
Corporate Sustainability

Stanhope Capital Group's reputation has been built upon three pillars: objectivity, alignment of interest and innovation, all of which support our efforts to be responsible guardians of our clients' capital. We recognise our responsibility as a firm to consider all of the ways in which we can make an impact. We endeavour to operate in a socially and environmentally responsible manner and, through our investment activities, are committed to allocating clients' capital responsibly, ensuring that all relevant factors are accounted for when assessing risk and return.

Stanhope Capital Group's sustainability efforts are overseen by our internal Footprint Committee which seeks to identify and address the firm's environmental, social and responsible investment impact.

Clients

Stanhope Capital Group is a client-first business committed to understanding our clients' objectives and wishes for their investment portfolios. We seek to consider and incorporate our clients' aims, interests and values. Whilst we operate within the framework of investment models, every client portfolio will ultimately look different. Any individual portfolio may involve thematic investing that aligns with a client's ethical preferences.

We seek to engage with all clients regarding their desired approach to responsible investment. We provide support and guidance to clients who wish to invest in a responsible manner and recognise that views on sustainability in its broadest sense are individual to the person or organisation. Of paramount importance is ensuring that investments are managed in a way that is consistent with individual investors' beliefs and values.

Responsible investing on behalf of clients may require Stanhope Capital Group to:

- Exclude or limit certain investments (e.g. tobacco, fossil fuels etc.);
- Appoint managers that have met a threshold responsibility requirement (e.g. UN PRI signatory); or
- Seek out investments that have a positive social or environmental impact

Employees

Stanhope Capital Group is an equal opportunities employer and committed to diversity, equity and inclusion. As the firm grows, we strive to lead from the front in the fight for a more equitable industry. We recognise that a diverse and inclusive Stanhope will be better able to provide the highest levels of service to our clients.

As part of our Diversity & Inclusion strategy, we have taken the following actions:

- We are members of the Diversity Project
- Appointed one member of our executive committee as 'Diversity & Inclusion Champion' who is responsible and accountable for gender diversity and inclusion
- All employees are required to document, on an annual basis, how they have helped to maintain and improve Stanhope Capital Group's firmwide diversity and how they have contributed to an inclusive culture
- Senior employees have individual targets relating to team representation
- We financially incentivise recruiters to present us with a diverse pool of candidates and ensure that interview panels are diverse
- We identify and aim to nurture Stanhope Capital Group's pipeline of future female leaders through mentoring and development which assists in succession planning for senior roles – a programme to be further expanded in 2022 will include collaborative industry engagement
- Annual Equality, Diversity and Inclusivity training for all employees
- Employees are encouraged to use volunteering days and we organise charity outings surrounding the firm's headquarters in the local community in London

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- Professional development goals are supported both financially and through study leave days
 - Stanhope Capital Group offers employees flexible working arrangements.

Environment

We care about the environment, recognising climate change as one of the greatest challenges of our time. Whilst we have control over our Scope 1 and 2 greenhouse gas emissions and we seek to address these, our greatest impact is through our Scope 3 emissions – the impact of the investments we choose on behalf of clients.

To manage our Scope 1 and 2 emissions Stanhope Capital Group follows the mantra “Reduce, Reuse, Recycle”. We have sought to reduce our environmental footprint through a variety of means, including the removal of non-essential single use plastics in the office, introducing a “print on request” policy, limiting travel to essential only, carbon offsetting all flights, and ensuring we are using the greenest energy possible in our buildings. We also encourage employees to cycle to work through the Green Commute Initiative and are supportive of hybrid working arrangements.

To limit our scope 3 emissions, we seek to engage with all managers regarding their approach to fossil fuel investments, recognising divestment or engagement as equally viable avenues.

We are current supporters of TCFD (Task-force on Climate-Related Financial Disclosures).

Investments

Stanhope Capital Group is committed to allocating our clients’ capital responsibly. To us, this means ensuring that all relevant factors are accounted for when assessing risk and return. We aim to identify the best managed funds for our clients. These investment processes typically include ESG integration.

We look for evidence that managers take into account both ESG risks and opportunities. By allocating money to managers who have robust ESG strategies in place and removing capital from those who don’t, we reward best-in-class players and the underlying companies they have selected, whilst penalising the laggards. As part of our assessment of ESG incorporation, we analyse both how a manager operates at a corporate level and how it engages with its portfolio companies. Our allocation decisions have already led to managers improving their ESG credentials, developing new products and putting more thought into their responsibilities as asset owners.

We recognise that responsible investment can be approached in many different ways. For this reason, we do not set firmwide exclusions, but ensure that clients can invest in accordance with their views. . Notwithstanding, we recognise the following factors as best practice and will express a preference for funds with these characteristics where all other factors are equal:

- ESG integration which is quantifiably expressed in security valuation;
- Exclusion of controversial weapons;
- Exclusion of tar sands and thermal coal; and
- An acknowledgement of macro-ESG issues (e.g. climate change) when assessing the sustainability of companies.

We expect our fund managers to have ownership or stewardship policies, or for these processes to be clearly defined within other policies (e.g. their responsible investment policy). We encourage our managers to take an active approach in using their voting rights, having taken ESG factors into account.

Accountability

Our efforts in ESG are coordinated by the Responsible Investment Oversight Committee (“RIOC”), chaired by Stanhope Capital Group’s Head of Equities. Our Chief Investment Officer is a member, alongside

representatives from the public security funds investment team, the private investment team, the operational due diligence team, Stanhope Consulting and the portfolio management team. RIOC is responsible for overseeing the development and implementation of Stanhope Capital Group's responsible investment process, raising awareness of efforts in this space and meeting our obligations to the UNPRI. RIOC reports to a Footprint Committee ("Footprint") which, in turn, reports directly to Stanhope Capital Group's Executive Committee. Footprint seeks to identify and address our impact more broadly, covering environmental and social issues as well as responsible investment.

Client and investment team members are required to demonstrate a commitment to responsible investment learning each year as part of our formal review process. This reflects our view that all portfolio managers and members of the investment team have a role to play in responsible investment, from ensuring that clients' views are correctly established, through to provision of investments that meet their requirements.