Oak Hill Advisors (“OHA”) is a leading global alternative credit investment specialist with $60 billion of assets under management across performing and distressed credit related investments in North America, Europe and other geographies.

1. Capital under management estimated as of March 31, 2023. Includes net asset value, portfolio value and/or unfunded capital. Uses respective USD exchange rates as of month end for any non-USD assets. Additional information on calculation methodology is available upon request. Private Strategies, Liquid Strategies and Structured Credit are based on the primary strategy of each client account advised and/or managed by OHA and/or its investment advisory subsidiaries (each a “Client Account”). Certain Client Accounts may invest in multiple asset classes. Capital under management does not represent the assets under management for any asset class. Other OHA disclosures may use assets under management rather than capital under management. Totals may not add due to rounding.
A MESSAGE FROM OUR FOUNDER AND CEO

Environmental, Social and Governance (ESG) & sustainability issues represent one of the largest secular transformations that face investors and stakeholders around the globe.

The turbulent geopolitical climate and resulting economic pressures have demonstrated both the interconnectedness and importance of integrating material ESG factors into decision-making processes. As a result of growing investor demands and regulatory changes, OHA has witnessed an increase in the requirements placed on investment managers. OHA believes it is increasingly important to demonstrate commitment and transparency.

OHA has worked diligently to develop the infrastructure and technology capabilities to meet the reporting requirements of our global client base, while also taking on a leadership role through collaborative initiatives to both provide resources and promote increased accountability in the industry. OHA believes in the adage that “what is measured is managed” and that better ESG information initiatives strengthen the industry and have the potential to enhance our ability to generate attractive risk-adjusted returns.

Investor expectations are simultaneously growing and bifurcating with regards to ESG factors. OHA’s focus on financial materiality identifies factors that are critical business issues, which may also be environmental, social or governance related factors. These financially material ESG factors are integrated into certain investment processes via due diligence and ongoing monitoring and engagement.

As demonstrated throughout this report, optimizing disclosure, transparency and harmony across the alternative credit landscape has been a key focus of for us in 2022.

GLENN R. AUGUST
Founder & CEO

Our Commitment

Responsible Investment
Promote sustainable practices across firm activities, throughout markets, and within our community

Corporate Sustainability
Encourage a culture of collaboration, diversity, equity and inclusiveness

Our Commitment
Achieve targeted investment returns for our partners while investing in a sustainable manner
2022 represented a landmark year for OHA’s sustainability journey demonstrated by a variety of initiatives to enhance OHA’s own ESG integrated investment approach, promote transparency and accountability across the broader alternative credit market and deepen its corporate impact through its philanthropic and DEI programs.

### Industry Engagement
- OHA took a leading role alongside other prominent investors and industry associations to launch the **ESG Integrated Disclosure Project (ESG IDP)**
  - The ESG IDP seeks to be a unifying force bringing consistent ESG data across the private and syndicated credit markets
  - Jeff Cohen serves as Vice-Chair on the Executive Committee of the ESG IDP

### Climate Change
- Partnered with **Persefoni**, a leading climate accounting platform, to calculate carbon emissions for certain OHA investments, including estimates for companies not yet disclosing GHG emissions
- Joined **ICI (Initiative Climat International)**, a consortium of private market investors who are committed to embracing the shift towards sustainable investments, to **co-lead the Global Private Debt Working Group**
  - Members commit to analyzing, managing and mitigating climate-related financial risk and emissions among their portfolios, in line with TCFD recommendations

### Investment Approach
- Enhanced OHA’s ESG due diligence process to focus on the financially material ESG factors that underpin a company’s creditworthiness, utilizing consistent resources such as the Sustainability Accounting Standards Boards (SASB) standards and GRESB standards (global organization that provides ESG data to financial markets for real assets and real estate)
- Formalized a Risk Incident Response Policy with the onboarding of RepRisk to enhance our systematic approach to identifying, monitoring and elevating portfolio company ESG risk incidents
- Invested in technology solutions to streamline data collection, portfolio monitoring and reporting capabilities

### Diversity, Equity & Inclusion
- Focused on employee training and engagement with the launch of a mentorship program, formation of additional employee resource groups including a Veteran’s, Sustainability and Multicultural Network and other internal events
- Continued recruitment and collaboration through established partnerships
- Formalized 2023 action plan and longer team goals to build on our commitment
OHA institutionalized its ESG & Sustainability program by adding three dedicated ESG & Sustainability professionals, Jeff Cohen, in February 2022, Erin Hartney, who transitioned to this new role in January 2022 and Jayd Alvarez, in January 2023, to oversee the development and implementation of its ongoing ESG & Sustainability Program.

Jeff Cohen
Managing Director, Head of ESG & Sustainability

Jeff Cohen has management responsibility for the incorporation of ESG matters within the firm’s investment processes as well as other sustainability initiatives at the firm. He is a member of OHA’s ESG committee, risk committee and a member of OHA’s Diversity, Equity and Inclusion Council. Mr. Cohen is also the Vice Chair of the ESG Integrated Disclosure Project. Prior to joining OHA, he was the Director of Capital Markets Integration and Head of Private Investments Initiatives at the Sustainability Accounting Standards Board Foundation (SASB). In this capacity, Mr. Cohen advised alternative investors on the development and integration of ESG factors into various phases of the investment process. He started his career in the Global Markets division at Deutsche Bank. Mr. Cohen earned an M.B.A. from the Georgetown University McDonough School of Business and a B.B.A from the University of Michigan’s Ross School of Business. Additionally, he has earned the Chartered Alternative Investment Analyst designation and is a Fundamentals of Sustainability Accounting Credential holder.

Erin Hartney
Principal, ESG & Sustainability

Erin Hartney is focused on the incorporation of ESG matters within the firm’s investment processes as well as other sustainability initiatives at the firm. Ms. Hartney is a member of OHA’s ESG committee. She previously worked in the areas of investor relations and new business development at OHA. Prior to joining OHA in 2013, Ms. Hartney worked in equity research at Barclays and began her career as a Teach For America corps member in New York City. She earned a B.A., magna cum laude, from Vanderbilt University.

Jayd Alvarez
Senior Analyst, ESG & Sustainability

Jayd Alvarez is focused on the incorporation of ESG matters within the firm’s investment processes as well as other sustainability initiatives at the firm. Ms. Alvarez previously consulted for Metric, an ESG benchmarking software platform and prior to that, conducted research for the United States Environmental Protection Agency and worked with the New York City Mayors Office of Climate and Environmental Justice. She earned a earned a M.S. in Sustainability Management from Columbia University’s Climate School and her B.A. from Binghamton University.
Improving access to ESG data within the alternative credit markets has been a key focus of OHA in 2022, as we firmly believe greater disclosure, transparency and harmonization will help drive action and effective engagement, which may ultimately lead to real-world outcomes.

OHA works closely with its peers, banks and private equity firms to enhance industry collaboration and promote the consistent disclosure of key ESG indicators.

An outcome of this engagement with market participants such as the Loan Syndications and Trading Association (LSTA), United Nations-supported Principles for Responsible Investment (PRI), Alternative Investment Management Association (AIMA) and Alternative Credit Council (ACC) was the development of the ESG Integrated Disclosure Project (ESG IDP).

The ESG IDP provides borrowers with a harmonized and standardized means to report ESG information to their lenders, streamlining the disclosure process for borrowers and enabling lenders to receive consistent data from sponsored and non-sponsored companies in the private and broadly syndicated credit markets. By providing a baseline for ESG information requests, OHA believes the template will encourage more consistent reporting and support comparison across the industry.

**ESG Integrated Disclosure Project**

**DRIVING ENHANCED ESG TRANSPARENCY AND ACCOUNTABILITY**

<table>
<thead>
<tr>
<th>PURPOSE</th>
<th>GOVERNANCE</th>
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<tr>
<td>Provide a standard format for ESG related disclosures and identify useful information that is consistent with the core operations of companies</td>
<td>The ESG IDP is led by its Executive Committee and Secretariat.²</td>
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<tr>
<td>For borrowers &amp; private companies: provides greater certainty on the ESG indicators that are most relevant to lenders, allowing borrowers to concentrate on a baseline of disclosures that is more consistent with private equity initiatives rather than respond to a multitude of similar questionnaires</td>
<td>Together they oversee the use and development of the ESG IDP Template to support the consistent collection of data; raise awareness and promote the sharing of knowledge and sound practices amongst borrowers, lenders and investors about the ESG IDP; and coordinate with stakeholders to support a harmonized approach to ESG disclosure. <strong>Jeff Cohen serves as Vice-Chair on the Executive Committee of the ESG IDP.</strong></td>
</tr>
<tr>
<td>For investors: improves the consistency of disclosures and enhances ability to identify industry-specific ESG risks in their credit portfolio and compare meaningful data</td>
<td></td>
</tr>
<tr>
<td>For credit fund managers: supports the ability of credit fund managers to engage with borrowers on disclosure as well as develop efficient investor reporting processes</td>
<td>² Secretariat includes ACC, LSTA and PRI.</td>
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</table>

The ESG Integrated Disclosure Project methodology largely reflects OHA’s own approach to identifying and underwriting credit relevant ESG factors into the investment process. We are excited to focus our future efforts on education and adoption to align sponsor, lender and investor interests.
PROMOTING DISCLOSURE, TRANSPARENCY & HARMONIZATION

We engage with a broad set of stakeholders across the full ecosystem of our markets which may include companies, sponsors, arranging banks, industry bodies, trade organizations and non-profits.

OHA joined iCI (Initiative Climat International) in 2022 and now co-leads the Global Private Debt Working Group, to offer investors in the private markets a platform for sharing best practices in analyzing, managing and mitigating climate-related financial risk and emissions among their portfolios.

The Initiative Climat international (iCI) was originally launched as the iC20 in November 2015 by a group of French private markets firms who sought to contribute to the Paris Agreement’s objective of limiting global warming to below 2°C Celsius. Today, the iCI’s goals remain consistent in its commitment to facilitate climate change action among private equity in two ways: 1) engaging the wider private markets industry to better understand and manage carbon emissions and 2) work towards forward-looking analysis of climate-related financial risk in alignment with TCFD recommendations.

OHA has joined iCI (Initiative Climat International) in 2022 and now co-leads the Global Private Debt Working Group, to offer investors in the private markets a platform for sharing best practices in analyzing, managing and mitigating climate-related financial risk and emissions among their portfolios.

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OHA has been a signatory to the PRI since 2019, which OHA believes represents our commitment to transparency and disclosure.

OHA shares a common vision to enhance systematic and transparent consideration of ESG factors in the assessment of creditworthiness. OHA supports formal integration of ESG factors into credit ratings. To encourage these efforts, OHA has joined other Signatories in support of the PRI Statement on ESG in Credit Risk and Ratings. Additionally, as evidence of our ongoing work with our ESG strategy across asset classes, we submitted our PRI transparency report across 4 modules for the most recent reporting period and are pleased to share our results which we received in September 2022.³

| Direct – Fixed Income – Corporate | Median Score: 62% |
| Direct – Fixed Income – Securitized | Median Score: 55% |
| Direct – Fixed Income – Private Debt | Median Score: 67% |
| Investment & Stewardship Policy | Median Score: 60% |

³ Principles for Responsible Investment (“PRI”) is a United Nations-supported international network of financial institutions. On September 8, 2022 OHA received its PRI scores for its 2021 PRI submission. The 2021 PRI submission reflects data provided by OHA for the review period January 1, 2020 – December 31, 2020. OHA pays an annual assessment to PRI in order to maintain its status as a PRI signatory. Only PRI signatories are eligible to be considered for a PRI score. OHA is not affiliated with PRI.

Our public transparency report is available on the PRI’s website.
RESPONSIBLE INVESTMENT APPROACH

Our approach to integrating ESG factors into our investment processes
INVESTMENT APPROACH

OHA is proud of the progress it made throughout 2022 in evolving its ESG program. As a demonstration of these efforts, **OHA was named 2022 Responsible Investor of the Year: Americas** by Private Debt Investor, a private debt news and analysis platform tracking institutions, funds and transactions shaping the private debt markets. Highlights from the submission include:

- OHA’s leadership in collaborative industry initiatives to promote transparency and disclosure
- OHA’s investment in a 1.7 million acre timberland portfolio through Blue Source Sustainable Forests Company which aims to improve forestry management for climate action
- The evolution of OHA’s ESG program and OHA’s focus on financial materiality

Recognizing the growing demands and ever-changing nature of this field, OHA formalized its ESG & Sustainability Department. Team focuses on strategic initiatives and leading industry-wide efforts to bring harmonization to market and meet the needs of OHA’s global investor base.

The field developed rapidly during this period and OHA focused on implementing best practices across various areas.

We joined industry and peer working groups and signed the PRI and supported TCFD.

Engagement became an important factor for many of OHA’s investors.

While OHA believes it has historically considered ESG factors, we formalized our approach in 2015.

Began focusing on the integration within the investment process and training.

Investor demands began increasing, including the need for ESG reporting.

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4. On March 1, 2023 OHA received the PDI Responsible Investor of the Year Award: Americas for its 2022 submission. This award reflects data provided by OHA for the review period January 1, 2022 November 25, 2022. OHA pays an annual assessment to PDI for a subscription to PDI’s services; however, OHA did not provide compensation directly in connection with this award. OHA is not affiliated with PDI.

5. OHA began scoring certain investments on E, S and G factors with a 1-5 scale. Certain issuers are excluded from this process.
GUIDING PRINCIPLES

Our Commitment

OHA is committed to responsible business practices across our organization, as well as responsible investing through the companies we financially support.

We believe that the consideration of financially material environmental, social and governance factors is essential in seeking long-term value creation on behalf of our investors. OHA has a systematic firmwide approach to integration of ESG factors in the investment process that is applied across asset classes and differentiated based on the nuances of each strategy.

ESG Integration

OHA focuses on the financially material ESG factors that underpin a company’s creditworthiness, utilizing global frameworks such as the Sustainability Accounting Standards Boards (SASB) standards and GRESB standards to inform asset level materiality.  

Corporate Credit

SASB identifies ESG factors reasonably likely to have a significant effect on the financial conditions, operating performance or market valuation of companies and industries. OHA has applied a credit lens to the SASB standards and the investment team utilizes this framework to inform underwriting the financially material ESG factors for each company in which it invests.

We view credit materiality as a subset of financially material factors that are most likely to affect a company’s ability to repay its lenders.

Primary determinants of our factor selection are where ESG factors manifest within the income statement and risk profile and their relevance to credit quality and the potential magnitude of impact.

Additional determinants involve a relative comparison between material factors and associated financial implications as well as climate risk implications informed by the TCFD.

Scoring

Companies are evaluated and scored across each E, S and G on a 5-point scale based in part on industry specific financially material factors.

Real Asset/Infrastructure & Commercial Real Estate

In addition to the credit material subset of the SASB Standards, OHA utilizes the GRESB infrastructure Asset Assessment materiality tool.

Structured Credit

OHA has developed a tailored approach for its analysis of its CLO managers.

6. OHA applied a credit lens to the SASB standards and created this framework for the investment team to begin utilizing in September 2022. Certain investments are excluded from this process.
Ecosystem Services & Impacts

Ecosystem goods and services produce the many life-sustaining benefits we receive from natural capital—clean air and water, fertile soil for crop production, pollination and flood control.

Bluesource Sustainable Forests Co.

AN anew COMPANY

Ecosystem services are important to environmental and human health and well-being, yet these resources are not infinite and require thoughtful stewardship. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Management (IPBES), representing one of the most comprehensive reports of its kind, highlighted up to 1 million animal and plant species on earth are at risk of extinction within decades. OHA believes these risks are not beyond repair and the urgency with which to address and cultivate healthy ecosystems and foster greater biodiversity needs more attention and investment. This is not simply a proposition for stabilizing ecosystems and creating an environmental benefit, there are beneficial investment opportunities as well. In fact, protecting or enhancing ecosystem services within managed forestlands could mitigate reputational, demand and operational risks related to the potential adverse environmental impacts of forestry. Additionally, ensuring timberlands are managed for the preservation of the trees has an environmental benefit through carbon sequestration, an economic benefit as the prices attributable to the development of carbon credits are quickly becoming attractive relative to harvests and also provide ecosystem benefits in preserving the natural habitat fostering benefits to species populations.

Anew Climate is a leading U.S. corporate climate and energy advisor and partners with some of the world’s largest companies to create and transact in environmental attribute credits, including carbon credits, to empower companies to take their next steps toward achieving their sustainability goals. Founded in 2001, Anew Climate now manages more than 4 million acres of forest assets across more than 80 projects in the U.S. and Canada and has been voted Environmental Finance’s Best Project Developer in North America for seven consecutive years. OHA partnered with Anew Climate in 2021 and formed Blue Source Sustainable Forests Company (BSFC) to capture what it believed to be an attractive investment opportunity that also demonstrates its commitment to climate solutions. In October 2022, BSFC acquired The Forestland Group (TFG), a 1.7-million-acre timberland portfolio, which brings the total portfolio to more than 1.9 million acres, making it the seventh-largest private forestland owner in the U.S. OHA is excited about the potential global ecological benefit this investment brings as OHA believes it creates older, more resilient and more biodiverse forests with long-lasting benefits to plants, wildlife and communities.

7. Source: SASB Standards for Forestry Management.
An important Employee Health and Safety (EHS) & ESG consideration is incident reduction and prevention through the implementation of a culture of safety.

Reporting on key safety metrics are especially important in the maintenance and repair services industry, which expose employees to machinery and fall accidents, hazardous chemicals and materials and other dangerous situations. With these potential risks, having a skilled and experienced workforce is an important mitigator, putting a premium on employee training and retention. According to the National Safety Council, non-fatal injuries among workers with less than 3 months on the job increased by 8.4%. In addition to the benefit to employee welfare, reduced incident rates can reduce costs for the company and may offer a competitive advantage as a strong safety track record is an important selling point to customers.

BrandSafway is a leading provider of access, specialized services and forming and shoring solutions to the industrial, commercial and infrastructure end markets. The Company has implemented a five pillars of safety program built on Employee Intervention Systems (prevent poor decisions in the hazard recognition and control process), Superior Observation Systems (peer-to-peer observations and review), Management Safety Reviews (management engagement in field safety), Gold Link Audit Systems (evaluation of a jobsite’s safety management systems and processes) and the BrandSafway Learning Network (web-based learning management system for work training and education).

At the start of earnings calls, management typically discusses the safety awards the Company has won and key safety performance metrics – BrandSafway has an industry leading TRIR (Total Recordable Incident Rate) of 0.27 (vs. industry benchmark of 3.1), down 33% y/y in 2022 and reduced PSIF (potentially severe injury or fatality) by 28% y/y in 2022.

Source: SASB Standards for Engineering & Construction Services.
Source: Occupational Health & Safety.
Source: BrandSafway Management team, 4Q22 company earnings call.
Software & IT services companies are targets of growing data security threats from cyber attacks and social engineering, which puts their own data and their customers’ data at risk.

In 2020, the adjusted average total cost of a data breach was reaching $4 million per company. This was compounded by remote workforces, increasing the average total cost of a data breach by nearly $137,000.\(^\text{16}\)

In addition to reputational damage and customer turnover, data breaches can also result in increased expenses, commonly associated with remediation efforts such as identity protection offerings. Additionally, investors may perceive material data security incidents as a deficiency of breached companies in comparison to immaterial incidents.\(^\text{17}\) Companies in the Software & IT Services industry depend on repeat customers for their maintenance or subscription revenues and protecting their data has been a major source of investment with core security spending reaching $68 billion in 2020.\(^\text{18}\)

Citrix is a company that provides data security for businesses to allow for employees to access their files and work remotely. As data privacy can be a material concern for a software and IT company, OHA believes Citrix has strong security and compliance certifications, procedures and measures in place. To protect customers organizations and information, Citrix provides zero trust network access, which is an “always on” solution - meaning an organization’s security status is always being reviewed and monitored regardless of location, device risk posture, risk profile and more. Citrix also works within a “secure access service edge (SASE) architecture” which protects customers from malware, phishing and ransomware. The company has security standards, exhibits and bulletins for customers and suppliers to stay informed, as well as product certifications and audit reports to maintain trust in the security of Citrix’s products. OHA believes these top-of-the-line security standards and initiatives emphasize the company’s commitment to securing the trust of their customer base and preventing serious security breaches.

\(^{15}\) Source: SASB Standards for Software & IT Services
\(^{16}\) Source: JPMorgan.
\(^{17}\) Source: IGI Global.
\(^{18}\) Source: JPMorgan.
Fleet Fuel Management

OHA believes the electrification of vehicles continues to fundamentally change transportation for both individuals and corporations.

Companies that own and operate vehicle fleets to deliver products between distribution and retail locations can incur significant expenses, both in terms of operating costs and associated capital expenditures. In fact, Medium-Duty trucks, those which typically deliver food and beverages to restaurants and convenience stores used over 8 billion gallons of fuel a year. Additionally, legacy fleets generate direct Scope 1 greenhouse gas (GHG) emissions and can contribute to adverse environmental impacts. Efficiencies gained in fuel use, in part from fleet electrification, schedule optimization, driver incentives and safe driving training, can reduce costs, mitigate exposure to fossil fuel price volatility and can limit the carbon footprint associated with transportation. Short-term capital expenditures in fuel-efficient fleets and more energy efficient technologies may be outweighed by long-term operational savings and decreased exposure to regulatory risks.

Winebow is the largest U.S. wholesaler of fine wines serving both the on and off-premise channels. OHA began investing in the company in 2014, growing its position over time with conviction in the business model and leadership team, ultimately securing two seats on the company’s board. As part of OHA’s ongoing dialogue with company management, it encouraged the firm to formalize its ESG & Sustainability practices through a policy and communication strategy. As part of board conversations and discussions with the OHA ESG & Sustainability team, OHA collectively identified specific areas of opportunity and provided insight on next steps including engaging with a third-party consultant. Winebow selected Close Group Consulting, which aided the board in conducting a materiality analysis to inform formal commitments, backed by KPIs informed by internationally recognized ESG frameworks and standards. Winebow is focusing on initiatives around fleet fuel management through vehicle electrification and its winery sourcing strategy to account for climate risk adaptation and mitigation, as well as safety and diversity, equity and inclusion matters. Winebow is also collaborating with its peers to support industry-wide efforts around vehicle electrification and engaging landlords to install EV charging stations in critical locations.

OHA INVESTMENTS: DIFFERENTIATED ACROSS STRATEGIES

**Structured Credit**

OHA has been an active investor in the third-party CLO market since 2008, focusing on top tier managers with an experienced team that is deeply integrated with the leveraged loan and CLO-issuance business.

In an effort to ease reporting burdens placed on managers from proprietary questionnaires, OHA has leveraged the most applicable questions developed by the Loan Syndications and Trading Association (LSTA) and Principles for Responsible Investment to inform our questionnaire which is sent out annually. Starting in 2023, OHA began using these questionnaires to assess each CLO manager’s response along dimensions of governance, data & reporting, portfolio management and internal operations to arrive at an internal score and guide future decisions. 23

During 2022, OHA participated in a PRI workshop series focused on sharing best practices across the asset class. This was a 4-part workshop which brought together banks and investors to discuss data, disclosures and product development across environmental, social, governance angles in the securitized products markets.

**Commercial Real Estate**

OHA’s commercial real estate platform originates across a range of instruments including senior mortgage loans, mezzanine loans, private placements, structured debt and structured equity.

OHA’s commitment to promote transparency and disclosure of ESG factors is reflected in how we engage with property management of our investments. Guided by GRESB, OHA initiated an outreach program to request and educate properties on the importance of a building’s environmental consumption data disclosure. This includes identifying a property’s energy, water, waste and GHG emissions level data. Property level access to data and preparedness to produce this information ranged dramatically and will serve as a useful baseline from which OHA can provide support to measure and report this information going forward. With this starting point, OHA has partnered with HXE Partners, to support our properties and contribute to a small leadership group supporting the development of GRESB’s lender pilot program. OHA looks forward to providing a valuable debt perspective on how to shape GRESB assessments, benchmarks and provision of educational materials for properties to report on and take action around its ESG related practices.

23. OHA requests a completed ESG questionnaire from all CLO managers in which the firm has exposure of $5mm or more as of the date the questionnaire is disseminated, which, for purposes of the most recent distribution in November 2022, this analysis was conducted as of October 31, 2022.
CORPORATE SUSTAINABILITY

Our firm level commitments to integrating sustainable business practices across our organization
UNDERSTANDING OUR CLIMATE IMPACT

Sustainability at the OHA Headquarters

OHA’s headquarters is located at One Vanderbilt in New York City. One Vanderbilt has one of the lowest carbon footprints across similar scaled buildings in New York City and has received top certifications including:

<table>
<thead>
<tr>
<th>Wired Platinum and LEED v4</th>
<th>WELL Health and Safety</th>
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<tbody>
<tr>
<td>Gold and v3 Platinum: First building globally to receive a dual certification of this magnitude across two versions of LEED</td>
<td>WELL v2 Platinum</td>
</tr>
<tr>
<td>OHA has achieved LEED Gold certification for its two floors</td>
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</table>

In addition to investments in sustainable physical assets, OHA established a Sustainability Network in 2022. This is an internal group of employees, led by Emily Mann and Blaire Rowe.

The Sustainability Networks mission is to inspire and educate OHA employees on the value and importance of sustainability at the firm and in the broader community.

The network is an internal group of more than 30 OHA employees across various departments and offices focused on advancing OHA’s corporate sustainability efforts. The network coordinates with OHA’s ESG Department and provides regular updates to OHA’s ESG Committee. The network meets on a quarterly basis and recently held its first formal event in Q1 2023, where the SL Green Sustainability Team presented on recycling fundamentals. The network is proactively thinking of new initiatives to advance OHA’s efforts such as diversifying its vendor platform with those who create a positive impact on the company and offer community volunteer events. Other initiatives in process at the firm focused on reducing our environmental footprint include:

- Waste programs including composting and E-waste
- Exploring mission-driven food delivery companies
- Ongoing recycling training for employees

Emily Mann
Associate, Investor Relations

Blaire Rowe
Associate, U.S. Credit
UNDERSTANDING OUR CLIMATE IMPACT

Public Supporters of the Task Force on Climate-Related Financial Disclosures (TCFD)

OHA is committed to making a positive impact through our investments and activities. OHA is a public supporter of the TCFD. We are pleased to share our alignment with the four pillars of the TCFD to demonstrate our commitment.

CORE ELEMENTS OF RECOMMENDED CLIMATE-RELATED FINANCIAL DISCLOSURES

<table>
<thead>
<tr>
<th>Governance</th>
<th>Disclose the organization’s governance around climate-related risks and opportunities.</th>
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<tbody>
<tr>
<td>Strategy</td>
<td>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning where such information is material.</td>
</tr>
<tr>
<td>Risk Management</td>
<td>Disclose how the organization identifies, assesses and manages climate-related risks.</td>
</tr>
<tr>
<td>Metrics &amp; Targets</td>
<td>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</td>
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</table>
OHA has a dedicated ESG & Sustainability department which includes three professionals: Jeff Cohen, Erin Hartney and Jayd Alvarez. Mr. Cohen, hired in February 2022, reports to Bill Bohnsack, President and Senior Partner and Declan Tiernan, Co-Head of Europe and Partner, both of whom are members of OHA's ESG Committee. In addition, Ms. Hartney assumed a dedicated role focused on ESG & Sustainability, reporting to Mr. Cohen. Jayd Alvarez joined the ESG team in 2023 as a Senior Analyst.

In addition to the ESG & Sustainability department, OHA has an ESG Committee which provides strategic oversight of the incorporation and monitoring of ESG factors into the firm's investment process.

To further ingrain ESG education across the firm, OHA's ESG & Sustainability Department holds training for investment professionals and other departments on an ongoing basis.

OHA's portfolio managers are ultimately responsible for incorporating the analysis of ESG matters including climate change into each investment decision. We utilize external research where necessary to better understand a company's risks and reward profile including issues related to climate.

OHA ESG Committee Members
UNDERSTANDING OUR CLIMATE IMPACT

Strategy

- OHA made meaningful progress during the year on creating systematic processes for integrating climate-related risks into our overall risk management and engagement processes.
- OHA factors climate risk implications informed by the TCFD in prioritizing financially material ESG factors from the IFRS Foundation’s SASB Standards into its investment process.
- For example, we are utilizing physical, transition and legal and regulatory climate related risks as core components informing prioritization of financially material environmental considerations.
- Climate change is likely to materially affect nearly every industry but manifests differently in each one, which is why we believe an industry specific approach aligns well with our investment process and allows for the most appropriate risk assessment. Pairing this top-down approach to climate risk assessment with bottom-up company specific analysis will allow for proper contextualization and time horizon assignment of these risks.
- OHA is a member of numerous working groups including the iCI and ESG IDP to share knowledge, communicate collaboration and benefit from best practice resources and tools. OHA joined iCI (Initiative Climat International), a consortium of private market investors who are committed to embracing the shift towards sustainable investments and climate change mitigation in 2022. As part of this new affiliation, OHA now co-leads the Global Private Debt Working Group offering investors in the private markets a platform for sharing best practices in analyzing, managing and mitigating climate-related financial risk and emissions among their portfolios, in line with TCFD recommendations.
UNDERSTANDING OUR CLIMATE IMPACT

Risk Management

- OHA continues to build internal capabilities to expand its risk management tools to systematically identify, assess and manage climate-related risks and opportunities.
- During the year, we laid the foundation for incorporating climate risks and opportunities in a systematic way as outlined in our strategy above.
  - In the absence of granular company level data, OHA relies on a top-down methodology informed by the SASB Standards to identify whether specific ESG factors intersect with climate risk.
  - While OHA believes this methodology can be highly instructive to inform engagement and portfolio construction, OHA is working to improve the data availability in the leveraged finance markets through a number of initiatives as discussed in detail in this report. As access to information and a more influential collective voice for lenders emerges, OHA plans to embed bottom-up company specific insights into this report.
  - As a result of this analysis, OHA expects to be able to assess its portfolio’s sector and industry exposure to financially material climate-related risks and opportunities across the following categories:
    - Physical risk: Acute and Chronic
    - Transition risk: Policy & Legal, Technology, Market and Reputation
- OHA has enhanced its approach to scoring companies to layer in weightings for each E, S and G profiles. This helps inform which companies are most impacted by environmental (and therefore climate) issues.
- OHA incorporates the IFRS Foundation’s SASB Standards, the technical basis for the International Sustainability Standards Board (ISSB) Industry-based disclosure standards, into its investment process. To identify whether specific ESG factors intersect with climate risk, OHA leveraged the SASB Climate Risk - Technical Bulletin. This bulletin outlines which material factors also intersect with climate related risks which has informed the OHA due diligence and engagement process. From a portfolio construction standpoint, OHA’s sector focus remains on Technology, Healthcare and Services, which are relatively lower emitting sectors as compared to others such as Oil & Gas and Metals & Mining.
- OHA’s ESG team and Legal & Compliance team stay abreast of climate-related regulations through several channels – Thomas Wong sits on the board of the LSTA and is a member of the ESG working group and Colin Blackmore is a board member of the Alternative Credit Council. Utilizing these knowledge sharing resources better informs OHA’s decision making processes and enables the team to identify certain scenarios to the ESG Committee and OHA’s leadership that may require additional investigation, when necessary.

24. Certain exceptions apply, including where the nature of the investment or issuer does not lend itself to a standard ESG assessment.
UNDERSTANDING OUR CLIMATE IMPACT

Metrics & Targets

OHA’s Operational Footprint

As a product of OHA’s ongoing commitment to better understanding its climate impact and identifying mitigation efforts, OHA engaged a third-party advisor, Bridge House Advisors, to calculate its 2022 carbon footprint using relevant Scope 1, 2 and 3 greenhouse gas emissions (GHG) data across the business:

**Scope 1:** Stationary Combustion of natural gas at office locations (including home offices, shared office space and workstations).

**Scope 2:** Purchased Electricity across office locations.

**Scope 3:** Business Travel via car, rail and air both domestically and abroad.

The results of the carbon footprint analysis revealed that during calendar year 2022, OHA emitted approximately 1,718 metric tons of CO\(_2\)-e. The breakdown of the carbon footprint by source for each year is illustrated in the figures below.

The increase in OHA’s carbon footprint from 2021 to 2022 can partially be attributed to the inclusion of additional Scope 3 categories, employee commuting and fuel & energy-related activities.

Fuel & energy-related activities go beyond direct and energy purchases captured in Scope 1 & 2 and encompasses the fuel and energy-related emissions among OHA’s value chain, such as supplier-related activity and transportation. This additional insight, along with the collection of employee commuting information, represents a significant step for OHA in refining its data collection process at the firm level, enabling the firm to provide a more accurate picture of its overall footprint.

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25. Source: Bridge House Advisors analysis completed as of March 2023. Data reflects OHA’s carbon footprint analysis during calendar year 2022. Bridge House Advisors is an ESG advisory firm that helps firms calculate, analyze, and manage their carbon footprints using GHG protocol. OHA has not independently verified any data sourced from third parties, and though obtained from reputable sources, OHA makes no representation as to the accuracy or completeness of such data.
OHA has offset 100% of its emissions since 2019 when it began calculating its carbon footprint. For 2021 and 2022, OHA purchased offsets through Anew Climate supporting two types of projects: Improved Forest Management and Waste to Energy.

**The Shaan Seet Forestry Project** is an improved forest management project on Prince of Wales Island in Alaska. Owned and managed by Shaan Seet, Inc., the forest includes higher elevations, deglaciated lands, wetlands, beaches and 7,000 acres of old-growth forest that once supplied nearby timber corporations and pulp mills in the 1980s. Recent Canadian mill demand for pulpwoo from Southeast Alaska has driven up the price, increasing the pressure for aggressive harvest practices and shorter rotations. Areas of Shaan Seet, Inc. lands managed for timber were once clear cut using helicopter or cable logging. The carbon project protects the land from development over the next 40 years and ensures continued ecological benefits through the preservation of old-growth areas. The project also protects sockeye, Coho, chum and pink salmon and steelhead trout. Shaan Seet, Inc. partners with the U.S. Forest Service and the Klawock Indigenous Stewardship Partnership. Revenue from carbon offset sales help provide job training for students interested in forestry, funding for youth stewards doing trail work and fish and wildlife projects. Shaan Seet, Inc. also hopes to stimulate eco-tourism through the project and further diversify the revenue streams of the tribe.26

- 9,000 Acres protected
- 40+ Fish-bearing streams
- 7,000 Acres old-growth

**The Henrico Landfill Gas Project** is based on Henrico Country, Virginia. Henrico County and Ingenco, a distributed energy company, partnered with Anew to create a project where Ingenco can utilize Henrico County landfill’s biogas for electrical production. This displaces fossil fuel-based grid electricity. Ingenco uses the landfill gas in its 12 electricity generator engines, providing 4 MW of power at peak times. When the generators are down for maintenance, the landfill gas can be destroyed in a flare onsite. The project utilizes methane that would otherwise be released into the atmosphere. Methane is 21 times more effective at trapping atmospheric heat energy than carbon dioxide. By using waste methane, the project generates renewable fuel for electricity that is fed into the local grid. The project pushes other small landfills to consider methane gas capture and utilization even when not required by law. The revenue streams from both the carbon credits and electricity prove that this resource-efficient innovation is financial viable.26

- 4 MW of power capacity
- 12 Generator engines
- 500k Tonnes of CO₂-e

OHA’s Financed Emissions

At the onset of 2022, OHA partnered with Persefoni, a Climate Management & Accounting Platform, to estimate the firm’s financed emissions as well as advance an industry-wide approach to comparative financed carbon emissions benchmarking.

- Utilizing Persefoni’s platform, which is built on the Partnership for Carbon Accounting Financials (PCAF) standard, OHA was able to measure the financed emissions of its flagship liquid credit fund, as well as many of its other funds and accounts.
- The partnership represents a critical development in solving the financed emissions challenge within alternative credit.
- OHA is excited about the progress it has made in estimating the firm’s financed emissions and looks forward to building capabilities further in the coming months.

26. Source: Anew Climate. As of Q12023.
CULTIVATING A DIVERSE AND INCLUSIVE WORKFORCE

OHA remains committed to maturing its approach to building a diverse, equitable and inclusive workforce and working environment.

The value of a diverse, inclusive and equitable workforce where employees can feel safe and comfortable is pivotal to creating a strong workforce built of individuals that feel supported and engaged. Not only are the intangible qualities of a diverse workforce felt when a company invests in creating a diverse workforce, but business performance improves as well - a McKinsey study from 2020 found that businesses with diverse teams outperform non-diverse ones by up to 35%. Our investments around our DEI program are founded upon these principles and continue to drive the evolution of our program.

Diversity, Equity & Inclusion (DEI) Governance

DEI COUNCIL

Support across the firm is critical to achieving demonstrable change and action.

The DEI Council ensures the continuous evolution of OHA’s DEI program. **President & Senior Partner, Bill Bohnsack**, is tasked with overseeing the firm’s DEI program and is further supported by cross-functional representatives from OHA’s London office. **OHA’s Chief Human Resources Officer, Gail Burlant**, works closely with the firm’s leadership on the implementation and monitoring of the firm’s diversity and inclusion initiatives and all employees are held accountable for contributing to these initiatives.

In alignment with OHA’s DEI Mission Statement, the DEI Council continues to develop OHA’s DEI Program based on three focus areas:

- Enhance employee engagement
- Recruit, develop and retain talented employees with diverse backgrounds and experiences
- Expand community engagement and impact

27 How diversity, equity, and inclusion (DEI) matter | McKinsey
CULTIVATING A DIVERSE AND INCLUSIVE WORKFORCE

2022 Achievements

- Expanded its employee resource network groups beyond the LGBTQ+ and Women's Networks to include Multi-Cultural, Sustainability, & Veteran's Networks
- Launched peer mentorship program to promote inclusion and help employees acclimate and align with the firm’s values and culture
- Continued its relationship with Wharton Alliance and Out for Undergrad to support the recruitment of talented, minority and diverse employees
- Grew its non-profit partnership network with Girls Who Invest and Sponsors for Educational Opportunity
- Lucy Panter, Portfolio Manager & Partner, served as a mentor through GAIN (Girls Are Investors) in the UK, focused on raising awareness among young women about careers in the investment management industry
- Lucy Panter served as a panelist at the ELFA Annual Conference titled “DEI: How to create a team for the future”
- Since establishing its recruitment partnerships, OHA recruited and hired a total of 22 full-time employees.
- Increased under-represented talent (“URT”) by 36% since year-end 2020, firm-wide
- Within the Investment team, female representation has increased 79% since year-end 2020

2023 Action Items & Longer Terms Goals

- Develop and build organizational awareness of DEI and an understanding of key priorities to align business priorities to attract, develop, empower and retain employees to drive business success
- Focus on leaders as mentors, sponsors and active allies to maximize employee engagement and demonstrate behaviors that attract and retain the best talent and foster an inclusive culture and balanced workforce that contributes to the firm’s growth
- Be a strong leader in diversity and inclusion to positively impact clients and communities, achieve brand distinction and become an employer of choice for top diverse talent

OHA’s Commitment to Industry Improvement

OHA continues to advance our commitment to the Institutional Limited Partners Association (ILPA) Diversity in Action Initiative. As a signatory, OHA offers transparency into its actions to promote DEI within the organization and wider industry.

28. Underrepresented Talent is considered by OHA to include Black/African American, Hispanic/Latino, American Indian/Alaska Native
CULTIVATING A DIVERSE AND INCLUSIVE WORKFORCE

Expanding OHA’s Employee Resource Networks

Our employee resource networks are important initiatives that seek to educate and empower employees, inform pathways to advancement within OHA, as well as provide valuable networking opportunities. Below are highlights of certain events held by each network:

**Multicultural Network**
- Strives to provide networking, educational and collaboration opportunities for all OHA employees of all cultures
- Celebration to support Black-owned businesses in celebration of Black History Month
- Cinco de Mayo celebration
- Rosh Hashana & Yom Kippur Teach-in
- Latin Heritage Celebration Webcast in partnership with T. Rowe Price
- Diwali Celebration

**LGBTQ+ Network**
- Strives to provide networking and educational opportunities among LGBTQ+ individuals and allies
- Participation in the Wharton Alliance 8th Annual Case Competition & Career Fair (LGBTQ+ Network)
- Participation in T. Rowe Price’s signature Pride Month event, a discussion with Out Leadership on the state of corporate allyship
- The UK office organized a donation to akt, a non-profit that supports young LGBTQ+ people in the UK who are facing or experiencing homelessness or living in a hostile environment

**Sustainability Network**
- Seeks to inspire and educate OHA employees on the value and importance of sustainability at the firm and in the broader community
- First formal event in Q1 2023, where the SL Green Sustainability Team presented on recycling fundamentals
- Enhancing firm’s waste programs including composting and E-waste

**Veteran’s Network**
- Honors the contributions of veterans and their families by promoting a collaborative culture that values the strength and experience the military community brings to the firm
- Fireside chat with Medal of Honor recipient turned investment banker, Jack Jacobs, one of the most decorated soldiers in American history
- In concert with T. Rowe Price’s VALOR business resource group, employees attended discussion with Nate Boyer, a veteran of the Army special forces, former NFL player and founder of Merging Vets & Players (vetsandplayers.org), a great cause that helps vets transition to civilian life

**Women’s Network**
- Strives to provide women with opportunities for connections, collaboration, mentorship and professional development
- International Women’s Day yoga class
- Fireside chat with female entrepreneur, Alix Peabody (Founder & CEO of Bev)
- First annual Senior Women’s Leadership Meeting Offsite
- Participation in the Welman Project - non-profit that recycles materials into school supplies for teachers
- Dress for Success clothing drive
- Creation of the firm’s first formal mentorship Peer Pod Program, a small group mentorship program that helps new hires acclimate and fosters inclusion across OHA

**Oak Hill Advisors Peer Pod Program (PPP)**

In 2022, Oak Hill Advisors launched a peer mentorship program to promote inclusion and help employees acclimate and align with the firm’s values and culture. The Peer Pod Program aims to promote a smooth onboarding, provide guidance on navigating the organization, encourage the promotion of engagement and develop leaders.

**PROGRAM GOALS**

**Successful onboarding**
- Building networks within and among teams
- Integrating new employees into the firm (socially, workwise and practical logistics)

**Navigating the organization**
- Communicating within the organization
- Managing workflow

**Promoting engagement and developing leaders**
- Creating a culture that rewards helping colleagues
- Priming new employees for success

The PPP is founded on the philosophy that while individuals work independently, the firm’s success is built on collaboration and synergy amongst its members, across all levels and across all regions. Each individual has an important role to play as an organizational ambassador and as a team member in cross-pollinating, generating ideas and advancing the entire portfolio. OHA seeks to be agile, innovative and flexible in order to address a dynamic and competitive business environment. Individuals on the OHA team must be able to function both independently and in teams and networks, as well as across functions and regions. OHA wants its employees to collaborate, connect and exchange information in an effort to further business goals and tend to the development and success of every employee. The OHA-PPP translates firm culture into action, through the PPP process, participants are encouraged to share what they need to know, how to do it at OHA and the hard and soft skills necessary to be able to effectively perform their jobs.
Volunteering

OHA offers opportunities for employees to participate in community-based projects and events in each of OHA's primary locations. Throughout the year, OHA participates in a variety of events and offered opportunities for its employees to be engaged within their local communities and make a positive impact.

- **National Alliance of Mental Illness (NAMI) Fundraise and Walk**: helps families and individuals affected by mental illness build better lives through education, support and advocacy.
- **Voices Against Violence Gala**: sponsored by Day One, a non-profit dedicated to ending dating abuse and domestic violence through community education, legal advocacy and leadership development. Gala helps raise awareness around dating violence confronting youth today, recognizes those whose work promotes safe and healthy relationships among young people and develops resources to support Day One’s vital services.
- **Dress for Success Clothing Drive**: empower women to achieve economic independence by providing a network of support, professional attire and the development tools to help women thrive in work and life.
- **Read Ahead**: this is an ongoing partnership for OHA in which employees in New York City mentor local elementary school children on a weekly basis.
- **ACH Child & Family Services**: provides back-to-school supplies and holiday meals to those in need.
- **The Hope Program**: empowers New Yorkers to build sustainable futures through training, jobs and career support.
- **Earth Day Jackie Robinson Park Volunteer Event**: employees volunteered in Harlem at Jackie Robinson Park painting benches, planting plants and removing natural debris & litter.

Philanthropic Efforts

OHA is proud to have supported the following organizations through charitable contributions:

- Big Brothers Big Sisters of America
- Summer Search
- Youth Inc
- MRF Melanoma Research Foundation
- Yonkers Partners in Education
- Fallen Patriots
- National Kidney Foundation
- Memorial Sloan Kettering Cancer Center
- Domus
- Ronald McDonald House Charities
- HER Justice