

# Environmental, Social, and Governance (ESG) Policy 2023

## Our Approach & Commitment to ESG

Ranger Global recognizes the increasingly important role that environmental, social, and governance (ESG) factors play in driving investment outcomes. Building upon our long-held view that commercial real estate is inherently a socially responsible business due to its provision of shelter (e.g., residential occupancy, business operations, retail commerce), we are committed to integrating ESG factors into our investment strategy and culture, as well as supporting initiatives that fulfill our corporate responsibility. We believe this is essential to the wellbeing of our employees, investors, stakeholders, and local communities.

- From an **Environmental** perspective: We commit to complying with or exceeding the requirements of all applicable environmental regulations. This includes reducing the environmental impacts of operations, minimizing climate change impact, and being a responsible steward of resources. As a public real estate investment manager, we commit to own high quality, higher-growth real estate companies that utilize energy-saving initiatives both contributing to reduced carbon emissions and enhancing shareholder value.
- From a **Social** perspective: We commit to social responsibility initiatives, which includes providing a safe, healthy, and productive environment for our employees and stakeholders. As a company, we are an equal opportunity employer and believe in embracing diversity and inclusion as essential components of achieving the highest long-term economic performance. At the portfolio level, diversity in hiring practices and board composition are metrics that are specifically incorporated into the social dimension of the ESG score generated by our investment team when evaluating high conviction investment candidates for potential inclusion in our funds.
- From a **Governance** perspective: We commit to complying with or exceeding requirements of all applicable regulations and acting as responsible members of the communities in which we operate. As a majority employee-owned company, we are committed to establishing an inclusive workplace. We believe in acting ethically and responsibly while maintaining a strong corporate governance structure. Additionally, we adhere to the CFA Institute's Standards of Professional Conduct. At the investment level, quantitative measures of governance quality and alignment of interests (e.g., insider ownership) and qualitative indicators such as board composition, inclusion of independent directors, and observance of fiduciary duty to all stakeholders are key components of our analysis for potential investment.

- Lastly, as part of our commitment to ESG initiatives, Ranger Global is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and adheres to its framework and principles of best practice.



## ESG Oversight

While the firm does not currently employ any professionals specifically dedicated to ESG and Responsible Investing, our Chief Investment Officer and four regional portfolio managers are each responsible for conducting thorough fundamental research on all of the companies held in the portfolio, including an assessment of ESG factors and their impact on risk and expected return.

Our portfolio holdings are discussed on daily investment team calls that include all investment team members. Additional oversight of our portfolio holdings, including each portfolio’s aggregate ESG score and any specific company outliers, is provided during our monthly Investment Committee meetings—attended by Ranger Global’s Chief Investment Officer, Chief Operating and Compliance Officer, and two of our portfolio managers.

Finally, our portfolios, including their aggregate ESG scores, are reviewed and discussed at the firm’s quarterly Board meetings, which are attended by all members of the firm’s Executive Management team, as well as our Senior Advisor and Board Chair, and two additional external members representing our strategic partner and minority owner, QuadReal Property Group.

Ranger Global has a formal written policy for voting proxies within each of our investment strategies which was adopted in accordance with Rule 206(4)-6 of the U.S. SEC Investment Advisers Act of 1940. We vote on all matters appearing on every shareholder proxy, including ESG issues.

## Environmental Commitment

Ranger Global acknowledges the responsibility we have, as owners of real estate companies, to recognize that environmental factors play a key role in the health and wellbeing of tenants, residents, employees, and the communities where those companies and their assets are located. As such, we consider the impact on environmental stewardship when making all investment decisions (e.g., Ensuring

that energy, water, and waste resources are carefully measured, managed, and reduced in an effort to mitigate the effects of climate change and reduce carbon emissions). We also expect our vendors and suppliers to prioritize the same areas.

Climate change is an environmental factor that is of particular importance to us as real estate investors. Our investment team evaluates the location of all properties held by the companies we analyze and consider the risks confronted by waterfront assets as a result of rising sea levels, as well as the structural risk to all commercial buildings posed by the effects of extreme weather events.

Additionally, as efficient energy initiatives increasingly converge with shareholder interests, we are finding more opportunities to invest in companies whose “green” business practices help to combat climate change through reduced carbon emissions, which can also translate to increased returns for investors.

At the corporate level, the firm does not explicitly offset its carbon footprint, but seeks to support environmental protection efforts to minimize its own carbon footprint through a number of practices, including:

- Leasing its NYC headquarters in a LEED gold certified building.
- Using energy-saving lighting.
- Encouraging recycling of all paper, plastic, and glass products.
- Offering filtered, non-bottled water to employees and guests.

At the portfolio level, we have implemented an ESG framework in our investment process, which utilizes Bloomberg ESG scoring data accumulated from independent research providers as a starting point for our generation of ESG scores and analysis. The Ranger Global investment team then overlays its own proprietary views in order to generate a final ESG score for each company in our coverage. While each company has an individual ESG score, the overall portfolio has an aggregated, weighted ESG score. We seek to engage with our clients to produce reporting that highlights the ESG scores of their portfolios and top holdings.

One important dimension of this analysis is each company’s carbon emissions. We seek to identify high quality, higher-growth companies that utilize energy-saving initiatives that both contribute to reduced carbon emissions and enhance shareholder value. As more research has become available in recent years regarding ESG factors and their growing correlation to improved investment outcomes, we’ve recognized the need to enhance our investment process to assess these factors and their ability to add or detract from shareholder value.

## **Social Commitment**

Ranger Global is a boutique investment manager founded by two honorably discharged service-disabled veterans of the U.S. Army. We are focused on creating a

thriving environment for employees and stakeholders alike—which includes an intentional and increasing focus on diversity, equity, and inclusion (DEI) education and initiatives. As such, we have implemented a formal DEI Policy and believe that monitoring and improving the social aspect of ESG at our company will contribute to improved productivity, better decision making, and greater open-mindedness to innovations in the workplace. At the portfolio level, diversity in hiring practices and board composition are metrics that are specifically incorporated into the social dimension of the ESG score generated by our investment team. As research suggests that diversity of thought helps to enhance shareholder value, we view diverse staffing and board composition as positive contributors to company performance.

We also believe that having a positive impact on the surrounding communities will not only help create brand loyalty and reduce reputational risk, but it will also create cleaner, safer, more productive local economies.

## **Governance Commitment**

Emphasis on the quality of management teams and their alignment of interest with shareholders has been a key tenet of our investment process since the founding of our Firm. Corporate governance, including management strategy and percentage of insider ownership, has played a critical role in our investment decision-making process for all companies owned in our portfolios. In general, governance has historically been a strength among public real estate companies, including high insider ownership, fiduciary responsibility, and Board composition. We seek to invest in the industry's most enlightened management teams that consistently deliver superior results, demonstrate leadership on environmental and social policies and practices.

As a corporate entity, Ranger Global believes that strong governance is the foundation for delivering superior results for our investors and stakeholders. We are committed to conducting business with honesty and integrity, and in compliance with all legal and regulatory requirements. Several of the policies we have in place provide guidelines for growing our business while also driving environmental and social value creation. These include:

- Code of Ethics
- Code of Conduct
- Family and Medical Leave
- EEOC Policy
- Personal Trading Policy
- Gifts and Entertainment Policy
- Anti-Harassment Policy
- IT Security Policy/Cybersecurity Policy
- Whistleblower Policy

All policies are transparent and publicly available. Additionally, we adhere to the CFA Institute's Standards of Professional Conduct.