



THE ART AND SCIENCE OF INVESTING



**ESG POLICY STATEMENT**

## Background

White Oak is an investment management and investment advisory firm which provides institutional and individual investors with investment and advisory solutions. At White Oak, we strive to help our clients achieve their long-term financial goals through a thoughtful and disciplined approach to managing investments. We believe that Environmental, Social, and Governance (ESG) principles are crucial to developing resilient companies and assets that deliver long-term value for investors. The Firm is committed to integrating ESG into its investment process and operating philosophy.

This ESG Policy Statement establishes the position for White Oak Group Entities to integrate ESG in its business and investment activities. Certain business units maintain their own individual ESG policies, which are aligned with this policy statement and reflect the unique factors applicable to their respective investment strategies. The policy statement also explains what we expect from the businesses that we invest in and how we engage with them on issues related to ESG, so that we can drive positive change.

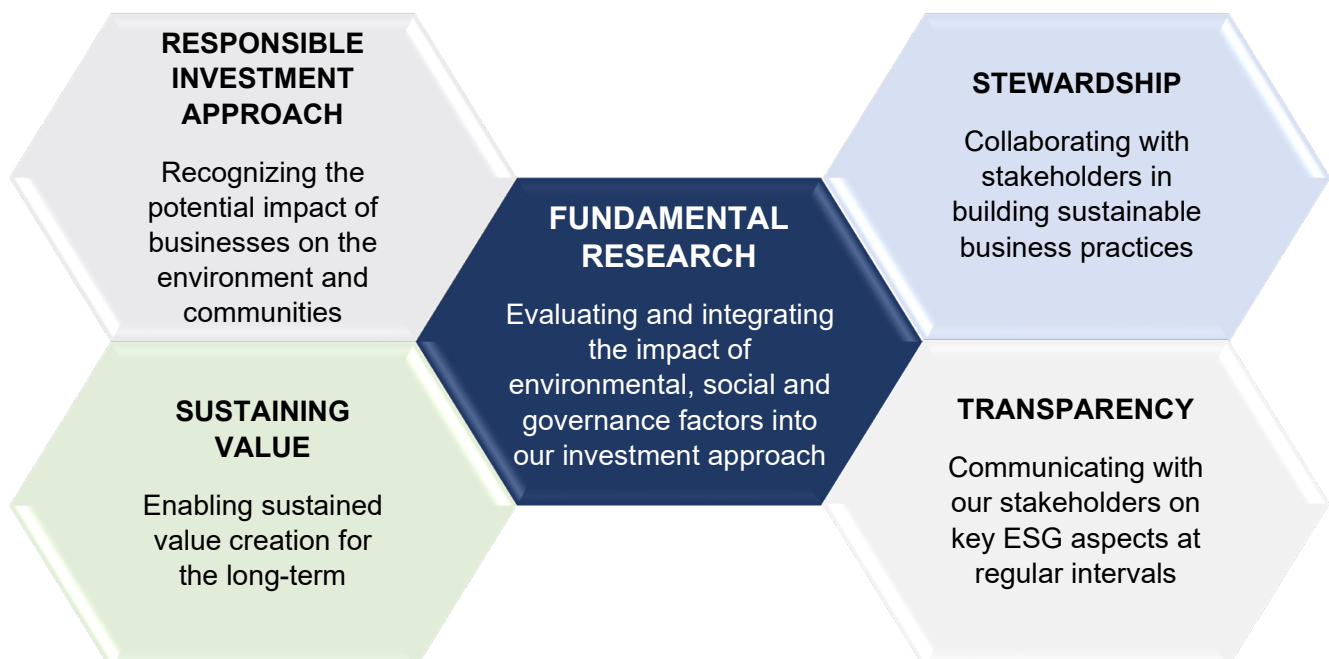
## Investment Philosophy

We seek to derive returns for our clients by investing in high-quality businesses. To assess the quality of a business, we seek to determine the long-term sustainability of return on capital, potential scalability of the business, execution capability of the management, and the organization's corporate governance culture. These insights help us identify great businesses that we seek to invest in.

Since sustainability of returns and corporate governance form an important element of our investment philosophy, our investment approach naturally integrates environment, social, and governance factors in our decision-making process. The Firm values businesses with industry-leading environmental compliance practices and those that demonstrate ethical business conduct and fair dealings with stakeholders. The Firm believes that a business with sustainable ESG practices has a better chance at survival and growth in the longer term.

## Guiding Principles

At White Oak, we have a duty to act professionally, responsibly and diligently in the best interest of our investors and stakeholders with a view to creating long term, sustainable value. We believe in a holistic sustainability framework driven by the Firm's Guiding Principles. The following five principles are intended to be the guiding axioms under which the Firm's investment management and investment advisory activities are conducted:



## ESG Integration

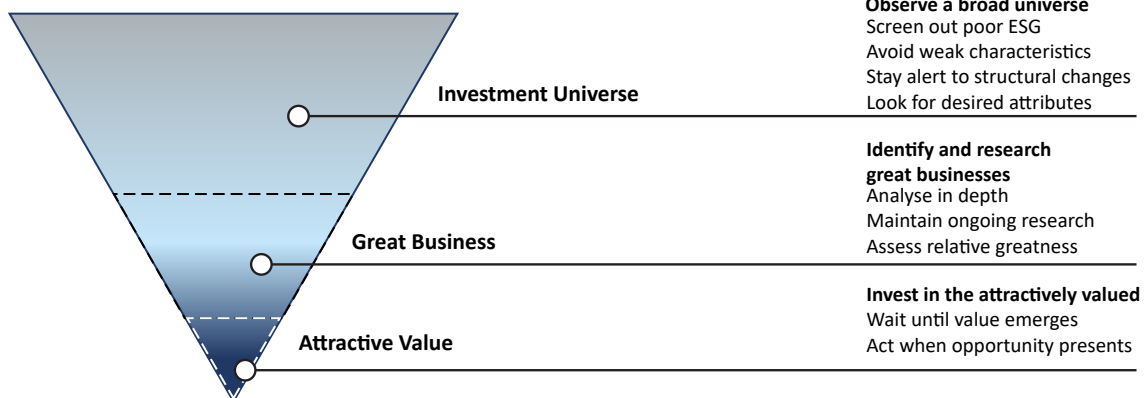
At White Oak, ESG integration is considered an important enabler at mitigating risk and enhancing overall returns. The Firm believes that good ESG practices can impact the performance of businesses positively and enable the generation of long-term value for the stakeholders. The Firm uses an internally developed framework called ABLEx™ (Assessment of business longevity and excellence) for ESG risk assessment. The framework contains a list of sector specific ESG risks and opportunities against which a company's performance is measured and rated. The result of this assessment is integrated into our valuation of a business.

### Process of ESG Integration

- a. Identification and Screening
- b. ESG Research and Assessment
- c. Stewardship

#### a. Identification and Screening

The initiation of the investment process happens by distilling from a broad investible universe of businesses, where investment opportunities are screened for poor governance policies, poor ESG track record (including material controversies) and weak business characteristics. Besides this, some of our strategies may have their exclusion list i.e., a list of companies that are excluded from the strategy's investment universe. This exclusion could be product-related and / or normative exclusions for companies with controversial behaviour. The investment universe is reviewed and refreshed on a semi-annual basis to ensure the team is abreast of addition/deletion of new names.



#### b. Research and Assessment

The primary reliance is made on publicly available data sources for the ESG research. Moreover, any critical ESG insights are also derived from management interactions, channel checks and factory visits. The information gathered from various sources are mapped against the relevant ESG risk factors and assessed under the ABLEx™ framework. This leads to understanding of the efficacy of a company's ESG policies and practices against the risk it faces.

The data provided by third party research providers is also leveraged and combined with the diligence in evaluation of ESG practices of a company.

#### Indicative list of factors considered under ESG assessment:

Environment	Social	Governance
<ul style="list-style-type: none"> <li>• Green House Gas emissions</li> <li>• Waste management</li> <li>• Natural resource utilization</li> <li>• Protection of biodiversity</li> <li>• Environmental Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Employee benefits and welfare</li> <li>• Product safety to end users.</li> <li>• Worker's health and safety</li> <li>• Human rights compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate accounting practices</li> <li>• Anti-corruption and bribery</li> <li>• Board independence and diversity</li> <li>• Alignment of interests with minority shareholders</li> <li>• Ethical business conduct</li> <li>• Fair dealing with investors and other stakeholders</li> </ul>

### c. Stewardship

Stewardship comprises the identification of material investment risks, active monitoring of holdings, engagement and proxy voting (where applicable). Stewardship is a key element of our responsible investment approach because we believe in the steering power of capital and that how it is invested can contribute positively to society and the environment. White Oak has adopted stewardship via engagement and voting.

#### i. Engagement

We believe the value of engagement is best derived from direct dialogue with companies in which we invest. Hence, engagement forms an integral part of our ESG assessment process. We follow a positive engagement approach whereby we interact with managements of underlying businesses to gain additional understanding and encourage them to take necessary steps that would impact the business positively and enhance the value of our investments.

For businesses rated best in class, our engagement approach centers around leveraging opportunities for enhanced value creation. Conversely, we also engage with businesses where we see strong potential and scope for ESG performance improvement.



Our engagement mechanism takes place through various modes such as meetings, emails, investor calls and proxy voting. We engage with businesses on a variety of issues including ESG matters that present a potential material risk to their performance.

#### ii. Voting

We consider and vote on company resolutions with the objectives of maximizing long term investment returns, fostering best corporate governance practices, social responsibility and environmental stewardship. We adopt and implement our voting rights and duties as per our internal voting policy and procedures.

We ensure that all our voting decisions are taken in the best interests of our clients. The key identified issues related to underlying businesses are discussed within the investment team.

In case there is a conflict of interest or appearance of a conflict of interest, we will cast the proxy votes in a manner consistent with the best interests of the clients. Voting may take place on several ESG related or investment matters and therefore each voting matter is considered on a case-by-case basis within the context of the policy.

### Internal Reporting

The ESG team, which includes dedicated ESG analysts and sector-level ESG analysts, regularly reports portfolio level ESG ratings (based on both internal and third-party ratings), rating changes in portfolio companies, engagement status, ESG regulations update etc. to the broader investment team. This helps the investment team understand portfolio strengths and realize the areas of improvement.

Internal reporting also includes details on portfolio performance on key ESG risk factors, which can further be drilled down to sector-wise performance on these factors. This provides more granular insights on the factors and sectors with scope for an improvement.

## Commitment to ESG

As part of the Firm's commitment to responsible investing, White Oak is a signatory to The United Nations-backed Principles for Responsible Investment Initiative (PRI). The PRI is a network of international investors working together to put the six Principles for Responsible Investment into practice.

Moreover, we support the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) and we intend to continue to promote increased transparency, encourage the development of tools and methods to manage climate-related risks and opportunities and contribute to the best practices in the industry.

We refer to the frameworks provided under the United Nations Sustainable Development Goals and the UN principles on Business and Human Rights in assessing the impact of our portfolio companies' products, policies, and operations on sustainability outcomes.

## Reporting

The Firm is committed to being transparent with its investors, shareholders, and other stakeholders about White Oak's ESG initiatives, success, and goals. Our reporting includes White Oak's UN PRI Transparency Report, which describes our initiatives and progress during the year as well as expected activities for the year to come, is produced annually and is available to our clients and beneficiaries upon request.