

Systema: Environmental, Social, and Governance Policy

Introduction

Systema Capital Management is an alternative investment manager that seeks to deliver economically inclusive and environmentally sustainable growth through investments in housing, real estate, and economic development nationwide. Systema's core competency is a deep understanding of markets that rely on private capital to deliver public goods. Such sectors include the U.S. housing finance system, the transition to a green, carbon neutral economy, and financial mobility and economic development for disadvantaged people and communities. With a special focus on affordable housing and urban development, Systema brings a multi-strategy approach to these highly specialized public-private markets, investing in both private credit and private equity. Investing throughout the capital structure gives Systema market leading insight to generate high returns and better manage risk.

This ESG Policy formalizes and demonstrates Systema's commitments to the inclusion of environmental, social, and governance considerations in the public-private marketplace as Systema and its strategies grow and evolve. Over time, this policy will be adapted to continue to fit our mission and encourage iterative review and improvements.

Mission

Systema invests private capital in market sectors that create public goods. An example has been Systema's involvement in expanding the breadth and depth of the capital markets for affordable housing in partnership with Government Sponsored Enterprises (GSEs), especially Freddie Mac.

Systema views a strong connection between the core values behind our investment and facilitation of public-private capital markets and the principles inherent to ESG practices. Our goal is to gain and maintain visibility into environmental benefits, social impact, and equitable governance of the communities in which we and our partners invest and operate in. We feel a duty to actively support our portfolios and partners to enhance the lives of people and improve communities.

ESG Commitments and Areas of Responsibility

Systema seeks to apply ESG considerations into everyday investment and operational decisions. This firm wide integration is only possible in partnership with Systema's employees and to empower our employees we pledge the following:

- Maintain our track record of minimized risk, maximized impact, responsible investment practices, and transparently communicating results and targets.
- Base decisions and continuous growth on real data and feedback.
- Continuously assess existing policies and internal mechanisms where ESG could be integrated as a factor.

- Strive for impact investing from responsible investing by incorporating ESG into our investing processes and conversations within investment committees.
- Strategize ESG due diligence processes for future and current investments to align with our responsible investing commitment.
- Promote and, where feasible, incorporate standards for healthy sustainable communities and equitable living spaces.
- Support philanthropic initiatives that align with our mission for even greater impact.

Systema's Definition of ESG

ESG at Systema encompasses a multitude of strategies, considerations, and factors, including:

- Environmental impacts of the communities in which we invest are a main focus in responsible strategy and resiliency planning. Systema will work to reduce the environmental impact of our buildings' construction, rehabilitation and operations and positively impact the buildings' local ecosystems.
- Social considerations apply to making our communities better, more inclusive, and equitable places to live and work. Systema will work to provide and support safe, clean, and affordable housing which can lift its residents' prospects and opportunities.
- Governance focuses on transparency, communication, and offering support for our partners, properties, and investors to expand Systema's impact beyond our corporate operations.