



2 August 2023

Dear Convener,

When Willie and I attended the Committee on 21 June we undertook to follow up in writing on several matters. I have set out the relevant material below.

I trust this material is helpful, and I look forward to continuing to work with you and the Committee.

Circularity Scotland Ltd

I can confirm that the Bank's agreed loan facility with Circularity Scotland was drawn down in two instalments across May 2022 and December 2022. The draw down of capital from the agreed loan facility, as is industry practice, was subject to conditions in the loan agreement being met. Those conditions were assessed at the time the draw down was requested.

I can also confirm that the original approach regarding potential investment in Circularity Scotland was made directly to the Bank and not via a third party.

Gresham House Forest Growth and Sustainability LP

As a condition of the Bank's commitment to the Forest Growth and Sustainability Fund it was agreed that a minimum of 60% of the Fund's capital would be invested in Scotland. This was to ensure that the Bank's commitment would crowd in additional private investment into Scotland. The Bank's commitment currently comprises around 40% of the Fund's total capital, with the remainder primarily committed by institutional investors.

To date, 88% of the Fund's investment has been in Scotland. The remainder has been invested in England and Wales.

Gresham House estimate that the Fund's investments currently support 290-300 jobs in Scotland. This number will continue to grow as the Fund's activities develop.

Equality, Diversity and Inclusion

Following on from the discussion on gender representation, I can confirm the current position in the Bank is that:

- 4 of our 9 non-executive directors are women;
- 3 of our 7 executive team members are women; and,
- 2 of our 4 investment team executive directors are women.

The Bank published its first Equality Strategy in 2022. That Strategy set out four Equality Outcomes to 2025, applicable across all protected characteristics. These are:

1. Positive impact on equality in Scotland through the Bank's investments and improved equal access to investment.
2. Improve diversity of the Bank team.
3. Inclusive environment (to provide a flexible and supportive environment which is led and championed by inclusive leaders).
4. Positive impact on equality within suppliers and partners of the Bank.

This year we published our first Mainstreaming Equality report which set out progress against those outcomes. We will continue to publish on our progress. We are of course happy to keep the Committee updated in that regard.

Yours sincerely,



AL DENHOLM
Chief Executive Officer
Scottish National Investment Bank