

SVP RESPONSIBLE INVESTMENT STATEMENT

February 2025

Introduction

Since the inception of our firm in 2001, Strategic Value Partners, LLC (together with its affiliates, "**SVP**" or the "**Firm**") has sought to deliver strong investment results without undue risk for clients through market cycles.

Our approach to responsible investment is underpinned by our belief that material sustainability risks and opportunities (together, "**Sustainability Factors**") can be important to the value of the investments we make for our funds. We began incorporating observations of sustainability risks for prospective investments in 2012 and have continued to evolve our practices related to responsible investment, with a specific focus on control investments.

Approach

SVP's approach to responsible investment includes the incorporation and evaluation of Sustainability Factors across our investments. We believe our approach is aligned with the Firm's focus on investment value creation, and the following core beliefs:

- Material sustainability risks can be financial risks
- Sustainability Factors can positively impact financial value creation, as well as limit downside outcomes

SVP's approach to evaluating material sustainability risks and opportunities is aligned with the International Sustainability Standards Board's ("ISSB") definition of materiality, which provides, among other things, that: "information is material if omitting, obscuring or misstating it could be reasonably expected to influence investor decisions."¹

Governance

The Responsible Investment ("**RI**") team is responsible for day-to-day oversight and execution of the Firm's practices related to responsible investment. The RI team is supported in its efforts by the investment and operating teams, and various other professionals at the Firm, who are responsible for different functions of the Firm's responsible investment process and seek to work collaboratively with the RI team.

It is the responsibility of the SVP Steering Committee for Responsible Investment to approve and provide oversight of the Responsible Investment policy. The Steering Committee for Responsible Investment reports to the Chief Investment Officer, as needed, and, at times, to SVP's Investment Committee.

The RI team also lead the Firm's efforts to engage in ongoing education with respect to its responsible investment program, as well as industry engagement activities.

¹ See: <https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s1-general-requirements/#standard>

Consideration of Sustainability Factors: Pre-Investment

SVP seeks to integrate the review and management of Sustainability Factors throughout its investment process, in keeping with our belief that sustainability risks can be financial risks. This process will vary from investment to investment and will be considered alongside other items, such as the financial and operational capacity of each potential investment, as well as SVP's ability to diligence any potential investment factor. Our process includes:

- **Initial Sustainability Screen**, which includes a review of (i) the Firm's sensitive business guidelines; (ii) controversies; (iii) company disclosures; and (iv) investor exclusions.
- **Sustainability-Related Due Diligence**, consisting of an assessment of investment-specific Sustainability Factors; (ii) impact of broad sustainability themes on a company's total enterprise value; and (iii) governance-related risks. Additional diligence is expected to be conducted for control investments.

The results of the initial sustainability screen and sustainability-related due diligence processes are combined into an **overall sustainability rating**, reviewed by the RI team, and, where relevant, included in the investment team discussion.

Consideration of Sustainability Factors: Monitoring and Engagement

Throughout the holding period, SVP seeks to monitor and assess Sustainability Factors, as relevant and practicable. The Firm's post-investment responsible investment-related activities are separated between non-control and control positions.

The Firm's post-investment include:

- **Monitoring and Reassessment**, during which our team seeks to monitor Sustainability Factors across our holdings and, as relevant, reassess the sustainability rating of any given investment.
- **Engagement and Value Creation** within our control and significant influence holdings. We recognize that active engagement can have a positive impact on risk mitigation and upside value creation. As such, we have developed a standard sustainability engagement process, seek to collect key responsible investment metrics on an ongoing basis and integrate RI considerations into value creation efforts, where applicable.

Reporting and Transparency

SVP seeks to be transparent regarding our responsible investment efforts. We aim to report at least annually, in various mediums, to or for the benefit of our stakeholders.