



**SUSTAINABILITY & STAKEHOLDER ENGAGEMENT  
COMMITTEE TERMS OF REFERENCE**

Reviewed and re-adopted by the Committee on 24 June 2025

## **Terms of Reference – Sustainability & Stakeholder Engagement Committee**

### **1. Role**

- 1.1 The role of the Sustainability & Stakeholder Engagement committee (the “**Committee**”) is to support the Board in monitoring the effectiveness of the Company’s means of engagement with key stakeholders and supporting the Board in setting the Company’s Sustainability and Environmental, Social and Governance (“**ESG**”) objectives and reviewing the performance of the Company against such objectives.

### **2. Membership**

- 2.1 The Committee shall comprise at least three members. A majority of members of the committee shall be independent non-executive directors. Members of the committee shall be appointed by the board, on the recommendation of the remuneration & nomination committee.
- 2.2 All members of the Board have the right to attend committee meetings. Other individuals including representatives of the Company’s key service providers and external advisers may be invited to attend all or part of any meeting as and when deemed appropriate and necessary by the board or the committee.
- 2.3 Appointments to the committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the committee. For avoidance of doubt, if a Director retires or is otherwise removed from office, their membership of the committee shall cease automatically.
- 2.4 The board shall appoint the committee chair who shall be a non-executive director. In the absence of the committee chair and/or an appointed deputy, the remaining members present shall elect one of them to chair the meeting.

### **3. Secretary**

- 3.1 The company secretary or his or her nominee shall act as the secretary of the committee.

### **4. Quorum**

- 4.1 The quorum necessary for the transaction of business shall be the Chair and an independent non-executive director.

### **5. Frequency of meetings**

- 5.1 The committee shall meet at least two times per year at appropriate times and otherwise as required.

### **6. Notice of meetings**

- 6.1 Meetings of the committee shall be convened by the secretary of the committee at the request of any of its members.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date of the meeting, together with an agenda of items to be discussed, shall be forwarded to each member of the committee, all other non-executive directors and any other person required to attend, no later than five working days before the date of the meeting. The agenda shall be circulated together with relevant supporting papers to all members of the Board and to other attendees as appropriate.

## **7. Minutes of meetings**

- 7.1 The secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Committee chair.

## **8. Duties and responsibilities**

The Committee should carry out the duties below for the Company as appropriate.

### **8.1 Sustainability & ESG:**

- 8.1.1 Have oversight of the overall sustainability strategy of the Company, including agreeing the Company's key ESG objectives, to be set out in the Company's Annual Report (or separately in a sustainability report) and oversight of necessary systems and controls to support delivery of strategy. Guide, supervise and support the Investment Adviser in periodically reviewing the Sustainability Policy and the Company's Governance Policy. Providing input into the Company's policies relating to Sustainability and ESG matters e.g., AML, Modern Slavery, Data Protection, Anti-Bribery, Whistleblowing;
- 8.1.2 Overseeing the development of and execution of the Company's policies aimed at mitigating the environmental impact of the Company's own activities. Also consider relevant ratings/certifications or accreditations to support Company's sustainability strategy and objectives;
- 8.1.3 Agreeing the key performance indicators linked to each of the Company's sustainability goals, and monitoring progress against each of these key performance indicators;
- 8.1.4 Assess and prioritise ESG risks and opportunities for the Company, such assessment to be carried out in alignment with any mandatory and voluntary reporting frameworks and charters, including assessment of climate change risks, and with relevant input from the RC and the Investment Adviser on the impact to the current portfolio and deployment pipeline;
- 8.1.5 Receive reports and keep abreast of notable developments in ESG-related rules and regulations and industry trends and best practices relevant to the Company and the geographies and sector(s) in which it operates;
- 8.1.6 Monitor the Company's adherence to ESG objectives and KPIs and working with the Audit Committee ("AC") to oversee the reporting of these objectives and KPIs;
- 8.1.7 Monitor ESG developments with key service providers and reporting on such to the Management Engagement Committee ("MEC"), including providing input to the service provider questionnaire;
- 8.1.8 Oversee the selection of voluntary non-financial reporting / sustainability disclosure frameworks, labels /classifications, standards, and principles by the Company;
- 8.1.9 Oversee the engagement of any external service provider or consultants retained in relation to ESG-related reporting (including data collection, verification and estimation, auditing and assurance, and data processing);
- 8.1.10 Oversee the preparation either of a separate annual sustainability report, and the integration of appropriate ESG and sustainability reporting and disclosures into the annual report. Ensuring compliance with relevant sustainability regulations;
- 8.1.11 Identify relevant ESG and sustainability training needs of the Board and advise the Board accordingly;
- 8.1.12 Consider (a) Board-level engagement in relevant industry networks or groups (b) signing charters and (c) joining industry bodies, in each case which will or may be beneficial to support Company's Sustainability Goals; and

- 8.1.13 Engagement with investors/ stakeholders on ESG and sustainability matters/ monitor sentiment. Committee members to make themselves available to participate in engagement on these matters or address any queries (supporting IA) e.g., at AGM or other stakeholder events.

## **8.2 Stakeholder Engagement**

- 8.2.1 Identifying each of the Company's key stakeholders and the Company's engagement mechanisms (including where such is undertaken in collaboration with other service providers) and reporting in the annual report on engagement activity and any key strategic decisions taken by the Board impacting the relevant stakeholder group;
- 8.2.2 Keep under review the effectiveness of the Company's mechanisms for stakeholder outreach and engagement, in addition to monitoring trends in stakeholder sentiment;
- 8.2.3 Receive feedback from the Board Chair, SID, and the Corporate Broker on investor relations activity, investor sentiment and their views on governance and performance against the Company's investment objective and investment policy;
- 8.2.4 Supporting the Chair of each of the Board's formally constituted committees when engaging with investors on significant matters related to their areas of responsibility, and supporting the Board Chair in ensuring there is a clear understanding of the views of shareholders;
- 8.2.5 When requested by the MEC or Board (as appropriate), designing strategies to address concerns with, or raised by, any of the Company's key stakeholders and reporting to the Board on their progress;
- 8.2.6 When requested by the Board, agreeing the steps to be taken in order to understand the reasons behind the result of any vote at a general meeting where 20 per cent or more of the votes were cast against the Board recommendation, including receiving feedback from the investor consultation process and agreeing the content of the update report (to be published no later than six months after the shareholder meeting) and the final summary in the subsequent annual report; and
- 8.2.7 Reviewing statements to be included in annual report on stakeholder engagement, including the Board's obligations under the AIC Code and Section 172 of the Companies Act 2006 (or equivalent).

## **9. Reporting responsibilities**

- 9.1 The Committee chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. This report shall include:

9.1.1 the significant sustainability or stakeholder issues that it considered and how these were addressed; and

9.1.2 any other issues on which the Board has requested the Committee's opinion.

- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Committee shall compile a report on its activities to be included either in the Company's annual report or as a separate sustainability report, in compliance with applicable legal and regulatory requirements, and industry best practice.

## **10. Other matters**

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;

- 10.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 10.3 give due consideration to laws and regulations, the provisions of the AIC Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate;
- 10.4 be responsible for co-ordination of external advisors in sustainability areas, in particular, oversee the selection and appointment of consultants to assist with and advise on the content of the Company's sustainability report;
- 10.5 monitor compliance against any ESG or sustainability related covenants or duties set out in any of the Company's material agreements, debt facilities, or contracts;
- 10.6 oversee any investigation of activities which are within its terms of reference;
- 10.7 work and liaise as necessary with all other Board committees; and
- 10.8 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

## **11. Authority**

The Committee is authorised to:

- 11.1 seek any information it requires from any employee, agent, or service provider to the company in order to perform its duties;
- 11.2 obtain, at the Company's expense, independent legal, accounting, or other professional advice on any matter it believes it necessary to do so;
- 11.3 call any connected person to be questioned at a meeting of the Committee as and when required; and
- 11.4 have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.
- 11.5 Where a duty falls within the terms of reference of both the Committee, MEC, AC, or the RC, the chair of those committees shall have the discretion between them to determine the extent of responsibility of each committee.

Adopted by the Committee on **24<sup>th</sup> June 2025**.

### Committee membership:

*Selina Sagayam (Chair), Margaret Stephens, and James Stewart.*