

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

Irradiant Partners, LP

Adopted: February 2022

I. Introduction

Irradiant Partners, LP (“Irradiant” or the “Firm”) is an alternative investment manager focused on three strategies – liquid credit (the “Liquid Credit Strategy”), opportunistic credit (the “Solutions Strategy”), and renewable private equity and credit (the “Renewables Strategy”). Our Solutions Strategy and Renewables Strategy are collectively referred to as our “Private Investment Strategies”.

The Firm was founded in 2021 to serve as a unified platform for our distinct strategies with an overarching focus on environmental, social and governance (“ESG”) issues. Our Renewables Strategy is designed to be an ESG-themed strategy while our Solutions Strategy and Liquid Credit Strategy are ESG-informed. We recognize that over time, economic outcomes for our portfolio companies, and by extension returns to our Clients and investors, will be highly correlated to material ESG impacts, both positive and negative, created by our portfolio companies and our own practices as a Firm. We therefore recognize that incorporating material ESG considerations into our investment process is key to fulfilling our fiduciary obligation to our Clients and to maximize returns while mitigating risks. As a Firm, we understand the importance of ESG factors in driving long-term success, and therefore we are committed to incorporating ESG principles into our investment decisions and day-to-day operations.

II. Scope and Purpose

The purpose of this ESG policy is to codify the longstanding practices followed by our investment teams in considering material ESG factors in the investment process and to establish a formal framework for the design, implementation, measurement and reporting of material ESG considerations for our Firm, our funds and our portfolio companies. The ESG principles described within this Policy are applied to 100% of our assets under management. The specific approach to ESG integration utilized within each strategy depends on multiple factors including the objectives of the strategy, asset class, and investment time horizon.

III. Our Commitments

- **Engage** respectfully with key stakeholders including portfolio companies, service providers, Clients, investors and local communities regarding ESG issues;
- **Raise awareness** and strive to ensure diversity, equity and inclusion;
- **Act ethically** and with competence, dignity and integrity in accordance with our Code of Ethics; and
- **Demonstrate our commitment to responsible investing** as a signatory to the United Nations Principles for Responsible Investment (“UN PRI”).

IV. Our ESG Committee

Irradiant has established an ESG Committee which is Chaired by our Vice Chairman & COO, Jarvis Hollingsworth. Subject to Management Committee oversight, our ESG Committee is responsible for the design, implementation, measurement and reporting of our ESG program. In addition to Mr. Hollingsworth, members of the ESG Committee include our General Counsel & CCO and representatives from each of our investment strategies. Below are the ESG Committee members. Biographies for each of the members are available in Appendix G to our Firm Due Diligence Questionnaire.

- Jarvis Hollingsworth, Vice Chairman & COO (Chair)
- Linda Ba, Managing Director
- Anne-Sofie Bilstoft, Vice President
- Anthony Garcia, Director
- Elizabeth Greenwood, General Counsel & CCO
- Megan Neligan, Vice President
- Alta Yen, Managing Director

The ESG Committee generally meets weekly and reports to the Management Committee on a quarterly basis. Its mandate includes the following:

- Review and update our ESG Policy and program at least semi-annually;
- Monitor regulatory developments and market trends that may impact or inform changes to our ESG Policy and program;
- Evaluate and, where appropriate, participate in ESG-related industry groups, alliances, and programs;
- Collaborate with other investment managers to share lessons learned and identify trends and best practices;
- Engage with Clients and investors to understand their ESG-related needs and objectives;
- Organize ESG education and training for Irradiant employees;
- Integrate ESG considerations into day-to-day Firm operations;
- Oversee the tracking and reporting of ESG impacts at the Firm level; and
- Monitor the integration of ESG principles for each strategy.

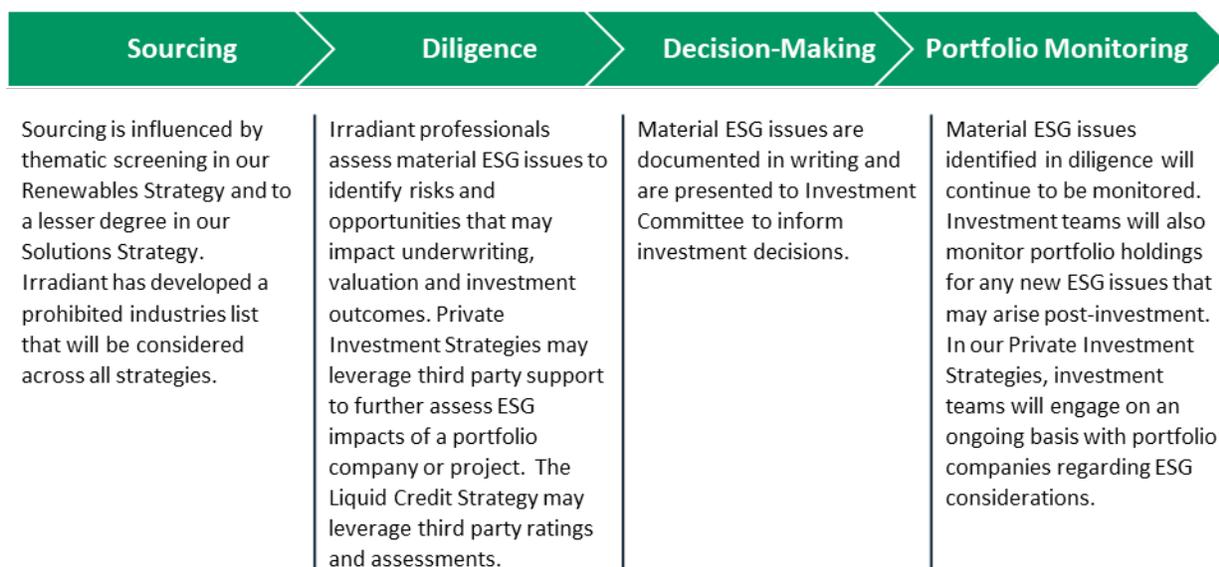


V. The Role of our Investment Committees

The Investment Committee for each of our strategies is responsible for integrating ESG principles into our investment processes and ensuring responsible investment practices. The broader investment teams are responsible for evaluating ESG opportunities and risk factors for each investment, as well as ESG tracking and reporting within each strategy. For our Private Investment Strategies, the broader investment teams are also responsible for engaging with portfolio companies and partners to highlight our responsible investment principles and to encourage alignment with our ESG Policy.

VI. ESG Integration Into Investment Processes

We believe in a bottom-up approach to ESG integration in which individual research analysts and deal teams are responsible for implementing ESG factors into their investment processes. We complement this process with top-down oversight and support from our ESG Committee as we seek to implement a best-in-class approach to our investments. The below chart illustrates the integration of ESG considerations into our investment processes.



Sourcing:

We believe that companies with strong ESG values are better prepared to handle the increasing complexities of today's environment and will ultimately outperform their peers. Similarly, companies that are associated with industries that are inherently ESG-favorable are more likely to outperform companies associated with ESG-challenged industries. As a result, Irradiant seeks to identify investment opportunities in companies that are associated with the following: education, healthcare, renewable energy, energy efficiency, water efficiency/conservation, and sustainable agriculture. Furthermore, we have created a prohibited list of industries that we believe present outsized ESG risks. This list includes adult entertainment, alcohol production, coal-fired electrical generation plants, certain military weapons, semiautomatic weapons and related ammunition, production or trade of radioactive materials, thermal coal extraction, tobacco production, and genetic engineering.

Diligence:

It is important to note that our ESG integration is tailored to each of our specific investment strategies. For example, our Liquid Credit Strategy focuses on how ESG data and analysis help reduce downside risks, whereas our Private Investment Strategies focus both on areas of ESG risk and ESG opportunities.

In our Liquid Credit Strategy, we use the Sustainability Accounting Standards Board (SASB) sector guide as the backbone of our due diligence analysis. We then incorporate ESG data, analyses, and insights from several third-party ESG research vendors to inform our investment decisions. Irradiant has developed a proprietary ESG scoring methodology which is applied to all investments within our portfolios. All of the Liquid Credit Strategy investments are rated in accordance with this methodology. This score is based upon three fundamental factors: i) internal analyst's ESG risk rating, which is guided by SASB's materiality map, ii) ESG rating from Sustainalytics, one of the largest ESG rating agencies in the market, and iii) real-time reputational risk rating from RepRisk, a provider that aggregates ESG news. This approach provides us with a process that goes a step further than just exclusionary/negative screenings and allows us to incorporate risk rating into our investment decision-making and monitoring process. The Liquid Credit team generally reviews ESG scores on a monthly basis with a high level of scrutiny given to the companies with the highest ESG risk rating.

In our Private Investment Strategies, Irradiant is generally able to conduct in-depth due diligence and may have influence or control over portfolio companies and projects. In these strategies, we are generally able to perform detailed qualitative reviews of material ESG factors to identify both positive ESG opportunities and negative ESG risks. We may also seek to quantify ESG impacts.

Decision-Making:

For an investment to be considered for approval, an assessment of material ESG issues is required to be included in the final Investment Committee memorandum. The Investment Committee for the respective Strategy is then responsible for final approval of each investment.

Portfolio Monitoring:

Following approval, each investment is monitored for both material ESG issues identified during the initial underwriting and new material ESG issues that might come to surface during the holding period. Aside from idiosyncratic ESG events, the analysts and deal teams, with support of the ESG Committee, further follow trends in the industry and new regulations which might impact the company or the market within which it operates. For our Private Investment Strategies, the investment teams are responsible for engaging with portfolio companies and operating partners to highlight our responsible investment principles and to encourage alignment with our ESG Policy.

VII. ESG Integration Into Internal Operations

Environmental:

We have developed environmentally friendly practices that are consistent with a Firm of our size – this includes seeking to implement sustainable practices at our office locations. As one example, for meetings with investors and other third parties, rather than printing materials on paper, we have tablets available for guest use.

Social:

Irradiant endeavors to demonstrate integrity in its interactions with all of its stakeholders: investors, employees, portfolio companies, and in the communities where we operate. We have established a Diversity, Equity and Inclusion Council and are committed to diversity, equity and inclusion in our hiring and employment practices.

Governance:

We are committed to compliance with all applicable laws and regulations in the jurisdictions where we operate and have established a governance structure to appropriately manage areas of risk and potential conflicts of interest.

VIII. Transparency and Reporting

As part of our commitment to transparency, we will share the progress and impact of our ongoing ESG efforts. ESG reporting will vary by strategy and may include written public reports, informal oral reports, or confidential reports to investors. Additionally, as a signatory to the United Nations-supported Principles for Responsible Investment, Irradiant is committed to public reporting in accordance with its standards and requirements in the form of the annual Transparency Report.

IX. Definitions

Irradiant incorporates definitions from the UN PRI and other leading frameworks such as SASB.

- **Material ESG issues:** Material environmental, social and governance (ESG) factors are non-financial topics that are relevant to value preservation and value creation in our debt and equity investments. *While material topics will vary based on the investment being assessed, Irradiant has an overarching focus on the following material topics: clean energy, decarbonization, and diversity, equity, and inclusion.*
- **Screening of investments:**
 - **Negative/exclusionary screening:** The exclusion from a fund or portfolio of certain sectors, companies or practices based on specific ESG criteria. *See Irradiant's prohibited industries list.*
- **Sustainability themed investment:** Investment in themes or assets specifically related to sustainability (for example clean energy, green technology or sustainable agriculture). *This applies to Irradiant's Renewables Strategy.*
- **Integration of ESG issues:** PRI defines this as the systematic and explicit inclusion of material ESG factors into investment analysis and investment decisions.
- **UN PRI Principles**
 - Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
 - Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
 - Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

X. Conclusion

This Policy will be reviewed by our ESG Committee at least semi-annually and adjusted as needed based on the evolution of our ESG program, ongoing dialogue with our Clients and investors, and emerging industry trends and regulatory developments.