

## **ENVIRONMENTAL, SOCIAL RESPONSIBILITY & GOVERNANCE POLICY**

### **Introduction**

Orange Capital Partners (OCP) is a Dutch investment advisor that invests on behalf of and together with its clients via funds and joint ventures in private real estate. OCP acts as a fiduciary in its role as an investment adviser. Its primary responsibility is to maximize the investment returns for its clients, within the constraints imposed upon OCP via client management agreements.

OCP firmly believes that good Environmental, Social and Governance (ESG) performance is synonymous with good business and will enhance the returns from its investments. In addition, ESG is important to OCP stakeholders and will not only protect asset value but also enhances the positive impact of our assets, which focusses on providing essential services to the community. Examples of our efforts in this field include (1) activities taken by the OCP Charity Foundation, which primary focus is to contribute to the wellbeing of society and the environment through various projects, (2) initiatives during the investment holding period to improve environmental sustainable operational practices which represents good and responsible corporate citizenship.

Nevertheless, it should be noted that OCP's primary expertise lies in investing in high-quality real estate assets that generate long term, stable cash flows. OCP does not have a specific focus on sustainable investing or impact investing, and the funds that OCP manages do not promote any environmental or social characteristics, nor do they have sustainable investments as their objective.

In terms of the Sustainability Financial disclosure regulation (EU) 2019/2088 (SFDR), imposed by the EU, effective from 10 March 2021, OCP as Fund Manager of AIFM licensed funds, is required to disclose information on how sustainability risks and considerations are integrated in the investment decision processes. The SFDR is part of broader efforts of the European Commission to stimulate sustainable finance.

In the following paragraphs, OCP's approach with regard to sustainability is explained in further detail.

### **1. SUSTAINABILITY RISKS**

OCP recognizes sustainability risks which may have a negative impact on the return of its funds. OCP defines sustainability risk as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. OCP, as Fund Manager, has integrated sustainability risks as part of its investment decision-making and risk monitoring process for the regulated funds. During the due diligence phase of potential investments, OCP incorporates consideration of sustainability risks. Should there be any indication of a sustainability risk, with the due diligence activities, a more in-depth assessment will be performed, to determine either necessary risk mitigating activities or decline the transaction. Depending on the nature of the particular investment, OCP may retain legal, financial and/or environmental consultants to assist it with its diligence and portfolio monitoring. In addition, OCP may work with outside legal counsels and other consultants to evaluate, among other things, compliance with law, employee matters and corporate governance.

### **No consideration of adverse sustainability impacts**

OCP has considered the nature and scale of its activities and the range of investments, and has concluded, in accordance with Art 4(1)(b) of the SFDR, that OCP does not consider the adverse impacts of its investment decisions on sustainability factors. OCP does not currently do so, because it cannot gather and / or measure all of the data on which it would be obliged by the SFDR to report. OCP will review this position periodically, at least on an annual basis, by reference to market developments.

## **2.1 ENVIRONMENTAL**

Even though OCP does not have a specific focus on sustainable investing or impact investing, and the funds that OCP manages do not promote any environment or social characteristics, OCP's environmental efforts, have incorporated processes to develop focus to reduce energy consumption, water usage, waste disposal, and carbon emissions, and other strategies that encourage these reductions, during asset management periods.

OCP believes that expenditures towards improving environmental sustainable operational practices at our managed properties represents good and responsible corporate citizenship and has the potential to increase the values of client portfolios.

OCP believes that any environmental sustainability initiatives implemented must be practical and cost-effective, preferably with relatively short payback periods. Clients should expect such initiatives to have the potential for adding value to real estate assets by reduced operating expenses and sustainable performance certifications to help distinguish assets within their respective markets, and reduced risk of functional obsolescence which could adversely impact disposition valuations.

OCP has integrated the following Sustainability objectives in its investment management process:

- Consider red flags, indicating sustainability risks, during the due diligence phase of investment transactions.
- Reduce the environmental impact of business during the asset management holding period.
- Exceed local environmental regulations where appropriate.
- Collaborate with clients, tenants, property managers, and other service providers to provide sustainable management of properties.

## **2.2 SOCIAL RESPONSIBILITY**

OCP sees it as its obligation to make decisions and take actions that will enhance the welfare of its own employees and to act in the interests of society as a whole.

As an organization, OCP is committed to being a responsible member of the community and supports a range of activities that enhance local communities in which we invest.

As an investment advisor, OCP will be mindful of how third-party service providers, joint venture partners and other business partners address "social responsibility" and will take appropriate steps if satisfactory standards of "social responsibility" are not maintained.

## **2.3 GOVERNANCE**

OCP focus on superior corporate standards including compliance and risk management is fundamental to running our business. We aim to build long term partnerships with our clients.

OCP is governed by a series of policies, procedures, best practices and guidelines, rooted in sound ethics. OCP has its AIFMD license for parts of its funds and can therefore confirm to stakeholders that

it maintains excellent corporate governance throughout its business processes. OCP is also a member of INREV and IVBN and actively implements its Industry best practice policies and guidelines. OCP aim to play an active role in these organizations in the future by mean of joining different committees.

OCP operates its funds in accordance with their organizational and corporate documents, as well in accordance with applicable laws, rules, regulations, policies and procedures.