



Stewardship Report

UK Stewardship
Code 2020 statement
of compliance
and disclosure
for the 12-month
period ending
31 October 2025



Contents



01	Preface	
02	About Arcmont	
03	Stewardship at Arcmont	
04	Purpose and Governance	
	Principle 1: Purpose, Strategy and Culture	07
	Principle 2: Governance, Resources and Incentives	12
	Principle 3: Conflicts of Interest	26
	Principle 4: Well-Functioning Markets	28
	Principle 5: Review and Assurance	34
05	Investment Approach	
	Principle 6: Client and Beneficiary Needs	39
	Principle 7: Stewardship, Investment & ESG Integration	47
	Principle 8: Monitoring Managers and Service Providers	53
06	Engagement	
	Principle 9: Engagement	55
	Principle 10: Collaboration	59
	Principle 11: Escalation	61
07	Exercising Rights and Responsibilities	
	Principle 12: Exercising Rights and Responsibilities	64
08	Appendix 1	

Preface

The [UK Stewardship Code 2020](#) (the “**Code**”) sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them.

The Code defines stewardship as “the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries, leading to sustainable benefits for the economy, the environment, and society”.

Rather than prescribing a single approach, the Code comprises a set of ‘apply and explain’ principles for asset managers, allowing organisations to meet the expectations in a manner that is aligned with their unique business models and strategies.

At Arcmont Asset Management Limited (“**Arcmont**”), we view effective stewardship as fundamental to our fiduciary duty as portfolio manager to the Arcmont Funds. Accordingly, we fully support the principles of the Code and have embedded its 12 principles into our investment and portfolio management processes. For the purpose of this report, Arcmont’s “clients” are the Arcmont Funds, being the funds for which Arcmont acts as portfolio manager.

Arcmont’s signatory status was first announced by the Financial Reporting Council (FRC) in February 2023, and we have remained a signatory since.

This Stewardship Report outlines our ongoing commitment to the highest stewardship standards. It details how we have fulfilled our stewardship responsibilities over the 12-month period ending 31 October 2025, the progress we have made against the objectives set in last year’s report, and our plans to improve our stewardship approach over the next 12-month period.

In July 2024, the FRC introduced voluntary [interim changes](#) to the UK Stewardship Code’s reporting requirements, allowing existing signatories to streamline their disclosures. We are aware of these interim measures, however, have chosen not to adopt them for this year’s submission.

Unless otherwise stated, all data in this report is stated as of 30 September 2025.

Yours sincerely,



Anthony Fobel
Chief Executive Officer



About Arcmont¹

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

Since inception, Arcmont has raised more than €38 billion² of capital from more than 440 investors and has committed over €36 billion across more than 440 transactions³.

Since March 2023, Arcmont has been an affiliate of Nuveen Asset Management⁴ (“**Nuveen**”) and part of Nuveen Private Capital, a business encompassing Arcmont and Churchill Asset Management. This report covers the Arcmont business only and not the wider Nuveen group.

For more information about Arcmont, please visit our [website](#).

A MARKET-LEADING EUROPEAN BUSINESS

2011

Foundation of Arcmont Private Credit platform

120+

Person team⁶

GROWING INVESTOR BASE

€38bn

Fundraising to date⁵

440+

Investors globally

DIVERSIFIED INVESTING ACTIVITIES

€36bn

Committed to Investments

440+

Transactions⁷

¹ Arcmont data stated as of 30 September 2025.

² Includes SMAs, co-investment commitments and applicable leverage.

³ 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 Arcmont Funds in the future.

⁴ Nuveen is the investment manager for, and wholly owned subsidiary of, the Teachers Insurance and Annuity Association of America.

⁵ Includes SMAs, co-investment commitments and applicable leverage.

⁶ Excludes the Arcmont dedicated Nuveen employees and the Arcmont Funds' employees based in Luxembourg.

⁷ 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 Arcmont Funds in the future.

Stewardship at Arcmont

The Code defines “Stewardship” as “the responsible allocation, management, and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

At Arcmont, we endeavour to responsibly allocate, manage, and oversee capital to create long-term sustainable benefits for our clients and beneficiaries, the economy, society and the environment. We recognise that effective stewardship not only reduces risk for lenders but also helps improve borrower creditworthiness, safeguarding and enhancing long-term investment value.

Private Credit asset managers face unique stewardship challenges, as acknowledged in the UN PRI's [Stewardship in Private Debt Guide](#). These include:

- **Timing constraints:** Limited time, lack of standardisation and limited resources in competitive markets make it difficult for lenders to set stewardship goals or negotiate agreements before transactions close.
- **Access and responsiveness:** Private Credit transactions involve multiple parties with varying willingness to engage. Further borrower responsiveness is critical and is influenced by maturity and capacity.
- **Data limitations:** Reliable, high-quality data is often scarce in private markets, especially with less mature borrowers and the lack of standardised reporting. This leads to lengthy negotiations over disclosures and debates about which sustainability factors matter most. Further, data validation methods vary and can be costly.
- **Challenges with tools:** The lack of standardised legal approaches to covenants and margin ratchets often results in lengthy negotiations. Additionally, some market participants question the effectiveness of these ratchets, as it can be challenging to align on and demonstrate meaningful changes in borrower risk linked to sustainability factors.

At Arcmont we are committed to proactively addressing these challenges and delivering effective stewardship. Our approach, detailed further in this report, includes engaging with borrowers pre- and post-closing, maintaining active dialogue with transaction parties during our holding period and prioritising quantifiable KPIs supported by third-party data verification. We also employ a standardised framework for our sustainability-linked margin ratchets, which embeds the core characteristics of the Sustainability-Linked Loan Principles (SLLPs).

Encouragingly, we are seeing greater ESG maturity and willingness among sponsors to engage in stewardship, which presents opportunities to align objectives and exercise collective influence over borrowers. In addition, the gradual improvement in private market data quality is strengthening our ability to implement robust stewardship practices.

Purpose and Governance



Principle 1: Purpose, Strategy and Culture

Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Purpose of our organisation

At Arcmont, we seek to advance sustainable economic growth for our clients and beneficiaries, portfolio companies and wider society. To execute this, we promote and exercise effective stewardship both within the Arcmont Funds, on behalf of our investors, and across our corporate operations.

Our business model and strategy

As a firm, we aim to continue to grow our assets under management, investor base and product offering in a sustainable manner. This means ensuring our corporate operations and investment practices are conducted responsibly and are aligned with broader sustainability goals. Accordingly, we have invested in a sustainability strategy that builds on our responsible operations and investment activities, with the UK Stewardship Code principles embedded throughout.

Review of sustainability strategy

As reported in last year's [Stewardship Report](#), to ensure that our efforts and resources are focused in the right areas, our sustainability strategy and priority areas are reviewed annually. In 2024, our sustainability priorities were structured across two areas, as shown below.



For further information on our sustainability strategy and the progress we have made in each priority area during 2024, please refer to our [2024 Sustainability Report](#). For a list of the sustainability objectives we have set for 2025, please refer to [Appendix 1](#).

Principle 1: Purpose, Strategy and Culture

Our responsible investment belief

The UN Principles for Responsible Investment (PRI) defines responsible investment as “considering environmental, social and governance (ESG) issues when making investment decisions and influencing companies or assets (known as active ownership or stewardship)”⁸. Therefore, for the purpose of this report, references to responsible investment encompass stewardship.

ESG factors are financially material. They are a source of investment risk and a driver of investment value. As such, understanding and minimising ESG risks and promoting better ESG risk management practices within our investment activities is essential to delivering Arcmont’s goal of strong risk adjusted-returns for clients and beneficiaries, in line with Arcmont’s fiduciary duty as an asset manager.

Further, we believe that practising and promoting responsible investment among portfolio companies enables us to contribute to sustainable benefits for the economy, the environment and wider society. This approach also aligns with many investors’ broader environmental and social objectives and positions us well to meet the growing EU regulations relating to ESG issues and disclosure.

We established our responsible investment focus in 2013 by implementing a process to incorporate ESG factors into investment decisions and becoming a signatory to the UN PRI⁹. Since then, we have continued to refine and advance our approach, integrating industry best practices into our approach.

Today, we operate with a strong responsible investment framework, systematically considering ESG factors at every stage of the deal lifecycle. This comprehensive approach enables us to:

1. Identify ESG risks and opportunities to enhance investment decision making¹⁰; and
2. Encourage portfolio companies to improve their ESG risk mitigation practices, with a specific focus on climate risk.

Ultimately, this enhances portfolio resilience and protects investor returns. For further information on our ESG-integrated process, please refer to [Principle 7: Stewardship, investment and ESG integration](#).

⁸ UN PRI: [What is responsible investment?](#)

⁹ The firm first became a signatory to the UN PRI while part of BlueBay Asset Management (“BlueBay”) in 2013. Following the spin out from BlueBay, Arcmont became a signatory to the UN PRI in December 2019. In 2023, Arcmont became an affiliate of Nuveen, and the Firm has since been a signatory under Nuveen’s signatory status.

¹⁰ Note that the generally capped upside of Private Credit investments post-closing means Arcmont’s focus is drawn to the potential downside risks that may lead to a default. This generally means that Arcmont prioritises ESG factors that might be drivers of risk as opposed to sources of opportunity.

Principle 1: Purpose, Strategy and Culture

Our culture and values

We recognise that the abilities, qualities and behaviours of our employees are fundamental to delivering on our strategy. As such, we are committed to supporting our talented workforce with the resources they need to achieve outstanding results for our clients, portfolio companies and other stakeholders. We also aim to sustain a culture where our four corporate values are exemplified by all. Note that during the reporting period, our corporate values were updated to ensure they remain aligned with our evolving business strategy, our culture and the expectations of our stakeholders.





1 Energy <i>We're dynamic</i>	2 Agility <i>We're nimble</i>	3 Innovation <i>We're curious</i>	4 Collaboration <i>We're one team</i>
Our rigour and intensity ensure we consistently deliver for our partners and clients. Our energy and focus give rise to our continuous growth in the industry.	We move quickly and efficiently; adapting to changes in the market and to our clients' needs. Our history and expertise in the industry makes this possible.	Our curiosity keeps us stimulated, inquisitive and engaged, generates fresh thinking, new ideas and creates the flexibility to customise all we do for our clients.	Collaboration is central to our work. We work together across functions and geographies, building long-term relationships within the firm, with our partners and clients to help them achieve their goals.

All employees will be held accountable to these values in their annual performance reviews, and we will recognise and reward them for demonstrating alignment with them. We provide comprehensive training and maintain robust controls and processes to ensure employees understand what is expected of them, ensuring they act responsibly and in the best interest of our clients. Please refer to [Principle 2: Governance, Resources and Incentives](#) for further details.

Principle 1: Purpose, Strategy and Culture

Actions taken during the period to ensure our investment belief, strategy and culture enable effective stewardship

Progress against objectives set out in our 2024 Stewardship Report

Objectives	Status	Details
Perform an internal materiality assessment to ensure that the priority areas we are focused on continue to be appropriate and relevant and subsequently set objectives for 2025		During the period, we conducted a comprehensive review of our sustainability strategy, resulting in the identification of eight key priority areas for 2024/2025. Based on these priorities, we established 2025 sustainability objectives. Please refer to Appendix 1 for a list of all the sustainability objectives set under each priority area.
Make progress on the 2024 sustainability objectives laid out in Appendix 1 of our 2024 Stewardship Report to advance our sustainability strategy		<p>We are pleased to report that we achieved the majority (63%) of our objectives, with the remaining objectives deferred to 2025. Note that our resources were dedicated to those objectives that we deemed to be a higher priority.</p> <ul style="list-style-type: none"> Responsible Operations: 18 achieved, 3 partially achieved and 11 deferred. Responsible Governance: 5 achieved and 1 deferred. Responsible Investment: 7 achieved and 3 deferred. <p>Please refer to Appendix 1 for all of our 2025 sustainability objectives.</p>
Make progress on all future actions listed under each principle in this report		We are pleased to report that we achieved the majority (67%) of the future actions listed in the report, focusing our efforts on the high priority items. To clearly inform readers on our progress and highlight the areas we are still looking to develop, we have included '2024 progress review' and 'Future actions' sections at the end of each of the relevant principles.
Participate in the 2025 UN PRI reporting cycle	N/A	<p>Arcmont became a signatory to the UN PRI in December 2019, continuing the affiliation that began in July 2013 while part of BlueBay Asset Management. In 2023, Arcmont became an affiliate of Nuveen, and the firm has since been a signatory and reported under Nuveen's signatory status.</p> <p>Nuveen voluntarily completed full PRI assessments in 2023 and 2024, even when the latter was optional for previous participants. For the 2025 reporting cycle, only the "Senior Leadership Statement" and "Other Responsible Investment Reporting Obligations" modules were required, so Nuveen's 2025 public Transparency Report just covers these two sections.</p>
Continue to drive our engagement efforts to encourage our portfolio companies to improve their climate risk mitigation practices		In line with our Responsible Investment Policy, we have continued to offer a sustainability-linked margin ratchet to every (i) new primary borrower since April 2021 and (ii) existing primary borrower who is provided additional financing after April 2021 ("Eligible Borrowers"). During the 12-month period ending 30 September 2025, we offered 100% of Eligible Borrowers a sustainability-linked margin ratchet, are in active discussions with several and successfully documented three new ratchets, all of which contain a climate related key performance indicator. Note that ratchets are voluntary, and borrowers elect to participate.

 Achieved

 Partially Achieved

Principle 1: Purpose, Strategy and Culture

Future actions

In the year ahead, we plan to action the following to further protect and enhance our clients' assets:

Review our sustainability strategy to ensure that the priority areas we are focused on continue to be appropriate and relevant and subsequently set objectives for 2026.

Make progress on the 2025 sustainability objectives laid out in Appendix 1 to advance our sustainability strategy.

Participate in the 2026 UN PRI reporting cycle under Nuveen, where required.

Make progress on all future actions listed under each principle in this report.

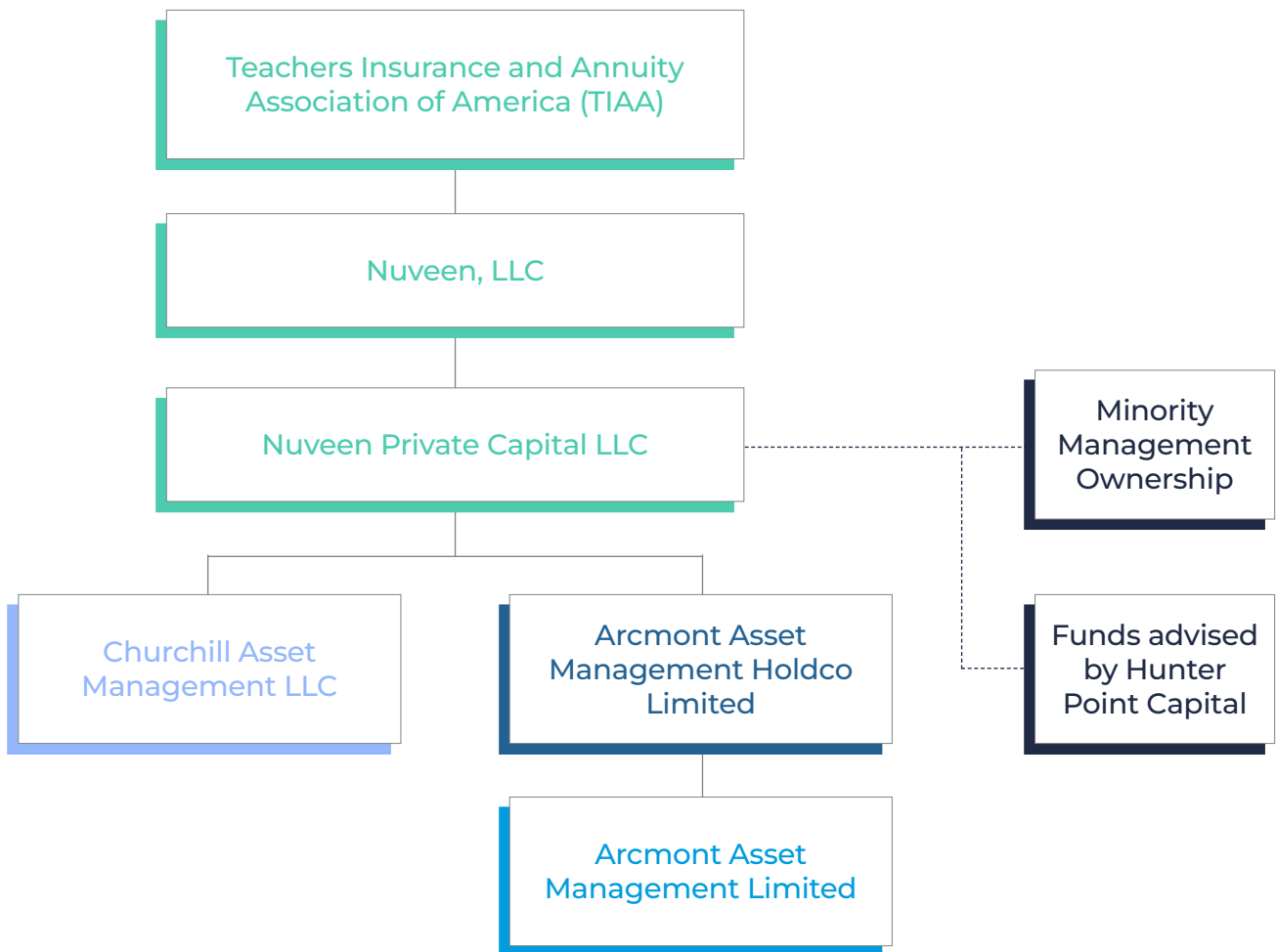
Continue to drive our engagement efforts to encourage our portfolio companies to improve their ESG risk mitigation practices.

Principle 2: Governance, Resources and Incentives

Signatories' governance, resources, and incentives support stewardship.

Overall Governance structure

The firm began as the Private Credit division of BlueBay Asset Management in 2011 and, after significant growth, became an independent company in 2019 with minority investment from Dyal Capital Partners. In March 2023, Arcmont was acquired by Nuveen, the investment arm of the Teachers Insurance and Annuity Association (TIAA), following three years of operating independently. Today, Arcmont operates as a Nuveen affiliate under "Nuveen Private Capital" alongside Churchill Asset Management, with TIAA serving as the ultimate parent company. In 2025 Hunter Point Capital ("HPC") and Temasek made minority investments in Nuveen Private Capital.



From a governance perspective, Arcmont operates as it did prior to the Nuveen and HPC and Temasek transactions, under the Arcmont brand. The Firm remains under the management of the pre-transaction leadership team, including the Arcmont Board of Directors, ensuring the continuity of the business, and providing stability to employees and investors. There were no changes to Arcmont's team, investment committee or process as a result of the transaction. We continue to uphold a robust corporate governance structure, as described on the following pages.

Principle 2: Governance, Resources and Incentives

Arcmont's governance structure

Arcmont is managed by the Arcmont Board of Directors (the “**Governing Body**”). Collectively, members of the Governing Body have diverse expertise in compliance, risk, technology and investment management. The Governing Body is ultimately responsible for the firm's governance, risk culture and alignment of risk with business strategy, including defining risk appetite and approving policies.

The Firm operates multiple subject-specific committees, each with members selected for relevant skills, experience, and diverse perspectives, to ensure effective management and stewardship. This governance framework provides robust oversight and accountability for stewardship, tailored to the Firm's size and business model.

Update: Internal TIAA Audit

As reported in last year's [Stewardship Report](#), as a Nuveen affiliate we now fall under the scope of TIAA's internal audit activities. We are currently undergoing our first internal audit as part of their 2025 cycle. This includes a review of all aspects of the business and the associated processes and controls, including governance, remuneration, vendor management and investment due diligence. This will provide us with independent assurance on our risk management processes and the effectiveness of our control environment in the areas that are in scope of their review. Note that each year the scope of the audit changes, both the areas audited and the affiliates included, so Arcmont may not be subject to TIAA's internal audit every year.

Update: Type II Internal Controls Audit

As reported in last year's [Stewardship Report](#), we are committed to undergoing an annual internal controls audit to give our investors confidence that we have robust processes and structures in place to protect the value of their investments. During the reporting period, in March 2025, our first Type II internal controls audit¹¹ with respect to portfolio management services as of 31 August 2024 was finalised and we received an unqualified opinion from PWC. This affirms the robustness of our internal control environment.

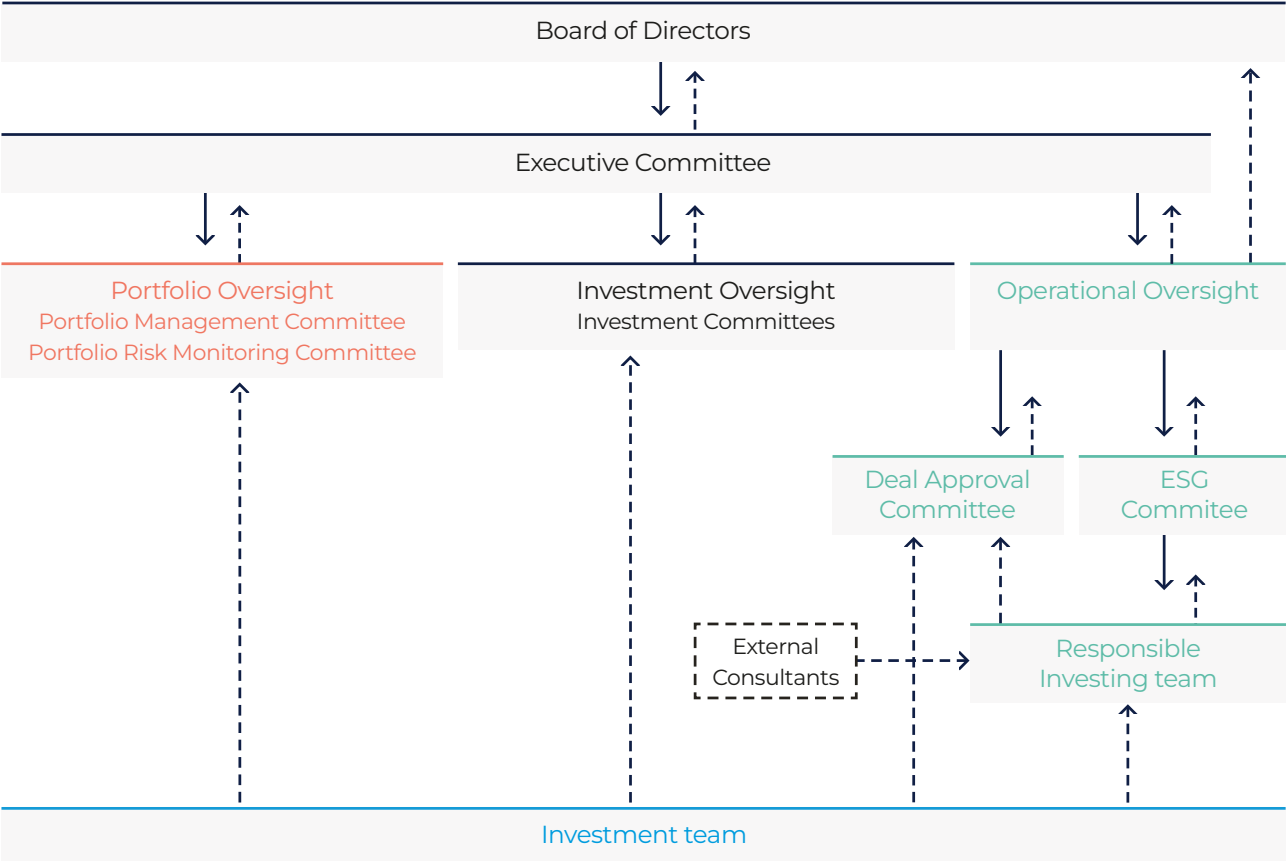
We believe the combination of our robust internal structures and added layer of external oversight foster accountability and transparency in the way we operate and conduct business, ensuring that as a firm we act as effective stewards of our clients' capital.

Responsible investment and impact investment oversight

We have a strong framework to ensure the effective implementation of Arcmont's responsible investment and impact investment policies. Responsibility is shared among the Investment team, Responsible Investing team and ESG Committee, with independent oversight from our ESG Consultant and Impact Consultant. The following pages detail the teams' responsibilities. All of these employees receive regular responsible investment and impact training, please refer to page 20 for select examples of training delivered during the reporting period.

¹¹ A Type II audit is an extension of the Type I audit, providing a more comprehensive evaluation of the service organisation's controls. While the Type I audit focuses on control design, the Type II audit assesses the operating effectiveness of these controls over a specified period, typically six to twelve months.

Principle 2: Governance, Resources and Incentives



— Delegates - - - Informs

Principle 2: Governance, Resources and Incentives

1. ESG Committee

Note that during the reporting period, following the launch of our Impact Lending strategy, the ESG Committee's Terms of Reference was updated to capture our impact investing activities.

Today, the ESG Committee (the "**Committee**") is responsible for the oversight of Arcmont's (i) corporate sustainability, (ii) responsible investing and (iii) impact investing activities (together, the "**ESG Activities**").

Members of the senior management team sit on the ESG Committee, which is comprised of our Chief Operating Officer (Chair), Chief Investment Officer, Chief Compliance Officer, Head of Corporate Sustainability and Responsible Investing and Head of Portfolio Monitoring. These individuals were purposely selected as they sit on central decision-making committees and span across various teams. This ensures that ESG matters are considered at critical operational and investment decision points, and the importance of investing and operating responsibly is communicated across the firm.

Below are some of the Committee's core responsibilities:

- Oversight of Arcmont's strategies relating to the ESG Activities.
- Ensuring appropriate resources are available to execute the ESG Activities effectively, including determining the frequency and scope of employee training.
- Reviewing and updating (as appropriate) Arcmont's policies relating to the ESG Activities.
- Ensuring Arcmont's compliance with applicable legislation relating to the ESG Activities, including the EU's Sustainable Finance Disclosure Regulation (SFDR) and the Financial Conduct Authority's (FCA) Task Force on Climate-Related Financial Disclosures regime (TCFD).
- Ensuring Arcmont complies with its obligations and commitments as a signatory to ESG-related memberships.
- Overseeing the role of the external consultants and service providers engaged to support the ESG Activities.
- With respect to Arcmont investments, approving provisions relating to the ESG Activities including sustainability-linked margin ratchets, impact-linked margin ratchets and tailored ESG engagement plans.

The Committee meets quarterly to review performance related to the ESG Activities and set objectives. Members are therefore able to evaluate the effectiveness and appropriateness of control mechanisms and targets, making enhancements and amendments where necessary.

2. Responsible Investing team

The Responsible Investing team ensures that the Investment team effectively fulfils its responsible investment and impact responsibilities and leads ESG and impact engagements. The team manages all ESG and impact reporting, including SFDR disclosures for applicable products, and independently reviews ESG and impact performance. In addition, the Responsible Investing team acts as the link between the Investment team and our External Consultants (see below).

Principle 2: Governance, Resources and Incentives

3. External Consultants

(a) ESG Consultant

The ESG Consultant assists us with the development and execution of our sustainability strategy, with a specific focus on responsible investment. The team of consultants provides us with specific subject-matter expertise and ensures we are aware of evolving industry best practices.

The ESG Consultant also serves as an independent reviewer to help ensure the integrity and thoroughness of our responsible investment commitment. The team of consultants independently reviews the Investment team's portfolio company ESG assessments. This review occurs both during the pre-investment phase and quarterly post-investment, assuring continuous alignment with our responsible investment goals.

(b) Impact Consultant

The Impact Consultant is engaged in the pre-investment impact process to independently validate the impact thesis of every impact investment prior to execution. No impact investment can be executed without the Impact Consultant's sign-off.

For further information on how we work with the External Consultants, please refer to [Principle 8: Monitoring Managers and Service Providers](#).

4. Investment team

The investment team is responsible for incorporating ESG and impact factors into the deal life cycle. At Arcmont, the same investment professionals that execute a deal will monitor the investment during the holding period. As the ultimate risk takers and investment experts, they are best placed to perform ESG and impact due diligence and monitor the ESG risk profiles and impact performance of portfolio companies.

The team is regularly trained on responsible investment and impact, at least annually, and all new joiners receive responsible investment and impact training as part of the onboarding process. The team is supported by the Responsible Investing team, the ESG Consultant and Impact Consultant, who are on hand to answer any questions and fill any knowledge gaps.

There are three ESG champions in the Investment team who support the ESG Committee's efforts. Before any new initiative is rolled out, the ESG champions are consulted. The champions also attend the ESG Committee meetings as participants.

There are also six impact champions in the Investment team who have been further up skilled in impact investing. These individuals promote the strategy and ensure a high level of awareness across Arcmont's origination channels.

The Investment team is encouraged to seek to achieve the best outcomes for our clients through our incentive programme. Please refer to [Incentives](#) section below for more details.

Investment team statistics

As of 30 September 2025, the Investment team is comprised of 51 investment professionals with an average of 12 years of industry experience, across a wide range of businesses, sectors and geographies. Please see below an estimate of the average years of experience in responsible investing¹² and impact investing¹³ across the team. For the team's biographies, please see our [website](#).

INVESTMENT COMMITTEE

9.5

Average years responsible investment experience

2

Average years of impact experience

ALL INVESTMENT PROFESSIONALS

4.8

Average years responsible investment experience

2

Average years of impact experience

¹² We have operated a formal ESG investment risk process since July 2013. As a result, employees' experience in responsible investment is recognised from either (i) July 2013, if they were employed by the firm before that date, or (ii) the date they joined the firm thereafter.

¹³ We began developing our impact lending strategy in at the start of 2023, with the support of the Impact Consultant, who has delivered a number of impact training sessions to the investment team members and other select individuals. Members of Arcmont's Impact Financing team (the team involved in the design of the strategy) have also delivered impact training to these individuals.

Principle 2: Governance, Resources and Incentives

Seniority, experience, qualifications and training of the ESG Committee

Title	Years in Industry	Years of ESG experience ¹⁴	Years of impact experience ¹⁵	Education, qualifications and training	Other Arcmont Committees
Chief Operating Officer (Chair)	27	7	2	<ul style="list-style-type: none"> Leads our ESG advocacy efforts through his participation as: <ul style="list-style-type: none"> – Current member of the UN PRI Private Debt Advisory Committee (PDAC) – Former member of the Institutional Investors Group on Climate Change's (IIGCC) Private Debt Industry Focus Group Chartered accountant 	<ul style="list-style-type: none"> Arcmont Board of Directors Deal Approval Committee Portfolio Monitoring Committee Conflicts Committee Product Governance Committee Operational Risk Committee Conflicts of Interest Committee Valuation Committee
Chief Investment Officer	18	7	2	<ul style="list-style-type: none"> Ensures ESG factors are considered in all investment committee decisions 	<ul style="list-style-type: none"> Investment Committee Portfolio Management Committee
Chief Compliance Officer	12	5	2	<ul style="list-style-type: none"> Supports our efforts to ensure compliance with all applicable ESG regulations 	<ul style="list-style-type: none"> Deal Approval Committee Portfolio Monitoring Committee Conflicts Committee Product Governance Committee Operational Risk Committee Conflicts of Interest Committee Diversity, Equity and Inclusion Committee
Head of Corporate Sustainability and Responsible Investing	9	7	2	<ul style="list-style-type: none"> Drives our Responsible Investment and Corporate Sustainability efforts Completed the UN PRI's Applied Responsible Investment course Holds the CFA Certificate in ESG Investing Chartered accountant 	<ul style="list-style-type: none"> Diversity, Equity and Inclusion Committee
Head of Portfolio Monitoring	15	8	2	<ul style="list-style-type: none"> Ensures ESG factors are considered in portfolio monitoring activities Completed the UN PRI's Applied Responsible Investment course Chartered accountant 	<ul style="list-style-type: none"> Portfolio Management Committee

¹⁴ We have operated a formal ESG investment risk process since July 2013. As a result, employees' experience in responsible investment is recognised from either (i) July 2013, if they were employed by the firm before that date, or (ii) the date they joined the firm thereafter.

¹⁵ We began developing our impact lending strategy in at the start of 2023, with the support of the Impact Consultant, who has delivered a number of impact training sessions to the investment team members and other select individuals. Members of Arcmont's Impact Financing team (the team involved in the design of the strategy) have also delivered impact training to these individuals.

Principle 2: Governance, Resources and Incentives

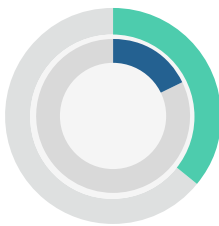
Diversity

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. For further information on our DEI progress, initiatives and objectives, please refer to page 8 in our [2024 Sustainability Report](#).

DEI statistics¹⁶

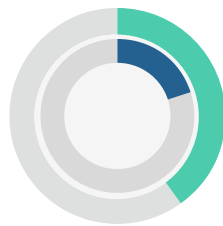
The charts below provide a snapshot of the gender and ethnicity representation levels of our employees, Executive Committee, the Investment team and ESG Committee as of 30 September 2025.

All employees



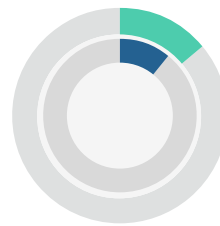
■ Female 36%
■ Ethnically Diverse 18%

Executive Committee



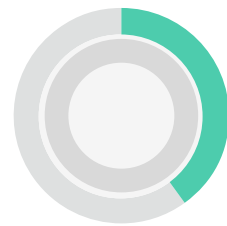
■ Female 40%
■ Ethnically Diverse 20%

Investment team



■ Female 14%
■ Ethnically Diverse 11%

ESG Committee



■ Female 40%
■ Ethnically Diverse 0%

¹⁶ Note that the data is voluntary self-reported data so may not reflect all employees.

Principle 2: Governance, Resources and Incentives

Assessment of how effective our governance structure and processes have been in supporting stewardship

Please see below examples of some of the activities undertaken by the ESG Committee (the “Committee”) during the reporting period which demonstrate the effectiveness of our governance structure in supporting our ESG integration and stewardship activities.

Topic	Detail
Sustainability-Linked Margin Ratchet Approvals	The Committee reviewed and approved all three of the sustainability-linked margin ratchets agreed during the 12-month period ending 30 September 2025.
Modern Slavery Statement	The Committee reviewed, provided input on and ultimately approved Arcmont’s FY2024 Modern Slavery Statement .
ESG-Related Policies	Revisions to ESG-related policies were reviewed and approved by the Committee. Please refer to Principle 5: Review and Assurance for further details.
NAV Financing Responsible Investment Framework	A new responsible investment process and policy for the NAV Financing strategy was reviewed, refined and approved by the Committee. This included refining and approving a new ESG exclusion approach for NAV Financing transactions.
Impact Investment Framework	The Committee reviewed and approved a new impact investment process for Arcmont’s Impact Lending strategy. This included refining and approving Arcmont’s internal parameters for the “Do No Significant Harm” test.
ESG Training	The Committee arranged several training sessions for the Investment team based on recommendations from our Head of Corporate Sustainability and Responsible Investing, the ESG Consultant, the Impact Consultant and Chief Compliance Officer. Please see details overleaf.
Public ESG Disclosures	The Committee reviewed, provided input into and ultimately approved Arcmont’s 2024 Sustainability Report , 2024 TCFD Entity Report and this year’s Stewardship Report.

Principle 2: Governance, Resources and Incentives

Responsible investment and impact training

Responsible investment and impact training is provided to relevant personnel on a regular basis, and at least annually, to ensure they have the required knowledge and skills to perform their duties. Further, as previously mentioned, we have a robust review process where the Responsible Investing team, the ESG Consultant and the Impact Consultant independently reviews the deal team’s portfolio company ESG and impact assessments. This oversight enables the identification of knowledge gaps, which will be addressed through additional training sessions as needed.

Please see below select examples of the responsible investment and impact investment training delivered during the reporting period, demonstrating the effectiveness of our current structure in supporting our stewardship activities.

Subject	Provider	Attendees	Detail
Impact Training	<ul style="list-style-type: none"> Head of Corporate Sustainability and Responsible Investing Two Impact Champions 	<ul style="list-style-type: none"> Investment team 	60-minute refresher session walking the Investment team through Arcmont’s Impact Lending strategy and the impact investment process.
Pre-investment Direct Lending Responsible Investment Guidelines	<ul style="list-style-type: none"> Responsible Investing team 	<ul style="list-style-type: none"> Investment team 	30-minute refresher session walking the Investment team through our pre-investment responsible investment process, reminding them of their obligations.
Global Marketing Communications Standards with Emphasis on ESG & Greenwashing Training	<ul style="list-style-type: none"> Nuveen 	<ul style="list-style-type: none"> Investment team Client Services Business team Development team Compliance team Responsible Investing team 	30-minute training video on marketing communication standards with an emphasis on ESG & Greenwashing.

Principle 2: Governance, Resources and Incentives

Incentives to integrate stewardship and investment decision-making

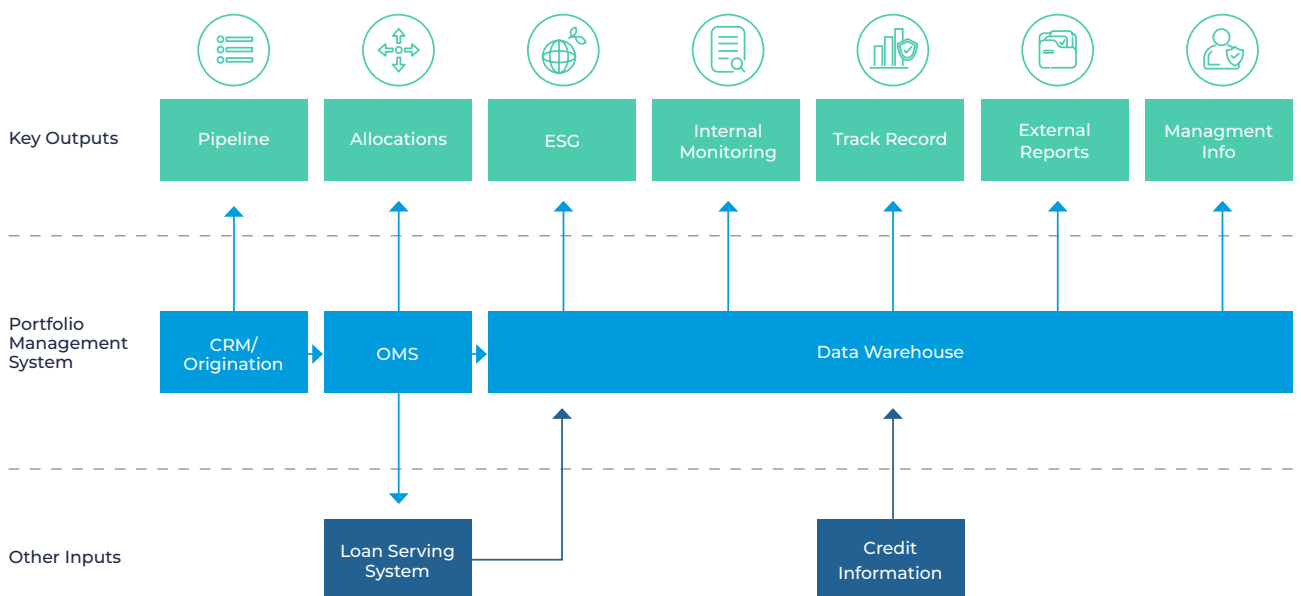
As part of the spin-out from BlueBay Asset Management in 2019, a Long-Term Incentive Plan (LTIP) was established to provide all employees with phantom equity ownership. Following the Nuveen transaction in 2023, employees retained a significant equity stake in the combined Nuveen Private Capital business, ensuring continued alignment of incentives. As a result, every employee has a vested interest in the company's long-term success and is motivated to ensure Arcmont remains an effective steward of our clients' capital.

In terms of compensation, we seek to align individual performance and incentives with our clients' interests, while complying with the applicable Financial Conduct Authority's (FCA) remuneration requirements. The Governing Body oversees the review and implementation of Arcmont's Remuneration Policy, with remuneration for each role determined by function and seniority within our incentive framework. For employees with ESG and impact responsibilities, their contributions to Arcmont's responsible investment and impact strategies are typically incorporated into performance reviews and career development discussions.

To further strengthen economic alignment with our clients, the Investment team and select others participate in our carried interest scheme and are required to commit capital through a co-investment in each fund. We believe that linking rewards to the performance achieved for our clients fosters a deeper alignment of interests.

Investment in systems, processes, research and analysis

We operate using a bespoke, fully integrated platform for end-to-end portfolio management. This encompasses a Customer Relationship Management (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 and impact 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.



Principle 2: Governance, Resources and Incentives

To support our responsible investment research and analysis, we leverage the following solutions:

Solution	Relevance to Stewardship Activities
ESG Risk Analytics Platform	We leverage the platform to source additional information on companies' business conduct and ESG risks. The platform enables us to (i) identify industry-specific material ESG risks, (ii) assess companies' ESG exposures through a Sustainable Development Goals (SDG) risk framework, and (iii) monitor ESG risks daily using customisable watchlists and tailored email alerts. By combining artificial intelligence with expert analysis to screen our portfolio companies each day, the platform supports timely, well-informed investment and ongoing monitoring decisions. Please refer to Principle 7: Stewardship, Investment & ESG Integration for an example.
Proxy ESG Data Provider	We leverage the solution to source proxy ESG data to meet our investors' disclosure demands.

Extent to which service providers are used and the services they provide

We leverage the below external parties to support our stewardship activities.

Provider Type	Relevance to Stewardship Activities
ESG Consultant	The ESG Consultant assists us in developing and implementing our sustainability strategy, particularly in responsible investment. The ESG Consultant keeps us informed of industry best practices and provides subject-matter expertise, ensuring our approach remains current and robust. The ESG Consultant also acts as an independent reviewer, as the team reviews the deal team's ESG assessments of portfolio companies both prior to investment and on a quarterly basis, ensuring ongoing alignment with our responsible investment objectives.
Climate Consultant	To date, the Climate Consultant has supported us with (i) measuring our corporate GHG emissions, (ii) conducting Climate Scenario Analysis (CSA) across the Arcmont Funds' investments and (iii) producing disclosures in line with Task Force on Climate Related Financial Disclosures (TCFD) framework.
Impact Consultant	The Impact Consultant was engaged in 2023 to support us with the development of our Impact Lending strategy. This was completed in 2024. Now, following the launch of the strategy, the Impact Consultant is engaged to independently validate the impact thesis of every impact investment opportunity that is initially developed in house in the pre-investment stage.






Please refer to [Principle 8: Monitoring Managers and Service Providers](#) for further details on each provider.

Note there are limited instances where Arcmont has voting shareholder rights, we therefore do not utilise third parties for proxy voting services. Please refer to [Principle 12: Exercising Rights and Responsibilities](#) for further details.

Principle 2: Governance, Resources and Incentives

Actions taken during the period to improve the effectiveness of our governance structures and processes in supporting stewardship

Progress against objectives set out in our 2024 Stewardship Report

Objectives in 2024 Report	Status	Details
Make progress on formalising responsible investment objectives for relevant individuals		We are still exploring how we can formalise responsible investment and impact objectives for the relevant individuals. Currently, for individuals with ESG and impact responsibilities, their contribution to the successful rollout of Arcmont's responsible investment strategy typically feeds into their overall performance reviews and career objective discussions.
Continue to train relevant employees on responsible investment to ensure they have the relevant knowledge and skills to execute their responsibilities effectively.		Please refer to page 20 for select examples of training delivered during the period.
Prepare to undergo Nuveen's internal audit in 2025.		We are currently undergoing our first internal audit as part of Nuveen's 2025 cycle. Please refer to page 13 for more details.
Obtain a Type II internal controls audit in 2025		During the reporting period, in March 2025, we finalised our first Type II internal controls audit with respect to portfolio management services as of 31 August 2024 and received an unqualified opinion. Please refer to page 13 for more details.
Continue to roll out ESG training to our employees to increase awareness and communicate its importance across the firm.		During the reporting period, select individuals and teams received ESG training. Please refer to page 20 for select examples of training delivered during the period.

 Achieved
  Partially Achieved
  Deferred

¹ A group of passionate employees who are focused on driving forward our sustainable workplace practices.

Principle 2: Governance, Resources and Incentives

Future actions

In the year ahead, we plan to action the following to further improve the effectiveness of our governance structures and processes in supporting stewardship:

Make progress on formalising responsible investment and impact objectives for relevant individuals.

Continue to train relevant employees on responsible investment and impact to ensure they have the relevant knowledge and skills to execute their responsibilities effectively.

Obtain a Type II internal controls audit in 2026.

Roll out our ESG training to all employees to increase awareness and communicate its importance across the firm.

Principle 3: Conflicts of Interest

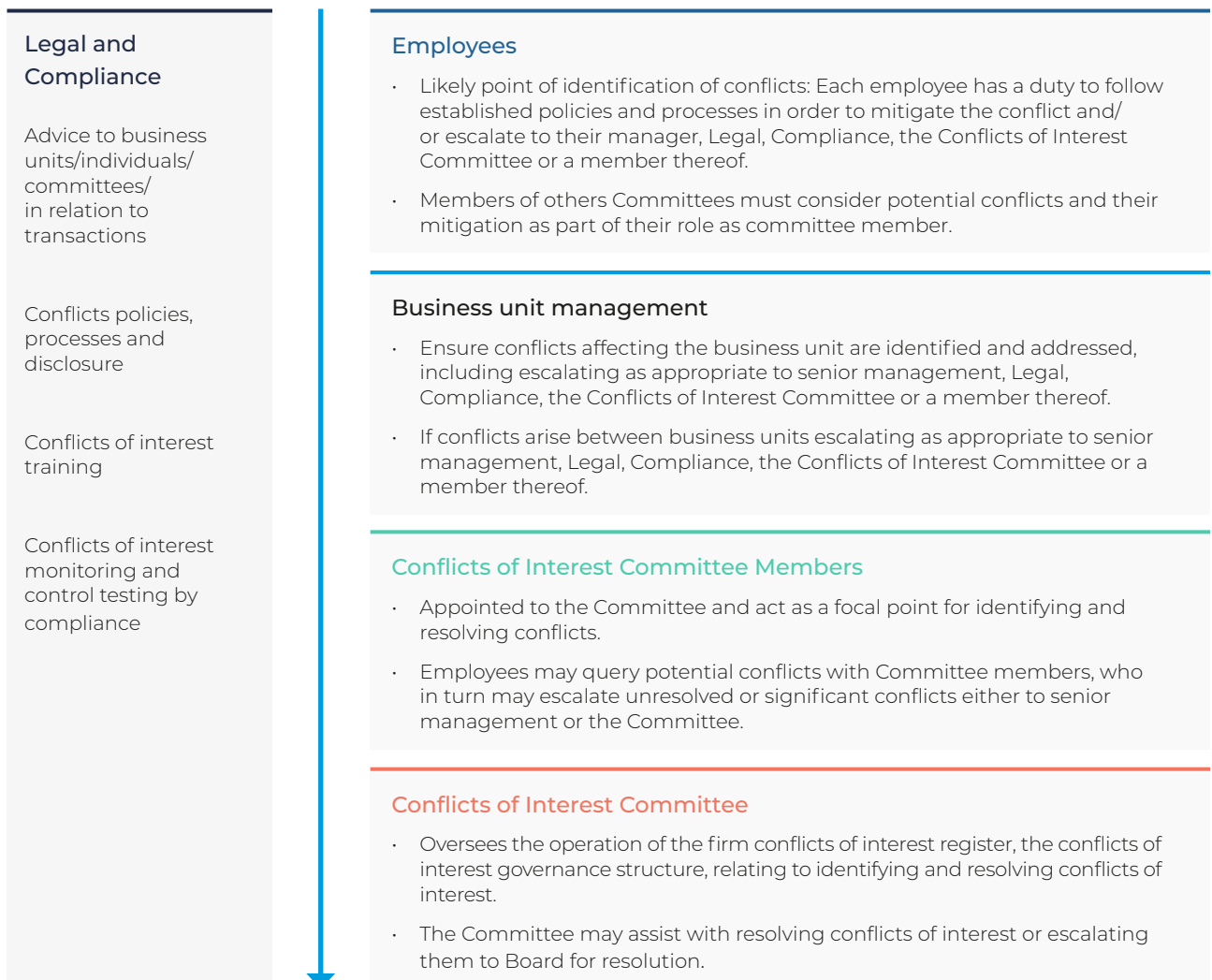
Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

At Arcmont, we seek to operate in accordance with the highest standards of compliance and ethical conduct. As detailed in our Conflicts of Interest Policy, we have established a comprehensive framework to identify, prevent and manage conflicts of interest to ensure that no client is disadvantaged. The policy and overall framework are overseen by our Conflicts of Interest Committee.

Below we provide information from our Conflicts of Interest Policy that explicitly addresses the requirements of the Code.

Identifying conflicts of interest

A conflict of interest may arise in a scenario where there is an incentive to serve one interest at the expense of another interest or obligation. All employees are required to report any situation where a conflict may occur to our Compliance team. Each committee is also responsible for identifying potential conflicts of interest. This is especially relevant for our Investment Committees and Deal Approval Committee. Our conflicts of interest escalation framework is shown below.



Principle 3: Conflicts of Interest

Preventing and managing any instances of actual or potential conflicts

Arcmont is required by the Financial Conduct Authority (FCA) to prevent and manage conflicts of interest fairly, both between Arcmont and our clients, and between one client and another client. To this end, we have established a robust conflicts of interest framework to effectively manage, assess and prevent such incidents including:

- Policies and procedures which are reviewed at least annually.
- Governance arrangements including but not limited to our Conflicts of Interest Committee, which is responsible for reviewing individual conflicts of interest and for overseeing our conflicts of interest framework.
- Embedding the FCA Treating Customers Fairly principles in our culture, policies and procedures as detailed in our Treating Customers Fairly Policy.
- Clearly defined and documented reporting lines and responsibilities.
- Alignment of firm and employee interests with clients' interests through the linking of remuneration to client portfolio performance.
- Contractual obligations for all employees to comply with compliance and HR policies which are designed to mitigate conflicts arising and encourage employees to report suspected conflicts.
- Mandatory conflicts of interest training for all staff as well as training on other applicable regulations.

Our Compliance team and Conflicts of Interest Committee regularly review the effectiveness of our conflicts of interest framework. In addition, our compliance consultant undertakes independent quarterly monitoring of our compliance framework which includes our policies, procedures and controls in relation to conflicts of interest.

Each year we also undertake, with assistance from our compliance consultants, a Conduct Risk Assessment which assesses the controls we have in place to reduce the risk of a negative outcome for our clients due to action taken by Arcmont or our employees. The Conduct Risk Assessment includes assessments of the arrangements we have in place to prevent poor conduct from the firm or employees in relation to conflicts of interest. We are pleased to report again that the risk assessment undertaken during the period identified no areas of high residual risk of poor conduct.

Conflicts of interest relating to stewardship

As a Private Credit asset manager, we face limited situations where an actual or potential conflict could arise in relation to stewardship. One example of a situation where a conflict could potentially arise in relation to stewardship is where we have employees appointed as directors of one of our portfolio companies. A director of a company has statutory duties requiring them to act in the best interests of the company. The interests of a portfolio company and the interests of our clients on a particular issue (for example, certain climate-related commitments that may come at a significant cost to the portfolio company) may not always align. The monitoring and escalation framework described in this section would be used to identify such situations. Our Conflicts of Interest Committee would then be responsible for ensuring that steps are taken to adequately manage such a conflict.

All clients who have been in their investment periods during the last 12 months are subject to the same [Responsible Investment Policy](#), meaning that their interests are aligned when we pursue ESG-related outcomes. As a result, we have not experienced any actual or potential conflicts in relation to stewardship in the 12-month period ending 31 October 2025.

Principle 4: Well-Functioning Markets

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

We seek to maximise risk-adjusted returns for our clients and beneficiaries. This commitment drives our proactive approach to identifying and responding to market-wide and systemic risks that could impact these objectives, alongside supporting and advancing industry initiatives aimed at reducing such risks.

As mentioned in [Principle 2: Governance, Resources and Incentives](#) the Arcmont Board of Directors (the “**Governing Body**”) is ultimately responsible for defining the firm’s risk culture, aligning risk management with our business strategy, and establishing our risk appetite, policies and infrastructure. Accordingly, the Governing Body has implemented a comprehensive risk management framework that enables the effective identification, assessment and oversight of all risks, including systemic and market-wide risks. While each business function is responsible for risk identification and management within its area, our subject-specific committees, Enterprise Risk Manager, and Compliance team provide guidance and oversight.

Within our investment activities, the Portfolio Management Committee¹⁷ conducts quarterly and ad hoc reviews of the investment portfolio. These reviews focus on monitoring credit quality, portfolio diversification, yield dynamics and downside protection to ensure prudent risk management and the ongoing alignment of investments with our clients’ interests.

Identifying and responding to market-wide and systemic risks

We remain well-informed on market-wide and systemic risks through multiple channels. Our investment activities provide continual access to specialist insights via expert calls and commissioned subject-specific reviews. We also maintain subscriptions to leading news platforms, participate actively in industry initiatives and hold regular discussions with third parties such as legal advisors, industry bodies and regulators. In addition, our Investment team benefits from presentations by external experts (e.g. banks, economists and consulting firms) on key topics such as macroeconomic trends and developments in the Direct Lending market. This multifaceted approach ensures we consistently monitor market movements and are well positioned to respond to emerging risks.

Case Study

Identifying macroeconomic trends

As reported in last year’s [Stewardship Report](#), the Investment team produces a European Leveraged Finance Market Update on a weekly basis, an increase from the previous monthly frequency. Drawing on data from various providers, subscriptions and other sources, this update is circulated to our Investment, Client Services and Business Development teams. The content of the document varies week on week, however, it often covers macro indicators, the European High Yield market and Leveraged Loan markets and recent deals. This information helps to ensure that the team understands the economic and market factors that can impact our investments.

¹⁷ Comprises the Direct Lending Investment Committee and Co-Heads of Capital Solutions Strategy.

Principle 4: Well-Functioning Markets

We adopt both a top-down and a bottom-up approach to market-wide and systemic risk identification, assessment and management as showcased below.

Top-down approach

Case Study

US Tariff Analysis

Earlier this year, we broadened the scope of our internal Red, Amber and Green (RAG) rating risk assessment, which evaluates investments using both “hard” and “soft” factors, with each asset then categorised as “Green”, “Amber” or “Red.” The assessment was expanded to include tariff-specific analysis, focusing primarily on US revenue exposure within the portfolio. This enhanced review now also considers the extent of each company’s US presence, input sourcing channels and competitive positioning, and involves direct outreach to company management and sponsors. Following the policy announcements in early April 2025, the investment team conducted a detailed re-review of each investment to reassess potential impacts. Additionally, the analysis now covers USD FX exposure, risks from potential export dumping by China and a broader assessment of recession susceptibility in the current environment. Based on the results the Committee have instructed the Investment team to engage with certain portfolio companies to encourage them to take protective measures.

Case Study

Portfolio-Wide ESG Assessments

The ESG Committee is also able to commission top-down portfolio reviews. During the reporting period, the Committee commissioned two assessments:

- EU Corporate Sustainability Reporting Directive (CSRD) exposure assessment: This evaluated the regulatory transition risk across the Arcmont Funds’ investments, and the results showed that 68% fall within the scope of the CSRD as of 31 December 2024. Following this, we engaged with select portfolio companies to assess their preparedness and offer support where appropriate.
- Decarbonisation assessment: This assessed whether the Arcmont Funds’ investments (i) were disclosing complete Scope 1 and 2, and material Scope 3 GHG emissions in line with the Greenhouse Gas (GHG) Protocol and (ii) had set near-term and/or net zero science-based targets. The results highlighted that there remains significant scope for improvement across the portfolio.

Principle 4: Well-Functioning Markets

Bottom-up approach

Case Study

Identifying Systemic Risks Amongst Investments – Arcmont’s Universe of ESG Issues

As detailed in [Principle 7: Stewardship, Investment and ESG Integration](#), and as reported in last year’s [Stewardship Report](#), our responsible investment approach incorporates a systematic assessment of ESG risks. Central to this is “Arcmont’s Universe of ESG Issues” list, which is a comprehensive list of the most relevant and material ESG risks for the companies within our investable universe. These are systematically considered and assessed both pre-investment and throughout our holding period. The tool covers critical ESG risks with the potential for systemic impact, such as biodiversity loss, climate change, pollution, water scarcity, human rights, cybersecurity and corruption. Developed with input from subject matter experts and with reference to SASB Standards¹⁸ and the SASB Climate Risk Technical Bulletin¹⁹, the list is regularly reviewed and updated. During the reporting period, we further expanded it by adding “Responsible Business Practices” and “Diversity, Equity and Inclusion” as standalone risks, deepening our assessment of each.

Environmental



- Climate Risk (Physical)
- Climate Risk (Transitional)
- Climate Risk (Regulatory)
- Biodiversity and Land Use
- Energy Management
- Toxic Emissions and Waste Management
- Material Sourcing and Efficiency
- Water Stress

Social



- Access and Affordability
- Community Relations
- Customer Privacy and Data Security
- Employee Wellbeing, Health and Safety
- Human Capital Development
- Diversity, Equity & Inclusion
- Labour Practices and Human Rights
- Product Design and Lifecycle Management
- Product Quality and Safety
- Selling Practices and Product Labelling
- Supply Chain ESG Standards and Monitoring

Governance



- Ownership and Control
- Responsible Business Practices
- Business Ethics
- Tax Transparency and Accounting
- Enterprise Risk Management
- Management of the Legal and Regulatory Environment

¹⁸ <https://sasb.ifrs.org/standards/>

¹⁹ <https://sasb.ifrs.org/wp-content/uploads/2021/05/Climate-Risk-Technical-Bulletin2021-042821.pdf>

Principle 4: Well-Functioning Markets

Case Study

Managing Systemic Risks – Climate Risk

As further described in [Principle 9: Engagement](#), and as reported in last year’s [Stewardship Report](#), since July 2022 we have been focused on encouraging borrowers to improve their climate risk mitigation practices via sustainability-linked margin ratchets²⁰. This helps us to mitigate a systemic risk amongst our portfolio companies. Please refer to [Principle 9: Engagement](#) for select examples of the ratches we have implemented.

As of 30 September 2025:

- Of the 34 documented ratchets to date, 27 (79%) contain a climate related key performance indicator.
- Of the 3 ratchets documented during the reporting period, 3 (100%) contain climate related key performance indicators.

Working with other stakeholders to promote continued improvement of the functioning of financial markets

We recognise that well-functioning financial markets benefit our firm, our clients and beneficiaries, and society as a whole. Accordingly, both the firm and its employees actively participate in and support initiatives that promote well-functioning markets.

During the reporting period, Arcmont became a signatory to the Operating Principles for Impact Management under Nuveen, coinciding with Nuveen’s publication of its sixth [disclosure statement](#). This statement incorporates our Impact Lending strategy and demonstrates our ongoing commitment to transparency, best practices in impact management and alignment with the nine principles.

Initiative	Extent of Involvement	Status	Description
UN PRI	Basic	Signatory under Nuveen	Arcmont became a signatory to the UN PRI in December 2019, continuing the affiliation that began in July 2013 while part of BlueBay Asset Management. In 2023, Arcmont became an affiliate of Nuveen, and the firm has since been a signatory and reported under Nuveen’s signatory status.
Operating Principles of Impact Management (OPIM)	Basic	Signatory under Nuveen	Nuveen is a founding signatory of the Operating Principles for Impact Management. As a Nuveen affiliate, Arcmont is captured under Nuveen’s signatory status, and our commitment is reflected in Nuveen’s disclosure statement .
Taskforce on Climate-related Financial Disclosures (TCFD)	Basic	Supporter	Arcmont is a public supporter of the TCFD recommendations and produces an annual TCFD Entity Report. Please find our latest report here .
UN PRI Private Debt Advisory Committee (PDAC)	Moderate	Employee membership	Our Chief Operating Officer is a member of the UN PRI’s PDAC. The purpose of the Committee is to develop solutions for the ESG challenges faced by the Private Credit asset class. Please see the case study below for further details.
IIGCC’s Private Debt Industry Focus Group ²¹	Active	Employee membership	Our Chief Operating Officer is former member of the IIGCC’s Private Debt Industry Focus Group which steered and contributed to creating the Net Zero Investment Framework for the Private Debt Industry .

²⁰ Arcmont’s policy is to offer a sustainability-linked margin ratchet to every (i) new primary borrower since April 2021 and (ii) existing primary borrower who is provided additional financing after April 2021. Note that the take-up of the offer is voluntary, and borrowers elect to participate

²¹ Following the publication of the guidance, the group was disbanded.

Principle 4: Well-Functioning Markets





Case Study

UN PRI PDAC

During the reporting period, in July 2025, the UN PRI published the [Stewardship in Private Debt: A Technical Guide](#), which members of the PDAC provided input and feedback on. The guide explores the unique complexities of the Private Credit asset class and offers practical tools and strategies for meaningful engagement with both borrowers and sponsors. It introduces the concept of “spectrums of influence” that define responsible stewardship in Private Credit and outlines four key stewardship tools for lenders: (i) sharing resources and providing training; (ii) ongoing engagement with sponsors and borrowers; (iii) use of sustainability-linked covenants and margin ratchets; and (iv) industry advocacy and collaborative engagement. Positively, we currently leverage the majority of the tools recommended in the guide and are exploring ways to use the others to enhance our approach.

Actions taken during the period to respond to market-wide and systemic risks and to promote well-functioning financial markets

Progress against objectives set out in our 2024 Stewardship Report

Objectives in 2024 Report	Status	Details
Continue to commission portfolio reviews in response to market events and trends.		The Portfolio Management Committee has continued to monitor portfolio risk analysis metrics, taking action where appropriate.
Further enhance our climate risk analysis by rolling out an ESG questionnaire to portfolio companies and begin to track fund level metrics.		During the reporting period, we rolled out an inaugural ESG questionnaire to primary borrowers at the start of 2025 to collect ESG information and data. Please refer to page 52 for more information.
Make progress towards setting product level Net Zero targets now that the IIGCC's Private Debt component has been published.		The issuance of the above-mentioned questionnaire was the first step toward making progress on this objective. We are currently focused on establishing an asset alignment baseline using the emissions data and net zero information collected. This will inform the development of our future alignment strategy.
Produce our second TCFD Entity Report in 2025 relating to FY2024, documenting the improvements we have made in managing climate-related risks and opportunities and progressing towards full alignment with the recommendations of the TCFD		During the reporting period, we published our FY2024 TCFD Entity Report .

 Achieved

Assessment of effectiveness in identifying and responding to market-wide and systemic risks and promoting well-functioning financial markets

To assess our effectiveness in identifying and responding to market-wide and systemic risks, we point to our low performance volatility and our established track record as key indicators.

Measuring the effectiveness in promoting well-functioning financial markets is inherently challenging as the extent of our contribution in the aforementioned initiatives is difficult to quantify. Recognising this, we see ongoing opportunities for improvement and are committed to increasing our active involvement in both existing and new initiatives.

Principle 4: Well-Functioning Markets

Future actions

In the year ahead, we plan to action the following to improve further our effectiveness in identifying and responding to market-wide and systemic risks and promoting well-functioning financial markets:

Continue to commission portfolio reviews in response to market events and trends.

Further enhance our ESG risk analysis by rolling out our second ESG questionnaire to portfolio companies.

Produce our third TCFD Entity Report in 2026 relating to FY2025, documenting the improvements we have made in managing climate-related risks and opportunities and progressing towards full alignment with the recommendations of the TCFD.

Principle 5: Review and Assurance

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

Stewardship policies

We operate in accordance with a number of responsible investment-related policies as listed below. These policies provide transparency on our responsible investment framework and serve as a formal guide to readers. Like all Arcmont policies, they are reviewed on at least an annual basis to ensure they remain relevant and appropriate and reflect our ambitions. As outlined in [Principle 2: Governance, Resources and Incentives](#), we have a robust framework in place to ensure these policies are adhered to. Please refer to the section for further details.

Policy Name and Link	Effective Date	Date of Last Review
ESG Exclusions Policy²²	March 2018 ²³	August 2025
Responsible Investment Policy	July 2013	August 2025
Climate Change Addendum to Arcmont's Responsible Investment Policy	December 2022	October 2025
Impact Investment Policy	July 2024	November 2025
Voting Policy (internal)	October 2023	October 2025

Case Study

Reviewing ESG policies to ensure they enable effective stewardship

During the period, our ESG-related policies were reviewed and updated, where required. Please see below select examples of the policies that were updated and high level details of the changes made. Note that any updates apply to the Arcmont Funds that are still in their investment periods at the time changes are made. Arcmont Funds that are no longer investing will not be subject to the new requirements.

Policy Name and Link	Updates
ESG Exclusions Policy	During the period, the policy was updated primarily to capture the exclusions process for Net Asset Value (NAV) Financing transactions. For the avoidance of doubt, these changes do not substantively amend the policy or change the types of investments the relevant Arcmont funds are making. The changes were for clarificatory purposes only.
Responsible Investment Policy	During the period, the policy was updated to capture the responsible investment process for Net Asset Value (NAV) Financing transactions, reflect the ESG Committee's revised terms of reference and reflect the updates made to Arcmont's Universe of ESG Issues list. For the avoidance of doubt, there were no material changes to Arcmont's existing responsible investment process for Direct Lending transactions.
Impact Investment Policy	During the reporting, the policy was formally adopted.

²² This policy applies to all Senior Loan and Direct Lending co-mingled funds and associated vehicles as well as Capital Solutions Fund I and associated vehicles. A different exclusion policy applies to subsequent Capital Solutions fund vintages.

²³ When part of BlueBay, we adhered to the firm's [Controversial Weapons Investment Policy](#).

Principle 5: Review and Assurance

Ensuring our stewardship reporting is fair, balanced and understandable

As further described under [Principle 6: Client and Beneficiary Needs](#), we are committed to providing timely, transparent and comprehensive reporting to our clients on our stewardship activities, both at the corporate and fund levels, giving them clear insights into our processes and activities. To ensure all reporting is fair, balanced and understandable, we follow a stringent review process to ensure that all communications are written in plain language, contain relevant content and are easy to read.

Our internal review process requires at least a four-eye internal review to ensure the information published is complete, accurate and free from errors. We may also leverage external consultants to support the drafting of certain reports. Depending on the content and intended audience, external communications may be reviewed by an external party where we feel it is necessary to ensure compliance with the relevant regions' regulatory requirements.

Case Study

External review – SFDR disclosures

As mentioned in last year's [Stewardship Report](#), the Arcomt Funds currently investing are EU domiciled Alternative Investment Funds (AIFs) and are therefore in scope of the EU ESG-related regulations including the Sustainable Finance Disclosure Regulation (SFDR). During the reporting period, we included the appropriate SFDR disclosures in the relevant funds' 2024 audited accounts which provide transparent information on the sustainability characteristics of the funds, giving readers clear insights into our stewardship activities. These were initially drafted with support from Luxembourg legal counsel. As part of our year end audit procedures, our auditors reviewed the disclosures to confirm they were consistent with the financial statements and had been prepared in accordance with applicable legal requirements.

Case Study

External Assurance – Internal Controls Audit



As mentioned in last year's [Stewardship Report](#), and detailed in [Principle 2: Governance, Resources and Incentives](#), we undertook and finalised our first Type II internal controls audit²⁴ with respect to our portfolio management services as of 31 August 2024. The examination evaluated the description of the internal controls, their design suitability and their operating effectiveness. The report, which also covered ESG-specific controls, concluded with an unqualified opinion, affirming the robustness of our internal control environment. This independent oversight gives us and our investors confidence that we have robust processes and structures in place to protect the value of their investments.

²⁴ A Type II audit is an extension of the Type I audit, providing a more comprehensive evaluation of the service organisation's controls. While the Type I audit focuses on control design, the Type II audit assesses the operating effectiveness of these controls over a specified period, typically six to twelve months.

Principle 5: Review and Assurance

Assessing the effectiveness of our stewardship activities

Progress against objectives set out in our 2024 Stewardship Report

Objectives in 2024 Report	Status	Details
Continue to participate in the UN PRI assessments under Nuveen.	N/A	Nuveen voluntarily completed full PRI assessments in 2023 and 2024, even when the latter was optional for previous participants. For the 2025 reporting cycle, only the Senior Leadership Statement and Other Responsible Investment Reporting Obligations modules were required, so Nuveen’s public Transparency Report just covers these two sections.
Review all responsible investment policies, making updates where necessary to integrate evolving best practices and communicate the enhancements made to our processes.		Please refer to the Reviewing ESG policies to ensure they enable effective stewardship case study in this section for further details.
Perform a Type II controls audit in 2025, giving users comfort on the design and operating effectiveness of the controls over a period of time.		During the reporting period, Arcmont received an unqualified Type II internal controls audit report. Please refer to the External Assurance – Internal Controls Audit case study in this section for further details.

 Achieved

Principle 5: Review and Assurance

Future actions

In the year ahead, we plan to action the following to strengthen and improve our stewardship policies and processes:

Review all responsible investment policies, making updates where necessary to integrate evolving best practices and communicate the enhancements made to our processes.

Continue to participate in the UN PRI assessments under Nuveen, where required.

Perform a Type II controls audit in 2026, giving users comfort on the design and operating effectiveness of the controls over a period of time.

Investment Approach
















Principle 6: Client and Beneficiary Needs

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

Investor base breakdown

As of 30 September 2025, Arcmont has raised over €38.1 billion²⁵ of capital from over 440 investors since inception, with a broad investor base covering institutional, pension and insurance clients.

Investor by type²⁶

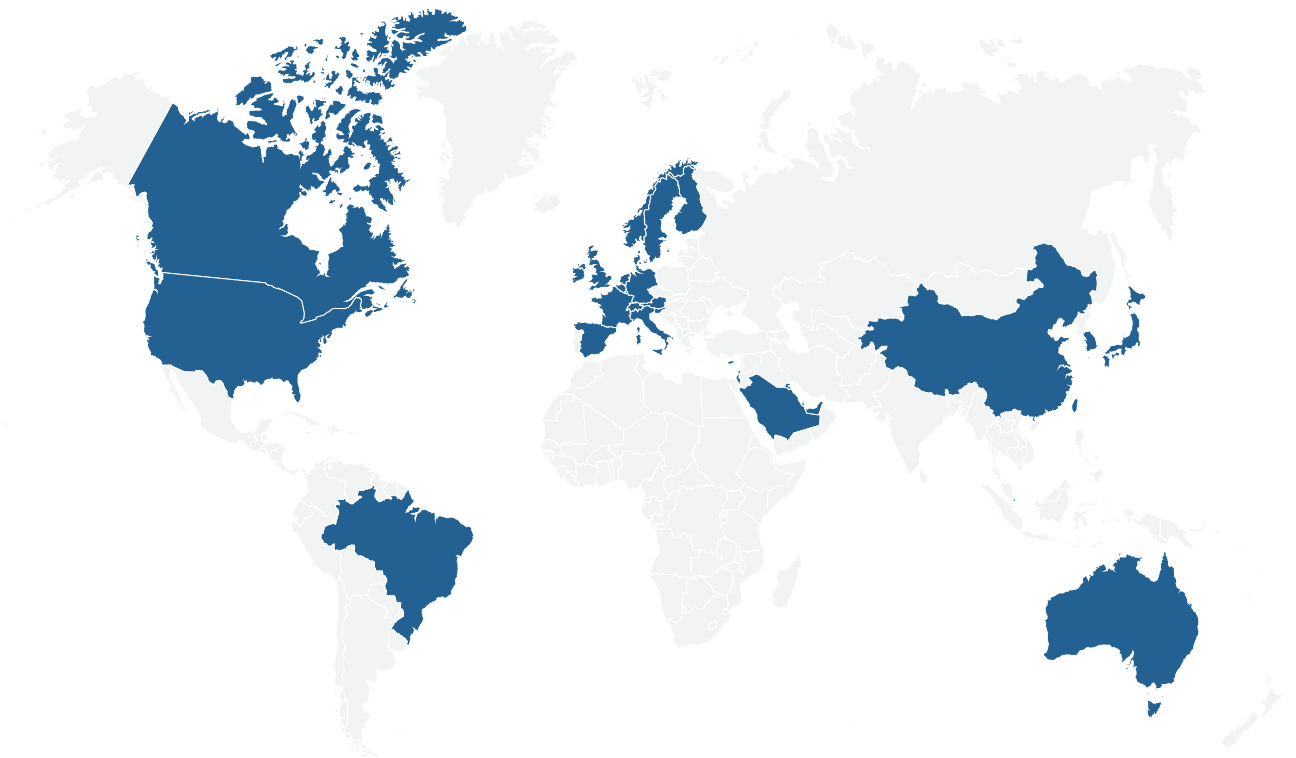
Asset Manager		9.2%
Consulting Firm		0.0%
Corporate Pension		20.8%
Endowment/Foundation		2.3%
Family Office		2.4%
Financial Institution		5.3%
Fund of Funds		0.0%
Government Agency		1.1%
High Net Worth		0.1%
Insurance		21.1%
Internal/General Partner		0.2%
Placement Agent		0.1%
Public Pension		28.0%
Sovereign Wealth Fund		9.3%
Wealth Manager		0.2%

²⁵ Includes SMAs, co-investment commitments and applicable leverage.

²⁶ Investor commitments including leverage. Rounded to nearest decimal.

Principle 6: Client and Beneficiary Needs

Investor by geography²⁷



Australia		0.3%
Austria		0.6%
Bahrain		0.0%
Belgium		1.0%
Bermuda		0.1%
Brazil		0.0%
Canada	█	5.0%
China	█	1.5%
Cyprus		0.1%
Denmark	█	1.4%
Finland	█	4.3%
France		0.4%
Germany	█	5.9%
Hong Kong	█	1.5%
Ireland		0.1%
Israel	█	3.7%
Italy	█	3.9%

Japan	█	5.5%
Kuwait	█	2.3%
Luxembourg		0.0%
Netherlands	█	6.5%
Norway	█	1.0%
Saudi Arabia		0.1%
Singapore	█	7.5%
Slovenia		0.0%
South Korea	█	3.2%
Spain		0.2%
Sweden	█	3.0%
Switzerland	█	1.9%
Taiwan		0.3%
United Arab Emirates	█	1.4%
United Kingdom	█	19.1%
United States	█	18.2%

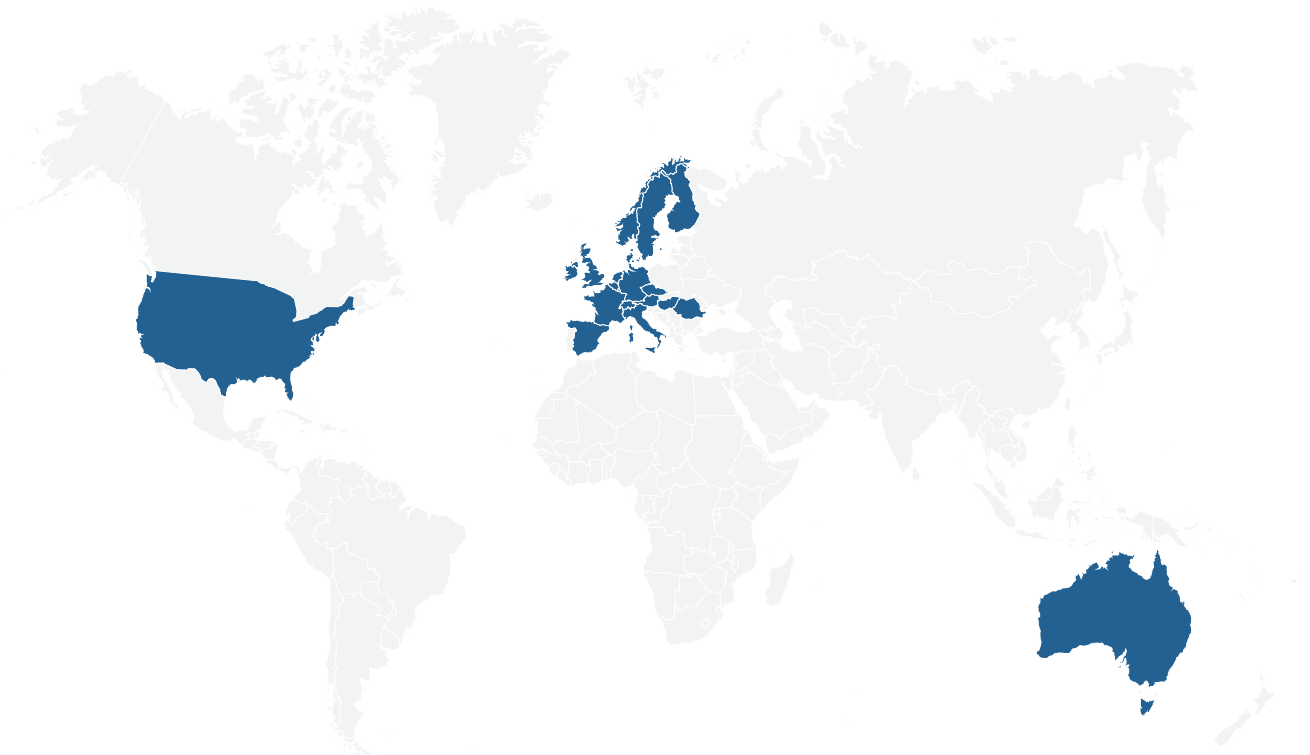
²⁷ Investor commitments including leverage. Rounded to nearest decimal.

Principle 6: Client and Beneficiary Needs

Deployed capital breakdown

As of 30 September 2025, we have committed €35.1 billion²⁸ in over 250 deals across 21 geographies²⁹.

Deployed capital by geography



Country of risk

Australia		0.3%
Belgium		0.6%
Denmark		1.4%
France		17.6%
Germany		21.4%
Hungary		0.2%
Italy		4.9%
Malta		0.3%
Netherlands		5.4%
Norway		0.7%

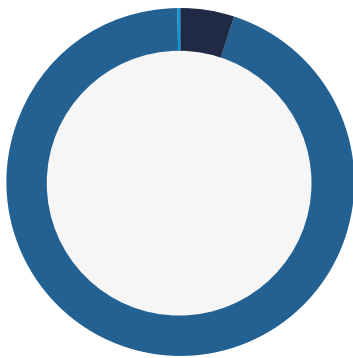
Romania		0.6%
Spain		6.9%
Sweden		2.6%
Switzerland		2.4%
United Kingdom		28.0%
United States		3.8%
Austria		0.5%
Finland		1.5%
Ireland		0.4%
Czech Republic		0.2%
Luxembourg		0.3%

²⁸ Excludes co-investments.

²⁹ Country of risk.

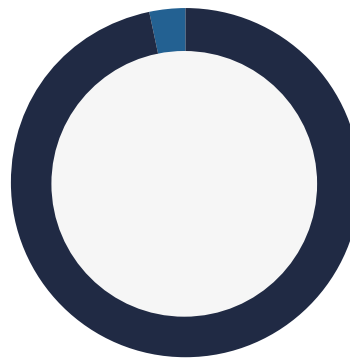
Principle 6: Client and Beneficiary Needs

Deployed capital by strategy



Fund Strategy	
Capital Solutions	5.0%
Direct Lending	94.8%
Impact Lending	0.2%

Deployed capital by asset type



Asset type	
Debt	96.9%
Equity	3.1%

Investment time horizon we consider appropriate to deliver to the needs of clients

The majority of Arcmont's vehicles are closed-ended, typically with investment periods of three to four years and harvesting phases of two to three years, reflecting our team's experience, historical realisation periods and investor return objectives. To further maximise value and protect clients, our funds generally allow at least two one-year extensions, enabling orderly exits and helping to avoid forced liquidations.

Recognising evolving investor needs, we have expanded our product suite to include evergreen and open-ended structures (ECAP & LTAF), with limited quarterly liquidity for added flexibility. In addition, we manage several separately managed accounts (SMAs), each tailored to the specific goals of the investor.

Alongside structural innovation, we have developed complementary strategies to our core Direct Lending offering, including Impact Lending and Net Asset Value (NAV) Financing, broadening investors' access to a diverse range of Private Credit opportunities.

For further details on our product offering, please contact clientservices@arcmont.com.

Product offering



Principle 6: Client and Beneficiary Needs

How we have taken account of the views of clients

Investor due diligence

Prospective investors conduct thorough due diligence on Arcmont before committing capital, gaining clear insight into our operations and stewardship activities. Any additional requirements are formally documented in side letters, ensuring investor expectations are clearly understood from the outset.

Ongoing investor communication

We maintain regular dialogue with our investors and respond to a range of queries and data requests, providing us with constant feedback and insight into their evolving needs and interests.

Case Study

Inaugural Client Survey

During the reporting period, in April 2025, we undertook an inaugural client survey to gather feedback from clients on their experience of working with Arcmont. Our aim was to identify whether we are meeting client expectations, to identify opportunities for enhancement and to continue to deepen client partnerships. The results demonstrated very high client service satisfaction scores (91% positive), with particularly strong feedback on responsiveness and reporting. Insights gained from the survey have led to us increasing the number of touchpoints for clients across the organisation and developing a further enhanced reporting suite to provide expanded insights to clients. Other initiatives will continue to be rolled out over the year ahead. We will look to expand this initiative in the future to ensure we continue to hear how we can best support our clients.

Communications to investors about our stewardship and investment activities

Our Client Services team manages all investor relationships throughout the fund lifecycle and beyond, ensuring access to expert insights and high-quality service. For stewardship-related queries, our Head of Corporate Sustainability and Responsible Investing or our Chief Operating Officer (who chairs the ESG Committee) serve as subject matter experts. In addition to continuous access to the Client Services team and regular responsible investment and impact reporting, we host investor updates via video calls and in-person at our Annual General Meetings, where ESG and impact topics are featured.

Type of stewardship information provided, methods and frequency of communication

We are committed to providing timely, transparent and comprehensive reporting on our responsible investment and impact activities, keeping investors well-informed about our stewardship activities through regular written reports, meetings and direct communications.

Product Level Reporting

For Direct Lending fixed-term products, we produce the following product level reports for investors.

- **Quarterly ESG Reports:** Outline our responsible investment approach, highlight any material ESG events during the period and provide a summary of the fund's ESG characteristics. These reports also contain comprehensive details on each portfolio company's ESG risk profiles, details of engagement efforts and, where applicable, alignment with the Sustainable Development Goals (SDGs).
- **Annual ESG Data Reports:** Provide investors with key environmental and social metrics for every portfolio company as well as aggregate portfolio metrics.
- **Sustainable Financial Disclosure Regulation (SFDR) disclosures:** The required SFDR disclosures (pre-contractual, website and periodic) are provided to investors, giving them insights into the sustainability characteristics of the relevant products.

Principle 6: Client and Beneficiary Needs

Public disclosures

We produce the following reports on an annual basis which are made publicly available.

- **Sustainability Report:** Details our sustainability strategy, annual progress and objectives for the coming year.
- **UN PRI Transparency Report:** As signatory to the UN PRI under Nuveen, Arcmont's responsible investment activities are covered in Nuveen's annual PRI reporting where required.
- **Stewardship Report:** Sets out how we meet the UK Stewardship Code's principles, including oversight, engagement practices and case studies showing the effectiveness of our stewardship.
- **TCFD Entity Report:** Provides disclosure on governance, strategy, risk management and climate-related metrics and targets, in line with FCA-mandated TCFD guidelines. Please see further details in the case study below.

Case Study

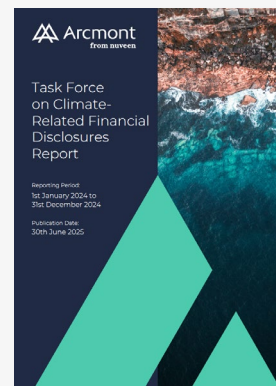
Sustainability Report

During the reporting period, we published our fourth **Sustainability Report** for FY2024. This report details our overarching sustainability strategy and priority areas, highlights the progress and achievements made in 2024, and sets out our key objectives for the year ahead.

Case Study

TCFD Entity Report






During the reporting period, we published our second **TCFD Entity Report**, which builds on our inaugural 2023 report and reflects several key developments from 2024. Notably, we completed a portfolio-wide decarbonisation assessment, launched impact lending strategy and took preparatory steps to both enhance emissions data coverage and conduct a more detailed scenario analysis in the near term. These initiatives demonstrate our continued progress and commitment to aligning with TCFD recommendations.



Principle 6: Client and Beneficiary Needs

Actions taken during the period

Progress against objectives set out in our 2024 Stewardship Report

Objectives in 2024 Report	Status	Details
Continue to explore seeking regular direct investor feedback e.g. via an investor wide survey.		During the reporting period, we sought investor feedback. Please refer to the Inaugural Client Survey case study above for further details.
Continue to keep our investors well-informed via our extensive reporting and regular updates.		During the reporting period, in addition to providing investors with the product level reports described above, we published our second TCFD Entity Report , our third Stewardship Report and our fourth Sustainability Report . We also provided investors with quarterly updates (three investor update videos and hosted our AGM).
Continue to enhance and develop our ESG reporting to better reflect our investors' requirements.		During the reporting period, conducted a decarbonisation progress and a CSRD exposure assessment and subsequently reported the results to our investors via our quarterly ESG reports.
Explore providing investors with the European ESG Template (EET) in response to increasing demand.	N/A	We actively considered providing the EET during the reporting period. However, given the nature of the Arcmont Funds' investment strategies, there is limited information available for disclosure through the EET at this time.
Publish a TCFD report for FY2024 in 2025.		During the reporting period, we published our second TCFD Entity Report. Please refer to the TCFD Entity Report case study in this section for more information.
Continue to explore new product opportunities to suit our evolving investor requirements.		Arcmont continues to innovate and explore opportunities. Please refer to the Investment time horizon we consider appropriate to deliver to the needs of clients section for more information on our currently product offering.

 Achieved

Principle 6: Client and Beneficiary Needs

Future actions

In the year ahead, we plan to action the following to further strengthen our insight of investor views related to stewardship:

Continue to keep our investors well-informed via our extensive reporting and regular updates.

Expand our client survey to ensure we continue to hear how we can best support our clients.

Continue to enhance and develop our ESG reporting to better reflect our investors' requirements.

Publish a TCFD report for FY2025 in 2026.

Principle 7: Stewardship, Investment & ESG Integration

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

ESG factors are financially material. They are both drivers of investment value and sources of risk. For this reason, we systematically consider them at every stage of the deal lifecycle to protect our clients' assets. Our approach is documented in our [Responsible Investment Policy](#) and applies to all assets under management.³⁰



³⁰ Any enhancements made apply to active funds at the time of implementation. This means that legacy funds may not be subject to the same stringent requirements.

Principle 7: Stewardship, Investment & ESG Integration

Processes used to integrate stewardship and investment

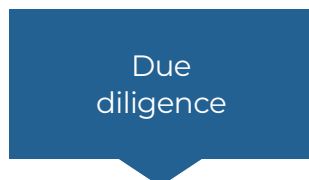
Below we outline our ESG-integrated investment and portfolio management process. Note that every investment undergoes this process, regardless of asset type and geography.

Stage 1



Opportunities are first screened against an ESG exclusions policy and screened for ESG risk incidents/controversies.

Stage 2



An ESG materiality assessment is conducted, and the opportunity is assigned an ESG Risk Score. As part of this, a Good Governance assessment is undertaken. The is documented and then sent to the ESG Consultant to independently review and agree the score before being finalised.

Stage 3



The relevant investment committee considers the credit analysis, including the results of the ESG due diligence, before making their decision to pursue the opportunity.

Stage 4



The Deal Approval Committee ("DAC") considers the credit analysis, including the results of the ESG due diligence, before making their decision to approve the opportunity. A member of the Responsible Investing team is required to sign off on each investment from an ESG perspective as part of the DAC approval process.

Stage 5



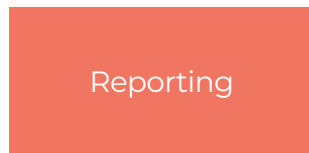
A formal quarterly ESG review takes place where the ESG materiality assessment of every investment is updated based on monitoring updates and the ESG Risk Score is adjusted where necessary. This is independently reviewed by the ESG Consultant before being finalised.

Stage 6



Arcmont offers certain borrowers' sustainability-linked margin ratchets³¹ to financially incentivise them to better manage material ESG risks, with a specific focus on climate risks.

Stage 7



Arcmont provides investors with comprehensive ESG information which includes the required Sustainable Finance Disclosure Regulation (SFDR) disclosures.

³¹ Arcmont's policy is to offer a sustainability-linked margin ratchet to every (a) new Direct Lending primary borrower since April 2021 and (b) existing Direct Lending primary borrower who is provided additional financing after April 2021. However, the take up of the offer of the ratchet is voluntary and borrowers elect to participate.

Principle 7: Stewardship, Investment & ESG Integration

Material ESG issues

As mentioned in [Principle 4: Well-Functioning Markets](#), we leverage a bespoke tool titled “Arcmont’s Universe of ESG Issues” list which captures the most relevant and most material ESG risks for the companies in our investable universe. Developed with input from subject matter experts, leveraging frameworks such as the SASB Standards³² and SASB’s Climate Risk Technical Bulletin³³, this tool ensures key ESG risks are considered and assessed both pre-investment and throughout the holding period. The list is reviewed and updated annually to ensure it remains aligned with evolving risks and industry best practices.

During the 12-month period 31 October 2025, we expanded the scope of the list by adding “Responsible Business Practices” and “Diversity, Equity and Inclusion” as standalone risks to deepen our assessment of each.

ESG Appendix Generator

We utilise a bespoke “ESG Appendix Generator”, developed in collaboration with sustainability experts, to ensure a comprehensive and systematic evaluation of key ESG risks during due diligence. The appendix incorporates all the issues in Arcmont’s Universe of ESG Issues list (see above). By selecting an investment’s MSCI’s Global Industry Classification Standard (GICS)³⁴ and SASB’s Sustainable Industry Classification System (SICS)³⁵ industry classifications, the generator highlights potentially material ESG risks, drawing on sources such as the MSCI and SASB materiality matrixes, SASB’s Climate Risk Technical Bulletin, Arcmont’s bespoke GICS mapping tool, and provides corresponding questions for the deal team to address. The questions consider a company’s business activities, geographic footprint and other pertinent factors that were determined by our ESG Consultant. The deal team answers these using both due diligence materials and public information, ultimately assessing materiality of each issue for the specific business.

Once material ESG issues are identified, they are closely monitored throughout the holding period, with formal reviews conducted each quarter. As part of these reviews, the Investment team engage directly with management to gather updates on these risks, as well as overall ESG performance and objectives. ESG Risk Scores are then adjusted as necessary based on new information. If a new material issue arises during the holding period, it will be incorporated into ongoing monitoring and the score updated accordingly.

³² <https://sasb.ifrs.org/standards/>

³³ <https://sasb.ifrs.org/wp-content/uploads/2021/05/Climate-Risk-Technical-Bulletin2021-042821.pdf>

³⁴ MSCI GICS

³⁵ SASB SICS

Principle 7: Stewardship, Investment & ESG Integration

Examples of how information gathered through stewardship has informed acquisition, monitoring and exit decisions

ESG exclusions policies used to inform investment decisions

At the deal origination stage, we apply exclusions to filter out business activities that (i) have material exposure to sectors highly vulnerable to significant, financially material ESG risks and (ii) are identified as being engaged in serious violations of the UN Global Compact (UNGC) principles. While we generally prefer to engage with companies to address controversial practices and strengthen their ESG risk profiles, we recognise that certain activities fundamentally conflict with our responsible investment objectives and those of our investors. Accordingly, we limit our exposure to such borrowers, as outlined in our ESG exclusions policy.

Case Study

Deals rejected due ESG reasons

During the period, we declined to participate in a number of transactions due to ESG reasons. Please see below select examples.

Business Description	Reason for Decline	Details
Aerospace manufacturing company	Prohibited under the applicable ESG exclusions policy	Produces material physical components specifically designed for fighter jets, a type of conventional weapon.
Logistic company specialising in transportation of fuel, bitumen and gases	Prohibited under the applicable ESG exclusions policy	The company generated significant revenues from the distribution of prohibited fossil fuels that exceeded our 5% revenue threshold.
Media and technology company	Wider ESG Concerns	Partners with major betting operators to deliver multilingual digital products and content, engaging and educating customers worldwide.
Provider of IT services	Wider ESG Concerns	The CEO was arrested and pleaded guilty to bribery related to public contract tenders. Despite claimed remediation, the investigation was ongoing, and it was difficult to assess whether improper practices were limited to top management or might be more widespread.

Principle 7: Stewardship, Investment & ESG Integration

RepRisk used to inform acquisition and monitoring decisions

As mentioned in [Principle 2: Governance, Resources and Incentives](#), we utilise an ESG Risk Analytics Platform to source additional information on companies' business conduct and ESG risks. The platform enables us to (i) identify industry-specific, material ESG risks, (ii) assess companies' ESG exposures through its Sustainable Development Goals (SDG) risk framework and (iii) monitor ESG risks daily using customisable watchlists and tailored email alerts. By combining artificial intelligence with expert analysis to screen our portfolio companies each day, the platform supports timely, well-informed investment and ongoing monitoring decisions.

In terms of investment decision making, should a major controversy be identified by RepRisk prior to investment, we will conduct further due diligence. We consider the severity, irremediability and frequency of the controversy as well as the company's degree of complicity. The measures a company has implemented to prevent repeats of the violation are also central to the assessment.

If preventative measures are not adequate to prevent a reoccurrence, the investment will not be pursued. In terms of monitoring activities, the platform prompts us to engage with borrowers on issues in a timely manner.

During the 12-month period ending 31 October 2025, every existing and prospective borrower was screened using RepRisk.

Case Study

ESG risk incidents identified by the ESG Risk Analytics Platform

During the reporting period, the platform flagged a ransomware cyber-attack for one of our existing portfolio companies. This prompted the Responsible Investing team to engage with the deal team to assess the situation. Positively, the deal team was already aware of the incident and had established open and active communication with the sponsor and company management, who were demonstrating a proactive response. This case highlights the strength of our monitoring framework, where third-party tools like the ESG Risk Analytics Platform provide valuable support, but do not replace, the vigilance and engagement of our deal teams.

ESG Risk Score used to inform acquisition and monitoring decisions

Pre-investment Scores

Every prospective investment undergoes a comprehensive ESG materiality assessment using the ESG Appendix Generator, and the results are used to assign an ESG Risk Score. The score ranges from +6 (Very Low Risk) to -6 (Very High Risk), quantifying the likelihood of negative financial impact from ESG risks based on available information. To protect our clients' assets, we maintain a policy of not investing in companies with a score below -3 (High Risk). This represents a company that faces moderate to severe ESG risks across multiple areas which are not being adequately managed.

Investment Decisions made based on ESG Risk Scores

During the 12-month period ending 31 October 2025, no deals were rejected due to their ESG Risk Scores. This outcome does not reflect a lack of effectiveness in our process. Rather, it demonstrates the strength of our ESG integration as our Responsible Investing team, ESG Consultant and ESG Committee are engaged from the outset, taking a proactive and often conservative approach when material ESG concerns arise.

Principle 7: Stewardship, Investment & ESG Integration

Post-investment scores

As noted above, during our holding period, the deal team maintains an ongoing dialogue with borrowers. Each quarter, a formal review is conducted, during which deal teams engage with portfolio companies to discuss material ESG issues as well as provide updates on overall ESG performance and objectives. The ESG Risk Scores are then updated based on the information received, enabling us to closely track and monitor the ESG risk profiles of our portfolio companies throughout our holding period and take appropriate action should scores decline, ensuring the protection of our clients' interests.

We have observed that, in general, the ESG Risk Scores of our borrowers tend to improve over time. This upward trajectory reflects the growing recognition by borrowers and sponsors of the importance of managing ESG risks and the increasing demands from EU regulations relating to sustainability and ESG disclosure. As a result, borrowers are generally progressively strengthening their ESG practices and risk management frameworks throughout our holding period.

Case Study

Inaugural Portfolio Company ESG Questionnaire

During the reporting period, we issued an inaugural ESG questionnaire to all primary borrowers to collect ESG information and data, with the aim to better understand their ESG risk profiles and identify areas for improvement. The questionnaire was voluntary, but positively, we received complete questionnaires from 62% of portfolio companies. The results are currently being integrated into our internal portfolio management system, after which they will be reviewed, incorporated into our ongoing ESG risk assessments and used to inform targeted follow-ups.

Ensure service providers have received clear and actionable criteria to support the integration of stewardship and investment, including material ESG issues

Before onboarding service providers to support our responsible investment efforts, we require thorough due diligence to assess their capabilities to meet our stewardship objectives and ambitions. This process includes a detailed evaluation of key service areas, such as processes, technology, data quality, staff and senior management expertise and platform usability. In addition, we have contracts in place that clearly outline our expectations and the scope of work, ensuring that providers have actionable criteria and can be held accountable for their performance.

Principle 8: Monitoring Managers and Service Providers

Signatories monitor and hold to account managers and/or service providers.

We use a variety of service providers to support our operations and the services provided to our clients. As outlined in [Principle 2: Governance, Resources and Incentives](#), we utilise the below service providers to support us with our stewardship-related activities.

- ESG Risk Analytics Platform
- Proxy Data Provider
- ESG Consultant
- Climate Consultant
- Impact Consultant

We have contracts in place with each provider detailing the scope of work. This ensures they have clear and actionable criteria and can be held accountable.

Note that as a Private Credit asset manager, we have limited opportunities to participate in votes and therefore do not utilise external proxy voting services.

Vendor Due Diligence

All service providers engaged by Arcmont undergo a criticality assessment, which determines the level of initial and ongoing due diligence required. For vendors with access to personal information or those identified as critical to business continuity, we continue to leverage ACA Aponix for cybersecurity due diligence. For high-risk providers, we conduct periodic service review meetings and, where possible, agree on quantifiable KPIs to ensure service quality aligns with our standards and evolving needs.

Case Study

FY2024/25 Vendor Due Diligence

As reported in last year's [Stewardship Report](#), we conduct annual vendor due diligence. As part of the FY2024/25 process, a tailored cybersecurity questionnaire was sent to selected key vendors. Once responses were received, ACA Aponix reviewed the information and conducted follow-ups as necessary. Each vendor was subsequently assigned a score based on the level of risk posed to us. During the period, 12 key vendors completed the cyber due diligence process, with no material issues identified that required further action from us or the suppliers.

Case Study

Ongoing vendor engagement

During the reporting period, we engaged with a key supplier to address issues identified in a cyber due diligence review. This collaboration led to a strengthened control environment for the supplier and enhanced the operational resilience of the services provided. In addition, we further improved our oversight of the supplier by formalising quarterly engagement meetings and introducing a quarterly scorecard. This scorecard enables service levels and overall value to be reviewed and tracked more objectively over time.

Engagement



Principle 9: Engagement

Signatories engage with issuers to maintain or enhance the value of assets.

Quarterly Dialogue

As outlined in [Principle 7: Stewardship, Investment, and ESG Integration](#), we conduct a comprehensive ESG materiality assessment for each prospective borrower as part of our standard pre-investment due diligence. This enables us to identify key ESG risks, which are then systematically monitored throughout our holding period.

Each quarter, our deal teams engage in dialogue with portfolio companies to obtain updates on material ESG risks, performance and objectives. This regular, structured dialogue forms the foundation of our ongoing stewardship, facilitating targeted engagement and proactive management of sustainability risks. Importantly, the same deal team that executes an investment continues to monitor the company throughout our holding period, ensuring continuity of knowledge and fostering strong, collaborative relationships.

Targeted Engagements

We adopt the Investment Consultants Sustainability Working Group's (ICSWG) definition of 'engagement' which is "purposeful, targeted communication with an entity (e.g., company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement"³⁶.

Using this definition, our primary form of engagement with portfolio companies is through sustainability-linked margin ratchets (SLMRs). As a Private Credit asset manager, we have less influence over our portfolio companies than Private Equity owners. To overcome this, we offer certain primary borrowers SLMRs³⁷ i.e. provisions that link the interest rate a borrower pays to pre-agreed key performance indicators (KPIs) and sustainability performance targets (SPTs). This structure is designed to incentivise and support improved ESG risk management practices.

Each SLMR is developed collaboratively between Arcmont, the sponsor and the borrower, fostering meaningful engagement and alignment on sustainability priorities. This process also deepens our understanding of each borrower's sustainability programme and facilitates sponsor alignment on key areas of progress.

Each SLMR is bespoke to each investment, with the number and type of KPIs and SPTs and the structure of the financial incentive varying according to factors such as the nature of the investment, the size of our holding and the ambition of the targets. To ensure the integrity of these instruments, we seek to follow the Loan Market Associations' [Sustainability-Linked Loan Principles](#) to the extent possible. This means we prioritise KPIs that are:

- Relevant, core and material to the borrower's overall business, and of high strategic significance to the borrower's current and/or future operations;
- Measurable or quantifiable on a consistent methodological basis; and
- Able to be benchmarked (i.e. as much as possible using an external reference or definitions to facilitate the assessment of the SPT's level of ambition).

³⁶ ICSWG Engagement Reporting Guide

³⁷ Arcmont's policy is to offer a sustainability-linked margin ratchet to every (a) new Direct Lending primary borrower since April 2021 and (b) existing Direct Lending primary borrower who is provided additional financing after April 2021. However, the take up of the offer of the ratchet is voluntary and borrowers elect to participate.

Principle 9: Engagement

We aim to include a climate-related KPI in every SLMR, with a strong focus on encouraging borrowers to set and achieve science-based greenhouse gas (GHG) emissions reduction targets. When selecting other KPIs, we take a materiality-first approach, targeting the issues most likely to have significant financial impact based on our pre-investment ESG materiality assessment. This ensures that KPIs are always tailored to the specific characteristics of each portfolio company. In addition, we consider systemic issues relevant to the borrower, including human rights, cybersecurity and biodiversity.

SLMR statistics

During the 12-month period ending 30 September 2025:

- We agreed and documented three SLMRs, all of which are linked to at least one climate KPI, bringing the total number signed to 34.
- 12 borrowers with a documented SLMRs met an agreed SPT, bringing the total number of borrowers that have met at least one target to 22.

Please see below examples of our SLMRs as well as the outcomes.

Case Study

Encouraging GHG emissions intensity reductions

As reported in last year's [Stewardship Report](#), we agreed a SLMR with a UK based nurse group in December 2022. At the time, the company was required to measure its Scope 1 and 2 emissions annually under the UK Streamlined Energy and Carbon Reporting (SECR) framework but had not yet established reduction targets. We designed and implemented a ratchet to financially incentivise the company to set and achieve Science Based Targets (SBTs) related to its GHG emissions intensity per child.

Outcome update

To date, the company has set SBTs and met its FY2023, FY2024 and FY2025 targets. It has therefore been awarded with the agreed discount on margin.

Principle 9: Engagement

Case Study

Encouraging GHG emissions intensity reductions

As reported in last year's [Stewardship Report](#), we agreed a SLMR with a UK accountancy firm in 2022. At the time, the company had been internally calculating its emissions since FY2020, but the data had not been externally verified, and Scope 3 emissions tracking was incomplete, covering only selected aspects of Categories 5 and 6, which are material for the business. Additionally, the company had not yet set any GHG emissions reduction targets. We designed and implemented a SLMR to financially incentivise the company to set and achieve SBTs related to its Scope 1 and 2 GHG emissions intensity, as well as its Scope 3 (Categories 5 and 6) emissions intensity.

Outcome update

To date, the company has set SBTs, however, due to delays in obtaining a verified carbon inventory report, the company did not meet its first time-bound target.

Case Study

Encouraging GHG emissions intensity reductions

During the reporting period, we agreed a SLMR with a provider of mission-critical IT services. At the time, the company was committed to enhancing its ESG performance but has not yet established specific targets in several areas. The SLMR encourages the company to (i) reduce its Scope 3 GHG emissions intensity, (ii) increase the gender diversity across its trainee and internship programmes and (iii) implement client ESG assessments as part of every customer journey.

Outcome update

As the first test date has not yet passed, we are currently unable to report on the outcomes of the engagement. Nonetheless, by entering into the agreement, the portfolio company has demonstrated a clear commitment to achieving the objectives set.

Actions taken during the period to improve our engagement approach

During the 12-month period ending 31 October 2025, we continued to engage with every eligible borrower on our SLMR programme and issued an inaugural portfolio company ESG questionnaire. Please refer to the Inaugural Portfolio Company ESG Questionnaire case study for further information.

Principle 10: Collaboration

Signatories, where necessary, participate in collaborative engagement to influence issuers.

At Arcmont, we are committed to advancing stewardship through collaboration with portfolio companies, other lenders, private equity sponsors, and broader stakeholders. An important area of this collaboration is our engagement with co-lenders and sponsors to implement sustainability-linked margin ratchets (SLMRs). While such SLMRs have become common practice in the Private Credit market, approaches and areas of focus can vary widely among participants, making collaboration essential.

As noted in [Principle 9: Engagement](#), each SLMR is developed collaboratively between Arcmont, the sponsor and the borrower, fostering meaningful engagement and alignment on sustainability priorities. This process also deepens our understanding of each borrower's sustainability programme and facilitates sponsor alignment on key areas of progress.

In every case, we seek to ensure that any SLMR proposed to us follows the Loan Market Association's Sustainability Linked Loan Principles (SLLPs), which also serve as our internal standard (see [Principle 9: Engagement](#)). We have declined to implement SLMRs where there was insufficient alignment with SLLPs, particularly when proposed KPIs were not material or SPTs lacked ambition. We believe that providing clear feedback to market participants on these matters helps to preserve the integrity of sustainability-linked products and contributes to the development of high-quality guidance for ESG practices in the Private Credit industry.

Collaborating with other lenders

In some cases, we invest alongside other lenders. In these situations, we collaborate not only to agree on the optimal debt structure but also to develop a joint engagement plan aimed at improving the portfolio company's sustainability profile.

Case Study

Collaborating with other lenders to agree a SLMR

As reported in last year's [Stewardship Report](#), we collaborated with a co-lender to implement a SLMR for a managed services provider, which was documented in December 2022. The SLMR focuses on three material areas: (i) cybersecurity, (ii) the Power Usage Effectiveness (PUE) of its two data centres and (iii) the proportion of its fleet comprised of electric vehicles. In this case, the company proposed KPIs and targets for our consideration.

Together with the ESG Consultant, we assessed the proposal against the SLLPs. Following this review, we requested revisions to two of the PUE targets to ensure they were ambitious and represented a meaningful improvement in performance. Although the co-lender originally used a different approach in their own SLMR programme, they supported our suggested revisions, which made the targets more challenging.

Outcome update

To date, the company has achieved both KPIs in FY2023 and FY2024 and has therefore been awarded with the agreed margin discount.

Principle 10: Collaboration

Collaborating with sponsors

As owners of our portfolio companies, sponsors have the ability to exert their influence and drive positive ESG changes. Therefore, identifying areas where our ESG objectives align with those of sponsors and focusing our engagement efforts accordingly increases sponsor buy-in and improves the effectiveness of our engagements. Below, we provide a specific example where the sponsor played an active role in advancing the agenda, along with the outcome achieved to date. For additional examples, please see the case studies under [Principle 9: Engagement](#).

Case Study

Agreeing to a sustainability-linked margin ratchet, designed by the financial sponsor

As reported in last year's [Stewardship Report](#), we collaborated with the sponsor to implement a SLMR for a portfolio company specialising in protective clothing for motorcyclists and dynamic sports. The ratchet, documented in May 2022, focussed on three material areas: (i) data security certifications, (ii) supplier social assessments and (iii) GHG emissions reductions. In this instance, the sponsor proposed KPIs and SPTs for our consideration.

Together with the ESG consultant, we assessed the proposal against the SLLPs. Following our review, we requested revisions to better align the ratchet with the SLLPs and secured additional rights in the legal documentation, including the ability to review the GHG emissions reduction targets once the baseline assessment was completed.

Outcome update

To date, the company has met all three targets in FY2022, FY2023 and FY2024, and has therefore been awarded with the agreed margin discount.

Collaborating with wider stakeholders

Arcmont and our employees participate in a range of industry memberships and initiatives, which not only inform and enhance our internal practices, but also contributes to the advancement of Private Credit-specific industry best practices and drive positive environmental, social and economic change.

For a full list of these initiatives, please refer to [Principle 4: Well-Functioning Market](#), specifically the section on "Working with other stakeholders to promote continued improvement of the functioning of financial markets." Additionally, the [UN PRI PDAC](#) case study illustrates the output of our collaborative efforts.

Principle 11: Escalation

Signatories, where necessary, escalate stewardship activities to influence issuers.

We adopt the UN PRI's definition of escalation in the context of stewardship, which is "the approach an investor takes if initial stewardship approaches are unsuccessful at achieving its objectives over a given time period"³⁸. The UN PRI further notes that escalation measures vary by asset class and investor type, but, in general, involve progressively more assertive stewardship tools and activities.

ESG escalation events

We are committed to escalating any issue that does not align with our responsible investment objectives, or those of our clients. Below, we outline examples of events that may prompt escalation activities, along with the specific objectives we aim to achieve through these actions.

Event	Necessary actions	Objectives for escalation	Example from the reporting period
Material ESG controversy	Despite our strong emphasis on pre-investment due diligence, ESG controversies may arise during our holding period. In such cases, we engage with the company to understand the root cause, assess the impact and ensure that effective remedial measures are implemented.	Ensure management mitigates negative impacts, addresses root causes and implements preventative actions.	As reported in Principle 7: Stewardship, Investment & ESG Integration , one of our portfolio companies was hit with a ransomware cyber-attack. Due to our close relationship with the sponsor and management team, the deal team were promptly notified and kept in open and active communication about the event until such time as the event was resolved.
Material decline in ESG Risk Score / ESG Risk Score falls below -3	We conduct quarterly reassessments of our portfolio companies' ESG risk profiles and scores. If a company's score declines further or falls below -3, we engage with management to understand the causes, assess the situation, and require corrective actions.	Drive meaningful improvements in ESG risk management.	No such event occurred during the period. As noted in Principle 7: Stewardship, Investment & ESG Integration , we have observed the ESG Risk Scores of our borrowers generally improving over our holding period.
Unsuccessful engagement	If a company consistently fails to meet or make progress toward sustainability-linked margin ratchet targets, we will escalate concerns to the company and sponsor, seek to understand barriers, advocate for needed change and revisit targets as appropriate.	Encourage effective progress and improvement in ESG practice.	As noted in last year's Stewardship Report , two portfolio companies failed to meet agreed sustainability targets for a second consecutive year and were classified as unsuccessful engagements. During the reporting period, we escalated our concerns. We are now in active discussions with one company to implement new KPIs and targets. The other company is currently focused on addressing near-term operational priorities and will resume focus on its sustainability targets soon.

³⁸ UN PRI: Reporting Framework Glossary

Principle 11: Escalation

Escalation methods

The primary asset class for funds managed or advised by Arcmont is debt, with all Arcmont funds maintaining a European focus. As a result, our escalation approach is consistent across all funds and geographies.

As further detailed in [Principle 12: Exercising Rights and Responsibilities](#) and in our internal Voting Policy, Arcmont may be able to exercise voting rights in rare cases where investments include an equity component, and we are granted shareholder rights. However, for the vast majority of our equity positions, we only hold a minority stake and our votes are not required for shareholder resolutions to pass. Most of our portfolio companies are also private companies, which means we are rarely consulted ahead of votes on any matters, including those related to ESG.

As a lender to private companies, the escalation tools available to us differ from those accessible to managers of other asset classes. The UN PRI provides guidance on escalation measures for listed equity holdings (PGS 36) and corporate fixed income assets (PGS 37) where initial engagement does not lead to satisfactory progress on ESG issue³⁹. For Private Credit investors such as Arcmont, the guidance on corporate fixed income is most relevant and includes:

Escalation Measure
Joining or broadening an existing collaborative engagement or initiating a new one
Publicly engaging, for example by signing an open letter
Choosing not to invest
Reducing exposure to the investee entity
Divesting
Litigation

In all cases, our escalation process begins with direct engagement, raising concerns with management teams, other lenders and private equity owners, leveraging our relationships to effect change. If the parties involved do not take appropriate action to address the ESG issue, we may consider mitigating our risk by selling our position to a third party if warranted. However, such a situation has not yet arisen for Arcmont. We remain committed to exhausting all available avenues for resolution before resorting to divestment.

³⁹ UN PRI Reporting Framework 2025: Policy, Governance and Strategy (PGS)

Exercising Rights and Responsibilities



Principle 12: Exercising Rights and Responsibilities

Signatories actively exercise their rights and responsibilities.

Arcmont is a Private Credit asset manager and is therefore a lender rather than an owner for the vast majority of investments and is not typically granted voting rights. Further, Arcmont does not typically invest in listed equities and therefore the UK Stewardship Code reporting requirements for this asset class have not been addressed in this section.

Resources

The Investment team receives regular specific negotiation and other related training. We also have an experienced internal Legal team who support the Investment team's efforts. The team is responsible for providing input on and reviewing all investment documentation, whilst working alongside our external legal advisors to support the Investment team in negotiations.

Investment team training

For example, during the 12-month period ending 31 October 2025, multiple training sessions were delivered to the Investment team members on a wide variety of topics including key deal-related terms and lender protections.

Rights and responsibilities

In making any given investment, we actively negotiate terms, conditions, rights and responsibilities to not only ensure the investments are attractive for our clients, but also to ensure that Arcmont is able to exercise appropriate levels of rights and responsibilities, if necessary.

While each agreement is bespoke, in all cases we aim to ensure downside protection. Accordingly, the vast majority of our agreements include incurrence covenants and/or maintenance covenants together with non-financial covenants. These covenants allow us to take enforcement action should a covenant breach not be remedied during the relevant grace period granted. Currently, we do not have sustainability-linked covenants in our legal documentation. We do, however, have sustainability-related rights and responsibilities for those investments where we have implemented a sustainability-linked margin ratchet.

We would like to highlight that where we have become an owner of a business following a restructuring relating to financial performance deterioration, we will exercise our rights as an owner to encourage better ESG performance once performance has stabilised.

Sustainability-linked margin ratchets ("SLMRs")

Many primary loan agreements now include SLMRs, granting the relevant parties sustainability-related rights and responsibilities. At Arcmont, we endeavour to include standard SLMR language in our primary loan agreements, however, this language typically includes an "agree to agree" condition, where a borrower agrees to participate but the key performance indicators (KPIs) and sustainability performance targets (SPTs) are agreed post-closing. This ensures that the ratchet does not delay the closing of the transaction and also affords us time to ensure that our ratchets capture the core characteristics of sustainability-linked products as prescribed by the Loan Market Association's Sustainability Linked Loan Principles.

Although margin ratchet discounts are currently the most common type of SLMRs (i.e. if a portfolio company meets a SPT, they are rewarded with an interest rate decrease), we have successfully implemented margin ratchet increases in some cases (i.e. portfolio companies are penalised if they fail to meet a SPT). Margin ratchet increases ultimately drive better engagement outcomes as portfolio companies are better incentivised to meet the SPTs set. In these cases, although we cannot take enforcement action as we can where there is a covenant breach, the company is penalised should it not improve its performance as planned.

Principle 12: Exercising Rights and Responsibilities

SLMR Statistics

Arcmont has successfully implemented, four SLMRs include margin ratchet increases in addition to decreases as of 30 September 2025.

The details of all our SLMRs are formally documented in a legal agreement. In all cases, we ensure we have the right to receive performance data relating to the KPIs.

Voting

Funds managed or advised by Arcmont Asset Management Limited (the “**Arcmont Funds**”) hold varying levels of rights and responsibilities across their portfolio of investments depending on the investment strategy in question. The primary asset class in which the Arcmont Funds invest is debt. However, the Arcmont Funds do sometimes take equity positions alongside the debt investments they make. These will typically be minority investments (generally representing between 5% and 10% of the aggregate equity interests in the asset) and structured as either a shareholding or as a Limited Partner (LP) investments in a co-invest fund.

It is generally fair to say that the Arcmont Funds are typically passive equity investors. In equity investments structured as co-invest, the Arcmont Funds will be LPs and so the asset will be managed on their behalf, with no voting or consent rights as regards the asset. For equity investments structured as shareholdings, the Arcmont Funds’ holding is typically so small that their consent is not required for any decision, and they will typically not be consulted, subject to certain market-standard protections for minority investors. Note that this scenario excludes cases where the Arcmont Funds hold all, or substantially all, equity interests in an asset due to having enforced over their debt or where the Funds hold a more meaningful minority stake in a given asset.

For debt investments, in restructuring scenarios and the few equity investments where the Arcmont Funds will typically hold substantial, or even decisive, voting positions, Arcmont has a fiduciary duty to act in its clients’ best interest. In order to meet this duty, we have adopted policies and procedures designed to ensure that we vote in the best interests of its clients. These are detailed in our internal Voting Policy.

As outlined in the Policy, our general principle is to exercise voting rights wherever possible. We may apply additional criteria when deciding whether to participate in shareholders’ meetings of companies in which Arcmont managed vehicles hold voting positions. We may exercise the right to attend and vote at shareholders’ meetings if the matters that are to be dealt with may have consequences that, depending on the result of the vote, could add or subtract economic value to the investment vehicle and consequently to the benefit of our clients, or could have a significant impact on ESG matters.

For any matter that is not an ordinary course, non-credit related matter, any voting authority will be exercised by the board of managers of the investment entity that holds the interests being voted. In exercising this authority, the managers will have received the views of the investment committee. A member of the deal team will also attend a meeting of the board, providing the managers with any investment materials prepared, presenting the matter to them and answering any questions they may have.

In exercising any voting rights, we take into account all relevant factors. We value engagement with companies in order to receive information on the issues to be voted on and/or to convey their voting expectations. The results of this dialogue can influence the direction of the vote. We tend to support proposals that increase the value of the Arcmont vehicles’ investments. We may abstain from voting or vote against cases where we have reservations about the governance of the company, the resolution discussed contravenes the interests of the Arcmont vehicles and underlying investors, the resolution is unclear, there is insufficient information available, or it contravenes our responsible investment objectives, or those of our clients.

In limited circumstances, we may refrain from voting proxies where we believe that voting would be inappropriate, taking into consideration the cost of voting and the anticipated benefit to our clients.

Contact Us

To ensure we continue to meet our key stakeholder needs and interests, we welcome feedback on the contents of this report.

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Appendix 1: 2025 Objectives set out in our 2024 Sustainability Report

Pillar	Priority Area	2025 Objectives
Corporate Operations	Talent attraction & employee wellbeing	<ul style="list-style-type: none"> Establish a Human Capital Advisory Group to provide insights into the employee experience to help shape impactful human capital initiatives that meet employee needs. 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.
	Diversity, Equity and Inclusion	<ul style="list-style-type: none"> 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.
	Communities	<ul style="list-style-type: none"> 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 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.
	Climate-related risks & emissions	<ul style="list-style-type: none"> 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.

Appendix 1: 2025 Objectives set out in our 2024 Sustainability Report

Pillar	Priority Area	2024 Objectives
Corporate Operations continued	Data & systems	<ul style="list-style-type: none"> 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.
	Governance, compliance & ethics	<ul style="list-style-type: none"> 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.
Investment Activities	Responsible Investing	<ul style="list-style-type: none"> 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.
	Impact Investing	<ul style="list-style-type: none"> N/A

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