



Cedar Pacific

Sustainability Report

20
21

Sustainability Report 2021

As we conclude our 6th year of business in Australia and New Zealand, we welcome you to our second annual Sustainability Report. This report has been prepared to provide stakeholders with insight into Cedar Pacific Investment Management's ("Cedar") environmental, social and governance ("ESG") journey.

This report highlights the progress Cedar has made in regards to ESG initiatives for assets under management for 2021.

If you have any questions or comments, please contact us via:



Cedar Pacific Investment Management
PO Box 15145
City East QLD 4002



info@cedpac.com

Acknowledgement of Country

We acknowledge the Traditional Owners and custodians of the land in which we conduct business. We pay our respect to Elders past, present and emerging.

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CEO Group Message

Since the founding of Cedar in 2015, ESG has moved from a niche concept to a mainstream part of the investment process. Our stakeholders, including our employees, play an important role in our journey so far. Our investors are constantly challenging us and demonstrate leadership by setting high bars on attaining strong ESG performance, including our annual Global Real Estate Sustainability Benchmark (GRESB) assessments for each of our funds.

Our team is dedicated to best practice and takes our fiduciary responsibility seriously. We believe that ESG practices are part of that responsibility. We believe that a sustainable future is achievable, and sustainability is one of our company's five core values. We are committed to building thriving, sustainable communities. The following report outlines some of our initiatives and successes along this path.

Bernard Armstrong



CEO



**We are
committed
to building
thriving,
sustainable
communities**



ESG Reporting

This report is Cedar's second sustainability report. It provides an opportunity for Cedar to share its progress with various stakeholders. As Cedar continues to mature on this journey so too will its reporting. For this report, we have indicated alignment with the Sustainable Development Goals (SDG's) established by the United Nations General Assembly.

Cedar is cognisant of the limitations that the SDG framework presents, particularly with regards to the broad application of the goals. Accordingly, in conjunction with highlighting the applicability of the goals we have endeavoured to provide insight into our progress in a way that specifically reflects metrics and results of certification and other robust reporting (GRESB).

Accordingly, for the calendar year 2022 ESG report, we intend to review the frameworks at the apt time to determine the most value adding framework. Our hope is that the new framework currently in draft by International Sustainability Standards Board will be available for implementation. Alternatively, we intend to align the report to a framework such as the Global Reporting Initiative (GRI).

We have onboarded Measurabl, an industry leading data management solution to measure, manage, and report ESG data including carbon emissions, water, waste and energy. Monitoring and measuring data will assist us to refine our goals and measure against them with comfort that the data reported is credible.

ESG Investor Reporting

Cedar provides quarterly updates to investors. We expect that annual audited financial reports will include more ESG data as our reporting matures in line with international reporting framework development. For 2021, one of Cedar's audited financial reports included a specific section addressing ESG matters.

Additionally, investors gain a thorough insight into Cedar's approach to ESG through reporting via GRESB, reporting in accordance with the Modern Slavery Act 2018 (Cth) (Modern Slavery) reporting as well as alignment with the Task Force on Climate-Related Financial Disclosures (TCFD) and the Principles of Responsible Investment (PRI).

Internal ESG Reporting

Cedar has a dedicated ESG committee which reports to the Board on a quarterly basis. The committee comprises of key people from different business units including the CEO, Financial Controller, Asset Manager and the Head of Legal and Compliance.

In 2021, Cedar's activities aligned with the following SDG's:



About Cedar

Cedar is a leading specialty investment manager founded by Pamoja Capital. Founded in 2015, the company delivers long-term capital growth and yield to its equity partners through a disciplined active management strategy that emphasises operational performance and risk mitigation.



10
Operational
Assets



3
Assets under
Development
or Acquired



228 809
Sqm of
properties



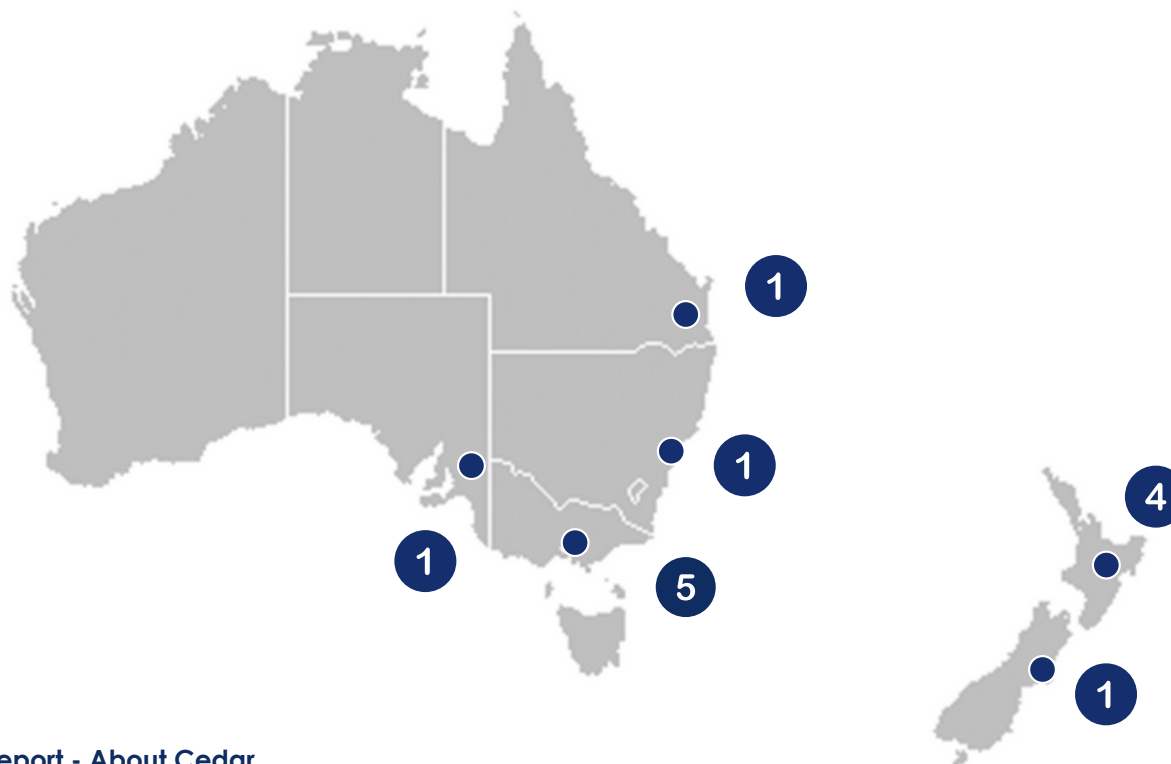
8608
No. of beds



\$1.5
billion + in
assets managed
by the Group



20+
scholarships
awarded in 2021



2021 Highlights

ENVIRONMENT



REDUCTION IN WASTE ACROSS THE PORTFOLIO SINCE 2020



ALL PROPERTIES TO BE ASSESSED IN 2022, WITH INITIATIVES UNDERWAY TO IMPROVE EFFICIENCY

MEASURBL

ONBOARDING UNDERWAY TO MONITOR AND REDUCE ENERGY, WATER AND WASTE CONSUMPTION

GRESB

SIGNIFICANT UPLIFT IN SCORE FOR BOTH FUNDS



5-STAR GREEN STAR



CERTIFICATION FOR TWO DEVELOPMENT ASSETS

SOCIAL

50%

FEMALE PARTICIPATION IN THE WORKPLACE

63



EMPLOYER NET PROMOTER SCORE ACHIEVED

9

LANGUAGES SPOKEN IN ADDITION TO ENGLISH IN THE WORKPLACE



0%

INJURY RATE

AWARDED TO INDIGENOUS AND RELOCATING STUDENTS IN 2021



20+ SCHOLARSHIPS

GOVERNANCE

CYBERSECURITY



REMEDATION PROJECT COMPLETE; PEN TESTING PLANNED FOR 2022

SIGNATORY OF

TCFD

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



CONTINUAL ESG REPORTING



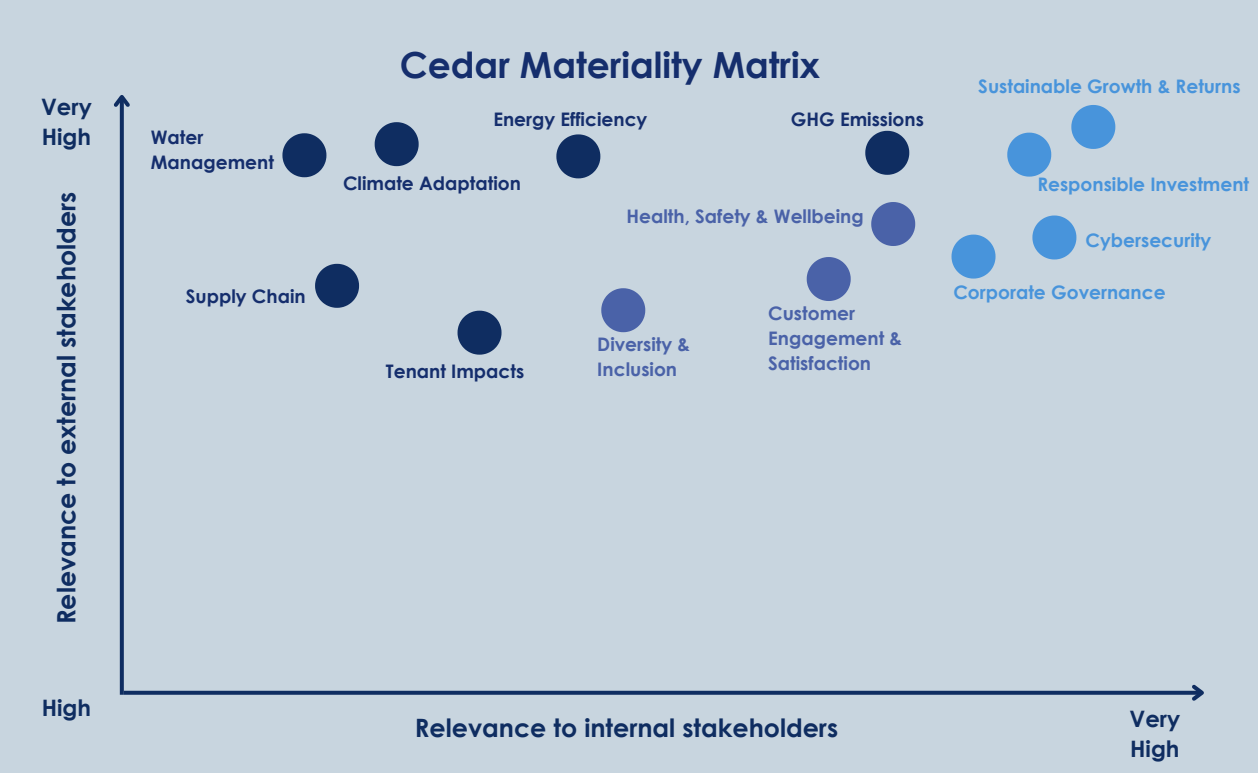
MODERN SLAVERY

MAPPED THE SUPPLY CHAIN TO TIER 2 ACROSS THE PORTFOLIO

Cedar's Material ESG Topics

In 2021, Cedar conducted an extensive materiality assessment to identify the environmental, social and governance topics that are the most material to facilitate focused effort. The process involved the following steps:

- 1 Megatrend and benchmarking analysis was undertaken to ensure the everchanging ESG environment was captured in the assessment. The exercises highlighted obstacles and opportunities Cedar may face in achieving its sustainability outcomes in the future.
- 2 Interviews were conducted with key internal and external stakeholders to provide insight into which ESG topics are most material. This engagement highlighted the perspectives of employees, investors, and relevant stakeholders.
- 3 The resulting range of material topics are shown in the Materiality Matrix. We are currently working with experts to refine our goals, metrics and targets to address our material topics in an impactful way.



Environment

- GHG Emissions & Energy Efficiency**
Energy efficiency and GHG emissions should be considered at all phases of design. Use of renewable energy should be considered where possible.
- Supply Chain**
Facilitating procurement practices and supply chain management in a responsible and sustainable way.
- Tenant Impacts**
Effective management of tenant sustainability impacts, particularly related to waste management, energy, water, and indoor environmental quality, may drive asset value appreciation and increase tenant demand and satisfaction.
- Water Management**
Increased water efficiency relates to the use of water that is socially equitable, environmentally sustainable, and economically beneficial.
- Climate Adaptation**
Building resilience for Cedar's business, properties and communities, against the physical impacts of climate change.

Social

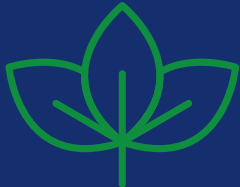
- Health, Safety & Wellbeing**
Cedar's duty of care extends across operations to our employees (including contractors), customers and tenants, as well as the public that use our spaces.
- Supply Chain (Social Approach)**
Facilitating procurement practices with a specific focus on identifying and managing modern slavery risks.
- Diversity & Inclusion**
Promoting diversity and inclusion across numerous indicators, including gender, identity, sexual orientation, religion, disability, age, ethnicity and first peoples.
- Customer Engagement & Satisfaction**
Focus on provision of spaces to promote health and wellbeing of tenants.
- Universities are increasingly responding to the ESG needs/demands of their customers (the students), and this is reflected in the expectations on the providers of student accommodation.

Governance

- Sustainable Growth & Returns**
Ensuring a fair return to providers of capital over the long term, through the responsible and sustainable management of business and assets.
- Responsible Investment**
Integrating ESG considerations into investment decisions (due diligence, property management and day-to-day operations) and ongoing engagements in order to provide sustainable growth and returns.
- Cybersecurity**
Safeguarding data and networks from cyber threats and ensuring the confidentiality and security of personal information.
- Corporate Governance**
Conducting business activities in line with the highest ethical standards across environmental, social and governance standards. Anti-corruption and fraud control policies

Cedar's Sustainability Framework

Generating value for stakeholders by creating sustainable communities



Environment



Energy Efficiency & GHG Emissions



Supply Chain



Tenant Impacts



Water Management



Climate Adaptation



Social



Health, Safety & Wellbeing



Diversity & Inclusion



Customer engagement & Satisfaction



Supply Chain (Social Approach)



Governance



Sustainable Growth & Returns



Responsible Investment



Cybersecurity



Corporate Governance



Environmental Report



Cedar is a signatory of the Taskforce for Climate related Financial Related Disclosure (TCFD).

The TCFD is an industry-led initiative created to develop a set of recommendations for voluntary climate-related financial disclosures. These are aimed at all financial actors, from companies and investors to asset owners and managers, as the goal is to provide consistent and transparent information to global markets.

In 2022, Cedar completed a baseline gap analysis report against the disclosures. Cedar has identified a number of actions which it is prioritising for action in 2022/2023. Whilst physical risk scenario analysis has been undertaken since 2020 for both operational assets and as part of the investment due diligence process, transition analysis and varying degree analysis is a key priority for Cedar. To date, no high-risk matters have been identified as a result of the physical scenario testing at RCP 8.5.

2021:



A TCFD gap analysis was undertaken to establish our status in regards to TCFD elements. Actions were proposed to address any gaps identified.



A benchmarking exercise was also undertaken to aid the TCFD gap analysis.



2022:



Research around the primary climate-related risks and opportunities, including scenario narratives.



Climate scenario analysis and mitigation planning.



In consultation with experts, document roadmap for reporting and disclosure aligned with TCFD.



Path to Decarbonisation

Cedar is currently mapping out its decarbonization pathway for its funds under management. Different funds are at different places of maturity and therefore as investment manager it is our responsibility to outline a bespoke decarbonization plan that meets the maturity and capacity of each fund.



2020/2021:

- Establishment of Net-Zero Goals with the understanding that goals will be further refined once decarbonisation actions are defined
- Research into tools to facilitate accurate measuring and monitoring of emissions
- Engagement with investors to communicate Cedar's intention to decarbonise.
- TCFD gap analysis which includes reference to the requirement to determine a clear decarbonisation strategy

2022:

- Implementation of Measurabl to provide credible data for decarbonisation planning, monitoring and tracking
- Energy contracts renegotiated with green energy as a key consideration
- Design of decarbonisation pathway for each fund
- Engagement with Climate Active
- Prioritisation of TCFD actions
- Collaboration with experts to document and guide Cedar's decarbonisation pathway

ESG Data Management Software

Cedar has onboarded Measurabl which is an ESG data management tool. Cedar will use Measurabl to measure, manage, and report ESG data in order to optimize ESG performance, track progress against metrics for water, waste, energy and carbon emissions. We expect that the quality of data integrity received will increase as we work closely with our operators and relevant stakeholders.



Due Diligence

Cedar has closely aligned its investment process with the approach recommended by the UN Principles of Responsible Investment. Cedar acknowledges that to be effective, ESG factors need to be included as early in the process as possible. As part of the initial due diligence process for proposed acquisitions, Cedar continues to implement its ESG Due Diligence checklist. The checklist is designed to ensure ESG factors are adequately considered.



Investment Process

Purpose Built Student Accommodation (PBSA) Fund 1



9

Operational
Assets



5

Assets in
Australia



4

Assets in
New Zealand



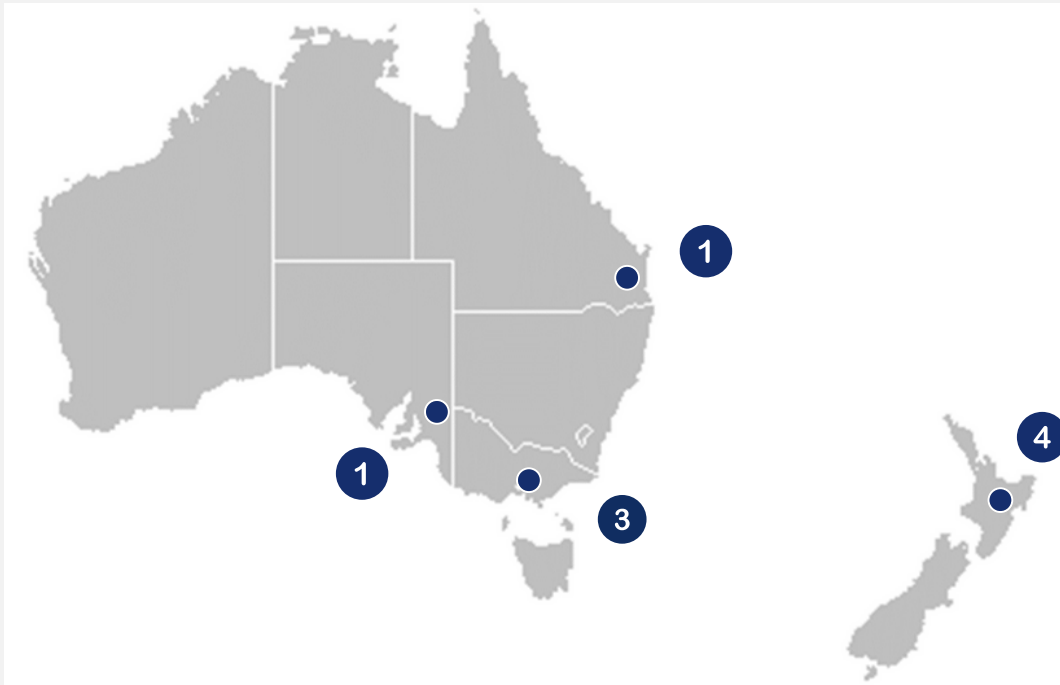
131,093

Sqm of
properties



5032

No. of beds



125 Colchester Street,
South Brisbane, QLD
Australia



30 Victoria Street,
Adelaide, SA
Australia



480 Elizabeth Street,
Melbourne, VIC
Australia (Operational Jan 2022)



15 Wreckyn Street,
Melbourne, VIC
Australia



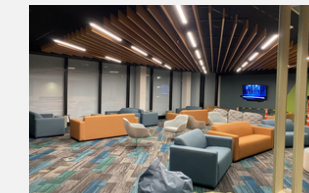
125 Bouverie Street,
Carlton, VIC
Australia



128 Anzac Avenue,
Auckland
New Zealand



5 Whitaker Place,
Grafton, Auckland
New Zealand



35-39 Wakefield Street,
Auckland Central
New Zealand



53-55 Symonds Street
Auckland,
New Zealand

Operational Certification

During 2020, two buildings were assessed by NABERS. This was the first time NABERS assessed PBSA in Australia and Cedar played a key role in helping define the PBSA parameters for NABERS. The results of the assessments were as follows:

PROPERTY	NABERS Energy	NABERS Water
Metro, Adelaide	4 Stars	4.5 Stars
Southbank, Brisbane	3.5 Stars	4.5 Stars

Cedar intends to undertake assessments for the entire portfolio of properties in 2022.

PBSA Fund 1 Environmental Goals

The goals outlined below were set in 2019. As noted previously, we are currently working with experts to refine our goals, metrics and targets to address our material topics in an impactful way. We expect more ambitious targets to be released in 2022.

Waste Management

Reduce waste to landfill by

20%
by
2031



Water Use

Decrease water usage by

5%
by
2031



Energy Consumption

Net-zero emissions of

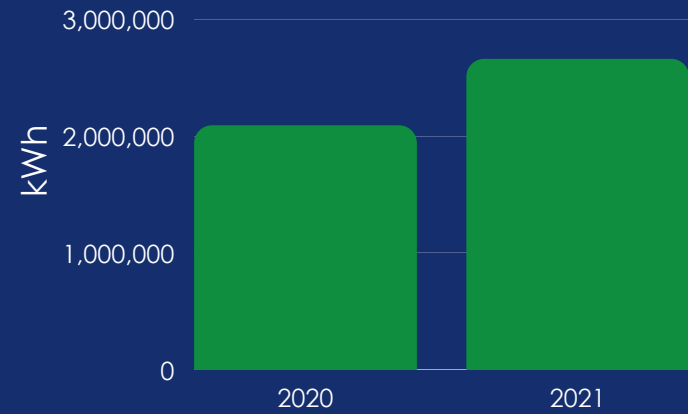
CO₂
by
2050



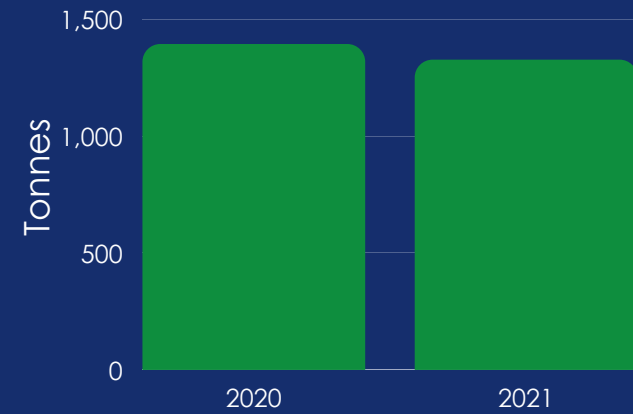
PBSA Fund 1 2021 Performance

Cedar recognises the importance of monitoring and tracking sustainability metrics at all properties across its portfolio.

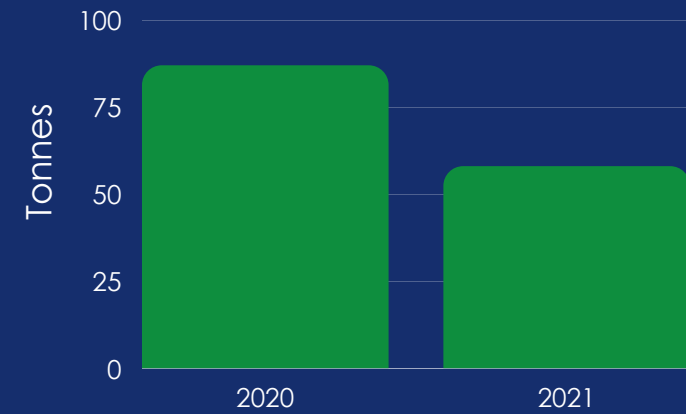
Energy Consumption



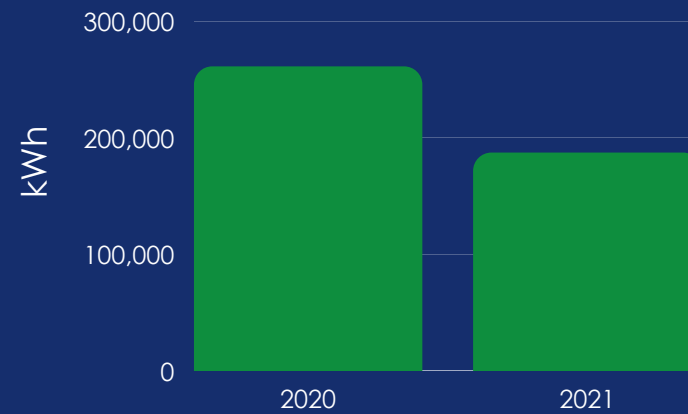
Energy Emissions



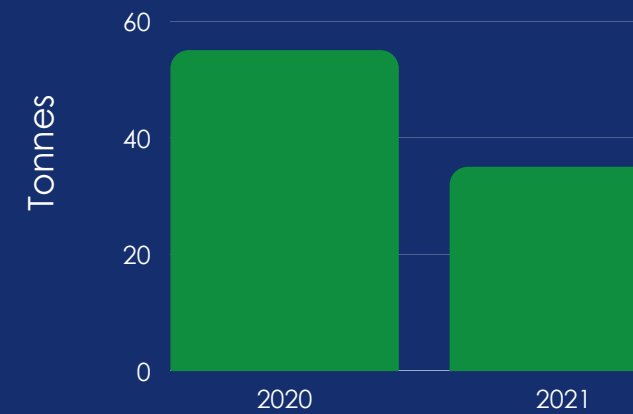
Waste



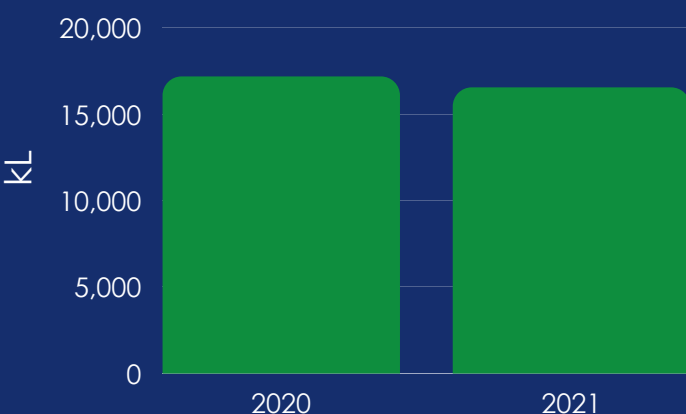
Gas Consumption



Gas Emissions



Water Consumption



- Cedar is working with consultants to determine initiatives for each of the above areas.
- The data presented above has been adjusted for occupancy, and is presented on a per asset basis.
- For the 2021 CY, metrics were unavailable for one of the assets located at Mayoral Drive in New Zealand. Operational control for this asset will be gained in 2023.

Fund 1 PBSA GRESB Assessment

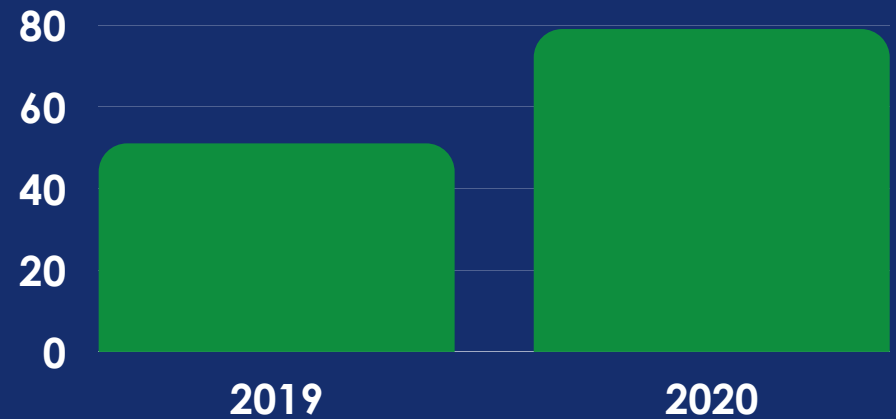
In 2021, PBSA Fund 1 submitted its third GRESB assessment, reporting on the 2020 calendar year.

GRESB is a robust benchmarking report which collects, validates, scores and benchmarks Cedar's ESG data against our peers.

The fund achieved a score of 79/100 (79%) and a four-star rating. This represents a significant uplift in both score (up by 28 points) and star rating from the previous year. Additionally, the management ranking of Cedar increased from 19/24 in 2020 to 9/25 in 2021.

The fund exceeded both the peer average and the GRESB average in its overall score.

FUND SCORE



G R E S B

ENVIRONMENTAL INITIATIVES FOR OUR RESIDENTS

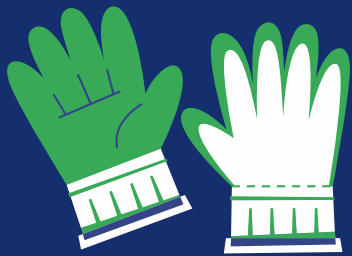
COMPOSTING

ACTIVITIES WITH RESIDENTS



TIMED SHOWERS

TO DECREASE WATER USAGE



HERB GARDENS & VEGETABLE GARDENS

ACROSS THE PORTFOLIO

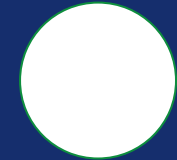
SENSORED LIGHTS

& CAMPAIGNS TO REMIND RESIDENTS TO CONSERVE ENERGY



EDUCATION & TRAINING

THROUGH SOCIAL MEDIA AND TARGETED CAMPAIGNS ABOUT DECREASING USE OF GAS AND ENERGY



RECYCLING

- ✓ PROGRAMS
- ✓ STATIONS AT RECEPTION
- ✓ BAGS OFFERED TO RESIDENTS



CONTAINERS FOR CHANGE PROGRAM

PBSA FUND 2



2

Assets under Development



1

Land acquired to commence development



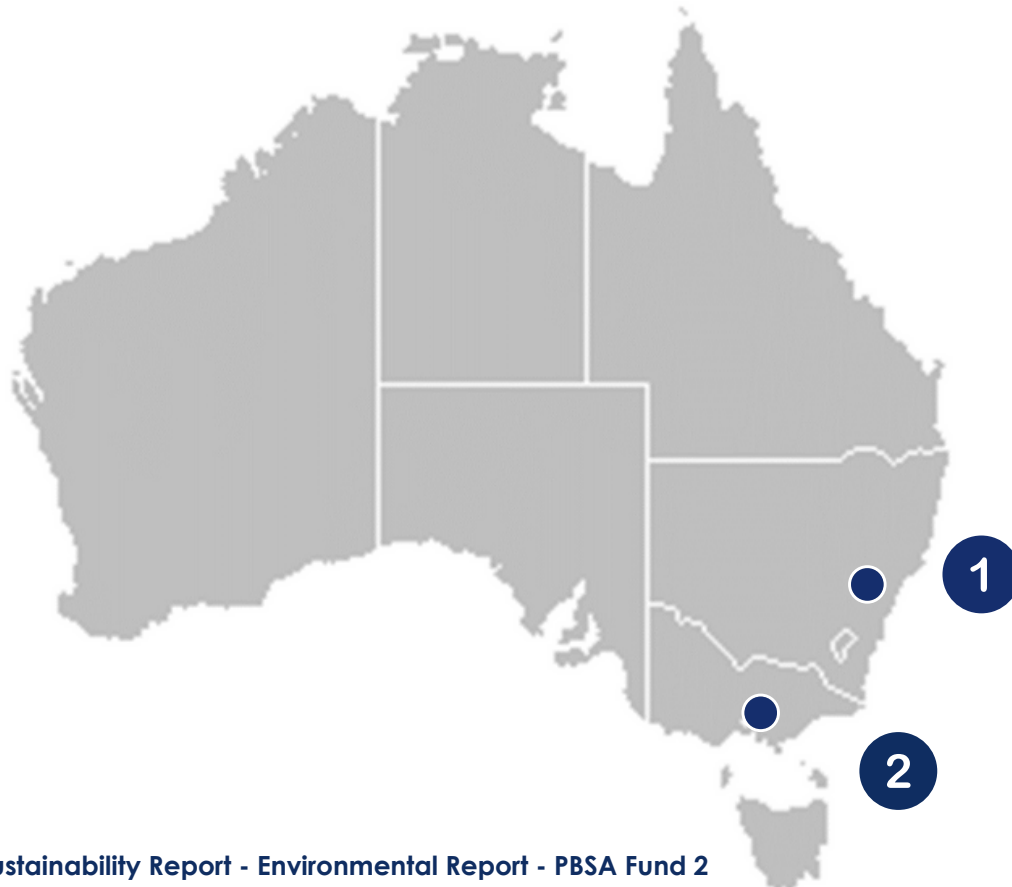
52,764
Sqm of properties



2025
No. of beds



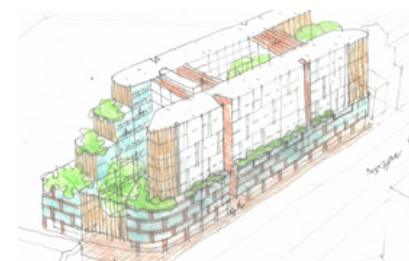
Decarbonisation
Pathway
underway



17-23 Wills Street,
Melbourne, VIC
Australia



293-303 La Trobe Street,
Melbourne, VIC
Australia



177-197 Anzac Parade,
Kensington, NSW
Australia

PBSA Fund 2 Development

As at 31 December 2021, PBSA Fund 2 comprised of two assets under development and one land asset. Both assets under development have been certified with a Green Star Rating of 5 Stars based on the as-built designs.

The developments are located at 17 - 21 Wills Street Melbourne and 293-303 La Trobe Street Melbourne. These certifications hold the projects in a position to obtain 5-star green star ratings at completion (as built).

Cedar values the framework provided by the GBCA, particularly as the GBCA certification is an internationally recognised rating system setting the standard for healthy, resilient, positive buildings and places.

PBSA Fund 2 Decarbonisation Pathway

Energy contracts are currently being negotiated with a view that the two development assets due to open in December 2022 and January 2023 are aligned with the intended goals of achieving net-zero by 2025. Cedar will apply for Climate Active certification as soon as eligible.

Once the assets are operational, appropriate waste, water and energy goals will be established.



PBSA Fund 2 GRESB Results

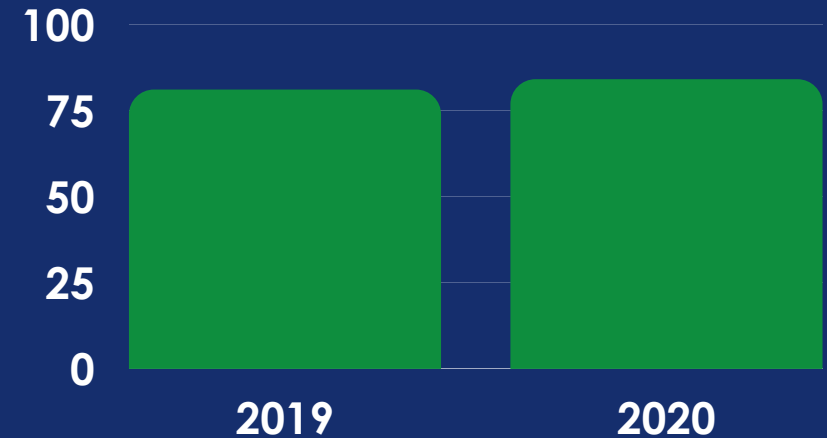
In 2021, Cedar submitted its second GRESB assessment for PBSA Fund 2 for the 2020 calendar year.

The fund achieved a score of 84/100 (84%), up from 81% in 2020.

The fund exceeded both the peer average and the GRESB average in its overall score. Cedar is currently preparing its third GRESB submission, and hopes to show further improvement in these areas.

The fund's results were above the GRESB average (79) and the peer average (83).

FUND SCORE



G R E S B

Infrastructure Fund



1

Operational
Asset



3

On-campus
properties



44,952
Sqm of
properties



1551
No. of beds

In October 2021, funds managed by Cedar acquired a 100% interest in a portfolio of on-campus student accommodation at Canterbury University (University) in Christchurch New Zealand. These assets are operated under long-term concessions with the University.

As part of Cedar's due diligence, a thorough investigation of the University's approach to sustainability was undertaken noting that the University has a detailed sustainability policy and framework.

The acquisition of these concessions has facilitated the establishment of the Cedar Pacific Infrastructure Fund which will focus on investing in 'on-campus' style assets under long-term concession arrangements and similar transactions including assisting universities to meet their sustainability objectives through improving utility infrastructure. Cedar maintains a strong working relationship with universities throughout Australia and New Zealand who a strong advocates of sustainability through their policies, research, teaching and learning and their sustainable operating practices.



9 Maidstone Road,
Ilam, Christchurch
8041, New Zealand



2 Homestead Lane,
Upper Riccarton,
Christchurch 8041,
New Zealand



32 Dovedale
Avenue, Ilam,
Christchurch 8041,
New Zealand

Social Report





“ Cedar Pacific actively monitors various diversity metrics including gender and is proud of its 50% female workforce. Cedar Pacific recognises that diversity benefits employees, teams, the Company and other stakeholders ” - Bernard Armstrong CEO

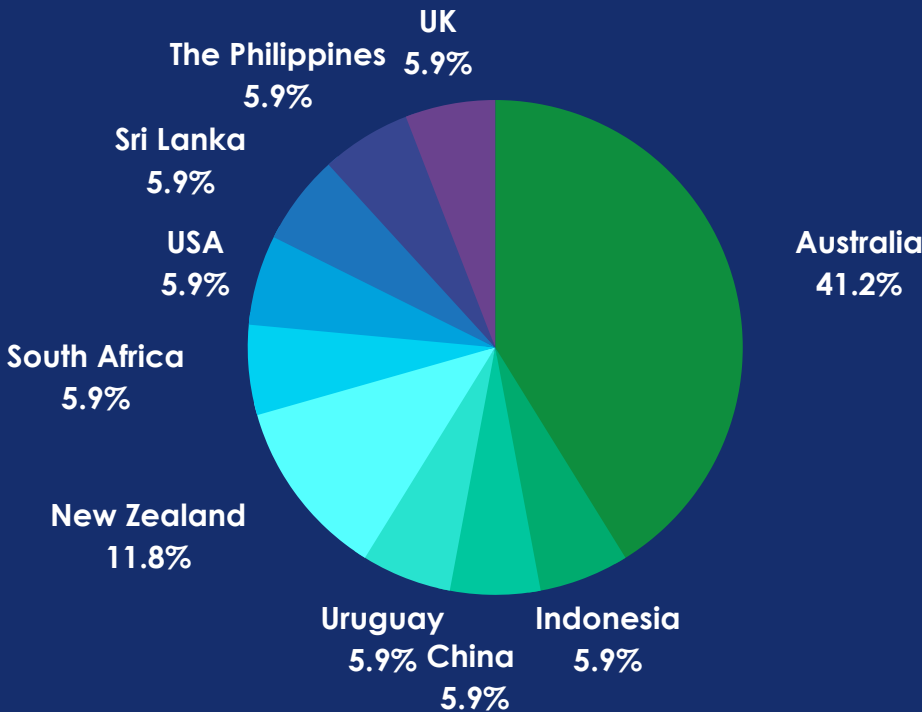
Diversity

Nationality and Languages Spoken

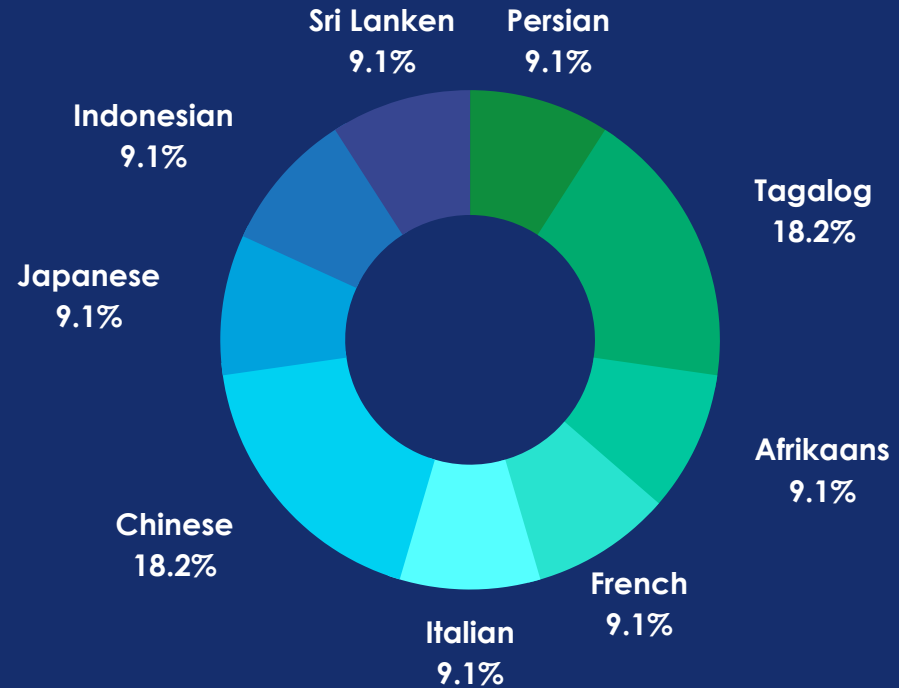
Cedar recognises its talented and diverse workforce as a key competitive advantage. Its business success reflects the quality and skill of its people. The Company is committed to seeking out and retaining the finest talent to ensure business growth and performance. Cedar is diverse along many dimensions. We believe that the wide array of perspectives that results from such diversity promotes innovation and business success.

As at 31 December 2021, the Company's workforce comprised of employees from 10 different countries. In addition to English, 9 other languages are spoken as shown below.

All Company Diversity by Country of Birth



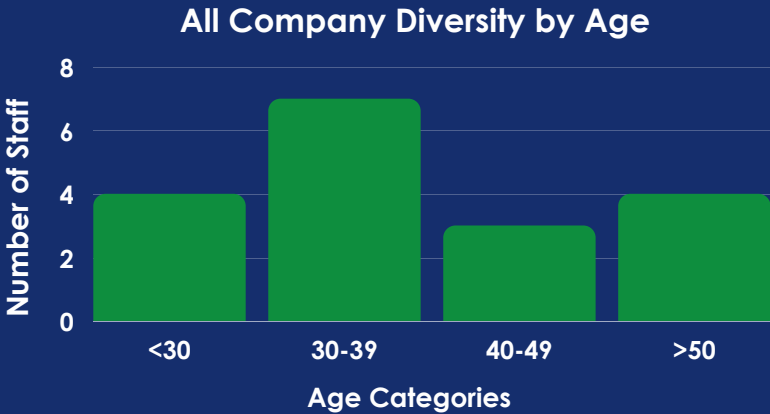
All Company Diversity by Languages Spoken



Diversity

Age

25% of the management team are aged between 30-39, a further 25% between 40-49 and the remaining 50% are over 50 years of age.



Gender

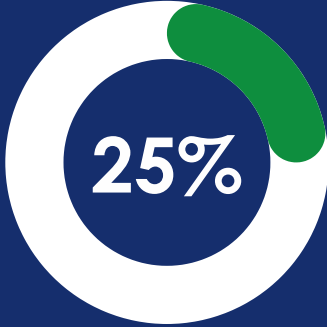
In 2021, the Company achieved 50%/50% men and women composition.

Cedar is working to improve its representation of women in its executive leadership (25%) team.

50%



50%



Women in Executive Leadership

Diversity

Gender

As a member of the executive team, Zhinus Etehad (Director of Legal, Compliance & ESG), is passionate about driving change within the company and in the industry. Cedar supports her drive to bring about impactful change. She is a member of the QLD Women in Finance Committee and is a promoter of equality in the workplace.



“A research paper conducted by Deloitte (2021) has indicated that women’s share of senior leadership roles in the finance industry, defined as one to three levels below the C-suite is 23%. Furthermore, unless additional actions are taken, the pipeline gap between women in the C-suite and those in senior leadership roles could widen from 9% in 2021 to as much as 14% by 2030. - Zhinus Etehad



On behalf of Cedar, CEO Bernard Armstrong Sponsored Zhinus for the 500 Women in Property Program. The 500 Women in Property program aims to accelerate more women into leadership positions in the property industry through sponsorship of high potential talent.

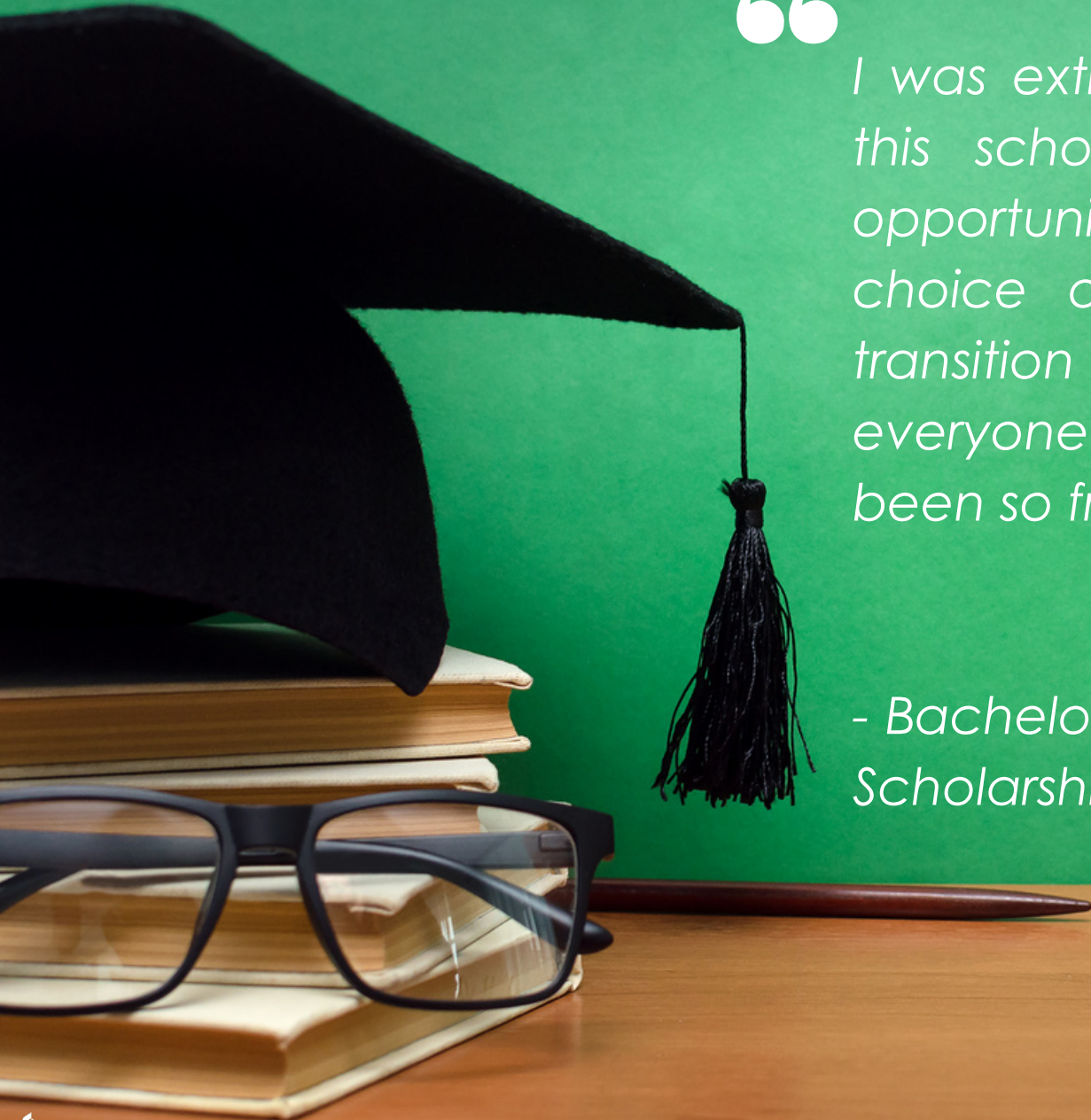
Scholarships

“

I was extremely grateful to be awarded this scholarship as it opened up the opportunity for me to study at my first choice of university. It has made my transition so smooth and easy, and everyone I have been in contact with has been so friendly.

”

*- Bachelor of Criminology and Psychology
Scholarship Recipient*



Communities

Our buildings are designed with residents in mind and we are proud of the communal kitchens, gymnasiums and other social areas.

Our operator (UniLodge) is charged with the responsibility of pastoral care and runs the following programs that aim to boost engagement with, and the health and wellness of students within our Purpose Built Student Accommodation assets:

✓ Residential Life Program – This program brings students together academically and socially. Property managers interact with students on a regular basis to encourage engagement in community-based events, donation drives and environmental awareness.

✓ Project 100 – Our operator aims to contact every resident (either in person or on the phone) in the building once a week. This allows for staff to check in on how residents are coping in these challenging times. Residents are also encouraged to participate in community-based events run at the building.

✓ Face to Face Catch ups – These sessions are offered to residents by staff and encourage students to connect with other residents and external services wherever possible.



“ We build communities, not buildings ”

Bernard Armstrong,
CEO

SOCIAL INITIATIVES FOR OUR RESIDENTS

CHARITY DONATIONS



THROUGH CHARITY BINS AND WEEKLY CHARITY BAG PICK UPS

20+ SCHOLARSHIPS

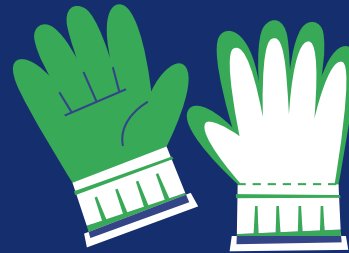


AWARDED TO INDIGENOUS AND RELOCATING STUDENTS IN 2021

EDUCATION & TRAINING



OFFERED TO RESIDENTS TO INCREASE AWARENESS OF SUSTAINABLE INITIATIVES & CLIMATE CHANGE



HERB GARDENS & VEGETABLE GARDENS ACROSS THE PORTFOLIO

RESIDENTIAL LIFE

CAMPAIGN

OFFERING THE FOLLOWING ACTIVITIES TO RESIDENTS:

- ✓ ACADEMIC EVENTS & PROGRAMS
- ✓ COMMUNITY EVENTS
- ✓ SOCIAL EVENTS
- ✓ EVENTS THAT PROMOTE HEALTH, WELLBEING AND CULTURAL APPRECIATION

PROJECT 100

GOAL: EVERY RESIDENT TO BE CONTACTED BY OPERATOR ONCE A WEEK



Communities

Donations

A number of assets have charity bins onsite to encourage giving and reduction of waste to landfill.

A number of assets have portal garden beds where students can grow herbs. This photo is taken at UniLodge South Bank, Brisbane.

Survey

UniLodge send out a resident survey annually to encourage feedback from residents.



Communities

Residential Life Program

Residential Life is UniLodge's structured program of engagement and support, which provides a broad range of opportunities to help residents grow and succeed during their time at University. UniLodge's Residential Life has five key areas of focus:

- ✓ ACADEMIC EVENTS & PROGRAMS
- ✓ COMMUNITY CENTRIC EVENTS
- ✓ SOCIAL EVENTS
- ✓ HEALTH AND WELLBEING
- ✓ CULTURAL APPRECIATION

The Residential Life Program at UniLodge aims to foster inclusive communities through a diverse range of events and initiatives to support residents to achieve academic success.

University is a transformative time in a student's life, and therefore the programs are designed around this sentiment to inspire development, build lifelong friendships, and support students through any challenges they may encounter.

All of UniLodge's staff receive training and resources to be able to assist students to access the right support for them, ranging from helping residents adapt to living away from home, accessing financial support, or helping them find a counsellor to talk things through.

UniLodge has strong industry partnerships with universities and other institutions to help students navigate their options, as well as inform them of community-based resources.

UniLodge is proud to partner with Red Frogs, to provide training and education to our residents, as well as support at our events.

Governance Report



Governance

Cedar is committed to effective governance underpinned by trust, fairness and accountability. Cedar endeavours to maintain robust governance from the 'top down', recognising that this ultimately influences the conduct and success of the entire organisation.

Corporate Governance Framework

Cedar has the following overarching frameworks in place that guide the governance of the organisation:

- ✓ CORPORATE GOVERNANCE FRAMEWORK
- ✓ RISK FRAMEWORK
- ✓ COMPLIANCE PLAN
- ✓ ESG FRAMEWORK

Corporate Governance Framework

Cedar has an established Corporate Governance Framework comprising the principles and objectives by which decisions are made and how those in control are held to account.

The Framework is informed by the ASX Corporate Governance Councils 'Corporate Governance Principles and Recommendations' 4th edition 2019 and has been designed by the board of directors to ensure accountability, fairness, and transparency in Cedar's relationship with all its stakeholders, reflecting its commitment to ensuring key stakeholders are at the center of focus, effectively discharging its fiduciary duties with their interests appropriately prioritised.

Cedar is governed by a series of policies, procedures, best practices and guidelines, rooted in sound ethics.

The corporate governance framework comprises the principles and objectives by which decisions in the Group are made and how those in control are held to account. It is underpinned by a 'matrix' of policies, legislation and accounting standards which have the force of law and other voluntary self-regulatory codes of practice. The Group's governance framework comprises a variety of elements, as illustrated below.



Corporate Governance Framework

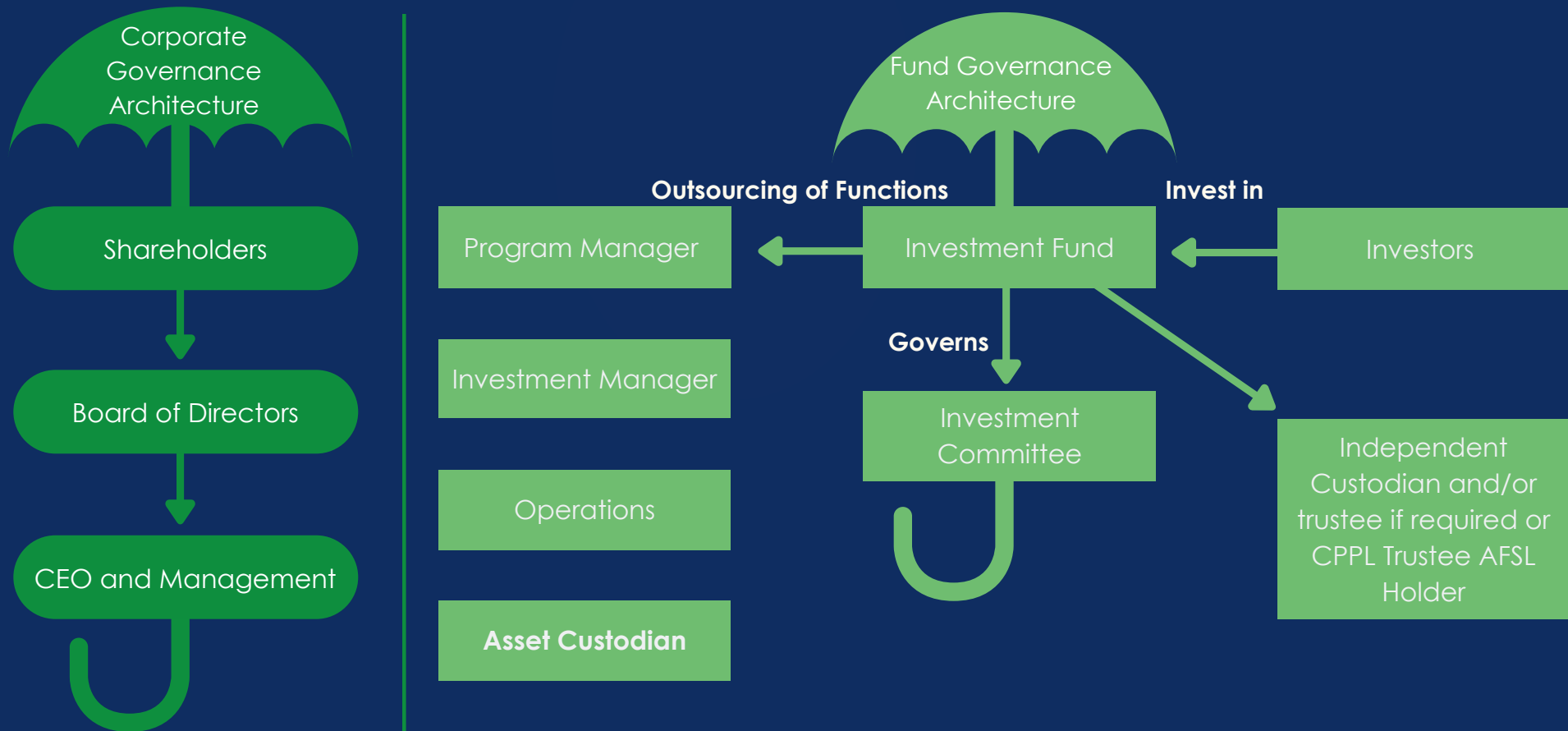
Each of these elements have been designed based on key principles and objectives.

These, as detailed in the Corporate Governance Framework have been informed by:

- 1 The ASX Corporate Governance Councils, Corporate Governance Principles and Recommendations 4th Edition 2019;
- 2 Investment Fund Governance objectives outlined by the International Organization of Securities Commission;
- 3 Australian Financial Services Licence (AFSL) requirements; and
- 4 ESG framework.



ESG Principles



Source: Investment Fund Governance Risk Based Framework, May 2016

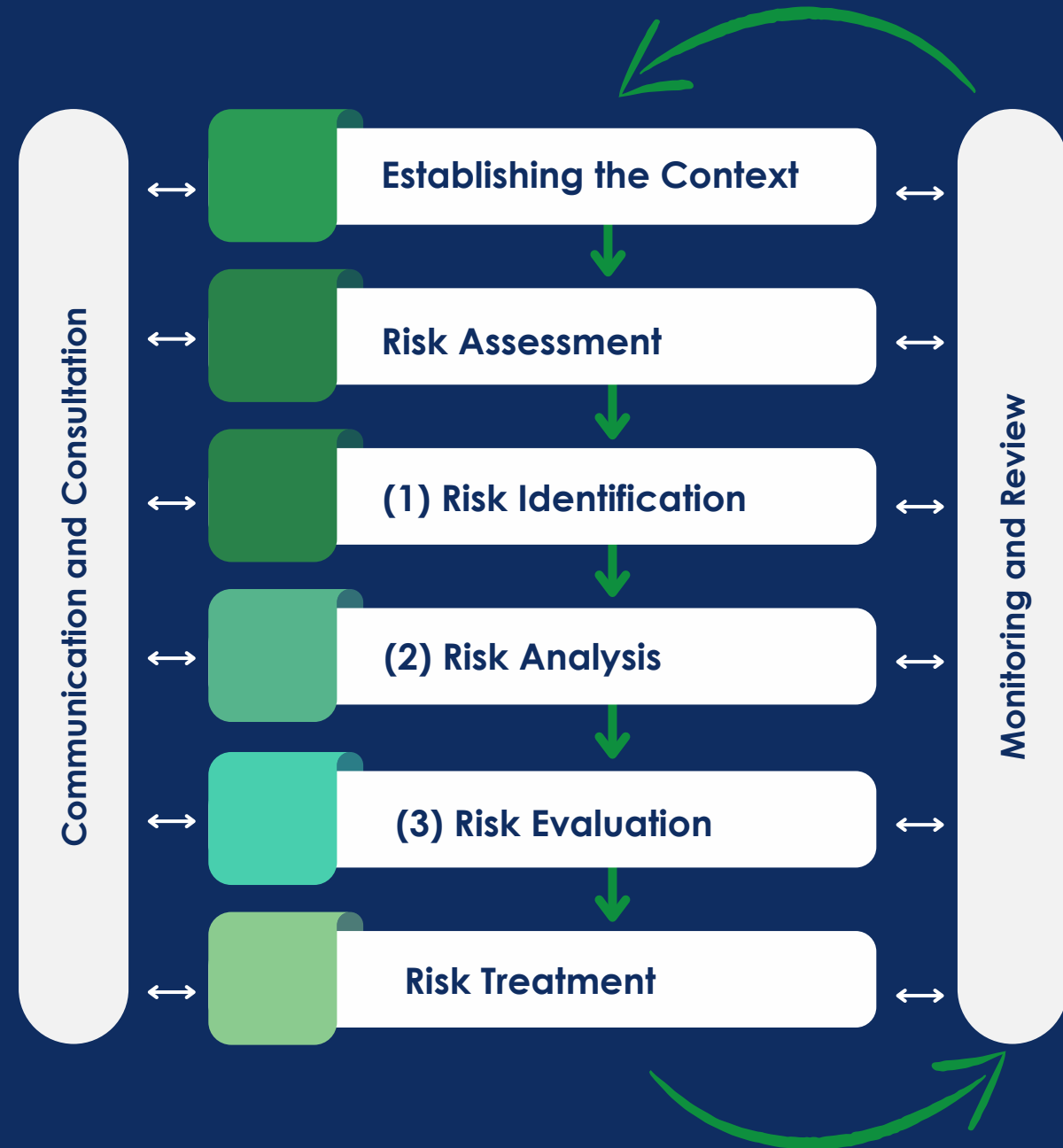
Risk Framework

Cedar acknowledges that risk is inherent in its business and that its strategic objectives and delivering value for its investors requires understanding and taking of certain risks.

Risk management is the culture, processes and structures that are directed towards taking advantage of potential opportunities while managing potential adverse effects.

Effective management of risks is part of good corporate governance and contributes significantly to the achievement of Cedar's strategic and operational objectives.

Cedar's risk management process substantially follows the guidelines of the Australian Standard ISO 31000:2018 "Risk management – Principles and guidelines".



Compliance Plan

Cedar's Compliance Plan has been developed in accordance with ISO 19600:2014, which comprises the following elements:

- Identification and maintenance of compliance obligations;
- Identification and evaluation of Cedar's compliance risks based on its products, services and operations;
- Leadership and commitment to compliance and defined compliance roles and responsibilities;
- Business controls and compliance methods to ensure compliance with obligations;
- Monitoring effectiveness of controls and compliance with obligations. Reporting on the results of monitoring activities and compliance issues; and
- Continuous improvement of its compliance management systems.

The compliance system comprises a suite of policies, namely:

- *Advisory Committee Charter*
- *AFSL - Adequate Financial Resources Policy*
- *AFSL - External Communication Checklist*
- *AFSL Compliance Plan*
- *AFSL FACTA/CRS Policy*
- *AFSL Training Policy*
- *AML Program Part A & B*
- *Anti-Corruption and Anti-Bribery Policy*
- *Board Charter*
- *Business Continuity Plan*
- *Code of Conduct*
- *Conflicts of Interest Policy*
- *Corporate Governance Framework*
- *Cyber Security Policy*
- *Delegation of Authority Manual*
- *Due Diligence Policy*
- *Employee Referral Program*
- *ESG Policy*
- *Fraud Control Plan*
- *Gifts and Benefits Policy*
- *Hedging Policy*
- *Incident Management and Breach Reporting Policy*
- *IT Capability Statement*
- *Leave Policy*
- *Modern Slavery Policy*
- *Outsourcing Policy*
- *Parental Leave Policy*
- *Privacy Policy*
- *Procurement Policy*
- *Remuneration Policy*
- *Risk Management Policy & Guide*
- *Risk Register & Appetite Statements*
- *Sexual Harassment Policy*
- *Travel Policy*
- *Treasury Policy*
- *Valuation Policy*
- *Whistle-Blower Policy*
- *Workplace Health & Safety Policy*

ESG Governance Framework

Feedback and communication maintained through regular reporting



Key ESG Governance Documents

- ESG Policy** This document sets out Cedar's principles, objectives and commitments in relation to Environmental, Social and Governance factors.
- Modern Slavery Policy** This document sets out Cedar's commitment to eliminating the risk of modern slavery occurring within its own business via its supply chains or through any other business relationship.
- Procurement Policy** This document sets out the Procurement Policy of Cedar and emphasises the required to consider ESG and Modern Slavery factors.
- Delegations of Authority Manual** The Delegations of Authority Manual sets out the authorising environment of Cedar and the circumstances under which the Board may delegate its responsibilities.
- Corporate Governance Policy** This document sets out Cedar's corporate governance framework and details all policies implemented across the organisation.



Refer to Page 21 & 44.

Investor Reporting

Refer to Page 4.



Refer to 13.



G R E S B

Refer to Page 18, 22 and 44.



Refer to Page 44.

Cedar Reporting & Memberships

Quarterly Reporting to the Board

Refer to Page 4.

ESG Committee

Refer to 42.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Refer to 11 and 44.



Refer to 15.

Modern Slavery Act 2018 (CTH)

Refer to Page 45.



Refer to Page 44.

Memberships



Cedar has embedded ESG considerations into its core values, shaping the way it conducts business. Cedar values the contribution and guidance of reputable bodies that help guide our organisation in a meaningful way. Cedar is a member of and reports to the following organisations:

Cedar has a membership with and reports to GRESB, the ESG 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 Cedar to report on detailed ESG practices and performance on an annual basis, which are then benchmarked against global peers. This drives continual improvement and refinement of ESG practices. Cedar has achieved high results for its existing funds (both operational and development reporting), exceeding its peers in notable areas.

Cedar is committed to the sustainable transformation of the built environment, and values its membership as a Green Building Council of Australia member. Green Star Buildings is Australia's leading rating tool for new buildings and major refurbishments.

Cedar is a signatory of the Taskforce for Climate related Financial Related Disclosure (TCFD). The TCFD is an industry-led initiative created to develop a set of recommendations for voluntary climate-related financial disclosures. These are aimed at all financial actors, from companies and investors to asset owners and managers, as the goal is to provide consistent and transparent information to global markets.

Cedar is a member of the UN Principles of Responsible Investment. Cedar will submit its first report to the UN PRI in Q1, 2023. Cedar's Investment Due Diligence process is informed by the recommendations of the PRI.

Cedar is a member of the Property Council of Australia. The Property Council is the nation's leading advocate for the property sector, representing the interests of members across all spheres of property investment activity, property development, management, professional advisors and trade providers.

Modern Slavery Reporting

Cedar is not required by law to comply with the Modern Slavery Act 2018. However, due to Cedar's commitment to taking all appropriate actions to mitigate the risks of modern slavery appearing within its business or supply chain, Cedar voluntarily complies and reports in accordance with the requirements imposed by the legislation.

We have:

- Undertaken a risk assessment on our operations and supply chains
- Educated our self further on modern slavery risk factors and known cases within industries we have exposure to
- Uncovered the highest risk industries within respective supply chains
- Alerted our operator (UniLodge) and the individual property managers, as well as head contractors to our keen interest in understanding and protecting against modern slavery within our supply chains
- Mapped – to Tier 2 level – our supply chains for operational assets and assets under development, by industry and spend
- Received recommendations on how to improve our safeguards against modern slavery, primarily within our supply chain, where its greatest risks lie.

Cedar is currently developing a comprehensive approach to safeguard its operations and supply chain from modern slavery risks. In addition to its policy and anti-modern slavery clauses in related policies, such as procurement policy, this approach could in future include modern slavery training, participation in industry collaborations and/or requesting further reporting on modern slavery actions occurring in our supply chain.



Modern Slavery Milestones

- The Act came into effect on 1 January 2019.
- Cedar elected to voluntarily report and
- Modern Slavery Policy and register prepared and approved by the Board

- Cedar's first Modern Slavery Statement was successfully submitted to the Australian Border Force and is available on the public registry.
- A risk assessment was conducted to determine any gaps in Cedar's mitigation strategies regarding its supply chain in both the operation and construction space.

- Annual review of supplier and service provider registers.
- Annual review of mitigation strategies.
- Annual Modern Slavery Statement submission.

2019

2020

2021

2022

2023

- Measures were implemented including mandatory contract clauses in key contracts such as design and construction contracts and other services contracts.
- Suppliers and service providers were required to complete questionnaires on their own Modern Slavery mitigation strategies and supply chain.

- Cedar is implementing the recommended strategies to strengthen its mitigation strategies.
- Cedar's second Modern Slavery Statement

Governance Training

In 2021, all Cedar staff completed the following mandatory governance training through e-learning and face to face sessions. The topics and policies covered include:

Compliance Training

 **CYBER SECURITY**

 **SOCIAL MEDIA**

 **WORKPLACE BULLYING**

 **WELLBEING IN THE WORKPLACE**

 **EQUITY AND DIVERSITY**

 **FRAUD AWARENESS**

 **MONEY LAUNDERING AND
TERRORISM FINANCING**

 **PRIVACY AWARENESS**

Policy Training

 **CODE OF CONDUCT**

 **WHISTLEBLOWER POLICY**

 **ESG**

 **CONFLICTS OF INTEREST**

 **AFSL REQUIREMENTS**

Cyber Security

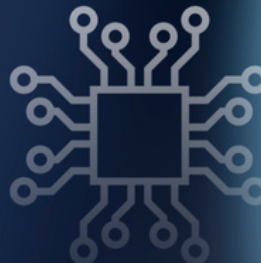
Cyber security risk is an important governance issue for all businesses. As a fund manager, Cedar is cognizant of the increased number of reported cyberattacks on businesses and aware that perpetrators continue to evolve the nature and sophistication of their attacks resulting in breaches. A sound cyber security program includes measures that are preventative, detective, rapidly responsive and embedded within systems and processes.

Cedar has a number of measures in place to mitigate Cyber Security risk including but not limited to:

- Cyber Security Policy
- IT capability statement
- Business continuity and disaster recovery plan
- Two factor authentication
- Compulsory training for new employees, and annual training for all staff including phishing training and phishing simulation exercises that increase in difficulty, cyber security training and fraud training.

As a preventative measure Cedar engaged a third party to undertake a health check of Cedar's current systems. A number of initiatives were recommended and implemented to further strengthen Cedar's security framework.

Additionally Cedar expects to engage a specialist to complete pen testing of its systems in Q4 of 2022.



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CONTACT US

We would love to hear from you with any questions or feedback.

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Disclaimer

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This Report contains certain “forward-looking statements. The words, “anticipate”, “believe”, “expect”, “project”, “opinion”, “predict”, “outlook”, “guidance”, “intend”, “should”, “could”, “may”, “target”, “plan”, “project”, “consider”, “forecast”, “aim”, “will” “committed” “dedicated” and similar expressions are intended to identify such forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. While due care and attention has been used in the preparation of any forward-looking statements, any such statements in this Report are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates.