Task Force on Climate-Related Financial Disclosures (‘TCFD’) UK Entity Report

Hayfin Capital Management LLP

1st April 2025 to 31st March 2026

About this report

Hayfin Capital Management LLP's ("Hayfin", "Hayfin UK", "the Manager", "the Firm") Task Force on Climate-Related Financial Disclosures 2025/2026 Report ("TCFD", "TCFD report", "the report") has been prepared in accordance with the requirements of the Financial Conduct Authority's ("FCA") Environmental, Social, and Governance Sourcebook ("ESG Sourcebook", "the Sourcebook"). For the purposes of this report, the entity in-scope of the FCA's reporting requirements is Hayfin Capital Management LLP, operating in the UK. All other entities are out of scope of this report, although reference to portfolio management activities across different entities are referenced.

This is Hayfin's third TCFD UK Entity Report. The report summarises Hayfin's approach as an investment manager to considering material climate-related risks and opportunities consistent with the 11 recommendations of the TCFD. The report describes efforts taken to formalise Hayfin's climate strategy in accordance with the former Task Force's recommendations across Governance, Strategy, Risk Management, and Metrics and Targets. The purpose of this report is to provide information pertaining to Hayfin's approach to material climate-related risks and opportunities at the entity-level, however, there are references to select investment strategies and other Hayfin entities for the purposes of demonstrating the Manager's approach as it is recognised that as an investment manager, Hayfin's operations have limited exposures to climate risk.

Data referenced in the "Metrics and Targets" section of the report relates to other members of Hayfin's Group, not only to the UK entity.

This is Hayfin's third TCFD UK Entity Report. Prior to the publication of this report, Hayfin has considered climate-related risks to its business and investment practice. Note, Hayfin UK did not delegate any investment activities to third parties other than where it instructed a specialist third-party consultant to undertake corporate emissions measurement, given the technical expertise required for accurate GHG accounting.

Hayfin Capital Management LLP structure

Hayfin Capital Management LLP is an investment manager and provides services for its investors relating to investment management activities. This report covers activities pertaining to those undertaken by Hayfin UK, although there will be reference to other members of Hayfin's Group (€38.1bn AUM as at 31st March 2026). Note, the AUM figure disclosed is Hayfin Group AUM; Hayfin UK's AUM is the same as Group AUM as all portfolio management activities are conducted through the UK entity.

Compliance statement

Section ESG 2.2.7R in the FCA's Sourcebook requests Managers to include a statement which confirms disclosures comply with the TCFD recommendations and requirements of the ESG Sourcebook.

The disclosures in this report comply with the TCFD recommendations, entity reporting requirements set out in chapter 2 of the Environmental, Social and Governance Sourcebook. Data limitations are set out in the "Metrics and Targets" section of the report (refer to "Metric limitations").

Mark Tognolini, Co-CEO

Executive summary

Hayfin's climate strategy evolution

Across a wide range of strategies, Hayfin approaches material climate-related risks and opportunities, for its funds in a way that complements its existing risk management approach and the preservation of capital for its investors. As a responsible investor, Hayfin believes in the importance of integrating climate risk analysis into investment practice, particularly given the adverse risks that climate change, including transition and physical risks, could have on the value of assets across multiple geographies and sectors. As a result, establishing a formal climate strategy, one which seeks to identify, measure and manage potentially material climate-related risks and opportunities, has been at the forefront of Hayfin's Environmental, Social and Governance approach. Hayfin's climate strategy supports the responsible management of capital for the long-term. For further information on Hayfin's climate strategy, refer to the section on "Strategy" in this report.

To operationalise its climate strategy, Hayfin has established formal governance structures, as described in the "Governance" section of this report. In managing climate-related risks and opportunities, Hayfin has formalised its approach to raising and discussing these risks in both ESG-related and non-ESG related committees. Key personnel around the business, for instance, have direct reporting lines into Risk and/or Investment committees, which help to socialise key concepts and meet deliverables associated with identifying and managing climate-related risks and opportunities. In this report, Hayfin's climate strategy will be outlined, including implementation and governance, and metrics used to consider exposure(s) to possibly financially material climate-related risks[1].

Highlights 2025 - 2026

Progress made during the reporting period

- Significant update made to Hayfin's Private Credit Climate Roadmap, formerly known as the "Net Zero Roadmap"[2]
- Qualitative heatmapping of a mature direct lending fund vintage
- Widened the scope of Hayfin's assessment of companies' alignment to net zero in accordance with the IIGCC's Net Zero Investment Framework[3]
- Greater oversight of climate data, including alignment assessments and metrics, by Hayfin's ESG Governance Committee

Priorities over the coming year

Conduct climate risk heatmapping exercises for other private credit funds

[1] Metrics reported in the section on "Metrics and Targets" presents a range of core climate metrics in accordance with TCFD recommendations and the FCA's ESG Sourcebook for Entity-level reports.
[2] The Roadmap outlines commitments to responsibly identify and manage potentially material climate risks and opportunities associated with certain private credit investments over different time horizons. Note, the Roadmap is reviewed at least annually.
[3] During the reporting period, the ESG team evaluated borrowers held in one of the latest tactical solutions fund vintages. Hayfin continues to assess companies' trajectory towards net zero in select direct lending vintages.

Engagement activity with deal sponsors about climate risk management and disclosure

Hayfin's climate values

Underpinning Hayfin's climate strategy, described in the section covered in "Strategy", are its climate values. These values are designed to support the business in conceptualising a climate strategy and approach which is complementary to Hayfin's existing risk management framework and governance structures. These values will be referenced throughout this report, supporting the framing of Hayfin's responses to the TCFD's recommendations. These values cover engagement with deal sponsors and/or portfolio companies to identify and manage potentially material climate-related risks, where practicable, transparent climate-related disclosure to Hayfin's investors, and industry collaboration, to name a few.

The following values have been determined as core components of enterprise risk management and investment practice.

- Better understanding of risk – the identification of material climate risks and opportunities, which might vary across companies and sectors, better informs investment decision-making processes. Hayfin also considers the impact of forthcoming climate-related regulation and legislation at ESG Steering Committee, and with external lawyers.

- Improving climate-related disclosure of investments – as a supporter of the TCFD since 2021, Hayfin encourages borrowers and sponsors to disclose climate-related data, where reasonably practicable to do so. This includes information pertaining to emissions, net zero targets, transition plans, climate policies, and climate risk management procedures in place.

- Client and stakeholder reporting – as an FCA regulated entity, Hayfin reports in line with TCFD recommendations and will continue to provide entity-level reporting on climate risks and opportunities in forthcoming years. Upon request, Hayfin also provides financed emissions associated with select investment strategies.

- Collaborating with industry peers – Hayfin looks to engage with industry networks or groups to develop specialist expertise and knowledge, and to understand best practice for specific asset classes in respect to integrating climate considerations into the investment process.

- Supporting real world decarbonisation – Hayfin, where possible, identifies means to manage and/or mitigate climate-related risks and, in doing so, focuses on real world emissions reduction. Hayfin is also committed to reducing its own operational emissions, by measuring and implementing strategies which foster lower carbon intensive behaviours.

Engagement with borrowers and sponsors – Where possible, Hayfin engages periodically with sponsors and borrowers that it partners with to seek a better understanding of its financed emissions.

Underpinning these values is Hayfin's commitment to long-term risk-adjusted returns across its investment strategies. Identifying and managing climate-related risk exposures is, therefore, considered integral to maintaining sustainable risk-adjusted returns for clients.

Hayfin’s commitment to preserving investors’ capital across its investment strategies is firmly embedded within these values. Physical and transition risks could have a materially adverse impact on investment performance in the medium- and long-term horizons. The Manager recognises the importance of integrating climate-related matters in investment decision-making and firm-wide risk management processes and will continue to review the manner in which material climate risks are assessed.

Identifying and managing climate-related risk exposures is, therefore, considered integral to preserving its investors’ capital.

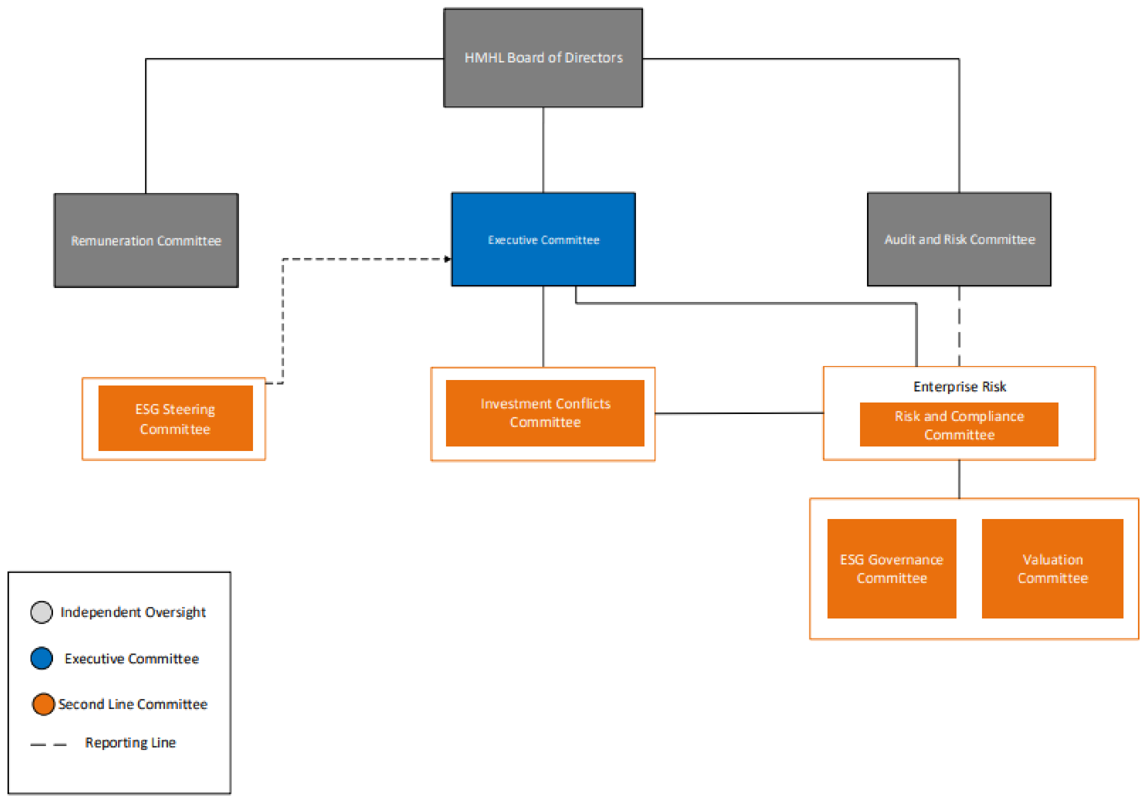
Governance

Hayfin is committed to establishing and maintaining formal structures and processes essential to building the Manager's, its investors' and other stakeholders', long-term resilience to material climate-related risks. To support this, Hayfin will continue to build on its existing structures designed to identify, monitor and oversee material business and investment risks, with a specific lens on climate-related concerns.

Since 2023, Hayfin has established a formal risk management structure to enable the Manager to consider potentially material risks, including climate change. As part of this, specific personnel within the Firm are responsible for overseeing ESG-related risks, developing approach(es) and strategy, and implementing these, along with disseminating information across different business functions.

As outlined below, one Board committee oversees Hayfin's ESG strategy, including its response to material climate-related risks and opportunities across its direct operations and portfolios, where required. Management responsibility is delegated to the Head of ESG, reporting to Hayfin's separate ESG-focused and Risk Committees, and, where appropriate, the Executive Committee. The Head of ESG liaises with investment teams, across asset classes, to identify and manage potentially material climate-related risks and opportunities that different investments, and sectoral exposures, might pose to Hayfin.

Figure one - Hayfin's ESG and climate governance structure



Board oversight and responsibility

In this section of the report, the role and responsibilities undertaken by board members, management committees, functions and individual persons to identify, manage and/or oversee climate-related risks and

HAYFIN

opportunities at Hayfin are described.

Hayfin believes robust oversight of material ESG factors will help the Manager to identify and manage its potential risk exposures, and thereby help to preserve capital in the long-term.

The board reviews progress made against Hayfin's ESG approach and strategy, including climate-related workstreams and formal reporting. Updates are usually given on a bi-annual basis, outlining key objectives and priorities within ESG for the year; on an annual basis, the board is provided with an overview of Hayfin's ESG scorecard.

Additional climate-related agenda items are brought for discussion at board meetings on an ad hoc basis, where relevant and appropriate.

Business risk

Possible climate risks to Hayfin's operations are mostly associated with the transition to net zero. Hayfin is potentially exposed to regulatory, market and reputational risks associated with climate change, as defined by the Taskforce on Climate-related Financial Disclosures. As outlined below, the following bodies are responsible for ensuring these risks are adequately managed.

ESG Steering Committee – Chaired by the Head of ESG, this committee is responsible for driving Hayfin's ESG strategy, including the discussion of a range of ESG topics, overseeing ESG-related reporting at the corporate and investment-levels and deciding upon memberships to industry groups. Where required, the ESG Steering Committee reports to the Executive Committee.

Given the importance of ESG, and climate risk management, at Hayfin, other committees are often provided with updates on strategy and new approaches adopted to comply with sustainable finance regulation. For example, as part of their responsibilities to oversee risk and business compliance, the following committees receive updates on ESG, and progress across a range of climate priorities, where applicable and relevant:

Audit and Risk Committee ("ARC") – Hayfin's Audit and Risk Committee is composed of representatives across different business functions, namely Operations, Risk, Compliance and IT, and is chaired by a board member. ARC's primary responsibility is to review the effectiveness of Hayfin's risk management framework and processes, and lately, monitor the business's exposure to climate-related risks, where relevant and appropriate to do so. Biannually, the Head of ESG is invited to present on certain topics, including corporate and investment-level ESG projects.

Risk and Compliance Committee ("RCC") – The Risk and Compliance Committee is a sub-set of representatives from ARC, but also includes members of portfolio risk. Material risk exposures to the business are discussed, including regulatory horizon scanning. This might include discussion pertaining to SFDR, TCFD and/or other regional ESG-related regulation[4]. Since 2025, committee members have begun

[4] The UK's Sustainable Reporting Standards ("SRS"), currently a voluntary reporting framework, or Sustainability Disclosure Requirements ("SDR").

requesting predetermined Management Information ("MI") associated with fund-level ESG commitments and obligations.

ESG Governance Committee – Hayfin established its ESG Governance Committee in 2023. Its purpose is to oversee the proper compliance with ESG-related regulation and commercially agreed requirements. This applies to corporate- and fund-level requirements, namely obligations associated with fund-level processes and other regulatory activities.

Biannually, Hayfin's Head of ESG reports into ARC, where important ESG-related, including climate, topics are raised, ensuring visibility of risk-related ESG workstreams are discussed in the appropriate forum.

Investment risk

Investment-related ESG risk is monitored and managed by the relevant Investment function, and is supported by Hayfin's ESG Deal Committee. Prior to investment, Hayfin requires all deals, of applicable strategies in private credit, to be discussed at ESG Deal Committee.

Hayfin's Investment Committees ("IC"), where appropriate, assess potentially material climate-related risks and opportunities of investments. Following discussions held at ESG Deal Committee, deal analysts might cover physical and/or transition risks anticipated to impact the credit rating of an investment. Mark Tognolini, Hayfin's Co-CEO, also sits on certain Investment Committees, and is able to assess whether ESG risk factors have been adequately and appropriately considered. Should further analysis and diligence be required prior to funding, this is prioritised and are demonstrated to members of the relevant IC.

Management responsibility and oversight

Hayfin's Head of ESG is responsible for managing and overseeing the company's strategy and approach to climate change. This includes considering the impact of Hayfin's direct operations, namely responsibility for Group emissions measurement. Hayfin's Head of ESG also supports investment teams to appropriately assess potential exposures to physical and transition risks during pre- and post-investment diligence on borrowers, deal sponsors, private equity General Partners[5] and other investments Hayfin manages.

Hayfin's Head of ESG is supported by a variety of other business functions, and committees, to ensure material ESG, and climate-related, risk factors are duly considered throughout a range of Hayfin's business operations. Analysts and heads of Hayfin's investment teams are also responsible for ensuring compliance with Hayfin's ESG processes for their respective strategies.

As Chair of ESG Steering Committee, the Head of ESG coordinates Hayfin's response to commercial and/or regulatory requirements.

Education and capacity building

[5] Hayfin's Private Equity Solutions strategy invests in secondary fund investments.

Training dedicated to ESG topics is mandatory for members of investment teams and must be undertaken at least annually. Following annual training, investment professionals are provided with supporting materials referenced in training. Sessions typically centre on ESG integration tools and processes across different investment strategies, serving as a reminder of the appropriate means to consider potentially material ESG risks and opportunities during pre- and post-investment.

Other training might also be delivered to different internal stakeholders throughout the reporting period. In Q1 2026, the Head of ESG presented to members of Hayfin's Compliance team. Discussions covered, but were not limited to, jurisdiction-specific sustainable regulation, namely the forthcoming UK Sustainability Reporting Standards ("UK SRS") and the ongoing proposed changes to the SFDR, known as "SFDR 2.0".

Strategy

Over the course of the reporting period, Hayfin continued to conduct formal processes to identify, assess, and manage climate-related risks and opportunities across a range of investment strategies. Climate change is considered a material risk to Hayfin's operations and products; where relevant and potentially material, climate risks and opportunities are considered and integrated within the investment process managed by different Hayfin investment teams. One notable example includes Hayfin's Private Credit Climate Roadmap ("the Roadmap"), which was developed in January 2026 and is referenced within this section of the report.

Select strategies and portfolios, across a range of asset classes[6]*, integrate climate analyses throughout the investment lifecycle, often complementary to investor ambitions or express requirements*[7]*, and commonly assessed where climate risks are considered financially material to prospective and existing investments. The assessment of material climate-related risk factors complements the traditional evaluation of financial-related risk factors, and feeds into business strategy and financial planning, where relevant and applicable*.

Climate change is recognised as a material, non-financial risk to the global economic system, and the impacts of climate are likely to dramatically disrupt the normal operation of businesses of different sizes and geographical reach. As an investment manager, Hayfin recognises the importance of systematically identifying and managing climate risks across business operations, as well as to the investments it selects and manages as an investment manager. Whilst Hayfin refines approaches to integrating and managing climate risk, measuring its emissions and disclosing these to stakeholders is an important part of preparing the business to consider the approach to decarbonising over time.

Underpinning Hayfin's approach is the Roadmap. The purpose of the Roadmap is two-fold: to express Hayfin's short- and medium-term ambitions in relation to assessing climate risk, and to describe potential challenges to decarbonisation in the asset class to date.

As the Roadmap evolves, and processes supporting the implementation of the Roadmap develop over time, Hayfin will seek to mitigate any potential risks and impacts on its business, portfolios and reputation. Central to the Roadmap is the combined approach to assess financial and non-financial risks together, and seek to identify new approaches to better preserve existing, and new, investor capital.

Table one – Summary of key risks identified by Hayfin to its direct operations and investments

Risk	Impact	Risk management processes
Climate risks relating to Hayfin's operations		
Regulatory	Failure to prepare and publish mandatory climate related information, which could lead to adverse regulatory outcomes	▶ Hayfin's Head of ESG, along with external advisers, will monitor the changing regulatory landscape in order to prepare for future

[6] Managed by other Hayfin entities, not only the UK entity.
[7] Hayfin collaborates with its investors and prospective investors to understand their goals and/or future ambitions across a range of asset classes. This supports Hayfin in developing new product strategies or reporting mechanisms, all of which can positively contribute to helping investors achieve internal climate and net zero-related objectives.

		developments concerning climate-related disclosure requirements. A recent example includes the UK SRS
Commercial, reputational and legal risks	Hayfin could face commercial and reputational risks should investors not be provided with the climate-related disclosures they need to meet their own climate reporting requirements. This could expose Hayfin to commercial risks, namely loss of business for future fund vintages As the effects of climate change unfold in the near-, medium- and long-term, managers of investor capital might face increased scrutiny of diligence undertaken to assess portfolio companies' potential exposure to financially material transition and/or physical risks	▶ Hayfin is committed to collaborating with its investors, and other stakeholders, to understand their expectations and requirements relating to climate-related disclosure. Collaboration might also include specific investment processes or tailored solutions for its investors, where relevant and practicably reasonable ▶ Hayfin's ESG Governance Committee is a dedicated forum responsible for the oversight of ESG processes, including those related to climate risk management. The Committee ensures the correct application of firm and fund specific processes and obligations
Climate risks relating to Hayfin's strategy investments		
Acute physical risk exposures in near- to medium-term	Acute physical risks can have significant adverse impacts on business operations. Investment portfolios might be exposed to investments with companies that experience significant disturbance to business operations resulting from severe and frequent extreme weather events. The effects of extreme weather events are likely to differ across sectors and geographies. Portfolio companies may also suffer from supply chain disruption. More variable, extreme weather events might result in fund valuation write-downs or increased credit risk, for example. Investee companies might be forced to impair or write-off assets, having a detrimental effect on company valuation,	Risks are evaluated across the time horizon within which the asset is held, typically short-term holdings; long-term climate risks are considered outside of the investment holding period for most of Hayfin's investment strategies

	or, owing to supply chain disruption, revenues might be materially affected through input costs increases and/or materials shortages	
Commercial and regulatory pressures and reputational risks	Investee companies may themselves be subject to material regulatory developments and associated compliance costs, depending on the country/ies of their incorporation and business activities and the sectors in which they operate Hayfin's portfolio companies might be exposed to certain transition risks, namely consumer and reputation risks, although these will be sector, geography and time-specific in nature Companies might be impacted by evolving consumer preferences, regulatory pressures or strains on reputation owing to an inability or unwillingness to appropriately decarbonise direct and indirect business operations. Loss of consumer confidence could lead to reductions in revenue, whilst regulatory fines might result in material expenses companies must provision for. Transition risks to portfolio companies, therefore, could have an adverse indirect impact on portfolio valuations across Hayfin fund ranges and, more generally, potentially result in reputational damage to Hayfin	

Climate risks and opportunities in direct lending – a case study[8]

Hayfin's focus on risk management, including the management of non-financial risk factors, is underpinned by data. Gathering emissions data and other climate-related metrics is an integral step to identify and understand possible asset- and portfolio-level climate-related risk exposures. During pre-investment diligence for select private credit strategies, for example, climate-related risks, where considered material, are assessed by the deal team and discussed at Hayfin's ESG Deal Committee[9]. Following investment, some of Hayfin's most recent private credit strategies also collect data using a

[8] An example exercise of a select private credit strategy associated with a non-UK Hayfin entity.
[9] For further information, refer to the "Governance" section of the report.

dedicated Borrower ESG Questionnaire[10] on an annual basis. Where respondent companies provide emissions and climate-related data, Hayfin is able to aggregate and analyse possible patterns, such as sectoral risk exposures, and identify possible points of engagement discussions with specific investee companies, where possible and practicable.

The following case study focuses on a private credit strategy managed by Hayfin. Typically, the investment holding period, and realisation of assets is between 3 and 7 years; for the purposes of the exercise to identify potential climate-related risks and opportunities, Hayfin has excluded long-term climate risks. Risks included in the table below are indicative only and do not represent a forecasting of actual risks likely to impact the strategy. This is not an exhaustive list.

Table two – a Hayfin private credit strategy and its possible exposure to climate-related risks

Risk or Opportunity	Factor	Time horizon[11]	Description
Risks (Physical and Transition risks)	Acute physical risks	Short- and medium-	Rising frequency and severity of extreme weather events could lead to increased pricing volatility of fund assets where portfolio companies are adversely impacted, and unable to respond given low levels of climate resiliency
	Regulation, policy and litigation risks	Short- and medium-term	Increased regulatory requirements on portfolio companies, and Hayfin, could lead to increased compliance and/or transition cost burdens, and thereby impact portfolio company, and total strategy-level valuations. Should Hayfin, or any of its portfolio companies, be perceived to not be prepared for the transition towards a decarbonised economy, regulators, investors, activists and other stakeholders might pursue legal action. Costs and reputational damage could be significant
	Market risk	Medium-term	Where Hayfin is unable to update and improve data gathering processes relating to climate, and associated climate disclosure for investors, it is possible that Hayfin could lose long-standing investors
	Technological risk	Medium-term	Hayfin seeks to engage, where possible and practicable, with borrowers which could be adversely affected by climate change, including technological disruption. Where relevant, some companies might be adversely affected should they fail to use technologies to support the transition towards net zero

[10] Hayfin gathers information directly from some of its portfolio companies using a Borrower ESG Questionnaire. This questionnaire is underpinned by the Integrated Disclosure Project template ("IDP").
[11] Note, time horizons of risks listed in the table are a general description of possible risk exposures as identified by Hayfin in one of its private credit strategies. These are qualitative risk assessments, and might be subject to change. When assessing other fund-specific risks, geographic, sectoral and time horizon-specific exposures might contribute to materially different risks than those referenced in the table.

	Reputational risk		An interplay between different risk factors could lead to reputational risk, and potentially result in commercial risks, namely loss of revenue, and loss of investor confidence
Opportunities	Downside protection	Medium-term	As a private credit investment manager, Hayfin looks to protect and preserve its investors' capital, and the valuations of investments. In identifying and managing possible climate-related risks of credit strategy assets, Hayfin seeks to protect against significant downside non-financial risks

Time horizons defined – Short-term between 1 and 3 years, Medium-term between 5 and 10 years.

For further information on the identification and management of climate-related risks in investment practice, across a range of Hayfin's strategies, refer to the "Integration of climate risk management across investment lifecycles" in the "Risk Management" section of this report.

Climate scenario analysis – a synopsis of qualitative heatmapping in a mature direct lending portfolio

Scenario analysis may be used, from time-to-time and where relevant and decision useful, to inform assessments about the resilience of an organisation's business or strategy to potential risks associated with climate change. Scenario analysis can also support the identification of possible risks in certain geographies, sectors or time horizons, and potentially result in better management of certain risk exposures. Where possible, select Hayfin strategies consider potentially material climate risk factors during pre-investment due diligence and continue to review these risks during portfolio monitoring[12].

Hayfin uses climate scenario analysis, through qualitative heatmapping as described below, to identify possible exposures to climate-related risks in certain investment strategies, and underlying assets. As outlined in the report's section on "Risk Management", qualitative assessments of a prospective asset's material risk to climate change is considered, where appropriate, during pre- and post-investment stages. Where climate risks are identified, these will be raised to Hayfin's ESG Deal Committee and, following investment, escalated to Hayfin's Special Measures Committee where deemed to have significantly adverse effects on the credit profile of a borrower[13].

During the reporting period, Hayfin evaluated potentially material climate-related risk exposures associated with portfolio holdings in a mature direct lending portfolio. Using a qualitative heatmapping approach, Hayfin's ESG team sought to identify and assess physical and transition climate risks across short- and medium term time horizons, framing analysis using two of the Network for Greening the Financial System's ("NGFS") scenarios, Disorderly transition and Hot house world. While Hayfin's heatmapping over the last two years has consisted of top-down, sector-specific assessments, the

[12] Hayfin does not undertake quantitative climate scenario analysis as this would not provide decision useful information for investment practice nor for its investors at present. Given limited actual reported data availability, and the complexity of scenario analysis, Hayfin does not consider quantitative climate scenario analysis appropriate to support investors to understand the potentially material climate-related risks associated with the Fund's investments at this point in time.

[13] Hayfin's Special Measures Committee considers potential and/or actual risks posed to strategies' assets, and discusses possible solutions. The committee is responsible for managing downside risks where Hayfin has identified possible risks associated with loss of value and/or possible default.

exercise conducted in 2026 adopted a bottom-up approach. Qualitative assessments were ranked according to the level of potential risk across near- and medium-term time horizons, with risk exposure reflected using a traffic lighting system. Each sub-category of climate risk, namely the four transition and two physical risk types, was evaluated for all holdings. Hayfin also assessed opportunities for each portfolio company held within the direct lending fund vintage to identify how well positioned investments are in relation to the transition towards a low carbon economy.

Where practicable, Hayfin will continue to develop its approach to climate risk analysis to provide a more detailed understanding of transition and physical risk exposures to specific assets and, where possible, seek to introduce the quantification of possible climate risk factors to support portfolio monitoring and engagement activities[14]. In essence, developing Hayfin's approach to climate scenario analysis will allow internal teams to better understand potential vulnerabilities at the portfolio-level, particularly in relation to asset resilience to climate change.

[14] It was determined, as an initial exercise to consider climate risks in one of Hayfin's private credit strategies, to undertake a simple heatmap to help the ESG and investment teams to consider risk exposures at the sectoral level. Traffic lighting approach supported a simple approach in qualitatively describing possibly material climate risks across time horizons affecting the funds' assets. In future, more specific asset-level assessments may be pursued. Data availability and less reliance on proxied information will be essential to support Hayfin in quantifying material transition and physical risks. (Note, transition risks are incredibly challenging to model given that assumptions pertaining to regulation, consumer preferences, technological developments and reputational damage need to be included as inputs into complex models).

Risk Management

Climate risks are becoming increasingly important to how investment managers, across all asset classes and sectoral exposures, manage investor capital and assess current and possible future risk exposures. In recognition of this, Hayfin continues to integrate climate-related considerations in its investment decision making processes, from underwriting to ongoing monitoring following investment, across a range of asset classes. In assessing climate-related risks and opportunities throughout the investment lifecycle[15], Hayfin has established a robust set of processes to investigate and assess company-specific risk exposures pertaining to the transition to a low carbon economy ("the transition") and physical climate risks.

This section of the report will focus on describing Hayfin's processes and measures used to identify, assess and manage potentially material climate-related risks at the entity-level. However, given it is difficult to separate the UK entity from other parts of the business, there will be direct reference to strategies which are out of scope of the UK regulatory climate disclosure requirements.

Identifying and assessing climate-related risks

In accordance with TCFD definitions, Hayfin distinguishes between two types of climate-related risks - physical and transition risks. Both categories of risk will have different implications for a range of sectors, geographies and companies over different time horizons, and are considered in Hayfin's overall risk management processes, particularly associated with fund exposure risk management.

<u>Climate-related risks explained</u>

Transition risks

Transition risks arise from shifts in the global economy required to reach net zero by 2050, and are broken into the following sub-categories:

- Changes in national or global policy and regulation, including litigation risk[16]. National policies and regulation may stimulate development in products and services to support decarbonisation, or demand-side policies which discourage consumption of carbon intensive products and services. Elevated litigation risk could be driven by exposure to carbon intensive industries and companies, potentially resulting in court filings, penalties and fines, as well as reputational scrutiny. Litigation events could, in future, lead to significant losses as climate-related risks affect more industries, affect more communities, societies and nature.
- Technological shifts to support decarbonisation of business operations, where low carbon substitutes might lead to the lessening in demand for certain products and services;
- Adjusting consumer and market demand, where consumer purchasing trends boycott environmentally damaging products and services;
- Reputational damage associated with inability or unwillingness to transition towards a low carbon economy.

[15] Processes and tools used to identify, assess and manage potentially material climate-related risks differ by strategy, depending on ownership, control, accessibility to underlying investee company management and engagement approach, for example. Descriptions of Hayfin's climate strategy and risk management in this report only represent approaches taken presently. Note, Hayfin's investment teams evaluate relevant climate risk factor exposures on grounds of financial materiality only. Pre- and post-investment analyses might differ depending on company-specific risk exposures.

[16] Includes possible exposure to climate-related litigation against companies which are determined to be slow, or unwilling, to transition towards lowering GHG emissions. Stakeholder perception is linked to reputational risk drivers; adverse perceptions linked to poor environmental management, including a perceived delay in mitigating climate change by communities, civil society groups, consumers and shareholders, for instance, can lead to potential losses in revenues, decline in asset values and/or possible litigation.

These risks can expose portfolios to asset valuation declines, potentially resulting from additional expenses or liabilities associated with regulation, loss of consumer confidence and demand for products or services, for instance. This can affect both Hayfin, and the demand for its funds, or at the investee company level.

Physical risks
Physical risks can arise from acute, short-term extreme weather events, including severe droughts, storms and flooding, or long-term shifts in climatic patterns, namely rising sea levels, shifts in rainfall patterns, prolonged ice cap melting, and rising average temperatures in certain geographic locations. Both acute[17] and chronic[18] physical risks can have a detrimental impact on the valuation of a company or portfolio's assets.

Transition and physical risks may have adverse impacts for traditional investment risks, including operational, liquidity, market and credit (default losses).

- Operational risk – climate change might adversely affect the employee use of Hayfin offices, for instance. Extreme weather events across Hayfin's global footprint might lead to employees being unable to fully undertake their duties.
- Liquidity risk – although potentially unlikely in the near-term, and despite challenges to liquidate fund positions in private asset classes, investors might seek to lower their exposure to Hayfin funds and strategies should the Manager be viewed unable or unwilling to assess climate-related risks in its portfolio across a range of strategies. This could lead to liquidity risk.
- Market risk – physical and transition risks could lead to a decline in asset values across a range of sectors, industries, asset classes and geographical exposures should risks not be properly assessed in diligence.
- Credit risk – default probabilities might increase owing to the interplay between physical and transition risks at the asset- and portfolio-levels. Corporate revenue, profitability, and asset values might decline where companies are exposed to transition and/or physical risk events.

Approach taken to identify, assess and manage climate-related risks
Hayfin recognises the importance of developing a robust and considered approach to integrating climate-related factors into the Firm's investment processes across a range of asset classes. Consideration of potentially material risks is integral to identify exposures that might adversely affect business operations and, in doing so, reduce Hayfin's ability to act as a responsible steward of its investor capital[19]. Where relevant and practicable to do so, climate-related risks and opportunities are evaluated alongside material financial and other non-financial risks across Hayfin's fund range; this approach will continue to be developed. New data types and methodologies, involvement in collaborative groups such as the Initiative Climat International ("iCI"), and inhouse research will assist Hayfin to develop climate-specific knowledge and expertise. Hayfin will continue to build on efforts to establish a formal process to evaluate climate-related risks in the medium-term, namely begin to quantify the possible impact climate transition and

[17] Event-driven physical climate risk including hurricanes, floods, and wildfires.
[18] Long-term shifts in climate patterns and changes in the natural environment, such as changing global temperatures, changes in precipitation patterns, which may lead to sea level rise or chronic heat waves.
[19] Hayfin has a fiduciary duty to preserve the value of investor capital. Identifying and managing material climate risks is considered an integral part of this responsibility, and is a service some investors are increasingly focused on.

physical risks might have on portfolio risk and valuation[20].

Integration of climate risk management across investment lifecycles

Hayfin assesses climate risks throughout the investment process for a select range of strategies. The integration of climate risks and opportunities, and how these are assessed, varies between asset classes, as is referenced in the following section of the report. Assessments might evaluate possible financial impact to individual assets and, at the total portfolio level, on a case-by-case basis depending on geographical, sectoral and business exposures.

The following section will outline various processes used by different investment teams to identify and mitigate potentially material climate risk exposures. Engagement with investee companies, borrowers and private equity managers is undertaken where possible and practicable; discussions about climate might cover deal sponsors' approach to managing near and long-term risks or establishment of decarbonisation targets, for example. In this way, Hayfin embeds climate risk management into the normal course of investment practice, both pre- and post-investment for select investment strategies; consideration of climate risks, where deemed financially material, might provide greater insight into possible drivers of downside risk. Assessing and managing climate-related risks supports Hayfin to build resilient portfolios, preserving investor capital and managing capital for the long-term. This is, Hayfin believes, a key part of its role to serve as a responsible steward of investor capital, determining possible impacts of climate risks on the risk-return profile of portfolios, where most applicable.

The following section summarises processes taken to assess material climate-related risks and opportunities across a range of Hayfin's strategies. This is an illustration; exact processes might deviate from those stated below in this report depending on portfolio, investment type, sectoral and idiosyncratic considerations, and access to information throughout investment lifecycles.

Step one - screening using Hayfin's Exclusion Policy ("the Policy")

All Hayfin strategies, unless otherwise specified in the Policy, exclude certain activities which are considered harmful to people and planet, and are highly likely to result in heightened levels of commercial and reputational risk to the Firm. Hayfin operates an exclusion list which relates to industries considered materially exposed to climate-related risks and significantly contribute towards a warming planet. Strategies screen each new prospective investment against the Policy, commonly during Business Selection.

Step two - pre-investment due diligence

During investment diligence, Hayfin's Private Credit deal teams, and those in Liquid Credit, Maritime, Private Equity Solutions, conduct a preliminary risk assessment. Assessments typically investigate the potential risk factors associated with the sector, as well as potentially material idiosyncratic risks. Investment teams are required to identify environmental, social and governance risk factors, evidencing these in internal deal documentation and computing an internal ESG risk score. Analysts outline identified risk(s), as well as detail portfolio companies' actions to address and mitigate those financially material ESG risk factors.

[20] Please note, quantifying climate risks, particularly transition risk, is challenging in private asset classes. Hayfin continues to survey the ESG market for new and emergent approaches to measuring climate risk at the asset and total portfolio-level appropriate for private credit.

An additional diligence exercise undertaken for Hayfin's private credit and private equity solutions[21] investments is the review of ESG risk factors by members of the ESG Deal Committee. Information gathered by deal analysts on ESG topics, including climate, are reviewed by Hayfin's ESG Deal Committee prior to final allocation and investment. This process fosters independence in assessing a borrower's or asset's ESG, and climate-related, risks and opportunities.

Relevant to Hayfin's latest direct lending fund vintage ("DLF V"), all prospective investments must be examined through the Firm's "Sustainable Investment Framework" (the "Framework"). The Framework encourages enhanced diligence of companies' sustainability credentials, including an examination of companies' positive contribution towards specific environmental and social objectives across both corporate behaviour(s) and products or services. Positive contribution is evaluated using KPIs tied to the Sustainable Development Goals, including Goal 13, Climate action, and Goal 7, Affordable and clean energy. Proprietary indicators linked to these Goals are used to support Hayfin's evaluation of companies' corporate-level climate strategies and/or products and services sold to support customers to mitigate the effects of climate change. Assessments also cover harmful activities and corporate governance.

For further information relating to the role and purpose of Hayfin's ESG Deal Committee, refer to the section on "Governance".

Step three - engagement with investee companies throughout the holding period

Once an investment is made, investment teams monitor the portfolio company or asset and maintain dialogue with deal sponsors and/or company management, where practicable, as part of formal portfolio monitoring[22]. Education, raising awareness of potential risks, and engaging on possible ESG-related KPIs[23] are examples of engagement activities throughout the investment holding period[24]. Teams across private credit, private equity solutions, Maritime and liquid credit will, where practicable and appropriate, undertake engagement activities with select sponsors and/or portfolio companies to identify, monitor and manage climate-related risks. Questionnaires and surveys might be issued to portfolio companies or sponsors where relevant to certain investment strategies[25]. Engagement also supports the management of identified and/or existing potentially material sustainability risks; Hayfin has established a formal internal process for the escalation of material risks.

Engagement might also be conducted in a collaborative format, supporting Hayfin to develop a foundation of specialist knowledge on climate. One example includes Hayfin's membership of the iCI. This is a

[21] Only the latest Private Equity Solutions fund vintage is in-scope. All prospective investments must be discussed with members of ESG Deal Committee prior to investment.
[22] Engagement with stakeholders, including company management, will be determined by the degree of control, as well as asset class.
[23] ESG KPIs specifically relate to deals with formal ESG margin ratchets in private credit deals, where applicable. Where relevant and material to the underlying business, Hayfin might encourage management and/or deal sponsors to formally measure and monitor progress against climate-related KPIs.
[24] Note, form and focus of engagement might depend on the underlying business, investment stage and/or proactive Sponsors, for instance. This is not an exhaustive list of the range of engagement activities and foci undertaken across different Hayfin teams and strategies.
[25] Investment teams across private equity solutions and private credit issue questionnaires and surveys focused on obtaining certain environmental, social and governance data and information from portfolio companies and private equity sponsors. Note, not all funds issue these questionnaires; this is part of Hayfin's evolving Responsible Investment strategy and is subject to change over time.

network for private markets participants to discuss, formulate ideas and consider good practice regarding the integration of climate-related factors in investment processes in private markets. As a member, Hayfin has committed to participate in knowledge and experience-sharing with other members, integrate climate-related factors into investment process, and engage with borrowers and/or sponsors, where practicable to do so.

Practical examples of climate integration

Integration of climate risks in private credit strategies[26]

As outlined in "Integration of climate risk management across investment lifecycles", the majority of private credit investments must consider potentially material environmental, social and governance risk factors prior to investment. ESG processes, including the drafting of a dedicated ESG memo and computation of ESG deal score, also includes evaluation of climate risk factors, where deemed potentially financially material to prospective and existing investments[27]. Hayfin's ESG approach in the latest private credit fund vintages supports and guides deal teams to conduct a consistent and robust approach to climate-related risk assessment during pre- and post-investment[28].

Process to assess climate risks for applicable private credit strategies follows a similar process to other non-financial factors. During business selection, prospective deals are screened in line with Hayfin's climate-related exclusions as specified in the Manager's Exclusion Policy; due diligence might also include an assessment of a borrower's exposure to (potential or actual) material climate-related risks, where information is available prior to investment. Where considered potentially material, climate risks will be discussed with members of the ESG Deal Committee.

During portfolio monitoring, borrowers might be reviewed for existing and/or emerging exposure to potentially material climate risks. Where appropriate and practicable, engagement might be undertaken to identify, manage and escalate climate-related concerns to deal sponsors and/or company management. As a lender, Hayfin's engagement strategy is focused on raising awareness, education and/or encouraging certain behaviours to support a borrower's commitment to decarbonise business operations. Where risks from climate change are identified following investment and are determined to have significant impact on borrowers' ability to repay outstanding debt, a formal escalation process is undertaken.

Annually, climate-related data gathered from the borrower and/or sponsor is reviewed by the ESG team and is used for reporting obligations. Hayfin's annual Borrower ESG Questionnaire is issued to borrowers to collect climate-related data, including absolute emissions and net zero targets.

Maritime investments

Hayfin's Maritime strategy invests in a number of vessels. Greenheart Management, Hayfin's commercial vessel management entity[29], owns the vessels and is therefore able to drive changes to their environmental profile, including measures to deliver environmental gains (as explained below). This differs

[26] Applicable to certain private credit funds only.
[27] ESG Deal Scores are refreshed annually. Deal teams incorporate emerging news and corporate activities that might increase or decrease the level of risk captured by scoring.
[28] Typically, as a lender of finance, deal teams identify and monitor climate-related risks where material. Opportunities are framed as potential mitigants to ESG risk profiles of borrowers. Hayfin's ESG Deal Committee reviews these mitigants.
[29] Hayfin's commercial vessel management corporation.

from the strategies outlined above where Hayfin is a lender of finance.

Two "characteristics" measured in one of the Maritime funds include a focus on reducing material scope 1 GHG emissions and improvements in air quality[30]. Given its ownership of vessels, Greenheart Management is well positioned to undertake modifications which positively impact their environmental profile. After drydocking, Greenheart Management enlists the support of a Technical Manager[31] to install measures and tools appropriate to reduce a vessel's Scope 1 emissions, realised when in operation. Retrofitting opportunities might include energy saving devices that can support performance improvements and efficient fuel consumption, for example.

Liquid credit strategies

Across Hayfin's liquid credit funds and CLO platform, analysts are responsible for assessing potentially material ESG risk factors when reviewing diligence materials. Material risks and topic areas for further review and monitoring are noted in Investment Committee memos; all credit review papers include discussion of sustainability factors. As part of the investment team's diligence, climate risks and opportunities might be identified as core sustainability themes to evaluate, particularly in relation to issuers' reporting of emissions and decarbonisation goals.

Where risks are identified by credit analysts, these are commonly raised to Investment Committee; certain ESG issues deemed material to warrant ongoing monitoring are marked as a "Key Monitorable Risk(s)" ("KMRs").

Post-investment, analysts monitor ESG risk exposures identified in pre-investment due diligence, revisit issuers' ESG scores, measure KMRs and maintain dialogue with issuers, where appropriate.
Adverse developments or concerns are escalated to the Portfolio Manager and Investment Committee.

Private Equity Solutions

The current approach taken in Hayfin's latest fund vintage applies the following processes to navigate and critically understand material ESG, and climate-related, risks and opportunities. Across the lifecycle of investments, the team:

- Prepares findings in a dedicated ESG memo to members of ESG Deal Committee prior to investment. All deals are assigned an ESG deal score;
- Issues an ESG Survey to private equity owners (e.g. private equity general partners or GPs) to gather asset-level information on an annual basis; and
- Scores private equity GPs across a variety of metrics, including climate-related strategy and governance factors.

Engagement and scoring tools are used to measure, monitor and encourage positive behavioural change at the GP-level, where possible and appropriate[32]. The Investment Committee closely assesses deal ESG scorecards, and commonly identifies material ESG topics to be addressed by the Investment team before

[30] Nitrous oxide only. Other air pollutants are excluded, namely nitrogen dioxide and sulphur oxide.
[31] Technical Managers are responsible for supervising maintenance activities for vessels under management.
[32] Note, Hayfin's Private Equity Solutions team invests in secondary investments and is a minority investor. Ownership and control therefore differ to private equity strategies which directly invest in companies.

approval.

Metrics & Targets

This section outlines Hayfin Group emissions and emissions intensity metrics. These figures do not only relate to Hayfin UK, but are Group-wide emissions. All emissions are valued and calculated as at 31st December of each calendar year end; input data is collected in Q1 of the following year.

Decision-useful data is an important consideration for Hayfin. It is an integral part of its role as a responsible steward of investor capital, to provide transparent, clear, concise and useful information pertaining to funds and corporate-level initiatives, including climate-related disclosures. Hayfin is committed to developing processes which will further aid in the identification, monitoring and measurement of climate-related risks and opportunities across different business functions and geographical presence.

Annually, Hayfin measures Group-wide operational GHG emissions and has done so since reporting year 2021. Hayfin recognises the importance of measuring its global emissions footprint in order to identify potential climate-related risk exposures. Senior management is committed to integrating climate risks in the overall management of the business, and continues to support the undertaking of emissions measurement to understand Hayfin's emissions inventory and drivers of emissions. As the Firm continues to measure its absolute GHG emissions, a greater understanding of its potential climate risk exposures will be formed; this will enable various internal stakeholders to consider how and what type of emissions reductions should be committed to in future.

Emissions included in the table below are measured in accordance with GHG Protocol standards[33]. Emissions were gathered from Hayfin's headquarters, London, as well as other offices located globally. Scope 1 and 2 emissions, emissions generated from gas and electricity consumption respectively, were collected for a total of 14 offices[34] for 2025 emissions. Business travel is the only scope 3 emission category measured between 2021 and 2025, and includes air and rail transportation[35].

As outlined in the table below, emissions have been separated into 'direct' and 'indirect' categories. In summary, Hayfin's total emissions have marginally increased between reporting years 2024 and 2025. While there was a significant reduction in Scope 1 and 2 emissions between the latest reporting years, Scope 3 emissions marginally increased between 2024 and 2025.

Table three – Hayfin GHG emissions (including operational and material Scope 3 emissions[36])

	2021	2022	2023	2024	2025
Scope 1 and 2 emissions (tCO_2e)	118	164	189	480	63[37]
Scope 3 emissions (tCO_2e) – Business travel	424	341	2,373	944	1,631
Total	542	505	2,562	1,424	1,694

[33] GHG Protocol Standards
[34] Excluded from Hayfin's emissions measurement exercise are three locations where employees work remotely.
[35] Scope 3 category 6, "Business Travel".
[36] Material scope 3 emissions presently pertain only to Business Travel. Although some of Hayfin funds gather emissions directly from investee companies, these will only be provided to investors of select portfolios. Emissions gathered from these funds are not referenced in this report.
[37] Scope 2 emissions are reported using the location-based methodology.

Scope 1 and 2 intensity (tCO_2e) – By FTE[38]	0.7	0.8	0.9	1.6	0.2
Scope 3 intensity (Business travel only, tCO_2e) – By FTE	2.5	1.7	10.8	3.2	6.3

Note – Metrics contained in Table three represent value dates as at 31st December of each reporting year. GHG emissions referenced in the table above have been calculated in accordance with GHG Protocol standards. Calculations were based on directly gathered gas and electricity consumption (Scope 1 and 2, respectively) on an annual basis across all Hayfin offices active during the calendar year; some office electricity and gas usage has been measured using proxies based on specific geographic and office size assumptions. Over time, Hayfin will seek to engage with office managers of these locations to gather actual consumption data, where practicable to do so. Hayfin collaborated with an external third party to calculate absolute emissions and intensity metrics for the purposes of this report; Scope 2 emissions have been reported using the location-based methodology. With respect to Scope 3 emissions, only "Business Travel" has been calculated in the table above – all other Scope 3 categories have been excluded.

Key drivers

- Office move in late 2024

There has been approximately a 47% reduction in Scope 1 and 2 emissions between 2021 and 2025; Hayfin's Headquarters in London and office in New York continue to be the top two contributors. While the decrease in emissions has not been linear to date, owing to a return to Hayfin global offices in early 2020s following the pandemic, changes across some of Hayfin's larger offices have driven significant reductions in the Firm's global emissions inventory in 2025. One notable example includes the move from a more carbon intensive office to a newer, more energy efficient building in London. Floors leased in Hayfin's London headquarters are powered by electricity; no natural gas is used for heating and cooling purposes. Emissions generated from the Firm's London-based office relate to Scope 2 emissions only when using a location-based methodology[39].

For further information about Hayfin's office move, refer to the section below in "Targets".

- International travel

Hayfin's Scope 3 emissions have generally increased year-on-year. While there have been deviations from the upward trend, as is shown for 2024 in Table three, the uptick in 2025 Scope 3 emissions is driven by:

- Methodology and data inputs – data for calendar year 2025 was measured by spend, rather than distance. Spend-based data typically results in inflated emissions. In forthcoming years, Hayfin will seek to gather distance-based data from third party travel providers wherever possible;
- Total number of flights – while fewer long haul flights were taken between in 2025 relative to 2024, there were marginally more flights taken overall in the most recent reporting period.

The continued rise in emissions relating to "Business Travel" during the rolling 5 year period between 2021 and 2025 marks the preference for face-to-face interactions with Hayfin's investors and other stakeholders. Nonetheless, Hayfin conducts business and investor calls wherever possible to reduce

[38] Full Time Equivalent ("FTE"). This figure does not include contractors.
[39] Scope 2 emissions for London is 0 tCO_2e using market-based assumptions given the landlord procures electricity using a renewable tariff.

emissions; ‘local’ deal teams based across Europe also reduces the need for international travel when meeting private equity sponsors and/or company management before underwriting fund investments.

Furthermore, in an attempt to address the most material source of Hayfin’s emissions, Hayfin continues to monitor the adherence to the Hayfin Business Travel Policy. The Business Travel Policy intends to shift business travel habits of Hayfin employees, encouraging lower carbon modes of transportation, including use of public transport, wherever reasonable to do so.

Metric limitations

It is important to consider the limitations of climate metrics, some outlined in Table three. As described in the note below the table, some emissions gathered were measured using proxies owing to challenges in collecting electricity and gas consumption from a number of Hayfin’s shared office locations. Where proxies have been used, inputs based on geographical location, office size and market- or location-based[40] assumptions have been incorporated.

Emissions intensity metrics can be misleading if limitations are not explained. Although a useful metric for Hayfin to measure over a specific time horizon, the emissions intensity metric by Full Time Equivalent can be skewed by increasing numbers of employees as the Manager continues to grow. Resultant data, for example, might show declining emissions per capita where the rise in employee numbers (the denominator) leads to a larger dampening effect on the metric even where total emissions (the numerator) continue to increase. In essence, this particular intensity-based metric is less directly linked to company activities, i.e. those generating emissions, given the focus on human capital. Other, more decision-useful intensity metrics might be used in future, where deemed appropriate and relevant.

Targets

Hayfin has not established formal net zero or climate-related targets across either the Manager, Group or strategy levels. Whilst the Firm recognises climate change risk to be potentially financially material, Hayfin has decided to prioritise measuring its emissions before setting decarbonisation targets and potentially adopting a formal transition plan. Hayfin acknowledges the UK’s commitment to achieving net zero greenhouse gas emissions by 2050 under the Climate Change Act 2008 (2050 Target Amendment) Order 2019 and will consider this commitment as part of any future development of a transition plan. In the near-term, it is anticipated Hayfin will consider the appropriateness of establishing formal targets.

Firmwide decarbonisation targets, and transition plan, have not been adopted given Hayfin’s headquarters in London were relocated in October 2024. Once the Manager has established consistent emissions measurement in the new office space, Hayfin will be able to consider appropriate actions needed to reduce emissions generated by direct operations. Hayfin's headquarters based in London was completed in 2023[41], achieving a BREEAM “Excellent” rating. This classification was awarded for the

[40] Scope 2 emissions can be reported in two ways, location- or market-based. Location-based Scope 2 emissions represent an average electricity consumption for a select geographic location. In contrast, market-based emissions are proxies of the target company’s purchasing of electricity from either renewable or non-renewable sources. Dependent on the approach selected to represent Scope 2 emissions, the overall emissions might be impacted. Commonly, location-based emissions measurements are more conservative than market-based approaches given emissions are an average of the location’s (country or region) electricity mix. Market-based methodologies might skew emissions given this approach typically overestimates emissions generated from renewable sources.

[41] Hayfin employees did not officially move into the new office until October 2024. BREEAM ‘Excellent’ certification is awarded for the full building; Hayfin leases two of six floors. (‘BREEAM’, Building Research Establishment Environmental Assessment Method.)

entire building owing to energy efficiency initiatives, including the installation of rooftop solar panels and motion sensor LED lights on each floor. Building management also procures energy from a dedicated renewable energy tariff.

With respect to fund-level decarbonisation targets, Hayfin continues to engage with industry peers and networks, exploring good practice approaches applicable to asset classes Hayfin invests in. Hayfin's membership in iCI is an example of how the Manager seeks to better its understanding of how its peers are navigating the challenges of decarbonising portfolio companies where the investment manager has limited control. Furthermore, the establishment of Hayfin's "Private Credit Climate Roadmap" serves as a formal commitment to undertake climate-related activities that are suitable for asset class and in line with industry standards[42]. Hayfin will continue to collaborate with investors to fulfil specific sustainability requirements, ensuring the integration of climate-related considerations into investment processes and the establishment of robust assessment tools for newer private credit fund vintages, where practicable.

Hayfin will review the appropriateness of Manager-level and portfolio-level decarbonisation targets, where relevant and practicable. Reviews will also consider the formal establishment of future transition plans for the Manager.

[42] Hayfin's 'Private Credit Climate Roadmap' reviews a couple of industry standards, most notably the Institutional Investors Group on Climate Change's ('IIGCC') guidance for private credit contained within the Net Zero Investment Framework 2.0.

Appendix

Data methodologies (included in this report's section on "Metrics and Targets")
Emissions data and intensity metrics shown in the "Metrics and Targets" section of this report have been gathered with the assistance of a specialist consultant. Scopes 1, 2 and 3 data have been measured using gas and electricity consumption gathered directly from office management from across most of Hayfin's office locations for each discrete year. There were instances where emissions were proxied owing to poor actual data visibility or low response rates from some office locations. Proxies used geographic location and average office size to calculate approximate emissions for those locations without actual reported data. Hayfin will seek to engage with office management in these locations in future.

Note, the methodology used by the consultant to calculate Hayfin's emissions is in accordance with GHG Protocol Standards. Scope 2 emissions are composed of a combination of location-based and market-based methodologies. The methodology used depended on the availability of electricity consumption figures; where data was reported, the market-based approach was used. Unless otherwise stated, proxied scope 2 emissions were calculated using the location-based methodology.

The GHG sources that constituted Hayfin's operational boundary for the 2025 reporting period are:

- Scope 1: Natural gas combustion within boilers and refrigerants from air-conditioning equipment
- Scope 2: Purchased electricity consumption for Hayfin's own use (location based and market based)
- Scope 3: Business travel.

All data included in Table three was measured at the end of each calendar year, including the number of employees across different office locations

Scope 1 emissions – these are emissions associated with the combustion of fossil fuels, which the company directly controls. Examples include on-site fuel combustion (e.g. gas boilers), company vehicles, manufacturing facilities powered by fossil fuels, and cooling.

Scope 2 emissions – these are emissions associated with purchased and consumed electricity, or to heat and cool buildings, for instance. There are two methodologies companies can use to calculate scope two emissions, location-based or market-based.

Scope 3 emissions – these emissions are derived from a company's value chain, including 17 categories attributable to upstream and downstream activities. Examples include business travel, employee commuting, investments ('financed emissions'), leases, purchased goods and services. These are activities which the reporting company does not control.

Net zero emissions – net zero is a strategy which balances the amount of GHGs that are produced against the level of emissions that are removed from the atmosphere.

Transition risks[43] – Transition risks arise from shifts in the global economy essential to reaching net zero by 2050. Companies might be impacted by one or more of the following transition risk factors - changes in national or global policy and regulation, technological shifts, adjusting consumer and market demand, and reputational damage.

Physical risks – Physical risks can arise from acute, short-term extreme weather events, including severe droughts, storms and flooding, or long-term shifts in climatic patterns, namely rising sea levels, shifts in rainfall patterns and rising average temperatures in certain geographic locations. Both acute and chronic physical risks can have a detrimental impact on the valuation of a company or portfolio's assets.

43 Definitions in accordance with those included in TCFD guidance, TCFD climate risk definitions

Disclaimer

This report is prepared by Hayfin Capital Management LLP for the sole purpose of reporting climate-related information consistent with the Task Force on Climate-related Financial Disclosures, and as required by the Financial Conduct Authority ("FCA").

The information in this report (i) is not intended to be taken as advice or recommendations regarding any individual situation and (ii) should not be relied upon as investment, tax, accounting, regulatory or legal advice regarding any individual situation or as a substitute for consultation with professional tax, legal, and advisers. The opinions expressed herein are valid only for the purpose stated herein and as of the date hereof. Hayfin is not responsible for the consequences of any unauthorised use of this report. Its content may not be modified or incorporated into or used in other material, or sold or otherwise provided, in whole or in part, to any other person or entity, without Hayfin's written permission. No obligation is assumed to revise this report to reflect changes, events or conditions, which occur subsequent to the date hereof. Information furnished by others, as well as public information and industry and statistical data, upon which all or portions of this report may be based, are believed to be reliable but have not been verified. Any forward-looking statements or projections are subject to inherent uncertainty, and any opinions, recommendations, analysis or advice provided herein could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change. We have used what we believe are reliable, up-to-date and comprehensive information and analysis, but all information is provided without warranty of any kind, express or implied, and we disclaim any responsibility for such information or analysis or to update the information or analysis in this report. This report is not an offer to buy or sell securities or a solicitation of an offer to buy or sell securities. No responsibility is taken for changes in market conditions or laws or regulations which occur subsequent to the date hereof.