CVC CREDIT PARTNERS

Sustainable Finance Disclosure Regulation

CVC Credit Partners
As of March 2021

The CVC Credit entities are non-EU financial market participants and therefore, it is our understanding that they are not subject to the entity level regulatory requirements of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**").

However, we prioritise and embed ESG into how we do business and recognise that transparency is a core part of this. We have therefore chosen to make entity-level disclosures on a voluntary basis.

These disclosures apply to the following entities: CVC Credit Partners Investment Management Limited, CVC Credit Partners European CLO Management LLP, CVC Credit Partners LLC. Together **"CVC Credit"** or the **"Firm"**.

Article 3 - Entity level sustainability risk disclosures

CVC Credit's ESG Policy sets out CVC Credit's approach to the management of environmental, social and government ("ESG") issues, including the principles which we as an investment manager and advisor aspire to and the procedures we have implemented in order to integrate these principles into our activities. The ESG Policy covers all CVC Credit clients, as well as all strategies, and CVC Credit's own operations. All CVC Credit staff are required to adhere to the ESG Policy.

Sustainability risk management is embedded in the way CVC Credit seeks to make investment decisions and in its ongoing portfolio and asset management activities. CVC Credit defines a sustainability risk as an ESG risk, which, if present, could lead to a material negative impact on the long-term value of one or more investments made by CVC Credit, and ultimately negatively impact the value returned to its investors.

CVC Credit employs an ESG integration strategy and seeks to integrate the evaluation and thoughtful management of ESG risks and opportunities ("ESG Considerations") throughout the investment processes, as memorialized in the Firm's ESG policy. The investment teams seek to identify and review ESG Considerations when carrying out due diligence on each new investment and when monitoring existing investments. When identified, the respective investment team escalates material ESG Considerations to the relevant Investment Committee for review and consideration.

In the event CVC Credit concludes that there is a material ESG Consideration associated with an investment that could cause a potential or actual material negative impact on the value of such investment, CVC Credit will assess the likelihood of that risk occurring or enlarging against the potential pecuniary advantage of making or maintaining its position with respect to such investment. In those instances when an investment is made following the identification of a material ESG Consideration, the respective risk and/or opportunity will be monitored on an on-going basis.

CVC Credit's evaluation of ESG Considerations is expected to vary, including, among others, related to the level of control and influence, investment approach and engagement activities that it is able to undertake with respect to each investment. The Firm expects to continue to make investments in situations where it has limited or no ability to evaluate or manage ESG Considerations, and in such circumstances CVC Credit will employ reasonable efforts to engage on ESG risks and opportunities as may be appropriate throughout the lifecycle of such investment. Further, CVC Credit is mindful of material ESG Considerations that arise after an investment is made, and such considerations will be reviewed as part of CVC Credit's on-going portfolio monitoring process.

Article 4 – PAI Disclosures

On the basis that the relevant regulatory technical standards that will supplement the SFDR and, in particular, will set out the consequences of compliance with Article 4 of the SFDR (the "RTS") are not yet finalised, CVC Credit will continue to monitor the progress of the RTS and will consider whether it would be appropriate for CVC Credit to opt-in to Article 4 of the SFDR once the RTS are finalised.

CVC Credit confirms that ESG Considerations are of great importance, including in the context of its investment decisions. Please see our ESG Policy on the Credit Regulatory Disclosure webpage on cvc.com for more detail on how we consider ESG factors in our investment decision making process.

Article 5 - Entity level remuneration policies disclosures

CVC Credit's remuneration policies and procedures are designed to ensure compliance with the Remuneration Code, as required by Remuneration Principle 11. CVC Credit has adopted a remuneration framework in light of Remuneration Principle 1 that accounts for Firm performance, team performance and individual performance. CVC Credit is dedicated to ensuring that Personnel are not remunerated for exceeding the risk tolerances of CVC Credit. When assessing individual performance, CVC Credit takes account of financial as well as non-financial criteria, including the evaluation of material ESG considerations and sustainability risks as part of the Firm's investment process as described in the Firm's ESG Policy and SFDR Article 3 website disclosures.