Crescent Capital Group, LP
Responsible Investment Policy

Overview

The benefits of Responsible Investment ("RI") are observable in our communities and have the potential to improve investment performance. Crescent's approach to RI and Environmental, Social and Governance ("ESG") considerations is multi-faceted. As a firm, we strive to maintain high ethical standards, an approach we not only apply to how Crescent operates but also to the companies we partner with and the investments we make. By systematically incorporating ESG considerations into our investment decision processes, both during the initial due diligence phase as well as throughout the life of an investment, we believe Crescent's investment professionals conduct more thorough credit analyses and make better-informed investment decisions, resulting in attractive risk-adjusted returns for our clients.

Crescent's RI policy and procedures were developed by the Crescent ESG Committee, which is composed of representatives from all product groups, Compliance, Operations and Investor Relations, and in consultation with the United Nations Principles for Responsible Investment ("UN PRI"). Crescent's RI policy was approved by Crescent's Management Committee and is reviewed by both the ESG Committee and Management Committee on an annual basis.

Responsible Investment Guidelines

Crescent believes that an integral part of RI is the careful consideration of ESG issues when evaluating companies for investment. For this, Crescent utilizes the ESG integration method which requires the systemic and explicit inclusion of ESG risks and opportunities in investment analyses in the belief that these factors can have an impact on financial performance. Except in certain circumstances driven by regulation, geographical restrictions or investor request, we do not require any ex ante criteria for inclusion or exclusion. The following are some examples of ESG factors we may analyze as they relate to a company's profile and practices.

Environmental: climate change, waste management, resource conservation and energy efficiency
Social: working conditions, human and animal rights, employee relations and diversity
Governance: transparency of management, political lobbying, compensation and internal controls

ESG Integration in Potential Investments

In conjunction with analyzing factors such as security structure, quality of management, industry competitiveness and financial fundamentals, Crescent's investment professionals are responsible for identifying any ESG factors deemed material to the potential performance of the investment. To supplement our primary research, Crescent has partnered with MSCI ESG Research and subscribes to MSCI's independent ESG research ratings and investment reports.

ESG Integration in Potential Investments *(Continued)*

Within our Capital Markets Group, ESG factors are considered for every position $15 million or greater[1] and for some smaller positions deemed material to the portfolio or as directed by investor request. Research analysts assess the level of risk associated with an ESG factor and assign a numerical Crescent ESG Score (1 for low risk, 2 for moderate risk or 3 for high risk) to it. To corroborate this Crescent ESG Score, research analysts complete a comprehensive ESG worksheet that evaluates key risks associated with ESG factors such as:

Environmental: raw materials, carbon emissions and climate change
Social: worker safety and human rights risks
Governance: board diversity and history of poor governance

The level of due diligence that follows depends on the degree of risk associated with that ESG factor. When ESG risk is deemed low, a review of the company's public documents and MSCI ESG research will generally suffice. In circumstances where ESG risk is considered to be moderate or high, further diligence may include reviewing additional filings, scientific reports, third party research and newsprints, and interviews with the issuer's management team, consultants, bankers and sponsors to the extent that these resources are available. After completion of any investigation into ESG, Capital Markets research analysts will factor their findings into the overall risk assessment of the issuer and document the information in a credit memorandum along with the Crescent ESG Score. Crescent's portfolio managers will make the final investment decision after assessing all credit considerations including identified, material ESG factors.

In the private credit groups (Credit Solutions, US Direct Lending, European Specialty Lending, Crescent Capital BDC, Inc., Crescent Private Credit Income Corp. and Multi-Strategy), Crescent's deal teams are responsible for incorporating ESG factors into the early stages of due diligence beginning with the preliminary screening memo for each investment opportunity presented. Research for each issuer is guided by a proprietary ESG considerations worksheet. The deal team addresses questions that have been incorporated into the comprehensive worksheet and are designed to elicit the issuer's strengths and weaknesses with respect to ESG considerations. Examples of such questions appear below.

Environmental: "Is the company in an industry that contributes to pollution or that deals with hazardous waste / materials?"
Social: "Does the company have any business dealings with regimes on the OFAC list or operations in countries where there are greater risks of human rights infringements?"
Governance: "Is the company active in countries or sectors where corruption or bribery is prevalent?"

Recognizing the increasing importance of climate-specific considerations, the ESG worksheet includes a supplemental climate risk section where questions such as the following are also raised.

Climate: "Is the company dependent on extracting, producing, and using coal, oil or natural gas (high carbon footprint)?" and "Is the company in an industry that is at risk from climate change or disruption by severe weather events?"

[1] This threshold seeks to provide 75% or greater coverage of the Capital Markets AUM, excluding structured credit investments, at any given time.

ESG Integration in Potential Investments *(Continued)*

The answers to these questions directly influence the amount of subsequent diligence conducted. If the risks are deemed to be low, the deal team will typically rely on due diligence already conducted by Crescent and its private equity sponsors. If one or more risks are thought to be medium or high, additional evaluation may be appropriate. The goal of the additional analyses is to further investigate the materiality of the ESG risks to the business, including whether they can be mitigated or avoided and to identify potential Key Performance Indicators ("KPIs") for monitoring these risks. The ESG worksheet, which includes a detailed summary of top risks, if any, as well as mitigants alongside any positive ESG qualities is incorporated into the investment committee memorandum and considered when making the final investment decision.

Crescent analyzes the potential impact of ESG-related risks associated with an investment and ultimately may choose not to invest if these risks are judged to be material enough to impact its investment thesis and returns.[2]

Ongoing Monitoring and Reporting

Internal

Within Crescent's Capital Markets Group, all investment professionals are responsible for continuously monitoring material portfolio investments for ESG risk developments. As with general credit developments, research analysts are responsible for reporting any material ESG changes to the portfolio managers. Any negative developments, depending on the materiality and the price of the security, may lead to investment action, including reducing or eliminating exposure. In addition to real-time ESG monitoring and communication, the group's research analysts are required to review issuers' Crescent ESG Scores on an annual basis and modify the scores, if necessary, to reflect the analysts' current opinion.

Similarly, Crescent's deal teams conduct ongoing monitoring of our private credit investments. This includes routinely seeking ESG updates from portfolio companies, and in some cases, receiving them through regular reporting. On a periodic basis, deal teams review the original ESG considerations worksheet for each private investment. If any material ESG risks were noted in the original worksheet, these in particular are reviewed. Depending on any ESG developments and their materiality, further diligence may be required. Responses to negative ESG developments may include discussions with management and/or the private equity sponsor, reducing or eliminating exposure, and possible deal restructurings.

External

Crescent is required to report annually on our ESG activities to the UN PRI, and on a semi-annual basis, our private credit teams provide to investors ESG-related updates whether through our standard fund reporting or portfolio update presentations.

We also make this RI Policy along with our Human Rights Policy publicly available. You can find them on our website at https://www.crescentcap.com/responsible-investing-and-esg.

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[2] Crescent does not typically take a controlling stake in its portfolios, nor are we actively involved in companies' day-to-day operations, so our ability to influence issuers to improve ESG behaviors is more limited should we decide to invest in an issuer.

Personnel Training and Evaluations

To support Crescent's commitment to ESG, all investment professionals are required to participate in formal ESG training at the time of onboarding and on an annual basis thereafter.

There is also an ESG component to Crescent's formal annual review process. Investment professionals across the firm are evaluated based on their ESG-related diligence and ongoing monitoring.

In Summary

Crescent believes that a well-designed and thorough analysis of ESG-related issues is essential to understanding a company's long-term sustainability, risk and opportunities and return on investment. Crescent's investment decisions are guided by our clients' long-term interests, and those interests are best served through the incorporation of ESG considerations in all aspects of our business.