



2024

Annual Sustainability  
Report





Experience



30+ Years

Scale



\$95<sup>1</sup> Billion

Team



420+ Colleagues

Private Markets

Liquid Markets

Private

\$36b

Dedicated Private Credit Mandates

Opportunistic

\$19b

Distressed / Special Sits, Real Assets, Private Credit

Structured

\$22b

OHA-managed CLOs, 3<sup>rd</sup> party CLO Debt / Equity

Public

\$18b

High Yield, Leveraged Loans, Multi-Asset Credit

Oak Hill Advisors (OHA) is a leading global credit-focused alternative asset manager with over 30 years of investment experience. OHA works with institutions and individuals and seeks to deliver a consistent track record of attractive risk-adjusted returns. The firm has approximately \$95 billion in assets under management (AUM) across credit strategies, including private credit, high yield bonds, leveraged loans, stressed and distressed debt, structured credit and collateralized loan obligations as of March 31, 2025. OHA's emphasis on long-term partnerships with companies, sponsors and other partners provides access to a proprietary opportunity set, allowing for customized credit solutions across market cycles. With over 400 experienced professionals, OHA brings a collaborative approach to offering investors a single platform to meet their diverse credit needs.

1. Assets under management ("AUM") estimated as of March 31, 2025. Refers to the discretionary and non-discretionary assets of investment advisory clients, including co-investment advisory clients, and of certain tactical relationships to which OHA provides management, advisory or sourcing and administrative services. AUM includes net asset value, drawn and undrawn debt at the portfolio level, portfolio value and/or unfunded capital as applicable. AUM uses USD exchange rates as of the applicable month-end for any non-USD-denominated assets. For the CLOs OHA manages, OHA's AUM is equal to the initial principal of collateral adjusted for paydowns. Additional information on the AUM calculation methodology is available upon request. The AUM provided here is distinct from regulatory assets under management (as reported on the Form ADV), GIPS assets under management calculations, and capital under management.

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# A Message from our Founder and CEO



## Support, Guidance and Transparency

While the regulatory and political landscapes are changing rapidly, OHA's approach remains constant. Throughout our investment process, we focus on factors we believe are most likely to be financially material, which may intersect with environmental, social or governance issues. We actively support companies with guidance and tools to realize value and minimize risks driven by such factors across their relevant business lines and operations. OHA, alongside many of our peers, encourages transparency through ongoing engagement with companies and sponsors, aiming to demystify complexity created by evolving client expectations and differing global regulation.

In 2024, OHA focused on improving sustainability practices across alternative credit markets through leadership and collaboration. We invested in our firm's technical capabilities, internal training for our professionals, as well as diligence and monitoring tools, to deepen our focus on risk management. As a leading credit manager with a global footprint, we remain firmly committed to our employees and the communities in which we operate.

**In today's ever-shifting environment, we strive to provide our investors with stability and remain focused on our core goal to achieve targeted investment returns.**

*Glenn*  
**Glenn R. August**  
Founder & CEO

Responsible Investment

Corporate Sustainability

## Our Commitment



Achieve targeted investment returns for our partners



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



Encourage a culture of collaboration and respect and foster employee engagement





## Leadership & Engagement

Assumed the Chair of the Executive Committee role for the Integrated Disclosure Project (IDP), an industry initiative bringing together leading lenders in the private credit and syndicated loan markets, to improve transparency

Joined the Principles for Responsible Investment's (PRI) Private Debt Advisory Committee, which designs, delivers and disseminates private debt guidance to help asset owners, service providers and investment managers implement PRI principles



## Climate

Supported companies with market insights and free resources to meet multi-jurisdictional regulatory and client requirements related to climate disclosures

Continued partnership with Persefoni, a leading climate accounting platform, to calculate carbon emissions for certain OHA investments, including estimates for companies not yet disclosing GHG emissions, as well as firmwide and select fund level emissions



## Corporate Sustainability

Continued efforts through employee-led Sustainability Network

Offset OHA's scope 1 and scope 2 emissions for 2024 through an IFM (Improved Forest Management) project, marking the 6th year in a row OHA has offset emissions



## Employee Engagement

Focused on employee engagement with networking and volunteer based events, mentorship programs, employee surveys and training

Continued partnership with GWI, Phelps Forward, Out 4 Undergrad (O4U) and Sponsors for Education Opportunity (SEO)

OHA became a Founding Partner and Steering Committee Member for SEO's Credit Academy



OHA has a dedicated Sustainability department which includes three professionals: Jeff Cohen, Erin Hartney and Aliza Mehlman.

The Sustainability Department reports to Bill Bohnsack, President and Senior Partner, Adam Kertzer, Portfolio Manager & Senior Partner and Fritz Thomas, Head of Client Coverage and Partner, all of whom are members of OHA's Sustainability Committee.



## Jeff Cohen

*Managing Director, Head of Sustainability*

Jeff Cohen has management responsibility for the incorporation of environmental, social, and governance matters most likely to be financially material within the firm's investment processes as well as other sustainability initiatives at the firm. He is a member of OHA's Sustainability Committee, Risk Committee and the Diversity, Equity and Inclusion Council. Mr. Cohen is also the Chair of the Executive Committee of the Integrated Disclosure Project and a member of the Principles for Responsible Investment's Private Debt Advisory Committee. Prior to joining OHA, he was the Director of Capital Markets Integration and Head of Private Investments Initiatives at the Sustainability Accounting Standards Board (SASB) Foundation.

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

*Managing Director, Sustainability*

Erin Hartney is focused on the incorporation of environmental, social, and governance matters most likely to be financially material within the firm's investment processes as well as other sustainability initiatives at the firm. Ms. Hartney is a member of OHA's Sustainability 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.



## Aliza Mehlman

*Analyst, Sustainability*

Aliza Mehlman is focused on the incorporation of environmental, social, and governance matters most likely to be financially material within the firm's investment process as well as other sustainability initiatives at the firm. Prior to joining the Sustainability Team at OHA, Ms. Mehlman was an Investment Analyst on the Energy team at OHA. She earned a B.S. in Human Biology with a Concentration in Neuroscience and Decision-Making from Stanford University.



# Advancing the Field

During 2024, OHA continued to focus on improving access to sustainability information most likely to be financially material within the alternative credit markets. OHA firmly believes greater transparency and harmonization will help drive action and effective engagement around business issues, which increases the likelihood of real-world outcomes. OHA is focused on supporting initiatives it believes will create efficiencies, provide resources, and reduce burdens on companies.



The Integrated Disclosure Project (IDP) provides borrowers with greater certainty about which indicators are most relevant to lenders, allowing borrowers to concentrate their efforts on the most material disclosures, rather than spreading limited reporting resources across a multitude of similar questionnaires.

## Notable updates for 2024

OHA assumed the Chair role on the Executive Committee

Collaborated with other industry groups to maintain alignment with EDCI (ESG Data Convergence Initiative) and SFDR Mandatory Principle Adverse Impacts (PAIs)

Identified arranging banks to support in socializing the value of IDP across corporate investment banking functions and in alignment with the Loan Syndications & Trading Association (LSTA)

The IDP provides borrowers with a harmonized and standardized means to report environmental, social, and governance 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 information requests, OHA believes the template will encourage more consistent reporting and support comparison across the industry.

**The Integrated Disclosure Project industry specific methodology largely reflects OHA's own approach to identifying and underwriting credit relevant environmental, social and governance factors into the investment process. We are excited to focus our future efforts on education and adoption to align sponsor, lender and investor interests.**



OHA promotes the measurement of GHG emissions, when most likely to be financially material, improving the transparency of decision-useful climate-related disclosures.

OHA joined Initiative Climat International (iCI) in 2022 and leads the Global Private Credit Working Group. iCI offers 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 group published the Carbon Footprint Measurement Guide, which was designed to help facilitate more effective disclosure of GHG emissions between companies and their fiscal sponsors, direct lenders and other debtholders. During the year, OHA shared this resource with interested companies and sponsors.

In 2024, OHA collaborated with iCI and Novata on the iCI Environmental Readiness Metrics, which breaks down several key regulatory and market driven disclosure frameworks and standards focused on environmental metrics to allow companies to chart a course, should they so choose, to capture data and drive operating initiatives in line with commonly accepted standards for disclosure. This guidance was recently published in 2025 and will be a key resource utilized by OHA when supporting companies going forward.

**OHA collaborates with other leading organizations to help form best practices across alternative credit.**







Since 2019, OHA has been a signatory to the PRI, demonstrating our commitment to transparency and disclosure.

In 2024, OHA joined PRI's Private Debt Advisory Committee (PDAC) which focuses on the design, delivery, and dissemination of private debt guidance products to help asset owners, service providers and investment managers implement the Six Principles of the PRI. The PDAC focus for 2024 was on stewardship, decarbonization, environmental, social, and governance data, and collaboration with private equity firms.

Additionally, in 2024, OHA served on the PRI's Sustainable Systems Investment Managers Reference Group (SSIMRG). The PRI's SSIMRG provides an opportunity for investment managers to engage regularly in a two-way dialogue with PRI about the most pressing issues facing the responsible investment community.

OHA shares a common vision to enhance systematic and transparent consideration of environmental, social, and governance factors most likely to be financially material in the assessment of creditworthiness.

OHA submitted its PRI transparency report across 5 modules for the most recent reporting period and is pleased to share our results, which we received in December 2024.

## Scorecard<sup>2</sup>

Direct - Fixed Income Corporate	Direct - Fixed Income Securitized	Direct - Fixed Income Private Debt	Policy Governance and Strategy	Confidence Building Measures
89%	86%	88%	82%	92%
★★★★☆	★★★★☆	★★★★☆	★★★★☆	★★★★★
OHA Outperformed Median Scores Across All Categories				
Median Score: 68%	Median Score: 68%	Median Score: 75%	Median Score: 60%	Median Score: 88%

2. Principles for Responsible Investment ("PRI") is a United Nations-supported international network of financial institutions. On November 25, 2024, OHA received its PRI scores for its 2023 PRI submission, which was submitted in June 2024. The 2024 PRI submission reflects data provided by OHA for the review period January 1, 2023 – December 31, 2023. OHA pays an annual assessment to PRI in order to maintain its status as a PRI signatory though no fees were required to promote OHA scores. The assessment score is provided by the PRI and is meant to provide feedback to signatories on the development of their approach to responsible investment. Only PRI signatories are eligible to be considered for a PRI score. OHA is not affiliated with PRI.





# Responsible Investment

Our approach to  
integrating environmental,  
social and governance  
factors most likely to be  
financially material, into  
our investment processes



# Investment Approach

## Our Commitment

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

The consideration of what we believe are financially material environmental, social and governance factors is core to creating long-term value for our investors. OHA has a systematic, firmwide approach to the integration of these factors in the investment process that is applied across asset classes and differentiated based on the nuances of each strategy.

Consistent with OHA's investment philosophy, investment professionals across seniority levels play an active role in the credit consideration process, including the assessment of environmental, social and governance factors. OHA focuses on the financially material factors that underpin a company's creditworthiness, utilizing consistent resources to inform determination and analysis of these factors.

## Differentiated Approach Across Strategies

### Corporate and Private Credit

The investment team utilizes an OHA-designed methodology, which is based on the Sustainability Accounting Standards Board (SASB), the technical basis for the International Sustainability Standards Board (ISSB) industry specific disclosure standards.

The SASB Standards identify environmental, social and governance 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. 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 environmental, social and governance 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 Taskforce for Climate-related Financial Disclosure (TCFD).

**Scoring: Companies are evaluated and scored across each Environmental, Social and Governance pillar on a 5-point scale based in part on industry specific factors most likely to be financially material. These scores are not indicative of investment decisions but rather inform the overall investment decision alongside other factors relevant to credit-worthiness.**

Within private credit investments, OHA may have greater access to management teams or sponsors as compared to its broadly syndicated loan business. As such, OHA may leverage relationships with sponsors as well as its collaborations with trade associations to promote transparency. OHA is focused on prioritizing company disclosure aligned with widely recognized and leveraged standards and frameworks of mutual importance to the sponsor and OHA.

### Structured Credit

Since 2008, OHA has been an active investor in CLOs issued by other managers. OHA's experienced team is deeply integrated with the leveraged loan and CLO-issuance businesses.

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), Principles for Responsible Investment (PRI) and the European Leveraged Finance Association (ELFA) to inform our questionnaire.

In 2024, OHA used the questionnaire responses to assess each CLO manager's response along dimensions of governance, data and reporting, portfolio management, internal operations and climate. Objective and subjective analysis was used to arrive at a final internal assessment, which was formally incorporated into the CLO team's risk management dashboard as an input to provide a holistic view of managers.<sup>3</sup>

3. 2024 questionnaire was sent to CLO Managers where OHA had at least \$15 million of exposure market value (as of 9/30/2024).

## Integration by the Numbers

OHA's investment teams are primarily organized by industry verticals, allowing investment professionals to develop and utilize a deep understanding of industry trends, risks and opportunities and their intersection with financially material environmental, social and governance topics.

Industry-specialist teams are responsible for private and syndicated investments, working closely with the firm's asset class specialists. OHA's sustainability team works closely with the investment team to support their efforts and coordinates as appropriate on the investment process, helping contextualize risks or opportunities. Sustainability-related insights and best practices are shared regularly by the team to enable analysts to have a strong working knowledge of various environmental, social and governance topics and to ensure that such factors are incorporated in a consistent manner within the investment due diligence process.

435

Completed 435 assessments in 2024

5

Industries with the most assessments were technology, industrials, consumer, services, and energy

339

OHA's investment professionals review companies' initial Environmental, Social, and Governance assessments on an annual basis. In 2024, 339 assessments were reviewed and recertified.

## Integration Examples

The examples below highlight how OHA's team considers relevant environmental, social or governance topics within its investment due diligence process. While these factors may not necessarily be primary determinants of the investment decision, they are considered holistically during the underwriting stage.

### Energy Management

**ACTION**

#### SASB Informed Description of factor relevance within industry:

Multiline and specialty retailers and distributors require significant amounts of energy for their retail facilities and warehouses. Sustainability factors—such as the increasing number of GHG-emissions regulations, incentives for energy efficiency and renewable energy—are leading to price increases in conventional electricity sources while making alternative sources more cost-competitive. Fossil fuel-based energy production and consumption contribute to significant environmental impacts, including climate change and pollution. Decisions regarding energy sourcing and type, as well as



the use of alternative energy, can create trade-offs related to the energy supply's cost and reliability for operations. It is becoming increasingly important for companies to manage their overall energy efficiency, and their access to alternative energy sources. Efficiency in this area can have financial implications through direct cost savings, which are particularly beneficial in this low-margin industry.

**Action** is a discount store chain that has locations across Europe. OHA believes that Action has embedded strong energy management policies and practices into its operations. The company has a goal to reduce its Scope 1 and 2 emissions by 60% by 2030, as compared to the company's 2021 baseline. The company is focused on these GHG emissions reductions through the adoption of more efficient lighting and energy sources at its stores and distribution centers, its use of more efficient delivery fleets, and waste management. For example, all new stores opened in 2023 operate without gas and Action continues to disconnect existing stores from the main gas supply; as of the most recent update, ~98% of Action's stores do not rely on gas for energy. Further, 90% of electricity for the stores come from green sources. Further, the company uses electric transport and biodiesel where feasible to reduce emissions. Finally, Action also compresses its waste materials so that they can be transported and reused or recycled more easily and efficiently.





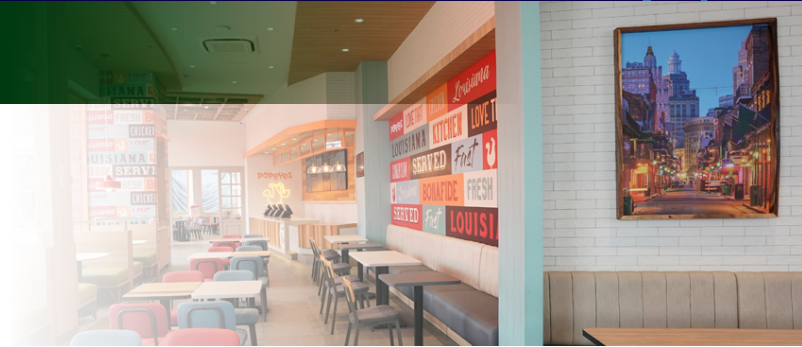
# Integration

## Energy Management



### SASB Informed Description of factor relevance within industry:

Restaurant operations have high energy intensity compared to other commercial building operations. Commercial kitchen appliances are extremely energy intensive, and dining areas are typically temperature-controlled for customers. Fossil fuel-based energy production and consumption contribute to significant environmental impacts, including climate change and air pollution, which have the



potential to indirectly, yet materially, impact the results of restaurant operations. Companies that manage energy consumption at company-owned and franchise locations can decrease operational costs through energy efficiency upgrades and limit exposure to GHG emissions regulations through the use of renewable energy resources.



estimates that the realization of these targets would prevent an estimated 25.4mm MT<sub>CO<sub>2</sub>e</sub> from being released into the atmosphere by 2030, as compared to a business-as-usual scenario. A key focus is to transition corporate owned and leased truck and car fleets to EVs by 2030. Furthermore, the company is working toward full procurement of renewable energy for its corporate owned or leased buildings and partial procurement for its franchised restaurants. The company is developing and formalizing additional decarbonization measures to be implemented at select restaurants.

**Restaurant Brands International (RBI)** is one of the largest multi-national Quick Service Restaurants (QSRs). OHA believes that RBI has strong energy management initiatives and meaningful targets. In partnership with its franchisees and suppliers, RBI is working toward meeting its target to achieve net-zero emissions by 2050, or sooner. The company has an interim goal to reduce absolute Scope 1 and 2 GHG emissions by 50% by 2030, compared to its 2019 baseline. Additionally, RBI aims to reduce Scope 3 GHG emissions intensity by 50% per metric ton of food, and per franchise restaurant. RBI

## Energy Management

# POLYWOOD®

### SASB Informed Description of factor relevance within industry:

Companies in the building products and furnishing industry require significant amounts of energy for their retail facilities and warehouses. Fossil fuel-based energy production and consumption contribute to significant environmental impacts, including climate change and pollution. Decisions regarding energy sourcing and type, as well as the use of alternative energy, can create trade-offs related to the energy supply's cost and reliability for operations. It is becoming



increasingly important for companies to manage their overall energy efficiency, and their access to alternative energy sources. Efficiency in this area can have financial implications through direct cost savings, which are particularly beneficial in this low-margin industry.

**Polywood** is a manufacturer of sustainable, all-weather patio furniture. The company promotes strong energy management policies and practices throughout the production of its signature Polywood lumber. Polywood products are made from high-density polyethylene (HDPE), which is "highly recyclable" as once the lumber is produced and the furniture is constructed, 99% of all scrap from manufacturing returns to Polywood's recycling plants to be broken down and made back into lumber. Polywood has made material investments to build out in-house recycling lines to efficiently recycle multiple streams of recycled inputs including landfill-bound plastic jugs and HDPE lumber scrap and shavings. HDPE is both sustainable and better for consumers as HDPE furniture is more durable, weather-resistant, and lasts longer than wood or metal furniture. The recycling lines at Polywood's Roxboro, NC and Syracuse, IN facilities are vertically integrated and were intentionally designed for the efficient use of water, heating and energy power, and low-maintenance operations. In 2023, the Roxboro, NC facility was operating at an average electricity intensity of 25.67 kWh/sq ft, compared to the national average of ~377 kWh/sq ft. Likewise, in 2023, the Syracuse, IN facility spent \$6.26 per sq ft on electricity and natural gas in 2023 versus the national average of \$12.16/sq ft and \$15.38/sq ft, respectively.

Supply Chain Management

Supply chain risk is of increasing importance when assessing business continuity. A resilient supply chain entails meaningful management of who a business operates with, what products they are buying, and where underlying suppliers are located and sourcing from.

From a lender’s perspective, these issues can impact a company negatively. Controversies linked to companies and suppliers can impact the broader stakeholder group. As such, OHA considers supply chain management when material during its due diligence process. Items that OHA may consider include:

The proportion of revenue that is heavily reliant on goods or services obtained from suppliers

The firm’s top (Tier 1 and Tier 2) suppliers

The core material(s) being sourced / produced from the top suppliers

The countries from which the top suppliers source

The regions where the top suppliers are located

The borrower’s practices for managing environmental, social and governance risks in the supply chain. This includes:

- Business continuity plans for top suppliers
- Supplier codes of conduct, and / or vendor or supplier DDQs
- Procurement policies and procedures
- Supplier audits
- Modern slavery policies and procedures

Supply Chain Management



**SASB Informed Description of factor relevance within industry:**  
Many companies in the Freight & Logistics industry contract with large, complex networks of asset-based third-party providers to provide freight transportation services to their customers. Contracting is especially common among companies providing freight forwarding, logistics, brokerage, and intermodal services. These contractors range across all modes of transport such as motor carriers, railroads, air freight, and ocean carriers. Companies need to manage the



relationships with their contractors in order to ensure that contractor actions that lead to environmental or social impacts do not result in material adverse effects on their own operations, such as decreased brand value. At the same time, companies that are able to offer low-carbon logistics solutions may capture market share from customers seeking to reduce the carbon footprint of their shipments.



management of its global vendor base, which provides improved reporting and dashboard capabilities. AIT uses this information to efficiently identify, monitor and address risk in the supply chain. Further, AIT has a standardized formal process for contracting, vetting and managing third-party service providers throughout Europe, including an updated code of conduct and questionnaire for suppliers drafted in local languages. AIT periodically reviews its policies and it seeks to ensure that the entire organization, particularly facilities in high-risk markets, conduct proportionate risk assessments to ensure its policies are properly and consistently applied.

**AIT Worldwide Logistics** is a global transportation and logistics company. Given the company’s global exposure and role as a critical point in the supply chain itself, OHA believes that AIT has adopted strong governance and procurement practices to ensure a safe and secure supply chain and minimize the impact of supply chain operations on society and the environment through the integration of risk management measures and innovative logistics solutions and technologies in operations. AIT incorporates the use of a third-party risk management platform for supplier vetting and ongoing



## Supply Chain Management



### SASB Informed Description of factor relevance within industry:

Containers and packaging manufacturing utilizes large quantities of raw materials. Sustainable production of materials is an important supply chain consideration for companies in the industry, as adverse environmental impacts could increase materials costs and affect the brand value. In order to mitigate such risks, companies can implement supply chain vetting practices and implement third-party

standards within internal operations and suppliers that certify that the materials they procure were produced in a sustainable manner. Additionally, such actions can raise brand value and meet customer demand for sustainably produced packaging products, providing access to new markets and growth opportunities.



laws pertaining to human rights and labor standards. Berlin utilizes EcoVadis to assess, track and improve their supplier's sustainability performance by conducting due diligence upstream and downstream to ensure their partners are committed to responsible business and sustainable operations. Berlin prioritizes engagement with their key suppliers, such as those with high spend and material weight, and seeks to engage directly with their suppliers on enhancing their sustainability capabilities. By 2025, Berlin's goals include assessing 300 suppliers on environmental, labor and human rights, ethics and sustainable procurement criteria and meet its engagement goal of > 75%. As of the company's 2023 YE report, the company has assessed 80+ suppliers, yielding a 54% engagement rate.

**Berlin Packaging** is a manufacturing, distribution and packaging service provider spanning across various industries. OHA believes that Berlin has strong oversight over its supply chain and plays an active role in evaluating its suppliers and promoting sustainability and ethical policies. The Quality Services Group oversees compliance of the Supplier Code of Conduct which integrates social, legal and environmental practices across the value chain. This group evaluates potential suppliers, including assessing their environmental, social and governance performance and their compliance with applicable

## Supply Chain Management



**Charter Next Generation (CNG)** is a leading North American manufacturer of highly engineered specialty films, focused on the food, consumer, healthcare and industrial end markets. OHA believes that CNG has a strong supply chain management program. CNG's position in the supply chain is a central focus of company management given the brand's value proposition as a supplier to both integrated and independent converters and end-users. CNG's approach to gathering supplier data entails establishing a baseline built on the data collected from its top suppliers, followed by the submission of a Supplier Sustainability Survey to the rest of its suppliers. CNG will then analyze the risk factors of each supplier, and works with those who require assistance to bring them up to CNG's standards. CNG seeks to support the sustainability objectives

of their customers by developing solutions that are recycle-ready, compostable, low-carbon and/or retain recycled products. CNG plans to request sustainability and climate-related metrics as part of supplier considerations and purchase orders to align CNG's suppliers with its emission reduction goals. Of note, the CDP awarded the company an "A-" rating on its supplier engagement program.



## Governance

**Corporate governance is the oversight, structures, policies, rules and controls related to a company's ownership, leadership, processes and risk management.**

In addition, governance of environmental and social factors is a subset of corporate governance that refers to the implementation of decision-making, board oversight, rules, policies and procedures throughout an organization. OHA's due diligence process analyzes both a company's corporate governance and their governance of environmental and social factors, where relevant. Ownership structure, sponsor quality, public versus private, history of M&A and ownership changes, as well as leadership elements such as board independence, and diversity of background are key items we review during diligence and monitoring. A company's policies and procedures are also a focus during our assessment process. These policies may include Code of Conduct, Anti-Corruption, Anti-Bribery, Anti-Competitive Behavior, Whistleblower Protections, Supplier Code of Conduct, Business Ethics and Sustainability. Procedures around tax and audit as well as risk management are incorporated during underwriting. Finally, reputational risk factors are considered, which may include an evaluation of historical incidents facing the company and relative impact.

**OHA, in partnership with a law firm, conducted an in-depth corporate governance training session for members of its investment and legal and compliance teams.**

The session focused on the nuances of board functions, board member responsibilities and duties, oversight obligations, insurance and other considerations in various contexts. Application of these concepts through OHA's assessment process were emphasized across the various strategies in which OHA invests.



**VFS.GLOBAL**

**VFS Global is a provider of secure mobility technology services.** OHA views governance at VFS Global favorably. The company's board is made up of nine members, including the Chief Executive Officer (CEO), independent non-executive directors, as well as shareholders. VFS Global's board selection process considers various dimensions of diversity including professional qualifications, skills, knowledge, international and industry experiences, expertise, gender, age and tenure. Except for the CEO, the other Board members are independent and are not engaged in the operations of the company. The positions of Chairman and CEO are held by separate individuals. In the selection process for the Board of Directors, VFS Global mandates that prospective Board members disclose their independence, potential conflicts of interest, relationships and any other factors pertinent to their association with VFS Global or their ongoing eligibility and appropriateness to serve as a Board member. VFS Global is compliant with ISO standards and has established anti-bribery management systems as well as established systems to address the challenges of professional integrity, business ethics and compliance within the operational scope of VFS Global. The company also invests in compliance training across its staff, and in 2023, 100 percent of Board Members and employees received the communication and training about the company's Anti-bribery and Corruption Procedures.



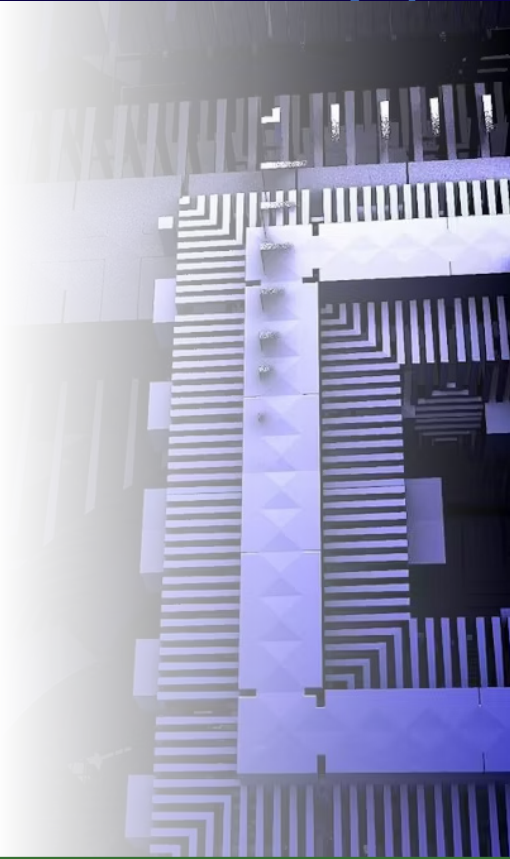




**Baker Tilly is a global advisory, tax and assurance firm.** Given reputation and integrity are key customer purchasing criteria for audit and advisory firms, the company seeks to maintain a strong brand and reputation, and governance is a key focus for management, especially since the company also provides governance advisory services to clients.

The company also has multiple committees that support the Board of Partners, with one committee providing CEO / Board Chair oversight, and there are robust procedures for account management, vendor selection, and sales processes to ensure sound practices when engaging customers and partners.

There are also annual internal materiality assessments that are conducted, and employees and management noted that ethics, compliance, and independence were top firm considerations. Given this is a true "people" business, the company also has well-established compensation, benefits, recruitment, and performance management frameworks to ensure employee / partner retention, with various initiatives (in addition to variable compensation) to incentivize / support employees (i.e. recognition programs through gift cards, educational assistance, professional certifications). Management also actively works to identify "high potential" talent to be placed on a promotion track to make partner. In addition, company board members bring diversity of background and thought to the company.



**Howden Group is a large insurance intermediary based in London.** The company has a well-articulated set of governance principles and guidelines that enables the leadership and employees to operate with full integrity and ethical standards while aiming towards the enhancement of stakeholder value. Key principles as stated by the company include:

The company should be headed by a competent working board to ensure long-term success and sustainability with best interest of its shareholders.

The roles and responsibilities should be clearly disclosed to all the stakeholders.

Board committees should be set up primarily for audit, risk management, related party transactions and other key corporate governance concerns.

The BOD should endeavor to exercise objective and independent judgement on all corporate affairs.

The BOD should adhere to and promote high ethical standards in the best interest of its stakeholders.

The company ensures strong internal control to ensure, integrity, transparency and proper governance in the conduct of its affairs.



Approach to Engagement

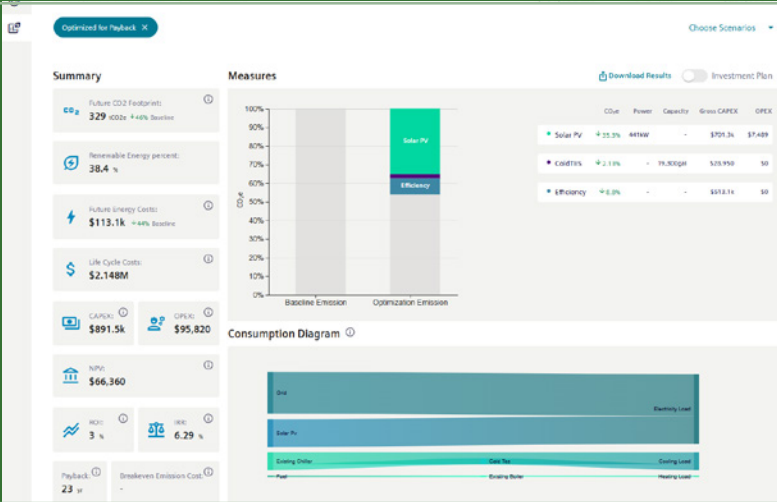
OHA views engagement as purposeful, targeted communication with an entity (e.g., company, sponsor, interested party, industry body) with the goal of promoting transparency with an individual issuer or addressing a market-wide or systemic risk (e.g., climate risk).

As a credit investor, OHA believes its engagement approach reflects its unique positioning and capabilities. OHA seeks to engage in constructive dialogue and promote transparency around key environmental, social, and governance factors for company management consideration. OHA believes measurement leads to management and can create an intrinsic motivation amongst companies to take action and improve performance on likely financially material factors that can also contribute to positive social and environmental outcomes.

OHA seeks to support the borrowers and sponsors with which we partner by providing free tools and resources:

Siemens' Decarbonization Business Optimizer (DBO) Tool

The tool provides a free platform that sources data from EPA, US DOE, and the National Renewable Energy Laboratory to uncover the highest-value strategies to cost effectively decarbonize a company's facilities. The platform provides SMEs with their carbon footprint of physical properties, customized scenarios based on their focus and a summary of what their ROI would look like if implemented.



ENVIRONMENTAL READINESS METRICS

Standard Framework Regulation

Group	Metric	Standard	Framework				Regulation	
			Global	Europe	Industry (Credit)	Industry (Private Equity)	Europe	USA
Emissions	Scope 1 Emissions	Decommit	ISSB/IFRS	NGF	Invest Europe	EDP	EU	California SB 253 & 261
	Scope 1 Methodology	Multiple Choice (select one)						
	Scope 2 Emissions, Location-based	Decommit						
	Scope 2 Emissions, Market-based	Decommit						
	Scope 2 Methodology	Multi-Select						
Environmental Strategy and Risk Mitigation	Scope 3 Emissions	Decommit						
	Scope 3 Methodology	Multiple Choice (select one)						
	Climate Risk in External Reports	Yes/No						
	Climate-related Risks and Opportunities	Multiple Choice (select one)						
	Climate-related Scenarios	Yes/No						
Climate Impacts	Decarbonization Strategy	Multiple Choice (select one)						
	External Assurance Policy	Yes/No						
	Emissions to Water	Decommit						
	Fossil Fuel Sector Activity	Yes/No						
	High Impact Climate Sector	Yes/No						
Targets	Negative Impacts to Biodiversity	Yes/No						
	Percentage of Total Energy Consumed that is Renewable	Decommit						
	Renewable Energy Consumed - All Sources	Decommit						
	Transfers of Hazardous Waste Generated	Decommit						
	Total Energy Consumed - All Sources	Decommit						
Governance and Oversight of Climate Risks	Carbon Emissions Reduction Initiative	Yes/No						
	GHG Emissions Target	Multiple Choice (select one)						
	Long-term Net-zero GHG Emission Reduction Target	Multiple Choice (select one)						
	Net-zero Target	Yes/No						
	Short-term GHG Emission Reduction Target	Multiple Choice (select one)						
	Disclosure of Board-level Oversight of ESG	Multiple Choice (select one)						
	Environmental Policy	Yes/No						
	Public ESG Disclosure	Yes/No						

iCI ENVIRONMENTAL READINESS METRICS | Designed to facilitate standardized data collection for leading international frameworks, standards, and regulations

iCI Environmental Readiness Metrics

iCI recently published the Environmental Readiness Metrics table (co-produced with Novata) which is designed to capture and compare expectations from common regulatory, frameworks and standards for disclosure around environmental factors. This can serve as a quick resource to help inform data collection prioritization based on what is most relevant to a company and its investor base. While the table is not meant to be exhaustive, we believe it helps companies quickly identify overlap and areas of importance based on jurisdiction and focus.



Given OHA's broad investment platform across a wide range of strategies, the firm utilizes a tailored approach towards engagement based on factors such as level of control and access to management.

OHA seeks to engage with relevant parties on environmental, social and governance topics. Engagement varies across strategy and is influenced by factors such as transaction type, timeliness, access to information, access to company management, and relationships with interested partners. OHA prioritizes the areas it believes are most material to the credit profile of the company, which can vary greatly among companies and industries.

In **syndicated or public investments**, where OHA may have less access to management, it will focus on collaborating with key field building initiatives and trade associations to promote transparency and disclosure. Industry stewardship efforts serve as an opportunity to elevate the awareness of important environmental, social, and governance considerations. In situations where likely financially material environmental, social and governance issues are not addressed or prioritized by the

company, OHA may avoid investment or divest its holdings if it believes there are material risks.

Within **private credit investments**, OHA may have greater access to management teams or sponsors as compared to its broadly syndicated loan business. As such, it may leverage relationships with sponsors to gain access and provide support for shared portfolio companies. Specifically, as it relates to sponsors with private credit, OHA is focused on prioritizing company disclosure aligned with widely recognized and leveraged standards and frameworks of mutual importance to the sponsor and OHA.

In **control investments** where OHA has governance rights, it is generally able to exert more influence compared to syndicated loans or public bonds where there are typically a large number of lenders.<sup>4</sup> In these control investments, the OHA investment professionals work closely with the OHA Sustainability Team to promote transparency and disclosure while elevating awareness of important environmental, social or governance issues for company management and stakeholders.

## Number of Engagements by OHA Industry<sup>5</sup>

Services	31	Media/Entertainment	11
Technology	30	Financial Services	11
Healthcare	24	Chemicals	9
Industrials, Building Products, Rentals, Environmental	21	Real Estate	7
Retail/Restaurants, Consumer Products, Food/Beverage	21	Containers/Packaging/Paper & Forest Products	6
Aerospace/Defense	15	Cable/Satellites/Telecom	4
Energy	14	Transportation/Shipping	3
Insurance	14	Metals/Mining	1
Gaming, Lodging, Leisure	12		

Interaction Topics <sup>6</sup>	2022	2023	1Q24	2Q24	3Q24	4Q24	Total
Promoting Disclosures	10	66	15	13	14	4	122
Environmental	5	53	14	18	9	12	111
Social	7	42	16	17	12	11	105
Governance	2	15	5	6	3	9	40
Other	10	8	3	3	3	0	27
Alleged Incident Identified	10	9	2	3	1	0	25
<b>Total</b>	<b>44</b>	<b>193</b>	<b>55</b>	<b>60</b>	<b>42</b>	<b>36</b>	<b>430</b>

4. Control indicates that OHA owns 10% or more of the company's equity and has a board seat or board observer rights.

5. As of 12/31/2024. OHA began tracking engagements in Q4 2022.

6. OHA may discuss multiple topics in a single engagement

Examples of Engagement

Borrowers	Banks
OHA promotes action and disclosure in line with likely financially material issues. For example: measurement of GHG emissions and support through sharing of iCI Carbon Footprint Measurement Resource guide.	OHA promotes consistent disclosure by engaging with banking relationships ahead of syndicated transactions. OHA's team requests all deals in which we participate complete the IDP template and post to the data room for all lenders to review.
OHA provides support and collaborates on mutual environmental, social and governance commitments and objectives, shares insights and encourages alignment with core standards and frameworks.	OHA contributes to a wide range of initiatives that encourage thoughtful sustainability practices and harmonization, such as through the iCI, IDP, PRI, and AIMA/ACA.
Sponsors	Industry Collaboration

Borrower Engagement Examples



In 2024, OHA served as lead lender and lead left arranger of a comprehensive debt refinancing solution for Alkegen, a global specialty materials platform providing high performance materials used in advanced applications.

OHA's Sustainability team met with the company's Sustainability Officer and Global Director of Environmental & Governance in the fourth quarter of 2024. The conversation spanned topics across material issues, governance, reporting and targets, and centered heavily on supply chain, which was identified as one of the most material topics for Alkegen's business. The company has robust policies and procedures surrounding its supply chain and is focused on greater disclosure from its suppliers. As a manufacturer of clean tech materials, Alkegen plays a critical role in the energy transition by enabling decarbonization in hard-to-abate sectors. Notably, the company was recently recognized by Nasdaq's Sustainable Lens Benchmark for its progress in TCFD disclosures. OHA shared private market benchmarking insights with the company to help drive comparability and perspective against its peer landscape. OHA expects continued engagement and connectivity with Alkegen on various topics.



OHA is the sole lender of a term loan supporting Emergent BioSolutions (Emergent), a leader in providing solutions that address public health threats and bring lifesaving, life-extending products to market.

Emergent's key products include NARCAN, a naloxone spray that can reverse the effects of an opioid overdose, as well as the leading smallpox and anthrax vaccines that help protect military and civilian populations from public health threats. In the fourth quarter of 2024, OHA's Sustainability team met with Emergent's Director of EHS & Environmental Sustainability, the Senior Manager of ESG & CSR, and the Assistant Treasurer to discuss the company's maturing sustainability program and progress. Emergent is in the process of establishing baselines and targets, developing a 5-year sustainability roadmap, and is focused on strengthening employee engagement. Given the company's important role in combating the fentanyl crisis, we discussed partnerships to increase accessibility with nonprofits, advocacy groups, local communities, and worksites in high-risk industries. OHA offered insights into how to transparently represent the company's realignment and its efforts to support its workforce. OHA looks forward to potential additional conversations as the company continues to embed sustainability across their products and business lines.





**OHA is an equity holder in Smile Brands, a Dental Service Organization (DSO) that provides business support services to its network of affiliated dental practices.**

In the third quarter of 2024, OHA had a call with Smile Brand's management team to discuss employee engagement efforts including challenges and successes with onboarding new hires and customer and patient experience goals. We also discussed the company's focus on philanthropy through their Smiles for Everyone program providing dental care globally. Environmental factors relevant to the dental business were identified as a topic in which OHA could provide additional support and resources. OHA provided the company with resources from industry groups such as ADA's practices around implementing green dentistry (e.g., biodegradable products and supplies), the Eco-Dentistry Association, which offers a GreenDOC Dental Office Certification Program and the FDI World Dental Federation's Sustainability in Dentistry Initiative. We believe these types of initiatives may drive employee retention and brand value.



**OHA is a lender to Genesys, an enterprise-focused provider of contact center software and Contact Center as a Service (CCaaS) solutions.**

In 2024, OHA engaged with the team at Genesys and covered various sustainability topics. The company has established a global team with long term targets and strategies to achieve their goals. Governance is robust at the company with their Global Chief Sustainability Officer working across multiple business functions to integrate sustainability throughout the firm's operations and culture. Specifically, the company is seeking to achieve carbon neutrality by avoiding and reducing emissions through energy efficient products, including collaborations with their customers on their cloud offerings. Genesys leverages various internal and external tools to optimize customer cloud deployments for both cost and emissions efficiencies. Their cloud-native solutions are designed to scale resources dynamically, reducing wasted energy for idle processing and improving overall energy efficiency. They regularly conduct impact materiality assessments and climate scenario analyses to assess their strategy in light of their shareholder's priority issues and the climate related risks most relevant to their business.



**OHA is a lender to TK Elevator (TKE), an elevator manufacturing company.**

In 2024, OHA had a call with the team at TKE to discuss various topics including their progress toward their decarbonization goals, product efficiency, human capital and universal design and accessibility. TKE reported emissions for the first time in 2020 and has set net zero ambitions. They are focused on decarbonizing their factories, throughout their product and across their service fleet with route optimization and the electrification of vehicles. TKE is also focused on Scope 3 reductions primarily through product efficiency such as a closed loop energy recovery. As it relates to human capital topics, safety and accident prevention is the key priority and embedded into culture with senior leaders involved and accountable for any incidents. Lastly, we covered a key growth driver for the company which is universal design and accessibility as the aging population creates opportunity for design improvements, more accessibility and retrofitting.



# Corporate Sustainability

Our firm-level commitments  
to integrating sustainable  
business practices



## Corporate Sustainability

### 2024 Highlights

700+	Pounds of E-Waste responsibly disposed from OHA's NYC Headquarters
1,900+	Pounds of waste composted and successfully diverted from landfill
74+	Tons of waste recycled at OHA's Ft. Worth Office

OHA's headquarters is located at One Vanderbilt, which has one of the lowest carbon footprints across similar scaled buildings in New York City and is LEED Core & Shell Platinum v3 and Gold v4 certified on both of OHA's floors, WELL Core Platinum certified, WiredScore Platinum certified and received the WELL Health-Safety Rating.



# Understanding Our Climate Impact

## Sustainability Network

Established in 2022, OHA's Sustainability Network is led by OHA employees, with the central goal of improving education, awareness and action around sustainability topics within our workplace and broader lives.

The Sustainability Network organizes environmental-related volunteer days and activities, conducts education across offices related to waste, food, and other environmental impact topics, and works with OHA's Operations and Facilities departments to improve sustainability outcomes within OHA workplaces.

In 2024, the Network recycled Solar Eclipse glasses, held a Comprehensive Waste Training & Trivia event, implemented a marketing materials printing reduction plan, partnered with Local Roots in NYC for a "pickling party" to teach employees about reducing food waste, established a Halloween costume archive bin at the office to reduce costume waste and consumption, developed resources for employees to be more sustainable during the holidays, and volunteered with Earth Matter.



### Corporate Sustainability

Improve internal energy, waste and general sustainability-related outcomes and work with Operations & Facilities to reduce the firm's environmental footprint



### Education & Awareness

Engage the firm's employees in discussions and educational events around sustainability both in the office and at home



### Volunteering & Philanthropy

Organize and plan OHA volunteer events and other philanthropy initiatives related to sustainability within the local community





# Understanding Our Climate Impact

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

The International Financial Reporting Standards Foundation (IFRS) has integrated the TCFD recommendations into the IFRS S2 Climate-Related Disclosures Standard.



[View OHA's Climate Policy](#)

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



OHA's Sustainability team, with advice and input from the Sustainability Committee, is responsible for overseeing and implementing OHA's approach toward assessing climate-related risks and opportunities and enabling investment professionals to be properly aware and equipped to engage with borrowers on such topics. OHA's portfolio managers are ultimately responsible for incorporating the analysis of environmental, social, and governance matters, including climate change, into investment decisions. We utilize external research, where necessary, to better understand a company's risk profile, which may include issues related to climate.

OHA believes climate change is likely to affect nearly every industry but manifests differently in each one, which is why we believe an industry-specific approach best aligns with our investment process and allows for the most appropriate risk assessment. OHA pairs this top-down approach to climate risk assessments with a bottom-up, company-specific analysis to allow for proper contextualization and time horizon assignment of potential risks. This work helps OHA identify where engagement with companies on emissions reduction may have financial benefits, allowing us to prioritize engagement.

As such, transition risk, where financially material, is embedded into the methodology behind OHA's due diligence process. OHA considers physical, transition, legal, and regulatory climate-related risks in its prioritization of likely financially material environmental considerations. We have identified the interconnection between credit-specific likely financially material factors and climate-related risks and opportunities through the latest climate-related disclosure recommendations. Companies well situated to mitigate these risks and capture associated market opportunities, all else being equal, may be viewed more favorably.

In 2024, OHA reported the following climate risk metrics and variables affecting our investments to clients:<sup>7</sup>

- Emissions Intensity
- Weighted average carbon intensity
- Scope 1, 2, & 3 emissions, including financed emissions

7. Reporting available upon request.

# Understanding Our Climate Impact

## Governance

OHA has a dedicated Sustainability department which includes three professionals: Jeff Cohen, Erin Hartney and Aliza Mehlman.

The Sustainability Department reports to Bill Bohnsack, President and Senior Partner, Adam Kertzner, Portfolio Manager & Senior Partner and Fritz Thomas, Head of Client Coverage and Partner, all of whom are members of OHA's Sustainability Committee.

In addition to the Sustainability department, OHA has a Sustainability Committee which provides strategic oversight of the incorporation and monitoring of environmental, social, and governance factors into the firm's investment process.

To further education across the firm, OHA's Sustainability Department holds training for investment professionals and other departments on a routine basis.

OHA's portfolio managers are ultimately responsible for incorporating the analysis of environmental, social, and governance 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 Sustainability Committee Members

The OHA Sustainability Committee is responsible for providing strategic oversight of the incorporation and monitoring of environmental, social, and governance factors into the firm's investment process.

The Committee is comprised of leadership personnel across the investment, sustainability, legal and client teams, and includes a total of eight partners, including two of the firm's four senior partners.



**Bill Bohnsack**  
President & Senior Partner



**Adam Kertzner**  
Portfolio Manager & Senior Partner



**Nathaniel Furman**  
Partner



**Natalie Harvard**  
Head of Investor Relations & Partner



**Lucy Panter**  
Portfolio Manager & Partner



**Fritz Thomas**  
Head of Client Coverage & Partner



**Declan Tiernan**  
Co-Head of Europe & Partner



**Thomas Wong**  
Portfolio Manager & Partner



**Colin Blackmore**  
Managing Director,  
European General Counsel  
& CCO



**Jeff Cohen**  
Managing Director,  
Head of Sustainability



**Alex Field**  
Managing Director



**Joseph Goldschmid**  
Managing Director



**Erin Hartney**  
Managing Director,  
Sustainability



**Sonja Renander**  
Managing Director



**Amberly Treibert**  
Managing Director &  
Deputy Chief Compliance Officer



# Understanding Our Climate Impact

## Strategy / Risk Management

As part of its investment process, OHA factors in climate risk implications informed by TCFD and its interconnection with industry specific factors informed by the SASB Standards.

For example, we are utilizing physical, transition and legal and regulatory climate-related risks as core components to inform prioritization of likely 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 continues to build internal capabilities to expand its risk management tools to systematically identify, assess and manage climate-related risks and opportunities.

- In 2024, OHA developed new tools utilizing technology to advance its internal risk analytics as it relates to climate risks

OHA has multiple forums in which material climate related risks may be discussed. These forums include the firm's Sustainability Committee and through the firmwide Risk Committee, where environmental, social, and governance related risks are standing topics of discussion.

OHA's Sustainability team and Legal & Compliance team stay abreast of climate-related regulations through several channels. In addition to the participation by the Sustainability team, Thomas Wong sits on the board of the LSTA and Colin Blackmore is a board member of the Alternative Credit Council. New insights gleaned from these platforms are shared with OHA's Sustainability Committee and inform OHA's decision-making processes, as well as any escalation measures, if necessary.

OHA is a member of numerous initiatives, including the iCI and IDP, to share knowledge and resources and collaborate on climate-related best practices.





# Understanding Our Climate Impact

## Metrics & Targets

### OHA's Operational Footprint

As a product of OHA's ongoing commitment to better understand its climate impact and identify mitigation efforts, OHA engaged a third-party advisor, Bridge House Advisors, to calculate its 2024 carbon footprint using relevant Scope 1, 2 and 3 greenhouse gas (GHG) emissions data across the business.

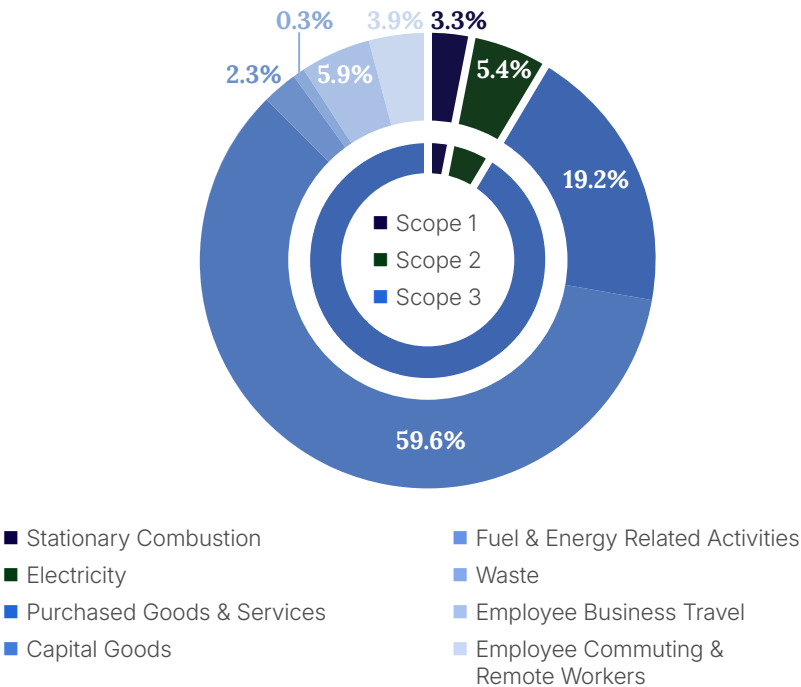
**Scope 1:** Stationary Combustion of natural gas at office locations, as well as fugitive emissions associated with heating, ventilation, and air-conditioning (HVAC) equipment refrigerant leaks.

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

**Scope 3:** Fuel & Energy-Related Activities related to the production of fuels and energy purchased/consumed, Waste Generated in Operations, Business Travel via car, rail, and air both domestically and abroad, Employee Commuting via car and public transportation, and Remote Worker electricity and natural gas usage. In 2024, in an effort to improve and mature its GHG emissions reporting, OHA expanded the scope of its data calculations to include Purchased Goods & Services and Capital Goods. As a result of including additional categories, OHA's emissions for 2024 increased compared to the prior year.

The breakdown of the carbon footprint by emission source is illustrated in the figure to the right.

### 2024 Carbon Emissions



OHA's carbon footprint increased from 1,887 MTCO<sub>2</sub>e in 2023 to 9,650 MTCO<sub>2</sub>e in 2024. The increase in OHA's carbon footprint from 2023 to 2024 can largely be attributed to the addition of purchased goods & services and capital goods data. Across the same categories as 2023, OHA's footprint increased by 155 MTCO<sub>2</sub>e, largely due to improved data collection for electricity consumption and an increase in business travel related to fundraising.



# Understanding Our Climate Impact

## Metrics & Targets

OHA offset its 2024 Scope 1 and Scope 2 emissions through an Improved Forest Management (IFM) project described below, marking the sixth year in a row that OHA has offset its emissions.<sup>8</sup>

### OHA Carbon Offset Project 2024

#### Location: North Vermont & New Hampshire

The Northeast Kingdom Forestry Project spans 10,210 acres of Northern Hardwood forests in northern New Hampshire and Vermont. Historically, this region has supported maple syrup production, timber harvesting, and renewable energy generation. However, these activities have often placed pressure on forest resources, threatening long-term sustainability.

Before the implementation of the carbon project, the landowner faced financial incentives to harvest timber at a rate that was not ecologically sustainable. Similar pressures in nearby forests led to land being subdivided and sold for farming, energy development, and residential use.

The introduction of carbon revenue has helped relieve the economic pressure to overharvest or sell off land. It enables the landowner to extend harvest rotations, reduce logging volumes, and adopt more sustainable forest management practices. The Northeast Kingdom project lies within the historical range of the American Marten, a species historically on the decline in Vermont and New Hampshire but that has gradually been repopulating the project areas as forest habitat returns to the species' preferred state. The Northeast Kingdom forest carbon project furthers the goal of marten conservation by reducing timber harvest pressure and deforestation, which in turn creates the older-aged, complex, and continuous forests that martens require. Additionally, carbon revenues support a range of conservation and land stewardship efforts, including:

Paying land managers

Maintaining recreational access

Expanding maple syrup production

Making property improvements

Acquiring additional forestland for conservation



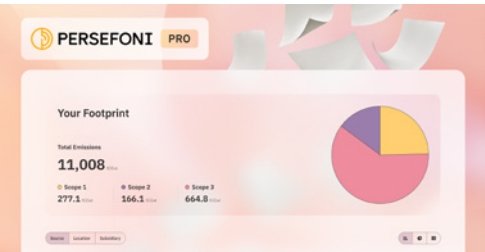
### OHA's Financed Emissions



OHA utilizes 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. Persefoni collects scope 1, scope 2, and scope 3 emissions, where reported, and calculates estimates for companies that do not by using the Partnership for Carbon Accounting Financials (PCAF).

In 2024, Persefoni launched Persefoni Pro, a free GHG emissions reporting tool that allows companies to quickly and easily calculate operational emissions for scope 1-3.

OHA shares Persefoni Pro, Persefoni's free, enterprise-grade tool, with companies who may have limited knowledge of carbon accounting yet are looking to more actively manage and reduce their footprint or seeking to respond to requests from customers, investors or regulators.



8. Please see page 31 of this report for the California AB 1305 Disclosure

10k+  
Acres  
protected

492k+  
tCO<sub>2</sub>e emissions reductions  
over the projects first 20 years

75k+  
Maple  
sugaring taps

# Cultivating an Engaged and Collaborative Workforce

OHA is committed to enhancing its employee's experiences, building a positive and respectful culture and providing our professionals with avenues for growth, networking and meaningful connections.

## 2024 Achievements

Expanded participation and leadership opportunities in OHA's Employee Resource Networks

Launched a comprehensive employee engagement survey and implemented action plans to address employee feedback

Conducted firmwide training to promote greater collaboration and perspective amongst employees

Continued the relationship with Wharton Alliance and Out for Undergrad to support the recruitment of talented, minority and diverse employees

OHA became a Founding Partner and Steering Committee Member for SEO's Credit Academy, with the goal to promote diversity within the credit investing industry.



## Oak Hill Advisors Peer Pod Program (PPP)

In 2024, OHA continued its Peer Pod Program, which is 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 for new hires, provide guidance on navigating the organization, and encourage and develop leaders. The program was created in 2022.

## Program Goals

### SUCCESSFUL ONBOARDING

Building networks within and across 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 and promotes mentoring

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 to generate ideas and advance the firm's initiatives.

OHA encourages 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, and through the PPP process, participants are encouraged to exchange learnings and advice to enhance their OHA experience and performance.



# Supporting Our Community & Global Organizations

## Volunteering

OHA offers opportunities for employees to participate in community-based projects and events in each of OHA's primary locations to make a positive impact in their local communities.

**National Alliance of Mental Illness (NAMI) Fundraiser and Walk:** annual fundraiser and team-building event in support of NAMI, an organization with a mission to help families and individuals affected by mental illness build better lives through education, support and advocacy.

**Lavender Field Volunteer Day:** summer horticultural volunteer opportunity maintaining Earth Matter's lavender field on Governor's Island. The site houses soil that contains NYC compost and serves as a healthy ecosystem for pollinators.

**Compost Management Volunteer Day:** fall volunteer opportunity maintaining Earth Matter's composting site on Governor's Island, which oversees NYC compost across its lifecycle—from collection, to decomposition, to a new life.

**Dress for Success Clothing Drive:** annual clothing drive in support of Dress for Success, which empowers 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.

**GLWD Volunteer Event:** semi-annual volunteer opportunities to prepare medically-tailored meals that will be delivered to people living with HIV/AIDS, cancer and other serious illnesses.

**London Pride Month Event:** OHA employees marched in London's Pride parade with T. Rowe Price.

**Read Ahead:** year-round, reading-based volunteer opportunity for OHA employees. Members from OHA are matched with a student for the school year to read and spend time together during a designated hour each week.



## Philanthropic Efforts

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





# 2025 & Longer-Term Sustainability Goals

**OHA is committed to responsible business practices across its organization as well as responsible investing through the companies it financially supports.**

We believe that the consideration of environmental, social, and governance factors that are likely to be financially material is important in seeking to create and preserve long-term value on behalf of our investors. Over the long-term, OHA will continue to advance many of the themes mentioned in this report and seek to remain a leader in the field, encouraging company-specific and system-wide changes.

Despite the continued success of disclosure initiatives in OHA's markets, core challenges of transparency and disclosure remain in alternative credit markets. As a result, OHA will continue to promote measurement and disclosure while offering guidance, resources and tools to support and encourage companies who may choose to embark on operational initiatives that will drive or preserve value.

Internal training both at time of onboarding and as part of ongoing continued education should only strengthen how we integrate disclosed information into the investment process across industries. For example, we will continue to train on integration of these factors into the investment process and highlight thematic areas of importance to certain industries. OHA believes thoughtful management of a company's human capital and ongoing monitoring and active engagement with a company's supply chain are key factors that help retain top talent and reduce attrition costs and mitigate risks within its value chain. OHA will continue to train relevant teams on these factors to strengthen both our assessment and engagement processes.

## **Focus on expanding key initiatives launched over the last year:**

Improved data, tools and resources to drive deeper integration within OHA's investment process

Strategic engagement with companies

Leadership in alternative credit sustainability initiatives

Advance corporate sustainability efforts across all office locations through a variety of initiatives including employee engagement





# Appendix A

Acronym	Term	Definition
ACC	Alternative Credit Council	The ACC is a global body for the private credit and direct lending space which offers guidance through regulatory engagement.
AIMA	Alternative Investment Management Association	The AIMA is a global trade association in the alternative investment industry which provides education, research, advocacy, and networking opportunities for its members.
IDP	Integrated Disclosure Project	The IDP is an initiative which unites lenders in the private credit and syndicated loan markets to increase transparency and accountability, as well as promote disclosure of key environmental, social and governance indicators.
GHG Protocol	Greenhouse Gas Protocol	The GHG Protocol provides the most-widely used standards and tools to calculate carbon footprints.
iCI	Initiative Climat International	The iCI is an industry-led community of private market investors that work together to better understand and manage the risks associated with climate change as well as engage the wider private market to better manage carbon emissions.
IFRS	International Financial Reporting Standards	The IFRS are a set of global accounting sustainability disclosure standards, which are developed by the ISSB.
ISSB	International Sustainability Standards Board	The ISSB is an independent body which develops the IFRS Sustainability Disclosure Standards aiming to provide a baseline of sustainability disclosures.
LSTA	Loan Syndications and Trading Association	The LSTA is an industry initiative within the U.S. loan market and aims to facilitate equitable market principles and foster coordination among market participants.
PCAF	Partnership for Carbon Accounting Financials	The PCAF is an industry-led initiative which aims to enable financial institutions to measure and disclose GHG emissions financed by their respective investments and loans.
SASB	Sustainability Accounting Standards Board	An organization that sets industry-specific standards for the disclosure of financially material sustainability information by companies to investors. These are managed by ISSB and are the starting point for the IFRS.
TCFD	Task Force on Climate-related Financial Disclosures	The TCFD is a global initiative established to develop consistent and voluntary guidelines for companies to disclose climate-related risks and opportunities.
PRI	United Nations Principles for Responsible Investment	The PRI, backed by the UN, is an international initiative and network of institutions which encourages investors to incorporate environmental, social, and governance factors into the investment decision-making process.



# Locations and Corporate Contacts

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#### CALIFORNIA AB 1305 DISCLOSURE

PURSUANT TO CALIFORNIA ASSEMBLY BILL NO. 1305, THE VOLUNTARY CARBON MARKET DISCLOSURES ACT, (AB 1305), THE FOLLOWING TABLE PROVIDES REQUIRED INFORMATION REGARDING THE USE OF VOLUNTARY CARBON OFFSETS WITH RESPECT TO OAK HILL ADVISORS.

#### PURPOSE: ADDRESS 2024 EMISSIONS FROM SCOPE 1 AND SCOPE 2

SELLER NAME: ANEW ENVIRONMENTAL, LLC  
REGISTRY: AMERICAN CARBON REGISTRY (ACR)  
PROJECT NAME: ANEW - NORTHEAST KINGDOM FORESTRY PROJECT  
PROJECT ID: ACR639  
PROJECT TYPE: FOREST CARBON (IMPROVED FOREST MANAGEMENT)  
- AVOIDED EMISSIONS

#### PROJECT LOCATION: VERMONT AND NEW HAMPSHIRE, UNITED STATES

PROTOCOL/METHODOLOGY: IMPROVED FOREST MANAGEMENT  
METHODOLOGY FOR QUANTIFYING GHG REMOVALS AND  
EMISSION REDUCTIONS THROUGH INCREASED FOREST CARBON  
SEQUESTRATION ON NON-FEDERAL U.S. FORESTLANDS, VERSION 1.3  
THIRD-PARTY VERIFIER: SCS GLOBAL SERVICES  
CARBON OFFSET VOLUME PURCHASED: 842