

OUR BELIEFS

Oaktree's mission is to deliver superior investment results with risk under control and to conduct our business with the highest integrity.

We believe that Environmental, Social and Governance ("ESG") considerations directly and materially impact investment outcomes.

As long-term investors, we believe that a concerted and consistent focus on ESG throughout the investment lifecycle allows us to avoid undue risk and better identify valuable opportunities.

Integrating ESG into our investment process helps ensure that we are aligned with our clients, their beneficiaries and our collective long-term interests. At the same time, ESG fits squarely with our commitment to excellence in bottom-up investment analysis.

OUR APPROACH

Continuous Improvement: We have invested with a sensitivity to ESG considerations since the firm's inception. Our ESG journey accelerated in 2014, when we first formalized this commitment in our firmwide policy. Today, Oaktree's approach to ESG is designed to promote integration, engagement and transparency. We seek to continuously improve and refine our processes by actively participating in the development and implementation of new industry standards and best practices.

Investment Integration: Oaktree's ESG policy applies to every investment strategy at the firm. Nonetheless, our investment strategies are numerous and varied. To provide more specificity and adapt our policy to the nuances of each investment strategy, each strategy is required to have an ESG Integration Plan that describes the team's implementation of Oaktree's ESG policy. Each plan describes:

1. how ESG considerations are incorporated in the pre-investment diligence process;
2. how ESG analysis is considered in the investment decision;
3. how ESG risks are monitored and managed throughout the life of the investment;
4. how the team engages with portfolio companies to improve their ESG practices;
5. which third-party analytics or data are used by the team;
6. how the team documents the above and periodically reports on its ESG efforts to clients.

Our investment professionals are directly responsible for integrating ESG analysis into their underwriting in line with both the firm's ESG policy and their strategy integration plan. Oaktree's investment teams analyze ESG considerations to determine financial materiality and integrate these assessments into the investment management process. ESG leadership and the compliance group assess each team's adherence to its stated ESG Integration Plan on a regular and ongoing basis.

Accountability: [Oaktree's Head of ESG](#) drives the firm's ESG strategy and helps investment teams deepen their integration. Oaktree's ESG Governance Committee – comprised of senior investment professionals from across the firm – meets monthly and is responsible for reviewing the firm's ESG policy annually, approving each investment team's ESG integration plan, and evaluating best practices. This group reports regularly to Oaktree's Senior Leadership Council. In addition, many internal groups – such as Legal, Compliance, Marketing and Client Relations – make important contributions to advancing and promoting ESG integration and helping external stakeholders better understand our ESG policies.

Culture: Our employees are a cornerstone of our ESG program. We identify and hire talented professionals committed to upholding strong ethical standards. Our employees support the communities in which we live and work through the [Our Communities Matter](#) initiative, which offers volunteer opportunities and charitable giving programs.

OUR COMMITMENTS

In order to deepen our longstanding commitment to ESG integration in investment, Oaktree became a signatory to the United-Nations-supported [Principles for Responsible Investment](#) (PRI) in 2019. Oaktree's ESG Policy and our strategy-specific ESG Integration Plans are informed by the principles set forth in the PRI.

Oaktree is a supporter of the [Task Force on Climate-Related Financial Disclosures](#) (TCFD), which develops recommendations for effective climate-related disclosures designed to enable stakeholders to better understand their exposure to climate-related risks. We are currently assessing how to best integrate climate considerations across the firm's operations and diversified strategies.

Oaktree is a member of [BSR](#), a global non-profit organization that works with a network of more than 250 member companies and other partners to build a just and sustainable world. From its offices in Asia, Europe, and North America, the nonprofit develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration.

Oaktree leverages the Sustainability Accounting Standards Board ([SASB](#)) Standards, which enable investors to identify, evaluate and manage financially material sustainability information. The industry-specific SASB standards are modeled after financial accounting standards and designed to help inform decisions that drive long-term value creation.

Oaktree supports transparency and benchmarking of ESG performance. Accordingly, Oaktree's Transportation Infrastructure strategy participates in [GRESB](#), the global ESG benchmark for real assets. Oaktree's Real Estate Income strategy is planning to participate in the GRESB Real Estate Assessment in 2022.