

Human Rights Compliance Oversight and Monitoring Program

Overview

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As described in its Compliance Manual, Sandbrook Capital Management LLC (the “Firm”) recognizes the human rights of its stakeholders and supports companies that share the Firm’s commitment to respect those rights and avoid complicity in adverse human rights impacts, consistent with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

The Firm’s Chief Compliance Officer oversees its Compliance Program and administers the controls and trainings outlined in the Compliance Manual, which include rules and standards applicable to the Firm’s investment professionals and its portfolio companies.

The Firm’s commitment to respect the human rights of its stakeholders extends to its relationships with its employees and communities, the Firm’s investment activities, and the activities of companies that the Firm supports. It extends to the treatment of workers in their respective supply chains and members of their host communities, among other stakeholders. The Firm’s commitment also requires consideration of voluntary human rights-related standards and Environment, Social, and Governance (ESG) criteria – such as those to which the Firm is committed in the Principles for Responsible Investment (PRI) – and compliance with the rapidly evolving landscape of laws requiring disclosures and human rights due diligence. Consistent with the Firm’s PRI commitments, the Firm incorporates human rights and other ESG considerations into its investment analysis and decision-making processes before making investments, as set out in the Firm’s responsible investment policies, frameworks, and tools. To help the Firm live up to these commitments following the initial investment decision, the Firm implements a Human Rights Compliance Oversight and Monitoring Program for portfolio companies.

The Human Rights Compliance Oversight and Monitoring program follows a risk-based approach to assess the potential and actual adverse human rights impacts of the Firm and each portfolio company and the compliance program elements that each has in place to address human rights risks and impacts. Based on this assessment, the Firm continually improves its processes, and where appropriate, conducts further due diligence, meaningfully engages with stakeholders, and communicates expectations to business partners. Through these steps, the Firm seeks to prevent, and where necessary, mitigate and remediate adverse human rights impacts that are directly connected to the Firm’s operations, investments, and other relationships.

In particular, the Firm conducts an annual scoping process to identify the human rights at risk of the most potentially severe negative impact (salient human rights risks) based on each portfolio company’s activities and business relationships. This process includes a standardized questionnaire issued each year to the companies over which the Firm exercises control to gather granular information regarding human rights risk factors, human rights compliance programs, and due diligence practices.

To supplement information gathered through the questionnaire, the Firm periodically conducts desktop research of public-source information using a standard methodology that includes search terms and a listing of prominent reports and other resources regarding human rights risks relevant to the specific locations, industries, and operations of portfolio companies. Because this scoping process is intended to identify risks to *people* (i.e., potentially vulnerable stakeholders), the Firm supplements the scoping steps above as necessary with targeted engagement with other stakeholder groups such as NGOs or civil society groups who may have valuable information regarding salient human rights risks relevant to particular industries, site locations, or other particular circumstances.

Based on the information gathered from the scoping process, the Firm maps the risk levels of companies in its portfolio, categorizing them based on a preliminary assessment of the nature, severity, and likelihood of the human rights risks. The Firm then utilizes a risk-based approach to gauge the human rights compliance practices of each company based on prominent international standards such as the UNGPs, stakeholder expectations, and evolving best practices in relevant industries. Among other things, this analysis involves an assessment of whether the companies have implemented a human rights compliance program or management system that includes human rights policy commitments; procedures to identify, assess, and manage human rights risks and impacts; organizational capacity and competency; monitoring and review processes for human rights risks; and external communication and grievance mechanisms.

Based on the mapping analysis, the Firm makes recommendations to conduct further due diligence (such as through supplementary desktop research, site specific human rights risk assessments, human rights impact assessments, etc.), engage further with stakeholders, issue additional communications to business partners, enhance human rights compliance program components or monitoring, or perform other steps to address salient human rights risks. The Firm intends to disclose the results of these initiatives as appropriate. This process is managed by outside legal counsel specializing in international business and human rights and corporate compliance.