HPS

INVESTMENT PARTNERS

Environmental, Social and Governance Integration Framework

Contents

1. Overview

We believe environmental, social and governance considerations are integral to our goal of generating attractive risk-adjusted returns

HPS Investment Partners' objective is to provide creative capital solutions and generate attractive risk-adjusted returns for our clients. We believe a responsible approach to investing which emphasizes a commitment to environmental, social and governance ("ESG") management enhances our ability to control downside risks and optimize investment outcomes. It also helps us identify opportunities to help create positive impact on long-term sustainability. To that end, we have established this framework to guide our consideration of material ESG factors in our investment activities.

The primary focus of our Firm is on credit investing. We believe credit investors have a responsibility to account for ESG factors in their investment activities. We examine ESG risks and opportunities when we review investments for our clients, reflecting our focus on credit investing and the broad scope of credit asset classes in which we invest. In this process, we evaluate the varying degrees of our access to ESG-related information and our ability to engage and drive change. Where material ESG concerns are present, and ESG, ethical or reputational risks outweigh any mitigating factors or circumstances, we decline the investment or, alternatively, look for opportunities to engage, help create long-term sustainable businesses and optimize the investment outcome.

As part of our framework, wherever practical, we engage with portfolio company management teams to control and mitigate any identified ESG risks, and to help them realize the possible long-term financial and reputational impacts that can result from a failure to address ESG issues.

We recognize that industry guidelines and best practices for ESG management continue to evolve, so we will review this framework periodically and make updates or changes as appropriate. In doing so, we will consider leading industry principles.

2. Governance

We invest significant senior internal and expert resources in supporting, managing and establishing a governance structure for our ESG integration efforts

As the Chair of the HPS ESG Forum, the Chief Administrative Officer is primarily responsible for maintaining and operationalizing the ESG framework at the Firm-level, while all HPS investment professionals are jointly responsible for considering and analyzing ESG factors throughout the investment process, as described in this framework.

The HPS Investment Committee, of which the Chair of the HPS ESG Forum is a member, is responsible for investment-by-investment review and consideration of material ESG factors prior to the final approval of contemplated private credit investments.

The HPS ESG Forum conducts a periodic Firm-wide review of the implementation of this framework, focusing on its application over time to investments identified as having heightened ESG risks. In addition to the Chief Administrative Officer, the ESG Forum comprises senior investment and infrastructure professionals including the Chief Financial Officer, the General Counsel and the Chief Compliance Officer.

In instances where additional subject matter expertise is deemed necessary for successful ESG integration, HPS consults external ESG advisors to assist in our efforts.

3. Implementation Guidelines

Our goal is to assess ESG factors before we make investment decisions, monitor them during the lifecycle of our investments, and engage with the portfolio companies to improve their ESG performance, consistent with our view that investment risks can stem from material ESG factors including environmental compliance, fair labor practices, data privacy, business ethics and reputational concerns associated with the issuers

3.1. Pre-Investment Review and Evaluation

We assess ESG factors as part of our investment review and decision-making process, seeking to identify, mitigate and appropriately consider ESG-related risks and opportunities.

HPS is committed to assessing ESG risks and opportunities associated with prospective investments, often leveraging outside resources, including, without limitation, equity owners (including private equity sponsors), consultants, subscription-based databases, public filings and news services, and/or external counsel engaged to assist in due diligence.

We assess a potential portfolio company's risk exposure and performance in various material ESG areas, including, without limitation, anti-bribery, anti-money laundering, occupational safety and health, business ethics, data privacy, environmental compliance, fair labor practices, diversity and equal opportunity, supply chain issues, and other headline or reputational risks associated with its industry, as applicable to the portfolio company's operations.

As primarily credit investors, our access to ESG-related information will vary depending on the nature of the investment and the access we receive to the management team. Therefore, we have designed a tiered ESG due diligence approach that reflects the varying levels of access that we can expect to have across our different strategies, as described below.

We separately review the sustainability risks which have the potential to cause a material negative impact on the value of clients' investments, should those risks occur.

Environmental sustainability risks may include but are not limited to climate change, emissions and resource management.

Social sustainability risks may include but are not limited to human rights, labor rights and community impact.

Governance sustainability risks may include but are not limited to board governance, bribery and corruption and employment practises.

3.1.1. Publicly Traded Credit

In our public credit investment strategies, we generally use publicly available information in our ESG assessment. To that end, HPS has procured subscription-based database services to capture ESG data on prospective investments.

Moreover, for public credit investments in companies with direct exposure or significant adjacencies to high-risk categories, which HPS has historically identified and continues to evaluate, HPS strives to use all available information to further assess related ethical/reputational risks and mitigating factors prior to final approval. Examples of those high-risk areas of concern include but are not limited to, tobacco, controversial weapons, mining and extraction, coal, and certain issues related to animal testing.

3.1.2. Privately Negotiated Credit

In our private credit investment strategies, we may be able to exert greater control over the types of information to be made available to us in the investment review process. Therefore, in addition to leveraging public information and subscription-based databases, HPS solicits information from the management team (either directly or through the equity owner) regarding ESG practices.

This additional due diligence process is accomplished through the HPS ESG Checklists, which incorporate industry-specific ESG questions. The completed ESG Checklists are submitted as a part of the Investment Committee approval.

For investments in companies identified in the ESG Checklist as having direct or adjacent exposure to high-risk concerns as described above, HPS further assesses related ESG risks and mitigating factors using available information.

In certain limited circumstances where HPS has control or similar influence over the company, HPS endeavors to capitalize on the increased access to information and ability to affect change, reflect a deeper-dive ESG review in the due diligence and Investment Committee deliberation processes, and, where appropriate, incorporate ESG initiatives into the value creation plan.

3.2. Ongoing Monitoring and Stewardship

We incorporate ESG considerations in monitoring our existing investments, as appropriate, as part of our ongoing portfolio evaluation and risk management processes, and in an effort to achieve our long-term investment goals.

HPS expects to notify our investors or appropriate investor advisory boards if we become aware of any material negative ESG incidents in our portfolios that may, in our judgment, have a significant negative impact on investment performance and/or the reputation of the Firm and our clients. In addition, we will monitor, to the extent possible, the ESG performance and progress of our portfolio companies.

3.2.1. Publicly Traded Credit

For our publicly traded credit instruments, HPS generally reviews publicly available information and invests additional resources in subscription-based databases and other paid services, in order to monitor the ESG risks associated with our portfolios on an ongoing basis.

HPS assesses material ESG related issues in its consideration of whether to add, retain or exit the investments. To the extent available, HPS also utilizes information obtained directly from the issuers and endeavors to effect desired change where HPS represents a large portion of an issuer's capital structure and have enhanced ability in this regard.

3.2.2. Privately Negotiated Credit

For privately negotiated credit investments, in addition to reviewing public data, we update the HPS ESG Checklists each time we make a new financing commitment to an existing issuer where an update has not occurred recently.

Where HPS has sufficient influence (for example, in control investments), we may engage with company management to confirm any remediation of the ESG issues previously identified as a part of our investment review process and to obtain ongoing information in this regard. On an ongoing basis, where practical, we will also engage with the management team to identify and mitigate any new and evolving ESG risks throughout the term of an investment.

3.3. Drawing the Line

For each of the high-risk ESG areas of concerns, the HPS Investment Committee has pre-established frameworks for how we will weigh the known ESG risks and value any mitigating circumstances. Where high-risk ESG factors are present, and ESG, ethical or reputational risks outweigh any mitigating facts or circumstances, we will decline to make an investment or, alternatively, look for opportunity to engage, help create long-term sustainable businesses and optimize our investment outcome.

4. ESG at HPS

At HPS, we believe that ESG starts with our Firm and our people

In addition to incorporating ESG management in our investment process, HPS will strive to mitigate ESG risks and adopt best practices in the day-to-day operations of our Firm. To that end, we will take proactive measures to identify, manage and improve upon material Firm-level ESG factors including, without limitation, cybersecurity, anti-corruption, anti-money laundering and business ethics.

Our people are our most important asset. As such, we will continue to focus on hiring and retaining the best talent and providing them with a workplace environment that allows them opportunities for advancement and reward based on merit and performance irrespective of their gender, race, religion, ethnicity or sexual orientation. We are committed to having a diverse workforce across all our businesses.

Our objective is to provide our employees with a workplace environment that stresses health and wellness. To that end, we are committed to continually evaluating our workplace for offerings which will enhance the wellbeing of our workforce and further our goal of advancing the Firm's own internal ESG agenda. These include, but are not limited to, enhancements to our physical facilities, benefits and offerings to our employees and other ways we operate our Firm.

5. HPS Luxembourg S.à. r.l.

HPS Investment Partners Luxembourg S.à r.l. ("HPS Lux"), a member of the HPS Group, is subject to the EU Sustainable Finance Disclosure Regulation (the "SFDR"). This framework also serves as a summary of HPS Lux's integration of sustainability risks into its investment decision-making process, as required by the SFDR. The Board of Directors of HPS Lux has approved the adoption of sustainability risks policy and processes.

Under the SFDR, "sustainability risk" means an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. HPS Lux therefore approaches sustainability from the perspective of the risk that ESG events might cause a material negative impact on the value of our clients' investments as described above.

The SFDR also requires HPS Lux to make a statement on whether it considers the principal adverse impacts ("PAIs") of investment decisions on sustainability factors, in accordance with the specific regime outlined in the SFDR. HPS Lux has opted not to comply with this regime and accordingly, HPS Lux does not consider the PAIs of its investment decisions on sustainability factors. HPS Lux is supportive of the policy aims of the PAI regime to improve transparency to clients, investors and the market but, taking account of the nature of the HPS Lux's activities and the types of products HPS Lux makes available, it considers that it would be disproportionate to comply with the specific PAI regime of the SFDR.

Please note:

This framework is dated as of March 2021 and is subject to ongoing change without notice. For prospective investors, this HPS internal framework should not be construed to constitute an HPS fund or account's offering materials. HPS continues to develop separately managed and customized portfolios in order to reflect individual clients' bespoke ESG expectations. For any questions regarding HPS's ESG integration efforts, please contact esg@hpspartners.com.