



ROUND HILL
CAPITAL

Round Hill Capital

ESG policy



Contents

- 1 Round Hill Capital ESG Policy
- 2 Round Hill Capital Conflicts Policy Summary
- 3 Round Hill Capital Exclusions/Sanctions Summary



Round Hill Capital is a Responsible Investor

Round Hill Capital (RHC) Environmental Social and Governance (ESG) Policy

Evolving market expectations amongst investors, occupiers and other stakeholders, coupled with a maturing statutory environment, has amplified the importance of ESG factors to the fiduciary mandate of investment managers.

It is critical that RHC anticipates and keeps pace with these changing market expectations taking a comprehensive and proactive approach to responsible property investment.

Responsible property investment includes a multitude of ESG issues covering the entire real estate investment, development and asset management processes. These issues span all residential and commercial property sectors and all market geographies. However, varying regulatory environments and local market drivers mean that the relevance and materiality of individual ESG factors can differ by jurisdiction, property type and investment strategy.

The purpose of this ESG policy is therefore to provide global guiding principles to inform and define the ESG scope and our stewardship approach in the local businesses in which RHC invests and operates.

RHC will seek to identify and address ESG issues to support:

- Issues that are important to its business partners and wider group stakeholders;
- Maximisation of investment returns;
- Long term asset value;
- Competitive advantage

RHC is a signatory of the UN PRI and a committed responsible investor. RHC is an active owner and incorporates ESG considerations into its policies and practices. RHC will constantly monitor the effectiveness of its ESG policy, updating and modifying it as necessary in accordance with investors' requirement, changes in the relevant legislations and wider stakeholders' expectations.

The investments underlying RHC financial products do not currently take into account the EU criteria for environmentally sustainable investments.

RHC Environmental Policy

We recognize not only that we have a corporate responsibility to manage the environmental impacts associated with our business and investment activities, but also that environmental risks can have negative consequences for the financial performance of the assets in which we and our clients invest.

The optimization of environmental performance and the mitigation of environmental risk of the assets we hold and manage is therefore central to our fiduciary duty.

Accordingly, in support of the 2016 Paris Agreement, we seek to ensure that our activities do not cause environmental harm and, where feasible, that we harness opportunities to actively enhance the environmental performance and risk profile of our assets, including long-term low greenhouse gas emission development strategies. This includes, in particular, seeking to realize environmental outcomes that improve the experience of living and working in the properties we hold, contributing to enhanced health and wellbeing.

We are committed to ensuring compliance with all applicable environmental legislation in both our corporate and investment management activities. Where it is possible and commercially sound to do so, we seek to achieve standards and deliver outcomes which are ahead of minimum legal requirements, especially where this is deemed likely to make a positive contribution to cash flows and/or exit yields. To support this commitment, we have adopted an environmental management system (EMS) which is a policy framework for establishing clear objectives and setting, monitoring and reviewing our environmental management controls.

We will seek to apply lessons learnt across the markets in which we operate, so that practices in more advanced jurisdictions can positively inform those in less developed policy and/or regulatory contexts.

We aim to manage the direct and indirect impacts of our assets and portfolios by attending to the following where it is appropriate to do so in the context of wider investment considerations:

- Incorporating relevant environmental criteria into acquisition appraisals and setting asset business plan objectives in accordance with their findings.
- Putting in place environmental performance strategies, focused on a combination of market-relevant ratings and real performance, for our development and refurbishment projects, including:
 - where relevant, seeking the highest practicable and most relevant environmental ratings for development and major refurbishment projects (taking account of market context, lifecycle cost and marketability implications); and
 - integrating design, including low carbon solutions, for performance principles into our projects in line with recognized industry practice, so that tangible outcomes are assured.
- Undertaking and acting upon certification audits and feasibility studies for existing assets where there is a business case for doing so.
- Taking account of public transport connections and accessibility by walking

and cycling when considering investment locations.

- Seeking to improve continuously the environmental performance of the assets we hold, including by reducing energy and water consumption through efficient management practices and technologies.
- Improving the accuracy and usefulness of environmental performance data collected including, where practicable, through the use of advanced metering technologies.
- Preventing pollution, including by ensuring that appropriate pollution prevention and control procedures are in place at all of our managed assets.
- Reducing material consumption and waste through efficient design, sensible procurement and by adopting rigorous waste management practices consistent with the waste hierarchy.
- Where practicable, managing our assets to provide healthy habitats for local wildlife whilst providing high quality and appealing environments to enhance our tenants' sense of wellbeing.
- Enabling our residential tenants to live sustainable lives.
- Encouraging commercial tenants to optimize the environmental performance of their fit-out works and occupational processes.
- Working collaboratively with our supply chain partners to ensure good environmental practice as part of our development and asset management activities, including with respect to the materials that we procure for capital projects and for day-to-day property management purposes.
- Undertaking environmental risk assessments to understand the implications of climate change and other environmental externalities on our clients' investments, and to help shape effective mitigation responses.

Furthermore, we seek to ensure that our own business operations are environmentally efficient, including by:

- avoiding the need to travel where possible, and by always making smart travel choices taking account of the cost, productivity and environmental impacts of journey options;
- implementing sustainable procurement policies for the equipment, materials and services we buy or lease;
- using energy as efficiently, including switching off equipment when not in use;
- minimizing the amount of waste we create and recycling as much as possible; and
- encouraging, promoting and recognizing positive environmental behaviours amongst our staff, including through the provision of training.

RHC Social Policy

As a leading private landlord and active asset owner, RHC focuses on both the social and environmental aspects of its investments. RHC is committed to: providing affordable housing for its residents; respecting the rights of its tenants and employees; investing in the communities in which it operates; working together within the real estate investment industry to promote acceptance, implementation and effectiveness of the UN PRI principles .

In addition to the social effects of our activities, we also recognize that the buildings we own and manage can play an important role in the lives of the people who live or work in them; indeed, they can have a significant bearing on their sense of well-being, on their physical and mental health, and on their economic productivity.

We aim to deliver social benefits by:

- Investing in and managing assets that have clear social utility; the homes that people to live in at all stages of their life, from family homes to student accommodation, from hostels to senior living residences.
 - Using our influence to manage assets in accordance with best stewardship policies and practices engaging with and understanding resident's requirements to foster communities and deliver consumer centric housing solutions, as appropriate in the countries we operate in;
 - Seeking to provide safe, secure, affordable and healthy environments for people to live and work in, where their wellbeing and quality of life is enhanced.
 - Making access to and use of our properties safe and easy for people of all abilities.
 - Building relationships with and investing in local communities, including through active programs of community activities and partnerships with local organizations, and the creation and sponsorship of local community facilities.
 - Cooperating with NGOs to enhance social living support.
- Enhancing local capacity by running municipality workshops.
 - Nurturing and inspiring an energized and inclusive team-working culture across our business, with diverse employees who are well trained, highly motivated and personally fulfilled.
 - Creating a place where everyone can thrive, develop and succeed based on their talent, regardless of ethnicity, gender, sexual orientation, or any other basis on which people can be differentiated from one another.
 - Expecting all third parties we engage with to align with our overarching ESG standards through the completion of a bespoke third party on-boarding questionnaire.
 - Treating all of our partners and suppliers with respect and integrity, including striving to ensure prompt payment for goods and services received, so that we develop lasting and trusted business relationships.
 - Expecting contractors and supply chain partners to provide quality opportunities for on-site and off-site training and apprenticeships on construction projects, and being proactive in providing opportunities to local businesses; and
 - Ensuring that our development and refurbishment projects are carried out by our contractors in a manner that minimizes nuisance and disturbance, including through the application of initiatives such as the Considerate Constructors Scheme.

RHC Governance Policy

We recognize that transparent governance processes at both corporate and fund level are critical to the alignment between RHC and those who entrust us with their investments. We are therefore committed to the highest standards of corporate governance and we believe that such standards form an essential component of our commitment to our investors and other stakeholders.

RHC seeks to provide investors with several competitive advantages that are premised on our experience, capability and sound governance processes, including with respect to:

- A full suite of investment management, asset management and property management / operational services, overseen by expert teams organized via formally structured Executive and Investment Committees.
- An effective Board which has overall responsibility for ESG matters across the RHC group.
- Maintenance of a disciplined investment process with consistency in transaction sourcing, due diligence and deal execution.
- A highly capable back office and management support infrastructure, including for corporate matters.
- Established networks of local partners throughout Europe and the US, where comparatively high regulatory standards for corporate governance and responsible investment prevail.
- The responsible selection, appointment and procurement of external third parties following the highest standards of integrity and alignment to the 6 principles of the UN PRI.

Our philosophy and approach on corporate governance are aligned to the Ten Principles of the UN Global Compact. We therefore:

1. Support and respect the protection of human rights.
2. Take all reasonable steps to ensure that we are not complicit in human rights abuses.
3. Uphold freedom of association and recognize the right to collective bargaining.
4. Exclude all forms of forced and compulsory labour within our business and require the same of our service providers and suppliers.
5. Prohibit any instances of child labour within our business operations and supply chains.
6. Positively encourage equality and diversity among our workforce and avoid discrimination in our business.
7. Take a precautionary approach to environmental issues.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.
10. Work against corruption in all its forms, including extortion and bribery, including through effective whistle-blower protection.

RHC adheres to strict rules regarding ethics and code of business conduct which are published in its employee handbook. These rules deal with issues such as the prohibition of bribery and improper payment, confidentiality, conduct, work discipline and corporate gifts, all with clear policies and guidelines.

We are committed to compliance with applicable national, state, and local laws in the countries in which we invest, including through our support for the payment of competitive wages and benefits to employees and the provision of a safe and healthy workplace.

We aim to align to the UN Sustainable Development Goals for every ESG initiative we identify and assess for implementation.

RHC Conflicts of Interest

RHC has an established Conflicts of Interest Policy applicable to all employees and prepared in accordance with the obligations set out in The Financial Conduct Authority ("FCA") SYSC 10, COBS 12 and Principle .

RHC's Conflicts of Interest Policy is available upon request. Please contact Group Compliance Office; Tim Duck – tduck@roundhillcapital.com or General Counsel: Jill Hanson Rainford jrainford@roundhillcapital.com for a copy.

The Conflicts of Interest Policy can be summarised as follows -

- The FCA Principles that are relevant to Conflicts of Interest are:
 - Principle 6 – A firm must pay due regard to the interests of its customers and treat them fairly; and
 - Principle 8 – A firm must manage conflicts of interest, both between itself and its customers and between a customer and another client.

- Accordingly, RHC outline that the reasonable steps to manage Conflicts are:
 - a) Disclosing any interest to the customer;
 - b) Relying on a policy of independence;
 - c) Establishing internal arrangements (Information Walls); or
 - d) Declining to act for a customer.

- RHC's Conflicts of Interest Policy covers both Primary and Secondary Conflicts
 - Primary Conflicts relate to our core business operations globally;
 - Secondary Conflicts of interest relate to a) Gifts and Entertainment, b) Anti-bribery, c) Service on Boards and Outside Activities;
 - Personal Account Dealing Controls are also outlined.

RHC Sanctions and Exclusions

RHC, which has offices in the United Kingdom (UK) and various European Union (EU) member states, are required to comply with UK and EU sanctions requirements. Any person within RHC should consult with the compliance or legal team before pursuing any transaction or activities involving any countries/regions that are subject to sanctions.

A list of the current countries that are subject to sanctions in the EU and UK can be found here: <https://www.gov.uk/guidance/current-arms-embargoes-and-other-restrictions>.

RHC is also required to comply with US sanctions imposed by OFAC (the Office of Foreign Assets Control) which prohibit US persons (including RHC entities) from conducting business with certain US sanctioned regions, entities and individuals.

The US Government currently maintains comprehensive embargoes against the following five countries or regions:

- Cuba
- Iran
- North Korea
- Syria
- Crimea Region of Ukraine

RHC is prohibited from:

- Dealing with frozen funds or assets of any kind, belonging to or owned, held or controlled by a designated person;
- Making funds or assets of any kind available, directly or indirectly, to, or for the benefit of, a designated person; and
- Engaging in actions that directly or indirectly circumvent relevant financial sanctions prohibitions.

In addition to globally enforced sanctions and exclusions, RHC have an extensive third party onboarding questionnaire detailing our commitment to the highest standards of ethical conduct and integrity in our business activities.

RHC does not permit or condone bribery and corruption, fraud, or unethical business

practices under any circumstances, whether directly or indirectly, including by any business partners working for or on our behalf. The consequences for RHC and those acting for or on behalf of RHC, are potentially extremely serious, both in terms of legal risk (including criminal prosecution, fines, and imprisonment) and reputational harm. As part of the due diligence process that we conduct on our partners and suppliers we request that they complete an extensive onboarding questionnaire covering their governance, policies, controls and compliance.

General Disclaimer

©2020 Round Hill Capital LLC

As a socially responsible group, RHC recognises the importance of global sustainability, social and governance issues. RHC believes it has an impact upon the alternative investment industry through its global network of investors and General Partners (GP's). As a sign of commitment, we established a policy on environmental, social and governance (ESG) issues along with becoming a signatory of the UN Principles of Responsible Investing (PRI) on a voluntary basis in August 2019.

This policy may contain forward-looking statements concerning RHC business and operations. Any statements that are not of historical facts may be deemed to be forward-looking statements. You can identify forward-looking statements by words such as “believes”, “plans”, “intends”, “aims”, “will”, or other similar expressions that convey uncertainty of future events or outcomes. Forward-looking statements include statements regarding our intentions, beliefs, assumptions, outlook, opinions or current expectations concerning, amongst other things, operations, business outlook, the industry sector or regions in which we operate. We believe that we have a reasonable basis for each forward-looking statement contained within this policy and caution that forward-looking statements may not be a guarantee of future action.

The investments underlying RHC financial products do not currently take into account the EU criteria for environmentally sustainable investments.