

Grow Schools

Environmental, Social, and Governance Policy

Effective Date: October 6, 2023

Charter School Capital, LLC dba. Grow Schools (“Grow Schools”) has adopted an Environmental, Social and Governance Policy (“ESG”) to formalize our longstanding view of considering all stakeholders in our investment and management decisions. We hold ourselves to the highest business and ethical practices.

1. Purpose

The purpose of this policy is to define Grow Schools’s approach to integrating the consideration of environmental, social, and governance (“ESG”) risks and value creation opportunities into investments made through its infrastructure fund. Grow Schools commits to improving the communities in which it invests, and to enhancing the role of the educational facilities and their communities. As such, Grow Schools considers material ESG issues, as detailed in Grow Schools’s Investment Committee Criteria, during its due diligence and in the monitoring of portfolio investments, to the extent reasonably practical under the circumstances, subject to the fiduciary responsibility of Grow Schools. For the purposes of this policy, “material” ESG issues are defined as those issues that Grow Schools, in its sole discretion, determines to have, or the potential to have, a direct substantial impact on an organization’s ability to create, preserve, or erode economic value, as well as environmental and social value for itself and its stakeholders.

2. Scope

This policy will apply to all infrastructure investments considered by the Grow Schools Investment Committee following the date hereof and will be interpreted in accordance with local laws and regulations.

3. Roles and Responsibilities

Grow Schools’s Investment Committee is responsible for ensuring that consideration of ESG issues is integrated into investment decisions. Where additional subject matter expertise is needed, Grow Schools utilizes external resources as relevant and necessary.

4. Goals

Subject to the scope described in Section 2, Grow Schools seeks to:

1. Consider environmental, public health, safety, and social issues associated with target investments when evaluating whether to invest in a company or entity, as well as during the period of ownership.
2. Be accessible to, and engage with, relevant stakeholders as appropriate.
3. Use governance structures and committees of the Board of Directors that provide appropriate levels of oversight in the areas of audit, risk management, investment parameters, potential conflicts of interest, and compensation.
4. Remain committed to compliance with applicable national, state, and local labor laws; support the payment of competitive wages and benefits to employees; and provide a safe and healthy workplace.
5. Provide timely information to Grow Schools’s limited partners on the matters addressed herein, and work to foster transparency about Grow Schools’s activities.

5. ESG Integration in Infrastructure Investments

Grow Schools will seek to integrate the consideration and thoughtful management of ESG issues throughout the investment cycle.

5.1 Pre-Investment:

To ensure the integration of ESG considerations in the pre-investment phase of infrastructure investments, and subject to Grow Schools's determination of what is reasonable and appropriate, Grow Schools will:

Undertake ESG Due Diligence:

Grow Schools will conduct due diligence on ESG elements as are outlined in the Investment Committee Criteria; this due diligence may include third party assessments as deemed applicable.

Documentation: In cases where ESG-related issues are considered during the due diligence process, Grow Schools will document, for internal use, the issues considered, findings, and next steps, if any.

5.2 During Investment:

To manage ESG risks and value creation opportunities in its infrastructure investments post-investment, and subject to our determination of what is reasonable and appropriate, Grow Schools will:

Monitor Progress:

Where there are material issues identified during the diligence process, include the management of these issues in a post-close plan, or otherwise monitor ongoing progress on ESG issues, as applicable. Process improvement efforts will be initiated, as applicable.

Documentation:

In cases where material ESG-related risks and opportunities are being monitored or managed, Grow Schools will document, for internal use, the issue, progress, and next steps, if any.

5.3 Transparency and Stakeholder Engagement

We will seek to be transparent in our approach to incorporating ESG considerations in our infrastructure investments by reporting annually on its progress and outcomes at the fund level. The format of this reporting may vary among written public reports, verbal informal reports, or confidential fund or asset-level reports to Grow Schools investors. Where appropriate, throughout the investment cycle we will seek to actively engage relevant stakeholders to make informed decisions that may affect these stakeholders.

United Nations-Supported Principles for Responsible Investment ("PRI")

Grow Schools is a signatory to the United Nations-supported PRI. The PRI Initiative is an international network of investors working together to put the six following principles for responsible investment (the "Principles") into practice:

1. Incorporate ESG issues into investment analysis and decision-making processes.
2. Be active owners and incorporate ESG issues into the firm's ownership policies and practices.
3. Seek appropriate disclosure on ESG issues by the entities in which the firm invests.
4. Promote acceptance and implementation of the Principles within the investment industry.
5. Work together to enhance the firm's effectiveness in implementing the Principles.
6. Report on the firm's activities and progress towards implementing the Principles.

Policy Review

This policy will be reviewed and updated, as necessary, regularly at Grow Schools’s Executive Team and, or Board of Director meetings.