

MISSION STATEMENT

For over 30 years, Harbert Management Corporation (“HMC”) has been devoted to investing capital in a responsible manner. We are committed to corporate social responsibility and continually engage our stakeholders, which include our investors, investment teams, transaction partners, operating partners, and employees, to pursue opportunities that make a positive and long-lasting impact. We believe a sustained focus on environmental, social, and governance (“ESG”) factors can lead to a healthier global economy with lower systemic risk resulting in asset appreciation and enhanced returns. While HMC’s investment strategies span multiple asset classes and continents, our approach to responsible investing is emphasized across our firm and guides our principles of investing.

HMC’S OBJECTIVES

Integration of ESG Principles

Integrate ESG considerations into applicable business practices within the firm and continually evaluate opportunities to enhance ESG practices. When evaluating investment opportunities consider ESG factors that are material to the investment. Actively evaluate portfolio investments for ESG enhancements that are either accretive or return neutral. Pursue relevant and high-quality ESG research and data to enhance our knowledge and understanding of successful initiatives.

Stakeholder Engagement

Collaborate with our investment teams, transaction partners, operating partners, and peers to further principles of responsible investment and corporate social responsibility. Openly share our ESG strategy and experiences with the marketplace to advance the global ESG initiative.

Reporting and Accountability

Drive accountability through transparency with our investors and other stakeholders about HMC’s responsible investing initiatives, accomplishments, and aspirations.

APPROACH AND RESPONSIBILITIES

HMC prides itself on its history of managing the firm and its investment strategies with the utmost integrity. We believe that through documentation, commitment, and adherence to formal responsible investing principles, the management of our business can enhance the already positive impact being made in our communities. The consideration of ESG factors is consistent with the values upheld by HMC, therefore we believe that we have a responsibility to our stakeholders, including future generations, to continuously evaluate ESG factors that may be influenced by HMC's initiatives and activities. HMC's investment strategies consider ESG and responsible investing an essential part of the investment process that can mitigate risks and improve investor returns. Together, our investment and asset management teams evaluate relevant ESG factors throughout an investment's lifecycle.

This policy is intended to provide a broad framework for our approach to ESG integration in HMC's investment business. HMC's influence and control over our investments, whether in companies or real assets, varies significantly across and within certain asset classes. In the case of some investments, we maintain control of the asset or company, while in other cases we may simply be a lender with no control or have only a minority shareholding and thus a more limited ability to influence the integration of ESG considerations. Consequently, some of HMC's investment strategies are better situated to more fully implement HMC's ESG objectives than others. Additionally, depending on the type of investment, HMC will assess ESG factors that are identified as "material" to that investment, meaning those ESG factors that would have the potential to impact economic value as well as environmental and social value for the investment and its broader stakeholders.

HMC's Board of Directors provides ultimate oversight of the firm's responsible investing efforts. The firm's ESG Committee, and its chairperson, is responsible for implementation of the firm's ESG efforts and includes senior executives, investment team members, and fund administration professionals. It is the firm's expectation that our Responsible Investing Policy will serve as a framework that evolves over time to reflect changes in business practices, consumer trends, technology, and regulation. HMC is committed to remaining transparent and informing our investors, employees, and stakeholders of the organization's responsible investing initiatives.

HMC is committed to incorporating ESG factors into its investment decision-making processes. This Responsible Investment Policy is aligned with the Principles for Responsible Investment ("PRI") guidance and reflects our dedication to sustainable and responsible investing.

HMC has been a signatory to the United Nations sponsored PRI since 2021 and is committed to the PRI's six principles:

- **Principle 1:** Incorporating ESG issues into investment analysis and decision-making processes
- **Principle 2:** Being active owners and incorporating ESG issues into ownership policies and practices
- **Principle 3:** Seeking appropriate disclosure on ESG issues by the entities in which investments are completed
- **Principle 4:** Promoting acceptance and implementation of the principles within the investment industry
- **Principle 5:** Working together to enhance effectiveness in implementing the principles
- **Principle 6:** Reporting on our activities and progress towards implementing the principles

We make a commitment to externally report on our progress with the implementation of our responsible investment strategy through an annual disclosure to PRI. We receive both a private and public transparency report which helps us identify next steps.

Environmental Factors

HMC's objective is to integrate environmental considerations into investment decisions and promote sustainable practices, where applicable and possible. This will be achieved through the consideration of the following Environmental Principles as applicable in a commercially reasonable due diligence evaluation of a potential investment.

Climate Change Mitigation: Explore investments that contribute to the reduction of greenhouse gas emissions, support the transition to a low-carbon economy, and encourage our assets under management, where practicable, to adopt good carbon accounting practices and to report on progress.

Resource Efficiency: Evaluate investments for their efficient use of resources while minimizing waste.

Biodiversity Conservation: Consider the potential impact of investments on biodiversity and natural resources.

Environmental Compliance: Ensure that all investments adhere to relevant environmental laws and regulations.

Stakeholder Engagement: Engage with relevant stakeholders (e.g. portfolio companies, JV partners, etc.) to encourage environmentally responsible practices and disclosure of relevant ESG metrics.

Social Factors

HMC's objective is to evaluate applicable social considerations in investment decisions and contribute to positive social impact where possible. This will be achieved through the consideration of the following Social Principles as applicable in a commercially reasonable due diligence evaluation of a potential investment. HMC will abstain from investing in an asset with a known violation of the following Social Principles.

Human Rights: A potential investment should have a positive human rights record.

Labor Standards: A potential investment should uphold fair labor practices, including non-discrimination, diversity, and safe working conditions.

Community Relations: A potential investment should enhance the well-being of its local community.

Customer and Product Safety: A potential investment should comply with applicable safety regulations and produce products and services that align with ethical standards.

Governance Factors

HMC's objective is to integrate strong governance principles into investment decisions and enhance long-term value creation. This will be achieved through the consideration of the following Governance Principles as applicable in a commercially reasonable due diligence evaluation of a potential investment. Some factors listed below may only be relevant for certain investments (i.e. public companies) or possible with certain capital structures (i.e. majority control investments).

Board Effectiveness: Collaborate with relevant stakeholders (e.g. portfolio companies, JV partners, etc.) to ensure effective and independent boards that provide strong oversight and accountability.

Corporate Transparency: Encourage transparency and disclosure of relevant information, including ESG metrics where available, to enable informed investment decisions.

Anti-Corruption Measures: Avoid investments in companies with a known history of corruption (that has not been remedied or corrected).

Executive Compensation: Assess and promote fair and transparent executive compensation structures.

Shareholder Rights: Support companies that respect shareholder rights and encourage governance structures that facilitate shareholder engagement.

Transparency

We are committed to improving the transparency of ESG and responsible investment activities at HMC. We report externally using a number of initiatives and frameworks including the Global Real Estate Sustainability Benchmark (“GRESB”) (where appropriate) and the United Nations Principals for Responsible Investing (“UNPRI”) at a firm level. We also publish an annual Responsible Investing Report that summarizes the achievements and progress of HMC and its investment strategies during the year, alongside regular ad-hoc disclosure of ESG initiatives and performance to meet investor requests.

Exclusion Policy

HMC will exclude investments that have extreme social or environmental risks, such as weapons production and severe human rights abuses as detailed in its Exclusion Policy.

Stewardship Policy

HMC’s Stewardship Policy highlights its commitment to foster responsible business practices and actively exercise our rights as shareholders to influence positive change where possible. We are committed to accurate and complete reporting to our investors on a timely basis..

Conflicts of Interest

Potential conflicts of interest may arise in the course of a fund’s fundraising, investment, management, or divestment processes. HMC has adopted policies and procedures reasonably designed to prevent, limit, and mitigate conflicts of interest and comply with applicable law. If any such conflicts arise HMC will consider its obligations to act in the best interests of its investors and stakeholders and will seek to resolve such conflicts fairly and in accordance with applicable governing documents.

This Responsible Investment Policy demonstrates our commitment to sustainable and responsible investing by considering environmental, social, and governance factors. We will regularly review and update this policy to ensure its alignment with evolving PRI guidance and best practices in responsible investment.