



RCF Responsible Investment Policy

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Approved by: ESG Committee

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RCF Responsible Investment Policy

1) Mandate

Resource Capital Funds (“RCF” or the “Funds”) is a mining-focused private equity firm that works closely with its portfolio companies to build strong, successful and sustainable businesses that produce superior returns to all shareholders. The Funds invest in public and private mining and mining services across a diversified range of mineral commodities and geographic regions. RCF Management L.L.C. acts as the management and investment advisor to the Funds.

2) Responsible Investment Approach

RCF is committed to integrating environmental, social and corporate governance (ESG) factors into its investment processes and ownership activities to improve long-term returns and create more sustainable businesses. RCF’s approach to responsible investment incorporates governance, guidance and management.

A) Integration of ESG Criteria in Investment Analysis and Decision Making

RCF integrates ESG criteria into its rigorous investment analysis which enables its investment teams to systematically identify material ESG risks and opportunities. Investment analysis is based on specialized research and key information collected and analyzed by RCF. The integration of specific ESG criteria in investment analysis enables RCF to better understand, evaluate, and assess ESG-related risks and opportunities which may affect an investment’s performance.

In relation to existing investments, RCF endeavors to work with management teams of portfolio companies to ensure specific ESG risks and opportunities applicable to the investment are identified and understood. RCF strives to ensure that its portfolio companies are held accountable for ESG performance. RCF actively monitors key ESG risks and opportunities at the Fund level and encourages its portfolio companies to do the same.

B) Engagement

RCF actively engages with its portfolio companies throughout the investment process. RCF encourages its portfolio companies to implement responsible mining and ESG business practices or other related industry standards into their business systems. RCF promotes business practices that respect the value of human life, evaluate and reduce workplace hazards, promote operational efficiencies, monitor and address environmental and social impacts, and meet or exceed regulatory requirements.

RCF engagement activities extend beyond its relationships with portfolio companies. RCF participates in a number of industry initiatives and collaborations, including the United Nations-supported Principles for Responsible Investment (“PRI”). The PRI, of which RCF is a signatory, comprises international investors that have committed to apply and advance six principles for responsible investment.

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The PRI framework was developed in partnership with the United Nations Environmental Program Finance Initiative and the United Nations Global Compact to help investors integrate ESG matters into their investment process. RCF is committed to fulfilling the PRI's annual reporting requirements.

3) ESG and Responsible Mining

RCF understands the inherent risks associated with mining. RCF regularly reviews ESG risks and opportunities associated with mining and proactively engages its portfolio companies to ensure that strategies are in place to mitigate risks and recognize opportunities. ESG risks typical of those found in the global mining sector and mining supply chain include: risk of injury to employees and contractors, human rights, indigenous and community relations, exposure to unethically sourced materials, environmental contamination, sustainable development challenges, corruption, regulatory compliance, and risks associated with the security of personnel, intellectual property and physical assets.

RCF can influence an investment's ESG management either through direct consultation, representation on a board of directors, or through the terms of its investments, recognizing that the companies in which the Funds are invested are independently operated and managed. In those instances where RCF has direct influence on an investment's management, RCF strives to ensure that exploration and development, mining, processing, and distribution activities are conducted in a responsible manner that promotes continuously improving business systems that extend beyond meeting regulatory requirements. RCF understands the value of earning and maintaining a "social license to operate" and believes that it is a critical factor in successful project development.

4) Responsibilities and Reporting

RCF's Environmental, Social, Safety and Governance (ESSG) Committee maintains the Responsible Investment Policy. The Responsible Investment Officer evaluates the Policy for compliance and relevance and if appropriate, will make recommendations regarding the Policy to the ESSG Committee. The Responsible Investment Officer ensures RCF incorporates the strategies and methods outlined in this Policy and the Responsible Investment Strategy into management activities and facilitates ESG-related training as necessary.

The Responsible Investment Officer will annually report on ESG-related activities which include, but are not limited to, the following: ESG-related initiatives undertaken by portfolio companies, ESG training and emerging ESG-related trends.