



Turner Impact Capital, L.P.

Environmental, Social, Governance (ESG) Policy

December 2020

Turner Impact Capital, L.P.
3000 Olympic Blvd.
Building 1, Suite 2120
Santa Monica, CA 90404
Tel: 310-752-9600

I. Purpose

Turner Impact Capital (“TIC”) headquartered in Santa Monica, CA, is one of the nation’s largest and fastest growing social impact investing firms, committed to delivering real estate solutions to address daunting social challenges. Since inception, we have raised over \$1.2 billion of capital commitments, and are currently positioned to invest up to \$3 billion in community-enriching infrastructure in under-resourced communities nationwide. Specifically, we increase access to high-quality services for residents, students, and patients through the development, rehab, and/or preservation of workforce housing, education facilities, and community-serving healthcare facilities.

The goal of this ESG Policy is to provide foundational guidance to manage our environmental, social, and governance impacts internally and throughout our real estate investments. By pursuing compelling investment opportunities in markets where the traditional investor has been the government or philanthropy, we unlock new opportunities for impact. By identifying ESG issues, we mitigate risk and maximize our potential for positive social change.

It is within that intersection that this policy lies. This policy seeks to:

- Provide a general overview of how our team is to consider and manage ESG-related impacts;
- Outline ESG impact areas and our commitments therein; and
- Describe how key players are to support our pledge towards a more sustainable future.

By reviewing this policy annually, it serves as an ever-evolving reflection of our commitment to ESG issues which our firm was founded to address. By maintaining open lines of communication with our stakeholders, we enhance our ability to respond, prioritize and make decisions in line with our values and priorities.

II. ESG at Turner Impact Capital

Turner Impact Capital was founded as a social impact investment firm. By maintaining strong underlying governance mechanisms and contextualizing our mission and vision as inclusive of environmental stewardship, we maximize the positive impact we contribute to the communities we serve. In each new investment and throughout that investment’s hold period, we reflect on our ESG commitments when assessing risks, strengthening management systems, and creating long-term value. Therefore, ESG decision-making represents a commitment to our team and our communities. TIC’s affiliated property management company, TI Communities, assists in this process with regard to our multifamily housing properties.

III. Scope

This policy is applicable to our operations in their entirety. It is made publicly available in support of creating a cohesive ecosystem of collective impact in service of our triple-bottom line strategy.

IV. Policy Elements

Turner is committed to reviewing the ESG implications of business activities within our control and across the lifecycle of our real estate investments including the following:

Environment

We are committed to being good stewards of the environment and better managing natural resources across business operations, including: (i) in construction activities, (ii) by promoting adaptive reuse of existing structures, and (iii) by engaging our residents and employees in green programming.

Topic / Boundary	TIC	Housing	Education	Healthcare
Energy consumption	O	X	O	O
Environmental awareness	O	X	O	O
Environmental compliance	-	X	X	X
Greenhouse gas emissions	O	X	O	O
Waste management	O	X	O	O
Water consumption	-	X	O	O
X Direct impact O Indirect influence - Outside entity control				

Social

Our People

We are committed to leveraging and maintaining the best talent in the industry. Their skills and dedication applied towards realizing our vision are supported by a strong organizational culture built on the foundations of a safe, equitable, and inclusive workplace. We prioritize maintaining an open-door policy and welcome diverse perspectives from all levels of the organization, as we know it ultimately leads to better outcomes for our stakeholders. We encourage employees to develop their self-selected professional goals and to take pride and ownership in their work.

Our Communities

Community is central to our mission, vision, and values. We aim to do more than invest in real estate; we strive to be a part of the fabric that people identify with when they enter the walls of their home, school, or healthcare facility. We seek opportunities to build that sense of community through our ESG practices. We aspire to advance the desired social changes that these communities seek and support their vision for their future.

Topic / Boundary	TIC	Housing	Education	Healthcare
Community engagement	X	X	X	X
Compliance with local laws	X	X	X	X
Diversity, equity, and inclusion	X	X	O	O
Health, safety, and wellbeing	O	X	O	O
Labor and working conditions	X	X	O	O
Training and education	X	X	-	-
X Direct impact O Indirect influence - Outside entity control				

Governance

Strategic foresight coupled with a sound governance structure provides the platform needed for accountability and transparency, resulting in shared value for employees, investors, and stakeholders. We believe this is vital for operating in an ever-changing market and advancing towards a sustainable economy.

Topic / Boundary	TIC	Housing	Education	Healthcare
Accounting and legal compliance	X	X	X	X
Business ethics & integrity	X	X	X	X
Transparency	X	X	X	X
X Direct impact O Indirect influence - Outside entity control				

V. Goals and Objectives

We set goals annually in a manner that is consistent with our ESG impact objectives. Such goals include key performance indicators around:

Environmental

- Congestion cost
- Adaptive reuse
- Building processes

Social

- Number of affordable units preserved
- School seats built
- Patients served

Governance

- Corporate diversity
- Policy adoption
- Communication of impact
- Advocate for impact investing

Associated data is tracked and performance is monitored in order to fully evaluate progress made towards advancing our commitments. Public reporting related to our ESG efforts are made through forms of voluntary disclosure such as annual Impact Assets 50 application, GIIN member survey, GRESB, and UN PRI signatory report, and will be made available on our corporate website in the future.

VI. Legality

As a pioneer within our space, we share our vision for a more sustainable future herein. Though we are not in the position to set legal requirements to comply or to audit our operating partners, we expect our management, employees, and operating partners to comply with all applicable laws and regulations and share in our understanding of the critical importance of prioritizing ESG issues. We also expect our partners and vendors to consider ESG measures in the course of providing services to TIC and its affiliates and report any perceived ESG risks.

VII. ESG Management

Our commitment to advancing ESG issues is fundamental to our strategy and culture as a firm. These priorities are maintained by our CEO and founding Principals and are supported by cross-functional teams providing guidance and insight on specific related topics.

Directors, Associate Directors, and Investment Associates are charged with overseeing ESG efforts for our investments by screening and underwriting new deals in accordance with ESG factors, collecting and analyzing impact data, and developing procedural guidance and reporting, all in line with formal and informal job functions. TIC's Principals are responsible for final sign off on all decisions related to our strategic objectives. Significant advances are then shared with investors and advisors.

Amplifying and ensuring our commitment to ESG requires employee training during onboarding and as updates are made. In addition, compliance trainings are held annually to ensure employee compliance with applicable legal requirements.

By sharing this policy with vendors and service providers, we hope to raise awareness and facilitate closer communication regarding material ESG concerns when appropriate.

To increase visibility, the policy is maintained on TIC's website: turnerimpact.com.

Comments, concerns, or questions may be directed to esg@turnerimpact.com.