



Responsible Investing – Investment Policy

Funds advised by RM Funds (together referred to as “RM”) have a mission to invest in, and work with, management teams of companies which have strong underlying potential. RM Funds aim to build lasting value in businesses they invest in by fostering fundamental performance improvements through their active board engagement. By taking into account environmental, social and governance (ESG) factors in our investment process and ownership practice, we strive to create sustainable value for all our stakeholders.

To reflect this RM has adopted this Responsible Investment Policy (“RI Policy”). RM is a signatory to the UN PRI.

MAKING A DIFFERENCE

Responsible investment is integral to RM’s business philosophy. We strive constantly to institute and maintain high standards of governance and business ethics within RM and the portfolio companies. Working with management teams, we help them recognise and manage the opportunities and risks associated with ESG factors.

RM is well positioned to invest responsibly because:

RM Funds perform detailed due diligence before investment.

RM Funds are proactive with company engagement for companies we invest in, and we recognise our responsibility to society at large.

POLICY GOVERNANCE ARRANGEMENTS

This policy applies to all investments considered or made by RM Funds. RM’s CEO, with support of the senior management team, owns the RI Policy and is responsible for overseeing its implementation. It is then the RM investment professionals’ responsibility to ensure that decisions are taken after careful examination of ESG factors and that RM’s RI principles are kept during the entire investment cycle. The effectiveness of the implementation of those principles will be monitored through an annual review. RM’s RI policy is effective from 1 December 2016 and will be reviewed and amended as appropriate from time to time.

OUR PRINCIPLES

RM’s RI commitments are based on the following principles:

- Respect for the internationally proclaimed human rights principles.
- Equal opportunity independent of gender, race or religion.
- Freedom of association and the right to bargain collectively.
- Working conditions that surpass basic health and safety standards.
- The conduct of good governance practices, in particular in relation to bribery and conflicts of interest.
- Environmental responsibility.
- Responsibility to active climate change engagement.

OUR COMMITMENT

- Integrate the above principles into our decision-making process, by carefully considering ESG issues associated with any potential investment during the due diligence phase.
- Encourage portfolio companies to follow the above principles by implementing governance structures that provide appropriate level of oversight and by seeking disclosure on ESG issues.
- Provide ESG training and support to RM employees involved in the investment process, so that they may perform their work in accordance with the above principles and with this policy.
- Seek to be transparent in its efforts to integrate ESG considerations in Investments, and annually report on its progress towards implementing the above principles.
- Comply with national and other applicable laws.
- Help promote the implementation of the above principles.
- Consider our alignment with other related conventions and standards set by Invest Europe, the UN Global Compact Initiative and the UN Principles for Responsible Investment (PRI).
- Continuously strive to improve ESG performance within RM and our portfolio companies.

APPROACH TO STEWARDSHIP

- Engaging positively & proactively is the preferred approach of RM Funds
- RM Funds will seek in the first instance to engage directly with portfolio companies to address any identified ESG concerns.
- RM Funds will seek to work collaboratively with others to address change within investee companies where appropriate. If RM Funds do not believe a satisfactory outcome can be achieved, then the position will be exited.

REFERRAL LIST

RM will not invest in companies that:

- ***Have demonstrated a systematic denial of basic human rights.***
- ***Are engaged in a pattern of non-compliance with environmental regulations.***
- ***Participate in child labour or forced labour.***

Furthermore, the following sectors listed below are considered potentially sensitive from a RI viewpoint, and are not areas in which RM would contemplate a direct investment:

- ***Gambling***
- ***Tobacco***
- ***Alcohol production***
- ***Adult content***
- ***Weapons, Munitions, Defence***
- ***Fossil Fuels***
- ***Companies testing cosmetic & non-pharma products on animals.***

- ***Any company whose business practice contravenes any one of the 10 principles set out in the UN Global Compact***

The list is not exhaustive, and judgement must be applied for activities not on the list but which carry similar risks.

James Robson

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