

## Environmental, Social Responsibility and Corporate Governance Policy

<b>Area covered</b>	The purpose of this Policy is to outline CPIM's principles, objectives and commitments in relation to Environmental, Social and Governance factors
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## 1. Purpose

The purpose of this Policy is to outline Cedar Pacific Investment Management ('CPIM')'s ("the Company") principles, objectives and commitments in relation to Environmental, Social and Governance (ESG) factors.

The Company recognises that there are environmental, social and economic implications to all the decisions it makes as an investment manager. Therefore, in assessing risks and opportunities CPIM remains focused on the financial implications of its decisions as well as the social and environmental impact.

This policy outlines the approach that CPIM follows in managing ESG sustainability in its own business and in the assets and investments it manages on behalf of its investors.

The policy will also be used as a tool to communicate to service providers the standards we expect from them when undertaking business as delegated by us whether it be in the design, construction, development operating or maintenance phase of the property life cycle.

## 2. Policy Statement

CPIM is committed to incorporating ESG factors in decision making so that related risks and opportunities are identified and properly assessed.

The Company believes that strong sustainability performance helps to manage risk and generate long-term value for its stakeholders. It takes a comprehensive approach toward managing assets, including the integration of ESG criteria into its investment process.

CPIM also understands that for many investors the ESG impact of their portfolios is an important consideration in conjunction with investment performance.

## 3. Scope

This policy applies to all employees of the Company. Employees include Directors, executive management, full time employees, part-time employees, casual employees and contractors ("Employees").

Compliance with this policy is mandatory. This policy will be subject to review every year, unless specifically required. The next review is to occur in October 2020.

CPIM's Head of Reporting/Financial Controller is the owner of this policy.

This policy is communicated to service providers to outline the Company's ESG related expectations from the providers we engage. If the providers cannot consider any of the principles or objectives contained in this policy we expect to be notified.

## 4. Core ESG Objectives

CPIM acknowledges that managing investments in a sustainable and responsible way will assist in ensuring long term success for its business, investors and the communities in which

it operates. CPIM's Core environmental, social and governance objectives are set out below and are regularly reviewed.

#### ESG Objectives

CPIM aims to:

- Always comply with both the letter and the spirit of the law, wherever it applies
- Take a responsible approach to investing throughout its investment cycle and recognises the potential impact of businesses on the environment, workers, communities and society
- Act responsibly with respect to the environment, aiming for a sustainable approach to the use of resources, avoiding irresponsible disposal of hazardous products and unnecessary waste
- Consider the potential impact of climate change on the businesses in which it invests or acts as investment manager
- Always respect human rights
- Ensure there is no bribery or corruption in any of its dealings and act with integrity at all times in its dealings
- Be non-discriminatory (whether on grounds of gender, race or disability), and adopt equality and diversity in its employment practices
- Ensure that its management structures and policies reflect the need for transparency, accountability, equality and probity in the management of its businesses
- Engage suppliers and tenants with consideration to ESG issues
- Communicate the expectation to its service providers that their policies and processes must align to CPIM's objectives as outlined in this policy.

## 5. Environmental, social and governance considerations

In order to achieve these objectives, CPIM embeds consideration of ESG issues in its risk management disciplines (per the Group's *Risk Management Policy*) including in its investment analysis and decision-making processes.

The Company's ESG approach is focused around the following key areas which are considered to be material the business:

- Environmental - The depletion of natural resources and the threat of climate change have raised concerns about the environment and the potential financial impact on businesses. Sustainable options are increasingly being considered as part of investment choices.
- Social - Inclusion, diversity and equality are becoming more important considerations in relation to the way in which businesses operate and can generate competitive advantage; with these areas attracting increasing scrutiny from a range of stakeholders

- Governance - Corporate governance covers the rights and responsibilities of the management of a company - its structures, corporate values and accountability processes

Considerations relevant to CPIM's business include, but are not limited to:

Environmental factors	Social factors	Governance factors
Environmental impacts and related risks	Workplace health and safety	Board structure and corporate values
Energy efficiency and renewable energy	Labour standards and human rights issues in the supply chain	Corporate Codes of conduct, Whistleblowing, anti-bribery and anti-corruption policies
Responsible Waste and pollution management	Labour laws	Protection of personal information
Water management	Corporate behaviour	Dealings with suppliers and other third parties
Sustainable management of premises	Inclusion, diversity and equality	Accounting and disclosure practices

## 6. ESG Implementation Strategy

To oversee CPIM's commitment to sustainability and the implementation and monitoring of its ESG strategy, an ESG Task Force has been appointed with the following composition:

- Financial Controller/Head of Reporting
- Operations Manager
- Director, Legal and Compliance
- Director, Investments
- Senior representative/s from the asset operator

The task force meets on a regular basis, to provide oversight and monitor the progress of the Company's ESG and sustainability activities against its objectives.

The implementation strategy below relating to Investment Decisions, Environmental, Social and Governance matters are statements of intent, through which CPIM commits to carry out all investment management duties with a proper consideration of ESG issues. It provides a practical guide of the types of issues to be examined and the questions to be asked when considering the ESG issues associated with all prospective and current investments.

### 6.1 Investment Decisions

Within the confines of its duties to its investors' funds, CPIM is committed to ensuring its activities, as owners and managers of real estate, do not, in its judgement, cause harm and, where feasible enhance the environment and the communities they affect.

When making real estate investment decisions, CPIM takes the following considerations into account:

- Environmental, public health, safety and social issues associated with targets when evaluating whether to invest in a particular property, as well as during the period of ownership. Remediation plans are created to mitigate any property specific issues.
- Seeking opportunities to lower resource consumption, including water and utilities by making strategic capital investments.
- Being accessible to relevant stakeholders either directly or through representatives of property management companies, as appropriate.

Risk assessments for new acquisitions and standing investments includes risk identification, risk analysis, risk evaluation and risk treatment, as detailed in the Group's *Risk Management Policy*. ESG considerations are embedded into this process.

## 6.2 Environmental strategy

CPIM believes in the principle of caring for the environment and recognise the Company's responsibility to do business in a manner that protects the environment.

The Company is committed to taking responsible steps towards improving environmentally sustainable operational practices at its properties. Its commitment to this strategy represents good and responsible corporate citizenship and serves in the best interests of its investors through the potential to increase the values of investor portfolios.

CPIM is committed to:

- Reducing the environmental impact of its business activities
- Meeting environmental regulations
- Collaborating with investors, tenants, and other service providers to provide sustainable management of properties
- Incorporating ESG considerations into its procurement practices

## 6.3 Social strategy

CPIM is committed to being a responsible member of the community. It is dedicated to creating a wholesome environment for all its stakeholders including its tenants and residents. CPIM communicates its commitment to its service providers and expects they embed these values in the delivery of their services.

CPIM is dedicated to protecting its people and creating a culture of inclusion and diversity. CPIM will provide a safe and healthy work environment and will not compromise the health and safety of any individual. The health and wellbeing of its Employees is paramount and CPIM is committed to continually considering ways to enhance its Employees experience.

The Company is an equal opportunity employer and monitors diversity of its employees with reference to age, gender and international background as a minimum. It abides by all fair labour practices and is committed to ensuring that its activities do not directly or indirectly violate human rights in any country.

CPIM conducts its business in accordance with its *Code of Conduct* and is committed to being a responsible member of the community. The Company will continue to pursue actions that support this commitment across the business.

#### 6.4 Governance strategy

CPIM itself is governed by a series of policies, procedures, best practices and guidelines, rooted in sound ethics. CPIM has an established *Governance Framework* comprising the principles and objectives by which decisions in the Group are made and how those in control are held to account. A summary of CPIM's key governance and conduct policies is listed in Appendix 1.

In addition, CPIM operates its funds in accordance with its organisational documents, as well as in accordance with applicable laws, rules, regulations, policies and procedures.

#### 6.5 Service providers

CPIM will not knowingly do business with any organisation that doesn't share its commitment to dealing with stakeholders fairly and ethically. CPIM understands that it indirectly impacts the environment, society and economy through appointment of service providers.

The Company expects its service providers and suppliers to be socially, environmentally and ethically responsible and to consider ESG factors in their business dealings in all stages of operations. Appendix 2 provides a summary of the ESG factors CPIM expects its service providers to take into consideration, which is formally shared with them on an annual basis.

Significant contracts are executed with providers and suppliers as part of normal course of business, and ESG factors are considered during the procurement and contract management process. This includes, but is not limited to, procurement of asset operators and building contractors.

The Company liaises with key providers through ongoing dialogue which includes regular meetings, visits and phone calls. Ongoing contract management includes setting a strategy and reporting procedures that monitor sustainability performance.

### 7. Sustainability and ESG Reporting

CPIM recognises the interest in sustainability by stakeholders (investors, tenants, suppliers, regulators and the broader community) and their right to understand how and to what extent its business affects them, directly and indirectly, positively and negatively.

CPIM is committed to reporting information relating to key aspects of ESG for the benefit of stakeholders and to ensure it is on track with its commitments. CPIM's reporting includes:

- Internal reporting the Company's board of directors;
- External reporting through Annual Reports;
- Obtaining ESG reporting from our operators; and
- Annual Global Real Estate Sustainability Benchmark Assessment.

## 8. Reporting non-compliance

Any non-compliance, misconduct, penalties, incidents and accidents should be reported to the Governance Manager via email as soon as practicable. The ESG Taskforce will investigate reports of non-compliance and provide recommendations to the Board regarding action to be taken.

The Board will receive information in relation to any matters reported formally on an annual basis.

## 9. Commitment to ESG Leadership

CPIM is a member of Global Real Estate Sustainability Benchmark ("GRESB"), the ESG (Environmental, Social and Governance) benchmark for real assets. GRESB assesses, scores and benchmarks ESG performance data in order to provide standardised and validated data to the capital markets.

GRESB membership requires CPIM to report on detailed ESG practices and performance on an annual basis, which are then benchmarked against global peers. CPIM continues to explore other relevant memberships, initiatives and/or signatory opportunities to demonstrate its ongoing commitment to ESG matters.

## Appendix 1: Summary of key governance policies

CPIM's key governance policies include, but are not limited to, the following:

Governance Policy	Description
Board Charter	Documents the respective roles, responsibilities, and authorities of the Board of directors and Management in setting the direction, management and control of the organisation.
Conflicts of Interest Policy	Provides a framework to effectively identify, disclose and manage potential, actual or perceived conflicts of interest.
Code of Conduct	Developed to ensure consistent ethical standards of conduct are adopted across Cedar Pacific.
Anti-corruption and Anti-bribery Policy	Details Cedar Pacific's standards and guidelines to conducting its business with honesty and integrity and complying with relevant laws and regulations.
Delegation of Authority Policy	Sets out the authorising environment and the circumstances under which the Board may delegate its responsibilities.
Privacy Policy	Describes the types of personal information that Cedar Pacific's collects, holds, uses and discloses and outlines its personal information handling practices in order to comply with the Privacy Act 1988.
Whistle-blower Policy	Documents Cedar Pacific's commitment to ensuring employees are able to report unacceptable conduct without fear of intimidation or reprisal.



Governance Policy	Description
Gifts and Benefits Policy	Developed to ensure consistent standards of conduct are adopted in relation to the offer and receipt of gifts and benefits, whilst ensuring transparency and a high level of integrity and trust is maintained at all times.
Workplace health and safety policy	Documents Cedar Pacific's commitment to ensuring a healthy and safe work environment for all employees.
Risk Management Policy and Framework	Documents Cedar Pacific's risk management policy, including the risk framework, objectives and key roles and responsibilities associated with the management of risk.
Fraud Control Plan	Documents Cedar Pacific's activities and practices that will enable the Group to minimise fraud risk and respond appropriately to allegations of fraud.
Anti-Modern Slavery Policy	<p>Outlines Cedar Pacific's commitment to eliminating the risk of Modern Slavery occurring within its own business via its supply chains or through any other business relationship.</p> <p>Cedar Pacific is not required by law to comply with the Modern Slavery Act 2018 (the Act). However, due to Cedar Pacific's overall commitment to human rights and social betterment, Cedar Pacific has resolved to voluntarily comply with the requirements imposed by the Act.</p>
Business Continuity Plan	The Business Continuity / Disaster Recovery Plan outlines the procedures and processes implemented to manage risk and ensure minimal impact to business operations in the event of a disaster or other event.
Cyber Security Policy	The Cyber Security policy sets the standards of behaviour to ensure maintenance of security of data and applications.
Archives and Record Keeping Policy	This policy outlines the Company's policy for the creation, maintenance and destruction of Company records and seeks to ensure that Cedar Pacific's business is adequately documented through the creation of records that are then managed appropriately.

## Appendix 2: Expectations of service providers

CPIM expects its service providers to be socially and ethically responsible and to consider ESG factors in their business dealings at all stages of operations including design, construction, development operating or maintenance phase of the property life cycle.

This includes environmental and social considerations. CPIM also expects that its operators and/or suppliers consider the environmental and health attributes of building materials for new construction and major renovations projects:

<b>Consideration of ESG factors by service providers includes:</b>	
<b>Environmental considerations:</b>	
• Biodiversity and habitat	• Resilience
• Climate/climate change adaptation	• Waste management
• Energy consumption/management	• Water consumption/management
• Environmental attributes of building materials	• Environmental product standards
• GHG emissions/management	• Environmental process standards
<b>Materials and certifications:</b>	
• Locally extracted or recovered materials	• Low-emitting materials
• Preference for materials that disclose environmental impacts	• Rapidly renewable materials, low embodied carbon materials, and recycled content materials
• Preference for materials that disclose potential health hazards	• Materials that can easily be recycled
• "Red list" of prohibited materials or ingredients that should not be used on the basis of their human and/or environmental impacts	• Third-party certified wood-based materials and products
• Green building certifications	• Building Safety
<b>Social considerations:</b>	
• Child labour, ethical sourcing of materials	• Employee health & well-being
• Diversity and equal opportunity	• Tenant and community health & well-being
• Forced or compulsory labour	• Labour-management relationships
• Occupational safety (contractors/employees)	• Stakeholder engagement
• Asset level safety (for tenants)	• Worker rights and business ethics