2025 Responsibility Report

OAKTREE

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1 Overview

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Letter from Our Co-CEOs

Oaktree's core business principles emphasize integrity, transparency, and responsibility. Our investment philosophy is characterized by the primacy of risk control, a commitment to value investing, a focus on market inefficiencies, and a long-term investment time horizon.

Our Sustainability, Diversity and Inclusion, and Philanthropy programs align with these business principles and investment philosophy. Oaktree incorporates sustainability considerations in our investment and business decision-making to protect capital and enhance returns. Our firm fosters an inclusive work environment that embraces diversity, and we support the communities in which we live and operate.

Our fourth annual Responsibility Report highlights developments within each of these programs in 2025. We are pleased to share the progress we have made this year.

Bob O'Leary
Co-CEO

Armen Panossian
Co-CEO

Overview of Oaktree

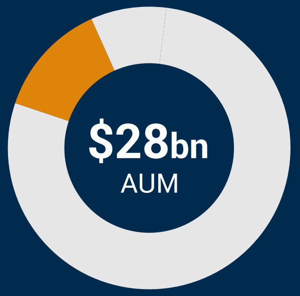
Oaktree Capital Management is a leader among global investment managers specializing in alternative investments. The firm emphasizes an opportunistic, value-oriented, and risk-controlled approach to investments in credit, equity, and real estate.

Oaktree has over 1500 employees and 29 offices in 18 countries worldwide. The firm has $223 billion in assets under management.[1]

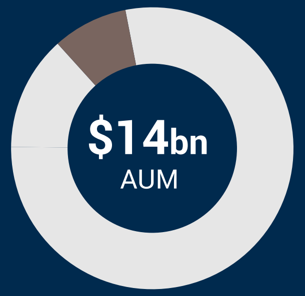
Asset Classes[2]

CREDIT

EQUITY



REAL ESTATE



1. AUM as of December 31, 2025. Includes Oaktree's proportionate amount of DoubleLine Capital AUM resulting from its 20% minority interest therein, and 17Capital AUM.
2. Excludes proportionate amount of DoubleLine Capital AUM, in which Oaktree owns a 20% minority interest.

Client Base

We are proud of our global, diverse, and long-standing client base. We collaborate with our clients to clearly understand their objectives, policies and needs.

64 of 100

largest U.S. pension plans

40 of 50

state retirement plans in the U.S.

550+

corporations around the world

300+

endowments and foundations globally

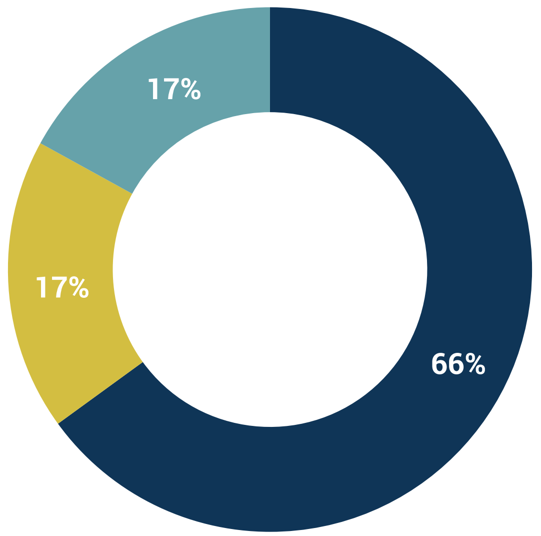
17

sovereign wealth funds

78%

of clients invest in multiple strategies

Regional Mix



- Americas
- Europe, Middle East & Africa
- Asia Pacific

Investment Philosophy & Business Principles

Our competitive advantages include our experienced team of investment professionals, a global platform, and a unifying investment philosophy that is complemented by a set of core business principles.

Investment Philosophy

Oaktree strives to deliver attractive investment results with risk under control while conducting business with the highest integrity. Our investment philosophy consists of six tenets that have remained unchanged since our founding 30 years ago. See Oaktree's investment philosophy here: Investment Philosophy.

Oaktree's approach to sustainability is an extension of our investment philosophy. We believe that sustainability considerations can directly and materially impact investment outcomes, making these considerations an integral part of prudent investing.

Business Principles

Oaktree has been guided by a set of unifying business principles since its inception. We put our clients' interests before our own, pay strict attention to potential conflicts of interest, seek to achieve attractive returns without commensurate risk, and are dedicated to creating a harmonious and equitable workplace. See Oaktree's business principles here: Business Principles.

In 2022, we added a new business principle for only the second time in Oaktree's history. Our newest principle, Responsibility, states:

We are committed to acting responsibly with our stakeholders and society at large. Oaktree (a) incorporates sustainability considerations in its investment and business decision-making; (b) fosters an inclusive work environment that embraces diversity; and (c) supports the communities in which we live and operate.

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- Climate Program Overview
- Knowledge in Action
- Human Rights & Human Capital

Letter from Our Head of Sustainability

I am pleased to share Oaktree's 2025 Responsibility Report, which reflects the continued evolution of our sustainability program and its role in supporting our investment approach – seeking attractive returns with risk under control. Over the past year, we have focused our efforts on the sustainability topics most relevant to our strategies, our clients, and the markets in which we invest. I am proud of the progress we have made in strengthening our capabilities and deepening integration across the firm.

In 2025, our program priorities centered on advancing our sophistication on material sustainability topics, strengthening partnerships with our clients, and continuing to evolve the tools, resources, and data that support investment decision-making. Together, these efforts are intended to enhance consistency, rigor, and insight as sustainability considerations are incorporated across asset classes and investment processes.

Key highlights across these themes include:

- **Advancing Program Sophistication:** We partnered with investment teams to increase sustainability sophistication across our Credit, Equity, and Real Estate strategies through targeted workshops. These sessions deepened investment professionals' understanding of sector-specific sustainability considerations and expanded internal expertise on emerging topics such as nature and biodiversity, human rights, and human capital—areas increasingly relevant to long-term risk and value assessment.
- **Partnering with Clients:** We continuously look for opportunities to strengthen collaboration with our clients. In 2025, we hosted several sustainability roundtables and teach-ins, creating opportunities for dialogue, shared learning, and alignment. We remain focused on meeting client-specific sustainability objectives by embedding relevant goals and targets into portfolio management, and reflecting them in our ongoing engagement and reporting.
- **Enhancing Tools, Resources, and Data:** We further invested in scalable tools designed to support investment teams throughout underwriting, engagement, and monitoring. This included launching a web-based platform that centralizes our core sustainability tools and improves workflow efficiency. We also continued to collect and refine sustainability data from portfolio companies and assets, making this information more accessible internally for investment professionals and externally for clients through our standard reporting.

Looking ahead, we will continue to build on this foundation by partnering closely with our investment teams and our clients, while remaining thoughtful and disciplined about where we focus our efforts. As the sustainability landscape continues to evolve, we are committed to ongoing innovation, learning, and improvement—ensuring our program remains practical, investment-relevant, and responsive to client needs.

Greer Howard-Tabah
Head of Sustainability

Firmwide Approach to Sustainability

Oaktree's investment philosophy emphasizes the importance of investing responsibly. As long-term investors, we recognize that integrating sustainability considerations throughout the investment lifecycle can help us avoid undue risk and better identify attractive opportunities. These efforts are part of our long-standing commitment to excellence in bottom-up investment analysis.

Our firmwide Sustainability Policy ("the Policy") formalizes our commitment to integration and applies across investment strategies. Oaktree requires our investment teams to adopt strategy-specific Sustainability Integration Plans ("SIPs") that describe how they implement the Policy throughout the investment lifecycle. On an annual basis, Oaktree reviews and updates the Policy, and investment professionals must certify their compliance with the Policy and their strategy SIP.

Oaktree's centralized Sustainability team partners with investment teams to develop, maintain, and update the SIPs, which are aligned with each team's investment philosophy. The SIP describes how investment teams integrate sustainability considerations during underwriting and investment decision-making, engagement, monitoring, and reporting. The Sustainability team and Sustainability Leads revise SIPs when there are material changes to sustainability processes, or when teams adopt new tools or frameworks.

The Sustainability team has designed a suite of proprietary tools and resources to help investment professionals assess material sustainability factors, engage with companies, and monitor progress. We continue to enhance our sustainability program by improving our data capabilities, embedding sustainability into portfolio management, and increasing transparency for our clients.

Sustainability Integration

We believe that sustainability considerations are an integral part of prudent investing. For us, integration has three key components:

Diligence & Investment Decision-Making

We identify sustainability topics during underwriting and consider these risks and opportunities alongside fundamental factors to inform our investment decisions.

Engagement & Monitoring

We leverage systematic approaches to monitor and engage on material topics central to value creation and performance.

Innovation & Evolution

We continuously evolve our approach and develop best-in-class tools and frameworks to add value to our investment process as practices and data continue to advance.

Transparency & Communication

We are committed to reporting on our sustainability efforts and outcomes to provide transparency for our clients and other stakeholders.

Sustainability Strategy & Recent Milestones

Oaktree's centralized Sustainability team guides the firm's sustainability strategy. We have developed a multi-faceted, holistic sustainability program across five key pillars. These pillars shape our efforts to integrate sustainability across investment strategies, maintain accountability, and provide meaningful insights for our clients.

Governance & Oversight

Oaktree has created structures to oversee our sustainability program and has empowered leaders to drive forward the priorities of our program and meet client needs.

Integration & Engagement

Oaktree has designed tailored guidance, frameworks, and tools to support investment teams' ability to integrate sustainability considerations into their investment processes.

Climate

Oaktree has developed a robust climate program designed to protect and enhance the value of our investments and our firm, centered on emissions, net zero alignment, and engagement.

Education & Thought Leadership

Oaktree delivers a comprehensive training program designed to share knowledge with our investment professionals, internal partners, clients, and portfolio companies.

Transparency, Data, & Reporting

Oaktree aggregates and displays sustainability data to assist the investment process through centralized dashboards and has built a suite of reporting offerings to provide transparency.

In 2025, the Sustainability team advanced our program across these five pillars to strengthen oversight; deepen expertise on relevant topics; and enhance tools, training, and data.

- Changed the structure of the Sustainability Governance Committee to meet every other month, with workshops in between (see page 14).

- Hosted asset class workshops on private credit and real estate (see page 14).

- Expanded our approach to climate scenario analysis and physical climate risk (see page 17).

- Hosted a firmwide Human Rights and Human Capital training (see page 20).

- Improved our main sustainability tools through the launch of a web-based platform, Sustainability Central (see page 24).

Industry Organizations

Oaktree partners with industry organizations to share insights and promote best practices for sustainability integration, benchmarking, and disclosure. We've joined these sustainability organizations to support the development of our program.

Oaktree became a signatory to the Principles for Responsible Investment ("PRI") in 2019 to deepen our longstanding commitment to sustainability integration. Its principles inform our Sustainability Policy and strategy-specific Sustainability Integration Plans. We leverage the PRI's guidance to implement integration best practices and benchmark ourselves against industry standards. Oaktree was elected to join the PRI's Private Debt Advisory Committee in 2024 to establish best practices for sustainability in the asset class.

Oaktree became a supporter of the Task Force on Climate-Related Financial Disclosures ("TCFD") in 2020. In our TCFD report, we describe our management of climate risks and opportunities in line with the TCFD framework. (See page 67 for Oaktree's 2025 TCFD Report.)

Oaktree partnered with the Sustainability Accounting Standards Board ("SASB") in 2021. The SASB standards, which are modeled after traditional financial accounting standards, are designed to enhance investment decision-making. Many of our investment strategies use the ESG Assessment Tool (see page 24 for additional detail), which is informed by SASB's standards, to identify, assess, and manage financially material sustainability risks.

Oaktree became a member of the ESG Data Convergence Initiative ("EDCI") in 2021, an organization that promotes the collection of sustainability data in private markets. We work with many of our control portfolio companies to collect and report salient sustainability metrics. (See page 26 for additional detail.)

We support transparency and benchmarking of sustainability performance in real assets. Oaktree's Real Estate Income strategy began participating in Global Real Estate Sustainability Benchmark ("GRESB") fund assessments in 2022.

Oaktree became a signatory to the Partnership for Carbon Accounting Financials ("PCAF") in 2022. PCAF's methodology helps us calculate and disclose the carbon footprint of our investments in line with best practice. This methodology also supports our ongoing efforts to enhance the transparency of our financed emissions reporting. In 2024, Oaktree was added to PCAF's list of institutions taking action for publishing our financed emissions disclosure.

Governance & Oversight

Strong governance and oversight practices are core elements of our sustainability program.

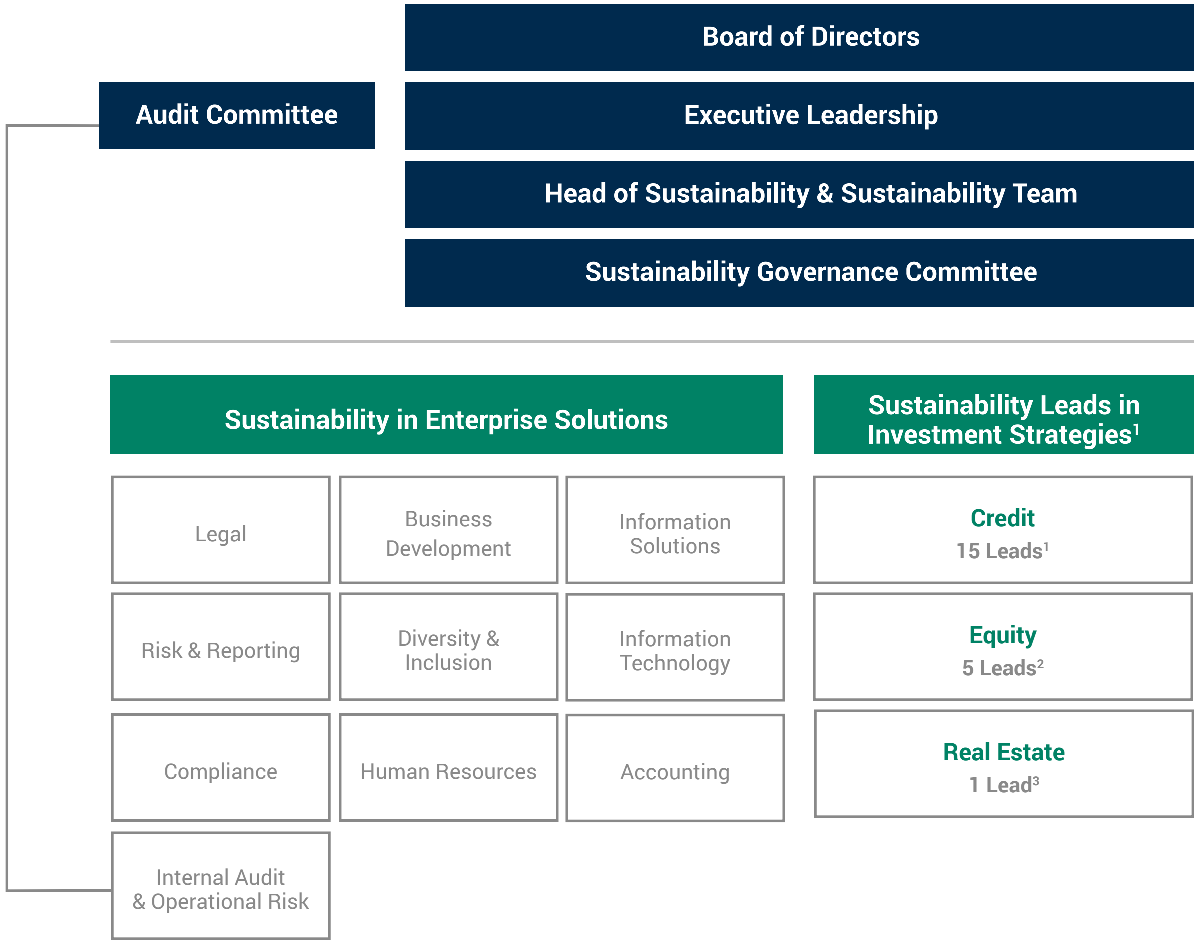
Oaktree's Board of Directors oversees the firm's approach to sustainability in both our corporate and asset management activities.

Oaktree's Head of Sustainability and centralized team develop and manage the firm's program and strategy. The team works with investment professionals to design guidance, tools, and training on sustainability best practices. The team also provides regular updates on initiatives to Oaktree's Executive Committee, Senior Leadership Council, and Board of Directors.

The Sustainability Governance Committee ("the Committee") is comprised of senior investment professionals and leaders from groups that support our broader business (groups that belong to Enterprise Solutions). The Committee approves strategy SIPs (ad hoc) and the Sustainability Policy (annually).

Oaktree's Sustainability Leads are senior investment professionals who work with their strategy's portfolio manager(s) to integrate sustainability considerations throughout the investment process. The Leads also work with the centralized Sustainability team to conduct team-specific training and advance their strategy's approach in line with industry best practices.

In addition, Oaktree's Enterprise Solutions groups, such as Legal, Compliance, Business Development, Risk & Reporting, and Information Solutions, contribute to the program by supporting a consistent and robust firmwide approach. These teams help communicate our program externally, support regulatory adherence, strengthen our governance, and contribute to the ongoing improvement of our data and reporting program.



1. Includes Sustainability Leads for Liquid Credit, Opportunistic Credit, and Private Credit platforms.
2. Includes Sustainability Leads for the Power Opportunities, European Principal Group, Special Situations, and Emerging Markets Equities strategies.
3. Includes Sustainability Lead for the Real Estate strategies.

Sustainability Governance Committee Workshop Series

Oaktree established the Sustainability Governance Committee in 2019 to support the implementation of the Sustainability Policy in investment strategies and to contribute to the strategic direction of our program.

In 2025, Oaktree implemented a new component of the Committee. We convened the full committee every other month (instead of monthly) to discuss strategic program updates, client feedback, and market developments. In between these sessions, the Sustainability team organized targeted workshops. The Sustainability team chose workshop topics based on internal questions, portfolio developments, market trends, and client feedback. We plan to continue to expand these workshops in 2026.

2025 Sustainability Governance Workshop Series

Private Credit

Date: February 2025

Audience: Sustainability Leads, investment professionals, Business Development, Information Solutions

Objective: Discuss engagement and data collection in private credit

Technology & Communications

Date: May 2025

Audience: Investment professionals that cover the technology and communications sectors

Objective: Discuss the most material sustainability factors in tech and discuss cybersecurity risk mitigation with portfolio companies

Real Estate

Date: June 2025

Audience: Oaktree Real Estate, Bellwether, Victoria Asset, Brookfield

Objective: Share best practices to drive decarbonization progress in real estate portfolios

Human Rights & Human Capital

Date: July 2025

Audience: Firmwide

Objective: Present frameworks for investment professionals to identify human rights risks and human capital opportunities in diligence and engagement

Decarbonization

Date: October 2025

Audience: Investment professionals that cover high impact sectors[1]

Objective: Highlight how decarbonization can unlock value for portfolio companies

Healthcare

Date: November 2025

Audience: Investment professionals that cover the healthcare sector

Objective: Discuss key sustainability considerations in healthcare, including material risks, engagement, and the role of Artificial Intelligence ("AI")

4. As defined by the NZIF IIGCC.

Creating Value Through Meaningful Engagement

As long-term investors, Oaktree is committed to partnering with our investments to mitigate risk and capture opportunities.

In 2025, we strengthened our engagement program by standardizing frameworks, enhancing web-based tools, and supporting investment teams' ability to identify material issues and work with companies to address them. Engagement remains a key lever for value creation, helping teams mitigate risk, enhance operational performance, and support long-term portfolio resilience.

Oaktree's engagement model follows a structured cycle that guides investment teams with clear steps on how to prioritize, set objectives, monitor progress and gather insights. This year, Oaktree embedded engagement tracking and monitoring into Sustainability Central, allowing for a more streamlined process to log activity and view engagements across strategies.

Investment analysts integrate engagement throughout the investment lifecycle by:

1 Prioritize

Investment teams prioritize engagement activity based on financial materiality at both the portfolio- and company-level. While conducting due diligence, investment teams may identify material areas for improvement where engagement can enhance value or reduce risk. Investment teams focus their efforts where they expect successful engagement to generate meaningful upside or downside protection.

2 Set Objectives

Once investment teams identify material topics, they use a variety of methods to engage with company representatives and set clear objectives for companies to make progress. These objectives can range from increasing sustainability disclosure to creating meaningful policies or targets to promote change.

3 Monitor Progress

A company's progress is often non-linear and may span months or years. This progression is monitored by investment teams. The Engagement Tracker helps teams systematically track engagement activity, monitor progress, and evaluate outcomes. This information can be used in regular review meetings to assess and discuss a company's progress.

4 Gather Insights

Takeaways from engagement activities can inform future investment theses and guide engagements with other companies in the same sector. The Engagement Dashboard provides an overview of engagement activity and progress across companies, themes, sectors, and the overall portfolio.

Driving Progress through Sustainability Playbooks

This year, Oaktree expanded its resources by creating playbooks to help our portfolio companies manage sustainability risks and opportunities. Our analysts share our playbooks with companies to provide a strategic roadmap for progress on sustainability, grounded in financial materiality. These playbooks help provide expectations and guidelines for continued engagement.

Decarbonization Playbook

The Oaktree Decarbonization Playbook outlines a five-step process to help companies measure their emissions, identify decarbonization levers, set targets, design a credible strategy, and report progress. The first step in the playbook helps companies measure their carbon footprint by recommending tools such as the Oaktree GHG Tool and GHG Protocol guidance. The playbook then walks companies through how to assess decarbonization levers, such as identifying major emissions drivers and prioritizing reduction initiatives based on feasibility, cost, and abatement potential. It also provides companies with guidance on how to set science aligned emissions targets, ideally using the Science-Based Targets Initiative ("SBTi") framework, which helps ensure targets are quantitative and time bound. The playbook outlines how companies should build detailed decarbonization plans that outline concrete actions, assign accountability, integrate with capital planning, and limit offsets to less than 10% of total reductions. Finally, it recommends that organizations track and report progress annually, ideally through TCFD-aligned disclosures. The playbook also provides practical tools, case studies, sector guidance, and resources to support measurement, planning, and implementation across industries.

Safety Playbook

The Power Opportunities group developed the Safety Playbook which accumulates decades of industry expertise on safety within the team. It provides portfolio companies with a structured framework to strengthen workplace safety as a core operational priority. It begins by guiding companies to track foundational safety metrics to establish a baseline understanding of safety performance. The playbook then encourages companies to bolster their safety teams, recommending the hiring of a dedicated Head of Safety and expanding field level safety staffing. To build a strong safety culture, the playbook emphasizes enhanced employee training. For more mature organizations, the playbook introduces advanced safety metrics, such as job safety analyses, near miss reporting, good catch tracking, on time incident reporting, and field/plant safety audits, often supported by digital reporting tools to increase adoption. Companies are then encouraged to set quantitative safety targets, overseen by the board, supported by KPIs and monitoring plans. Finally, the playbook recommends aligning incentives, including tying annual bonuses to safety performance, to ensure that safety is an ongoing business priority.

Cybersecurity Playbook

The Special Situations group designed the Cybersecurity Playbook to support portfolio companies by providing a structured program designed to build cybersecurity resilience in an environment of rapidly escalating threats. It outlines SSG's objective of ensuring each portfolio company is appropriately hardened against threat actors. To achieve this, the playbook establishes four core building blocks. First, cyber diligence is required for new for control investments, using a National Institute of Standards and Technology ("NIST") aligned framework to assess maturity, identify gaps, and create a remediation roadmap. Second, the playbook outlines priorities for ongoing governance to provide continuous oversight through centralized dashboards, quarterly reviews, vulnerability assessments, and periodic reassessments to track progress and emerging risks. The third building block is remediation enablement, which ensures companies receive the support, tooling, and third party expertise needed to close identified gaps. Finally, the playbook encourages companies to access critical recurring services, especially outsourced 24/7 endpoint detection and response ("EDR") and security operations center ("SOC") support, recognizing that most midsized companies lack in house capacity.

Climate Program Overview

Oaktree designed its climate program to integrate climate-related risks and opportunities into investment decision-making to protect and enhance long-term value. Our firm's climate risk and opportunity exposure primarily arises from our investment activities. Climate risks and opportunities relate to both the transition to a lower-carbon economy and the physical impacts of climate change. Climate opportunities relate to initiatives that support low-carbon solutions which improve operational efficiency, resilience, and long-term competitiveness.

The climate program balances top-down governance with bottom-up execution, overseen by the board of directors and guided by our firmwide commitments to TCFD and PCAF. Investment teams apply these tools in a strategy-specific manner, reflecting differences in asset class, geography, and level of control.

Investment teams are responsible for integrating material climate considerations into underwriting, engagement, and monitoring. The centralized sustainability team provides centralized tools, resources, and guidance through its Climate Toolkit, which enables investment professionals to assess companies' emissions, evaluate alignment with net zero pathways, and engage with companies on decarbonization.

Overall goal: Integrate climate risks and opportunities to protect and enhance the value of our investments and our business

Top-down Governance & Initiatives

- Board oversight for climate considerations
- Member of key initiatives including TCFD and PCAF

Three key levers to evaluate and manage climate risk in our investments:

2025 progress

1 Emissions

- Increased reported financed emissions as part of our ongoing TCFD reporting (see page 67)
- Conducted an analysis of Scope 3 emissions coverage across strategies
- Integrated carbon emissions collected through the EDCI process into our centralized data model and reporting

2 Alignment

- Increased the number of strategies using our Net Zero Alignment Tool[1]
- Transitioned the Net Zero Alignment Tool to a web-based platform, Sustainability Central
- Updated the Decarbonization Playbook and hosted a cross-strategy Decarbonization Workshop

3 Engagement

- Extended use of Net Zero Outreach Templates to support engagement
- Scaled standardized Engagement Reporting across additional strategies
- Expanded number of engagements with top emitters across the strategies through the High Emitters Engagement Program

- Oaktree's climate toolkit and supporting resources
- Inaugural Climate 101 training

Bottom-up Tools & Training

4. As of 12/31/25, Emerging Markets Debt Total Return, Emerging Markets Opportunities, European Senior Loans, Global Convertibles, Global Credit, Global Credit Investment Grade, Global High Yield, Global Opportunities, Global Private Debt, Mezzanine, Oaktree Lending Partners, Strategic Credit, U.S. High Yield, U.S. Senior Loans, Value Opportunities.

Climate Program Overview

In 2025, we continued to advance our climate program by broadening the application of the Climate Toolkit across strategies and improving the decision-usefulness of climate data. Oaktree increased reported financed emissions and migrated strategies onto the web-based Sustainability Central platform to support more structured engagement and monitoring. We also began exploratory work on forward-looking climate risk analysis, including pilot assessments of physical climate risk, and continued the development of scenario analysis capabilities to inform portfolio monitoring and client discussions.

Additionally, we refined our engagement resources to support more consistent and practical dialogue with companies. This included updating the Decarbonization Playbook to reflect evolving market practices. We socialized the Net Zero Outreach Templates across more strategies, which support analysts with structured engagement based on a company's level of alignment and transition progress. In October 2025, the Sustainability team hosted a cross-strategy Decarbonization Workshop focused on the value of decarbonization and the practical frameworks for implementing it. The session helped investment teams better understand how to apply these tools, such as the Decarbonization Playbook, in practice.

Climate Toolkit

Carbon Emissions Dashboard

The dashboard aggregates climate data using company-reported data, third-party estimates, and our own internal estimates to allow issuer and portfolio-level analysis.

Net Zero Alignment Tool

Analysts use the tool, which is informed by the IIGCC's Net Zero Investment Framework, to assess a company's level of climate risk management. Assessments are aggregated in our Net Zero Dashboard.

Engagement Resources

Analysts engage on material climate risks, and this data is tracked, monitored and reported to clients. We also have outreach resources to support investment teams in their engagements.

Key 2025 Initiatives

Improving climate tools and resources

We enhanced our climate tools and resources by expanding emissions coverage, advancing the Net Zero Alignment Tool in Sustainability Central, and continuing to roll out the Decarbonization Playbook and Net Zero Outreach Templates to support consistent application across strategies.

Advancing forward-looking climate risk analysis

We advanced forward-looking climate risk analysis by piloting physical risk assessments with external providers and integrating transition and physical risk inputs into longer-term climate scenario analysis.

Partnering with clients and investment teams

We remained focused on deepening our engagement with clients and improving transparency. We hosted decarbonization roundtables, targeted workshops, and trainings focused on practical implementation and evolving climate expectations.

Knowledge in Action

Oaktree's knowledge sharing program drives the exchange of expertise across our firm and with our portfolio companies and clients.

The Sustainability team provides training and resources on sustainability topics, market developments, and emerging themes. Knowledge sharing is symbiotic: through these sessions, we learn from our investment teams, clients, and portfolio companies which helps inform ongoing priorities for our sustainability program.

Firmwide

The Sustainability team leads training for senior leadership, investment professionals, and the broader firm through our annual sustainability training as well as strategy, asset-class, or topic-specific sessions. Our internal training focuses on sustainability tools and resources; client objectives; asset class developments; sector-specific topics; and emerging sustainability themes.

Clients

Our client training and roundtable program showcases thought leadership and educates LPs on sustainability in portfolio management. We bring clients together to discuss broader market developments as well as specific sustainability topics, such as decarbonization. The Sustainability team has delivered versions of our internal trainings with several clients to showcase Oaktree's processes and provide education on these topics.

Portfolio Companies

The Sustainability team creates resources and guidance for our portfolio companies to make material progress on sustainability, in partnership with investment teams. These offerings range from data collection (i.e., GHG tool) to playbooks that help companies make progress on sustainability topics (i.e., Decarbonization Playbook).

Knowledge Sharing: 2025 Examples

Asset Class, Sector, and Topic-Specific Workshops

Content: Real Estate, Private Credit, Technology & Communications, Healthcare, Decarbonization

Audience: Investment professionals

Firmwide Thematic Sustainability Trainings

Content: Human Rights and Human Capital 101; Nature and Biodiversity Real Estate Session

Audience: All employees

Client Sustainability Roundtables

Content: Interactive discussions on broader sustainability updates and decarbonization opportunities and challenges

Audience: Clients

Firmwide Annual Sustainability Training

Content: Sustainability integration throughout the investment lifecycle, including tools, resources, and dashboards

Audience: Investment professionals

Sustainability Knowledge Hub

Content: Frequently Asked Questions and Key Terms; Marketing Guidelines; Investment-specific Tools and Resources; Dashboards; Primers and 101 Guides

Audience: All employees

Sustainability Data Collection

Content: Data collection best practices for EDCI

Audience: Portfolio companies

Human Rights and Human Capital

Oaktree is committed to integrating human rights and human capital considerations into our investment processes, and we recognize the importance of these topics to our clients. In 2025, we strengthened our approach to these topics by delivering a firmwide training and developing new resources for investment professionals.

Human Rights and Human Capital Training

The training in July 2025 covered the regulatory landscape, client expectations, and the financial materiality of these topics. In the training, the Sustainability team, in partnership with Human Resources, presented the following human rights and human capital best practice frameworks:

Human Rights: A Framework to Prioritize Risk

Geography of Operations and Supply Chain: Companies may be at higher risk of human rights abuses if they have operations or opaque supply chains in states where there is a weak rule of law, poor governance, or conflicts.

Industry and Sector: Companies in industries or sectors that rely on temporary or seasonal labor, have complex supply chains, or depend on labor-intensive processes are at higher risk of abuses.

Business Model, Cost Structure, or Revenue Model Red Flags: Companies with certain business models or cost structures are at greater risk of issues, such as high-speed delivery, reliance on gig workers, or use of sales maximizing incentives that may put consumers at risk.

Presence of Vulnerable Populations: Companies that operate or develop projects in areas with vulnerable populations (i.e., indigenous communities) may have a higher risk of causing human rights abuses.

Human Capital: A Framework to Capture Opportunities[3]

Leadership: Companies with strong leadership are often better positioned to drive performance, align employees with organizational objectives, and support effective human capital management.

Flexibility: Companies that provide flexibility in how work is structured and delivered may benefit from improved employee productivity, wellbeing, and retention.

Open Communication: Companies that foster open communication can build greater trust with employees, supporting alignment, engagement, and overall organizational effectiveness.

Training and Career Development: Companies that invest in employee development may strengthen talent pipelines, enhance workforce capabilities, and improve retention.

Culture: Companies that promote a culture of respect, inclusion, and belonging often experience higher levels of employee engagement and alignment.

Brand Reputation: Companies with a strong employer brand are often better able to attract and retain high-quality talent.

Spotlight:
Human Rights Playbook

The Oaktree Human Rights Playbook provides a structured framework for investment professionals to identify, assess, and engage with companies on human rights risks across their operations and value chains. It provides an overview of global standards like the United Nations Guiding Principles ("UNGP") and the Organization for Economic Cooperation and Development ("OECD") guidelines, outlines key regulatory requirements, and highlights high-risk sectors and business model red flags. The playbook recommends a five-step process for investment teams to integrate human rights issues – prioritize, assess, engage, monitor, and encourage reporting – supported by tools such as the ESG Assessment Tool, third-party data, and key performance indicators ("KPIs") for tracking progress. It also offers guidance on effective engagement strategies, policy change, and remediation measures to mitigate risks and promote responsible practices.

3. This framework is informed by widely recognized drivers of organizational performance, consistent with leading industry frameworks such as McKinsey's Organizational Health Index.

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2025 Data Initiatives

In 2025, we continued to advance our sustainability data infrastructure, improve consistency in the collection and use of sustainability information, and expand access to decision-useful insights for both investment teams and clients.

Scaled our core sustainability integration tools

- Launched Sustainability Central, a unified web-based platform that houses the ESG Assessment Tool, Net Zero Alignment Tool, and Engagement Tracker
- Scaled Sustainability Central across most investment strategies[1], retiring legacy tools, centralizing sustainability workflows, and improving data consistency and governance
- Delivered trainings on Sustainability Central to support effective and consistent strategy-specific sessions
- Integrated a third-party platform to streamline EDCI data collection for control investments in select strategies[2]

Strengthened insights from our data

- Deepened investment teams' understanding of material sustainability issues by drawing on sector-specific insights gathered from ESG assessment data, which also informed trainings, workshops, and other educational resources
- Expanded the company-reported carbon emissions data available on our dashboards
- Explored physical risk analysis across additional strategies
- Piloted AI-enabled tools for sustainability due diligence, connecting machine-assisted analysis with existing sustainability dataset

Expanded data and reporting accessibility

- Strengthened and expanded the use of the Sustainability Dashboard across strategies, improving visibility of carbon analytics, ESG assessments, net zero alignment progress, and engagement activity
- Broadened the availability of our sustainability reporting suite, including carbon reporting for new strategies

1. The following strategies use Sustainability Central: Liquid Credit (U.S. High Yield, Global High Yield, Senior Loans, Emerging Markets Debt, Emerging Markets Opportunities, Global Convertibles, Global Credit); Private Credit (European Capital Solutions, Oaktree Lending Partners, Life Sciences Lending/Income, Mezzanine, Global Private Debt, and Strategic Credit); and Opportunistic Credit (Global Opportunities and Value Opportunities).
2. Participating strategies include Global Opportunities, Power Opportunities, Special Situations, and European Principal.

Sustainability Data & Reporting in Portfolio Management

Oaktree has developed a leading data and reporting program to support investment decision-making, embed sustainability into portfolio management, and enable standard reporting for clients.

Company-reported sustainability information is limited in the asset classes in which we invest. As a result, our program relies primarily on our investment analysts' assessment of sustainability topics using core sustainability integration tools. These include the ESG Assessment Tool, Net Zero Alignment Tool, and Engagement Tracker, all of which are integrated into our Sustainability Central web application. We supplement this approach with (a) third-party sustainability data or ratings, (b) data we receive directly from our portfolio companies, and (c) estimated data, where available.

We aggregate this data for investment analysts and portfolio managers via the centralized Sustainability Dashboard. The Dashboard provides portfolio-level views of sustainability data for ESG assessments, engagement activities, net zero alignment assessments, and carbon emissions. It provides investment teams with insights into ongoing investment analysis and engagement prioritization. Investment analysts and portfolio managers use the dashboard to monitor performance, assess company progress over time, and track compliance with portfolio-level targets.

Oaktree then reports this data to clients via our standard fund-level offerings, including the Carbon Report, Engagement Report and Net Zero Alignment Report.[1] Oaktree plans to release a standard, fund-level EDCI Report in 2026.[2]

Sustainability in Portfolio Management

Bottom-up sustainability integration and engagement

Sustainbility analysis using three main sources:

- Core integration tools
- Company-reported data
- Estimated emissions data

Portfolio-wide sustainability data via Dashboards

Portfolio-level views of:

- ESG Assessments
- Engagements
- Net Zero Alignments
- Carbon Emissions
- SFDR KPIs

Ongoing investment analysis and portfolio allocations

Investment teams and PMs use the data to:

- Prioritize engagements
- Monitor company performance
- Track completion
- Meet portfolio-level targets

Reporting

Data is reported to clients via standard offerings:

- Carbon Report
- Engagement Report
- Net Zero Alignment Report

1. Does not apply to all Oaktree strategies.
2. Only applicable for control investments in most recent vintage funds for the Global Opportunities, Power Opportunities, Special Situations, and European Principal strategies.

Sustainability Central

In 2025, Oaktree launched Sustainability Central, a web-based platform that houses our three core sustainability integration tools replacing Excel-based versions.

Oaktree's tools in Sustainability Central include:

- **ESG Assessment Tool:** Used by investment analysts to assess 15 ESG factors based on industry materiality and risk management. The materiality rankings are informed by the SASB standards.
- **Engagement Tracker:** Leveraged by investment teams to log engagement activities and track progress.
- **Net Zero Alignment Tool:** Designed for investment professionals to analyze companies' alignment with a net zero pathway.

Anisha Bhasin
Head of Product Engineering and AI

"The Technology, Sustainability, and investment groups partnered closely to design the application so that it meets the needs of our investment analysis. Sustainability Central integrates seamlessly with the Sustainability Dashboard, enabling investment teams and Portfolio Managers to identify companies in scope of sustainability requirements, track completion, and view data at the portfolio-level."

Benefits of Sustainability Central

Streamlined analyst workflows
All core tools are now on one platform.

Easy data entry and updates
Analysts can quickly input or revise information.

Better analytics of data
Analysts can easily navigate to the Sustainability Dashboard

Full visibility of all sustainability records
Instant access to all sustainability assessments

Integrated data connectivity
Information entered into Sustainability Central seamlessly links to Oaktree's broader data infrastructure

Collaboration
Investment teams can view ESG information across strategies[1]

Highlights and usage of the application include:[2]

300
investment professionals onboarded

2,400
ESG assessments logged

1,100
engagement records logged

450
net zero alignment records recorded

1. Information sharing is subject to certain controls as it relates to Oaktree's Permanent Information Wall.
2. As of 11/25/2025.

Sustainability Dashboards & Reporting

In 2025, Oaktree strengthened the visibility of our data internally and externally through our dashboard and reporting capabilities.

Oaktree continued to collect sustainability data, expand coverage, and broaden applicability of dashboards and reporting across investment strategies. Internally, investment professionals view and analyze sustainability data at the portfolio-level through Oaktree's Sustainability Dashboard. Externally, Oaktree provides information to clients through portfolio-level reporting, which is designed to support transparency and dialogue.

When analysts complete ESG assessments, log engagement activity, and assess the net zero alignment status of companies in Sustainability Central, this data directly links to the Sustainability Dashboard. The dashboard allows investment teams to analyze these sustainability characteristics at the holding-, sector-, and portfolio-level, monitor trends over time, and identify potential opportunities for engagement.

The Sustainability Dashboard modules include:

Carbon Summary

Provides an overview of the portfolio carbon emissions footprint, weighted average carbon intensity ("WACI")[1], and total financed emissions[2]

ESG Analysis Overview

Aggregates completion rates and other key metrics for ESG assessments, net zero alignments, and engagements

ESG Assessment Tool Summary

Displays detailed holding-level scores from ESG assessments

Engagement Summary

Displays portfolio-level engagement data and thematic breakdowns of engagement across E, S and G topics

Net Zero Alignment Summary

Showcases portfolio composition of financed emissions by net zero alignment classification

We use this data from our dashboards to create standard, fund-level reporting offerings for clients. The firm produces three portfolio-level sustainability reports for select investment strategies:

1. **Carbon Summary**
   The Carbon Report provides TCFD core metrics at the portfolio-level as well as sector, region, and individual holding level metrics

2. **Engagement Report**
   The Engagement Report shows the total number of engagements and issuers engaged with, the breakdown by engagement topic and sub-topic, and a visualization of engagement progress

3. **Net Zero Alignment Report**
   The Net Zero Alignment Report displays the net zero status of holdings within the portfolio and provides portfolio, sector, and region level breakdowns

1. Weighted Average Carbon Intensity ("WACI"): Portfolio-level metric showing the market-value weighted average of revenue-based carbon intensity. The portfolio's exposure to carbon-intensive companies, expressed in tons CO2e / $M revenue.
2. Total Financed Emissions: Financed emissions measure the total carbon emissions for which an investor is responsible through their investment ownership. Financed emissions are typically calculated by establishing an attribution factor (ownership ratio) and multiplying that by a company's scope 1 and 2 emissions. We follow this methodology when we have emissions data from MSCI. When MSCI does not have emissions data for a holding we calculate financed emissions by utilizing our estimated EVIC Carbon Intensity and multiplying that by the size of the holding. Both methods are in alignment with guidance from PCAF.

Spotlight on the EDCI

ESG Data Convergence Initiative

In 2021, Oaktree became an inaugural member of the EDCI, an organization that seeks to standardize the private markets industry's approach to sustainability reporting.

Background on the Initiative

Oaktree's Sustainability team and Sustainability Leads work with portfolio companies across participating strategies to self-report relevant and material sustainability metrics in line with the EDCI framework. Portfolio companies submit data across several categories including GHG emissions, renewable energy, decarbonization targets, board diversity, staffing changes, work-related injuries, and employee engagement. This initiative allows our companies to establish a baseline for sustainability metrics and make progress over time.

Oaktree Participation Highlights

5
years of reporting completed[1]

4
participating investment strategies[2]

100
participation rate for control positions[3]

20
sustainability metrics collected[4]

2025 Highlights

Streamlined Data Collection

Onboarded a third-party software provider to simplify data collection, replacing Excel-based processes and reducing the burden for portfolio companies

Increased Resources for Portfolio Companies

Rolled out the Decarbonization, Safety, and Cybersecurity Playbooks to help portfolio companies make progress on key themes within the EDCI (see pages 40 and 42 for case studies)

Improved Investment Team Visibility of Data

Conducted a review of year-over-year progress, including submission rates, highlights across strategies, and portfolio company improvements

Continued Transparency for Clients

Expanded the number of clients with whom Oaktree shares EDCI data

1. Reporting completed for 2022, 2023, 2024, 2025, and 2026 data submission cycles.
2. Participating strategies include Global Opportunities, Power Opportunities, Special Situations, and European Principal.
3. Encompasses control positions in latest vintage funds as of January 2022 and onwards. Excludes certain control investments with no employees or active operations.
4. Based on 2025 EDCI submission.

Spotlight on the EDCI

Priorities for 2026

1. **Drive increased internal visibility:** Oaktree plans to launch an EDCI dashboard to make this data visible internally, which is in addition to our existing dashboards through our third-party partner and directly through the EDCI

2. **Expand reporting:** Oaktree plans to launch a standard EDCI report, which will be available upon client request

3. **Leverage EDCI data for value creation:** Investment teams plan to expand how they use this data to drive value in portfolio companies

Insights from Sustainability Leads

"The Special Situations Group collects sustainability metrics through our participation in the EDCI. The initiative increases our alignment with the management teams of our portfolio companies and facilitates practical improvements over time."

John Dahlem
Senior Vice President and Sustainability Lead for Special Situations

"EDCI data has become increasingly relevant for our clients. Within the Power Opportunities strategy, we have worked with our controlled portfolio companies over the past several years to increase the efficiency and accuracy of the data collection process. This enables us to provide our clients with transparent sustainability information and provides quantitative measures that our investment professionals and portfolio company management teams can utilize to track progress during our partnership."

Andrew Moir
Managing Director and Sustainability Lead for Power Opportunities

2026 Data Priorities

In 2026, we will seek to:

- Explore new data sets to assess forward-looking climate risk
- Advance physical climate risk analysis
- Advance our carbon dashboard
- Expand data coverage through direct engagement with issuers and control equity positions
- Partner with investment teams to explore and potentially integrate AI-enabled due diligence tools
- Continue to refine data validation processes and internal guidance to support high-quality reporting

Sustainability in Action

In 2025, the Sustainability team partnered with investment teams on many initiatives. Strategies strengthened their approach to sustainability by participating in asset-class and sector-specific workshops. Investment analysts continued to monitor portfolio developments and engage on material topics. Strategies also expanded resources available to portfolio companies, including developing new sustainability playbooks. Lastly, investment teams continued to collect and utilize salient sustainability data, enabling more informed investment decision-making.

This section highlights examples from select strategies across Oaktree's three asset classes: Credit, Equity, and Real Estate. These pieces showcase Oaktree's sustainability philosophy in action, highlighting how teams adapt centralized tools and processes to their individual strategies.

Credit

Oaktree invests across the broad spectrum of credit. Credit strategies have varied investment objectives and risk/return profiles. Opportunities may be sourced directly from borrowers, through sponsors, or in the public markets. Oaktree focuses primarily on rated and non-rated debt of sub-investment grade issuers in developed and emerging markets, and we invest in an array of high yield bonds, convertible securities, leveraged loans, structured credit instruments, distressed debt, and private debt.

Many credit teams use Oaktree's proprietary ESG Assessment Tool – guided by the SASB materiality standards – for bottom-up, credit-specific sustainability analysis[1, 2]. Investment professionals strengthen portfolio-wide risk management by engaging with issuers on material sustainability topics, monitoring risks through centralized dashboards, and harnessing sustainability data to make more informed investment decisions. Oaktree's Sustainability team partners with credit teams to share best practices across the platform and adapt processes to support different strategies.

2025 Highlights

- Oaktree expanded the use of net zero alignment across additional portfolios in its Liquid Credit strategies.
- Oaktree advanced sustainability practices across its private credit strategies by hosting a Private Credit sustainability workshop in February that addressed client sustainability expectations, approaches to engaging with borrowers, and practices for collecting and monitoring sustainability data in private credit portfolios.
- Oaktree's Global Opportunities strategy further embedded sustainability into its investment process by incorporating sustainability considerations into global portfolio review discussions.

1. Some tools and processes do not apply to all credit strategies or portfolios where they are not applicable.
2. The following strategies use Oaktree's ESG Assessment Tool: Liquid Credit (U.S. High Yield, Global High Yield, Senior Loans, Emerging Markets Debt, Emerging Markets Opportunities, Global Convertibles, Global Credit); Private Credit (European Capital Solutions, Oaktree Lending Partners, Life Sciences Lending/Income, Mezzanine, Global Private Debt, and Strategic Credit); and Opportunistic Credit (Global Opportunities and Value Opportunities).

Multi-Asset Credit

Quarterly Sustainability Reviews in Multi-Asset Credit

Oaktree's multi-asset credit platform invests in opportunities across performing credit strategies including high yield bonds, senior loans, structured credit, emerging markets debt, convertibles and investment grade. Credit analysts conduct sustainability diligence on individual issuers alongside fundamental credit analysis. The strategy has dedicated portfolio sustainability reviews where investment professionals discuss material issues and recent engagements.

This piece discusses how the portfolio sustainability review helps investment analysts prioritize the most pertinent sustainability issues. Such reviews also help the strategy meet client objectives and inform ongoing portfolio management.

Wayne Dahl
Managing Director,
Portfolio Manager,
Multi-Asset Credit

Greer Howard-Tabah
Head of
Sustainability

Wayne, what are the portfolio-wide trends that you analyze in the quarterly sustainability review?

The quarterly review provides an opportunity to discuss our sustainability profile across the portfolio, including ESG assessments, engagement activity, and the net zero alignment status of issuers. We start the discussion with a top-down view of net zero alignment across the portfolio. Investment analysts complete alignment assessments on companies in high-impact sectors given they drive a disproportionate share of the portfolio's carbon footprint.[1] We assess the percentage of total market value and the percentage of financed emissions that fall into each net zero alignment category, from "achieved net zero" to "not aligned with net zero." We also review engagement activity across the portfolio and how these engagements have changed quarter-over-quarter. Our credit analysts discuss different engagement topics and themes they have identified through monitoring the sustainability practices of individual issuers. The analysts discuss these engagements in detail during the review meeting, including (a) what sustainability issues are impacting particular issuers, (b) how management is addressing the issues, and (c) further diligence and follow-up steps required by the investment team.

How does the review discuss the balance between sustainability risk and return?

We weigh the trade-offs for a variety of sustainability risks and opportunities to decide whether we are adequately compensated for risk and how companies are making progress on their sustainability journey. We look explicitly at trade-offs for carbon risks and sustainability leaders and laggards, using our net zero alignment framework and how each company is progressing on its goals. In addition, we also monitor engagement progress, which often takes several years, to inform ongoing portfolio management decisions.

Greer, how do we leverage the quarterly sustainability review to discuss client objectives and targets?

Many of our sustainability-forward LPs have their own climate and stewardship commitments. Oaktree has built core sustainability processes in diligence, monitoring, engagement, and reporting that meet the vast majority of requests from our client base. For some of our separately managed account clients, we implement climate-related targets on net zero alignment for their portfolio at their request. During the quarterly review, we track client-specific targets and monitor any step-ups or adjustments, ensuring alignment with clients' evolving sustainability objectives. The quarterly sustainability review also helps us identify impactful engagement case studies that can be shared with clients to demonstrate progress and share best practices.

How do we share progress and provide transparency with our clients on these topics?

We provide standard, portfolio-level Carbon, Engagement, and Net Zero Alignment Reports. These provide visibility into the data and showcase portfolio-wide trends.

1. High-impact sectors as defined by the Net Zero Alignment Framework ("NZIF") Institutional Investors Group on Climate Change ("IIGCC") framework.

Multi-Asset Credit

Quarterly Sustainability Reviews in Multi-Asset Credit

Company-specific engagement examples – Liquid Credit Analysts

Can you share recent engagement examples that reflect how you are in active dialogue with management teams on how they are mitigating risks and opportunities associated with sustainability topics?

Ride Sharing Business

Asyah Khan
Investment Analyst

Strategy:
Global Convertibles

Engagement Topic:
Customer Safety; Labor Practices

We engaged with a ride sharing business on customer safety and labor rights issues. The company has faced criticism and lawsuits for failing to protect passenger safety. We discussed the company's response and action plans to mitigate risks, which have included implementing measures such as background checks, emergency support features, driver screenings, and in-vehicle recording tools.[1] In our communication with the company, management committed to continue to invest in technology to improve rider-driving matching and broader safety infrastructure globally. We also engaged with the company on labor practices following lawsuits and regulatory actions in the U.S. and abroad regarding the company's business model and employment practices. The company has faced allegations that it misclassified drivers as independent contractors instead of employees, denying them benefits like minimum wage, overtime pay, and union rights. Our engagement focused on (a) how the company is managing these emerging legal and regulatory risks and (b) how they plan to protect drivers. While the company plans to defend its independent contractor model, it is pursuing tailored labor agreements in various regions and negotiating with unions to address driver concerns. We continue to monitor the company's treatment and classification of labor, as well as rider safety protocols, as both of these are very important issues inherent to the business

Food Ingredients Business

Hannah Waddilove
Investment Analyst

Strategy:
European Senior Loans

Engagement Topic:
Customer Welfare and Community Relations

In 2025, we engaged with a food ingredients business about its plans to replace synthetic and artificial ingredients to improve safety, respond to customer demand, and prepare for increased scrutiny by the U.S. Food and Drug Administration ("FDA"). Many global food businesses have committed to phasing out synthetic ingredients in their products in response. A significant portion (23%) of the company's sales are from U.S. customers,[2] and it has four manufacturing sites in the U.S. In our engagement discussion, the company stated that they have accelerated efforts to make their products healthier. The company set a target for 50% of new product launches to meet healthier criteria by the end of 2025.[3] In the U.S., this includes phasing out artificial colors and dyes in line with changing regulations and providing natural alternatives to meet customer needs. We are monitoring progress against the 50% target by year-end 2025 and are following the changing regulatory landscape. Any indication of softness in their U.S. volumes because of lower orders due to presence of synthetic ingredients will be evidence that they are not keeping pace.

1. The company reports a 44% decrease in reported assaults since the launch of the company's first Safety Report.
2. The company's clients include blue-chip firms such as Nestle, Unilever and Mondelez.
3. High fiber, low sugar and salt, free-from additives/organic/natural.

Multi-Asset Credit

Quarterly Sustainability Reviews in Multi-Asset Credit

Wayne Dahl
Managing Director, Portfolio Manager, Multi-Asset Credit

Informing Ongoing Portfolio Management

How does the quarterly sustainability review inform your portfolio allocation decisions?

The review is not only a monitoring exercise, it also helps inform our ongoing investment decision-making. Our sustainability framework is designed to help us identify all possible areas where we may be exposed to financially material risks. We use the quarterly review to monitor engagement activity across those issuers where a risk has been identified that requires feedback from the company. Additionally, meaningful sustainability advancement often takes several years, from initial data tracking to setting concrete goals and targets; the discussion helps us assess companies against their commitments and objectives. Reviewing these engagements as a group provides examples and best practices for all our teams, which can improve our overall engagement process.

Greer Howard-Tabah
Head of Sustainability

Ongoing Sustainability Improvement

Greer, how does the Sustainability team use this review as a mechanism to drive forward-looking improvements in sustainability integration in Liquid Credit?

Our Sustainability team participates in the quarterly portfolio reviews. In the beginning of each meeting, we share themes we see from clients across the firm, sustainability market developments, and new resources we have available for our liquid credit analysts. The reviews also provide us with an opportunity to understand what sustainability topics have been the most material across the portfolio, how analysts are identifying these issues, and case studies of various engagements. These live examples help highlight ways we can strengthen our firmwide sustainability program. For example, we have rolled out workshops on sector-specific sustainability topics, expanded our suite of sustainability playbooks, and integrated additional datasets into our dashboards and tools because of feedback that has come up in these reviews and in conversations with our credit analysts. The discussion in these reviews can also help us identify where analysts may need more training to further embed sustainability into their portfolio management processes. These reviews reinforce a continuous, two-way partnership between our Sustainability team and credit analysts, ensuring sustainability integration continues to evolve alongside portfolio needs.

Global Opportunities

Sector Sustainability Reviews in Global Opportunities

Introduction

Oaktree's Global Opportunities ("Opps") strategy has its roots in distressed debt, reorganizations, and restructurings but has evolved over thirty years to include a broad range of investments. The group's flexible mandate allows it to capitalize on opportunities across public and private markets, sectors, asset types, and geographies. These include providing originated capital solutions to borrowers with limited access to funding; buying assets in out-of-favor industries; and creating platforms with strong management teams to capture undervalued opportunities.

The group's approach to investing is grounded in bottom-up, fundamental credit analysis. This extends to sustainability, where investment professionals analyze financially material risks and opportunities expected to impact an issuer's bottom line. In distressed credit, sustainability can improve resiliency, restore customer trust, or reposition a business post-bankruptcy. Governance is especially critical, as weak leadership or governance structures add risk in restructuring.

Global Opportunities Sector Reviews

In 2025, Opps adopted portfolio sustainability reviews in the U.S., Europe, and Asia. Starting in 2025, each sector team in the U.S. dedicated one meeting during the year to focus on sustainability, where deal teams discussed recent engagements, sustainability trends, and material developments in holdings. In Europe and Asia, where investment professionals are generalists, the groups added a dedicated, annual portfolio sustainability review. Across regions and sectors, these reviews helped the team strengthen formal sustainability monitoring following investment. The reviews also helped analysts (a) recognize gaps or resources needed when working with companies (i.e., provide tools to calculate emissions), (b) identify opportunities to establish regular check-ins with companies (e.g., establish sustainability as a line item at quarterly board meetings), and (c) share learnings across deal teams.

The deal teams were the primary attendees for each sustainability review but were supported by Oaktree's centralized Sustainability team. In the review, the Sustainability team spoke with investment professionals about material sector themes and highlighted centralized resources to assist with engagement.

Allen Li
Managing Director,
Global Opportunities

Technology

In the sector review, we discussed sustainability trends in the technology space and progress on our sustainability targets for our control investments. AI development and energy intensity have been dominant themes in our space, and we work with companies to understand how they are managing AI energy consumption and its associated costs. In the review, we discussed one of our software investments, which utilizes local, low-latency compute to reduce bandwidth and costs. This means that the company processes data closer to where it's generated, lowering operational expenses. This discussion helped us focus on the solutions available to companies today to manage risks and opportunities associated with AI energy usage. In addition, we also discussed this company's progress towards its sustainability goals related to measuring emissions. We have worked with the company to measure emissions annually and identify drivers of decarbonization in its operations. Overall, this review helped the team (a) focus on the most material sustainability topics in tech, (b) discuss how companies are mitigating risks, and (c) share learnings and progress with the team.

Nicholas Basso
Managing Director,
Global Opportunities

Financials and Real Estate

In this review, we discussed material sustainability topics that impact financials and real estate investments, as well as progress with control investments. Many of our investments are in lending businesses or asset-owning businesses. As a result, we (a) primarily focus on responsible lending, (b) evaluate access to credit in underserved markets, (c) diligence potential predatory or misleading practices and (d) seek to work with partners of the highest integrity who share these values. While we believe these practices add value in their own right, they also help to protect against the business risk of regulatory and/or enforcement changes in this sector. Our team evaluates the integrity of management teams, given the potential for fraud and governance risks in this sector. For example, our team identified a potential sub-prime auto lending investment where the management team had previously been embroiled in fraud. We quickly passed on this investment opportunity, and avoided what ultimately became material losses for investors in that business. In addition to broader sector trends, we discussed progress related to emissions reductions and board diversity for one of our control financials investments. The review helped the team identify opportunities for regular engagement with the company by making sustainability a formal update at each board meeting. The insights from this discussion helped the team identify ongoing priorities for sustainability in underwriting, introduced methods to engage with companies on sustainability, and surfaced continual focus areas for risk monitoring.

Global Opportunities

Sector Sustainability Reviews in Global Opportunities

Olivia Guthorn
Managing Director,
Global Opportunities

Healthcare

We reviewed key sustainability developments across companies, focusing on engagement progress and priority monitoring areas. Recent engagements centered around product safety and governance. One engagement involved a life sciences company facing setbacks after its largest customer saw adverse safety events in certain patients treated with its key therapy. As a result, the FDA required updated labeling of the product with additional safety warnings and required further studies for approval in expanded populations. These changes to the customer's product indication have resulted in scaled back orders at the company, creating financial headwinds. These developments have led to ongoing dialogue with the company regarding its response and risk mitigation plans. Additionally, we discussed governance issues at a pharmaceutical company where activist shareholders attempted to weaken creditor rights. The deal team played a constructive role in improving governance conditions and later supported a refinancing transaction once the situation stabilized. Overall, this review helped the healthcare team highlight the main risks we are seeing in the sector today, share learnings across different companies and situations, discuss methods for effective engagement (i.e., with sponsors as well as borrowers), and evaluate ongoing priorities for monitoring.

Bobby LaRoche
Managing Director,
Global Opportunities

Industrials

In the industrials review, our discussion focused on decarbonization, environmental liabilities, and governance.[1] Sharing examples of these discussions with portfolio companies helped to highlight material risks, discuss companies' responses, and identify areas for ongoing monitoring. For example, we discussed our engagement with a chemicals company on (a) their target to reduce emissions[2] and (b) their strategy to shift away from single-use plastics towards recycled materials. We engaged with management on recycled materials because it is a way to attract consumer packaged goods companies looking to meet sustainability goals, and a mechanism to lower costs – clearly aligning sustainability objectives and financial outcomes. Governance topics, particularly related-party transactions[3] have been another recent material concern in our sector. There were several high-profile cases of fraud involving companies in the automotive sector.[4] In one of the situations, the company's issues stemmed from unethical practices related to receivables financing and off-balance-sheet inventory deals, which inflated its disclosed debt from $5.9Bn to $11.6Bn. Our group was able to leverage our processes and expertise to identify these issues early and exit our position before losses were incurred. Overall, this sector review helped us discuss the sustainability issues that have been material in the sector and highlight areas for ongoing monitoring and engagement.

David Nicoll
Managing Director,
Global Opportunities

Media and Telecommunications

The media and telecom team reviewed the sustainability considerations for its portfolio companies, and the biggest focus was on expanding access to high-speed broadband connectivity. Many of the fiber and cable companies in which we have invested participate in the Broadband Equity, Access, And Deployment and Rural Digital Opportunity Fund programs. We discussed how such initiatives can help enhance digital inclusion by providing underserved communities with greater access to education, healthcare, and e commerce. The team also discussed the financial relevance of these programs, as expanding service to rural markets can support long-term growth by reaching previously untouched customer bases and creating new revenue streams. Another consideration discussed was carbon intensity. Relative to other industries, the carbon intensity of media and telecom companies is relatively low, but reducing emissions can often contribute to operational efficiency and cost savings. Some companies in our portfolio already have carbon reduction plans, and one telecom company in our portfolio issued a green loan linked to a net zero target. Overall, the review strengthened our group's understanding of sector risks and opportunities, sharpened our engagement priorities, and aligned the team on the most material sustainability issues.

1. For decarbonization and environmental liabilities, these topics are highly material in the sector given companies' operations carry higher risks of spills, emissions issues, and waste mismanagement.
2. 35% reduction by 2035, using a 2017 base year.
3. A related-party transaction involves a deal between parties with a preexisting business relationship, which can pose conflicts of interest.
4. The company went bankrupt in 2025.

Private Credit

Strengthening Underwriting and Engagement in a Complex Market

Oaktree has invested in private credit since 2002. Oaktree's private credit strategies seek to achieve attractive risk-adjusted returns through a fundamentals-based approach to debt underwriting. As sustainability expectations across private markets continue to evolve, integrating these considerations into private credit presents distinct challenges. Borrowers often move quickly, deal timelines are compressed, and transactions frequently involve multiple competing lenders. These dynamics can limit the ability to influence terms or require extensive disclosures. Given this environment, it is especially critical to focus on the sustainability factors most relevant to credit fundamentals, recognizing that information must be decision-useful within competitive and time-constrained processes.

At the beginning of 2025, Oaktree joined the PRI Private Debt Advisory Committee ("PDAC"), and in collaboration with other managers, contributed to the PRI's Stewardship in Private Debt report published in August. The guidance emphasizes proportionality, materiality, and engagement as the primary stewardship tools in private credit, reflecting the structural constraints faced by lenders. Oaktree's approach is closely aligned with this guidance, focusing on identifying sustainability considerations most relevant to underwriting and applying judgment rather than prescriptive or checklist-driven requirements. Through participation in PDAC, Oaktree contributes to the development of emerging market practices while reinforcing a pragmatic approach to sustainability integration.

In February, the Sustainability team hosted a private credit sustainability workshop, bringing together investment professionals across Oaktree's private credit strategies for a discussion on how sustainability considerations are incorporated into underwriting and borrower engagement in practice. The session focused on how market conditions, competitive deal dynamics, and sponsor relationships continue to shape what is feasible for lenders. The Sustainability team shared evolving market approaches and relevant processes in other asset classes across the firm. The discussion reflected an exchange of practical examples and lessons learned, consistent with the themes highlighted in the PRI Stewardship in Private Debt report.

Private Credit

Strengthening Underwriting and Engagement in a Complex Market

Key Themes from the Private Credit Sustainability Workshop:

Engagement is the Primary Mechanism for Integrating Sustainability

Participants shared examples on how structured borrower and sponsor engagement is used to identify material risks, validate assumptions during underwriting, and support monitoring post-investment.

Incentives and Covenants are Applied Selectively

Participants discussed their experience using sustainability-linked covenants and margin ratchets in certain circumstances, as well as situations where engagement was considered the more effective approach given structural considerations.

Influence Varies Meaningfully Across Transactions

The discussion highlighted how capital structure, lender position, sponsor involvement, timing, and borrower characteristics affect the degree of influence lenders can exert, reinforcing the need for transaction-specific judgment rather than uniform application.

Improving Information Flow Without Over-Burdening Borrowers

The discussion highlighted practical approaches for prioritizing sustainability information that is most relevant to credit assessment and monitoring, recognizing ongoing challenges around data availability and standardization in private companies.

These discussions helped refine priorities for Oaktree's private credit strategies, particularly around how investment teams incorporate sustainability considerations into underwriting and borrower engagement. The Sustainability team supports these efforts through centralized tools and resources, such as the Engagement Tracker and the Net Zero Engagement Outreach Templates, which help structure engagement based on a company's alignment profile. Strategy-specific training further supports application for investment teams when conducting due diligence and during ongoing monitoring.

In private credit, the question is how sustainability factors are applied in practice within fast-moving and competitive deal processes. As client expectations have evolved, the focus has shifted toward identifying which sustainability considerations are most relevant to credit risk and applying judgment on when to conduct additional diligence and engagement.

Priya Prasad Bowe
Head of Strategic Development, Multi-Strategy Private Credit

Private Credit

Spotlight on Sustainability-linked Loans

Utility and Infrastructure Services Provider

Oaktree continues to explore sustainability-linked loan ("SLL") structures selectively where there is a clear opportunity to align borrower initiatives with investor interests. In 2025, the European Private Debt strategy worked with a utility and infrastructure services provider to implement an SLL framework aligned with the company's strategy and operating footprint. The company operates across essential service areas, including grid maintenance, renewable energy project delivery, and battery storage installations.

Structuring the SLL framework

The SLL framework was guided by the Sustainability-Linked Loan Principles ("SLLP") and focused on select sustainability factors linked to the business model that can be monitored through defined metrics and verification processes. By linking financial incentives to clearly defined targets, the framework is intended to reinforce alignment between borrower and lender and support long-term value creation. The margin ratchet will be adjusted upward or downward depending on the number of Sustainability Performance Targets ("SPTs") achieved in each reporting period, with greater reductions applied as more targets are met.

Three areas of focus were identified based on the company's business model and strategic priorities:

	Real Estate Income	Battery Storage and Renewable Energy Projects	Workforce Training Accreditation
KPI	Scope 1 and 2 GHG emissions, measured on an absolute or intensity basis and assessed annually against an SBTi-aligned target	Year-on-year increase in the proportion of revenue generated from battery storage and renewable energy projects, assessed annually through review of revenue mix	Increase in the percentage of staff holding a recognized industry training accreditation, assessed annually against pre-defined benchmark
Verification	Independent third-party emissions audit	Annual financial audit	External accreditation or independent assessment

Equity

Oaktree's equity strategies invest across a range of regions and market sectors, including traditional private equity, special situations, and listed equities.

Emerging Markets Equities

Seeks attractive risk-adjusted returns through long-only investments in listed equities across emerging markets in Asia, Latin America, Eastern Europe, the Middle East, and Africa. Sustainability considerations are integrated throughout the research, analysis, and risk management process.

European Principal

Focuses on value-oriented investment opportunities that provide control or significant influence over portfolio companies, often in dislocated sectors or markets entered at discounted valuations. The team works directly with management to develop sustainability action plans that address governance and operational performance.

Power Opportunities

Invests in companies that provide essential products and services supporting critical infrastructure, including power, energy, environmental, water, and wastewater systems. Where sustainability considerations are material, the team partners with portfolio companies to integrate these factors into value-creation plans.

Special Situations

Makes control-oriented debt and equity investments in middle-market companies that are undervalued due to distress, dislocation, or other idiosyncratic factors. The team uses the ESG Assessment Tool to assess sustainability practices and identify potential risks for investments in connection with its analysis of all new investments.

2025 Highlights

- Power Opportunities strengthened its sustainability processes by finalizing its Safety Playbook and updating internal workflows to incorporate the firm's Decarbonization Playbook.
- Special Situations advanced work on material sustainability topics, including finalizing its Cybersecurity Playbook to support governance and operational resilience across portfolio companies.
- The Sustainability team partnered with Emerging Markets Equities analysts to engage a high emitter as part of Oaktree's high emitter engagement program to discuss its decarbonization targets, climate strategy, and related disclosures.
- Oaktree used Novata for the first time to help streamline the EDCI process and support more efficient data collection and analysis.[1,2]

1. Novata is a private markets sustainability data management platform that helps collect, store, and analyze information across key sustainability metrics.
2. ESG Data Convergence Initiative (EDCI) participating strategies include Global Opportunities, Power Opportunities, Special Situations, and European Principal. The data collection includes control positions in latest vintage funds as of January 2022 and onwards. Excludes certain control investments with no employees or active operations.

Special Situations

Driving Cybersecurity Resilience in Special Situations

Our SSG strategy partners with portfolio companies to strengthen operational resilience and protect value throughout ownership. Cybersecurity is a priority area given increasingly sophisticated threat actors, with middle-market companies typically having heightened exposure due to leaner IT teams and reliance on older and fragmented technology environments. To address this, the SSG created a dedicated Cybersecurity Playbook for its investment process as cybersecurity remains a key focus area and opportunity to guide portfolio companies on implementing best practices.

The playbook provides a structured framework for the SSG to assess cybersecurity maturity, identify vulnerabilities, and guide improvements critical to business continuity, risk management, and long-term value. The playbook promotes consistent operating discipline across portfolio companies by establishing a pre-investment diligence baseline maturity assessment, establishing a targeted future-state cybersecurity maturity, and access to the tools and expertise needed to strengthen the cybersecurity posture over time, including recurring services such as endpoint detection, third-party monitoring and response, and incident-response support.

The SSG's in-house Portfolio Transformation Team ("PTT") works directly with portfolio companies to drive value creation in general, and as part of this mandate, leads the SSG's cybersecurity program. The PTT partners with the deal team from diligence to exit and leverages specialist third-party cybersecurity providers to help implement program elements. This structure supports companies through critical remediation activities and ensures access to external expertise. Cyber resilience is also incorporated into the SSG's regular engagement cadence, with deal teams and management typically meeting on a quarterly basis to discuss operational priorities. The playbook is intended to be a living document and will evolve as portfolio company needs and the cybersecurity threat environment changes.

Case Study: Applying the Cybersecurity Playbook

In 2025, a portfolio company experienced a cybersecurity incident that demonstrated the value of the playbook. Through ongoing governance and periodic reassessments, the PTT had previously identified weaknesses in how employee access permissions were administered, how unusual network activity was monitored, and how critical data was backed up and restored. The PTT drove significant work to improve cybersecurity controls in these areas. Additionally, the PTT pushed the company to establish clear escalation pathways and incident response roles, enabling issues to be addressed quickly if suspicious activity was detected. When the company's security operations center detected suspicious activity, the company followed escalation protocols and triggered an immediate response. The SSG, the PTT, and the specialist cybersecurity provider coordinated to assess and contain the intrusion. The team isolated affected systems, validated backups, and stabilized operations with limited disruption.

Following containment, the PTT supported the company in further strengthening configurations, enhancing monitoring, and tightening access controls. The PTT conducted additional training for the portfolio company to strengthen employee cybersecurity awareness, including training on phishing and appropriate escalation of suspected incidents. The SSG used the lessons learned to refine the playbook, reinforcing expectations for preparedness and response going forward.

Special Situations

Driving Cybersecurity Resilience in Special Situations

Overview of the Cybersecurity Playbook

A structured framework for evaluating and strengthening cyber resilience across the investment lifecycle.

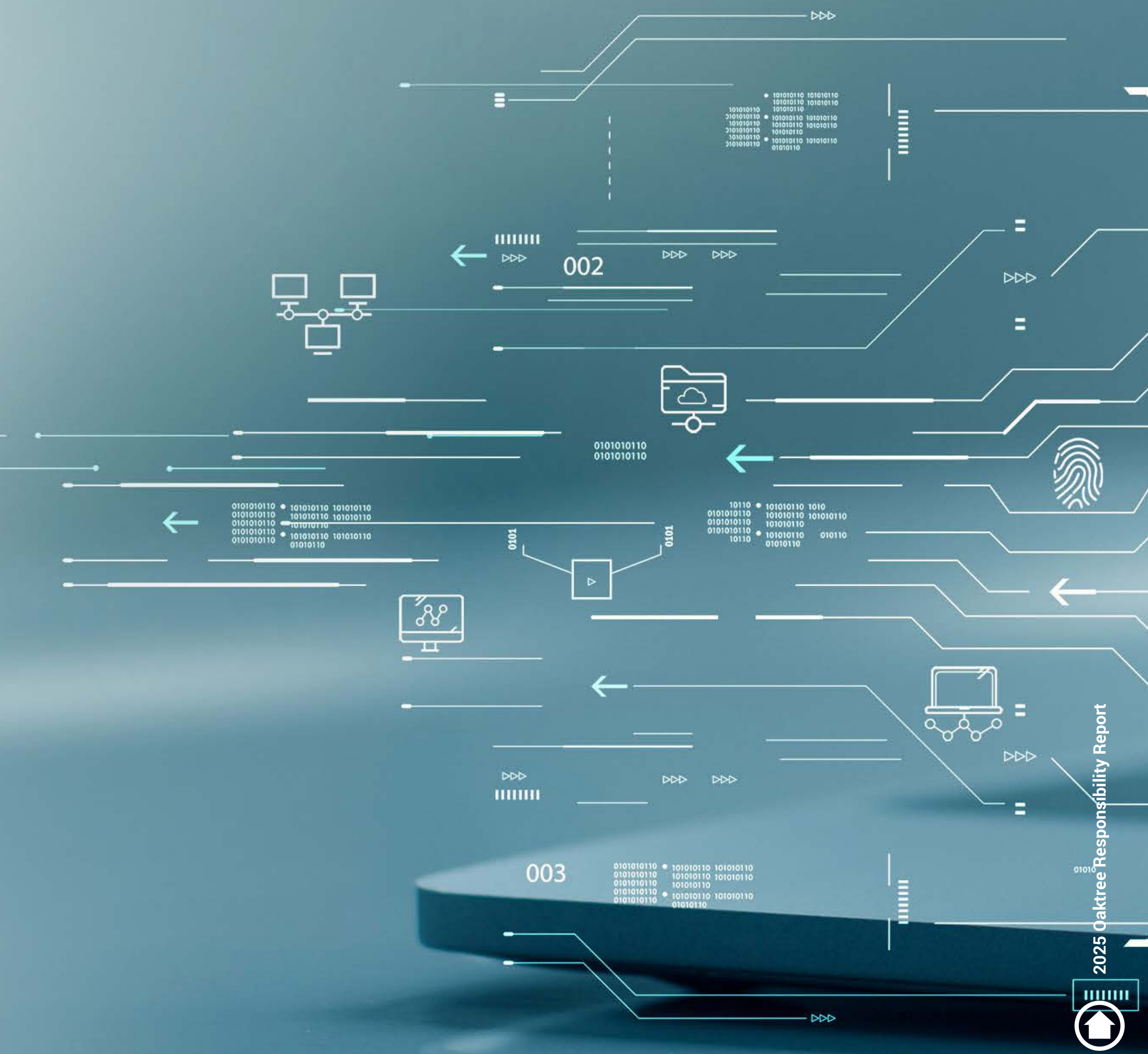
1. **Diligence**
   - Assess cybersecurity maturity and material risks for new investments using the NIST framework, tailored to each company's context.
   - Identify control gaps, set a target maturity level, and produce an initial 12-month remediation roadmap before deal close.

2. **Ongoing Governance**
   - Track maturity, risk, and remediation progress across the portfolio via a centralized dashboard, with regular reviews between the SSG, the PTT, and company management.
   - Conduct periodic reassessments, vulnerability assessments, and penetration tests calibrated to each company's risk and maturity.

3. **Remediation**
   - Prioritize and execute remediation actions using internal IT and specialist providers, validated by designated cybersecurity advisors.
   - Continuously reprioritize as company operations, scale, or external threat conditions evolve.

4. **Recurring Services**
   - Provide 24/7 monitoring and response capabilities, including EDR, outsourced SOC, and managed detection, with flexibility to use approved alternatives.
   - Require cyber insurance for control investments and select non-control investments, supported by the SSG and insurance advisers.

5. **Incident Response**
   - Require documented incident response plans, reviewed and exercised annually, with copies held by the PTT.
   - Ensure prompt escalation and coordination across management, the SSG, the PTT, and external advisors, with post-incident lessons fed back into playbook updates.



Power Opportunities

Partnering on Safety, Climate, and Governance in Power Opportunities

Oaktree's Power Opportunities group partners with portfolio companies to drive value throughout the fund's ownership period. The team brings over three decades of industry expertise to help companies make progress on strategic, operational, and financial initiatives.

In 2025, the Power team adopted two sustainability playbooks focused on safety and decarbonization.[1] While the team has worked closely with portfolio companies on these topics in the past, particularly safety, the playbooks provide a top-down framework to guide the team's approach to these topics in a systematic way. Investment teams tailor the use of these playbooks to match each business's maturity on these topics at the time of our initial investment. Deal teams also customize their use according to the needs and opportunities relevant to each portfolio company.

Leveraging their past experience working with portfolio companies on the topic, the Power Opportunities group's investment professionals developed the Safety Playbook, which outlines steps for companies to improve their safety practices, including tracking key metrics, bolstering expertise, enhancing employee safety training, setting targets, and aligning incentives. The Decarbonization Playbook was created by Oaktree's centralized Sustainability team for use across the firm, and it provides step-by-step guidance for companies to measure emissions and create a credible decarbonization strategy.

Case Study: Electro Switch

In 2025, Power Opportunities partnered with the management team of a portfolio company, Electro Switch, to make progress on safety, decarbonization, and governance-related objectives identified when conducting due diligence in the team's initial 100 days of ownership. The company is a leading manufacturer of relays, switches, and other electromechanical components supporting mission-critical applications for power, utility, data center, defense, and industrial customers.

Safety

The Power Opportunities team worked with the company's management team to identify opportunities to strengthen employee safety practices. When conducting diligence, the Power deal team identified meaningful opportunities for improvement, given safety is highly material to the business and progress can unlock value. To set a baseline for performance, the company established KPIs which will be reported to the board on a quarterly basis, including total hours worked, total recordable incident rate ("TRIR"), restricted workdays, and lost-time incident rate ("LTIR"). Electro Switch, in partnership with the deal team, also identified a set of safety priorities to drive continuous improvement, many of which are also outlined in the Power team's Safety Playbook, including:

- Developing safety best practices and strengthening safety training programs
- Improving communication of plant safety expectations
- Establishing safety committees across each facility to drive plant-level accountability
- Conducting structured "safety walks" to proactively identify hazards and ensure readiness of safety equipment
- Enhancing monitoring and accountability by standardizing tracking, documentation, and follow-up on near misses and incidents

Decarbonization

The Power Opportunities deal team worked with Electro Switch's management to outline data collection expectations on climate-related metrics through Oaktree's annual participation in the EDCI. Given the company was a new investment to Oaktree, the company had never measured these metrics before, and creating a baseline GHG inventory could help the company identify opportunities for decarbonization. The company will report on the following metrics:[2]

- Scope 1 and 2 GHG Emissions
- Energy Usage
- Net Zero Alignment

Governance

The Power Opportunities group also worked to put in place a best-in-class governance structure at the time of our investment, which helps to improve the Electro Switch's overall risk management practices. These initiatives have included:

- Implementing a formal Board of Managers comprised of experienced industry executives
- Establishing a quarterly meeting calendar with the Board
- Creating Audit and Compensation Committees
- Adopting a comprehensive Delegation of Authority framework, which outlines decision-making rights across capital allocation, hiring, contracting, safety oversight, treasury activities, and other corporate actions
- Standardizing reporting, including quarterly board packages and monthly financial/KPI reports

1. For platform companies in the most recent vintage fund.
2. This data collection cycle will be submitted in 2026 for the 2025 calendar year.

Real Estate

Oaktree's real estate platform capitalizes on the firm's global footprint, multi-disciplinary capabilities, extensive network of industry experts, and strong relationships with operating partners.

Real Estate Income

The Real Estate Income strategy targets commercial real estate assets, with a particular emphasis on office, multifamily, industrial, and retail properties. It also considers debt and other income-producing investments on a limited basis.

Real Estate Debt

The Real Estate Debt strategy specializes in debt-driven opportunities across the Real Estate group's six areas of investment focus (commercial real estate, corporate real estate, structure finance, commercial NPLs, residential real estate and non-U.S. real estate), and pursues a wide range of investments, including CMBS, commercial and residential mortgages, mezzanine loans, and corporate debt.

Real Estate Opportunities

The Real Estate Opportunities strategy pursues a wide range of global investment opportunities, including direct property investments; investments in real estate-related corporations; CMBS and related securities; residential land, assets and loan pools; small-balance commercial loan pools; and non-U.S. investments. The group will also occasionally pursue development opportunities with aligned, high-quality partners.

Oaktree's Real Estate team tailors its sustainability integration process to each strategy depending on the type of investments and level of control. Investment professionals conduct due diligence on potential investment opportunities, which may include evaluating environmental and climate risk reports. The Real Estate team tracks sustainability KPIs, which may include energy consumption, sustainability building certifications, or results from tenant satisfaction surveys. In real estate investments where Oaktree has more control, the team may collaborate with asset management teams, operating partners, and property managers to upgrade and improve assets throughout the holding period to protect and enhance their value.

2025 Highlights

- Hosted a Real Estate Decarbonization Workshop in June 2025 with partners[1] to discuss market trends, client expectations, and best practices for reducing building emissions.
- Increased green building certifications across properties under Oaktree's operational control and improved GRESB performance year over year.
- Expanded sustainability data collection, enhancing visibility and benchmarking through strengthened partnerships and improved reporting.
- Hosted a training session with Canary Wharf Group in December 2025 to discuss how they protect and support nature and biodiversity in their space to enhance long-term value.

1. Brookfield, Bellwether, Victoria Asset Management.

Real Estate Decarbonization Workshop

In June 2025, Oaktree's Real Estate and Sustainability teams hosted a Decarbonization Workshop that brought together investment and sustainability professionals from Oaktree and Brookfield. Participants also included representatives from Victoria Asset Management and Bellwether, two third party real estate asset management partners. The session served as a collaborative forum for sharing strategies and insights to accelerate decarbonization across real estate portfolios.

The conversation focused on the full lifecycle of real estate decarbonization – from establishing emissions baselines to reporting progress – and highlighted how each organization integrates this work into investment strategies, asset management processes, and engagement with operating partners. Participants also explored broader issues shaping real estate investing, including physical climate risks and rising insurance costs.

Lifecycle of Real Estate Decarbonization

1 Measuring Emissions

Emissions measurement is the first step to drive decarbonization in real estate. Across the groups in the workshop, shared focus areas were on (a) increasing the availability and quality of property data (b) improving benchmarking and analytical capabilities, and (c) using the information to identify effective levers for decarbonization to drive value. Oaktree's Real Estate group collects property-level data for nearly 100% of Scope 1 and 2 emissions in their equity portfolio. In addition, the Oaktree Real Estate team partnered with a third-party platform to enhance and centralize data collection for equity investments, allowing for improved analysis and visibility that will support eventual decarbonization efforts.

2 Driving Energy Efficiency and Decarbonization

Once emissions are measured, the next step is identifying opportunities to improve energy efficiency. Participants emphasized that this is both a regulatory priority, and a financial opportunity to lower operating costs and reposition assets. The groups shared how energy efficiency audits serve as a tool for identifying improvements. In 2025, Oaktree completed energy audits for select equity investments to uncover outliers in buildings, enabling targeted improvements. Workshop attendees discussed best practices for selecting audit providers, establishing audit cadence, tailoring strategies by property type, and communicating findings across deal teams, portfolio managers, and operating partners to drive meaningful action.

3 Commercializing Efforts and Driving Value

After identifying and implementing decarbonization measures, investors increasingly focus on commercializing these efforts to enhance asset performance. Many initiatives are delivered in close collaboration with asset management and operating partners. Participants discussed how achieving green building certifications – such as LEED,[1] Energy Star, and BREEAM[2] – can strengthen asset competitiveness, bolster tenant demand, and improve resale potential. These certifications require strong emissions measurement and energy performance, further reinforcing earlier steps in the lifecycle.

4 Reporting Progress

Transparent reporting is a critical final step in the decarbonization process. Participants discussed GRESB, the global benchmark for real assets, which is a reporting channel. Rather than focusing on score optimization, the groups emphasized improvements in the underlying environmental, social, and governance topics GRESB evaluates. Additional reporting practices discussed included sharing emissions metrics with investors through standard reporting offerings, which will remain a focus for the Oaktree Sustainability and Real Estate teams in 2026.

1. Leadership in Energy and Environmental Design.
2. Building Research Establishment Environmental Assessment Method.

Real Estate Nature and Biodiversity Event with Canary Wharf Group

In 2025, Oaktree hosted a firmwide Real Estate Nature and Biodiversity event with Canary Wharf Group (“CWG”). While nature and biodiversity topics impact all of our asset classes, the session focused on specific implications within real estate. The session highlighted how biodiversity initiatives can both improve outcomes for people as well as drive commercial value for properties.

In the session, Sophie Goddard, Director of ESG at CWG, a Brookfield portfolio company, highlighted major initiatives. CWG is headquartered in London and is recognized as one of the largest property developers in the UK. The group is primarily involved in the development, management, and ownership of commercial and residential real estate, particularly in the Canary Wharf area, which is one of London’s key financial districts. CWG’s strategy is to transform urban spaces into environments where people and nature thrive, emphasizing four ESG pillars: circularity, people, climate action, and creating space for nature.

A major focus for CWG has been Eden Dock, an ambitious redevelopment project converting an underused dock into a biodiverse public space. The project now incorporates over 110 plant and tree species, artificial kelp forests, hanging coral shell structures, and trees. It also features a new pedestrian bridge and 2,500 sqm of walkways, designed to improve connectivity across the space. Eden Dock offers numerous benefits, including a 10% reduction in urban heat island effects,[1] 55% biodiversity net gain, 770 sqm of floating islands, and extensive outdoor seating.

The session also covered CWG’s updated nature positive strategy which includes enhancing climate resilience, conducting Task Force on Nature-related Financial Disclosures (“TNFD”) gap analysis, planting over 5,000 pollinator supportive shrubs, and improving green roofs to foster urban biodiversity.

The initiatives at CWG have strengthened its commercial positioning, contributing to over 450,000 sq. ft of new office leases, and attracting companies seeking vibrant, nature rich environments to support talent retention. The data has also shown strong public engagement, with high numbers of visitors using the space outside of work hours, which was not the case prior to the redesign.

Overall this session illustrated tangible ways that biodiversity initiatives can add value to urban properties, and we hope to take these learnings to improve our own approach.

1. The urban heat island effect refers to the phenomenon where urban areas experience significantly higher temperatures than their surrounding rural areas, primarily due to human activities and urban design.

4 Values

- Letter from Our Head of Diversity & Inclusion and Early Talent
- Our Global Workforce
- Celebrating Our Employee Networks
- Supporting Our People
- Supporting Our Communities
- Accelerating Industry Collaboration
- Expanding Opportunities for Early Talent

Letter from Our Head of Diversity & Inclusion and Early Talent

In 2025, our Diversity & Inclusion efforts were defined first and foremost by action in a moment of urgent need. In the first half of the year, our teams in the U.S. pivoted our time and resources to support those impacted by the Los Angeles fires. We partnered with schools serving displaced children to build new reading nooks and learning libraries in their temporary locations, supported youth at Boys & Girls Clubs in Pasadena and Santa Monica, assembled kits and provided food and essential supplies to firefighters, and delivered critical materials to frontline organizations — especially those assisting mothers and children. This collective response reflected the very best of our culture: compassion, agility and a deep commitment to community.

At the same time, we continued strengthening the foundations of inclusion across Oaktree. We launched Mindr Connect, a new global platform designed to equip our employee network leaders, captains and members with enhanced tools, resources and connectivity to support programming and thought leadership across our communities. We also introduced our Inclusion Index pulse survey, enabling us to measure belonging, respect and inclusion in years when we do not conduct our full engagement survey. Together, these initiatives enhance our ability to listen, respond and foster an environment in which every colleague feels valued and heard.

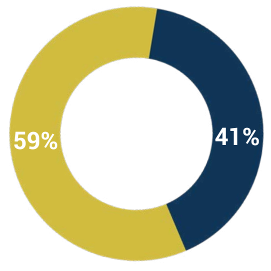
Finally, 2025 marked an important milestone in our global growth with the opening of our Hyderabad, India office — now our second largest worldwide. A key priority was ensuring that our Hyderabad colleagues were fully integrated into Oaktree's culture, global networks and communities from the outset. We established our regional Diversity & Inclusion team, identified local leaders across our employee communities and began rolling out global programming to support connection and engagement including our Mentorship and Circles programs. In parallel, we expanded our global onboarding program, Oaktree Roots, helping colleagues across all offices and levels deepen their understanding of our leadership, culture and business. As we continue to grow, our commitment to inclusion remains central to how we support our people and strengthen our firm.

Jerilyn Castillo McAniff
Head of Diversity & Inclusion and Early Talent

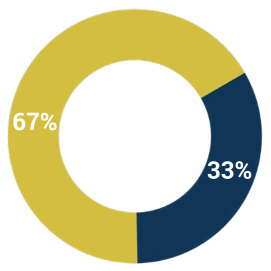
Our Global Workforce

Oaktree's global workforce spans 29 offices in 26 cities and 18 countries, with 38% of our colleagues working in offices outside the U.S. Collectively, we speak 38 different languages, and our colleagues have attended over 420 different colleges and universities globally. Our many dimensions of diversity strengthen and deepen the service we provide to clients around the world.

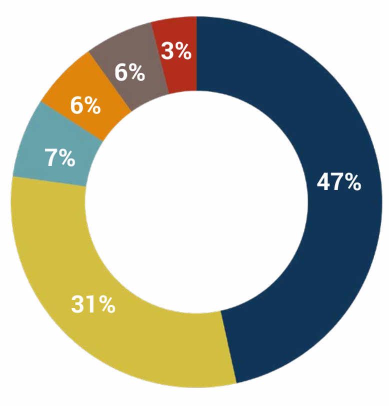
Global Workforce[1]



Officer Level



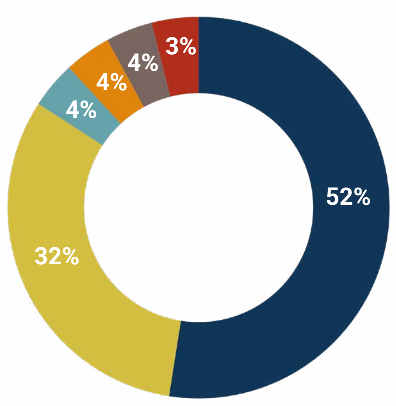
U.S. Workforce[1]



67% women and/or diverse

48% women and/or diverse – investment professionals[3]

Officers - U.S. Workforce[1,2]



59% women and/or diverse

42% women and/or diverse – investment professionals[3]

Representation

	Men	Women
U.S.	57%	43%
EMEA	58%	42%
APAC	68%	32%
Investment Professionals[3]	80%	20%
Managing Directors	78%	22%
Portfolio Managers	89%	11%

1. Representation date as of 12/31/2025. We collect race data in the U.S. only; we opened our second-largest office in 2025 in Hyderabad, India.
2. Office level includes Assistant Vice President, Vice President, Senior Vice President, Managing Director, and Senior Executives.
3. An investment professional is anyone performing a role of portfolio manager, research analyst, trader or attorneys dedicated exclusively to the investment strategy.

Celebrating Our Employee Networks

Oaktree's employee networks seek to foster inclusivity, belonging, and engagement among our employees. Our employee networks are available to all employees and have allowed colleagues to build relationships and make connections across the firm. We have 11 global networks and over 100 colleagues involved in helping lead programming and organize events across our offices as executive sponsors, co-captains, and planning team members.

ABILITIES

Oaktree Abilities strives to remove physical, attitudinal, social and systemic barriers related to disabilities and neurodiversity. The group seeks to support Oaktree's employees and families, as well as the broader community, and create an accessible environment where everyone can reach their full potential.

Abilities partnered with various organizations to raise awareness for disability and neurodiversity inclusion. In honor of Rare Disease Day, they prepared care packages for patients receiving treatment at the Cystic Fibrosis Care Center at Children's Hospital Los Angeles. Additionally, they sponsored a Walk-N-Roll fundraiser for the Spina Bifida Association to support their mission to build a better future for all those impacted by Spina Bifida. Lastly, Abilities sponsored a global webinar hosted by Integrate Autism Advisers on creating a neuroinclusive workplace and recruiting neurodivergent talent.

ACORN

The mission of Aiding Caregivers & Parents at Oaktree through Resources and Networks (ACORN) is to foster communication among Oaktree parents and caregivers and empower each other through education and support.

ACORN continued its support in the U.S. of Welcome Baby, Black Infants and Families Los Angeles, and 4th Trimester. These organizations provide critical support to mothers and newborns and, in particular, were essential in supporting expectant mothers during the devastating Los Angeles fires. In London, ACORN partnered with Sebby's Corner to assemble care packages for families and children living in poverty. ACORN also hosted a global webinar featuring therapists Caroline Pence and Sharon Berg, Ph.D., who discussed the challenges of academic and social transitions and shared best practices to help parents navigate these challenges.

CIRCLES

Circles are small groups that encourage networking and learning. Circles convenes groups to connect on topics that are meaningful to their personal development. Circles are interactive and fun enabling participants to discuss common challenges in a comfortable small setting and provides an opportunity to meet others you might not work with.

Our 2025 Circles theme, Balance or Harmony: Reimagining the Work-Life Equation, brought colleagues together for meaningful dialogue and connection. More than 20 women and men served as Circle captains this year, with nearly 170 participants joining small group sessions across our global offices. This year marked the eighth anniversary of the program.

Celebrating Our Employee Networks - Highlights (cont'd)

EARLY CAREERS

Focused on our Analyst to Vice President colleagues, our Early Careers Network looks to build cross-department community in regional offices through shared activities of interest.

As part of our Los Angeles fire-relief efforts, ECN partnered with the Boys and Girls Clubs (BGC) of Pasadena and Santa Monica, from March through May, to deliver workshops and activities for children affected by the fires. ECN members led painting classes for the BGC art program, an ice-cream-making session for the STEM program, and a vision board workshop, encouraging the members to look to the future with optimism and confidence.

ECN partnered with Heart of Los Angeles (HOLA) to create care packages for college students. HOLA helps underserved youth, ages 6 through 24, overcome barriers through exceptional, free, integrated programs and personalized guidance, in a trusted and nurturing environment. ECN also organized a campus cleanup for Gabriella School, a dance charter school in Los Angeles, and a campus beautification for KIPP Schools SoCal. Our London ECN organized its annual summer event, bringing together early career professionals from a variety of firms, and our Hong Kong team organized an event with Drop of Life Walk for Water.

Throughout the year, across multiple offices, our ECN team organized various sports teams (including a championship winning basketball team), multi-firm gatherings, senior leadership conversations, and volunteer opportunities with non-profits and organizations in their local communities.

BOYS & GIRLS CLUBS OF SANTA MONICA

BOYS & GIRLS CLUB OF PASADENA

HEART OF LOS ANGELES

Gabriella CHARTER SCHOOLS

點滴是生命 a Drop of life

KIPP

PRIDE

Pride supports our LGBTQIA+ employees, as well as family and friends of the community. Its mission is to create an inclusive environment that fosters equity and encourages employees to bring "their whole selves to work."

Pride continues to provide opportunities to support LGBTQ+ early talent. In 2025, we sponsored the Out for Undergrad Business Conference and hosted an investment case competition. In celebration of Pride Month, we hosted our second annual Pride Ride event to promote wellness, where participants exercised to Pride-themed music atop the Oaktree London office. In the New York office, we partnered with the Ali Forney Center to craft homemade birthday cards for LGBTQ+ and other at-risk youth facing increased discrimination and homelessness. In 2025, Pride Networks in London, Los Angeles, and New York also participated in AIDS Walks to raise funds and awareness for HIV/AIDS research.

O4U OUT FOR UNDERGRAD

GMHC END AIDS. LIVE LIFE.

THE ALI FORNEY CENTER

AIDS WALK LOS ANGELES powered by APLA Health

RED RUN LDN

Celebrating Our Employee Networks - Highlights (cont'd)

SUSTAINABILITY

Aims to spread sustainability awareness among Oaktree's employees, increase employee engagement on sustainability topics and initiatives both at the office and in our personal lives and communities, and improve Oaktree's operational practices.

One of the 2025 initiatives focused on the circular economy and sustainable fashion. Oaktree Sustainability Network[1] and Women's Leadership Council organized a global clothing drive that was coordinated across our offices in Hong Kong, Singapore, Luxembourg, London, New York, Stamford, and Los Angeles. Donations were made to the Salvation Army, Greensquare, Stëmm vun der Strooss, Dress for Success, Bottomless Closet, and Working Wardrobes. The clothing drive was accompanied by a webinar with LePrix co-founders who discussed sustainability in the fashion industry. In addition, OSN hosted global Earth Day lunches including a lunch and learn with LA Compost and organized multiple cleanup volunteer events including NY Cares Park Cleanup, Friends of LA River, and BrightenUp London.

TREE TALK

Where employees practice public speaking and leadership skills in a safe and supportive environment.

In 2025, we relaunched our Tree Talk employee network, focused on developing public speaking skills across all levels of the firm. Originally founded as a Toastmasters program, Tree Talk has evolved to support the public speaking needs of our global workforce. We will kick off new programming in 2026, featuring a range of workshops and practice opportunities designed to help members build confidence and strengthen their presentation skills.

UNITED GROUPS CONNECT

Organizes heritage month celebrations throughout the year in the spirit of bringing together our people. We volunteer in our communities, celebrate food and traditions, host leadership conversations and learn from a range of non-profit organizations about the important work they are doing.

In response to the fires that devastated the Los Angeles community, United Groups Connect redirected its celebration efforts in early 2025 to support affected communities. Throughout January and February, employees assembled 300 kits for children, distributed through trusted partners including Foothill Family, Boys and Girls Clubs, and the Center for Connection. In addition, 300 care and food kits were assembled and delivered to firefighters across five Los Angeles stations who were on the front lines. The team also supported schools in Altadena and Pacific Palisades affected by the fires by assembling and installing furniture, reading libraries, and outdoor gardens.

Finally, United Groups Connect hosted its annual event in partnership with A Sense of Home, designing and staging a new home for a deserving young adult transitioning out of the Los Angeles County Foster Care System.

1. Please see page 61 for additional detail on the Oaktree Sustainability Network.

Celebrating Our Employee Networks - Highlights (cont'd)

VETERANS

Support our veterans, support veterans looking to transition into careers in investment management, enhance our veteran recruiting efforts and support veteran focused charitable organizations.

Our Veterans Network in partnership with UBS, hosted a leadership chat with Admiral Jonathan Greenert (Ret.), former Chief of Naval Operations. Admiral Greenert reflected on his distinguished career and shared perspectives on leadership, geopolitics, and global security, along with lessons learned from decades of service at the highest levels of the U.S. Navy. The community also supported the Help for Heroes, which provide critical support to veterans and their families, including counseling, navigating support systems, and reintegration into civilian life.

WOMEN'S LEADERSHIP

Organizes panels, fireside chats and leadership conversations, internal networking opportunities, multi-firm get togethers, Circles and more. Male allies have been involved with our core teams since the WLC's founding.

In honor of Women's History Month, our WLC redirected funds to support fire relief efforts in Los Angeles, sponsoring a volunteer event where colleagues assembled donated bookshelves and other furniture for schools affected by the fires.

During Breast Cancer Awareness Month, members in New York and Luxembourg participated in local walks in partnership with the Susan G. Komen Foundation and Think Pink Lux, respectively, demonstrating the network's continued commitment to community engagement.

The WLC also partnered with women's networks from other firms to host the fourth annual Women in Asset Management: LA Edition. In addition to networking, participants engaged in a workshop led by a communications specialist focused on communicating with purpose and influencing effectively. Throughout the year and across offices, the WLC organized Leadership Conversations and additional opportunities for members to connect, build community, and deepen relationships.

WELLNESS

Empowers employees and supports Oaktree's colleagues and networks with information and services that raise awareness around holistic wellness and healthy lifestyle choices.

Our Wellness network continues to expand its global impact through programming designed to support mind, body, and community. Offerings included expert-led sessions and webinars grounded in psychology and neuroscience and restorative experiences, such as somatic sessions, a sound bath, and group meditation. Programming also included Breast Cancer Awareness initiatives and sessions focused on nutrition, menopause, sleep health, and small-group embodied leadership sessions, drawing on somatic practices to support presence and resilience under pressure. The network also continued to grow its global run club community, participating in the Green Heartfulness Marathon in Hyderabad and organizing a training schedule to prepare colleagues for the Los Angeles Marathon.

Supporting Our People

Talent & Leadership

Managing at Oaktree

Provides employees with management tools and resources to help develop strong team leaders.

Rise

Year-long leadership program that supports our colleagues during pivotal moments in their career journeys.

Oaktree University

Provides employees with learning and training course offerings to support continuous development.

Oaktree Roots

15-week onboarding program to support our newest colleagues. Sessions with senior leaders cover our history, culture, and investment strategies.

Mentorship

Fosters leadership development and increases knowledge sharing between mentors and mentees.

Udemy

Offers an extensive library of learning resources to support upskilling across various functions and areas.

Inclusion Index

We launched an Inclusion Index Survey to ask our colleagues these five important questions

1. Diverse perspectives are valued at Oaktree
2. I feel as if I belong at Oaktree
3. I feel valued as an employee of Oaktree
4. I feel like a valued member of my team
5. The people I work with treat me with respect

Family Friendly Benefits[1]

Progyny supports employees on their path to parenthood. With a network of best-in-class fertility specialists, an integrated pharmacy solution, and dedicated patient care advocates, employees have access to the most advanced, effective fertility treatments.

Maven Clinic supports our UK staff in preconception, family-building, pregnancy, postpartum, parenting, and menopause.

HealthAdvocate, Bright Horizons, ovia, milkstork, BUBBLE

1. These benefits are representative, and they vary by region.

Supporting Our Communities

Our Communities Matter

Our Communities Matter empowers employees to give back to local causes they believe are most in need. Its intention is to facilitate a variety of local, employee-led volunteering opportunities and company-sponsored charitable gifting programs throughout the year, as well as sponsor events in partnership with our Employee Networks and a Corporate Matching Program.

NYC 9/11 Memorial Stair Climb

Oaktree and Brookfield came together for the annual NYC 9/11 Memorial Stair Climb, honoring the firefighters who made the ultimate sacrifice and supporting their families through the National Fallen Firefighters Foundation.

Tour de Pier

Oaktree employees teamed up at the 13th annual Tour de Pier, an outdoor stationary-cycling event in Manhattan Beach, California, dedicated to raising funds and awareness for cancer research.

A Sense of Home

Oaktree employees organized for the fourth year to help decorate and furnish the first independent home for someone in the Los Angeles foster system.

Supporting Our Communities

A core tenet of Oaktree's culture is supporting the communities in which we live and operate. Our Communities Matter is our employee philanthropy and volunteer platform, designed to address local needs through grassroots engagement and colleague-led efforts.

We hosted 52 Our Communities Matter events in 2025 across 8 offices bringing together colleagues and their extended families to support organizations in our local communities.

Our Communities Matter Highlights

60% of Oaktree colleagues participated in an OCM event in 2025 and 200 participated in 3 or more volunteer events.

U.S.	EMEA	APAC
3,141 hours volunteered	1,114 hours volunteered	100 hours volunteered
1,667 occurrences of participation	308 occurrences of participation	50 occurrences of participation

4,355
firmwide hours volunteered

Representative Our Communities Matter Events

Los Angeles

- Abilities and Our Communities Matter collaborated with The Painted Turtle to assemble 400 kits, craft activities, and 100 turtle pillows for children with disabilities as they prepare for summer camp.
- Pride and Our Communities Matter partnered with APLA Health to assemble 400 hygiene kits for LGBTQ+ elderly living with HIV.

New York

- Our Early Careers Network and Our Communities Matter hosted a volunteer event with APEX for Youth, where they packed more than 31,000 supplies to create 300 STEAM Kits for summer students.
- Our colleagues in New York prepared nearly 4,000 meals for children, adults, and the elderly facing food insecurity. The meals were distributed by the New York Common Pantry.

London

- Our Communities Matter in London partnered with Cook for Good. Volunteers prepared 120 3-course meals to help tackle food insecurity.
- Our Communities Matter in London supported local women's shelters, where volunteers packed 800 essential toiletry items into bags for distribution.

Accelerating Industry Collaboration

We recognize the strength derived from collaboration, both internally and across the investment management industry. Building and sustaining networks helps us share best practices related to expanding the funnel of talent.

Other Partners:

Level 20, aaaim, Ilpa Diversity in Action, Bloomberg Women's Buy-Side Network, WIN Women in Institutional Investments Network, Women in Fund Finance

AltFinance

Oaktree continues to be a proud founding sponsor of AltFinance, a non-profit dedicated to expanding access and opportunity for students at Historically Black Colleges and Universities (HBCUs) pursuing careers in the alternative investment industry. AltFinance connects students to the industry through a structured training and development program, a robust virtual learning platform, and direct exposure to leading investment professionals and institutions.

2025 Highlights: Since its launch in 2021, more than 260 HBCU students have participated in the AltFinance Fellowship Program, with approximately 85% securing internships and/or full-time roles across the alternative investments ecosystem. The AltFinance Institute has expanded its reach to more than 1,800 HBCU students and over 50 HBCU faculty and administrators, providing access to industry-aligned curriculum, including online courses from The Wharton School. Many Oaktree colleagues play an active role in the program as mentors and ambassadors.

girls who invest

Girls Who Invest is dedicated to transforming the investment management industry by attracting and advancing women investors, change-makers, and leaders. GWI supports first- and second-year college students through tuition-free education programs, while also providing career advisory services, community-building initiatives, and lifelong alumni support.

2025 highlights: We continued our longstanding tradition of co-sponsoring GWI's Southern California Summer Reception alongside Bloomberg and PIMCO, and further supported the organization's Alumni programming by sponsoring its Investor Leadership Program, Investor Circles and Pathways to Private Credit. Oaktree colleagues contribute as industry speakers and Ambassador mentors.

TOIGO
Bringing Diversity to Life

TOIGO helps shape leaders within the finance industry. The organization fosters collaboration and has developed over 2,000 professional leaders at every level. TOIGO's programs and career counsel span all career stages from early career visioning and coaching to industry education, leadership, and skills development.

2025 highlights: In 2025, Oaktree was proud to celebrate TOIGO's impactful leadership in developing talent within the finance industry. We sponsored the Southern California Industry Insights Conference and TOIGO's newly launched LIFE program, reinforcing our longstanding partnership. We view TOIGO leaders and alumni as valued thought partners and are proud to see TOIGO alumni serving in senior roles across our organization.

THE POSSE FOUNDATION, INC.

Posse is a leadership program that provides college scholarships to students in their senior year of high school across more than 20 cities in the U.S. including 10 cities and Puerto Rico through its virtual program. Posse also recruits veterans for their partner colleges. The graduation rate for Posse scholars who begin college is 90%, and 80% of their graduating seniors served as officers of a college organization.

2025 highlights: Oaktree is proud to partner with Posse in Los Angeles and at the national level. In 2025, we hosted our fourth annual event with Posse, which was a career building reception for their summer scholars in Los Angeles. This included opportunities for networking, and a chance to hear from senior Oaktree leaders. We have also hosted first-round Posse interviews with high school seniors in our office.

Expanding Opportunities for Early Talent

We partner with many organizations dedicated to expanding access to the industry.

Early Talent Partners

- AltFinance
- girls who invest
- TOIGO – Bringing Diversity to Life
- The Posse Foundation, Inc.
- PhelpsForward
- O4U Out for Undergrad

Oaktree Future Leaders — 2025 marked the eighth year of our annual Future Leaders Program, including our Credit Case Challenge for seniors. Finalist teams representing a range of colleges were flown to our Los Angeles headquarters to compete in a mock investment committee challenge. Members of the winning team meet with Howard Marks over lunch to celebrate their achievement.

Scholars of Finance — Participated in the 2025 SoCal Leadership Symposium at UCLA and hosted the 2026 Symposium in our office. Howard Marks joined SOF's co-founder for a well-attended leadership conversation on Integrity in Leadership, engaging scholars. SOF's mission – to "inspire integrity and character in the finance leaders of tomorrow" – closely aligns with Oaktree's values and longstanding commitment to principled leadership.

SEO — For more than 60 years, SEO has been an innovator in education, mentorship, and peer-to-peer support for more than 26,000 talented young people.

100 Black Men — Hosted career access days and led teach-in sessions on real estate and alternative investing for high school students in the student investment program of 100 Black Men of Los Angeles, a regional chapter of 100 Black Men of America.

HEAT — Hosted high school students in The Heat Program – a Brooklyn Unified South career access program with a financial literacy curriculum and career panels.

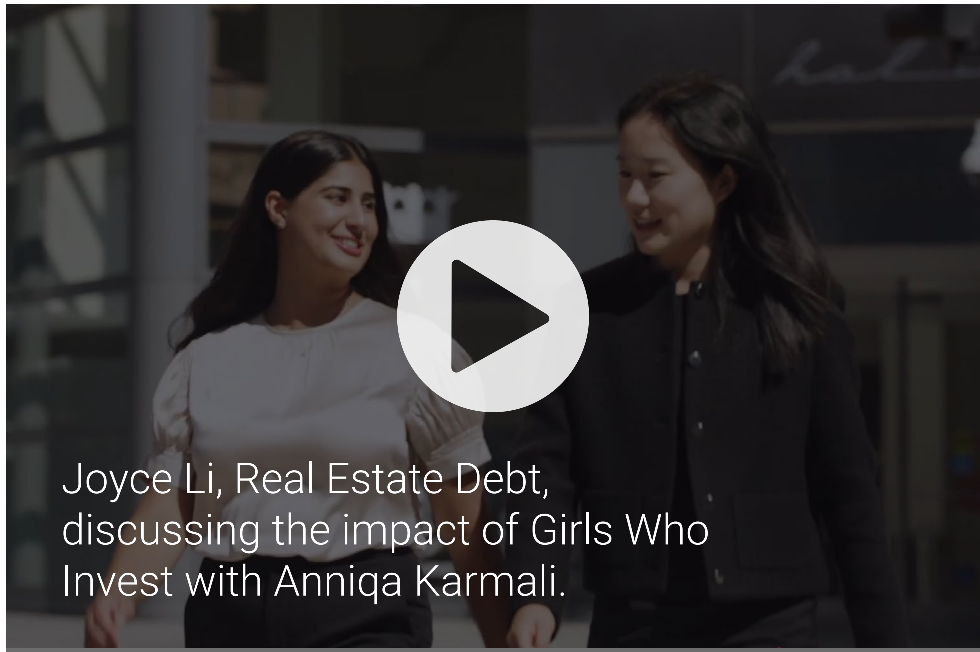
Alliance College-Ready Public Schools — Hosted Alliance Scholars at our offices for a day of career exploration in the investment industry. Alliance is among the largest college-readiness programs in the country, with a 97% graduation and college acceptance rate.

TIDE — Supported the Future Leaders program for the Investment Diversity Exchange ("TIDE"), which provides early-stage talent with educational resources and training sessions during their annual conference.

UC Investments Academy — Supported UCIA which is expanding access for students interested in careers in investing across nine undergraduate University of California campuses.

UTIMCO Scholars — Supported students at UTIMCO Scholars which is expanding access for students interested in careers in investing across seven University of Texas campuses.

Megan Messina, Head of CLO Equity, presenting at an AltFinance workshop at Wharton.



Joyce Li, Real Estate Debt, discussing the impact of Girls Who Invest with Anniqa Karmali.

5 Operational Sustainability

- Approach to Operational Sustainability
- Building Certifications
- Oaktree Sustainability Network
- Operational Sustainability in Corporate Events
- Cybersecurity & Data Protection

Approach to Operational Sustainability

This section details sustainability progress in our offices and through our employee-focused initiatives and corporate events.

We began calculating and reporting on our operational emissions in 2022. Our operational emissions inventory includes our Scope 1, Scope 2, and select Scope 3 emissions and excludes financed emissions. Additional details on our operational emissions inventory are provided in the TCFD Report (see page 65).

In addition to calculating and reporting our emissions, we continuously strive to improve our operational sustainability practices. In 2025, we expanded the number of employee-led sustainability initiatives, added more educational events, and advanced sustainable practices in our events and conferences. We continued to strengthen our firmwide cybersecurity program and we formalized our processes around AI with the creation of Oaktree's AI policy.

Building Certifications

Oaktree is a global firm with 29 offices worldwide.[1] Most of our largest offices are certified by internationally recognized sustainable building rating organizations, including Leadership in Energy and Environmental Design ("LEED") and Building Research Establishment Environmental Assessment Method ("BREEAM"). Our offices in Los Angeles, London, New York, and Hyderabad offices account for over 80% of our workforce and possess the following building certifications and features.

Los Angeles Office (HQ)

- LEED Gold Certified
- WELL Health-Safety Rating
- UL Verified Healthy Building
- BOMA 360
- ENERGY STAR

Hyderabad Office[2]

- Modern building design
- Energy efficient
- Environmental standards
- Wellness-focused amenities

London Office

- BREEAM Certified
- ISO 14001

New York Office

- LEED Gold Certified
- 2-Star Fitwel
- ENERGY STAR

1. As of December 31, 2025.
2. Oaktree's Hyderabad office is located within a workspace operated by The Executive Centre, which incorporates environmentally responsible design and energy-efficient building practices across its locations. Oaktree does not possess operational control of this office.

Oaktree Sustainability Network

The Oaktree Sustainability Network ("OSN") is an employee network group founded in 2022. The group seeks to increase awareness of sustainability practices, enhance employee engagement on sustainability initiatives, and improve Oaktree's operational practices. In 2025, OSN continued to expand firmwide participation through educational sessions, volunteer events, and partnerships across offices. OSN collaborated with other Oaktree employee network groups such as Early Careers Network ("ECN"), Women's Leadership ("WLN"), and more. Examples of initiatives are shown below.

Earth Day Events

- Internal lunch-and-learn with LA Compost in Los Angeles
- Earth Day meals in Los Angeles, New York, and London
- Cooking event with Cook for Good in London
- Mesh produce bag project with City Harvest in New York

Nature and Biodiversity Events

- Park cleanup with New York Cares at Marcus Garvey Park
- LA River cleanup with Friends of the LA River
- Internal teach-in on nature and biodiversity with Canary Wharf Group
- Volunteer event with BrightenUp in London

Sustainable Apparel and Upcycling Events

- Global fireside chat on sustainability in apparel with LePrix
- Upcycling event with More Life Home in London

- Global clothing drive across offices in Los Angeles, New York, Stamford, London, Luxembourg, Hong Kong, and Singapore[1]

1. Global clothing drive partner organizations: Los Angeles — Working Wardrobes, New York — Bottomless Closet, Stamford — Bottomless Closet, London — Dress for Success, Luxembourg — Stëmm vun der Strooss, Hong Kong — Salvation Army, and Singapore — Greensquare.

Operational Sustainability in Corporate Events

In 2025, Oaktree strengthened the sustainability profile of its corporate events by incorporating responsible sourcing practices, reducing waste, and exploring a system for quantifying the carbon impact of in-person programming.

Driving Sustainable Events

Oaktree incorporated sustainability into a range of internal and client-facing events in 2025, supporting our broader goal of reducing the environmental footprint of our operational activities. This page highlights two examples – the Investors Committee Summit in Scottsdale, Arizona and a sustainability-focused client roundtable in London – to illustrate how sustainable practices were integrated into event planning.

Investors Committee Summit – Scottsdale, Arizona

At its 2025 Investors Committee Summit in Scottsdale, Arizona, Oaktree implemented operational sustainability initiatives to reduce event-related waste across plastics, paper, and food. A bring-your-own-device model supported by a mobile app minimized printed materials, while sustainably sourced signage and water refill stations helped further reduce waste.

Oaktree also partnered with Chefs to End Hunger to rescue and redistribute unused meals, and hosted an Our Communities Matter activity involving the construction and donation of beehives to a local apiary.

Sustainable Roundtable — London[1]

At a sustainability-focused client roundtable hosted in London in 2025, Oaktree implemented a range of responsible event practices, including increased plant-based menu options, the use of reusable serve ware, recyclable glass water bottles, and the selection of a centrally located venue with access to public transportation.

Oaktree also piloted TRACE by isla, an event carbon measurement tool, to estimate greenhouse gas emissions associated with in-person events. The pilot suggested that food and materials choices helped limit the event's overall footprint, while reinforcing that attendee travel was the primary driver of emissions.

Looking Ahead

Insights from this year's events and emission measurement efforts will inform ongoing sustainability planning to reduce event-related emissions and improve efficiency. Areas of focus may include incorporating hybrid participation options to help reduce long-haul travel, prioritizing centrally located venues with strong public transportation access, and improving the collection of attendee travel information to support more accurate event-level emissions estimates. Oaktree will continue evaluating event-related emissions as part of its broader operational sustainability program.

1. TRACE by isla Report: Oaktree Sustainable Roundtable London, February 2025.

Cybersecurity & Data Protection

At Oaktree, safeguarding data is fundamental to maintaining trust with our clients, employees, and stakeholders. As cyber threats continue to evolve in both sophistication and scale, we remain committed to continuously enhancing our cybersecurity posture, ensuring the resilience of our systems, and fostering a culture of awareness across the organization.

Cybersecurity Program

Oaktree takes a risk-based approach to cybersecurity, aligning with industry best practices and regulatory requirements. The Cybersecurity Executive Leadership Committee provides strategic direction, evaluates emerging risks, and ensures that cybersecurity remains a business priority.

Cybersecurity Awareness and Training

Oaktree recognizes that cybersecurity is a shared responsibility. Our training and awareness initiatives are designed to equip employees with the knowledge needed to recognize cyber risks, protect sensitive information, and contribute to the overall security of our firm.

In addition to mandatory onboarding and annual cybersecurity training, employees can participate in optional programs covering emerging threats, secure data handling, and phishing awareness. We have strong engagement in these programs.

Technical Controls and Continuous Monitoring

Continuous monitoring, proactive defense strategies, and regular testing are essential components of our cybersecurity framework. Oaktree's cybersecurity team conducts ongoing risk assessments, vulnerability testing, and third-party evaluations to identify and address potential weaknesses. Oaktree's approach to controls and continuous monitoring is designed for coordinated and timely action in the event of an incident and supported by periodic simulation exercises that enhance preparedness across the organization.

Cyber Resiliency

Beyond our internal cybersecurity measures, we assess the security posture of our third-party vendors to help ensure they maintain robust standards. As data-privacy and cybersecurity regulations evolve, we remain focused on compliance and on strengthening our intelligence and risk-mitigation capabilities.

Responsible Use of Artificial Intelligence

In 2025, Oaktree introduced a firmwide Generative AI Policy ("GenAI") to guide the responsible and secure use of artificial intelligence technologies, in line with our Code of Ethics and cybersecurity standards.

The purpose of Oaktree's GenAI policy is to encourage the responsible use of GenAI technology by Oaktree employees by (i) defining acceptable and prohibited uses of GenAI models and applications and (ii) outlining employee obligations related to its use.

The policy establishes expectations for appropriate use, accuracy checks, and data-handling safeguards. To support thoughtful adoption, we also launched both enterprise-wide and use-case-specific AI product pilots for select teams, allowing employees to explore productivity securely via Oaktree standards and controls, and research applications within a controlled environment. These efforts complement our broader data-protection program and reinforce our commitment to balancing innovation with security.

We are also launching a pilot with select investment teams to evaluate how AI tools can enhance sustainability due diligence, including the ability to synthesize large volumes of company information, identify potential risk signals earlier and explore ways to connect this to our existing sustainability data infrastructure such as Sustainability Central (see page 23).

Looking Ahead

Oaktree will continue to invest in the systems and practices needed to protect the confidentiality, integrity, and availability of our data by integrating cybersecurity and responsible AI practices into our broader operational strategy as we evaluate and implement technology solutions in an increasingly complex digital environment.

6 Task Force on Climate-related Financial Disclosures (“TCFD”) Report

- Introduction to the TCFD Report
- Governance
- Strategy
- Risk Management
- Metrics & Targets

Introduction to the TCFD Report

This Task Force on Climate-related Financial Disclosures ("TCFD") report provides insight into how Oaktree identifies, assesses, and manages climate-related risks and opportunities in its investment activities. We focus on financial materiality in our approach to climate risks and opportunities. In 2025, Oaktree advanced the climate program by expanding quantitative transition risk analysis, initiating physical risk analysis for select strategies, and further integrating climate data into portfolio-level monitoring. We concentrate our quantitative analysis in this report on the investment strategies where we have meaningful data coverage. Where data is incomplete, Oaktree applies a best-efforts approach, clearly discloses limitations, and avoids overstating precision.

Governance

Oaktree's Board of Directors oversees the firm's approach to sustainability and climate-related risks and opportunities. Oaktree provides regular updates to the Board of Directors, Executive Committee and Senior Leadership Council on climate strategy, objectives, and outcomes.

Oaktree's Head of Sustainability and centralized **Sustainability team** guide the firm's sustainability and climate strategy (see page 13). The Sustainability team partners with investment teams on sustainability integration processes; advances Oaktree's climate program; strengthens our engagement approach; enhances tools and resources; and drives the sustainability data and reporting ecosystem.

Oaktree's **Sustainability Governance Committee** is comprised of senior investment professionals and leaders from Enterprise Solutions groups (see page 13). The Committee meets every other month to identify, promote, and share best practices across investment strategies and to discuss topics central to Oaktree's sustainability and climate program. In 2025, the Sustainability team provided an overview of Oaktree's firmwide financed emissions and shared clients' net zero expectations with the committee.

Oaktree's **Sustainability Leads** are senior investment professionals embedded within investment strategies. The Leads work alongside portfolio managers and the Sustainability team to oversee sustainability integration, including the consideration of material climate-related risks and opportunities. **Portfolio managers** oversee climate-related risks and opportunities across their portfolios, and they are supported by the Sustainability Lead, centralized Sustainability team, and other groups across Oaktree.

Oaktree's **Enterprise Solutions** groups support and reinforce sustainability integration across the firm. These include Business Development, Compliance, Human Resources, Information Solutions, Internal Audit, and Legal, which collectively support regulatory monitoring, adherence to SIPs, compliance oversight, client engagement, training, and the technology infrastructure underpinning climate analysis, data visibility, and reporting.

Roles & Responsibilities for Climate at Oaktree

Role	Oversight[1]	Management & Accountability[2]	Implementation[3]
Board of Directors	✔	✖	✖
Sustainability Governance Committee	✔	✔	✖
Head of Sustainability & Sustainability Team	✔	✔	✔
Sustainability Leads & Portfolio Managers	✖	✔	✔
Investment Teams	✖	✖	✔
Internal Audit	✔	✖	✖
Operational Risk	✔	✖	✖
Legal	✖	✔	✔
Compliance	✖	✔	✔
Business Development	✖	✖	✔
Human Resources	✖	✖	✔
Information Solutions	✖	✖	✔

1. Reviews and guides strategy and major plans of action related to climate. Monitors risk, compliance, and the organization's implementation and performance against set objectives, goals, and targets related to climate; informed and updated at a set cadence (e.g., annually).
2. Ensures that the organization implements its policies and is accountable for whether the organization achieves its objectives related to climate; assignment of responsibilities to management-level positions or committees for climate; assesses and monitors issues related to climate; reports to the board / senior leadership.
3. Designs and implements systems, processes, and procedures to ensure organizational compliance with policies and achievement of objectives related to climate.

Strategy

Oaktree's climate strategy aims to protect and enhance investment value by identifying financially material climate risks and opportunities and integrating them into investment decision-making. As the majority of the firm's climate risk exposure arises from its investment activities, the strategy is designed to equip investment analysts with centralized tools, data, and guidance to support evaluation and oversight.

Oaktree uses three levers to support this:

Carbon Emissions

Financed emissions provide a core lens for assessing transition risk exposure. Oaktree aggregates emissions data through its Sustainability Dashboard, drawing on company-reported data, third-party estimates, and internal estimation methodologies informed by PCAF. Emissions data supports issuer- and portfolio-level analysis and client reporting.

Net Zero Alignment

Net zero alignment analysis provides a forward-looking view of companies' transition readiness, incorporating stated goals and action plans. Investment analysts utilize Oaktree's proprietary Net Zero Alignment Tool to conduct net zero analysis, with emphasis on high-impact sectors. Investment teams use the outputs from the tool to inform monitoring and engagement.

Engagement

Engagement is a central mechanism for managing climate risk and supporting value creation. Investment analysts engage with companies on material climate topics to advance portfolio decarbonization and strengthen long term value.

Oaktree has created a suite of supplementary resources to support investment professionals with the management of these three levers, including the Decarbonization Playbook (see page 16), regular trainings and workshops (see page 19), and a robust data and portfolio monitoring ecosystem (see page 23).

Oaktree Net Zero Alignment Classification Process

The company has...	Not enough information/ is not aligned	Committed to align	Aligning	Aligned	Achieved net zero
Set along-term net zero by 2050 goal	✗	✓	✗	✓	✓
Disclosed Scope 1 and 2 emissions	✗	✗	✓	✓	✓
Set short-or-medium emissions reduction targets	✗	✗	✓	✓	✓
Improved emissions intensity in line with targets	✗	✗	✗	✓	✓
Designed a clear plan to deliver GHG targets	✗	✗	✗	✓	✓
Reduced emissions as much as possible with limited offset use	✗	✗	✗	✗	✓

Strategy

Climate Risks & Opportunities

Oaktree has identified material climate-related risks and opportunities for our business based on the recommendations of the TCFD.[1]

These risks are relevant to our corporate functions, our investment strategies, and our underlying assets. The risk timeframes vary by strategy, sector, and investment type. These are general categorizations based on the following timelines:[2]

- Short-term risks may manifest by 2030
- Medium-term risks may manifest 2040
- Long-term risks may manifest by 2050

	Risks	Potential Impacts	Material to Oaktree Corporate	Material to Investment Strategies	Time Frame[3]		
					S	M	L
Transition	**Policy and legal** actions that attempt to limit climate change	Enhanced emissions reporting obligations and associated costs	✓	✓	●	○	○
		Increased pricing of GHG emissions and costs of compliance	✗	✓	●	●	○
		Greater exposure to climate-related litigation and increased legal fees	✓	✓	●	●	●
	Technological improvements or innovations that support the low-carbon transition	Increased requirements for sustainability data and associated costs	✓	✓	●	○	○
		Reduced demand for high-emitting assets	✗	✓	●	●	○
		Upgrade of existing assets and associated R&D and capex requirements	✗	✓	○	●	●
		Unsuccessful investment in new technologies and reduced returns	✓	✓	○	●	●
	Shifts in the supply and demand of certain commodities, products, and services	Greater costs for raw materials and input prices	✗	✓	●	●	○
		Increased investor demand for specific sustainability investment outcomes	✓	✓	●	●	○
		Reduced valuations of high-emitting assets	✓	✓	●	●	○
	Reputational damage due to limited progress in efforts related to the low-carbon transition	Stigmatization of high-emitting sectors and reduction in capital availability	✓	✓	●	●	●
		Inability to attract and retain younger workforce because of lack of climate progress	✓	✓	○	●	●
		Intensified LP concerns due to limited progress in decarbonization efforts	✓	✗	○	●	●
Physical	**Acute** (event-driven) or **chronic** (long-term) shifts in climate patterns	Increased severity of extreme weather events	✓	✓	●	●	●
		Changes in long-term climate patterns, such as rising sea levels	✗	✓	○	○	●

1. Risks and opportunities are identified based on TCFD's recommendations and guidance. This list is non-exhaustive and may not include all risks relevant to Oaktree.
2. Climate risks, associated timelines, and potential impacts are speculative. The timelines for these risks and their impact on Oaktree are still largely unknown and we make no guarantee that these risks will manifest according to these timelines or that these impacts will occur.
3. Short-term (by 2030), Medium-term (by 2040), Long-term (by 2050).

Strategy

Climate Risks & Opportunities

Opportunities	Potential Impacts	Material to Oaktree Corporate	Material to Investment Strategies	Time Frame[4]		
				S	M	L
Resource efficiency across production and distribution processes	Reduced operating costs through energy efficiency gains	✗	✓	●	●	●
	Increased production capacity, resulting in increased revenues	✗	✓	●	●	●
	Increased value of fixed assets (e.g., highly rated energy efficient buildings)	✗	✓	○	●	●
Energy sources that come from low emissions alternatives	Reduced exposure to GHG emissions and therefore less sensitivity to changes in the cost of carbon	✗	✓	○	●	●
	Reduced exposure to potential fossil fuel price increases	✗	✓	○	●	●
	Increased capital availability for lower emissions products	✓	✓	●	●	●
Products and services that improve competitive positioning and capitalize on shifting consumer preferences	Increased revenue via demand for lower emissions products and services	✗	✓	○	●	●
	Better competitive positioning to reflect customer preferences	✓	✓	○	●	●
Market opportunities in new markets or types of assets that help diversify activities	Increased revenues through access to new and emerging markets	✓	✓	○	●	●
	Increased diversification of financial assets	✓	✓	○	●	●
Resilience through developing adaptive capacity to respond to climate change	Increased reliability of supply chain	✓	✓	○	○	●
	Increased revenue via new products and services related to resiliency (e.g., climate adaptation)	✓	✓	●	●	●

4. Short-term (by 2030), Medium-term (by 2040), Long-term (by 2050).

Strategy

Evolution of Scenario Analysis

Oaktree has developed scenario-based climate risk analysis over multiple years. In 2024, the Sustainability team conducted initial transition risk analysis to assess potential portfolio-level exposure using CVaR. This work established a baseline view of relative transition risk and was shared internally to support risk awareness and strategic discussion, informing the Sustainability team's ongoing evaluation of how such insights may be integrated into investment processes over time.

In 2025, the Sustainability team conducted transition risk analysis using CVaR across select portfolios within our liquid credit and listed equity strategies. This analysis is used by Oaktree primarily as a top-down, exploratory risk exercise, comparing relative exposure across sectors and scenarios. Going forward, the Sustainability team will continue to evaluate, in partnership with investment teams, how insights from this analysis may inform elements of due diligence, risk management, and engagement over time. Oaktree does not use CVaR outputs to estimate financial impacts or to make investment decisions.

Physical climate risk has been a longstanding consideration in certain asset classes (e.g. real estate) and continues to be assessed by select investment teams where it is material to the underlying investment. In parallel, the Sustainability team explored forward-looking physical risk analysis across select strategies evaluating relative exposure to acute and chronic physical climate hazards under different warming pathways and time horizons, subject to data availability. Where issuer- or asset-level data was unavailable, we estimated exposure using weighted averages based on available data, consistent with a best-efforts approach and acknowledgment of data limitations.

Together, these developments reflect a measured evolution of Oaktree's climate risk capabilities, supporting portfolio-level risk oversight and informing ongoing evaluation of how forward-looking climate analytics may appropriately support engagement and monitoring over time.

Strategy

Scenario Analysis — Sector Heatmaps

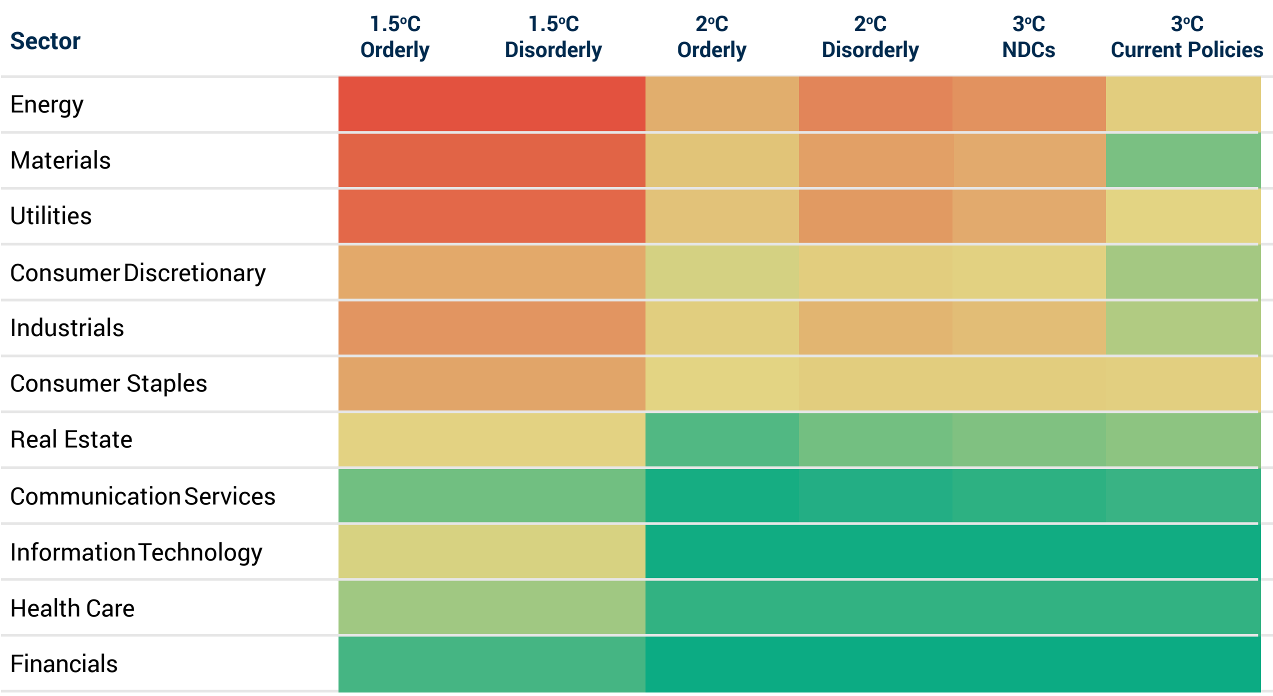
We present these results on a relative, directional basis to provide a high-level view of how transition risk may vary across sectors. Data availability, scenario assumptions, and estimation methodologies influence the outcomes, and are subject to inherent uncertainty. We do not use these results to predict precise financial impacts. Rather, we use them to inform our broader understanding of climate-related risks and opportunities across our investment strategies, and we expect to refine our approach over time as data, methodologies, and disclosure practices evolve.

This transition risk heatmap illustrates relative sector level exposure for select liquid credit and listed equity strategies across a range of climate pathways and time horizons. We base the scenarios on the Network for Greening the Financial System ("NGFS") pathways and use CVaR scores to compare exposure across sectors under different transition assumptions.

This physical risk heatmap illustrates relative sector level exposure for select liquid credit and listed equity strategies across acute and chronic physical climate hazards. We use MSCI's Physical Risk model, which aligns with NGFS pathways and underlying IPCC scenarios, to evaluate exposure to ten hazards[1], such as extreme heat, flooding, wildfire, water stress, and sea level rise across multiple warming pathways. We combine MSCI hazard data with enterprise value ("EV") weights to estimate the proportion of portfolio-level EV potentially exposed to each hazard.

The model applies climate projections refined for local and asset-level conditions to assess how hazard frequency and severity may evolve under four select pathways. This analysis reflects a best-efforts approach and acknowledges limitations in issuer- and asset-level data coverage.

Transition Risk – Scenario Exposure Summary[2]



Physical Risk – Climate Hazard Heatmap[2]

1. Extreme cold, extreme heat, extreme precipitation, snowfall / extreme snow, extreme wind, fluvial flood, pluvial flood, coastal / sea-level flood, tropical cyclone / hurricane, wildfire.
2. This analysis covers a sample portfolio of select liquid credit and listed equity strategies. Sector-level results reflect portfolio-weighted averages based on available data and estimates and do not represent predictions of investment performance or outcomes.

Risk Management

Overview

As described in Oaktree's Sustainability Policy, investment strategies are required to maintain a Sustainability Integration Plan. Investment professionals are directly responsible for sustainability integration and are supported by Oaktree's Sustainability team, the strategy's Sustainability Lead, and portfolio manager(s).

Investment professionals manage climate-related risks through a combination of issuer- or asset-level assessment and portfolio-level monitoring. The application of climate assessment tools varies by strategy based on investment mandate, sector exposure, data availability, and degree of control. We provide detailed descriptions of tools and processes throughout this report.

Bottom-Up Climate Toolkit

Oaktree has constructed our tools based on industry best practices, and many of these are part of our "Climate Toolkit." The use of these tools and resources in practice varies by investment strategy based on investment time horizon, underlying security types, and level of control. Investment professionals use these tools to evaluate climate risks and their level of materiality for individual credits.

ESG Assessment Tool[1]

Used by many credit strategies during underwriting, guided by SASB materiality standards. Analysts assess exposure to material climate-related risks and companies' management of those risks, including factors such as carbon emissions, energy efficiency, and environmental impact. The Tool also flags areas for further engagement.

Net Zero Alignment Tool[2]

Used by select credit strategies to assess alignment with a net zero pathway. Select strategies may focus on companies in high-emitting sectors where climate considerations are material. Investment professionals use the outputs to support engagement and ongoing monitoring.

Engagement Tracker and Supporting Resources[3]

Used to track engagement on material topics, including climate-related issues, and to monitor progress and outcomes. Engagement may extend beyond emissions to other material environmental topics where relevant to the investment thesis, supported by centralized resources such as the Decarbonization Playbook and other engagement guidance designed to help investment teams engage effectively with portfolio companies

1. The use of this tool can vary by strategy and portfolio. Not used by all strategies at Oaktree.
2. Ibid.
3. Ibid.

Risk Management

Credit

In credit strategies, investment professionals assess climate-related risks and opportunities through issuer-level analysis, supported by centralized guidance and tools. Where climate considerations are material, assessments may include factors, such as emissions, energy efficiency, and engagement with the issuer to align to a net zero pathway.

Oaktree aggregates issuer-level data into portfolio-level dashboards to support monitoring and oversight. These portfolio views provide visibility into financed emissions, net zero alignment classifications, and engagement activity. Portfolio managers and investment professionals use the data to inform internal discussions. The scope and depth of analysis varies by strategy based on mandate, data availability, and materiality.

Equity

In select equity strategies where Oaktree has control or significant influence, we partner with portfolio companies to support the collection and disclosure of climate-related data, including financed emissions, renewable energy usage, and net zero metrics, primarily through our participation in the EDCI. Where available, EDCI data is used to enhance data quality and reduce reliance on third-party estimates, and support engagement with portfolio companies on climate-related topics (see page 26). The Sustainability team has also developed a Decarbonization Playbook to guide investment analysts in supporting portfolio company progress in select control equity strategies (see page 16).

Top-Down Climate Toolkit[1]

Carbon Emissions Summary

Portfolio-level view of emissions metrics, including financed emissions, normalized carbon metrics, and top emitters by sector.

Net Zero Alignment Summary

Portfolio-level summary of market value and financed emissions by alignment classification (e.g., aligned, aligning, not aligned).

Engagement Summary

Aggregated view of engagement activity recorded in strategy-specific trackers, including progress and outcomes on climate-related topics.

Portfolio Sustainability Reviews

Many credit strategies reference dashboard outputs during portfolio sustainability reviews or broader monitoring discussions to review sustainability developments, top emitters, and recent engagements.

1. Not every strategy will use all the dashboards described above.

Risk Management

Real Estate Spotlight

Oaktree's approach to climate integration varies by asset class according to investment type, time horizon, and level of control. We have designed a real estate-specific approach to integrate climate risk and value-add sustainability opportunities into the investment lifecycle. The nature of our real estate strategy requires investment teams to analyze both asset-level and market-level climate risk. We also emphasize the regulatory backdrop driving real estate decarbonization and focus on the importance of operational decision-making to protect and enhance value.

Climate Integration Across the Real Estate Investment Lifecycle

During due diligence, investment professionals identify and assess material sustainability factors, including climate-related risks and opportunities. Given the physical nature of assets, diligence typically includes third-party environmental and climate risk assessments, which may encompass phase 1 reports and climate hazard analyses.

The investment team uses these assessments, where applicable, to evaluate both physical risk, such as exposure to extreme weather or flooding, and transition risk related to regulation, energy performance standards, and operating costs. Investment professionals use the findings from diligence to inform underwriting assumptions and may identify areas requiring additional analysis or increased capital expenditures to mitigate risk or enhance asset resilience.

Following acquisition, investment professionals manage climate-related risks and opportunities through ongoing asset management. Post-investment climate risk management is integrated into three core activities: data collection, engagement, and monitoring.

1 | Data Collection to Drive Energy Efficiency

Carbon footprinting forms the foundation of emissions management in real estate and supports improved energy efficiency and long term decarbonization. The investment team works with partners to expand emissions data coverage across real estate portfolios, and strives to maintain full emissions coverage for landlord-controlled areas in its equity funds. We track emissions for the most recent Real Estate Opportunities Fund and Real Estate Investment Fund. The team also onboarded a third-party provider to strengthen analysis and benchmarking and to collaborate with asset management partners on identifying building level improvement opportunities.

2 | Engagement to Improve Asset Resilience

Investment professionals engage operating partners, property managers, and tenants to promote sustainability initiatives that support value creation and risk mitigation. Engagement may include pursuing green building certifications, advancing energy efficiency initiatives, using tenant surveys to identify material improvement opportunities, and evaluating climate adaptation measures. These efforts strengthen asset resilience amid evolving regulations and tenant expectations in order to support long term value.

3 | Monitoring of Climate Risk

Investment professionals conduct climate risk assessments and ongoing monitoring to inform engagement and risk management. This includes monitoring regulatory performance standard requirements, maintaining relationships with operating partners, property management teams, and borrowers, and collecting asset-level sustainability KPIs where applicable. The investment team also conducts portfolio-level climate risk assessments on an annual basis to evaluate financially material risks. Climate risk is not assessed in isolation; it is considered alongside other financial, operational, and market risks within the strategy's broader risk management framework, with prioritization reflecting the relative materiality of each risk to the asset or portfolio.

Metrics & Targets

Oaktree uses a range of climate data to assess financially material climate-related risks and opportunities across its portfolios. We disclose climate metrics alongside clear explanations of data sources, estimation methodologies, and limitations.

In line with industry practice and guidance, financed emissions are a primary metric used to assess exposure to climate-related transition risks at the portfolio-level. Emissions metrics are inherently backward-looking and reflect historical performance based on reported or estimated data. To complement emissions metrics, Oaktree uses net zero alignment analysis as a forward-looking assessment of companies' transition strategies and preparedness, recognizing that such analysis is subject to data availability and methodological limitations.

Taken together, Oaktree uses both emissions metrics and net zero alignment analysis to (a) assess climate-related risks at the portfolio-level and (b) support risk monitoring and engagement activities.

Carbon Emissions

How much is a company emitting today?

Pros: More objective and increasingly reported by companies themselves

Cons: Highly dependent on sector and region and does not reflect future decarbonization plans

Net Zero Alignment

How are emissions likely to change in the future?

Pros: Provides a forward-looking measure of risk, can incorporate analyst assessments

Cons: Based on targets and assumptions so reality may diverge

Metrics & Targets

Financed Emissions

Oaktree uses financed emissions to support its understanding of portfolio-level exposure to climate-related transition risk. Financed emissions are affected by both (a) an issuer's GHG emissions and (b) an investment manager's position size in that issuer. For many of our strategies, company-reported emissions data is limited. We're focused on improving the quality of our GHG emissions data and working with the companies we invest in to disclose emissions.

We source company-reported carbon emissions data and third-party estimates from MSCI. We also collect emissions data directly from control investments as members of EDCI. Where data isn't available we estimate this data using an internal estimation methodology, which is informed by PCAF.

We currently include Scope 1 and Scope 2 emissions in our calculations, and we don't include Scope 3 emissions due to concerns around the accuracy of estimated data and comparability between companies. We are exploring ways to include Scope 3 emissions in our financed emissions calculations.

Our 2025 financed emissions disclosure includes company-reported data for all investment strategies and company-reported data from our EDCI efforts. We have also included MSCI estimates for all investment strategies and internal estimates for our listed equity and liquid credit strategies. Our disclosure represents 48% of total invested capital as of 12/31/2025, and we have expanded our coverage every year since initially reporting three years ago in 2023. We continue to evolve our approach to collecting data from companies, estimating data where it's unavailable across strategies, and disclosing our firmwide financed emissions.

Market value covered ($mm MV)	**Financed emissions** (tCO_2e)	**Carbon footprint** (tCO_2e/$mm MV)	**Weighted average carbon intensity** (tCO_2e/$mm revenue)
$75,245	7,913,210	105	215

Operational Emissions

Oaktree has calculated operational emissions, for the 2022, 2023, 2024, and 2025 calendar years, using the GHG Protocol operational control approach. Since our initial inventory, we've made significant improvements.

In 2022, we published Scope 1, Scope 2, and Scope 3 business travel data.

In 2023, we enhanced our inventory by using actual building data for some of our largest offices and by calculating Scope 3 emissions from employee commuting (in addition to business travel).

In 2024, we published operational emissions from Scope 1, Scope 2, and Scope 3 business travel and employee commute. Scope 3 business travel is a large source of emissions for us, and we hosted a sustainable travel teach-in during 2024 to encourage the adoption of best practices by our employees.

In 2025, we maintained a consistent scope of reporting, and we also undertook the process of seeking limited assurance of our operational emissions for the first time.

Oaktree Operational Emissions Footprint	**2025** (tCO_2e)
Scope 1 GHG Emissions	3,000
Scope 2 GHG Emissions (Location-Based)	1,339
Scope 2 GHG Emissions (Market-Based)	1,466
Scope 3 GHG Emissions	11,456
Total GHG Emissions[1]	15,922

1. Market-based.
2. Note: Scope 1 and 2 emissions verified by Carbonology® in accordance with ISO 14064-1.

Glossary

ACORN
Aiding Caregivers & Parents at Oaktree through Resources and Networks

AI
Artificial Intelligence

AltFinance
Organization that helps HBCU students enter careers at alternatives firms, portfolio companies, and pipeline investment banking firms

BoD
Board of Directors

BREEAM
Building Research Establishment Environmental Assessment Method

Carbon Footprint
Measures a portfolio's GHG emissions normalized by its market value

Carbon Footprinting
Measures an organization's total amount of greenhouse gas emissions caused directly or indirectly by an organization

Carbon Intensity
A measure of carbon dioxide and other greenhouse gases per unit of activity

CLO
Collateralized Loan Obligation

CMBS
Commercial Mortgage-Backed Securities

CO_2
Carbon dioxide

CO_2e
Carbon dioxide equivalent

CVaR
Climate Value at Risk

D&I
Diversity & Inclusion

ECN
Early Careers Network

EDCI
ESG Data Convergence Initiative

FDA
Food and Drug Administration

Engagement
Purposeful dialogue with a company or asset to achieve a specific objective

ESG
Environmental, Social, Governance

Financed Emissions
Measure the total carbon emissions for which an investor is responsible through their investment ownership

Financial Materiality
Material factors are financial elements deemed fundamental to a company's long-term success

Generative AI (GenAI)
Artificial intelligence that generates new content based on existing data

GHG
Greenhouse Gas

GRESB
Global benchmark for real assets

GWI
Girls Who Invest

HBCU
Historically Black Colleges and Universities

IIGCC
Institutional Investors Group on Climate Change

KPIs
Key Performance Indicators

LEED
Leadership in Energy and Environmental Design

LGBTQIA+
Lesbian, gay, bisexual, transgender, queer, intersex, asexual or ally

LTIR
Lost Time Incident Rate

Net Zero
Reducing greenhouse gas emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere

NGFS
Network for Greening the Financial System

NZIF
Net Zero Investment Framework

O4U
Out for Undergrad

OCM
Our Communities Matter

OECD
Organization for Economic Cooperation and Development

OSN
Oaktree Sustainability Network

PCAF
Partnership for Carbon Accounting Financials

Physical Risk
Risks from the physical impacts of climate change, including event-driven (acute risks) or longer-term shifts (chronic risks) in climate patterns

PRI
Principles for Responsible Investment

PTT
Portfolio Transformation Team

Responsible Investment
A strategy and practice to incorporate environmental, social, and governance factors into investment decisions and active ownership

SASB
Sustainability Accounting Standards Board

Scenario Analysis
A process of examining and evaluating how a company might perform under different hypothetical climate futures

Glossary

SBTi
Science-Based Targets Initiative

Scope 1 Emissions
Direct GHG emissions occur from sources that are owned or controlled by the company

Scope 2 Emissions
GHG emissions from the generation of purchased electricity consumed by the company

Scope 3 Emissions
GHG emissions that are a consequence of the activities of a company, but occur from sources not owned or controlled by the company

SIP
Sustainability Integration Plan

SFDR
Sustainable Finance Disclosure Regulation

SLL
Sustainability-Linked Loan

SLLP
Sustainability-Linked Loan Principles

SPTs
Sustainability Performance Targets

Sustainability Integration
The process of including Sustainability factors in investment analysis and decisions to better manage risks and improve returns

TCFD
Task Force on Climate-related Financial Disclosures

TIDE
The Investment Diversity Exchange

TNFD
Task Force on Nature-related Financial Disclosures

Transition Risk
Risks associated with transitioning to a lower-carbon economy, including policy, legal, technology, and market changes

TRIR
Total Recordable Incident Rate

UGC
United Groups Connect

UNGP
United Nations Guiding Principles

WACI
Weighted Average Carbon Intensity

WLN
Women's Leadership Network

Disclosures

Financed Emissions:

1. Sources: MSCI, Oaktree Capital Management. EVIC and revenue metrics are sourced from MSCI for listed holdings, and directly from companies for select control or significant influence private investments. Therefore, we make no guarantees to the accuracy of this data.
2. Scope: Oaktree has disclosed company-reported data and estimated data from MSCI for all investment strategies, estimated data from MSCI for all investment strategies, and internal estimates for liquid credit and listed equity holdings. These figures cover 48% of total invested capital as of 12/31/2025. This excludes capital not yet deployed as well as subsidiaries, including Doubleline and 17Capital. Additionally, we do not disclose emissions for the following asset types due to either data limitation or lack of common methodology: CMBS, RMBS, sovereign bonds, municipal bonds, REITs, ETFs, revolving credit facilities. There is a time lag associated with disclosures as companies disclose emissions at the end of each fiscal year; as such, our data reflects a mix of calendar year emissions, typically 2024, 2025, or the most recent data available.
3. Estimations: We have included estimated data from MSCI for all strategies and internal estimates for liquid credit and listed equity holdings. Estimation methodologies are imperfect because they're based on assumptions about business operations, peers, and industry averages.
4. Data Limitations: Emissions are self-disclosed and audited inconsistently, as such, there is a lack of uniformity from one company to another. The emissions data from our control or significant influence investments reflect preliminary, unaudited disclosures.
5. Total Financed Emissions (thousand metric tons): Measures the total carbon emissions for which an investor is responsible through their investment ownership. Financed emissions are calculated by establishing an attribution factor (ownership ratio) and multiplying that by a company's Scope 1 and 2 emissions. This methodology is aligned with guidance from the Partnership for Carbon Accounting Financials (PCAF). We recognize that this metric is limited in terms of comparability or benchmarking due to its link to portfolio size.
6. Carbon Footprint: Measures a portfolio's GHG emissions normalized by its market value.
7. Weighted Average Revenue Intensity (REV WACI): Portfolio level metric showing the market-value weighted average of revenue-based carbon intensity.

Operational Emissions:

1. Source: Oaktree Capital Management, LP.
2. Scope: The 2025 GHG inventory was developed using the GHG Protocol operational control approach. The data reflects emissions from January 1, 2025 – December 31, 2025. Oaktree's inventory includes facilities in all countries in which it operates. Select offices for our AIFM were not included in the inventory ('de minimis') since Oaktree does not have operational control over these offices.
3. Data Limitations: These emissions underwent limited assurance. We've relied on estimations for select offices where data isn't available. Oaktree's Scope 3 employee commute data is partially based on estimates. These estimates are based on regional averages and assumptions according to location of our operations.
4. Scope 1: Direct sources of emissions. This category includes combustion of fuels, including natural gas, mobile combustion, and fugitive emissions, including refrigerants. We've included actual data for certain offices, depending on whether these energy sources are used and if data is available. We use estimates based on regional averages for the remaining offices.
5. Scope 2: Indirect emissions from the generation of purchased electricity. Location-based emissions are calculated using the average emissions intensity of grids based on geographic location. Market-based emissions are calculated based on electricity sources that companies have purposefully chosen. We've used actual electricity usage data for our New York, London, and Houston offices. Electricity consumption was estimated based on the United States Energy Information Administration's (US EIA's) Commercial Buildings Energy Consumption Survey (CBECS).
6. Scope 3: Emissions that are the consequence of the activities of a company. We're reporting business travel emissions (Scope 3, Category 6) and employee commute (Scope 3, Category 7). Oaktree reports Scope 3 financed emissions in our financed emissions disclosures. Oaktree does not report the other Scope 3 categories which include purchased goods and services, capital goods, fuel-and energy-related activities, upstream transportation and distribution, waste generated in operations, upstream leased assets, downstream transportation and distribution, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets, franchises.
7. Total Scope 1 + 2 + 3 emissions is reported using the location-based figure for Scope 2.

Other general disclosures:

1. At the firm-level, Oaktree has not set climate-related targets. We are limited in the level of accurate, company-reported data available for our universe. As such, our reliance on estimates and proxies restricts our ability to set quantifiable and measurable targets.
2. Oaktree has not disclosed or set targets in relation to climate risks associated with other environmental metrics beyond emissions, such as water, energy, land use, and waste management due to a lack of high quality or reliable data. Oaktree is reliant on company-reported ESG data for these non-emissions metrics. This is an area we will continue to evaluate going forward.

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