

## North Westerly VI - ESG Compliance and CLO Investment Approach

NIBC's sustainability policies have always been applied in its management of CLOs. North Westerly VI will be a fully ESG compliant CLO. Our processes include pre-investment screening, borrower/transaction due diligence, utilization of NIBC's CSR toolkit and scoring, ongoing monitoring and regular investor reporting.

### Pre-Investment Screening and Borrower Due Diligence

North Westerly VI excludes the following sectors and activities irrespective of the percentage of revenue derived by the borrower

- Power generation: coal, nuclear, large scale hydro-electric
- Military & Defense: development, manufacturing and supply of weapons and munitions
- Mining & mineral trade: coal, uranium, diamonds, minerals in conflict zones
- Extreme fossil fuels: polar projects, oil/tar sands, fracking, production/trade in conflict zones
- Production or trade in prohibited and damaging chemicals / materials (eg PCBs, CFCs, halons, asbestos)
- Production of tobacco and similarly addictive substances
- Gambling: casinos, online gambling and platforms
- Animal welfare: animal testing for consumer goods, fur trade, exotic animal trade/use for entertainment, overfishing
- Activities damaging biodiversity (e.g. deforestation)
- Anti-social publishing, pornography

### Screening of controlling shareholders/ultimate beneficial owners

- Entities from sanctioned or high risk countries
- Entities identified as violating ESG/CSR principles, engaging in uncompetitive practices or known to have invested in excluded industries
- Additional public research

### Screening of the borrowing entity and the borrower sector/sub-sector

- Identification of past ESG/CSR breaches, breaches of specific industry standards (e.g. OSHA) and rectification record
- Regulatory actions: fines, reprimands, warning letters, bans
- Additional public research