

Brigade Capital Management

ESG Policy

Brigade Capital Management, LP (“Brigade”) is committed to the consideration of environmental, social and governance (“ESG”) factors and the impact it has on our clients’ investments, our company culture, and our planet. We believe that ESG considerations are an integral part of our fiduciary duty and ethical responsibility and that it will assist Brigade in evaluating material risks and identifying attractive opportunities.

ESG Guidelines

Implementation of the Policy is aimed at understanding ESG risks and opportunities that are material to a given investment. These factors will vary by company and sector. Brigade is cognizant that ESG factors can have the ability to impact the financial performance of an issuer. As a result, we seek to address such factors where we have deemed them material and relevant. While not an exhaustive list, some of the ESG factors we may consider include:

1. *Environmental:* Greenhouse gas emissions, carbon footprint, waste reduction, resource conservation, & climate change/risk
2. *Social:* Human rights including labor rights, worker health & safety, customer safety and welfare, diversity & inclusion
3. *Governance:* Board composition and independence, executive compensation, legal & regulatory compliance, anti-bribery & corruption, cybersecurity & data privacy

Integration

The Investment Team has historically employed a bottom-up fundamental credit research approach that considers both quantitative and qualitative factors as it assesses the ability of an investment to perform across business cycles and changing regulations. As a part of the overall investment decision making process, Brigade considers material ESG factors in its fundamental research process, leveraging external ESG data, in-house qualitative assessment, and engagement with management teams to identify potential material risk factors.

The ESG analysis conducted will vary from investment to investment, depending on factors and characteristics which may include (but are not limited to) the investment’s relevant asset class, industry, and geography. Just as each characteristic of an investment outlined above helps determine which ESG issues are material, they also dictate the extent to which those material ESG issues are weighted in the investment process, how much time is spent on their consideration, and how relevant ESG data is obtained and evaluated. Ultimately, ESG considerations inform the Investment Team’s decision making, but it is important to note that this is but one of many qualitative and quantitative inputs to Brigade’s investment process, not a primary objective. It should be noted that there may be cases in which ESG considerations are not applicable and/or not considered. These cases may include but are not limited to derivatives and some structured credit products.

Stewardship

Monitoring

Investments are monitored for ESG-related risks that may arise as part of ongoing analyst coverage through review of financials and other disclosures and through the engagement process. If a material risk is identified that is believed to impact a company’s long-term performance, the Investment Team will directly raise the issue with the company’s management team or board of directors to help address the issue.

Stewardship (continued)

Engagement

Brigade believes that engagement in dialogue with companies about ESG-related disclosures can help the companies further enhance their knowledge of ESG risks and take action to reduce their negative environmental and social impacts. Brigade actively engages its portfolio companies, transaction partners, peers, and other stakeholders to advance the principles of responsible investment and corporate social responsibility. Brigade is dedicated to tracking engagements through collecting information on engagement activity outcomes, engagement topic case studies, and a summary of meaningful engagements including highlights of escalations and issuer-specific engagement objectives. Reporting on this engagement activity will be produced at least annually. The Investment Team engages with company management in conversations related to ESG practices and behaviors. The purpose of these conversations is to better understand how potential ESG risks and opportunities are managed, among other issues. The process also allows the Investment Team to identify communication pathways to company management to establish and achieve sustainability initiatives and drive long-term growth.

Proxy Voting

As a firm, Brigade believes that proxy voting is a source of leverage in encouraging appropriate corporate governance and policies. Where applicable and material, Brigade will consider the ESG voting guidance from a third-party source such as Institutional Shareholder Services (ISS), in addition to Brigade's internal research, to make its own decision regarding active votes for proposals put forward by the companies in which Brigade invests.

Reporting

Brigade is dedicated to transparency and regularly reports ESG progress to its investors, limited partners, and other stakeholders. The Firm will disclose its approach to ESG integration through industry relevant reporting frameworks. Brigade became a signatory to the United Nations-supported Principles for Responsible Investment (PRI) on March 26, 2020.

Oversight and Governance

Brigade's ESG Committee (the "Committee") is responsible for overseeing Brigade's firmwide ESG efforts and comprised of key decision makers across the firm, including Portfolio Management, Research, Legal, Risk, Investor Relations and Technology. The Committee formally meets on a quarterly basis with more frequent meetings held as needed. The Committee is chaired by the Firm's Co-Chief Investment Officer.

Implementation of this Policy within the investment process is the responsibility of the Investment Team, with the Committee providing guidance and oversight to ensure consistent and high-quality implementation. As an organization, we continue to build upon repeatable processes that can be applied across our platform in a consistent manner. The Committee will formally review and/or revise the policy annually to ensure it aligns with industry best practices, with updates occurring more frequently should material changes be made to the Firm's ESG framework.

Corporate Responsibility

Brigade's commitment to corporate responsibility focuses on ESG initiatives internally as well as within the broader community. Brigade is an exceptionally culture-driven Firm that is committed to attracting, retaining, and fostering a diverse workforce that is inclusive of all persons and free of harassment and hostility. This tenet is at the core of our hiring and promotion philosophies and evident in all employee engagement and protocols at the Firm. Brigade is active in making a difference with the broader community and participates in numerous partnerships with organizations focused on philanthropy, education, D&I recruiting and establishing mentorships.