

## **Responsible Investment Policy for RM Funds and the funds it advised (RM)**

Responsible Investment including active stewardship is an integral part of our business philosophy. We have a mission to make a difference through investing in, and working with, businesses with strong underlying potential. We believe that to realise that potential and create sustainable value for our investors, businesses need to have, as a minimum, robust and effective management of relevant environmental, social and governance (ESG) issues, and further that the most successful companies of the future will be those that deliver wider societal benefits through their sphere of operations.

### **Principles**

This policy applies to all investments considered or made by RM Funds. Additional considerations may also apply to specific products (such as the RM Impact Credit Fund).

RM has been a signatory to the UN Principles for Responsible Investment since 2019 and is committed to upholding those principles. In considering ESG issues and factors, RM takes into account the requirements of the UN Guiding Principles on Business and Human Rights, the factors set out in the SASB Materiality Map, the targets of the Sustainable Development Goals, and the measures needed to meet the Paris Climate Commitment.

We will not invest in or lend to companies that (either directly or through their supply chain):

- Participate in the denial of basic human rights
- Engage in a pattern of non-compliance with environmental regulations or significantly harm the environment in which they operate
- Participate in child labour or forced labour
- Contravene the principles set out in the UN Global Compact

Furthermore, we will not invest in or lend to companies primarily in sectors which we consider have a significant negative impact on society or the environment. These may include (but are not limited to):

- Gambling
- Tobacco
- Alcoholic production
- Adult content
- Weapons, munitions, defence
- Companies testing cosmetic or non-pharmaceutical products on animals
- Fossil fuels and extractive industries

### **Our approach**

We integrate our responsible investment approach into all areas of our business and operations:

- Our macro assessment of the market takes a high-level view of societal needs to meet the demands of the future and informs our investment selection strategy.

- We screen out companies which operate in sectors with significant negative impacts as set out above.
- Our detailed due diligence on potential investments and borrowers carefully considers the relevant ESG issues for the specific company, and the management teams' approach to these issues.
- Our investment decision-making takes into account the findings from our ESG diligence.
- Within our private markets products, we include information rights and covenants relating to borrower performance on core ESG practices to support borrowers in documenting, monitoring, measuring and making improvements.
- Our monitoring of the companies we have invested in and lent to includes reviewing their ESG performance and management of ESG issues. ESG performance is an integral part of our proprietary database tool PRISM. Where we identify any concerns, we actively engage with the management teams to encourage and support them in making improvements. Our voting and engagement policy sets out more details of our escalation strategy and approach to divestment should improvements not be forthcoming over a period of time.
- We include training and support on ESG as part of our training and development for all RM employees so that they can comply with this policy, and we include performance in accordance with this policy as part of the annual appraisal process for all employees.
- The overall ESG strategy of the firm is a core part of the responsibilities of the senior management team, and is considered and reviewed on a regular basis by the board.

## **Disclosure and reporting**

We report regularly to our clients on the performance of the portfolio, including ESG performance. Those products which have a specific investment requirement to deliver ESG or impact returns will also report on their relevant ESG or impact outcomes.

## **Governance**

Each member of RM's investment team is expected to comply with this policy to make sure that responsible investment is integrated into the entire investment cycle. The effectiveness of the policy's implementation will be monitored through an annual review, overseen by RM's CEO, who is the ultimate owner of this policy, with the support of the senior management team.

This policy has been approved by the board, and will be reviewed annually and amended as appropriate from time to time.

This version is effective from 05/08/21.