



PRIVATE RI REPORT

2021 PILOT

First Eagle Alternative Credit, LLC

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About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities.

This **Private RI Report** is an export of your responses to the PRI Reporting Framework during the 2021 reporting period. It shows your responses to all completed indicators, even those you chose to keep private. It is designed for your internal review or – if you wish – to share with your stakeholders. The **Private RI Report** supports dialogue within your organisation, as well as with your clients, beneficiaries and other stakeholders if you chose to share it externally.

You will also receive a **Public RI Report**, which only includes responses to mandatory indicators and responses to voluntary indicators that you agreed to make public. Unlike this **Private RI Report**, the **Public RI Report** will be publicly available on the PRI website.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

PRI disclaimer

This document presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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Senior Leadership Statement (SLS)

Senior leadership statement

Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- **Why does your organisation engage in responsible investment?**
- **What is your organisation's overall approach to responsible investment?**
- **What are the main differences between your organisation's approach to responsible investment in its ESG practice and in other practices, across asset classes?**

We have made responsible investment a key component of our investment decision-making because we believe that the thoughtful and deliberate incorporation of environmental, social and governance (ESG) factors into our investment process, combined with active, constructive engagement with managements, enables us to make better informed decisions and is integral to meeting our fiduciary responsibility to clients. First Eagle Alternative Credit builds fixed income portfolios to help clients meet both their financial and nonfinancial objectives. Increasingly, responsible investment practices are a specific objective for investors. We are seeing ESG investing spread to all pockets of the fixed income markets; primarily across public credit, but more increasingly within private credit domains, including the ones in which we participate and invest on behalf of our clients.

As fixed income investors, we are focused on mitigating downside risk. The success of our investment approach is incumbent upon our ability to systematically identify and evaluate a myriad of credit risk factors that can impact the long-term sustainability of business models and the earnings potential of companies. We believe that thoughtful consideration of ESG risks ultimately leads to more complete downside protection. We have, therefore, chosen to integrate ESG considerations into our process for evaluating any debt investment, not just investments made on behalf of clients with ESG mandates.

Our proprietary ESG framework empowers our portfolio managers and analysts to efficiently evaluate ESG metrics by issuer, industry, portfolio and credit rating, as well as by E, S, G and Climate risks. In addition, our internal dashboard allows for transparency into our ESG scoring and analyses for each issuer. Detailed analysis and recordkeeping allows us to provide clients with enhanced transparency into their portfolios.

Our engagement program drives our ESG framework. Our proprietary ESG questionnaire forms the key inputs into our framework. But more importantly, it represents the initial point of contact with an issuer on ESG matters. Over time, we seek regular contact with issuers as we narrow into key ESG risks for the issuer. That ongoing engagement allows us to emphasize the importance of ESG risks to us as a lender and, further, to expand the adoption of responsible investment considerations. In fact, we have had borrowers proactively reach out to us to learn more about our ESG approach.

We have incorporated ESG considerations into our analysis of each debt investment, not just because clients are seeking more transparency into their portfolios, but also because we understand focusing on ESG and Climate risks and opportunities is consistent with prudent investment management and allows us to deliver long-term optimal risk-adjusted returns for our clients.

Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policy makers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

At First Eagle Alternative Credit, we continually strive to enhance our investment practices to deliver the highest quality service for our clients. During reporting year 2020, we continued to build upon the strong foundation of our responsible investing practices by refining our internal ESG procedures, improving our internal reporting and analyses, enhancing external communication with our borrowers, and expanding our participation in industry trade groups.

Our investment questionnaire represents the core of our ESG information gathering process. We are keenly aware of the transparency gaps in the loan markets. We have developed a proprietary questionnaire focused on key ESG considerations in an effort to close those gaps. During the reporting year, we continued to enhance our investment questionnaire (now, version 7). Specifically, we updated the questionnaire to seek additional information regarding carbon footprint measurements. In addition, we created a supplementary version of the questionnaire for investment analysts to use during annual ESG updates with borrowers. Such questionnaire allows investment analysts to seek an updated view of the company's ESG practices, as well as highlight to the borrower the ESG issues that are important to us. During the year, we had lenders proactively reach out to us requesting more information about our ESG approach.

Additionally, we took steps throughout the reporting year to enhance our internal reporting and communication of ESG matters throughout our organization. We enhanced our proprietary internal reporting database to include the storage of ESG scoring and questionnaires alongside financial performance for certain portfolios. We established our proprietary Credit View system to centralize ESG scores across our full credit platform. The system stores E, S, G, and Climate scores, as well as engagement information (e.g., records of correspondence with the company and meeting notes). The system allows the portfolio management team and investment team members to view and evaluate ESG scores across portfolios and by sectors or company size. We have also incorporated sector-by-sector ESG risk assessments and case studies into our semi-annual industry reviews presented internally by our investment analysts. Such reviews now highlight that we view as favorable or unfavorable with respect to specific ESG consideration criteria.

Finally, we continued our commitment to promoting ESG considerations throughout our industry by participating in industry working groups hosted by the Loan Syndications and Trading Association (LSTA) and the European Leveraged Finance Association (ELFA). Those working groups were focused on the creation of CLO Manager ESG Questionnaires and facilitating ESG provisions into the leveraged loan syndication process. Furthermore, we conducted calls with private equity sponsors and private credit borrowers regarding industry best practices to accelerate the adoption of ESG practices throughout the investment industry.

Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

First Eagle Alternative Credit management has emphasized several steps to improve and advance our commitment to responsible investment. First, management has sought to deliver investment products tailored to clients seeking responsible investment/ESG-focused portfolios. Specifically, we are in the process of developing an ESG composite to provide potential investors an understanding of the returns of ESG-focused portfolios. Second, we have sought to modify our internal ESG questionnaires and scoring procedures to incorporate guidance from the Sustainability Accounting Standards Board. Finally, we have evaluated our potential membership in trade associations focused on responsible investment advocacy such as the Institutional Investors Group on Climate Change.

Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment.

Name Christopher Flynn

Position President

Organisation's name First Eagle Alternative Credit, LLC

● This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by First Eagle Alternative Credit, LLC in the various modules of the Reporting Framework. The Senior Leadership Statement is simply provided as a general overview of First Eagle Alternative Credit, LLC's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.

Organisational Overview (OO)

Organisational information

Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

(O) Fund management

(1) This is our only (or primary) type

Subsidiary information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries that are also PRI signatories in their own right?

☐ (A) Yes

☒ (B) No

Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

Assets under management

All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries	US\$ 20,164,200,799.00
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(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission	US\$ 0.00
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(C) AUM subject to execution, advisory, custody, or research advisory only	US\$ 4,440,647.00
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Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	Multiple, see guidance	Multiple, see guidance	PRIVATE	Asset breakdown	GENERAL

Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.

Percentage of AUM	
(A) Listed equity – internal	0.0%
(B) Listed equity – external	0.0%
(C) Fixed income – internal	100.0%
(D) Fixed income – external	0.0%
(E) Private equity – internal	0.0%
(F) Private equity – external	0.0%
(G) Real estate – internal	0.0%
(H) Real estate – external	0.0%
(I) Infrastructure – internal	0.0%
(J) Infrastructure – external	0.0%
(K) Hedge funds – internal	0.0%
(L) Hedge funds – external	0.0%
(M) Forestry – internal	0.0%
(N) Forestry – external	0.0%
(O) Farmland – internal	0.0%

(P) Farmland – external	0.0%
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(Q) Other – internal, please specify:	0.0%
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(R) Other – external, please specify:	0.0%
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(S) Off-balance sheet – internal	0.0%
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(T) Off-balance sheet – external	0.0%
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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 FI	CORE	OO 5, OO 5.1	Multiple, see guidance	PRIVATE	Asset breakdown	GENERAL

Provide a further breakdown of your fixed income assets.

(A) Internal allocation

(1) Passive – SSA	0.0%
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(2) Passive – corporate	0.0%
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(3) Passive – securitised	0.0%
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(4) Active – SSA	0.0%
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(5) Active – corporate	77.0%
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(6) Active – securitised	1.0%
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(7) Private debt	22.0%
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ESG strategies

Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 FI	CORE	OO 5.2 FI	Multiple, see guidance	PRIVATE	Fixed income	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active fixed income?

	(2) Fixed income – corporate	(3) Fixed income – securitised
(A) Screening alone	0.0%	0.0%
(B) Thematic alone	0.0%	0.0%
(C) Integration alone	0.0%	0.0%
(D) Screening and integration	100.0%	0.0%
(E) Thematic and integration	0.0%	0.0%
(F) Screening and thematic	0.0%	0.0%
(G) All three strategies combined	0.0%	0.0%
(H) None	0.0%	100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 FI	CORE	OO 6 FI	N/A	PRIVATE	Fixed income	1

What type of screening is applied to your internally managed active fixed income?

(2) Fixed income – corporate

(A) Positive/best-in-class screening only 0.0%

(B) Negative screening only 100.0%

(C) A combination of positive/best-in-class and negative screening 0.0%

Stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 FI	CORE	OO 5, OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	2

Does your organisation conduct stewardship activities for your fixed income assets?

(5) Active – corporate

(6) Active – securitised

(7) Private debt

(A) Through service providers

☐
☐
☐

(C) Through internal staff

☒
☐
☐

(D) Collaboratively

☐
☐
☐

(E) We did not conduct this stewardship activity for this strategy/asset type

☐
☒
☒

ESG incorporation

Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

	(1) ESG incorporated into investment decisions	(2) ESG not incorporated into investment decisions
(G) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>
(H) Fixed income – securitised	<input type="radio"/>	<input checked="" type="radio"/>
(I) Fixed income – private debt	<input checked="" type="radio"/>	<input type="radio"/>

Voluntary reporting

Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

(1) Yes, report on the module

ISP: Investment and Stewardship Policy



(C) Fixed income – corporate



(E) Fixed income – private debt



ESG/sustainability funds and products

Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PRIVATE	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

Percentage

(D) Fixed income – active

0.0%

Climate investments

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PRIVATE	Asset breakdown	GENERAL

What percentage of your assets under management is in targeted low-carbon or climate-resilient investments?

0.0%

Other asset breakdowns

Geographical breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	Multiple, see guidance	N/A	PRIVATE	Geographical breakdown	GENERAL

What is the geographical breakdown of your organisation's assets under management by investment destination (i.e. where the investments are located)?

	(3) Fixed income – corporate	(4) Fixed income – securitised	(5) Fixed income – private debt
(A) Developed	100.0%	100.0%	100.0%
(B) Emerging	0.0%	0.0%	0.0%
(C) Frontier	0.0%	0.0%	0.0%
(D) Other	0.0%	0.0%	0.0%

Fixed income constraints

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 5.2 FI	OO 20.1	PRIVATE	Fixed income constraints	GENERAL

What percentage of your fixed income assets are subject to constraints? The constraints may be regulatory requirements, credit quality restrictions, currency constraints or similar.

Internal and external fixed income assets subject to constraints

(B) Fixed income – corporate 100.0%

(C) Fixed income – securitised 100.0%

(D) Fixed income – private debt 100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20.1	CORE	OO 20	N/A	PRIVATE	Fixed income constraints	GENERAL

Describe the constraints to your fixed income assets.

Fixed income constraints

(B) Fixed income – corporate

Our investments in corporate fixed income assets are constrained by investment guidelines applicable to client accounts. Investment guidelines vary by client both in the number and type of constraints to the portfolio. Some clients place constraints on the ratings of the issuers within the portfolio (e.g., no more than 10% CCC+ and lower) or generally exclude unrated issuers. Investment guidelines may also limit the concentration of the portfolio in a particular issuer or type of asset (e.g., no more than 2.5% in DIP loans, or a minimum amount of first lien investments). Investment guidelines may also limit investments to US dollar denominated issuances or to only US-domiciled issuers.
(response continued in row below)

Certain guidelines limit the investable universe for the account to a specific index (such as the Credit Suisse Leveraged Loan Index). The indentures applicable to collateralized loan obligations (CLOs) contain numerous tests that must be passed for the CLO to remain in compliance with its investment guidelines. Such tests are often based on weighted average life, weight average rating factor, weighted average coupon, weighted average spread, recovery rates and diversity of asset scores. In addition, regulatory requirements can constrain portfolios. For example, the US Investment Company Act of 1940, as amended, places certain restrictions on the types of transactions that a registered fund may undertake. Clients will also, from time to time, provide the names of specific issuers to be excluded from their portfolios. Exclusions can be based on sanctions laws or the client's own ESG analysis. Our firm is also subject to US sanctions laws that would prohibit us from investing in certain issuers..

(C) Fixed income – securitised

Our investments in corporate fixed income assets are constrained by investment guidelines applicable to client accounts. Investment guidelines vary by client both in the number and type of constraints to the portfolio. For clients whose primary investment strategy is not focused on securitized fixed income, investments may be constrained by limitations on the amount of such securitized investments that can make up the portfolio. Other clients include limitations on the exposure to any particular securitized issuer.

In addition, regulatory requirements can constrain portfolios. For example, the US Investment Company Act of 1940, as amended, places certain restrictions on the types of transactions that a registered fund may undertake. Our firm is also subject to US sanctions laws that would prohibit us from investing in certain issuers.

(D) Fixed income – private debt

Our investments in corporate fixed income assets are constrained by investment guidelines applicable to client accounts. Investment guidelines vary by client both in the number and type of constraints to the portfolio. Some clients place constraints on the concentration of the portfolio in a particular issuer or type of asset (e.g., no more than 10% in DIP loans). Clients may also place requirements on the financial metrics of the issuer prior to investment (e.g., leverage limitations) or require a minimum yield for the investment. **(response continued in row below)**

Restrictions by rating are uncommon, since this asset class is typically unrated.

Investment guidelines may also limit investments to US dollar denominated issuances or limit investments to specific geographic areas (e.g., North America). Certain guidelines also limit concentrations in specific industry sectors.

The indentures applicable to collateralized loan obligations (CLOs) contain numerous tests that must be passed for the CLO to remain in compliance with its investment guidelines. Such tests are often based on weighted average life, weight average rating factor, minimum coupon/spread, recovery rates and diversity of asset scores.

In addition, regulatory requirements can constrain portfolios. For example, the US Investment Company Act of 1940, as amended, places certain restrictions on the types of transactions that a registered fund may undertake. Our firm is also subject to US sanctions laws that would prohibit us from investing in certain issuers..

Context and explanation

ESG not incorporated

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 35	CORE	Multiple, see guidance	N/A	PUBLIC	ESG not incorporated	1, 2

Describe why you currently do not incorporate ESG into your assets and/or why you currently do not conduct stewardship.

Description

(E) Internally managed: Fixed income – securitised

We are continuing to evaluate the best approach for us to evaluate ESG considerations in connection with investments in collateralized loan obligations (CLOs). We have been active with the Loan Syndications and Trading Association (LSTA) in developing a standard ESG questionnaire for this purpose. Since CLO securities represent less than 1% of our assets under management, we have prioritized other areas of our business (specifically, private debt) in the past year.

(F) Internally managed: Fixed income – private debt

As debt investors, we rely on engagement with management as our primary form of stewardship because other methods (e.g., proxy voting, shareholder proposals, etc) are not available to us. Engagement in the private debt markets has remained challenging. The vast majority of our private debt investments are made in companies controlled by a private equity sponsor. The presence of the sponsor often creates separation between our firm and the company's management, such that we are often unable to directly engage management with respect to ESG issues. We are continuing to evaluate our methods as we further advance and develop our ESG approach.

Investment and Stewardship Policy (ISP)

Responsible investment policy & governance

Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1

Does your organisation have a formal policy or policies covering your approach to responsible investment? Your approach to responsible investment may be set out in a standalone guideline, covered in multiple standalone guidelines or be part of a broader investment policy. Your policy may cover various responsible investment elements such as stewardship, ESG guidelines, sustainability outcomes, specific climate-related guidelines, RI governance and similar.

- ☒ (A) Yes, we do have a policy covering our approach to responsible investment
- ☐ (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

- ☒ (A) Overall approach to responsible investment
- ☐ (B) Guidelines on environmental factors
- ☐ (C) Guidelines on social factors
- ☐ (D) Guidelines on governance factors
- ☒ (E) Approach to stewardship
- ☐ (F) Approach to sustainability outcomes
- ☐ (G) Approach to exclusions
- ☐ (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
- ☐ (I) Definition of responsible investment and how it relates to our fiduciary duty
- ☒ (J) Definition of responsible investment and how it relates to our investment objectives
- ☐ (K) Responsible investment governance structure
- ☒ (L) Internal reporting and verification related to responsible investment

- ☒ (M) External reporting related to responsible investment
- ☐ (N) Managing conflicts of interest related to responsible investment
- ☐ (O) Other responsible investment aspects not listed here, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.2	PLUS	ISP 1	N/A	PUBLIC	Responsible investment policy	1

What mechanisms do you have in place to ensure that your policies are implemented in an aligned and consistent way across the organisation?

FEAC has established an ESG committee that includes members from our portfolio management, compliance and marketing teams. The ESG committee is responsible for ensuring ESG factors are taken into considerations effectively, in addition to other responsibilities. We believe that to achieve proper ESG integration, every member of the investment team should be effective in identifying and assessing potential ESG risks and opportunities on every investment. While we do not have dedicated resources to ESG compliance, our credit underwriting and portfolio management teams conduct initial and ongoing diligence on borrowers for ESG compliance.

The firm's investment committees are responsible for broader ESG implementation throughout the investment and portfolio management processes. The ESG Task Force (1-2 members per coverage area in Tradable Credit) is responsible for driving the day-to-day execution and ensuring all credits in the portfolio are evaluated for ESG considerations and are monitored on an ongoing basis for material ESG issues.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6

Indicate which of your responsible investment policy elements are publicly available and provide links.

- ☒ (A) Overall approach to responsible investment. Add link(s):
<https://www.feac.com/responsible-investment/>
- ☐ (E) Approach to stewardship. Add link(s):
- ☒ (J) Definition of responsible investment and how it relates to our investment objectives. Add link(s):
<https://www.feac.com/responsible-investment/>
- ☐ (L) Internal reporting and verification related to responsible investment. Add link(s):
- ☒ (M) External reporting related to responsible investment. Add link(s):
<https://www.feac.com/responsible-investment/>
- ☐ (P) Our responsible investment policy elements are not publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your policy elements on overall approach to responsible investment and/or guidelines on environmental, social and governance factors?

○ (A) Overall approach to responsible investment

AUM coverage of all policy elements in total:

■ 100.0%

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1

Do your organisation's board, chief-level staff, investment committee and/or head of department have formal oversight and accountability for responsible investment?

☐ (A) Board and/or trustees

☐ (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))

☒ (C) Investment committee

☒ (D) Other chief-level staff, please specify:

■ Chief Compliance Officer

☐ (E) Head of department, please specify department:

☐ (F) None of the above roles have oversight and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1

In your organisation, which internal or external roles have responsibility for implementing responsible investment?

- ☐ (A) Board and/or trustees
☐ (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
☒ (C) **Investment committee**
☒ (D) **Other chief-level staff [as specified]**
☐ (E) Head of department [as specified]
☒ (F) **Portfolio managers**
☐ (G) Investment analysts
☐ (H) Dedicated responsible investment staff
☐ (I) Investor relations
☐ (J) External managers or service providers
☒ (K) **Other role, please specify:**

ESG Committee

☒ (L) **Other role, please specify:**

ESG Task Force

☐ (M) We do not have roles with responsibility for implementing responsible investment.

People and capabilities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General

What formal objectives for responsible investment do the roles in your organisation have?

	(3) Investment committee	(4) Other chief-level staff [as specified]	(6) Portfolio managers	(11) Other role	(12) Other role
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.1	PLUS	ISP 8	N/A	PUBLIC	People and capabilities	General

Describe the key responsible investment performance indicators (KPIs) or benchmarks that your organisation uses to compare and assess the performance of your professionals in relation to their responsible investment objectives.

We do not utilize any ESG-specific KPIs or benchmarks to assess performance of our professionals in relation to their responsible investment objectives. Our approach has been to evaluate ESG risks in connection with our overall investment process. Our professionals' performance with respect to evaluating such risks is assessed in a manner comparable to their performance in assessing other investment risks.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.2	CORE	ISP 8	N/A	PUBLIC	People and capabilities	General

Which responsible investment objectives are linked to variable compensation for roles in your organisation?

RI objectives linked to variable compensation for roles in your organisation:

(3) Investment committee

(A) Objective for ESG incorporation in investment activities ☐

(4) Other chief-level staff

(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☐

(6) Portfolio managers

(A) Objective on ESG incorporation in investment activities ☐

(11) Other role

(A) Objective for ESG incorporation in investment activities ☐

(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☐

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☐

(12) Other role

(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☐

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☐

(G) We have not linked any RI objectives to variable compensation ☒

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 9	CORE	N/A	N/A	PUBLIC	People and capabilities	General

How frequently does your organisation assess the responsible investment capabilities and training needs among your investment professionals?

- ☒ (A) Quarterly or more frequently
- ☐ (B) Bi-annually
- ☐ (C) Annually
- ☐ (D) Less frequently than annually
- ☐ (E) On an ad hoc basis
- ☐ (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals

Strategic asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1

Does your organisation incorporate ESG factors into your strategic asset allocation?

- ☐ (A) We incorporate ESG factors into calculations for expected risks and returns of asset classes
☐ (B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes
☐ (C) No, we do not incorporate ESG considerations into our strategic asset allocation
☒ (D) Not applicable, we do not have a strategic asset allocation process

Stewardship

Stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 11	CORE	Multiple, see guidance	N/A	PRIVATE	Stewardship policy	2

What percentage of your assets under management does your stewardship policy cover?

(B) Fixed income 100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12	CORE	ISP 1.1	ISP 12.1	PUBLIC	Stewardship policy	2

Which elements does your organisation's stewardship policy cover? The policy may be a standalone guideline or part of a wider RI policy.

- ☒ (A) Key stewardship objectives
☐ (B) Prioritisation approach of ESG factors and their link to engagement issues and targets
☐ (C) Prioritisation approach depending on entity (e.g. company or government)
☐ (D) Specific approach to climate-related risks and opportunities

- ☐ (E) Stewardship tool usage across the organisation, including which, if any, tools are out of scope and when and how different tools are used and by whom (e.g. specialist teams, investment teams, service providers, external investment managers or similar)
- ☐ (F) Stewardship tool usage for specific internal teams (e.g. specialist teams, investment teams or similar)
- ☐ (G) Stewardship tool usage for specific external teams (e.g. service providers, external investment managers or similar)
- ☐ (H) Approach to collaboration on stewardship
- ☐ (I) Escalation strategies
- ☐ (J) Conflicts of interest
- ☐ (K) Details on how the stewardship policy is implemented and which elements are mandatory, including how and when the policy can be overruled
- ☐ (L) How stewardship efforts and results should be communicated across the organisation to feed into investment decision-making and vice versa
- ☐ (M) None of the above elements are captured in our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12.1	PLUS	ISP 12	N/A	PUBLIC	Stewardship policy	2

Describe any additional details related to your stewardship policy elements or your overall stewardship approach.

Specifically, our ESG policy states that we seek to be accessible to, and engage with, relevant parties (i.e. company management, syndicating banks, sponsors, co-lenders) and encourage them to consider any relevant ESG issues with the goal of improving performance, minimizing adverse impact on performance and promoting long-term sustainability to the benefit of multiple stakeholders to the extent permissible. Further, it states that we encourage, when feasible and permissible, management teams of companies to identify and raise material ESG issues and, where appropriate and reasonable, assist and/or support companies' efforts to report and manage ESG risks and opportunities.

Stewardship policy implementation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 13	CORE	ISP 1.1	N/A	PUBLIC	Stewardship policy implementation	2

How is your stewardship policy primarily applied?

- ☐ (A) It requires our organisation to take certain actions
- ☒ (B) It describes default actions that can be overridden (e.g. by investment teams for certain portfolios)
- ☐ (C) It creates permission for taking certain measures that are otherwise exceptional
- ☐ (D) We have not developed a uniform approach to applying our stewardship policy

Stewardship objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 15	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship objectives	2

For the majority of assets within each asset class, which of the following best describes your primary stewardship objective?

(2) Fixed income

(A) Maximise the risk–return profile of individual investments



(B) Maximise overall returns across the portfolio



(C) Maximise overall value to beneficiaries/clients



(D) Contribute to shaping specific sustainability outcomes (i.e. deliver impact)



Stewardship prioritisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 16	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship prioritisation	2

What key criteria does your organisation use to prioritise your engagement targets? For asset classes such as real estate, private equity and infrastructure, you may consider this as key criteria to prioritise actions taken on ESG factors for assets, portfolio companies and/or properties in your portfolio. Select up to 3 options per asset class from the list.

(2) Fixed income

(A) The size of our holdings in the entity or the size of the asset, portfolio company and/or property



(B) The materiality of ESG factors on financial and/or operational performance



(C) Specific ESG factors with systemic influence (e.g. climate or human rights)



(D) The ESG rating of the entity



(E) The adequacy of public disclosure on ESG factors/performance



(F) Specific ESG factors based on input from clients



(G) Specific ESG factors based on input from beneficiaries



(H) Other criteria to prioritise engagement targets, please specify:



(I) We do not prioritise our engagement targets



Stewardship methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 17	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship methods	2

Please rank the methods that are most important for your organisation in achieving its stewardship objectives. Ranking options: 1 = most important, 5 = least important.

(A) Internal resources (e.g. stewardship team, investment team, ESG team or staff)	1
(B) External investment managers, third-party operators and/or external property managers (if applicable)	We do not use this method
(C) External paid services or initiatives other than investment managers, third-party operators and/or external property managers (paid beyond a membership fee)	We do not use this method
(D) Informal or unstructured collaborations with peers	2
(E) Formal collaborative engagements (e.g. PRI-coordinated collaborative engagements, Climate Action 100+, the Initiative Climat International (ICI) or similar)	We do not use this method

Collaborative stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18	CORE	Multiple, see guidance	ISP 18.1	PUBLIC	Collaborative stewardship	2

Which of the following best describes your organisation's default position, or the position of the service providers/external managers acting on your behalf, with regards to collaborative stewardship efforts such as collaborative engagements?

- (A) We recognise that stewardship suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual stewardship efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation

- (D) We do not have a default position but collaborate on a case-by-case basis
- (E) We generally do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18.1	PLUS	ISP 18	N/A	PUBLIC	Collaborative stewardship	2

Describe your position on collaborating for stewardship.

In the fixed income market and specifically for leveraged loans investors like ourselves have collaboratively engaged agent banks and private equity sponsors to get borrowers to improve their ESG reporting capabilities or launch them if they have already not done so. We do so on a case-by-case basis where we believe it will be helpful, but we do not use it as an escalation tool as a matter of course.

Escalation strategies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 19	PLUS	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

Which of these measures did your organisation, or the service providers/external managers acting on your behalf, use most frequently when escalating initial stewardship approaches that were deemed unsuccessful?

(2) Fixed income

(A) Collaboratively engaging the entity with other investors ☐

(B) Filing/co-filing/submitting a shareholder resolution or proposal ☐

(C) Publicly engaging the entity (e.g. open letter) ☐

(D) Voting against the re-election of one or more board directors ☐

(E) Voting against the chair of the board of directors ☐

(F) Voting against the annual financial report ☐

(G) Divesting or implementing an exit strategy ☐

(H) We did not use any escalation measures during the reporting year. Please explain why below ☒

You have selected "(H) We did not use any escalation measures during the reporting year", please explain why.

First Eagle Alternative Credit is still developing its approach to stewardship beyond its current engagement process with individual management teams. Methods of escalation are still being considered.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 20	CORE	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

If initial stewardship approaches were deemed unsuccessful, which of the following measures are excluded from the potential escalation actions of your organisation or those of the service providers/external managers acting on your behalf?

(2) Fixed income

(A) Collaboratively engaging the entity with other investors ☐

(B) Filing/co-filing/submitting a shareholder resolution or proposal ☐

(C) Publicly engaging the entity (e.g. open letter) ☐

(D) Voting against the re-election of one or more board directors ☐

(E) Voting against the chair of the board of directors ☐

(F) Voting against the annual financial report ☐

(G) Divesting or implementing an exit strategy ☐

(H) We do not have any restrictions on the escalation measures we can use ☒

Alignment and effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 21	PLUS	Multiple, see guidance	N/A	PUBLIC	Alignment and effectiveness	2

Describe how you coordinate stewardship across your organisation to ensure that stewardship progress and results feed into investment decision-making and vice versa.

First Eagle Alternative Credit has always believed in engaging with issuers as a core pillar of our proprietary research process. The insights from these engagement efforts inform investments across the firm. As a fixed income investor, our borrowers often need to come back to the market consistently to manage their capital structures, and an issuer's cost of capital will depend on investors' perception of risk. As ESG factors become increasingly more important to clients and ratings agencies, ESG factors will directly affect the cost of raising capital. Given this connection between the ESG and the capital markets, FEAC coordinates engagement across the firm to ensure we are directing our borrowers, which we view as partners, towards practices that are sustainable over the long-term.

We manage a range of portfolios designed to target traditional risk-adjusted returns while also targeting improved ESG objectives. Our approach generally is to engage with management teams directly during the syndication/origination process and annually thereafter. The initial engagement is guided by our proprietary ESG questionnaire and the follow-on engagements are guided by an abbreviated questionnaire/script for investment team members to follow. The standardization of these policies allows for comparability across borrowers, sectors, and portfolios. While we seek standardization across our portfolio stewardship, we also continually look to re-evaluate the applicability and effectiveness of our questionnaire and script, which have gone through numerous revisions. Our ability to compare across these variables allows us to identify and assess risk and opportunity across a wide spectrum of borrowers. We aim to identify a fixed income strategy that minimizes ESG-related risks but also capitalizes on ESG-related opportunities, so long as they align with our client needs. The datapoints and insights garnered from these engagement initiatives inform our credit investment stance via inclusion in our credit write-ups, mentioned in our investment committee meetings, and tracked in our proprietary credit tracking platform.

Stewardship examples

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 22	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship examples	2

Describe stewardship activities that you participated in during the reporting year that led to desired changes in the entity you interacted with. Include what ESG factor(s) you engaged on and whether your stewardship activities were primarily focused on managing ESG risks and opportunities or delivering sustainability outcomes.

	(1) Engagement type	(2) Primary goal of stewardship activity
(A) Example 1	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes
(B) Example 2	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes
	(3) The ESG factors you focused on in the stewardship activity	(4) Description of stewardship activity and the desired change(s) you achieved
(A) Example 1	We focused primarily on environmental risks and initiatives at this diagnostic systems manufacturer.	We spoke with the management team of a diagnostic systems manufacturer and encouraged them to share with other investors what we viewed as improvements in their waste reduction and renewable energy usage. On their next quarterly earnings call, the management shared this information as well as information about their overall ESG policies/procedures and progress to date.

(B) Example 2

In this case, the borrower, a leading manufacturer of wire and cable, tools, components and assembled solutions, contacted us to discuss their overall ESG policies.

In conversation initiated by the borrower, we discussed ways that we and the borrower could collaborate on ESG initiatives, as well as how we, as a lender think about ESG risks and opportunities. We shared ways the company might improve their ESG communication and disclosures to lenders, including important KPIs. The company devoted time on their next lender call to discuss their internal sustainability performance scorecard and their sustainability goals and outlook.

Engaging policymakers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23	CORE	N/A	Multiple, see guidance	PUBLIC	Engaging policymakers	2

How does your organisation, or the external investment managers or service providers acting on your behalf, engage with policymakers for a more sustainable financial system?

- ☐ (A) We engage with policymakers directly
- ☒ (B) We provide financial support, are members of and/or are in another way affiliated with third-party organisations, including trade associations and non-profit organisations, that engage with policymakers
- ☐ (C) We do not engage with policymakers directly or indirectly

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.1	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

What methods do you, or the external investment managers or service providers acting on your behalf, use to engage with policymakers for a more sustainable financial system?

- ☐ (A) We participate in "sign-on" letters on ESG policy topics. Describe:
- ☒ (B) We respond to policy consultations on ESG policy topics. Describe:
 We have participated and provided document feedback in LSTA Working Groups that have worked on the LSTA ESG Questionnaire and CLO Manager ESG Questionnaire. As a part of these working groups, peers across the credit industry share insights and perspectives for how to accelerate ESG adoption in the credit markets. These include encouraging borrowers and sponsors to voluntarily disclose more robust ESG scoring, introducing new documents/processes into broader leveraged loan practices, and sharing pain points.

- ☐ (C) We provide technical input on ESG policy change. Describe:
- ☐ (D) We proactively engage financial regulators on financial regulatory topics regarding ESG integration, stewardship, disclosure or similar. Describe:
- ☐ (E) We proactively engage regulators and policymakers on other policy topics. Describe:
- ☐ (F) Other methods used to engage with policymakers. Describe:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.2	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

Do you have governance processes in place (e.g. board accountability and oversight, regular monitoring and review of relationships) that ensure your policy activities, including those through third parties, are aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

- ☐ (A) Yes, we have governance processes in place to ensure that our policy activities are aligned with our position on sustainable finance and our commitment to the 6 Principles of the PRI. Describe your governance processes:
- ☒ (B) No, we do not have these governance processes in place. Please explain why not:
We believe that our method of participation (i.e., responding to policy consultations) does not present the kinds of conflicts that require such governance processes.

Engaging policymakers – Policies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24	CORE	ISP 23	ISP 24.1	PUBLIC	Engaging policymakers – Policies	2

Do you have policies in place that ensure that your political influence as an organisation is aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

- ☐ (A) Yes, we have a policy(ies) in place. Describe your policy(ies):
- ☒ (B) No, we do not a policy(ies) in place. Please explain why not:
We believe that our method of participation (i.e., responding to policy consultations) does not present the kinds of conflicts that require such governance processes.

Engaging policymakers – Transparency

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 25	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers – Transparency	2

During the reporting year, did your organisation publicly disclose your policy engagement activities or those conducted on your behalf by external investment managers/service providers?

- ☐ (A) We publicly disclosed details of our policy engagement activities. Add link(s):
- ☐ (B) We publicly disclosed a list of our third-party memberships in or support for trade associations, think-tanks or similar that conduct policy engagement activities with our support or endorsement. Add link(s):
- ☒ (C) No, we did not publicly disclose our policy engagements activities during the reporting year. Explain why:
 Our policy engagement activity (i.e., responding to policy consultations) was limited during the year.
- ☐ (D) Not applicable, we did not conduct policy engagement activities

Climate change

Public support

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 26	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Paris Agreement?

- ☐ (A) Yes, we publicly support the Paris Agreement Add link(s) to webpage or other public document/text expressing support for the Paris Agreement:
- ☒ (B) No, we currently do not publicly support the Paris Agreement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 27	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Task Force on Climate-Related Financial Disclosures (TCFD)?

☐ (A) Yes, we publicly support the TCFD Add link(s) to webpage or other public document/text expressing support for the TCFD:

☒ (B) No, we currently do not publicly support the TCFD

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 28	CORE	N/A	N/A	PUBLIC	Governance	General

How does the board or the equivalent function exercise oversight over climate-related risks and opportunities?

☐ (A) By establishing internal processes through which the board or the equivalent function are informed about climate-related risks and opportunities. Specify:

☒ (B) By articulating internal/external roles and responsibilities related to climate. Specify:

FEAC has established an ESG committee that includes members of our investment research and compliance teams. We believe that to achieve proper ESG integration, every member of the investment team should be effective in identifying and assessing potential ESG risks and opportunities on every investment. The ESG committee is responsible for ensuring ESG factors are taken into considerations effectively, in addition to other responsibilities. While we do not have dedicated resources to ESG compliance, our credit underwriting and portfolio management teams conduct initial and ongoing diligence on borrowers for ESG compliance. FEAC's ESG approach recognizes a detailed climate risk analysis as a fundamental part of our ESG philosophy. FEAC now uses a variety of methodologies and data points to seek to triangulate climate change risks and opportunities for potential investments. Throughout the investment process, analysts utilize, where available, public information, company provided information, industry data points, Sustainalytics, ratings agencies, peer information and other resources to assess climate risks and opportunities. FEAC's climate analysis is a qualitative analysis of a borrower's physical and transitional risks as well as a view towards materiality and preparedness. In addition, the climate analysis seeks to capture a company's preparedness and ability to track their own climate outputs.

Further, the investment committees are responsible for broader ESG implementation throughout the investment and portfolio management process.

The ESG Task Force (1-2 members per coverage area), is responsible for driving the day-to-day execution and ensuring all credits in the portfolio are evaluated for ESG considerations and are monitored on an ongoing basis for material ESG issues. We systematically analyze E, S, and G metrics via an approach that centers on direct engagement with potential investment opportunities, differentiated data sources, and in-depth analysis of these factors. We also factor in a Climate Risk analysis that focuses on a borrower's exposure to climate-related risks: physical, transition risk, regulatory, etc. analysis as a part of every investment write-up. Climate Risk is an important factor of our sector-by-sector ESG risk assessments and case studies delivered with our semi-annual industry reviews presented to the investment committee.

☒ (C) By engaging with beneficiaries to understand how their preferences are evolving with regard to climate change. Specify:

Our senior leadership held extended conversations with clients on the evolution of their preferences and needs with regard to climate change. For a European-based Total Return client in our Tradable Credit Business, we had the investment team conduct a deep dive on the data availability of emissions footprints for all of our existing borrowers in the syndicated term loan B market and whether we would be able to construct a portfolio focused on greenhouse gas (GHG) reduction over time. Our engagement with beneficiaries included going on a credit-by-credit basis to assess whether there was data available publicly on their overall GHG emissions. Further, we met with various third party data vendors or software providers to assess the market's ability to estimate data in the event the data did not exist given how large and disparate the leverage loan market is.

- ☐ (D) By incorporating climate change into investment beliefs and policies. Specify:
- ☐ (E) By monitoring progress on climate-related metrics and targets. Specify:
- ☐ (F) By defining the link between fiduciary duty and climate risks and opportunities. Specify:
- ☐ (G) Other measures to exercise oversight, please specify:
- ☐ (H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General

What is the role of management in assessing and managing climate-related risks and opportunities?

- ☐ (A) Management is responsible for identifying climate-related risks/opportunities and reporting them back to the board or the equivalent function. Specify:
- ☐ (B) Management implements the agreed-upon risk management measures. Specify:
- ☒ (C) **Management monitors and reports on climate-related risks and opportunities. Specify:**

During investment committee, the committee members will ask about and address any material ESG risks to the committee and committee members can choose to decline a deal based on ESG risks. In the portfolio management phase, credit analysts check-in with management teams to understand the evolution of corporate ESG policies and determine if there have been any material ESG events. We also leverage ESG risk monitoring via Sustainalytics. We also incorporate sector-by-sector ESG risk assessments, which include Climate risks and opportunities, and case studies (highlighting deals we were favorable or unfavorable on with specific ESG consideration criteria) by coverage sector for inclusion in our semi-annual industry reviews.

- ☒ (D) **Management ensures adequate resources, including staff, training and budget, are available to assess, implement and monitor climate-related risks/opportunities and measures. Specify:**

Management is committed to a robust ESG process and requires new investment team employees to be trained on First Eagle Alternative Credit's ESG policies and procedures as a part of our onboarding process. Climate-related risks/opportunities are a discrete part of our overall ESG framework. Management has dedicated adequate resources in the form of third party data subscriptions, including Bloomberg New Energy Finance, Bloomberg Intelligence, Wall Street Research (Barclays, BAML, JPM), third party ESG data providers (e.g., Sustainalytics risk reporting), and rating agency reports with ESG considerations (Moody's, S&P, and Fitch).

- ☐ (E) Other roles management takes on to assess and manage climate-related risks/opportunities, please specify:
- ☐ (F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30	CORE	N/A	Multiple, see guidance	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified within its investment time horizon(s)?

☐ (A) Specific financial risks in different asset classes. Specify:

☒ **(B) Specific sectors and/or assets that are at risk of being stranded. Specify:**

We have identified stranded asset risk across multiple sectors (Chemicals, Packaging, Business Services), with Energy and Power & Utilities being the most relevant near-term in our view. We view stranded asset risk on three parameters: economic (change in relative costs/prices), physical (due to extreme/changing weather), and regulatory (change in policy).

Economic examples include portfolios that include or are entirely coal. These assets introduce significant stranded asset risk due to how uneconomical they've become to run and limited collateral value as a result.

Physical examples include refineries, petrochemical plants, and/or service companies with locations on the Gulf of Mexico dealing with Hurricane Risk or companies based on the West Coast in wildfire-prone regions.

Regulatory standard asset risk is more present in credits that rely on regulatory approvals/permits to operate (e.g. intra/interstate pipelines, drilling permits on federal acreage, older power plants complying with emissions legislation (e.g., noxious emissions for peaking power plants in NY)). While these most clearly impact the physical operating assets, we have identified this risk impacting service company providers to these operating as well.

We keep track of energy assets that record goodwill impairments, which we've already begin to see an uptick in as energy companies face energy transition risk (e.g., recent midstream goodwill impairments across the industry – both public and private players).

Opportunities that stem from stranded asset risk is investing in portfolios that are more defensive and are the portfolios that will deliver power reliably over longer time period and are not at risk of early retirement due to significant fossil fuel exposure. We have invested in a company that owns a portfolio of renewable assets across the United States which displace coal and older natural gas plants at risk of being stranded.

☒ **(C) Assets with exposure to direct physical climate risk. Specify:**

We factor in a Climate Risk analysis that focuses on a borrower's exposure to climate-related risks: physical, transition risk, regulatory, etc. analysis as a part of every investment write-up. Physical climate risks have manifested most commonly in impacts to operations as a result of temperature increases (water scarcity) or extreme weather (flooding, hurricanes, wildfires, etc.). Direct physical risks typically include damages to buildings and infrastructure or disruption of business operations due to forced or preventative closure. Specific example: a chemicals company, needed to shut down one of their primary production facilities after Hurricane Sally hit in 2020 and the company experienced "significant" repair expenses after.

Opportunities include lending to companies that help mitigate the worst impacts of risks associated with climate change. For example, we have invested in a company that provides fire retardant chemicals that are used in extinguishing wildfires (e.g., those that have been used in California). While this does not directly prevent the cause of the wildfires, it actively helps control the severity of the physical damage caused.

☒ **(D) Assets with exposure to indirect physical climate risk. Specify:**

Indirect climate risk, while harder to quantify, is equally as important and in some cases can be more important to specific borrowers. FEAC identifies indirect physical climate risk as all the potential negative impacts as a result of physical climate risk to the company's operations including regulation risks (changes in regulation/market structures as a result of climate risk), litigation risks (failure to provide/deliver service due to outages), competitive risks (competitors without exposure to physical climate risks gaining more share), production risk (shortfalls due to climate events), and/or reputational risks (unreliable customer or supplier due to climate events). Specific example: a packaging supplier to the California Wine & Agriculture industry, had forest fires directly impact the company's customer's harvests, which directly impacted the company's volumes.

Opportunities we have seen from indirect physical climate risk include investing in solutions that will benefit from regulatory changes or changes in market structure. For example, the solar market has exploded in recent years, stemming from tax support, improved economics, and utility market policies (net metering) that support market growth. We have invested in a company that provides the dominant tracker solution which improves overall solar production and efficiency of ground-mounted solar panels. These panels are displacing traditional sources of power generation and are benefiting from changes in the tax policy and market structure, which are tailwinds to the credit's growth trajectory.

- ☐ (E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:
- ☐ (F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:
- ☐ (G) Other climate-related risks and opportunities identified. Specify:
- ☐ (H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General

For each of the identified climate-related risks and opportunities, indicate within which investment time-horizon they were identified.

	(1) 3–5 months	(2) 6 months to 2 years	(3) 2–4 years	(4) 5–10 years
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Assets with exposure to direct physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Assets with exposure to indirect physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	(5) 11–20 years	(6) 21–30 years	(7) >30 years	
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

(C) Assets with exposure to direct physical climate risk [as specified]

☐☐☐

(D) Assets with exposure to indirect physical climate risk [as specified]

☐☐☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 31	CORE	N/A	N/A	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified beyond its investment time horizon(s)?

☐ (A) Specific financial risks in different asset classes. Specify:

☒ (B) Specific sectors and/or assets that are at risk of being stranded. Specify:

Please see the response to ISP 30. We consider similar risks and opportunities with respect to re-financing risks.

☒ (C) Assets with exposure to direct physical climate risk. Specify:

Please see the response to ISP 30. We consider similar risks and opportunities with respect to re-financing risks.

☒ (D) Assets with exposure to indirect physical climate risk. Specify:

Please see the response to ISP 30. We consider similar risks and opportunities with respect to re-financing risks.

☐ (E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:

☐ (F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:

☐ (G) Other climate-related risks and opportunities identified, please specify:

☐ (H) We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 32	PLUS	N/A	N/A	PUBLIC	Strategy	General

Describe the impact of climate-related risks and opportunities on your organization's investment strategy, products (where relevant) and financial planning.

As a fiduciary to our clients, our responsibility is to preserve and grow our clients' assets. In order to adequately position our clients best, we take the approach that factoring in climate-related risks and opportunities is vital to be a competitive investment manager.

As many investment managers are now aware, climate risk is investment risk. FEAC's ESG policy recognizes a detailed climate risk analysis as a fundamental part of our ESG philosophy. FEAC now uses a variety of methodologies and data points to seek to triangulate climate change risks and opportunities for potential investments. Throughout the investment process, analysts utilize public information, company provided information, industry data points, Sustainalytics, ratings agencies, peer information and other resources to assess climate risks and opportunities. FEAC's climate analysis is a qualitative analysis of a borrower's physical and transitional risks as well as a view towards materiality and preparedness. In addition, the climate analysis seeks to capture a company's preparedness and ability to track their own climate outputs. FEAC expects more borrowers, especially larger and public borrowers to begin reporting more detailed climate risk data as broader international and activist pressure (Climate Action 100+, Net Zero Asset Managers Initiative, Ceres, SASB, UNPRI) continues to advocate for increased climate risk disclosure. We would hope that the availability of data improves over time. Absent information being readily available for our markets in the near-term, FEAC will rely on engaging borrowers directly to disclose this information through active dialogue with management both throughout the underwriting process and through regular check-ins.

On the other side of climate-related risks are climate-related opportunities. FEAC has monitored the adoption of climate-related pledges and financial instruments expected to impact our markets. For example:

According to the Race to Zero initiative, convened by the United Nations, 471 cities, 23 regions, 1,675 businesses, 85 of the biggest investors, and 569 universities, are pledged to set, net-zero targets.

Despite the pandemic, sustainable debt hit another record in 2020, with \$732 billion issued. This is a 29% increase on 2019. Sustainability and social bonds had astounding growth, while green bond volumes rose 13% to a record \$305 billion.

We aim to identify thematic market opportunities to invest client capital into. These may include, but are not limited to, specific green fixed income products (green loans/bonds, social loans/bonds, sustainability-linked fixed income products), opportunities to invest in businesses fundamentally aligned to climate solutions (For example, we invested in a company that is the market leading provider of tracking systems for US solar installations but raised a traditional term loan B), and seek to invest in 'climate leaders', businesses that are actively reporting on and mitigating carbon emissions and environmental externalities across their value chain (Specific example: We conducted a carbon emissions tracking exercise across the portfolio to identify which borrowers publicly disclosed emissions footprints and which have set forms, specific targets or commitments to reduce/mitigate their carbon emissions).

Strategy: Scenario analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General

Does your organisation use scenario analysis to assess climate-related investment risks and opportunities? Select the range of scenarios used.

- ☐ (A) An orderly transition to a 2°C or lower scenario
- ☐ (B) An abrupt transition consistent with the Inevitable Policy Response
- ☐ (C) A failure to transition, based on a 4°C or higher scenario
- ☐ (D) Other climate scenario, specify:
- ☒ (E) **We do not use scenario analysis to assess climate-related investment risks and opportunities**

Risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 34	PLUS	ISP 30	N/A	PUBLIC	Risk management	General

Which risk management processes do you have in place to identify and assess climate-related risks?

- ☐ (A) Internal carbon pricing. Describe:
- ☐ (B) Hot spot analysis. Describe:
- ☐ (C) Sensitivity analysis. Describe:
- ☐ (D) TCFD reporting requirements on external investment managers where we have externally managed assets. Describe:
- ☐ (E) TCFD reporting requirements on companies. Describe:
- ☒ (F) **Other risk management processes in place, please describe:**
 We incorporate sector-by-sector ESG risk assessments, which include Climate risks and opportunities, and case studies (highlighting deals we were favorable or unfavorable on with specific ESG consideration criteria) by coverage sector for inclusion in our semi-annual industry reviews. This includes an assessment of whether we are over-, equal-, or underweight- sectors, of which ESG considerations play a part.
- ☐ (G) We do not have any risk management processes in place to identify and assess climate-related risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 35	PLUS	Multiple, see guidance	N/A	PUBLIC	Risk management	General

In which investment processes do you track and manage climate-related risks?

- ☐ (A) In our engagements with investee entities, and/or in engagements conducted on our behalf by service providers and/or external managers. Describe:
- ☐ (E) In the asset class benchmark selection process. Describe:
- ☒ (F) **In our financial analysis process. Describe:**
 ESG considerations and analysis play a critical role in our investment process. We systematically analyze E, S, and G metrics and a Climate risk analysis via an approach that centers on direct engagement with potential investment opportunities, differentiated data sources, and in-depth analysis of these factors.
 All Investment Committee memos include an ESG Scorecard which includes a numerical FEAC ESG Score and Rating, a qualitative FEAC ESG Momentum Indicator (worsening, neutral, improving), and qualitative Climate Risk and Climate Preparedness indicators. The ESG Scorecard includes detailed responses to the ESG Questionnaire and supplemental ESG commentary and analysis. Additionally, available third-party ESG analysis is also detailed, including Sustainalytics reports and incident reporting, as well as credit rating agency ESG considerations. ESG Scores are comparable across the portfolio and incorporate discrete industry factors. We factor in a Climate Risk analysis within the ESG Scorecard that focuses on a borrower's exposure to climate-related risks: physical, transition risk, regulatory, etc. We ask questions about processes in place to evaluate potential climate change risks and risk management policies in place to protect the company's operations and supply chain influence risks and processes in place to track a borrower's own climate impact.
- ☐ (G) Other investment process(es). Describe:
- ☐ (H) We are not tracking and managing climate-related risks in specific investment processes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 36	PLUS	N/A	N/A	PUBLIC	Risk management	General

How are the processes for identifying, assessing and managing climate-related risks incorporated into your organisation's overall risk management?

☐ (A) The risk committee or the equivalent function is formally responsible for identifying, assessing and managing climate risks. Describe:

☒ (B) Climate risks are incorporated into traditional risks (e.g. credit risk, market risk, liquidity risk or operational risk).

Describe:

Our portfolios are built from the bottom-up, one credit at a time. ESG integration, including a Climate Risk analysis, is implemented from the bottom up as our analysts incorporate ESG factors into their assessments and valuations. As such, First Eagle Alternative Credit's process for identifying, assessing, and managing climate-related risks are incorporated into traditional risk when we assess the credit risk (including liquidity, operational, and market risk) for each specific credit we select to invest in.

☐ (C) Climate risks are prioritised based on their relative materiality, as defined by our organisation's materiality analysis.

Describe:

☐ (D) Executive remuneration is linked to climate-related KPIs. Describe:

☐ (E) Management remuneration is linked to climate-related KPIs. Describe:

☐ (F) Climate risks are included in the enterprise risk management system. Describe:

☐ (G) Other methods for incorporating climate risks into overall risk management, please describe:

☐ (H) Processes for identifying, assessing and managing climate-related risks are not integrated into our overall risk management

Metrics and targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37	PLUS	N/A	ISP 37.1	PUBLIC	Metrics and targets	General

Have you set any organisation-wide targets on climate change?

☐ (A) Reducing carbon intensity of portfolios

☐ (B) Reducing exposure to assets with significant climate transition risks

☐ (C) Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes

☐ (D) Aligning entire group-wide portfolio with net zero

☐ (E) Other target, please specify:

☒ (F) No, we have not set any climate-related targets

Metrics and targets: Transition risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38	PLUS	N/A	ISP 38.1	PUBLIC	Metrics and targets: Transition risk	General

What climate-related metric(s) has your organisation identified for transition risk monitoring and management?

- ☒ (A) Total carbon emissions
- ☒ (B) Carbon footprint
- ☒ (C) Carbon intensity
- ☒ (D) Weighted average carbon intensity
- ☐ (E) Implied temperature warming
- ☐ (F) Percentage of assets aligned with the EU Taxonomy (or similar taxonomy)
- ☐ (G) Avoided emissions metrics (real assets)
- ☐ (H) Other metrics, please specify:
- ☐ (I) No, we have not identified any climate-related metrics for transition risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38.1	PLUS	ISP 38	N/A	PUBLIC	Metrics and targets: Transition risk	General

Provide details about the metric(s) you have identified for transition risk monitoring and management.

	(1) Coverage of AUM	(2) Purpose	(4) Methodology
(A) Total carbon emissions	(3) for a minority of our assets	We use this data to identify borrowers that measure and track, and that are actively reducing their carbon footprint. Only a minority of our borrowers are currently able to provide this information, limiting its usefulness as a portfolio-level metric. As the coverage grows, we expect to evaluate other uses for this data.	FEAC typically relies on a CO2e emissions figure to address the fact that carbon is only ~60% of total greenhouse gasses. FEAC estimates that 10-20% of the leveraged loan universe has emissions coverage data, either via public disclosure or through third-party data sources.

(B) Carbon footprint	(3) for a minority of our assets	<p>We use this data to identify borrowers that measure and track, and that are actively reducing their carbon footprint. Only a minority of our borrowers are currently able to provide this information, limiting its usefulness as a portfolio-level metric. As the coverage grows, we expect to evaluate other uses for this data.</p>	<p>FEAC defines carbon footprint as Scope 1 + Scope 2 CO₂e emissions. Scope 1: direct emissions from controlled and owned sources. FEAC includes both market-based and location-based emissions. Scope 2: indirect emissions from purchased electricity, steam, heating, and cooling consumed by the reporting company. (response continued in row below)</p>
			<p>FEAC includes both market-based and location-based emissions. FEAC excludes Scope 3 emissions given the lack of standardization around the metric in the near-term (e.g., double counting, difference in supply chain accountability methodologies, etc.) and general lack of availability of that data. Some of our borrowers do report Scope 3 emissions but we have historically focused on Scopes 1 and 2, given the higher confidence in validity of the data as compared to Scope 3..</p>

(C) Carbon intensity	(3) for a minority of our assets	<p>We use this data to identify borrowers that measure and track, and that are actively reducing their carbon footprint. Only a minority of our borrowers are currently able to provide this information, limiting its usefulness as a portfolio-level metric. As the coverage grows, we expect to evaluate other uses for this data.</p>	<p>FEAC defines Carbon Intensity as (Scope 1 + Scope 2 CO₂e emissions) / Revenue. FEAC seeks to collect Scope 1 and Scope 2 emissions data on a 000s of MT CO₂e basis (000s of metric tons of CO₂ equivalent) and collect revenue information on a US\$\$s in millions basis. FEAC has revenue information for all of its borrowers so if emissions data were readily available or reliably estimated, we could calculate carbon intensity for every individual borrower we lend to.</p>
(D) Weighted average carbon intensity	(3) for a minority of our assets	<p>We use this data to identify borrowers that measure and track, and that are actively reducing their carbon footprint. Only a minority of our borrowers are currently able to provide this information, limiting its usefulness as a portfolio-level metric. As the coverage grows, we expect to evaluate other uses for this data.</p>	<p>A portfolio's Weighted Average Carbon Intensity is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions / \$M Sales) for each portfolio company and calculating the weighted average by portfolio weight.</p>

Metrics and targets: Physical risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39	PLUS	N/A	ISP 39.1	PUBLIC	Metrics and targets: Physical risk	General

What climate-related metric(s) has your organisation identified for physical risk monitoring and management?

- ☐ (A) Weather-related operational losses for real assets or the insurance business unit
- ☐ (B) Proportion of our property, infrastructure or other alternative asset portfolios in an area subject to flooding, heat stress or water stress
- ☒ **(C) Other metrics, please specify:**
 On a case-by-case basis, we identify physical climate risk considerations including extreme weather events (e.g., hurricanes, wildfires, etc.) or impacts that result from a warming climate (e.g., water scarcity for data centers). For insurance providers, we typically ask what exposure they have to regions that are exposed to climate risks more than others. We have yet to roll out a portfolio-based solution but that is something we'd hope to do in the next few years.
- ☐ (D) Other metrics, please specify:
- ☐ (E) We have not identified any metrics for physical risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39.1	PLUS	ISP 39	N/A	PUBLIC	Metrics and targets: Physical risk	General

Provide details about the metric(s) you have identified for physical risk monitoring and management.

(4) Methodology

(C) Other metrics [as specified]

We remain particularly focused on geographic diversity when evaluating borrowers, especially for companies that have production risk in climate-exposed regions.

Sustainability outcomes

Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

- ☒ (A) No, we have not identified the sustainability outcomes from our activities
- ☐ (B) Yes, we have identified one or more sustainability outcomes from some or all of our activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43.1	PLUS	ISP 43	N/A	PUBLIC	Identify sustainability outcomes	1

If you have not identified the intended and unintended sustainability outcomes for any of your activities, please explain why.

We have yet to define or shape sustainability outcomes given we cannot introduce any formal policies that may result in a conflict of interest with clients across all of our portfolios and asset strategies. We support sustainability outcomes that broadly align with responsible investment and sustainability goals but given the breadth of issuers we lend to (1,000+), we have to yet to find a scalable solution to vet out any conflicts with shaping sustainability outcomes at an individual investments.

Transparency & Confidence-Building Measures

Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- ☒ (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- ☐ (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- ☒ (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- ☒ (D) A description of our investment process and how ESG is considered
- ☐ (E) ESG objectives of individual funds
- ☐ (F) Information about the ESG benchmark(s) that we use to measure fund performance
- ☐ (G) Our stewardship approach
- ☒ (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- ☐ (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- ☐ (J) A list of our main investments and holdings
- ☐ (K) ESG case study/example from existing fund(s)
- ☐ (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

Client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 50	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – All assets	6

What ESG information is included in your client reporting for the majority of your assets under management?

- ☐ (A) Qualitative ESG analysis, descriptive examples or case studies
- ☐ (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- ☐ (C) Progress on our sustainability outcome objectives
- ☐ (D) Stewardship results
- ☐ (E) Information on ESG incidents where applicable
- ☐ (F) Analysis of ESG contribution to portfolio financial performance
- ☒ (G) We do not include ESG information in client reporting for the majority of our assets under management

Frequency of client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 51	CORE	Multiple, see guidance	N/A	PUBLIC	Frequency of client reporting – All assets	6

For the majority of each asset class, how frequently do you report ESG-related information to your clients?

(B) Fixed income

(4) On an ad hoc basis or upon request

Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6

What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?

- ☐ (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
- ☐ (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
- ☐ (C) The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report
- ☐ (D) Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report
- ☐ (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)
- ☐ (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
- ☐ (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- ☒ (I) Responses related to our RI practices documented in this report have been internally reviewed before submission to the PRI
- ☐ (J) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Who has reviewed/verified the entirety of or selected data from your PRI report?

- (A) Board and/or trustees (4) report not reviewed
-
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO)) (4) report not reviewed
-
- (C) Investment committee (4) report not reviewed
-

(D) Other chief-level staff, please specify:

N/A

(4) report not reviewed

(E) Head of department, please specify:

Head of Research

(1) the entire report

(F) Compliance/risk management team

(1) the entire report

(G) Legal team

(4) report not reviewed

(H) RI/ ESG team

(4) report not reviewed

(I) Investment teams

(3) parts of the report

Fixed Income (FI)

Pre-investment phase

Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 10	FI 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors for its fixed income assets?

(2) Corporate

(4) Private debt

(A) Yes, we have a formal process to identify material ESG factors for all of our assets



(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets



(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets

○

○

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion

○

○

(E) No, we do not have a formal process to identify material ESG factors

○

○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1.1	CORE	FI 1	N/A	PUBLIC	Materiality analysis	1

How does your current investment process incorporate material ESG factors?

(2) Corporate

(4) Private debt

(A) The investment process incorporates material governance factors

☒

☒

(B) The investment process incorporates material environmental and social factors

☒

☒

(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon

☒

☐

(D) The investment process incorporates the effect of material ESG factors on revenues and business operations

☒

☒

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 10	FI 2.1	PUBLIC	ESG risk management	1

How are material ESG factors incorporated into your portfolio risk management process?

	(2) Corporate	(4) Private debt
(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Other method of incorporating ESG factors into risk management process, please specify below:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We do not have a process to incorporate ESG factors into our portfolio risk management	<input type="checkbox"/>	<input type="checkbox"/>

Please specify for "(D) Other method of incorporating ESG factors into risk management process".

One or more investors have lists of specific issuers or profiles of issuers (e.g., tobacco companies) that they wish to have excluded from their portfolios.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2.1	CORE	FI 2	N/A	PUBLIC	ESG risk management	1

For what proportion of your fixed income assets are material ESG factors incorporated into your portfolio risk management process?

(2) Corporate

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	(1) for all of our assets
(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	(1) for all of our assets
(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors	(1) for all of our assets
(D) Other method of incorporating ESG factors into risk management process	(3) for a minority of our assets

(4) Private debt

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	(1) for all of our assets
(D) Other method of incorporating ESG factors into risk management process	(3) for a minority of our assets

ESG incorporation in asset valuation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 10	FI 3.1	PUBLIC	ESG incorporation in asset valuation	1

How do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

(2) Corporate

(4) Private debt

(A) We incorporate it into the forecast of cash flow, revenues and profitability



(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer



(C) We do not incorporate the evolution of ESG factors into our fixed income asset valuation process



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3.1	CORE	FI 3	N/A	PUBLIC	ESG incorporation in asset valuation	1

In what proportion of cases do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

(2) Corporate

(A) We incorporate it into the forecast of cash flow, revenues and profitability

(1) in all cases

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer

(1) in all cases

(4) Private debt

(A) We incorporate it into the forecast of cash flow, revenues and profitability (3) in a minority of cases

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer (3) in a minority of cases

Performance monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	PLUS	OO 5.2 FI, OO 10	N/A	PUBLIC	Performance monitoring	1

Provide an example of an ESG factor that your organisation incorporated into your fixed income valuation or portfolio construction and describe how that affected the returns of those assets.

Example:

(A) Example from your active management strategies:

We do not maintain a formal exclusion policy; however, we manage several portfolios in compliance with distinct ESG considerations including, as applicable: compliance with UNPRI, compliance with AFM, exclude companies deriving >25% of revenues from production of tobacco, exclude companies that derive revenue from weapons (small arms, biological, or chemical), and exclude utilities with >50% of its fuel mix from coal, strict policies that prohibit bribery and corruption, among more.

We manage a separately managed account for a European client that is very focused on ESG. This portfolio is one that we manage that includes distinct ESG considerations and is specifically tailored with ESG as a core focus (e.g., every name in the portfolio must have an ESG scorecard, avoidance of industries with material ESG concerns – e.g. oil & gas or weapons),) custom ESG reporting on their portfolio, etc. **(response continued in row below)**

Over the course of 2020, we recognized an aggregate 1.29% monthly gross return outperformance for this portfolio relative to other similar portfolios that we manage. The majority of this outperformance was recognized in March 2020 during the initial market dislocation caused by the impacts of the COVID-19 outbreak. This suggests that the client's ESG-focus performed to plan and was relatively more resilient and defensive than our other traditional credit portfolios..

ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5	CORE	OO 10	FI 5.1	PUBLIC	ESG incorporation in portfolio construction	1

How do ESG factors influence your portfolio construction?

	(2) Corporate	(4) Private debt
(A) The selection of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	<input type="checkbox"/>	<input type="checkbox"/>
(E) Other expressions of conviction, please specify below:	<input type="checkbox"/>	<input type="checkbox"/>

(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5.1	CORE	FI 5	N/A	PUBLIC	ESG incorporation in portfolio construction	1

In what proportion of cases do ESG factors influence your portfolio construction?

(2) Corporate

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

(4) Private debt

(A) The selection of individual assets within our portfolio is influenced by ESG factors (3) in a minority of cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active fixed income.

Please provide examples below:

(A) Example 1:

First Eagle Alternative credit has historically been underweight Energy and fossil fuel exposed Utilities in our Tradable Credit portfolios compared to the Credit Suisse Leveraged Loan Index. As a result, this allowed FEAC to avoid a lot of the price volatility experienced in the Energy and Utility markets throughout 2020. During our semi-annual industry reviews, we noted the major discrepancy between our portfolio and the CS index was that FEAC generally avoided upstream oil and gas producer credits (significant emissions footprints and exposure to changes in regulatory environment) and single asset utility plants (coal-focused and/or older plants that will be in violation of emissions rules). **(response continued in row below)**

ESG concerns are core to this thesis on a few elements as described below.
From an ESG perspective for Energy, we avoid generally credits with substantial emissions footprints that face material energy transition risk and/or are subject to environmental regulations. In 2020, we were already addressing the risk associated with a change in administration and the impact that could have on the broader energy industry. Regarding Utilities, one of the situations that emerged in 2020 was the NYISO adopting Nitrogen Oxide emissions rules which impacted certain older plants in the NYISO region..

(B) Example 2:

For our ESG-focused total return account, First Eagle Alternative Credit uses our proprietary ESG scores to build portfolios that tilt toward the higher-scoring issuers (all else equal). This resulted in outperformance in 2020 as mentioned in FI 4.

ESG incorporation in assessment of issuers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 10	N/A	PUBLIC	ESG incorporation in assessment of issuers	1

When assessing issuers'/borrowers' credit quality, how does your organisation incorporate material ESG risks in the majority of cases?

	(2) Corporate	(4) Private debt
(A) In the majority of cases, we incorporate material governance-related risks	<input type="radio"/>	<input checked="" type="radio"/>
(B) In addition to incorporating governance-related risks, in the majority of cases we also incorporate material environmental and social risks	<input checked="" type="radio"/>	<input type="radio"/>
(C) We do not incorporate material ESG risks for the majority of our credit quality assessments of issuers/borrowers	<input type="radio"/>	<input type="radio"/>

ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 10	N/A	PUBLIC	ESG performance	1

In the majority of cases, how do you assess the relative ESG performance of a borrower within a peer group as part of your investment process?

(2) Corporate

(A) We use the relative ESG performance of a borrower to adjust the internal credit assessments of borrowers by modifying forecasted financials and future cash flow estimates



(B) We use the relative ESG performance of a borrower to make relative sizing decisions in portfolio construction



(C) We use the relative ESG performance of a borrower to screen for outliers when comparing credit spreads to ESG relative performance within a similar peer group



(D) We consider the ESG performance of a borrower only on a standalone basis and do not compare it within peer groups of other benchmarks



(E) We do not have an internal ESG performance assessment methodology



ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9	CORE	OO 10	FI 9.1	PUBLIC	ESG risk management	1

For your corporate fixed income, does your organisation have a framework that differentiates ESG risks by issuer country and sector?

- ☒ (A) Yes, it differentiates ESG risks by country/region (for example, local governance and labour practices)
- ☒ (B) Yes, it differentiates ESG risks by sector
- ☐ (C) No, we do not have a framework that differentiates ESG risks by issuer country/region and sector

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9.1	CORE	FI 9	N/A	PUBLIC	ESG risk management	1

For what proportion of your corporate fixed income assets do you apply your framework for differentiating ESG risks by issuer country/sector?

	(1) for all of our corporate fixed income assets	(2) for the majority of our corporate fixed income assets	(3) for a minority of our corporate fixed income assets
(A) We differentiate ESG risks by country/region (for example, local governance and labour practices)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) We differentiate ESG risks by sector	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Private debt

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 10	CORE	OO 10	FI 10.1	PUBLIC	Private debt	1

Indicate how your organisation incorporates ESG factors when selecting private debt investments during the due diligence phase.

- ☐ (A) We use a qualitative ESG checklist
- ☐ (B) We assess quantitative ESG data, such as energy consumption, carbon footprint and gender diversity
- ☐ (C) We require that the investment has its own ESG policy
- ☐ (D) We hire specialised third parties for additional ESG assessments
- ☐ (E) We require the review and sign-off of our ESG due diligence process by our investment committee or the equivalent function
- ☒ (F) Other method of incorporating ESG into the selection of private debt during due diligence (please specify below):
- ☐ (G) We do not incorporate ESG factors when selecting private debt during the due diligence phase

Please specify "(F) Other method of incorporating ESG into selection of private debt during due diligence".

During 2020, we generally did not utilize for our private debt investments the ESG questionnaire utilized as part of the Tradable Credit investment process. ESG risks were identified by originators and portfolio managers as part of their pre-investment due diligence of a potential investment, and raised to the investment committee where such considerations were deemed material to the investment. In 2021, our private debt platform began using our proprietary ESG Questionnaire.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 10.1	CORE	FI 10	N/A	PUBLIC	Private debt	1

In what proportion of cases do you incorporate ESG factors when selecting private debt investments during the due diligence phase?

	(1) in all cases	(2) in the majority of cases	(3) in a minority of cases
(F) Other method of incorporating ESG into the selection of private debt during due diligence	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Post-investment phase

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do your regular reviews incorporate ESG risks?

	(2) Corporate	(4) Private debt
(A) Our regular reviews include quantitative information on material ESG risks specific to individual fixed income assets	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	<input type="checkbox"/>	<input type="checkbox"/>
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	<input type="checkbox"/>	<input type="checkbox"/>

(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency

☐
☐

(E) We do not conduct reviews that incorporate ESG risks

☐
☒

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 13	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do you regularly identify and incorporate ESG incidents into the investment process for your fixed income assets?

(2) Corporate

(4) Private debt

(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions

☒
☐

(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions

☐
☐

(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions

☐
☐

(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents

☐
☐

(E) We do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making

☐
☒

Time horizons

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	CORE	OO 10	N/A	PUBLIC	Time horizons	1

In the majority of cases, how does your investment process account for differing time horizons of holdings and how they may affect ESG factors?

(2) Corporate

(A) We take into account current risks



(B) We take into account medium-term risks



(C) We take into account long-term risks



(D) We do not take into account differing time horizons of holdings and how they may affect ESG factors



Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your fixed income assets?

(2) Corporate

(4) Private debt

(A) We monitor long-term ESG trends for all of our assets



(B) We monitor long-term ESG trends for the majority of our assets	○	○
(C) We monitor long-term ESG trends for a minority of our assets	○	○
(D) We do not continuously monitor long-term ESG trends in our investment process	○	○

Examples of leading practice

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	PLUS	OO 10	N/A	PUBLIC	Examples of leading practice	1 to 6

Describe any leading responsible investment practices that you have adopted for some or all of your fixed income assets.

Description per fixed income asset type:

(B) Corporate	<p>FEAC integrated our ESG risk analysis into our investment process in 2018. Since that time, our investment team members have iterated on questionnaires (we are on version 7 of our proprietary questionnaire), process (scores for E, S, G, and carving out Climate as discrete component), scorecard automation and database implementation (comparative E, S, G, and climate and scoring across all credits on an internally developed system), and implemented new stewardship policies (annual check-in calls, or most borrowers). The firm has invested considerable resources into ESG including time and effort dedication by investment team members (score every credit from an ESG perspective), access to third-party data (e.g., Sustainalytics and Bloomberg), and creating an ESG composite on eVestment, among many other initiatives. The ESG process is integrated into our investment process so changes in one directly impact the other. Over time, it has become apparent ESG analyses support and build upon typical risk analysis during the underwriting process to build a more resilient and defensive portfolio. The investment process factors in ESG during the underwriting, committee, and portfolio management stages. (response continued in row below)</p>
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During underwriting, credit analysts are expected to complete and execute an ESG risk analysis as a part of an investment write-up. During investment committee, the committee members will ask about and address any material ESG risks to the committee and committee members can choose to decline a deal based on ESG risks. In the portfolio management phase, credit analysts check-in with management teams to understand the evolution of corporate ESG policies and determine if there have been any material ESG events. We also leverage ESG risk monitoring via Sustainalytics. Our ESG analysis strategy is updated on an annual basis through our ESG Questionnaire revision process. ESG Scores and Ratings and Momentum Indicators are updated regularly. **(response continued in row below)**

If, at any time, a material incident or event takes place, ESG Scores, Ratings and Momentum Indicators are updated to reflect the most current information and will be communicated by the portfolio management team at its next portfolio management report.

Given FEAC has focused on integrating ESG into our credit underwriting process for several years, we believe we have a unique perspective on how ESG has evolved in the term loan space across tradable credit and private credit. Having a holistic process in place allows us to see how ESG disclosure evolves at issuer, industry, and product category levels.

Further, stewardship continues to be a focus for our business and with regular check-ins with management teams, it allows us to keep a pulse on the ESG practices of our portfolio. This has also allowed us to be in a unique position to give advice to borrowers of all sizes on what we are seeing across sectors, company sizes, and at a market level, but also to understand what “best-in-class” represents.

We established our proprietary Credit View system to centralize ESG scores across our full credit platform. The system stores E, S, G, and Climate scores, as well as relevant information around the date information was recorded and/or received, recent correspondence, and meeting notes from check-in calls..

Reporting/Disclosure

ESG screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 21	CORE	OO 6 FI	N/A	PUBLIC	ESG screens	6

How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?

(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to list of ESG screens: (1) for all of our fixed income assets subject to ESG screens

(B) We publish any changes in ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to ESG screen changes: (1) for all of our fixed income assets subject to ESG screens

(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries (4) for none of our assets subject to ESG screens

Engagement

Engaging with issuers/borrowers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22	CORE	OO 9 FI	FI 22.1	PUBLIC	Engaging with issuers/borrowers	2

At which stages does your organisation engage with issuers/borrowers?

(2) Corporate

(A) At the pre-issuance/pre-deal stage ☒

(B) At the pre-investment stage ☒

(C) During the holding period ☒

(D) At the refinancing stage ☒

(E) When issuers/borrowers default ☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22.1	PLUS	FI 22	N/A	PUBLIC	Engaging with issuers/borrowers	2

Describe your approach to engagement.

Engagement approach per fixed income asset type or general description for all your fixed income engagement:

(D) Description of engagement approach for our corporate fixed income

First Eagle Alternative Credit has always believed in engaging with issuers as a core pillar of our proprietary research process. The insights from these engagement efforts inform investments across the firm. As a fixed income investor, borrowers need to come back to the market consistently and issuers' cost of capital will depend on investors' perception of risk. As ESG factors become increasingly more important to clients and ratings agencies, ESG factors will directly affect the cost of raising capital. Given this connection between the ESG and the capital markets, FEAC coordinates engagement across the firm to ensure we are directing our borrowers, which we view as partners, towards practices that are sustainable over the long-term.

We manage a range of portfolios designed to target traditional risk-adjusted returns while also targeting improved ESG objectives. **(response continued in row below)**

Our formal approach is generally to engage with management teams directly during the syndication/origination process and regularly thereafter. The initial engagement is guided by our proprietary ESG questionnaire and the follow-on engagements are guided by an abbreviated questionnaire/script for investment team members to follow. The standardization of these policies allows for comparability across borrowers, sectors, and portfolios. Our ability to compare across these variables allows us to identify and assess risk and opportunity across a wide spectrum of borrowers. We aim to identify a fixed income strategy that minimizes ESG-related risks but also capitalizes on ESG-related opportunities, so long as they align with our client needs. The datapoints and insights garnered from these engagement initiatives inform our credit investment stance via inclusion in our credit write-ups, mentioned in our investment committee meetings, and tracked in our proprietary credit tracking platform. Our analyst team engages with credits at various points of our investment process. **(response continued in row below)**

Analysts may engage a credit during the syndication/origination process to learn more about a credit's ESG risk profile during initial underwriting. Further, our Tradable Credit analysts conduct annual check-ins with credits to understand how ESG practices evolve and whether there have been material ESG events that would lead to an updated rating.

Initial Underwriting: All Investment Committee memos include an ESG Scorecard which includes a numerical FEAC ESG Score and Rating and qualitative FEAC ESG Momentum Indicator (worsening, neutral, improving). The ESG Scorecard includes detailed responses to the ESG Questionnaire and supplemental ESG commentary and analysis, which is heavily based on engagement with management teams, sponsors, or agent banks.

Regular Engagement: For our Tradable Credit borrowers, we generally seek to speak with management annually regarding their ESG practices and how they can take active steps to improve their overall ESG programs/data. We are not always able to contact management directly, but management's unresponsiveness negatively affects our internal ESG scoring. Ongoing portfolio management would include engagement with borrowers to monitor the implementation of ESG-friendly policies.

Event-driven updates: Whenever there is a material ESG event, this would trigger an update requirement internally. We also have active portfolio monitoring solutions via third parties (e.g., Sustainalytics)..
