

Strategic Value Partners, LLC

ESG Policy

STRATEGIC VALUE PARTNERS, LLC

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Strategic Value Partners, LLC's - ESG Policy

Background

- Strategic Value Partners, LLC (“SVP”), as a fiduciary for our clients, recognizes the increasing importance of environmental, social and corporate governance (“ESG”) matters and their contribution to the value of businesses today. SVP will always act to protect our investors’ economic interest.
- Investor preference regarding ESG concerns vary, and we do not believe that screening investments for any single set of ESG considerations would consistently yield positive returns. However, SVP believes that a detailed, comprehensive view of a company, including its ESG practices, is an important aspect of security analysis.
- Accordingly, in discerning the value of an enterprise through research and investment analysis, SVP takes into account ESG considerations along with other factors that will affect a company’s long-term prospects.
- It is important to bear in mind that SVP’s investment strategy often presents limited, if any, direct opportunities to influence the ESG policies and practices of the companies in which it invests. SVP primarily purchases distressed debt securities and as such often is not eligible to participate in proxy voting because it lacks an equity stake.

Policy

Taking all of the above into consideration, the six tenets of SVP’s ESG policy are:

1. SVP has established an ESG Oversight Committee to oversee the ESG Policy, monitor its implementation and make recommendations to the CIO.
2. SVP will, as appropriate in light of its investment strategy, seek to understand the ESG policies of the companies in which it invests.
3. In companies that SVP obtains control across its investment platform, SVP will encourage company managements to pursue responsible business practices. These practices will, by their very nature, be company-specific, and will vary materially by industry and geography.
4. SVP will work with clients at their request to create investment programs that address their specific ESG concerns. For example, SVP offers a socially responsible investment class in our hedge fund, the Strategic Value Restructuring Fund, and has the ability to screen out specific companies or types of investments to satisfy a client’s ESG requirements.
5. SVP will take steps to become a participant in ESG-related organizations and attend relevant conferences and meetings.
6. SVP is against corruption in all its forms, including extortion and bribery.