

Sustainability Policy

Diversified
Sustainable Income
Effective as of
1 April 2026



Purpose

Our purpose is to generate attractive and stable returns for a broad spectrum of investors through responsible and disciplined investment into a diverse portfolio of economic infrastructure debt assets. These assets would otherwise be difficult for many investors to access, given the specialist and targeted nature of origination of these investment opportunities and credit assessment skills required across a range of sectors and geographies. Many of our investments support the provision of infrastructure on a sustainable basis and generate social and economic benefits across the varied geographies in which we invest.

Contents

Company governance	01
Sustainability strategy and standards	02
Our sustainability goals and targets	03
Sustainability integration into the investment process and ESG risk management	04
Stakeholder engagement	06
Reporting and disclosure	08
Continuous improvement	08
Appendix I: Key Changes in this Policy since the 2024 version	09

This document sets out the Sustainability Policy (the “Policy”) of the Sequoia Economic Infrastructure Income Fund Limited (“SEI” or the “Company”) effective as of 1 April 2026, which Sequoia Investment Management Company Limited (“SIMCo”) adheres to and actively implements in its role as Investment Adviser to SEI, as does FundRock Management Company (Guernsey) Limited in its capacity as Alternative Investment Fund Manager (“AIFM”) to the Company.

The Policy sets out our sustainability strategy and the related goals we have set and measure against. The Policy details how oversight and governance of sustainability matters and the measurement and management of environmental, social and governance (“ESG”) factors are implemented by the Company. The Policy also outlines our methods for stakeholder and borrower engagement and more generally how we seek to continuously develop and evolve our approach on sustainability at SEI.

To supplement this Policy, the Company also publishes the full methodology for how SIMCo integrates sustainability considerations in practice in a document called Sustainability Framework: Evidence and Procedures. In addition, the Company publishes its progress on sustainability in its annual, standalone Sustainability Report, with an abridged version included in SEI’s Annual Report and Accounts. These documents are all available on the Company’s website: www.seqi.fund/sustainability/publications/

Company governance

A summary of key elements of the Company's governance as it relates to sustainability matters is set out below. Further detail can be found in SEQI's standalone Governance Policy published online here: www.seqi.fund/sustainability/publications/

Board oversight

SEQI is governed by a Board of Directors, comprised entirely of independent directors, as determined in accordance with the Association of Investment Companies ("AIC") Code.

The Board meets formally at least once a quarter, at which progress against the sustainability strategy and material developments is a standing agenda item. The Board of SEQI is ultimately responsible for the implementation of this Policy and the sustainability considerations adopted and implemented by the Company.

Sustainability and Stakeholder Engagement Committee

The Board has a formally constituted Sustainability and Stakeholder Engagement Committee (the "Committee") comprising at least three members, all of whom are required to be independent non-executive directors.

The role of the Committee includes supporting the Board's oversight of the Company's sustainability strategy, contributing to ensure active and effective engagement with key stakeholders, agreeing key ESG objectives, and reviewing the performance of the Company against such objectives.

The Committee's duties also include guiding, supervising and supporting the Investment Adviser in periodically reviewing SEQI's sustainability strategy, which includes a review of the guiding principles, objectives, policies, and screening criteria applied to SEQI's investment portfolio.

Full details on the role, duties and responsibilities of the Sustainability and Stakeholder Engagement Committee, and other Board Committees, can be found in the Terms of Reference published on the Company website: www.seqi.fund/investors/documents-circulars/

Investment Adviser – Sequoia Investment Management Company ("SIMCo")

The day-to-day responsibility for and integrated application of this Policy has been delegated to SEQI's Investment Adviser, SIMCo, along with other portfolio management services. SIMCo has a comprehensive framework for assessing, measuring, and driving sustainability performance. The firm also has dedicated personnel working on an integrated basis with the investment and portfolio management teams to support delivery of SEQI's sustainability strategies with the aim of continuous improvement and progress.

Further information about the Investment Adviser can be found on their website: www.SIMCoFunds.com



Sustainability strategy and standards

Key focus area

Climate mission

SEQI's key focus is value and income generation for its investors. Whilst the Company does not operate under an impact investment mandate, it recognises that its financing activities can have broader environmental and social impacts (both negative and positive) on the world. The Company considers relevant E, S and G risks, opportunities and impacts in its analysis of credits. Within this context, SEQI's key focus area is on the environment and climate, a priority that is in alignment with SEQI's key stakeholders. SEQI invests in economic infrastructure, an asset class where commonly environmental factors and impacts are inherently significant. Infrastructure assets also play a critical role in the world reaching the target of net-zero carbon emissions by 2050. Whilst at this stage SEQI is not in a position to commit to a net-zero portfolio by a fixed date primarily due to the absence of viable decarbonisation and transition pathways for many of the sectors and sub-sectors in which it invests, SEQI does support the climate goals of the Paris Agreement and efforts to limit the global average temperature increase to well below 2°C. These principles are core to the Company's philosophy and long-term view of a sustainable global economy. We aspire to invest where possible in assets that are conducive to and aligned with the world's transition to net zero by 2050. We will engage proactively with borrowers that we lend to and, where feasible and relevant, seek to embed loan covenants to drive efforts by borrowers to work towards the goals of the Paris Agreement.

Materiality

Materiality considerations are embedded into the assessment of ESG risks present at portfolio companies. The significance of certain E, S or G risk factors to a borrower's credit quality and/or financial performance will vary depending on the sub-sector in which it operates. For example, water consumption and management is a highly material issue for a data centre, particularly if located in an area of high water stress, but is generally not relevant for, say, a trainline.

As part of the investment process, an ESG Risk Score is calculated for every asset (see the ESG Risk Score section below). The first step of this process is to determine which factors may be financially material, with materiality assessments initially set based on the company's relevant sub-sector(s) and such classification being informed by the SASB Standards. As part of its dynamic and informed approach, the sustainability team, in consultation with the credit team, may adjust any default sub-sector materiality classifications to take account of specific circumstances or other relevant factors pertaining to a borrower entity or project that mean certain ESG risk factors are more or less significant.

As part of the overall ESG risk assessment, a "red flags" process is applied in tandem. Poor performance/management of a highly material E/S risk or G issue would be considered a "red flag" that is to be escalated whereupon it has to be clearly identified, and specifically considered by the IA's Investment Committee ("IC"). This may require enhanced due diligence, targeted engagement, or in certain cases result in a non-investment outcome.

In addition, materiality is also considered within our engagement activities (see the later section on Borrower Engagement). Specifically, material sustainability risk and opportunity factors will be incorporated into the action plan that is developed for every borrower which in turn drives our ongoing engagement with them. Material factors could also be the subject of sustainability-related loan covenants that may be embedded into loan contractual terms where possible.

Sustainability reporting & standards

Sustainable Finance Disclosure Regulation ("SFDR")

SEQI reports as an Article 8 fund under SFDR, seeking to promote environmental and social characteristics, but without sustainable investment as an objective. The relevant SFDR disclosures are available on the sustainability section of our website: www.seqi.fund/sustainability/publications/

Task Force On Climate-Related Financial Disclosures ("TCFD")

We aim to report in line with the recommendations of the TCFD framework and commit to identifying the climate-related risks and opportunities within our investments and to addressing these risks where possible. SEQI's latest TCFD Report is also on the Company's website at the same address.

UN Sustainable Development Goals ("UN SDGs")

SEQI invests in a diversified and extensive pool of sub-sectors within the economic infrastructure asset class, which is delivered through, amongst other things, application of a robust sustainability framework and related processes. By virtue of this focus, SEQI's investment financing activities naturally intersect with and help promote a number of the UN SDGs, which it reports on periodically.

UN Principles For Responsible Investment ("UN PRI")

In May 2019, SIMCo became a signatory of the UN-backed PRI. These cover six high-level investment principles, which SIMCo ensures that SEQI incorporates in its investment processes and decisions.

UN Global Compact ("UNGC")

Whilst not enrolled as a participant in the UNGC, SEQI seeks to operate its business and its investment activities (see Negative Screening) in accordance with the UNGC principles.



Our sustainability goals and targets

SEQI believes that it is important to have a clear set of goals against which to track and monitor progress in its sustainability journey.

SEQI's three ESG goals are as follows:

1. Comply with negative screening criteria.

2. Progress thematic investing (positive screening).

This goal is subject to SEQI's existing concentration limits.

3. Provide transparent reporting on SEQI's scoring frameworks.

SEQI first set its sustainability goals in 2020, which included the goal to increase the portfolio weighted average of its proprietary ESG Score over time. The Company worked towards this over the years, disposing of the lowest scoring assets to advance towards now what is a portfolio with more demonstrable sustainability characteristics. It therefore considers this initial goal to have been successfully accomplished.

This Policy marks the introduction of a new scoring framework with two scores with new calculation methodologies that serve different purposes and functions within the investment process. The new framework and scores are therefore not comparable with the prior scoring system. Most notably, the new framework encompasses a dual scoring system that aligns with the concept of double materiality. It splits out the assessment of likely material ESG risks to an asset and the management of those on the one hand and analysis of the external effects or outcomes borrowing entities are having on the world. The Company expects this approach to provide more information with enhanced relevance supporting multiple uses than the prior framework enabling the ESG Risk Scores and the Externality Scores to be used in different, more meaningful ways within different parts of SEQI's investment process and sustainability activities. The purpose and functions behind the two scores are set out in more detail in the next section.

While the Company works on embedding and applying the new scoring systems, it considers it important to also review its sustainability goals to ensure that any quantitative targets or metrics it sets are appropriate, useful, meaningful and clearly measurable. Prior to setting any revised or new goals and targets, the Company commits to providing clear and transparent reporting on the progress and implementation of its new scoring systems in its Interim, Annual and Sustainability Reports.

In line with its SFDR commitments, SEQI aims to invest at least 70% of its NAV to loans to borrowers that achieve either an ESG Risk Score of >50 or an Externality Score of >50, i.e. so that no more than 30% of SEQI's NAV (measured as a quarterly average for the year) can be allocated to assets with both an ESG Risk Score and Externality Score of <50.

Sustainability integration into the investment process and ESG risk management

Sustainability principles

SEQL has three sustainability principles that are applied to its portfolio:

1. Negative screening
2. Thematic investing (positive screening)
3. Scoring (ESG risks and externalities)

Please refer to the Sustainability Framework document on the website: www.seqi.fund/sustainability/publications/, which gives full detail on our Investment Adviser's approach to negative screening and thematic investing as well as a complete breakdown of the scoring methodologies, evidence requirements, and calculations.

1. Negative screening

Negative screening is applied to avoid actively or intentionally investing in certain sectors and assets that are likely to cause significant harm to the environment and/or society.

The exclusion criteria apply to the primary nature and objective of the borrower's business and direct revenues arising directly from such activities.

The following sub-sectors or asset types are excluded from investment:

- › **Controversial weapons** (anti-personnel mines, cluster munitions, chemical and biological weapons) manufacturing and distribution.
- › **Violation of human rights** (companies in severe violation of the UNGC principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises).
- › As SEQL's investment criteria limits investment to only certain types of economic infrastructure, this means that in practice, many harmful or controversial asset types de facto will not fall for investment consideration for example: **alcohol production, gambling operations, tobacco cultivation or production, pornography production and adult entertainment activities.**

Ancillary revenues arising from the following excluded activities would not normally constitute a material part of that business (i.e. more than 5% of its total revenues):

- › **Thermal coal mining** and directly related infrastructure, for example a dedicated thermal coal transportation asset like a railroad or wagons.
- › **Power generation from coal** and any asset using thermal coal.
- › **Upstream exploration or production of oil and gas**, such as oil rigs and platforms, fracking facilities, and facilities involved in tar sands.

For the avoidance of doubt, metallurgical coal, oil and gas assets part of the midstream (such as pipelines) and downstream segments (such as refineries), as well as power generation from oil and gas, are not necessarily excluded pursuant to application of the negative screens but are, as with all assets, subject to SIMCo's scoring and monitoring processes.

2. Thematic investing (positive screening)

SEQL has adopted a range of investment thematic, including but not limited to three with sustainability characteristics:

- › **Renewable energy** (e.g. generation of solar, wind, and geothermal energy and directly related businesses including renewable energy suppliers).

- › **Enabling the transition to a lower carbon world** (e.g. grid stabilisation, electric vehicles infrastructure, traffic congestion reduction solutions) and transition financing (i.e. companies or assets that are not yet sustainable but that are on a credible transition path, such as the substitution of coal by gas).

- › **Infrastructure with social benefits**, which provides for basic or critical human needs and requirements (e.g. clean water and food security) or brings a positive change by addressing social challenges and inequalities (e.g. healthcare, education and affordable housing) or advancing society as a whole (e.g. progressing and facilitating telecommunications).

Positive screening will be employed to increase SEQL's exposure to these investment themes, subject to existing concentration limits.

3. Scoring

Pursuant to SIMCo's sustainability framework, SEQL's assets are scored by SIMCo according to their two proprietary scoring systems outlined below.

ESG Risk Score

The ESG Risk Scoring framework is used to measure the extent to which ESG factors could affect a borrower's credit quality and/or financial performance (i.e. financial materiality), and therefore SEQL's returns.

The ESG Risk Score is distinct to a credit rating. Some elements of ESG Risk Scoring will, however, directly affect a borrower's credit rating. For example, whilst weak corporate governance has a negative contribution to credit quality, nonetheless it would be entirely possible for a business with a weak ESG Risk Score to have a strong credit profile and vice versa.

ESG Risk Scores must be taken into account in SEQL's investment process. Assuming other relevant considerations are equal, when evaluating potential new investments, transactions with higher ESG Risk Scores will be prioritised, and lower scoring assets will be prioritised when considering potential disposal of investments. The ESG Risk Score will also be deployed to support setting engagement and can serve as a possible escalation trigger.

To calculate an asset's ESG Risk Score, the first stage is to determine which ESG risk factors are material for an asset. Performance/management of each relevant risk is then assessed. This produces an ESG Risk Score, where the most material factors are weighted more heavily in the calculation of the final score.

Externality Scoring

The Externality Scoring system seeks to measure the net impact of the borrower's business, practices and products on the external environment and society on an absolute basis (i.e. impact materiality). Whilst not operating under an impact mandate, the Company is mindful of the contribution its financing activities can have on the world. The Externality Score is therefore noted in the investment process but primarily used to drive engagement and for reporting purposes.

To calculate the Externality Score, borrowers are assessed for their output across a range of environmental and social externalities they create, both positive and negative. The weightings of the various externalities included within the Externality Scoring calculation have been informed by the views and priorities expressed by the Company's stakeholders in the stakeholder materiality survey conducted in 2025 (see later section on Stakeholder Engagement) and subsequent direct follow-up engagement with stakeholders.

Sustainability integration into the investment process and ESG risk management continued

Under the new scoring methodologies, the same factor can be assessed under both the ESG Risk Score and the Externality Score as where a company is having a severely negative external impact on the world, this can also represent a risk to its internal business operations. For example, companies generating high GHG emissions tend to have these regulated. Compliance, breaches, licences and costs associated with emissions are assessed under the ESG Risk Score, as they can have potential financial consequences on the business. However, the company's emissions may be fully compliant and not resulting in immediate financial risk; regardless, the fact that the company is still emitting high levels of carbon into the environment would be negatively scored within the Externality Scoring framework.

Integration of sustainability principles into the investment process

Sustainability evaluation and risk assessment is present at every stage of the investment process, starting at the pre-investment stage with identification of potential pipeline opportunities all the way through to exit deliberations and decisions:

1. Origination
2. Initial screening
3. Detailed credit analysis
4. Investment approval process
5. Acquisition and monitoring
6. Repay and redeploy

1. Origination

Negative screening is applied to each potential new investment, precluding SEQI from investing in certain harmful, risky or controversial sectors.

2. Initial screening

Positive screening is also employed to take a more favourable view on businesses that fall within one of our three sustainability themes.

3. Detailed credit analysis

As part of the overall investment process and assessment of credit-material sustainability related risks, the SIMCo team gather and analyse due diligence materials, such as environmental assessments, technical reports, and relevant internal borrower policies. Any material or emerging ESG risks and opportunities will be identified for review and consideration by the IC and for subsequent monitoring. Further information or a pre-investment sustainability questionnaire may be requested for a better understanding of the company's ESG risks and opportunities.

The asset is assigned a preliminary ESG Risk Score calculated according to SIMCo's scoring methodology. This is assessed in context of the overall portfolio and investment objectives and is presented in the final credit memorandum for review and analysis, alongside an explanation of the scoring rationale and identification of "red flags" or any other notable ESG risks.

At the same time, a preliminary Externality Score is also calculated and presented for note on the sustainability outcomes the asset may be generating in the environment and society.

4. Investment approval process

The Investment Committee of SIMCo approves and/or modifies the ESG Risk Score and actively discusses any material ESG risks or opportunities for the asset. It also takes note of the Externality Score.

Where appropriate and practicable depending on the type of deal, sustainability-related covenants may be embedded into loan documentation. The conditionality of a loan may also depend on certain sustainability factors where SEQI may only lend to a borrower on the condition that certain sustainability matters are addressed or standards met or maintained.

5. Acquisition and monitoring

Each investment is formally monitored at least semi-annually. As part of the monitoring, the IC reviews the investment's ESG Risk Score and any emerging risks or changes that may have occurred. Changes to the asset's Externality Score are also acknowledged. The IC formally reconfirms or updates the scoring based on its review.

All borrowers are also sent an annual sustainability questionnaire and engaged in active dialogue with the Investment Adviser over the course of the year on, amongst other matters, key ESG risks, opportunities and externalities it may be facing or creating.

6. Repay and redeploy

The material sustainability characteristics of investments are considered when assessing portfolio restructuring and disposals. Companies with low or deteriorating scores for both their performance on ESG risk and in terms of externalities may be identified as disposal targets, subject to due consideration of financial metrics.

Good governance at borrowers

In the ESG Risk Scoring methodology, by default, key governance factors are considered to be material to a credit, and accordingly sound governance is considered a baseline or fundamental requirement for any investment. We believe that the quality of a borrower's governance is directly relevant to credit risk assessment and the likelihood of full and successful repayment.

Also see SEQI's standalone Governance Policy (available at: www.seqi.fund/sustainability/publications/) for more information on how we assess for good governance at the companies we lend to.

Assessing the effects of climate change

As part of its investment analysis, SEQI will, where relevant and practicable, assess the physical climate risks present at assets, taking account of tenor and timing considerations amongst other things.

It will also seek to assess the consequences of and preparedness for different climate change scenarios for its investments.

Risk oversight

The Board's Risk Committee carries out a regular assessment of risks to SEQI and its investment portfolio. Certain credit risks, including ESG risks, can be escalated to the Committee at the discretion of either SEQI's AIFM or SIMCo's Chief Risk Officer.

Under the sustainability framework, the ESG Risk Score will be one of the inputs into the escalation process through which credits may be referred to the Risk Committee for their review and approval.

Separately, borrowers that have an Externality Score of <50 are flagged to the Board's Sustainability and Stakeholder Engagement Committee for review.

Stakeholder engagement

The Company maintains an open dialogue with its key stakeholders – Shareholders, borrowers, suppliers, lenders, and society – and reports periodically on its engagement activities. The Sustainability and Stakeholder Engagement Committee oversees and reviews the quality and effectiveness of the Company's mechanisms for stakeholder outreach. A feedback mechanism is implemented to ensure continual improvement based on stakeholder input and evolving stewardship standards and related guidance.

In 2025, a wide-ranging stakeholder materiality survey was conducted by SIMCo to support the identification of key sustainability issues, initiatives, and impacts that are most valued and considered significant to SEQI's stakeholders: Shareholders, Board of Directors, and key service providers (e.g. Investment Adviser, AIFM.). The results of this have directly informed the evolution of SEQI's sustainability strategy, including the updates to screening and the new dual scoring systems outlined in this Policy.

Shareholders

The Company is committed to active and ongoing engagement with its investors on sustainability. This includes, for example, responding to requests, discussion of ESG matters in meetings, and more recently holding events dedicated to sharing insights and views on key industry developments and topics as well as continuing to improve the approach to sustainability at SEQI.

Key service providers

The Board conducts an annual review of the Company's service providers through its Management Engagement Committee, which includes an assessment and/or confirmation of certain E, S and G matters including compliance with key governance-related policies such as anti-slavery and anti-bribery. The Board also seeks, consistent with SEQI's broader ESG and sustainability objectives as outlined in this Policy, confirmation that key service providers have appropriate systems, processes and policies in place and have identified any key E and S risks in their business relevant to the provision of services to SEQI and in line with the applicable principles set out in this Policy.

Borrower engagement

SEQI considers borrower engagement an important tool in its investment process, as it helps to gain a more holistic understanding of the borrower and its business from both the risk and sustainability-related impact perspectives. Where practicable, SEQI deploys a range of engagement strategies and structures designed to encourage and promote sustainable and value-enhancing business practices in the borrowers that it lends to. Where relevant and viable, some of our engagements may be effected through collaboration with other stakeholders or lenders into a business or project.

Loan terms

Before an investment has even been made, there is scope for engagement. For example, the conditionality of a loan may depend on certain sustainability factors. SEQI may only lend to a borrower on the condition that certain ESG matters are addressed or standards met or maintained.

In addition, where appropriate and possible, loan terms can include covenants or repeated representations to ensure that the borrower is sufficiently managing ESG risks or complying with its stated sustainability objectives to encourage it to improve its performance over time. These could include, for example, obligations to: meet predefined targets; disclose data or enhanced reporting, such as completing our annual sustainability questionnaire; or adopt, continue or enhance environmental, social, or governance policies.

SEQI can also consider adopting financial terms in a loan where the interest rate might fluctuate depending upon the borrower's performance on a set KPIs or metrics, such as carbon emissions.

The focus area of the covenant may be highly bespoke to the specific deal, such as laying out a predetermined business transition plan or designed to target an identified material risk present or emerging in the borrower's business.

As a debt provider, SEQI recognises that lending terms are a powerful lever that can be deployed to drive positive progress and behaviours at borrowing companies with tangible, positive outcomes. Whether sustainability-linked terms can be incorporated will depend on a range of commercial and structural considerations, including counterparty profile, instrument type, syndicate composition, and the loan's ranking within the capital structure.

Stakeholder engagement continued

Sustainability questionnaire

Borrowers are requested to complete a detailed annual post-investment sustainability questionnaire. This includes questions on the borrower's overall sustainability policies, procedures, progress and oversight. There are a range of quantifiable ESG metrics also covered, such as CO₂ emissions, health and safety records, and Board composition and independence.

Ongoing monitoring and direct engagement

Sustainability performance and credentials will be monitored regularly for each investment in the semi-annual monitoring process. The Investment Adviser will seek to maintain a direct dialogue with the senior management teams of the borrowers, or the sponsor (where applicable), to discuss ESG risks and opportunities and sustainability performance.

The Investment Adviser devises action plans for every investment. These plans identify areas of improvement in the borrower's sustainability and ESG credentials and/or additional evidence that may be required to be able to complete the assessment of certain indicators within the two scoring systems. These lists of actionable areas are then used to form the basis of the engagement with the borrower over the course of the year.

Escalation strategy

Engagement priorities are set based on the materiality of issues. Accordingly, prioritisation is done with reference to their ESG Risk Score and Externality Score, where borrowers scoring <50 on either score are generally the subject of additional focus.

If a borrower's score or performance significantly deteriorates (for instance, to the point where both its ESG Risk Score and Externality Score are <50), the Investment Adviser will engage directly with the management of the borrower to determine a strategy to manage key risks and/or improve performance. Persistent inability or an unwillingness to address management or mitigation of these performance risks may result in the Company determining to exit the loan early.

Voting

Although lenders generally are not granted voting rights in the companies that they lend to, from time to time they are required to consent to loan modifications, such as waivers of specific loan provisions. In such situations, SEQI's policy is not to consent if the overall net effect of the requested modification would be demonstrably significantly negative or adverse for the sustainability profile and financial value of the investment.

Reporting and disclosure

SEQI is committed to providing transparent reporting on its approach to sustainability as well as key elements of the sustainability performance of its portfolio. We periodically report progress against our sustainability goals semi-annually in the Interim Report and the Annual Report and Accounts (as well as the annual standalone Sustainability Report). Sustainability regulatory disclosures are also made as applicable.

We aim to improve the quality and scope of reporting coming from the borrowers directly and through questionnaires, with a view to reporting quantitative metrics related to this e.g. proportion of borrowers completing the questionnaire and the types of policies in place at borrowers.

We will report emissions both at the Company and portfolio levels, covering Scope 1, 2 and 3, with an aim to look to improve the quality of this data over time.

Assurance

SEQI recognises the importance of external assurance and review in maintaining transparency, credibility and stakeholder confidence in its sustainability processes and goals.

As such, SEQI seeks independent limited assurance over the percentage of the portfolio that is compliant with SEQI's negative screening criteria and the percentage of portfolio that sits within our positive investment themes, with an accompanying public Assurance Report under ISAE 3000.

In addition, since FY22/23, the Company also obtained this limited assurance over the weighted average ESG Score for the portfolio. In light of the reformation of the entire scoring framework and approach that SEQI is taking as of 1 April 2026, over the course of the 2026/2027 financial year, SEQI will instead commission an independent pre-conditions review, assessing readiness for assurance and providing feedback on the methodologies of the revised scoring systems, with findings reported privately to the Company. This is with a view to the Company seeking to obtain the same level of rigour and scrutiny afforded by the limited assurance over the score(s) in the year to come.

Continuous improvement

This Policy is kept under active review and formally reviewed and approved by the Board in its entirety at least annually.

The Sustainability and Stakeholder Engagement Committee identify relevant sustainability training opportunities and advise the Board and/or the Company's key service providers accordingly. SIMCo also provide internal, firm-wide sustainability training to all employees at least annually. Training can include topics such as sustainability best practices, updates to internal processes, and changes in the broader sustainability regulatory and legal landscape.

Appendix I: Key Changes in this Policy since the 2024 version

This latest version of SEQI's Sustainability Policy introduces substantive changes compared to the prior policy adopted by the Company dated 4 December 2024, and represents the Company's current approach effective as of 1 April 2026.

The key changes made to the Policy since the 2024 version are summarised below:

Replacing in entirety the **ESG Scoring** section to introduce a new dual scoring system for each investment, comprising an ESG Risk Score and an Externality Score.

Consequential changes to the section on the **Integration of our sustainability principles into the investment process** to delineate how the new ESG Risk Score and the Externality Score are each separately considered within the investment process.

Updates to the section on **Materiality** to reflect the new ESG Risk Scoring framework applied by the Investment Adviser. Specifically, the materiality of each ESG risk factor is now subject to an initial assessment based on relevant SASB sector classifications, which in turn determines its weighting in the overall ESG Risk Score calculation. Materiality is also considered in a new escalation framework whereby poor performance or management of highly material E/S risks or of G issues would be considered a "red flag" that must be drawn out for Investment Committee consideration (also added to the later section **Escalation strategy**).

Modifications to the application of our approach on **Negative screening** including revisions and clarifications to the scope of the previous "military infrastructure" screen, revised to "controversial weapons", and introduction of an additional criterion to exclude companies in severe violation of the UNFC principles or OECD Guidelines for Multinational Enterprises.

Enhancement of our **Thematic investing (positive screening)** approach to modify the theme "Enabling the transition to a lower carbon world" to explicitly cover transition financing.

Removal of the third goal under **Our sustainability targets and goals** "Over time, increase portfolio weighted average ESG Score" which is no longer applicable, and modifications to reflect the review being undertaken by the Company of its sustainability goals as it seeks to apply and embed its new dual-scoring framework.



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