
ESG Policy

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Introduction

BauMont Real Estate Capital Ltd (“BauMont”) is an independent real estate private equity firm formed in 2017. Its investment strategy covers Western Europe with a focus on France and the UK. BauMont focuses on the office, retail, industrial/logistics and residential sectors and targets real estate assets where value can be created through intensive asset management and by unlocking arbitrage opportunities.

Evolving market expectations among investors, occupiers and other stakeholders, combined with a maturing regulatory environment, has increased the importance of ESG matters to the fiduciary mandate of general partners, investment managers and advisors. BauMont is committed to integrating ESG information into our investment process, to protect and enhance investment value, and to ensure that we manage the impacts of our operations responsibly. The purpose of this ESG Policy is to set out BauMont’s commitment to a sustainable business model, and describe our approach integrating the analysis of ESG risks and opportunities throughout our investment process.

Approach to Responsible Investment

We believe it is crucial to our fiduciary duty to take a systematic and informed approach to identifying and managing ESG issues across the portfolio. A deep understanding of material ESG issues assists us in understanding new trends and how they will impact the future real estate market.

Furthermore, we recognise that ESG issues can provide opportunities for value creation, especially through active management, and we are mindful to identify and capture these opportunities as a key element of our asset management approach. We strongly believe that the assets which our clients acquire and hold have significant potential for wholesale improvement and downside risk

mitigation. Our adaptable focus provides the ideal opportunity to achieve improved ESG attributes and performance outcomes, consistent with our clients' objectives.

Objectives

Our approach to responsible property investment seeks to address the following main objectives:

- **Support the responsible investing objectives of our investors:** through active engagement and a precautionary approach to ESG risks, we seek to provide a transparent and effective basis to support the responsible investing commitments and objectives of our investors.
- **Deliver alpha through asset repositioning and active asset management:** by achieving enhancement of ESG attributes through active asset management, we bring the assets we manage up to the standard expected by quality occupiers and institutional buyers, in order to deliver favourable exits and strong returns.
- **Reinforce stakeholder relationships:** by seeking to better understand the expectations and objectives of our investors, occupiers, partners, suppliers and local communities, we can develop our relationships with them whilst at the same time ensuring that our portfolios, properties, and corporate activities are serving their interests.
- **Ensure risk resilience through careful screening:** prior to any potential investment, we carefully screen for material ESG concerns. These are ESG factors which could give rise to one or more of the following significant effects:
 - reputational risk;
 - corporate liability risk;
 - public health and safety risk; and
 - positive or negative impact on asset value, NOI, liquidity (in terms of leasing or onward sale), void costs, rental growth and/or exit yield.

Sustainability Outcomes

Aligned with recommendations by the UNPRI, we have broadened our analysis of material ESG issues to include key outcomes to society and the environment. We believe that sustainable cities and communities can only be achieved when occupier health and wellbeing as well as climate change considerations are factored in. Hence, through our investment decisions and active ownership practices, we aim to particularly emphasise Sustainable Development Goals (SDGs) 3: Good Health and Wellbeing and 13: Climate action.

Environmental Policy

We recognise 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. We therefore consider the effective optimisation of environmental attributes to be central to our fiduciary duty to our investor clients. Accordingly, we seek to ensure that our activities do not cause environmental harm and, where feasible, that we actively enhance the environmental performance of our assets.

Ensuring compliance with relevant environmental legislation is a given 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.

Specifically, we aim to manage the direct and indirect impacts of our investment advisory and management activities by:

- focusing our investment strategies on bringing existing buildings back into positive use, and avoiding as a result the environmental impacts of demolition and redevelopment;
- taking a stewardship approach so that the environmental credentials of assets under management control are measurably improved during the holding period
- incorporating green building certification feasibility studies into all relevant acquisition appraisals and seeking the highest practicable environmental ratings and certifications for refurbishment projects;
- continuously improving the environmental performance of our clients' assets by reducing energy and water consumption, through efficient management practices and the installation of efficient energy systems where possible;
- encouraging the installation of relevant methods of renewable energy generation such as solar panels;
- preventing pollution, including by ensuring that we have robust pollution prevention and control procedures in place at all of our directly managed assets;
- reducing material consumption and waste through efficient design, sensible procurement and by adopting rigorous waste management practices consistent with circular economics and the waste hierarchy;
- working collaboratively with our supply chain partners where possible 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;

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- require Environmental Product Declarations or comparable supply chain custody certification for the materials we purchase (e.g. FSC certification for timber);
- where practicable, managing our clients' assets to provide healthy habitats for wildlife;
- favouring locations that are well served by public transport and accessible on foot and by cycling;
- encouraging managing agents to put in place Environmental Management Systems certified to ISO14001 or comparable standards for the actively managed assets in our portfolios;
- empowering operating partners and property managers to demonstrate their performance across a proportionate range of financial, occupier experience, community and environmental metrics;
- encouraging and supporting occupiers to optimise the environmental performance of their fit-out works and occupational processes, including by promoting recycling and through the provision of a principles-based Occupier Fit-Out Guide;
- undertaking robust 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, including by taking due account of environmental considerations in acquisitions; and

Furthermore, we seek to ensure that our own 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 as possible, including switching off equipment when not in use;
- minimising the amount of waste we create and recycling as much as possible; and
- encouraging, promoting and recognising positive environmental behaviours amongst our staff, including through the provision of training.

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Social Policy

The construction, use and management of commercial real estate impacts on communities and society in a variety of ways. These impacts can be positive or negative and their extent depend on the scale, location and type of properties, together with the way in which they are created, used and operated.

Through our various employment, procurement, financial integrity, development and asset management policies, we seek to ensure that negative social impacts are avoided, whilst opportunities to deliver public benefits are identified and harnessed. In addition to the social effects of our activities, we also recognise that the buildings we own and manage can play an important role in the lives of the people who work in or visit them. They can have a significant bearing on their sense of well-being, on their physical and mental health, and on their economic productivity. We therefore seek to ensure that our business activities, and the properties which result from them, have a positive impact on broader society.

Specifically, we aim to have a positive social impact at our properties by:

- building relationships with local communities from acquisition, including by prioritising local procurement and using our client's assets for charity and fundraising events where appropriate;
- establishing a process for collecting tenant satisfaction feedback;
- making access to our properties safe and easy for people of all abilities;
- encouraging contractors and supply chain partners to provide quality opportunities for on-site and off-site training and apprenticeships on construction projects, including by paying a Living Wage relevant to the location, and to be proactive in providing opportunities to local businesses; and
- encouraging our contractors to participate and score highly in the Considerate Constructors Scheme, and its equivalents, where we are undertaking major projects.

In our own operations, we aim to do this by:

- providing safe, secure and healthy environments for people to work in;
- actively encouraging all employees to volunteer within the local community;
- nurturing and inspiring an energised and inclusive team-working culture across our business, with employees who are well trained, fully empowered, highly motivated and personally fulfilled;
- creating a place where everyone can thrive, develop and succeed based on their talent,

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regardless of ethnicity, gender, sexual orientation, or any other basis on which people can be differentiated from one another; and

- treating all of our partners and suppliers with respect and integrity, including through prompt payment for goods and services received, so that we develop lasting and trusted business relationships.

Governance Policy

BauMont is committed to the highest standards of corporate governance, and we believe that transparent governance processes at both corporate and fund level are critical to the alignment between BauMont and those who entrust us with their investments, as well as to the overall integrity and performance of our business. BauMont is an appointed representative of Langham Hall Fund management LLP, which is authorised and regulated by the Financial Conduct Authority (FCA). As such, FCA Principles and the Principles for Approved Persons set the framework within which all relevant BauMont activities are undertaken.

We support the General Partner in paying particular attention to international and local laws in certain areas such as on human rights, corruption, environment, and to the application of ESG criteria to the investment activities of the investor clients we advise. This includes supporting the General Partner to identify and assess ESG risks from an investment, reputational and legal perspective. We take a comprehensive and proactive approach to compliance and regulatory risk management, including anticipating and being prepared for future regulatory change.

Our philosophy and approach are aligned to the Ten Principles of the UN Global Compact. In particular, this includes a commitment to:

- supporting and respecting the protection of human rights, and taking all reasonable steps to ensure we are not complicit in any human rights abuses;
- upholding freedom of association and recognise the right to collective bargaining;
- ensuring all forms of forced and compulsory labour, as well as child labour, is prohibited from our business operations and those of our partners and suppliers;
- working against corruption in all its forms, including extortion, bribery and fraud, and establishing effective whistle-blower protection;
- ensuring strong cyber security to provided data protection and privacy for all employees and tenants.

We also support the Limited Partners of the Partnerships we advise to exercise their rights to excuse themselves from investments that may be inconsistent with their respective ESG requirements.

Scope and Policy Statement

This policy applies to BauMont Real Estate Capital Limited (“BauMont”) and its subsidiaries.

This ESG Policy applies directly to our own corporate and investment activities, including how we engage with and what we expect of our supply chain partners with respect to the management of ESG issues and the adherence to recognised corporate governance principles.