



ESG Policy

We believe ESG integration is the practice of incorporating material environmental, social, governance and fundamental analysis as the foundation of our investment decisions. Through our bottom-up approach, we endeavor to understand the long-term sustainability of a company's business model and the factors that could cause it to change. We believe ESG issues can influence investment risk & return. Therefore, we incorporate ESG risk considerations into our fundamental investment analysis (including ESG information) leading to investment decisions intended to enhance long-term risk-adjusted returns for our clients. The following is a large part of the process we use to evaluate the long-term merits of any new investment:

- **Accountability** - Our investment analysis assesses the full range of factors likely to have a meaningful impact on a company's performance over the long-term and we continue to make periodic adjustments to these factors as they appear. We strive to keep our process as fluid and seamless as possible given the complexities that can arise with ESG, and at all times, conduct our business dealings to the highest standard of honesty, integrity, fairness and respect with all parties involved.
- **Collaboration** - We believe companies, investors, and (local, state and federal governments) all have a role to play in improving corporate disclosures, environmental & social policies and strengthening the sustainability of business practices over time. Together, we can make the most informed decisions that benefit the greatest amount of people as well as the environment.
- **Fundamental Research** - We believe ESG analysis and engagement are most effective when led by informed investors who know their companies well and thus are best positioned to evaluate these considerations in the appropriate context of a long-term investment. We seek appropriate disclosure on ESG issues and adherence to the highest standards of conduct and business practices by the companies in which we invest.
- **Materiality** - We focus on ESG factors that we consider *most* likely to have a *material* impact on the performance of our Value Opportunities Strategy (VOS) and the companies that comprise it. We believe it's important to think about ESG as a process rather than a one-time event and through that process we can navigate complex issues more holistically.
- **Stewardship** - We believe our responsibilities as diligent investors do not cease with the decision to purchase or sell a security. We maintain regular dialogue with many of the management teams of our portfolio companies. By staying informed on new corporate developments & initiatives we can best execute on our efforts to maintain an effective balance between risk-adjusted investment returns & environmental, social and governance issues.