



2024 Sustainability Report



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Letter from the Chief Executive Officer

At Arcmont, we recognise that sustainability is fundamental to maintaining a resilient, well-managed business and investment platform.

In 2024, the global ESG landscape remained dynamic, with diverging policy approaches and public discourse shaping developments across regions. In the EU in particular, evolving regulations reinforced the role of ESG in financial markets, driving stronger investor expectations around sustainability performance and disclosure. In this context, we have remained focused on strengthening both our corporate sustainability practices and ESG-integrated investment strategies to ensure long-term resilience and alignment with evolving market standards and expectations.

A key milestone during the year was the launch of our dedicated impact lending strategy, which seeks to address critical environmental and social challenges across four core themes: Climate, Health, Education and Sustainable Economic Growth. This marks a significant expansion of our ESG-related offering and complements our existing longstanding Responsible Investing Strategy.

To further advance our responsible investment approach, particularly in the area of climate, we conducted a portfolio-wide decarbonisation assessment and published details of our approach to climate risk in an inaugural TCFD Entity Report. We have also continued to actively engage with primary borrowers through our sustainability-linked margin ratchet programme, with a focus on encouraging them to set and achieve GHG emissions reduction targets.

Internally, we advanced our sustainability agenda by investing in our people, systems and the wider community. We delivered comprehensive training and social initiatives to support the personal and professional development of our employees, as well as strengthen cross-team collaboration. In addition, we organised volunteering activities and provided targeted financial support to our Charity of the Year, The Felix Project. We also hosted students through both our Work Experience Programme and the

Private Credit Investing Potential Programme, providing them with insights into the industry.

As expectations around sustainability continue to develop, we remain committed to embedding ESG considerations across our operations and investment approach, maintaining high standards of accountability and responsible stewardship. As part of this commitment, we continue to provide transparent and comprehensive disclosures to stakeholders through our annual TCFD, Stewardship, and Corporate Sustainability reports.

Thank you for your continued support.



Anthony Fobel
Chief Executive Officer

1 | Launched a dedicated
Impact Lending Strategy

2 | Portfolio-wide
**decarbonisation
assessment** conducted

3 | **9 new sustainability-
linked margin ratchets**
documented, bringing the
total to 30

4 | Inaugural **TCFD Entity
Report** published

5 | **49 training sessions**
delivered through our
Human Capital Training
Programme

6 | **4 students hosted,**
bringing the total to 16

7 | Signatory status to the
UK Stewardship Code
reconfirmed

Arcmont Overview¹

Arcmont has been a market leader in the European Private Debt Market since 2011, providing innovative financing solutions to a wide range of European mid-market businesses.

2024 Awards³

Since inception, Arcmont has raised more than €38 billion² of capital from more than 440 blue-chip investors and has committed over €35 billion across more than 440 transactions.⁴

Since March 2023, Arcmont has been a Nuveen Affiliate and part of Nuveen Private Capital, a business encompassing Arcmont and Churchill Asset Management.

For more information, please visit www.arcmont.com.



2024 European Large-Cap Direct Lending Fund of the Year & DACH and Poland Lender of the Year
- Debtwire



2024 DC Investment Innovation of the Year
- Professional Pensions



2024 International Lender Award Winner
- The M&A Advisor



2024 Alternatives Lender of the Year
- Real Deals

A market-leading European Private Debt business

2011

Arcmont Founded

€38bn²

capital raised since inception

€35bn

capital committed

4

distinct investment strategies:
Direct Lending, Capital
Solutions, Impact Lending
and NAV Financing



¹ Arcmont data as at August 2025. ² Includes SMAs, co-investment commitments and available leverage. ³ Investors should not interpret any awards described herein as an endorsement of Arcmont's or its funds past performance or as indicator of their future performance. Please refer to the Arcmont Awards information at the end of this report for further information about the awards included herein. ⁴ This information should not be relied upon and is not an indication or guarantee of future deal flow. There can be no assurance that a similar number of opportunities will be available to Arcmont and the Funds in the future.

Sustainability Strategy

We are committed to growing our assets under management, investor base and product offering in a responsible and sustainable manner. This commitment is reflected in how we operate as a business and how we invest.

Our sustainability strategy covers both our corporate operations and investment activities and is designed to address the issues most relevant to our business and key stakeholders. It is informed by a materiality-led approach and is reviewed annually to ensure our efforts remain targeted, effective and responsive to evolving expectations.

At the corporate level, we focus on fostering a resilient, inclusive and well-governed organisation and embedding responsible practices across our operations. Within our investment activities, we pursue two core strategies - responsible investing and impact investing - through which we seek to manage material ESG risks, strengthen portfolio resilience and facilitate positive measurable outcomes.

For 2024, our sustainability priorities were structured across two pillars, as shown on the right. This report outlines our approach and progress across these areas, as well as our objectives for the year ahead.



2024 Sustainability Priorities



Corporate Operations



Talent attraction & employee wellbeing

Introduction

We aim to attract, develop and retain the right people to meet the evolving needs of our business and develop long-term value for our stakeholders. Our people are critical to our success, and we are committed to fostering a supporting, inclusive and high-performing environment where employees can thrive both personally and professionally. To support this, we have a dedicated Human Capital function which oversees all aspects of talent management and the employee experience. In 2024, we welcomed a net total of 10 new employees, bringing our total headcount to 115 at year end⁵.

2024 Progress

During the year, we delivered and participated in a range of initiatives designed to strengthen our talent pipeline, enhance employee engagement, and promote cross-team collaboration. Key activities included:

Early career development:

- We hosted a student through our Work Experience Programme, which supports access to careers in private markets. This brings the total number of students hosted to date to eight.

Onboarding and integration:

- We continued to roll out our New Joiner Induction Programme, designed to help new employees connect across departments and gain a strong understanding of the firm from the outset.

Learning and development:

- Delivered a comprehensive internal and external training programme covering technical and soft skills. The internal sessions were delivered through a combination of our successful firm-wide Lunch & Learn series as well as through cross-functional teach-ins.

Performance development:

- We introduced enhanced competency frameworks to provide greater clarity on performance expectations at each level and support structured development.

Knowledge sharing:

- We launched an Internal Team Rotation Programme between the Investment and Client Services teams to promote cross-functional learning and collaboration.

Culture and connectivity:

- We hosted 11 team-wide social events to foster engagement across the firm and supported employee-led cricket and women's football teams.

Leadership transparency:

- We expanded the agenda of our quarterly Town Halls to cover business performance, strategic initiatives and market developments, helping ensure alignment across teams.

Mentorship and support:

- Our Mentorship Programme now includes all members of the Investment and Client Services team, with 15 mentors and 29 buddies active across the firm.

2025 Objectives

- Establish a Human Capital Advisory Group to provide insights into the employee experience to help shape impactful human capital initiatives that meet employee needs.

- Strengthen connectivity, collaboration and firm culture through a redesigned Social Committee and new initiatives including inter team lunches, new sports clubs and expanded Lunch & Learn sessions.

- Support career growth with an expanded firm-wide Mentorship Programme, internal rotations, training opportunities and knowledge sharing initiatives.

- Enhance our culture of continued professional and personal development through a more rigorous performance review process to capture feedback and provide bespoke development plans.
- Further structure our recruitment processes and start tracking broader attraction and retention metrics.

115

person team

1

student hosted through our Work Experience Programme, bringing the total hosted to date to eight students

8

Lunch & Learn sessions held

24

external training sessions delivered via our Human Capital Training Programme

25

internal training sessions delivered via our internal Teach-In Programme

44

employees participating in our Mentorship Programme

Spotlight

Human Capital Training Programme

Our Human Capital Training Programme continued to evolve throughout 2024, expanding in response to staff feedback and business needs. This programme includes both external formal training and internal functional teach-ins, aimed at building skills, deepening subject matter expertise and supporting career development.

In 2024, external training covered a broad range of areas including presentation skills, Excel, persuasive writing, negotiation skills, mental health awareness, management training as well as technical market and industry-specific education.

Our internal teach-in series draws on in-house knowledge sharing. In 2024, topics included Private Debt fundamentals for new joiners, legal terms, investment ESG criteria, fund mechanics and valuations principles. The sessions not only support technical development but also promote internal collaboration and cross-team networks.

⁵ Excludes the Arcmont dedicated Nuveen employees and the Arcmont funds' employees.

Diversity, equity & inclusion

Introduction

We are committed to promoting diversity, preventing discrimination and fostering a supportive, equitable and inclusive workplace. We believe that a diverse and inclusive culture enhances innovation, strengthens collaboration and contributes to better outcomes across the firm. To support this commitment, we have a dedicated Diversity, Equity, and Inclusion (DEI) Committee that drives initiatives and monitors progress.

2024 Progress

During the year, we implemented a range of initiatives to advance our DEI strategy and collect and respond to employee feedback. Key actions included:

Governance:

- Rotated DEI Committee members to introduce new perspectives and promote broader representation.
- Updated induction materials to highlight the DEI Committee and encourage voluntary DEI data collection from new joiners.

Inclusive workplace practices:

- Reviewed employee wellbeing benefits and began exploring additional offerings.
- Enhanced parental support,

including improved paternity and parental leave policies and the launch of a Workplace Nursery Scheme.

Learning and awareness:

- Rolled out mental health awareness training firmwide and trained a cohort of mental health first aiders.
- Delivered mandatory anti-harassment training to all employees.
- Hosted a Lunch & Learn session on inclusive recruitment best practices.

Engagement and feedback:

- We issued an employee engagement survey to gather feedback to shape the 2025 objectives for both the DEI Committee and Human Capital function.

Advocacy:

- A number of our employees attended and presented at several industry events that promote diversity in the industry.

2025 Objectives

- Publish a public DEI statement on our corporate website, outlining our commitment to fostering a diverse, inclusive and equitable workplace.
- Review and update terms of engagement with recruitment

agencies to ensure alignment with DEI principles in all hiring and sourcing practices.

- Explore participation in external DEI collaborations and initiatives to enhance our approach and benchmark progress against industry peers.
- Leverage DEI data within our HR platform to monitor workforce trends, including turnover and pay equity by gender and ethnicity.
- Update our internal Diversity and Inclusion Policy to reflect the DEI Committee's progress and upcoming initiatives.
- Strengthen learning and development opportunities

through deeper collaboration with Nuveen, including access to shared programmes.

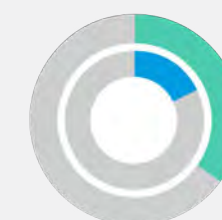
- Continue to encourage participation in Nuveen's Business Resource Groups to support community-building and cross-firm inclusion efforts.
- Develop a dedicated intranet page to centralise DEI communications, highlight awareness days and promote year-round initiatives.
- Continue to review our employee wellbeing offering to ensure we are supporting the unique circumstances of our employees.



Spotlight

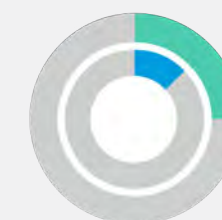
Gender Statistics⁶

All employees



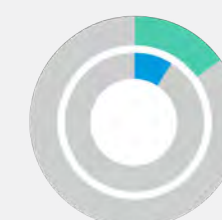
Female 35%
Ethnically Diverse 18%

Key Functional Heads



Female 25%
Ethnically Diverse 13%

Investment team



Female 15%
Ethnically Diverse 9%

⁶ The data is voluntary self-reported data so may not reflect all employees.

Communities

Introduction

We are committed to giving back to the communities in which we operate by supporting charitable organisation, raising awareness of societal needs and promoting social mobility. Our DEI Committee oversee our charity giving strategy and community engagement initiatives, ensuring alignment with our values and employee interests.

2024 Progress

During the year, we strengthened our commitment to community engagement through fundraising, volunteering and charitable partnerships. Highlights included:

The Felix Project:

- We supported the charity as our Charity of the Year through both financial contributions, employee volunteering and sports events.

Macmillan Coffee Morning:

- We hosted the Macmillan Coffee Morning for the second consecutive year at our London office to raise funds and awareness.

Charitable matching:

- We continued to match employee donations through our Charitable Matching Scheme.

Social mobility:

- We hosted three students through the Private Credit Investing Potential Programme, bringing the total hosted to date to nine students. We also partnered with Classroom to Boardroom Foundation to support the launch of their 'Professional Pathways' event series. Both initiatives support diversity of social background in private markets and broader social mobility.

the Investing Professionals Program by launching a nine-week summer internship program to university students.

- Deepen collaboration with Nuveen to expand charitable opportunities and community impact.

Supported The Felix Project as our Charity of the Year

2025 Objectives

- Provide financial and volunteer support to St Giles Trust, our 2025 Charity of the Year.
- Continue to host the Macmillan Coffee Morning as an annual fundraising initiative.
- Maintain and promote participation in our Charitable Matching Scheme.

- Further support the Classroom to Boardroom Foundation in scaling

Hosted 3 students through the **Private Credit Investing Potential Programme**

Matched employee donations through our **Charitable Matching Scheme**



Spotlight

Private Credit Investing Potential Programme

The Private Credit Investing Potential Programme strives to enhance diversity and social mobility within the Private Credit industry. For the past four years, we have invited 2-3 students annually to undertake a week-long placement at Arcmont. These students, who excel academically but come from backgrounds where a career in finance is uncommon, gain invaluable insights and experiences. During their time at Arcmont, students are introduced to our organisation, attend teach-in sessions with various teams, and receive guidance on CV writing and university choices. The programme's aim is to ensure that these students' career choices are not limited by their socio-economic circumstances. To 31 December 2024, we have hosted nine students.

Spotlight

Classroom to Boardroom Foundation - Professional Pathways Event

We partnered with the Classroom to Boardroom Foundation to kick off its inaugural 'Professional Pathways' event series. Partner Michael Massarano, Vice President Amie Taylor, CFA and Vice President Misha Saif represented Arcmont at the event, which is an extension of the Private Credit Investing Potential Programme. Filled with panel discussions, presentations and networking sessions, the event provided school students with an understanding of what a career in Private Credit looks like and encouraged them to engage with industry professionals from various backgrounds, experiences and career trajectories from leading Private Credit firms.

Classroom to Boardroom Foundation



Climate-related risks & emissions

Introduction

We recognise the urgent need to transition to a low carbon economy and are committed to reducing our environmental footprint. Climate change presents a material risk to long-term economic stability, and we believe that businesses have a critical role to play in supporting the transition to a more sustainable future. We are focused on understanding and reducing our environmental footprint and integrating climate consideration into our corporate governance, operations and decision-making.

2024 Progress

During the year, we focused on improving the quality of our emissions data, strengthening our internal climate governance, and aligning our operations with emerging climate-related reporting standards. Key developments include:

Emissions measurement:

- We calculated our FY2024 Scope 1, 2 and 3 emissions for the third consecutive year, with support from our dedicated climate consultant.

Reduction efforts:

- We continued to target operational emissions reductions through energy efficiency,

sustainable procurement and responsible waste management.

- We continue to engage with borrowers to encourage them to reduce their GHG emissions, ultimately seeking to reduce our Scope 3 Category 15 emissions, our most material GHG emission category.

Climate reporting:

- We published our first TCFD Entity Report, which outlines how climate considerations are integrated into our internal operations, corporate governance and risk management practices.

2025 Objectives

- Further improve emissions measurement methodologies, with a focus on engaging with suppliers to obtain primary data to reduce reliance on proxies and estimates where possible.
- Develop a comprehensive GHG emissions reduction plan which includes identifying reduction levers and subsequently prioritising and planning their implementation.
- Expand internal climate training and engaging staff through awareness initiatives.
- Enhance our disclosures in line with evolving regulatory and stakeholder expectations, including the EU Corporate

Sustainability Reporting Directive (CSRD) and Taskforce on Climate Related Financial Disclosures (TCFD).

- Implement a Corporate Environmental Policy or equivalent policy that outlines our aims and principles in relation to managing the environmental effects and aspects of our operations.

100%

renewable energy usage
in our London office

18%

reduction in our Scope 3
Category 2 (Capital Goods)
absolute emissions

15%

reduction in our Scope 3
Category 4 (Upstream
Transport and Distribution)
absolute emissions

61%

reduction in our Scope 3
Category 5 (Waste Generated in
Operations) absolute emissions

Spotlight

TCFD Entity Report

In 2024, we published an inaugural TCFD Entity Report relating to financial year 2023, which details how we take climate-related matters into account in managing and administering investments. Beyond meeting our regulatory expectations, this process enhanced our understanding of the physical and transition climate risks across the Arcmont funds' investments. Our approach continues to develop and, in 2025, we published a TCFD report relating to financial year 2024, which reflects the key developments from the year and includes our GHG emissions data.

[View the 2024 report here](#)



Data & systems

Introduction

We are committed to maintaining robust data security, safeguarding sensitive information, and ensuring the resilience of our technology infrastructure. In parallel, we continue to automate and explore emerging technologies, to drive efficiencies and support business growth. Our focus remains on responsible innovation, underpinned by strong governance and risk management practices. Oversight of these areas sits with the Operational Risk Committee.

2024 Progress

During the year, we made progress in strengthening our data security and infrastructure as well as enhancing automation capabilities. Key developments included:

Data security and training:

- We continued to strengthen employee awareness of cybersecurity risks through targeted training. Two sessions, one in-person and one online, were delivered, with 100% employee participation.
- Arcmont is now integrated into Nuveen's global training programme, and all employees have completed additional training on cybersecurity.

- We completed our annual vendor security due diligence.
- We conducted quarterly phishing tests.

Automated risk management tools:

- We continued to build out automated risk management tools to enhance oversight of portfolio risk, including interest rate stress testing and credit risk monitoring.

Increased Data Granularity:

- Increased the number of data points captured per transaction. We now report over 1,000 data fields across credit and seniority level.

Technology to support new strategies:

- Enabled new Customer Relationship Management (CRM) and reporting tools to support the launch and operation of our new strategies and products.

Artificial Intelligence:

- We established an Artificial Intelligence (AI) Steering Committee, which was first tasked with identifying key use cases across multiple business functions. A preferred AI vendor was then selected following a comprehensive due diligence process.

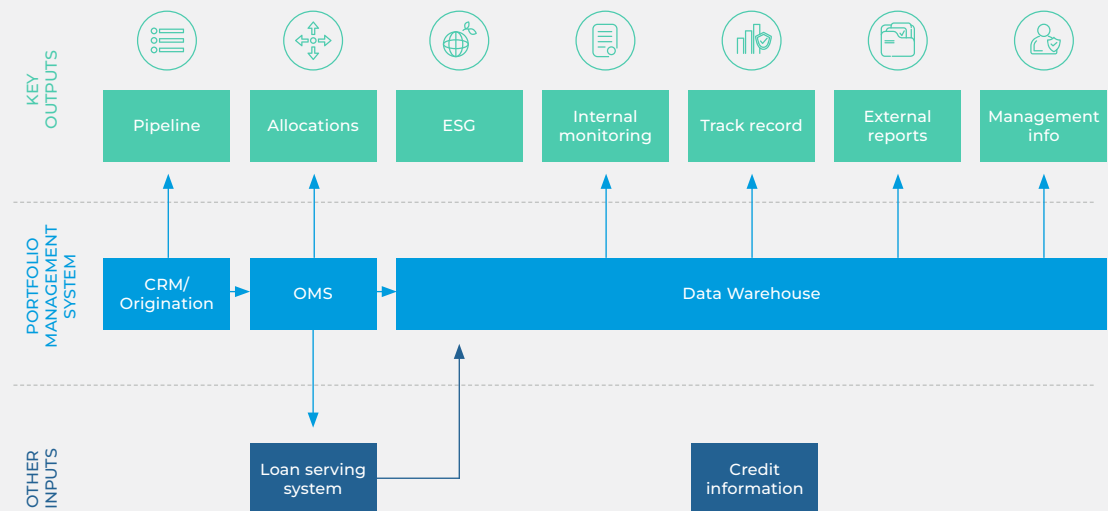
2025 Objectives

- Continue to train employees and raise awareness on data protection and cyber security.
- Build comprehensive portfolio management and modelling tools to support our new strategies.
- Continue enhancing our reporting and reporting systems by automating additional fields and calculations. This includes building out our ESG Data Reports to reflect different reporting frameworks and requirements.
- Expand automation across valuation, portfolio and fund modelling processes.
- Enhance our sourcing and origination reporting, integrating market data and wider Nuveen data.
- Start implementing generative AI tools already piloted and tested to drive efficiencies across multiple teams.

Spotlight

Portfolio Management System

We operate using a bespoke, fully integrated platform for end-to-end portfolio management. This encompasses a CRM system for the sourcing and deal teams, an automated portfolio monitoring process, an order management system to streamline our allocation process and a data warehouse for all our investor and regulatory reporting. All investee ESG data, both qualitative and quantitative, is captured in our system. This includes details of material ESG risks, GHG emissions data as well as engagement details and outcomes.



>40,000

impersonation attacks prevented

>35,000

simulated URL phishing emails vs >30,000 in 2023

0.04%

Failure rate of simulated URL phishing emails vs 0.04% in 2023

>1000

data points captured for each transaction vs >800 in 2023

Governance, compliance & ethics

Introduction

Strong governance and a culture of integrity are central to how we operate. We are committed to maintaining high standard of corporate governance, regulatory compliance and ethical conduct across all areas of the business. Our governance framework supports effective decision-making, risk management and accountability, while our Compliance Programme seeks to ensure adherence to legal and regulatory requirements.

2024 Progress

During the year, we continued to strengthen our governance and compliance practices through expanded training, demonstrated the strength of our internal controls and provided transparent reporting and disclosures in line with our regulatory and legal obligations. Key activities included:

Legal and compliance training:

- Arcmont is now integrated into Nuveen's global training programme, and all employees have completed training on business ethics topics including anti-money laundering and counter terrorist financing, tax evasion, anti-corruption, code of business conduct, market absolute and conflicts of interest.

- The investment team received in-person market abuse training, delivered by an external law firm.

Internal controls:

- We completed our first Type 2 internal controls assurance report which concluded with an unqualified opinion, affirming the robustness of our internal control environment.

Reporting and disclosures:

- We were reaffirmed as a signatory to the UK Stewardship Code 2020 in February 2024 and subsequently submitted our third Stewardship Report to the Financial Reporting Council (FRC). We are pleased to report that we were reaffirmed as a signatory in February 2025. Please find our latest report [here](#).

- The relevant Sustainable Finance Disclosure Regulation disclosures were published for the relevant Arcmont funds.

- We published a revised Modern Slavery Statement which is publicly available on our [website](#).

2025 Objectives

- Continue to ensure our employees are well versed in their professional responsibilities through participation in Nuveen's global training programme, and supplementing this with

Arcmont led training targeting more specific training required by Arcmont's regulatory environment.

- Continue to review and update our existing policies and procedures to incorporate regulatory changes.

- Participate in Nuveen's EU and US regulatory developments forum to stay abreast of incoming regulatory change.

- Prepare and submit our fourth Stewardship Report to the FRC with the objective to maintain our status as a signatory to the UK Stewardship Code 2020.

Spotlight

Three lines of defence

We use a three lines of defence model to ensure that there is adequate and appropriate segregation of duties between the business and those who are responsible for providing independent advice and/or monitoring.

1ST LINE

Business & Management

The business is the first line of defence and is responsible for the identification, assessment, and management of risk on a day-to-day basis.

Arcmont committees oversee the implementation and effective use of risk controls with ultimate responsibility held by the Arcmont board.

2ND LINE

Operational Risk & Compliance

The Enterprise Risk team maintains the risk framework and facilitates the identification and capture of key risks and controls, as well as reviewing incidents.

The Compliance team maintains a Compliance Monitoring Programme to assess the effectiveness of Arcmont's controls in relation to regulatory risk.

3RD LINE

TIAA / Nuveen Internal Audit

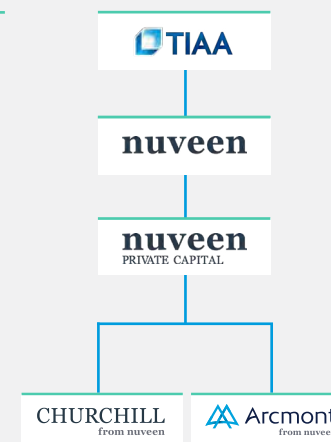
Arcmont benefits from wider group oversight. TIAA together with Nuveen and its affiliates provide a range of objective and independent services:

- Audit
- Advisory services
- Investigative services

Spotlight

Governance structure

Since March 2023, Arcmont has been a Nuveen Affiliate, and part of Nuveen Private Capital, a business encompassing Arcmont and Churchill Asset Management. Nuveen is the investment manager of Teachers Insurance and Annuity Association (TIAA), Arcmont's ultimate parent company. While collaborating to offer Private Debt solutions across Europe and North America, Arcmont continues to operate independently, leveraging Nuveen's global platform and resources.

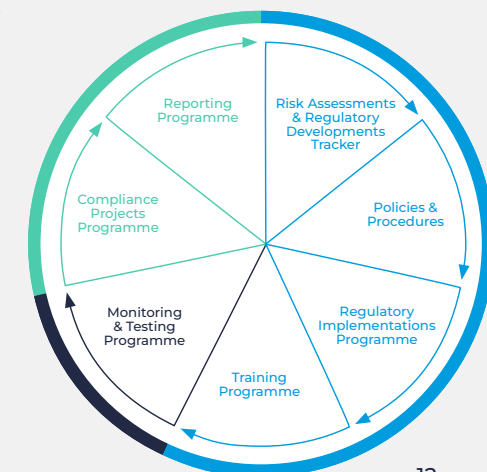


Spotlight

Arcmont Compliance Programme

We have a comprehensive Compliance Programme in place tailored to the specific requirements associated with Private Debt.

- Prevent ○
Detect ●
Respond ○



Investment Activities



Responsible Investing

Introduction

We established a responsible investment focus in 2013 with the implementation of a process to incorporate environmental, social and governance (ESG) factors into investment decisions. Over the last decade, we have built a significant track record of investments made taking ESG considerations into account. We have also built a reputation as an advocate for responsible investing through employees' active participation in various initiatives including the UN Principles for Responsible Investment's (PRI) Private Debt Advisory Committee (PDAC) and the Institutional Investors Group on Climate Change's (IIGCC) Private Credit Focus Group. Today, we have a robust responsible investment strategy that applies to all funds that are currently investing.

2024 Progress

During the year, we sought to deepen our analysis of the ESG risk profiles of our portfolio companies, actively engaged with them to encourage better risk management practices and continued to participate in industry initiatives to help shape best practices. Key activities included:

ESG policies:

- All ESG-related policies were reviewed in 2024.

Portfolio-wide assessments:

- We performed portfolio-wide assessments to deepen our understanding of portfolio companies' ESG risk profiles:
 - EU CSRD exposure assessment to assess which portfolio companies fall in scope of the regulation and, if so, identify their first reporting year.
 - Decarbonisation assessment to assess portfolio companies' climate disclosures and targets.

Engagements:

- Continued to engage with primary borrowers via sustainability-linked margin ratchets to financially incentivise them to improve their ESG risk management practices.

Industry Collaboration:

- UN PRI PDAC: Our Chief Operating Officer is a member. The purpose of the Committee is to develop solutions for the ESG challenges faced by the Private Debt asset class.
- IIGCC's Private Debt Industry Focus Group: Our Chief Operating Officer was a member. The group steered and contributed to the [Net Zero Investment Framework for the Private Debt Industry](#).

2025 Objectives

- Issue a portfolio company ESG questionnaire to primary borrowers to collect ESG information and data.
- Continue to engage with borrowers via sustainability-linked margin ratchets to encourage them to better manage material ESG risks, with a specific focus on climate risk management.
- Enhance ESG reporting to better reflect investors' requirements, with a focus on providing more quantitative ESG data.
- Continue to enhance tools and processes, including evaluating the need for incorporating enhanced assessments in response to emerging ESG themes and/or evolving regulations.
- Consider deepening our involvement with responsible investment working groups to drive progress across the industry.
- Leverage the IIGCC Net Zero Investment Framework for the Private Debt Industry to assess a baseline position for the Arcmont funds.

Spotlight

Responsible Investing Framework



Responsible Investing

Spotlight

Portfolio-wide decarbonisation assessment

During the year, we conducted a decarbonisation assessment across the Arcmont funds' investments. This assessment evaluated (i) whether portfolio companies publicly reported complete Scope 1 and 2, and material Scope 3 GHG emissions in line with the GHG Protocol and (ii) whether they had set near-term and net zero science-based targets.

The results shown below highlighted that there remains significant scope for improvement.

As a next step, in 2025, we issued a portfolio company questionnaire to collect reported ESG data, including GHG emissions data, and collect further information on portfolio companies net zero ambitions.

29%

of portfolio companies publicly disclose complete and material Scope 1 & 2 GHG emissions

11%

of portfolio companies with near-term science-based targets validated by the SBTi

8%

of portfolio companies publicly disclose complete and material Scope 3 GHG emissions

2%

of portfolio companies with net zero science-based targets validated by the SBTi

Spotlight

Sustainability-linked margin ratchets

As a lender, Arcmont's influence over portfolio companies is inherently limited. However, as recently endorsed in the IIGCC Net Zero Component for Private Debt, a key tool for lender engagement is sustainability-linked margin ratchets.

We have been offering borrowers sustainability-linked margin ratchets since April 2021, and since July 2022 have been specifically focused on encouraging borrowers to better manage material climate risks.

9

New documented ratchets in 2024, bringing the total to 30

7

New documented ratchets require borrowers to reduce their GHG emissions in 2024, bringing the total to 20

	Project Rousseau	Project Build
Activity	Early childhood education group	Software platform
Investment Date	December 2021	September 2023
Ratchet Date	December 2022	May 2024
KPI	GHG emissions intensity per child	GHG emissions revenue intensity
Baseline Data	0.173 tCO2e/child for FY22	0.27 tCO2e/SEK for FY23
SPTs	SPT 1 = 6.26% reduction for FY23 SPT2 = 6.26% reduction for FY23 SPT 3 = 6.26% reduction for FY24 Set using the SBTi Target Setting Tool	SPT 1 = Should not exceed 0.25 tCO2e/SEK for FY24 SPT2 = Should not exceed 0.23 for FY25 SPT 3 = Should not exceed 0.21 for FY26 Set using the SBTi Target Setting Tool
Incentive	Maximum reduction = 7.5 bps	
Reporting	Annual verified performance data	
Outcome ⁷	SPT 1, 2 & 3 achieved 7.5 bps discount awarded	SPT 1 achieved 2.5 bps discount awarded

⁷ Status as of August 2025.

Impact Investing

Investing with the intention to generate positive measurable environmental and social impact, alongside a financial return.

Our commitment to responsible investing has established a strong foundation for driving positive change. Building on this, we have launched an Impact Lending Strategy that seeks to address critical environmental and social challenges across four core themes: Climate, Health, Education and Sustainable Economic Growth.

The strategy leverages our strong track record, deep origination capabilities and extensive expertise in responsible investing and seeks to generate positive, measurable environmental and social impact, alongside a financial return. We view this as a natural extension of our longstanding commitment to responsible investing.

Developed in collaboration with [Bridgespan](#), a dedicated impact consultancy, the strategy is anchored in established industry frameworks. Impact considerations are embedded throughout the investment lifecycle, with a rigorous impact pre-investment due diligence process that is anchored in the Five Dimensions of Impact.⁸

Our impact management approach follows the Nine Operating Principles for Impact Management⁹ and has been independently verified by [BlueMark](#), a recognised provider of impact verification services. Please find the verification statement [here](#).

To ensure transparency, accountability and integrity in impact measurement, we track and report outcome-based impact KPIs for investments. This underscores our commitment to rigorous impact measurement and provides investors with clear insight into the social and environmental outcomes achieved.

Read our [press release](#) for more details.

Designed with
impact experts

Anchored in **best practice frameworks**

Leverages Arcmont's
established platform
and **origination network**

Targeting **competitive financial returns**

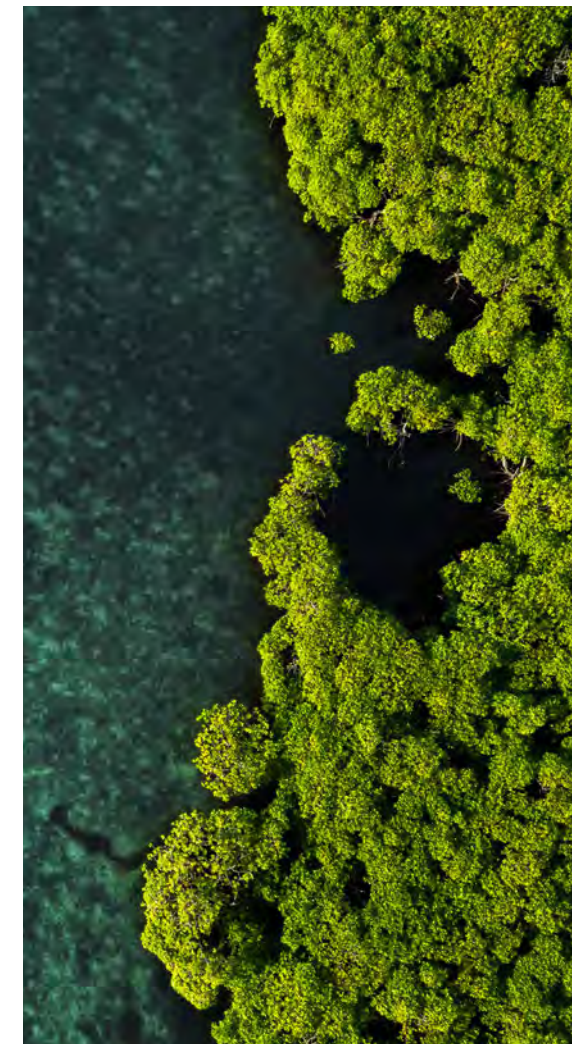
Developed in collaboration with



⁸ Five Dimensions of Impact

⁹ Nine Operating Principles of Impact Management

Independently verified by



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Arcmont Awards:

Debtwire's European Large-Cap Direct Lending Fund of the Year & DACH and Poland Lender of the Year recognize top-performing European direct lending funds and regional direct lending managers. Arcmont submitted self-nominations for each award and was selected as the winner from a shortlist of 4-5 finalists for each respective category by a panel of judges consisting of third-party industry professionals.

Arcmont was shortlisted in Professional Pensions' Investment Awards in August 2024 in the DC Investment Innovation of the Year category and was announced as a winner on Tuesday 19th November. The shortlist of 5 - 6 finalists in each category was selected by Professional Pensions in partnership with Aon, the investment consultant. Shortlisted entrants were then asked to complete a questionnaire to demonstrate how they differentiate themselves from their peers in terms of innovation, client service, sustainability, diversity and inclusion as well as their performance over the 12 months to 30 June 2024. No fee was required for submission. The finalists' list for the Professional Pensions Investment Awards 2024 were then determined by a panel of industry judges.

Arcmont was shortlisted in the Real Deals' Private Equity Awards in January 2025. Arcmont has not paid any compensation to any person or entity in connection with this recognition. Awards, rankings and recognitions should not be construed as sufficiently informative about the qualities or abilities of an investment adviser, nor are they suggestive of the future investment performance of an investment adviser. Past performance, including awards, rankings and recognitions based upon past performance, may not be indicative of, and are not a guarantee of, future results.

Nuveen Private Capital Awards:

Nuveen Private Capital was selected as a "Lender Firm of the Year" in the 15th Annual International M&A Awards in July 2024 by an independent panel of judges appointed by the M&A Advisor. Winners announced in July 2024. Nominal fees were required to submit nominations Nuveen Private Capital was named 2025 Institutional Direct Lender Firm of the Year in The M&A Advisor's 16th Annual International M&A Awards.

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