

PennantPark Responsible Investing (“RI”) Policy

PennantPark (“We” or the “Firm”) recognizes its fiduciary responsibilities to investors and seeks to maximize risk-adjusted returns by integrating responsible investing considerations throughout its investment process and ongoing portfolio monitoring. We believe sound responsible investment management can help mitigate business and legal risks while simultaneously enhancing the value of our portfolio investments.

Purpose

The purpose of this Policy is to define PennantPark’s approach to responsible investing throughout the investment lifecycle and at the Firm level. This Policy is intended to provide a framework for all stakeholders to understand how we integrate such factors across the Firm’s operations.

Responsible Investing Focus Areas

PennantPark considers a range of non-financial factors throughout the investment lifecycle to identify sustainability risks. Guided by global standards, such as the Sustainability Accounting Standards Board (“SASB”), we have identified three primary focus areas that may be material to the industries we invest. Examples include but are not limited to:

Environmental	Social	Legal / Governance
Pollution	Human capital	Management structure
Natural resource usage	Product liability	Risk management
Climate change	Human rights	Business ethics
Renewable energy	Employee diversity & inclusion	Data privacy & security

Climate Change

PennantPark recognizes that climate change may have the potential to pose systemic risks to our portfolio companies. Where material, we engage third-party advisors to conduct physical climate risk assessments on an annual basis.

Exclusions

PennantPark screens all potential investments against an exclusions list, which identifies business sectors and activities that are inconsistent with the Firm’s and our investors’ values.

Accordingly, PennantPark does not invest in companies that earn meaningful revenues from distribution of firearms or cluster munitions, production of tobacco, alcohol or cannabis products, adult entertainment, engagement of activities involving child labor or human trafficking.

Responsible Investing in the Investment Process

Due Diligence

The evaluation of sustainability risks is a crucial component of PennantPark's investment process as non-financial issues may have a material impact on our portfolio's value. PennantPark evaluates and discusses relevant responsible investing factors as part of our investment diligence process. Our deal teams use a Responsible Investing Due Diligence Checklist to evaluate each target investment against industry-specific sustainability factors. Identified issues are addressed in investment memos and discussed by the investment committee. If necessary, we will engage outside advisers for further technical due diligence. Additionally, we assess whether portfolio company management has an action plan to address sustainability concerns and/or whether there is a need to change the company's responsible investing practices. Sustainability factors may impact our investment decision, up to and including the elimination of an investment from further consideration.

Investment Monitoring and Stewardship

PennantPark seeks to ensure the long-term financial performance of our portfolio. To that end, we continue to work with private equity sponsors and portfolio companies throughout the investment hold period. As a lender, PennantPark's ability to directly influence portfolio companies during the post-investment phase is limited. To navigate this limitation, we engage with our private equity sponsors prior to investing in a portfolio company, inquiring about their responsible investing process and approach. This approach provides deeper insights into the sponsors' responsible investment commitments and practices and enables us to make informed investment decisions and proactively engage with our partners around relevant topics.

Additionally, we monitor our investments for sustainability risks throughout the investment hold period. On an annual basis, the investment team works with private equity sponsors and portfolio company management teams to complete the Responsible Investing Engagement Questionnaire, which helps us better understand the portfolio company's corporate responsibility or responsible investing program. If deemed relevant, changes to a portfolio company's responsible investing status are submitted to the investment committee. If a material risk is identified during the hold period of an investment, the investment committee will determine the appropriate course of action, including collaborating with sponsors and management teams to address identified sustainability issues. Where necessary to

prioritize specific stewardship actions, we will seek to address the identified issues that are most impactful.

If our stewardship approaches are unsuccessful at mitigating identified sustainability issues, PennantPark will take escalation measures as appropriate, up to and including divesting from the investment when possible.

Reporting and Transparency

To promote transparency with our investors, PennantPark is committed to reporting on material sustainability incidents, findings, and performance.