

Gladstone Investment Corporation

Environmental Stewardship, Social Responsibility & Governance (“ESG”) Policy

Mission Statement

Gladstone Investment Corporation (“*Gladstone Investment*,” “*we*,” or “*us*”) believes that doing the right thing for our people, the environment, and our communities leads to better results for our stakeholders. We strive to embed ESG best practices throughout our management processes.

Through our commitment to investing in and providing managerial assistance to lower middle market companies, we seek to deliver enhanced risk adjusted returns for our investors, become a partner of choice, and maintain our position as a practitioner of good global citizenship to our stakeholders – investors, partners, portfolio companies, and the communities in which we reside and invest.

Scope

This ESG Policy applies to Gladstone Investment and its relationship with certain affiliates and portfolio companies.

Purpose

This ESG Policy formalizes our commitment to responsible practices in the following areas:

- Environmental Impact & Stewardship
- Social Responsibility
- Governance & Ethics

Principles & Implementation

Through this ESG Policy, we aim to create value for our business by expanding our value proposition, deepening relationships with all stakeholders, attracting and retaining talent, and reducing our capital costs. We seek to pursue ESG initiatives that are designed to add value not only for our portfolio companies, shareholders, and Gladstone Investment, but also for society in general.

Our Board of Directors has ultimate oversight over our ESG program. Our ESG team is comprised of members from various departments, including our President, Chief Financial Officer, Director of ESG and Investor Relations, General Counsel, and Chief Compliance Officer (as well as the designees of each of the aforementioned). We support our ESG strategy by establishing ESG goals that are informed by our engagement efforts. We aim to track data and our progress on the outcomes of our efforts across our operations and portfolio for the three dimensions of ESG.

Environmental Impact & Stewardship

Our Focus:

- While management personnel of our portfolio companies typically control their own water, energy, and other resource usage and decide how best to implement sustainable practices,

we recognize the impact such companies can have on the environment. As a result, we seek to support management in addressing those impacts where appropriate.

Our Actions:

- Through our positions on the boards of directors of portfolio companies, as applicable, we encourage management to seek efficient operations through waste and water management, energy conservation, and optimization of other operational and maintenance practices, which may deliver sustainability benefits that are designed to enhance profitability and reduce environmental footprints.
- Where practical, we will seek to track portfolio company data related to ESG.

Social Responsibility

Our Focus:

- Expand relationships with our key stakeholders by investing in the continued development of our professionals and partnering with our portfolio companies, communities, and investors.

Our Actions:

- We have no employees of our own. Rather, we rely on Gladstone Management Corporation, our SEC registered investment advisor, and Gladstone Administration LLC, our administrator, to hire, train, retain, and develop a workforce that meets the needs of our business.
- Through our advisor and administrator, engage with our professionals to provide a fulfilling, dynamic, inclusive, and diverse work environment that supports their professional development, as well as promoting their overall health and wellness through company-paid health care, parental assistance services, and company 401(k) contributions, among others.
- Support initiatives in local communities where our portfolio companies and/or employees are based that benefit the environment, human welfare, and education. This includes organized donations and volunteer hours, among other initiatives of our advisor, and support various charities through The David and Lorna Gladstone Foundation, a private foundation.
- Where practical, we will seek to track portfolio company social indicators such as employee engagement, diversity and inclusion, and employee health and safety.

Governance & Ethics

Our Focus:

- Promote strong and continuous oversight, transparency, and risk management at all levels of Gladstone Investment, ensuring the strength and long-term preservation of value for our business and stakeholders.

Our Actions:

- Maintain strong corporate governance practices through Board stewardship, management accountability, and proactive risk management. See the [Governance](#) page of our website for more information.
- Focus on continuing to create a diverse Board of Directors with an array of backgrounds and experiences. See our [Diversity Matrix](#).
- Maintain high ethical standards through a strong [Code of Ethics](#), ongoing ethics training, and executive leadership that promotes a culture of integrity.
- Cultivate strong stakeholder relationships through transparency, open communications, and responding to stakeholder input.
- Establish clear and effective governance for ESG, set goals where relevant, and establish accountability. Increase ESG transparency and disclosure through reporting and providing regular ESG updates where appropriate.
- Where practical, we will seek to track portfolio company governance indicators such as portfolio company board member diversity and existence of ethics, risk management, and ESG policies and procedures

To cultivate our ESG principles, we include the following practices and behaviors:

Investment Decisions and Ongoing Management

Our Focus:

- Evaluate relevant ESG principles when considering investment decisions and managing our investments, where practical.

Our Actions:

- Where relevant, evaluate ESG principles in the investment analyses, decision-making processes, and ownership policies and practices in alignment with our core business practices. Where applicable, we may engage on these issues with portfolio companies directly.
- When necessary and when relevant risks arise, we may modify investment diligence process and operations to address evolving ESG risks.

Monitoring & Enforcement

Our Focus:

- As the ultimate overseer of our ESG program, our Board of Directors seeks to prevent and mitigate instances of non-compliance with this ESG Policy.

Our Actions:

- Any instances of material non-compliance with this ESG Policy may be communicated to the Ethics Committee of Gladstone Investment's Board of Directors or applicable regulators, as may be required.

- If an employee of our adviser or administrator (or any affiliate thereof) has an ethics or ESG-related question or concern, they are encouraged to contact our anonymous toll-free hotline and speak with a representative who will transmit the information to Gladstone Investment's Ethics Committee and Compliance.