



# **Turner Impact Capital, L.P.**

## **Responsible Contractor Policy (RCP)**

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**Turner Impact Capital, L.P.**  
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*This Policy is effective immediately upon adoption, supersedes all previous Responsible Contractor Policies and shall apply on a prospective basis to all applicable investments.*

## **I. INTRODUCTION AND PURPOSE**

Turner Impact Capital (“TIC”) 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. To do so, TIC’s affiliate-managed funds (collectively, the “Funds”) invest in community-enriching infrastructure in traditionally under-resourced communities across the United States. These investments focus on providing increased access to high-quality multifamily housing, educational facilities, and community-serving healthcare facilities. As such, the Funds’ work routinely requires the selection and hiring of contracted services. TIC recognizes that the Funds’ contracting entities have the opportunity to further TIC’s social impact objectives inclusive of its commitment to diversity, equity, and inclusion internally and for its many stakeholders, via the responsible engagement of their contracted providers.

This Responsible Contractor Policy (the “Policy”) is designed to guide, in a manner consistent with the Funds’ responsibilities and prudence in managing their investments, the selection of independent contractors and their subcontractors (collectively, “Contractors”) who provide construction, repair, and/or maintenance services (“Services”) with regard to the Funds’ investments. The Policy seeks to ensure that the selection process for Contractors will include among other things, a demonstrated ability to provide reliable and high-quality Services which may be evidenced by their compliance with applicable statutes and payment of fair compensation and benefits to employees, as well as by their relevant experience, reputation, dependability, and ability to provide cost-efficient Services, thereby enhancing the value of the Funds’ investments.

The Funds support a safe, healthy, and profitable business environment through selective negotiation, market competition, small business development, and the control of costs. The Funds also support and encourage fair compensation and fair benefits for workers employed by Contractors to the extent possible, and in a manner consistent with the duties of the Fund manager. In this regard, each Fund manager will act:

- (a) with the care, skill, prudence, and diligence required by each Fund manager pursuant to the terms of the applicable Fund’s Limited Partnership Agreement (the “Limited Partnership Agreement”) and related Fund documents; and
- (b) to diversify the investments pursuant to the terms of the Limited Partnership Agreement.

In keeping with these overriding objectives, TIC, on behalf of the Funds, has adopted this Policy in order to support and promote the engagement of Contractors who can be expected to provide both competitive and high-quality Services to the Funds’ investments, utilizing appropriately trained and fairly compensated employees, subject to the above-cited duties and obligations of the Fund manager under the applicable Limited Partnership Agreements and related Fund documents. TIC believes that the utilization of such Contractors adds value

to the Funds' investments by ensuring that Services are provided by adequately trained, experienced and motivated workers who deliver high quality products and services.

The preceding paragraphs shall not preclude the Funds from (i) making any investment including any follow-on investment that it would otherwise be permitted to make pursuant to its Limited Partnership Agreement, or (ii) entering into negotiated arrangements with contractors for Services on an exclusive or preferred basis (i.e., on a non-competitive bid basis) that have the potential to offer strategic value to the Funds' investments or are otherwise determined by the applicable Fund manager to be beneficial to the applicable Fund.

## **II. DEFINITION OF A RESPONSIBLE CONTRACTOR**

A Responsible Contractor, as used in this Policy, is a Contractor who provides high quality Services on a comparable and relevant basis in the applicable local market consistent with the desired contracting criteria, and pays workers fair wages and benefits as evidenced by payroll and employee records. "Fair benefits" may include, but are not limited to, employer-supported family health care coverage, pension benefits and apprenticeship and workforce development training programs. "Fair wages" and "fair benefits" are based on relevant market factors that include the nature and location of the project, comparable job or trade classifications, and the scope and complexity of Services. In determining "fair wages" and "fair benefits" concerning a specific contract in a specific market, items that may be considered include local wage practices, state laws, prevailing wages, labor market conditions and other items.

## **III. INITIAL REQUIREMENTS OF THE RESPONSIBLE CONTRACTOR POLICY**

A. Contractor Selection. On applicable contracts, Contractors for Services shall be selected through a process that includes consideration of risk-adjusted returns for the investment and factors such as, but not limited to, demonstrated skill, experience, dependability, fees, safety record, and adherence to this Policy

B. Local, State, and National Law. Contractors shall observe all local, state, and national laws (including, by way of illustration, those related to insurance, withholding taxes, minimum wage labor restrictions, anti-discrimination, environmental conditions, occupational health and safety, and the right to organize unions).

C. Labor and Human Rights Policies. Turner Impact Capital supports and adheres to all International Labor Organization (ILO)'s fundamental conventions. Contractors shall observe these conventions, which relate to and include:

1. Prohibition and elimination of forced labor and child labor;
2. Promotion of equal opportunity and treatment and elimination of discrimination;

3. Freedom of association, right to organize, and collective bargaining; and
4. Occupational safety and health information and protections for workers.

#### **IV. RECOMMENDED PRACTICES**

TIC supports and strongly encourages:

A. Inclusive Staffing and Hiring. The hiring of women or Black, Indigenous, or people of color (“BIPOC”)-owned contractors, trades, and suppliers, and a similarly constituted total labor force. In this regard, the Funds will endeavor to require that at least 30% of a project’s total guaranteed maximum price be awarded to women or BIPOC-owned contractors, trades, and suppliers and that at least 60% of the total labor force hired over the course of project construction be similarly constituted, with a strong preference for local job creation.

B. Neutrality. A position of neutrality in the event there is a legitimate attempt by a labor organization to organize workers employed during the contracted term for a project. To remain “neutral” means not taking any action or making any statement that will directly or indirectly state or imply any support for or opposition to the selection by employees of a collective bargaining agent, or preference or opposition to any particular union as a bargaining agent. Nothing in this Policy obligates or prohibits a contractor from entering into private neutrality, labor peace or other lawful agreements with a labor organization seeking to represent or who currently represents workers at a Fund project.

#### **V. SELECTION PREFERENCE OF A RESPONSIBLE CONTRACTOR**

If Initial Requirements A and B in Section III above are satisfied, and without limiting clauses (a) and (b) of Section I hereof, it is a TIC preference that, subject to the Fund managers’ duties and obligations under the Limited Partnership Agreements and related Fund documents, and subject to maximizing the returns to the Funds, a Responsible Contractor be hired.

#### **VI. TRANSITION, ENFORCEMENT, MONITORING AND ADMINISTRATION**

A. Applicable Investments. Subject to the Fund managers’ duties and obligations with respect to the Funds under the Limited Partnership Agreements and related Fund documents, the Funds shall use commercially reasonable efforts to apply the Policy to all real estate equity investments.

B. Solicitation Documents. All requests for proposal and invitations to bid relating to investments covered by this Policy shall describe the terms of this Policy and include a copy of the Responsible Contractor Self-Certification Form (Appendix A). All selected Responsible Contractors also shall provide a copy of the Self-Certification Form annually and at the completion of each project.

C. Contracts. All contracts entered into after the effective date of this Policy and pertaining

to applicable investments shall endeavor to comply with this Policy. All selected Responsible Contractors shall communicate this policy to their subcontractors and endeavor to select subcontractors consistent with this Policy.

D. Minimum Contract Size. The Policy shall apply to all applicable contracts involving new construction projects with an aggregate value greater than or equal to \$10 million, adaptive reuse construction projects with an aggregate value greater than or equal to \$5 million, and maintenance and repair contracts with an aggregate value of greater than or equal to \$1 million. Minimum contract size refers to the total project value of the work contracted for and not to any disaggregation by trade or task. Disaggregation designed to evade the requirements of this Policy is not permitted. The Fund managers may, at their sole discretion, lower the minimum contract value for specific investments as they deem appropriate. When this Policy is not applicable by its terms, the Fund managers are encouraged to make a good faith effort to comply with the spirit of this Policy in a manner consistent with its duties.

E. Fair Wage and Fair Benefits. This Policy avoids a narrow definition of “fair wage” and “fair benefits” that might not be practical in all markets. This Policy looks to local practices concerning the type of trade and project. This Policy recognizes that practices and labor market conditions vary across the country and that flexibility in implementation is important. In determining “fair wages” and “fair benefits” concerning a specific contract in a specific market, items that may be considered include local wage practices, state laws, prevailing wages, labor market conditions, and other items.

F. Competitive Bidding. Given the time and expense required to solicit and evaluate potential Contractors, it is not essential to solicit all potential Contractors. The Fund managers must ensure, to the extent commercially reasonable, that there is a selection process that is inclusive of potentially eligible Responsible Contractors. Competitive bidding does not necessarily assure inclusion of Responsible Contractors. Care must be taken that if contracts covered by this Policy are competitively bid, that bidders include potentially eligible Responsible Contractors. For the avoidance of doubt, Fund managers will retain full commercial discretion to conduct the bidding process in a manner that is consistent with their overriding duties and obligations under the Limited Partnership Agreements and related Fund documents to enhance returns for investors while ensuring the provision of relevant and high-quality Services.

Contractors shall not be permitted to bid on projects if the Contractor or its principals or senior executives have been debarred by the City or State in which the applicable project is located for failure to pay prevailing wages or benefits on any prior job for which it was required by law.