

# **Roxbury Asset Management**

## **Environmental, Social and Governance Policy**

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**Introduction**

The purpose of this policy is to provide guidance regarding integrating the analysis of environmental, social, and corporate governance (“ESG”) risk factors into the review of portfolio investments by Roxbury Asset Management (“Roxbury” or the “Firm”). Roxbury is authorised and regulated by the Financial Conduct Authority as a MiFID investment firm.

This policy is reviewed on a regular basis by the Firm’s Board of Directors and updated where necessary to reflect changes in circumstances and actual practice.

## I. Overview

ESG issues can have a material impact on financial performance and the communities in which both Roxbury and our portfolio companies operate.

Roxbury is cognizant of the UN's Principles for Responsible Investment ("UNPRI"), a voluntary framework which promotes the integration of ESG considerations into investment management processes and ownership practices to better manage risk and generate sustainable long-term returns. Roxbury has been a signatory to UNPRI since August 2016.

In listed equities, responsible investment is an approach to managing assets that sees investors include ESG factors in (1) their decisions about what to invest in; and (2) the role they play as shareholders of companies. It aims to combine better risk management with improved portfolio returns, and to reflect investor and beneficiary values in an investment strategy. It complements traditional financial analysis and portfolio construction techniques. As a result, Roxbury incorporates consideration of ESG factors into its investment analysis, decision-making and ownership practices.

The purpose of this ESG policy is to define Roxbury's approach to integrating the consideration of ESG risks and value creation opportunities into investments made through its funds. Roxbury commits to consider material ESG issues during its due diligence and in the monitoring of portfolio investments to the extent reasonably practical under the circumstances, subject to the provisions of the prospectuses of the funds concerned, and to the duty of Roxbury to seek to maximize the returns on investment of its funds.

### **ESG risk factors**

ESG risk factors could include, but are not limited to, a range of issues set forth below. The range of ESG risk factors considered by Roxbury may also change over time.

1. Environmental - Assessing whether environmental risks and associated costs related to factors such as sustainability of use of natural resources, waste management, water or air pollution, climate change, protected environments, bio-diversity, protecting water supplies, and greenhouse gas emissions could have a material effect on the investment.
2. Social - Assessing whether social factors such as child or forced labor, discriminatory policies, relations with indigenous people, worker health and safety, public health issues, relations with unions and employees, managing product safety issues, protection of consumer rights, competitive wages and benefits and implementation of anti-bribery policies could have a material effect on the investment.
3. Corporate Governance - Assessing whether governance issues such as the composition and independence of the Board of Directors of a portfolio company, determination of executive

compensation, shareholder rights, audit and accounting quality and controls and conflicts of interest could have a material effect on the investment.

Roxbury and the employees of the Firm, to the best of our ability will:

- Comply with relevant regulations governing the protection of human rights, occupational health and safety, and labor, environmental and business practices of the jurisdictions in which we operate.
- Adhere to the highest standards of conduct intended to avoid even the appearance of negligent, unfair, or corrupt business practices.
- Appoint a Head of Sustainability.
- Instruct Roxbury investment professionals in the identification and management of ESG risks and opportunities and provide them with appropriate training and support.
- Identify ESG risks and opportunities prior to the acquisition of portfolio companies and manage ESG risks and opportunities following acquisition.
- Regard implementation of our ESG initiative as an ongoing engagement. Our Head of Sustainability will review this ESG policy's effectiveness and implementation on an annual basis and will report relevant findings and recommendations to the Board.
- Distribute this ESG policy to all Roxbury employees.
- Be accessible to, and engage with, our investors and other stakeholders to encourage dialogue on how Roxbury can accommodate ESG issues in ways that are consistent with those of the stakeholders.
- Provide timely information to Roxbury's investors on the matters addressed herein, and work to foster transparency about Roxbury's activities.

## **II. Roles and Responsibilities**

The Firm's investment professionals are primarily responsible for ensuring that consideration of ESG issues is integrated into investment decisions, both for Assets under Management and Assets under Advisement. Where additional subject matter expertise is needed, the team will utilize external resources as relevant and necessary.

The CEO, Stephen M. Zinser, is the Firm's Head of Sustainability. The Head of Compliance, Rachel Dixon, is responsible for facilitating the implementation of this ESG policy in portfolio investments and assets under advisement, and for maintaining and updating the policy to ensure its' continued relevance.

### **III. Environmental, Social and Governance Guidelines**

#### **Scope**

Roxbury's Environmental, Social and Governance Guidelines will apply to not less than 80% of long portfolio investments undertaken or advised by Roxbury. Short portfolio investments shall not be covered by the ESG policy. Roxbury typically invests in or advises on publicly listed and traded equities and debt. The Firm has a negligible ability to conduct private due diligence or to influence and control the integration of ESG considerations by a specific listed portfolio company. This is less the case in respect of private assets under advisement. The Firm's ability to assess and monitor ESG-related goals generally will rely on publicly disclosed information by portfolio companies and other publicly available sources.

#### **Environmental, Social and Governance Guidelines**

The Firm has adopted the following ESG Guidelines that it considers in connection with its review and selection/advisement of investment opportunities:

- Environmental and social issues in the companies in which we invest can have a material impact on the economic performance of our investments. These issues can also have an impact on our reputation as a prudent investor, as well as our standing as a good corporate citizen. Accordingly, identification of potential environmental and social issues and the evaluation of the nature and potential impact of these issues remains a critical component of our ultimate investment decision.
- As with all investment considerations, environmental and social issues are potentially complex and have varying degrees of materiality. As a result, there are few absolute criteria that would characterize an investment opportunity as acceptable or not. Rather, the investment team is responsible for identifying any such issues and ensuring that proper consideration is given as the investment opportunity moves through the approval process.
- At a minimum, the investment process should address the topics listed in Exhibit A, where relevant. However, the extent and number of companies the Firm considers for investment may cause environmental or social issues to arise beyond those listed in Exhibit A. Accordingly, Exhibit A should not be viewed as an exhaustive list. Additionally, many issues are complex, and their proper evaluation may require the use of third-party experts.
- Our obligation regarding environmental and social matters does not end with the funding of an investment. These issues should continue to be monitored on an ongoing basis in a manner similar to the monitoring of credit and financial performance.

## **Management Systems**

The Firm holds periodic ESG dedicated investment reviews to go over current ESG issues, exclusions, sensitive names in the portfolio and any broader issues being observed in the marketplace. This is in addition to ESG portfolio metrics.

Roxbury has systems and controls in place to ensure that ESG factors are considered and monitored at the relevant stages of its investment analysis and decision-making processes. These are reviewed and refreshed periodically.

## **Promoting**

The Firm may report its ESG activities to stakeholders to assist them in their own ESG aspirations where relevant.

## **Our Responsibility**

It is the responsibility of the Board of Directors to ensure that responsible investing practices are adhered to and that ESG factors are considered in investment analysis and decision-making processes. Roxbury will periodically hold employee training sessions that review this policy and, if applicable, any material changes to this policy.

## **Reporting on Performance**

The Firm monitors its performance regularly using the process and procedures in its Management Systems and reports that performance to investors where relevant.

## **International Standards**

Roxbury has been a signatory to the United Nations-backed Principles for Responsible Investment (PRI) since 2016. This is a framework of six key principles focused on ESG issues.

## **Contact Details**

For more information about ESG at Roxbury, please contact [rdixon@roxbury-am.com](mailto:rdixon@roxbury-am.com)

## **Exhibit A**

At a minimum, the investment process should address the following ESG topics, where relevant:

1. Baseline social and environmental conditions.
2. Greenhouse gas emissions
3. Requirements under any country laws and regulations, applicable international treaties, and agreements.
4. Protection of basic human rights and community health, safety, and security.
5. Protection and conservation of endangered species and sensitive ecosystems.
6. Use and management of dangerous substances.
7. Labor and occupational health and safety issues.
8. Land acquisition and involuntary resettlement.
9. Impacts on affected communities and indigenous peoples; and
10. Pollution prevention and waste minimization, pollution controls and solid and chemical waste management.
11. Composition and Independence of Board of Directors
12. Conflicts of Interest
13. Audit and accounting quality and controls
14. Executive Compensation
15. Shareholder rights