



Hipgnosis Song Management Limited Responsible Investment Policy

Hipgnosis Song Management Limited (HSM) is a responsible investor adviser. Our clients' investment objectives are to acquire proven hit songs of cultural importance, primarily in North America and Europe, and our activities have a high profile in the press and amongst the many consumers of the Songs which our clients acquire. Our clients' investments take the form of intellectual property rights such as the publisher's share or writer's share of musical compositions. Our actions, as custodians of these assets, can have deep implications across the musical world and our ability to continue to grow our business and be successful is entirely contingent on our integrity and behaviour.

Our investment advisory process involves, inter alia, an assessment of the copyright income streams associated with a potential acquisition, the nature of copyrights to be acquired, portfolio concentration and copyright vintage. Post-acquisition, we strive to enhance the value of the acquired Songs through active song-management and the efficient administration of revenue collection.

Environmental, social, and governance (ESG) factors are embedded into HSM's corporate values and culture. In our investment process we seek to identify those ESG factors that are likely to have a material impact on both the performance of our clients' Songs and on our impact as a leading business on the broader song-writing community.

We seek disclosure on appropriate ESG factors for all new music copyright assets (such as political or sexual controversy, discrimination or other social harm) as part of the investment process for each new Catalogue. If the screening process highlights a potential ESG concern this is flagged to our Investment Committee for consideration prior to acquisition. HSM does not operate a negative ESG screen, but the social (cultural) importance of the Songs that our clients acquire is central to our purpose.

While music copyrights do not have any immediate environmental or corporate governance implications, per se, being abstract legal entitlements rather than corporate or physical entities, HSM also seeks to ensure that the conduct of its business and the promotion of our clients' Songs is undertaken in a manner consistent with best practice in ESG. For example, HSM is committed to increasing diversity and creating an inclusive workplace by protecting labour rights and promoting a productive, safe, healthy and harassment-free environment not only within its workforce but in the conduct of business of its third-party suppliers and the artists associated with the active management of our clients' Songs.

HSM's responsible investment policy is evolving. As a first mover in its asset class, HSM seeks to set the benchmark for responsible investment in music assets for others to measure themselves against. HSM will continue to explore how best to identify, manage and mitigate ESG risks in the future, within the context of global ESG framework and stakeholder expectations, and we welcome feedback from all of our stakeholders in our journey.

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