31st December 2022 our workforce consists of 92 full-time employees. As an asset management firm, the nature of our business and work is not seasonal, therefore we do not employ seasonal workers.

In support of our core functions, Arcmont also outsources certain activities to other firms as part of the everyday course of business. This primarily consists of professional services firms, such as external consultants, lawyers, accountants and data providers. Additionally, we may engage suppliers for additional requirements including business supplies, stationery, IT hardware, graphic design and catering services. Our supply chains are predominantly based within the countries in which we operate. As an asset management firm, our supply chain is fairly straightforward as it revolves around our primary financial practice. This includes running our global offices and maintaining our technological infrastructure. Given the nature of our business, we do not sell physical goods for which raw materials or components are sourced.

Policies and Governance

The responsibility for identifying, monitoring, and managing Modern Slavery risks belongs to the Arcmont ESG Committee, which reports to the Board of Directors. The ESG Committee is responsible for any updates and revisions to policies covering Modern Slavery. The following policies demonstrate our approach to identification, prevention, and management of Modern Slavery in our business:

- **Code of Ethics** – Our Code of Ethics demonstrates our commitment to ethical conduct and adherence to laws and regulations, including those concerning Modern Slavery. To ensure accountability, we maintain a log of Code of Ethics violations and take necessary actions to resolve them. Furthermore, every employee must annually confirm their comprehension of the Arcmont Compliance Handbook, which includes the Code of Ethics.
- **Whistleblowing Policy** – Our Whistleblowing Policy lays out mechanisms for employees to report concerns of any suspected misconduct, breaches of our policies, discrimination, or any non-compliance with legal and compliance requirements. This includes any circumstances that may

give rise to an enhanced risk of slavery or human trafficking. The policy offers protection from dismissal and unfavourable treatment for employees who report suspicions of wrongdoing.

- **Employee Handbook** – We foster our policies and practices against Modern Slavery in our workforce within our Employee Handbook. All of our employees are treated equally and are fairly compensated for their work. All policies within the Employee Handbook are available and well communicated to all employees and are provided upon commencement of employment.
- **ESG Exclusions Policy** – The Policy prohibits Arcmont from investing in borrowers who violate the ten principles of UN Global Compact (“UNGC”). Two of the principles relate to human rights and four relate to labour rights.
- **Responsible Investment Policy** – The Policy outlines Arcmont’s approach to identifying, assessing, monitoring and managing environmental, social and governance (“ESG”) risks in the investment process, including human rights and Modern Slavery risks.

All policies and processes are reviewed and updated at least annually, to ensure alignment with applicable laws and regulations, best industry practice, and Arcmont’s internal procedures.

Due Diligence

We endeavour to engage in the highest possible standards of responsible business and are committed to ensuring there are no incidents of Modern Slavery in any of our business dealings. For this, we perform due diligence processes both at the firm-level and investment-level to assess actual or potential Modern Slavery violations.

a) Firm-Level

Arcmont maintains regular dialogue between the Legal and Human Resources functions and operates in accordance with our Recruitment Policy and processes as well as Employee Handbook, ensuring that no form of Modern Slavery exists within our recruitment or ongoing employment.

During the reporting period, Arcmont enhanced its supplier due diligence process by screening all existing suppliers in WorldCheck, which screens against various WorldCheck databases and negative media screening. Crimes included in the World-Check database include human trafficking and slave labour. There were no positive matches related to Modern Slavery incidents at any of our existing suppliers. Additionally, Arcmont has introduced processes to ensure that all new suppliers are screened in WorldCheck.

During the coming year, we intend to establish a new supplier due diligence questionnaire which includes assessing compliance with the MSA (or equivalent legislation if outside of UK), training provided to employees on Modern Slavery, improving visibility of the suppliers’ supply chain, assessing policies and procedures relating to the prevention of Modern Slavery, and obtaining attestation from suppliers of adherence to laws, regulations, and international standards concerning Modern Slavery within their own organisations and direct supply chains. For the rollout of our supplier due diligence, we will be focusing initially on our key outsourced service providers, with a view to extending this to all service providers in the future.

b) Investment-Level

Arcmont’s investment team is required to comply with Arcmont’s Responsible Investment Policy which describes our approach to incorporating non-financial factors (also commonly known as Environmental, Social, and Governance (“ESG”) factors) into the investment process, including human rights broadly and Modern Slavery specifically. This is implemented in our pre-investment process consisting of: i) preliminary

screening to screen every investment opportunity against our Exclusions Policy, which includes reference to human rights violations and labour standards as outlined by the principles of the UN Global Compact (“UNGC”) and; ii) ESG due diligence process to more comprehensively assess the ESG risk exposure and management including risks related to human rights and labour standards, where deemed material for the investment.

To augment our preliminary screening process, we leverage RepRisk, a research and business intelligence organisation specialising in ESG risk incidents and controversies. Every prospective investment is screened in RepRisk for ESG risk incidents, including specific violations of the UNGC principles for human and labour rights. If risks are identified pre-investment, the investment teams will either decide not to invest, or if considered less material, will ensure these risks are monitored throughout the life of an investment.

In certain instances, engagement with portfolio companies may occur to influence practices, should Arcmont feel material Modern Slavery risks could be better managed by the company or when there is an identified Modern Slavery risk or incident post-investment. Arcmont may also initiate dialogue with borrowers on matters resulting from an external event or development that could impact the Modern Slavery risk profile of the company. We may conduct such activities on an individual basis, and/or work in collaboration with other investors or key stakeholders. Whilst this engagement can be carried out directly with borrowers, Arcmont may also consider indirect approaches (e.g., engaging on policies that promote transparency) if applicable to the specific circumstances.

Risk Assessment

Arcmont views this Statement as an opportunity to review the way we interact with our clients and suppliers, and also how we manage our investments. Arcmont is committed to regularly assessing the nature and extent of its exposure to Modern Slavery risks.

a) Firm-Level

Arcmont continually reviews and monitors practices around recruitment and employment to ensure we promote an open, fair, and inclusive culture free of all forms of discrimination and Modern Slavery. Given that our workforce is almost entirely composed of skilled professional employees, we believe that the risk of Modern Slavery in our workforce is low.

During the reporting period, Arcmont has completed a screening of its existing suppliers to identify any incidents of Modern Slavery in our supply chain. According to the results of our supplier screening, there are currently no known matters of concern related to Modern Slavery incidents in our supply chain.

The risk assessments conducted for our operations and supply chain suggested that the risk of exposure to Modern Slavery at the firm level is low. However, we cannot rule out the possibility of indirect exposure to high-risk sectors through our suppliers’ supply chains, particularly in the manufacturing sector.

b) Investment-Level

We acknowledge that as an asset manager, it is important to consider Modern Slavery exposure in the area where we have the potential to make the most impact - our investments. Generally, Arcmont’s investment strategy does not expose us to sectors that are deemed at high risk of human rights and Modern Slavery abuses according to the UN Guidance on Human Rights for the Financial Sector. However, we do expect some sectoral exposure, given the breadth of our investments, and particularly within the supply chains of our portfolio companies. Overall, we consider our exposure to Modern Slavery risks in our investments as low.

As discussed in the Investment-level Due Diligence section, Arcmont maintains active dialogue with borrowers during our holding period. A formal review takes place on a quarterly basis to review ESG risk exposure and management of borrowers, including risks to Modern Slavery, where deemed material to the borrowers. Compliance with the UNGC, specifically in respect to human rights and labour standards are also regularly monitored. In addition, our existing portfolio companies are screened against ESG risk incidents and controversies using RepRisk on a daily basis. During the year, we have not identified any known matters of concern related to Modern Slavery in our investment portfolio.

Performance and Ongoing Commitments

At Arcmont, we continuously monitor the progress and effectiveness of our efforts in combating Modern Slavery and complying with applicable laws and regulations. We track performance indicators to assess how we are doing in relation to Modern Slavery risks across all areas of our business.

a) Current Performance

Modern Slavery incidents identified in the previous financial year

To date, Arcmont has not identified any incidents of Modern Slavery in our firm, suppliers or any of our investments.

Should any concerns about Modern Slavery risks and incidents arise (both at the firm-level and investment-level), they will immediately be reported to and managed by the Arcmont ESG Committee and the Arcmont Board of Directors.

Percentage of employees who received training on Modern Slavery

During the year, we rolled out a mandatory training on Modern Slavery to all employees. Further, Modern Slavery training is now provided to all new employees upon joining Arcmont. To date, 100% of employees have been trained on Modern Slavery prevention. The information explained in the training includes:

- the principles outlined in the MSA, including the definition of Modern Slavery and how they apply to Arcmont;
- methods for employees to identify and prevent instances of Modern Slavery;
- procedures for employees to raise concerns regarding potential Modern Slavery issues to the appropriate parties within Arcmont; and
- available external resources, such as the UK Modern Slavery Helpline, for additional assistance.

Percentage of suppliers screened for Modern Slavery incidents

As stated in the Firm-level Due Diligence and Risk Assessment section, during the year, Arcmont has completed a screening of its existing suppliers for Modern Slavery incidents using World-Check. To date, 100% of existing suppliers have been screened for Modern Slavery incidents.

b) Future Performance Enhancements

Enhancement of engagement with portfolio companies

To improve our monitoring and engagement process with our borrowers, we intend to roll out an annual ESG questionnaire to all portfolio companies, which will include questions on borrowers efforts in relation to Modern Slavery.

Approval

This Statement has been approved by the Arcmont Board and will be reviewed and updated annually to reflect Arcmont's ongoing commitment to preventing Modern Slavery.

This Statement is signed by Nathan Brown, Chief Operating Officer of Arcmont Asset Management Limited.



Nathan Brown
Chief Operating Officer
June 2023

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