

Environmental, Social and Governance Policy Summary

November 2023

Note: These procedures apply to all Cross Ocean Partners' staff.

Cross Ocean Environmental, Social and Governance Policy Summary

1. Introduction

Cross Ocean Adviser LLP and Cross Ocean Partners Management LP (together, “**Cross Ocean**”) believe in taking a methodical and thorough approach to investment due diligence. Material Environmental, Social and Governance (“**ESG**”) considerations have always been taken into consideration where relevant to its credit analysis. This policy sets out Cross Ocean’s commitment and approach to integrating ESG factors into the investment process as well as across the firm.

2. ESG Responsibilities and Leadership

Cross Ocean’s ESG culture has been developed by its senior management, who maintain oversight and accountability of Cross Ocean’s approach to ESG. Cross Ocean has established three Committees consisting of senior individuals representing a range of business areas with responsibilities for different aspects of ESG:

- **ESG Committee** (formal responsibility for Cross Ocean’s ESG strategy, and for implementing ESG initiatives at a firm and fund level).
- **Diversity and Inclusion Oversight Committee** (providing strategic advice to shape Cross Ocean’s work on Diversity and Inclusion)
- **Social and Charitable Initiatives Committee** (proposing and arranging internal social events)

3. ESG Integration Approach

This ESG Policy covers the approach to responsible investing for all assets under management of Cross Ocean. The primary objective of incorporating ESG factors into investment analysis and decisions is to manage potential risks and opportunities which may have a financial impact and maximise returns. Due to the nature of the asset classes that Cross Ocean primarily invests in and timing of certain investment opportunities, in some cases, access to detailed research relating to ESG risks and opportunities can be limited. As such, Cross Ocean has developed a four-stage ESG integration process which seeks to capture relevant material ESG risks throughout the investment process where applicable.

Stage	Process	Responsible Investing Strategy	Applicable to:				
			Equity	Primary Non-Syndicated Loans	Other Credit	Hard Assets	Other
1	Negative Exclusion List	Screening	✓	✓	✓	✓	✓
2	ESG Screening Checklist	Screening	✓	✓	✓	✓	✓
3	ESG Due Diligence and Questionnaire	Integration	✓	✓			✓
4	Ongoing Monitoring	Integration	✓	✓	✓	✓	✓

4. Guidelines on Exclusions

In addition to observing legally required exclusions, Cross Ocean has established a negative screen as a part of the investment approval process based on our organisation's values. Cross Ocean seeks to avoid equity and credit investments in underlying obligor groups where greater than 10% of revenue is generated from any of the following business lines:

- Manufacturing of tobacco products
- Production and distribution of pornography
- Manufacture of landmines, cluster munitions or chemical/biological weapons
- Nuclear (other than power generation)

5. Stewardship

Stewardship at Cross Ocean is typically implemented through tools including engagement with issuers, voting at shareholder meetings, filing of shareholder resolutions/proposal, direct roles on invest boards. The primary stewardship objectives are to maximise the risk-return profile of individual investments. The investment team will generally engage in scenarios where they believe they will have the most influence.

Cross Ocean may, from time to time, invest client funds in the equity of listed companies and other companies whose shares are listed on equivalent markets. However, the Firm's primary investment strategy focuses on credit assets and does not involve taking material positions in equity securities of listed issuers. As such, the Firm does not typically encounter opportunities for direct engagement. However, where a change in direction is deemed appropriate and necessary to improve performance, and minimise adverse ESG impacts, this is communicated where possible.

Cross Ocean maintains a separate Proxy Voting Policy and Procedures document which sets out the firm's approach to proxy voting and related process. A summary of the proxy voting guidelines followed by Cross Ocean is provided below.

The firm will generally vote proxy proposals, amendments, consents or resolutions relating to Clients' securities, including interests in private investment funds, if any, on a case-by-case basis and in accordance with the following guidelines:

1. Support a current management initiative if the Firm's view of the issuer's management is favourable;
2. Vote to change the management structure of an issuer if it would increase shareholder value;
3. Vote against management if there is a clear conflict between the issuer's management and shareholder interest;
4. Vote in favour of proposals to progress environmental or social initiatives, as long as this remains in line with investment objectives.
5. In some cases, though the Firm supports an issuer's management, there may be corporate governance issues that the Firm believes should be subject to shareholder approval; and/or
6. May abstain from (or affirmatively decide not to vote) voting proxies when (i) it is determined that the cost of voting exceeds the expected benefit to its Clients, (ii) voting the proxy would not have an impact on whether the proxy is ultimately approved or consented, or (iii) the Firm determines that abstaining or not voting is in the best interests of the Fund / accounts.

6. UNPRI

Cross Ocean is a signatory of the UN-supported Principles for Responsible Investment ("PRI") since December 2021. Through its association with the PRI, Cross Ocean is committed to adhering to the six Principles for Responsible Investment.

7. Cross Ocean Firm ESG Procedures

In addition to the ESG approach deployed within the investment process, Cross Ocean believes it is important to operate its own business in line with good ESG practices. As such, Cross Ocean has implemented a range of business initiatives across the three pillars of Environmental, Social and

Governance. The ESG Committee is responsible for ESG initiatives at the management company level and is constantly seeking to improve and enhance Cross Ocean's own ESG culture.

- Environmental initiatives address carbon neutrality at the organisation level, waste management (paper, plastics, recycling), energy efficiency and travel practices.
- Social initiatives address diversity and inclusion, employee wellbeing and external engagement (e.g. our affiliation with 10,000 Black Interns).
- Governance initiatives address ESG and the Remuneration Policy, governance structures across the organisation, governance policies, Shareholder Rights Directive and industry body membership (e.g. LSTA)

8. ESG Training

Training is provided to all staff on ESG matters on an annual basis, or more if required.

9. Policy Maintenance

The ESG Policy is reviewed at least annually.