

Responsible Investment, Environmental, Social and Governance Policy - Supplement

Metrics Credit Partners

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Responsible Investment, Environmental, Social and Governance Policy - Supplement

Summary

This document is a Supplement to the Responsible Investment, Environmental, Social and Governance Policy published by Metrics Credit Partners Pty Ltd (Metrics) on 1 July 2024. This Supplement applies to all dedicated Metrics Asset Based Finance funds, all Metrics funds that invest in Asset Backed Securities and all Metrics funds that invest in consumer and commercial loans to individual and small company borrowers.

This Supplement is not a term of any contract, including any contract of employment and does not impose any contractual duties implied or otherwise on Metrics.

Governance Schedule

Version Number.¹	Version 1.0
Policy Owner	Head of Responsible Investment & Sustainable Finance
Support	Responsible Investment & Sustainable Finance
Approval Authorisor	Metrics Group Board
Approval Date	12 November 2025
Next Review Due	12 May 2026

Compliance Obligations

Key governing frameworks, legislation, regulations, codes or standards which inform the Compliance Obligations for this policy:

- ▶ Aotearoa New Zealand Stewardship Code
- ▶ Australian Securitisation Forum Guidelines on ESG Disclosure

¹ Version Control is at the end of this document

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1 Purpose

The purpose of this policy is to provide further detail on our approach to responsible investment in relation to investments in:

- asset based securities including notes and other instruments issued backed by consumer and commercial loans to individual and small company borrowers, and
- small ticket commercial real estate (CRE) lending (loans up to \$10m) and loans to small company to medium enterprises (SMEs).

Our specific objectives are to clarify our approach to:

- a) initial due diligence
- b) ongoing monitoring
- c) company-level engagement,

in relation to sustainability for investments in asset based securities, small ticket commercial real estate (CRE) lending and loans to SMEs.

2 Scope

This policy applies to investments in asset based securities including notes and other debt instruments, small ticket commercial real estate (CRE) lending, and loans to SMEs.

3 Guiding Principles

Metrics has a responsibility to act in the best long-term interests of investors in our funds. We believe that ESG issues present both risk and opportunity and can affect the performance of our funds and the long-term, risk-adjusted returns we ultimately deliver to our investors. We also acknowledge that, as a fund manager, the main channel through which we can influence the real world is through the entities in which we invest. We are therefore committed to incorporating ESG factors into our investment decision-making process.

Our Responsible Investment, Environmental, Social and Governance Policy (ESG Policy) applies to all of our investments. This document is a Supplement to our ESG Policy and applies to all investments in asset based securities including notes and other debt instruments (**Asset Backed Securities**), small ticket commercial real estate (CRE) lending, and loans to SMEs.

Specifically, our approach to ESG integration for Asset Backed Securities, small ticket commercial real estate (CRE) lending, and loans to SMEs differs from that described in the ESG Policy in relation to:

- ▶ Due diligence
- ▶ Ongoing monitoring
- ▶ Company-level engagement,

as set out in this Supplement.

Investing in Asset Backed Securities is different from other forms of investment in corporate debt and real estate in that the issuer of Asset Backed Securities is generally a purchaser of debt assets from a lender (known as the originator) that has made underlying loans to commercial or consumer borrowers. An issuer of Asset Backed Securities therefore has an opportunity not only to modify its own behaviour, but also to influence the behaviour of lenders to consumers or commercial borrowers, which in turn may influence the behaviour of consumers or commercial borrowers through the products it makes available.

Metrics' Asset Backed Finance may:

- (1) Seek to invest in Asset Backed Securities that may indirectly provide opportunities for consumer and commercial borrowers to participate in initiatives that contribute to the collective achievement of positive sustainability outcomes;
- (2) Encourage issuers of Asset Backed Securities (in collaboration with the relevant originators and servicers of the underlying assets) to provide aggregated data showing how their lending or related activities to consumer and commercial borrowers align with the collective achievement of positive sustainability outcomes.

4 Due diligence

Our ESG due diligence in relation to Asset Backed Securities begins with negative screening of all investment opportunities as outlined in our ESG Policy. After applying negative screening, we perform a fundamental analysis of each investment opportunity, including the appropriate consideration of the ESG factors identified for the relevant asset class in our ESG and Sustainability Rating methodology.

In relation to Asset Backed Securities, we have developed a bespoke ESG & Sustainability Questionnaire, which we ask the issuer to complete prior to Metrics making an investment. Although the issuers are under no obligation to complete the questionnaires, we encourage them to do so to enable us to make an assessment of material ESG and sustainability factors. We will also have regard to any information memoranda or other marketing material published by the issuer, any published rating or research reports available to us and may participate in a due diligence call with the issuer, in which ESG issues may be discussed. Our ESG assessment involves the combined efforts of various Metrics teams, including the Investment Committee, and the Structured Credit team, together with support from the Portfolio Risk Management, Responsible Investment & Sustainable Finance, and Legal teams as required.

In relation to small ticket CRE lending and loans to SMEs, our assessment of material ESG and sustainability factors relies on material provided by brokers and investees ahead of our investment, such as valuation reports and responses to questions pertaining to the borrower or the asset being financed. That information is provided in response to ad hoc due diligence questions, rather than a standardised questionnaire. Our assessment involves the combined efforts of various Metrics teams including the Investment Committee and Lending teams, together with support from the Portfolio Risk Management, Responsible Investment & Sustainable Finance, and Legal teams as required.

While our ESG and sustainability assessments in relation to Asset Backed Securities, small ticket commercial real estate (CRE) lending, and loans to SMEs have regard to the material issues identified in our ESG and Sustainability Rating methodology, we do not assign ESG and Sustainability Ratings to investees in this asset class.

Where appropriate, we aim to communicate the outcome of our assessment to the issuer or borrower in order to encourage greater awareness and/or disclosure of ESG-related issues. That may mean explaining why we have chosen not to invest.

5 Ongoing monitoring

As is typical market practice for investments in Asset Backed Securities, small ticket commercial real estate (CRE) lending, and loans to SMEs, we do not conduct formal ongoing monitoring of ESG issues. In the case of Asset Backed Securities, the issuer is typically a special purpose vehicle to which the underlying loan assets originated by a third party have been, or are being, legally transferred. The issuer would typically engage a third party to service those underlying loan assets, meaning that the day to day management activities of an issuer of Asset Backed Securities may be limited. We nonetheless acknowledge that the underlying assets may be subject to changes in relation to ESG issues during the life of our investment, and thus may merit ad hoc monitoring for ESG issues. In the case of small ticket commercial real estate (CRE) lending and loans to SMEs, our approach reflects that the lending process for small-ticket loans is designed to be low-touch.

6 Engagement

Metrics adopts the definition of engagement set out in the Principles for Responsible Investment (PRI) Reporting Framework glossary. Accordingly, for Metrics, engagement includes interactions conducted with current or potential investee entities to improve practice on an ESG factor, make progress in sustainability outcomes, or improve public disclosure.

For investments in Asset Backed Securities, we may conduct ongoing company-level engagement on ESG issues, depending on the mutability of the investment. Such company-level engagement may be conducted at issuer-level or originator-level. In particular, Metrics may maintain a direct channel of communication with senior management of originators of assets in underlying Asset Backed Securities. Through ongoing engagement with senior management, we are able to gain a more comprehensive and nuanced understanding of the originator's approach to ESG issues. This dialogue also allows us to clearly communicate our expectations and priorities, encourage improvements in ESG disclosures, and support the identification, management, and mitigation of corresponding financial risks. Ultimately, these interactions contribute to more positive and measurable sustainability outcomes over time.

As is typical market practice for investments in small ticket commercial real estate (CRE) lending and loans to SMEs, we do not conduct ongoing company-level engagement on ESG issues, reflecting that the lending process for small-ticket loans is designed to be low-touch.

Relevant Metrics Resources

- ▶ Responsible Investment, Environmental, Social and Governance Policy
- ▶ Human Rights Policy
- ▶ Stewardship Policy

Policy Review

This policy is reviewed at prescribed intervals and may also be amended at Metrics' discretion.

Compliance Schedule

Policy Owner	Head of Responsible Investment & Sustainable Finance
Policy Author	Head of Responsible Investment & Sustainable Finance
Legal Counsel	Yes, required
Approval Authorisor	Metrics Group Board
Review Cycle	Biannual
Next Review Due	12 May 2026

Any reviews of this policy must be socialised with the following key stakeholders:

- ▶ Chief Compliance Officer
- ▶ General Counsel
- ▶ Head of Impact Investments

Version Control: Change Log

V = Version; Reviewer and Approver format: (Initials) Role or Team

V	REVIEW	REVIEWER	DESCRIPTION	APPROVED	APPROVER
0.1	10/10/25	(AC) Head of Responsible Investment & Sustainable Finance	Draft content	5/11/25	(AL) Chief Executive Officer
1.0	12/11/25	(AC) Head of Responsible Investment & Sustainable Finance	Content and version update	12/11/25	Metrics Group Board

