

OAKTREE'S BUSINESS PRINCIPLES

Since its inception, Oaktree has been guided by a set of unifying business principles. We put our clients' interests before our own, pay strict attention to potential conflicts of interest, seek to achieve attractive returns without commensurate risk, and are dedicated to creating a harmonious and equitable workplace.

In 2022, we added "Responsibility" as a new business principle for only the second time in Oaktree's history. This principle states: "We are committed to acting responsibly with our stakeholders and society at large. Oaktree (a) incorporates Environmental, Social and Governance considerations in its investment and business decision-making; (b) fosters an inclusive work environment that embraces diversity; and (c) supports the communities in which we live and operate."

ESG PHILOSOPHY

Oaktree strives at all times to deliver superior investment results with risk under control while conducting our business with the highest integrity.

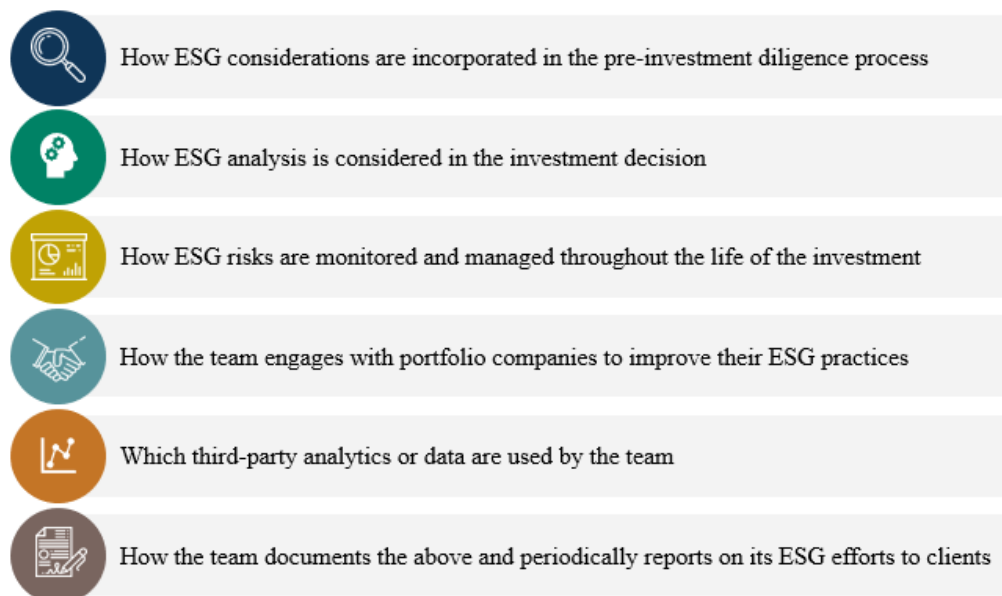
- Environmental, Social and Governance ("ESG") factors can directly and materially impact investment outcomes.
- As long-term investors, we believe focusing on ESG throughout the investment lifecycle allows us to avoid undue risk and better identify valuable opportunities.
- Integrating ESG analysis into our investment process also helps ensure that we are aligned with our clients and their beneficiaries. These efforts fit squarely with our commitment to excellence in bottom-up investment analysis.

We have invested with a sensitivity to ESG considerations since the firm's inception. Our journey accelerated in 2014, when we formalized this commitment in our firmwide ESG Policy. We seek to continuously improve and refine our processes by actively participating in the development and implementation of new industry standards and best practices.

ESG INTEGRATION

Oaktree's ESG Policy applies across investment strategies at the firm, consistent with and subject to applicable fiduciary duties and legal or contractual requirements. Our approach to integration and engagement across Oaktree's numerous investment strategies can vary depending on asset class, geography, investment time horizon, and type of investment vehicle. To address these nuances, each investment strategy is required to have an ESG Integration Plan that describes the team's implementation of Oaktree's ESG Policy across the investment lifecycle.

Each plan describes:



Our investment professionals are directly responsible for integrating ESG analysis into their underwriting, in line with both the firmwide ESG Policy and their investment strategy’s ESG Integration Plan. ESG leadership and the Compliance group assess each team’s adherence to its stated ESG Integration Plan on an ongoing basis.

We utilize ESG analysis in our evaluation of an investment’s risks and opportunities. Material ESG factors are distinct for each investment and will depend on its industry, business model, resources use, customer preferences, regulatory environment, and competitive landscape, among other considerations. In addition, we collaborate with our clients to understand their objectives, policies and needs.

Illustrative considerations in our analysis may include:

Environmental	Social	Governance
<ul style="list-style-type: none"> • Carbon emissions • Energy efficiency • Water management • Waste management and recycling • Environmental impact 	<ul style="list-style-type: none"> • Supply chain management • Labor practices, diversity, and inclusion • Workplace safety • Customer welfare, satisfaction, and community relations • Data privacy and cybersecurity 	<ul style="list-style-type: none"> • Board composition and ownership • Executive compensation • Auditor, financial reporting, and investor communication • Controls and risk management • Business ethics

Once material ESG factors are identified, we may engage with the company or asset with the aim of protecting and enhancing the short- and long-term value of our investments. We tailor our engagement approach based a number of factors including, but not limited to, our level of influence, the fund’s investment strategy and contractual commitments, investment time horizon, and potential risk or opportunity associated with the identified topic. Our level of influence may be determined by, for example, our investment’s position in the capital structure, the size of our investment, or the nature and degree of our involvement with the board.

Where we invest in public equities with voting rights, we seek to vote in the best interests of our clients. Our proxy voting guidelines provide guidance on our voting approach but ultimate responsibility for voting lies with our investment teams. Our Compliance team reviews voting decisions for alignment with internal policies.

GOVERNANCE & RESOURCING

Our commitment to ESG considerations begins with Oaktree's Board of Directors, which oversees ESG matters and climate-related risks and opportunities in our corporate and asset management activities. The Board receives annual updates on our ESG and climate strategy, objectives, and outcomes.

[Oaktree's Head of ESG](#) and centralized ESG team drive the firm's ESG strategy and help investment teams deepen their integration by developing tools, training, and guidance on best practices. The Head of ESG provides regular updates to Oaktree's Chief Executive Officer, Chief Investment Officer, the Senior Leadership Council and Board of Directors.

Oaktree's ESG Governance Committee is an oversight and decision-making body comprised of senior investment professionals and leaders from our business management groups. The Governance Committee meets monthly to identify, promote, and share best practices across our investment strategies. As part of its oversight role, the Governance Committee reviews the firm's ESG Policy annually and approves investment teams' ESG Integration Plans.

The investment teams appoint ESG leads, which are senior professionals who work with the investment strategy's portfolio managers to ensure adherence to the team's ESG commitments.

In addition, Oaktree's business management groups – such as Legal, Compliance, Marketing & Client Relations, and Portfolio Construction & Risk Management – contribute by advancing ESG integration efforts and helping external stakeholders better understand our ESG program.

CONTINUOUS LEARNING

Our employees are critical to our ESG program. We identify and hire talented professionals committed to upholding strong ethical standards.

We believe ESG considerations affect every part of our business, and all Oaktree employees contribute to delivering on our commitments. Therefore, all new Oaktree employees complete ESG training as part of their onboarding process.

Investment professionals are required to participate in annual training to better identify, evaluate and manage financially material ESG information. Investment professionals certify their compliance with Oaktree's ESG Policy and their respective investment strategy's ESG Integration Plan on an annual basis.

OUR PARTNERSHIPS & COMMITMENTS



Oaktree partners with select leading industry organizations to share insights and promote best-in-class practices for ESG integration, benchmarking, transparency, and reporting.

Some of our commitments include:

- We published our inaugural [Responsibility Report](#) in 2023 and commit to publish one annually.
- As a signatory to the Principles for Responsible Investment (“[PRI](#)”), we have committed to their principles, which inform our ESG Policy and our strategy-specific ESG Integration Plans. We report to the PRI annually.
- As a signatory to Partnership for Carbon Accounting Financials (“[PCAF](#)”), we have committed to report on our investment strategies’ financed emissions by 2025 (within three years of joining).
- As a supporter of the Task Force on Climate-Related Financial Disclosures (“[TCFD](#)”), we commit to report an annual TCFD-aligned report.
- As a member of the ESG Data Convergence Initiative (“[EDCI](#)”), we work with several of our majority-owned portfolio companies to gather and report core ESG metrics.
- As [GRESB](#) participants, Oaktree’s Transportation Infrastructure and Real Estate Income strategies participate annually in GRESB’s fund assessments.

For more information on our partnerships with industry organizations, please see our latest [Responsibility Report](#).

Important Information

We believe that ESG factors can have a material impact on the financial performance of our investments, and that understanding and incorporating those factors into our investment analysis is important to our ability to maximize returns on behalf of clients. As such, we believe this ESG Policy and our ESG Integration Plans are consistent with our fiduciary duties, and we apply them in a manner consistent with our legal obligations.

Best practices and investor expectations with respect to ESG considerations are rapidly evolving, and this ESG Policy and our ESG Integration Plans are subject to change over time. This policy was last updated in December 2023 and supersedes all previous versions and any commitments made public therein. This policy is expected to be reviewed annually and is otherwise subject to change as Oaktree considers necessary or advisable. Prospective investors should always obtain and carefully review up-to-date offering materials before deciding whether to invest in any Oaktree products.
