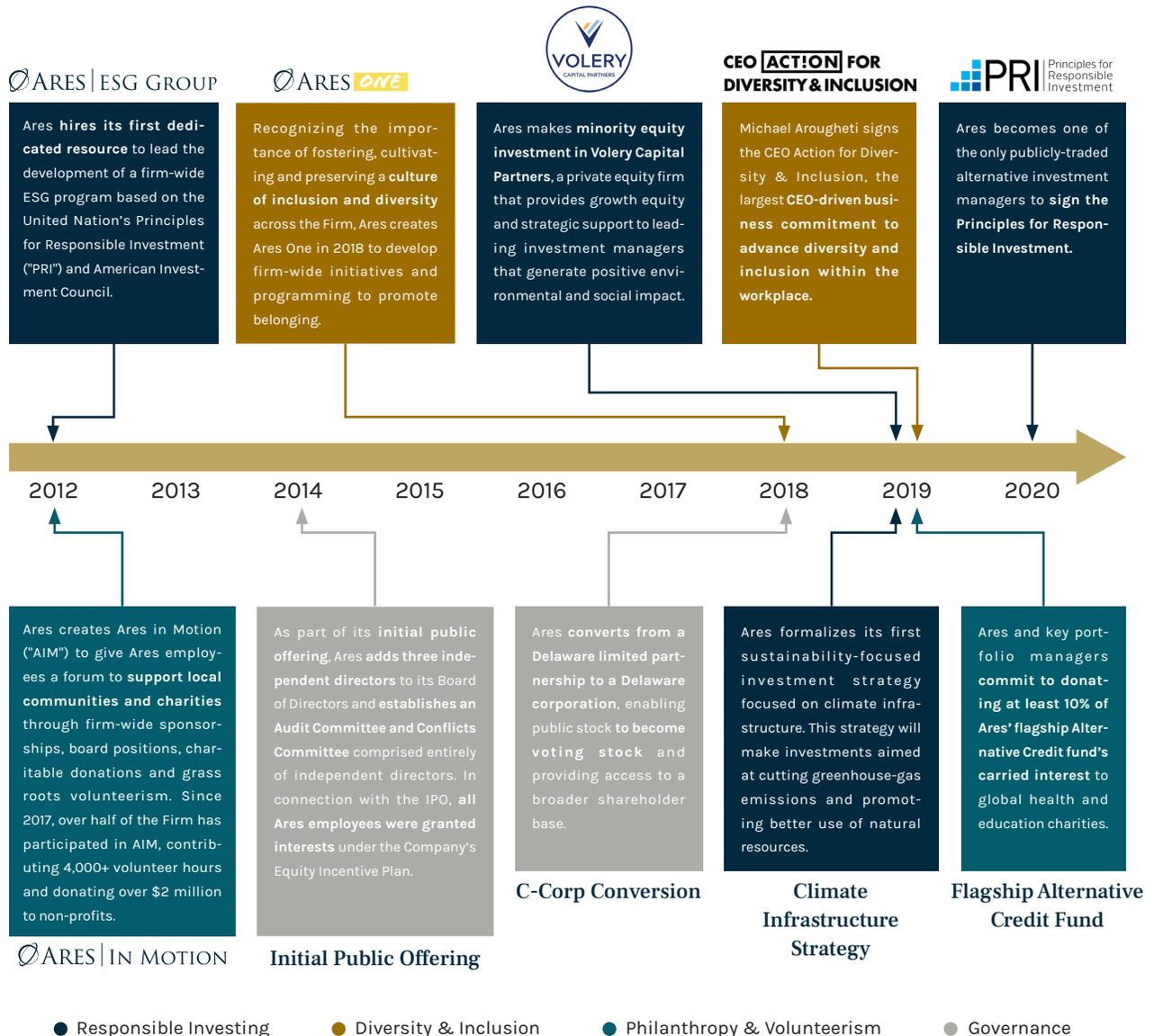


Ares Responsible Investment Policy

I. Introduction

Ares Management Corporation ("Ares" or the "Firm") is one of the largest global alternative investment managers, with integrated businesses across Credit, Private Equity and Real Estate. We believe that integrating environmental, social and governance ("ESG") factors into the investment and portfolio management processes across our platform not only enable us to generate superior returns but drive positive change in our local communities and the world at large.

Ares has prioritized responsible investing in the alternative investment management industry for nearly a decade:



II. Objectives

Ares' objectives for integrating ESG factors into its investment and portfolio management processes are to:

1. Identify incremental value-creation opportunities and potential risks to make better investment decisions to enhance investment returns; and
2. Ensure portfolio companies and investments act in a responsible manner towards their stakeholders.

III. Principles

The following principles guide Ares' approach to ESG integration:

1. **Engage Stakeholders.** We work closely with our stakeholders – employees, investors, shareholders, portfolio companies, regulators, among others – to inform on ESG risk factors and incorporate these items into our investment approach.
2. **Focus on Materiality.** We focus our attention on material ESG factors, as defined by a) their importance to a given investment's stakeholders and b) the likelihood and magnitude of business or social impact.
3. **Implement Systematically.** Implementation of ESG factors should be systematic through process; not anecdotally or as an exception to the rule.
4. **Tailor to Each Strategy.** We adapt our platform-wide ESG objectives to the specific dynamics and levels of influence in each investment strategy.
5. **Avoid Harm.** We seek to avoid investments whose practices or products cause significant environmental or social harm.
6. **Improve ESG Performance.** We are active investors and commit to improving the ESG performance and reporting practices of our investments through the levers of influence specific to each strategy. We believe this will enhance the long-term value of our investments.
7. **Provide Leadership.** We seek a leadership role in ESG integration, continuously improving to push out the frontier of best practice.
8. **Disclose Transparently & Drive Adoption.** We disclose our ESG integration practices to promote transparency and catalyze wider adoption of ESG practices across the economy.

IV. Implementation

Below we define the implementation objectives at each stage of the investment and portfolio management process; this applies across asset classes, industries and countries in which Ares invests. While this sets out the high-level objectives for each stage, individual investment strategies maintain more specific implementation plans tailored to the unique dynamics and levers of influence inherent to the strategy.

	Stage	Key Objectives
REPORTING Implement data management and reporting practices that provide transparency into: <ul style="list-style-type: none"> • Compliance and quality of ESG implementation steps • Impact achieved 	Sourcing	<ul style="list-style-type: none"> • Negative screen for opportunities involving harmful products/ services • Seek out investments with positive impact on the environment and/or society
	Diligence	<ul style="list-style-type: none"> • Identify and mitigate investment and reputational risks from ESG factors • Where possible, identify opportunities for value creation from ESG factors • Document evaluation of ESG factors in investment committee materials
	Holding & Ownership	<ul style="list-style-type: none"> • Use available levers of influence to improve management of ESG factors • Monitor investments to identify and address adverse ESG incidents in a timely and responsible manner
	Exit	<ul style="list-style-type: none"> • Where possible and as appropriate, capture and communicate Ares' value creation, risk mitigation, social and environmental impacts from ESG factors during the ownership/ holding period

TRAINING

We believe that effective implementation depends on a widespread understanding of ESG factors, how they can impact value, and the tools necessary to evaluate them. As a result, Ares integrates ESG training into ongoing education programs organized by asset class and geography.

SCREENING FRAMEWORK

Ares' screening framework guides investment professionals in top-of-funnel decision-making by identifying both **products/services** and **practices** requiring a more proactive ESG evaluation. Certain investments are typically excluded from Ares' investment universe while others are escalated to the applicable Investment Committee early in the process. Ares seeks out, or applies a positive screen to, investments that generate positive impacts.¹ Note the screening principles are individually tailored to each investment strategy as appropriate.

Ares' ESG Screening Philosophy

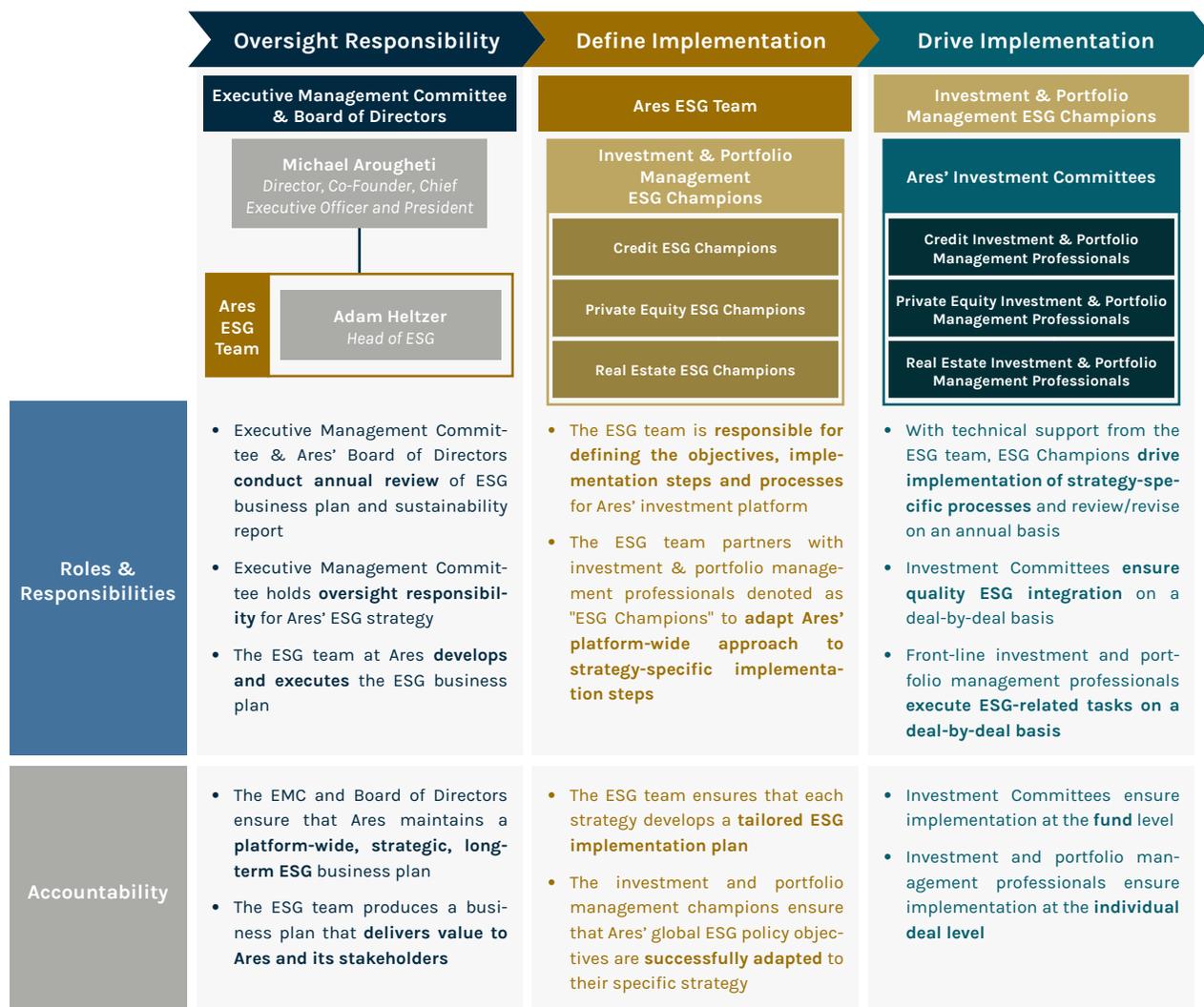
 <p>Negative Screen</p>	<ul style="list-style-type: none"> • There are companies and assets that we do not invest in due to potential significant harm to the environment or society
 <p>Escalation</p>	<ul style="list-style-type: none"> • For potential investments in industries that have a possible adverse impact on the environment or society, we escalate key ESG-related diligence items and make our investment decision based on objective data and analysis
 <p>Positive Screen</p>	<ul style="list-style-type: none"> • We seek out investments with products/services that generate positive impacts on the environment or society and those with market-leading sustainability practices

Even the most robust screening frameworks cannot be collectively exhaustive; when in doubt over the sensitivity of a given target's products/services or practices, investment professionals proactively reach out to the ESG team for consultation.

¹ See Appendix A for additional detail on specific ESG practices that Ares seeks out in its investment process.

V. Governance

In order to continuously improve Ares' ESG integration processes, we have defined the following roles and responsibilities for oversight and implementation.



VI. Reporting

PUBLIC DISCLOSURE

Beginning in 2021, Ares will publish an annual Corporate Responsibility Report detailing the objectives and accomplishments of its responsible investment strategy as well as summarizing Ares' impact as a firm through its various sustainability initiatives.

ARES' FUND INVESTORS DISCLOSURE

To the extent possible Ares discloses qualitative and quantitative ESG-related data to fund investors through regular fund reports and advisory board meetings.

Appendix A – ESG Standards for Investments & Portfolio Companies

Ares believes that the effective management of material environmental, social and governance factors leads both to enhanced long-term value and minimized negative impact on stakeholders. The following standards represent examples of practices Ares seeks in new investment opportunities and promotes across its existing investments.

<p>Environmental</p>	<ul style="list-style-type: none"> • Limit consumption of scarce and/or non-renewable resources • Limit emissions of greenhouse gases and other forms of harmful waste • Take a proactive approach to managing environmental risks • Minimize adverse impacts on biodiversity
<p>Social</p>	<ul style="list-style-type: none"> • Zero tolerance for discrimination in any form • Respect and protect customers, with an emphasis on customer health & safety, data security & privacy and responsible marketing practices • Promote diversity, inclusion and belonging • Provide employees with fair and responsible compensation, benefits and working conditions (e.g. health & safety, living wage, working hours, collective bargaining) • Comply with all applicable laws related to human rights, child labor and forced labor
<p>Governance</p>	<ul style="list-style-type: none"> • Manage the business with integrity and high moral conduct in all interactions • Document corporate governance structure with clear responsibilities and procedures • Formally integrate material ESG topics into management and board meetings • Comply with all applicable laws and regulations (including those related to human rights, child labor, forced labor, bribery and corruption)