



Cedar Pacific 

SUSTAINABILITY REPORT
2022

// PREPARED BY THE LEGAL, COMPLIANCE & ESG
TEAM

Acknowledgments

SUSTAINABILITY REPORT 2022

This report is our third annual Sustainability/Environmental, Social and Governance Report. It has been prepared to provide stakeholders with insight into Cedar Pacific Investment Management Pty Ltd's (Cedar Pacific, or the Company) environmental, social and governance (ESG) journey.

The report highlights the progress Cedar Pacific has made in regards to ESG initiatives for assets under management for 2022.

Acknowledgement of Country

In the spirit of reconciliation, Cedar Pacific acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

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Message from Chief Executive Officer

Since Cedar Pacific's establishment in 2015, ESG has evolved from being a specialised concept to becoming an integral part of the investment process. Cedar recognises the importance of our stakeholders, including our employees, in our journey thus far. Our investors consistently challenge us to achieve high standards of ESG performance, as demonstrated by our annual GRESB assessments for all our funds.

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

At Cedar Pacific, we are committed to striving towards best practices and taking our fiduciary responsibility seriously. We believe that ESG practices are an essential part of this responsibility. Sustainability is one of our company's five core values, and we believe that a sustainable future is achievable. We are dedicated to constructing and operating thriving, sustainable communities. This report highlights some of our successes and initiatives in this regard.



Bernard Armstrong
Chief Executive Officer
Cedar Pacific Investment
Management Pty Ltd



Cedar Pacific Introduction

Cedar Pacific is an investment management company that was established by Pamoja Capital specialising in the living sectors. The company was founded in 2015 and focuses on delivering long-term capital growth and yield to its investors through active management strategies that prioritise operational performance and risk reduction.



In addition to its core investment strategies, Cedar Pacific is committed to sound consideration of ESG factors. This third sustainability/ESG report provides stakeholders insight into Cedar Pacific's commitment. This report is the first to be drafted in alignment with the reporting framework of Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI), and the Task Force on Climate-related Financial Disclosures (TCFD).

Cedar Pacific's commitment to ESG is further demonstrated by its participation in various reporting frameworks. For instance, the Company completes the annual Global Real Estate Sustainability Benchmark (GRESB) assessment and Green Star Performance assessments. Cedar Pacific also voluntarily reports under the Modern Slavery Act 2018 (Cth) and is also aligning itself with the Task Force on Climate-related Financial Disclosures (TCFD) and the Principles of Responsible Investment (PRI).

Cedar Pacific has an established internal Sustainability Committee that meets quarterly and is made up of key individuals from different business units, including the CEO, Financial Controller, Asset Manager, Director of Development and Head of Legal & Compliance.

About This Report

This report aims to provide stakeholders including customers, investors, employees, and the wider community insight into Cedar Pacific's ESG performance and initiatives for the period of January to December 2022.

This report has been prepared with consideration of the upcoming International Financial Reporting Standards (IFRS). Cedar recognises the importance of setting the foundation to comply with these upcoming standards to ensure that its ESG practices align with global standards and frameworks. To this end, the report was prepared in accordance with the SASB standards and the GRI Standards. These two standards are widely accepted as benchmarks for comprehensive ESG reporting and are recognised globally and we understand have partially informed the development of the IFRS.

Additionally, the report incorporates the recommendations of the TCFD analysis report. The TCFD's guidelines aim to help organisations disclose climate-related risk and opportunities in a clear and concise manner.

The scope of reporting has changed from Cedar Pacific's 2021 report to include 1 additional asset acquired and 4 assets under developments in 2022.

Operational Assets within Cedar's portfolio in 2022:

125 Colchester Street, South Brisbane QLD

128 Anzac Avenue, Auckland NZ

30 Victoria Street, Adelaide SA

5 Whitaker Place, Grafton, Auckland, NZ

480 Elizabeth Street, Melbourne VIC

35-39 Wakefield Street, Auckland Central, NZ

15 Wreckyn Street, Melbourne VIC

53-55 Symonds Street, Auckland, NZ

125 Bouverie Street, Carlton VIC

210 - 220 Grote Street, Adelaide

2 Dovedale Avenue, Ilam Christchurch 8041
Australia

As at 31 December 2022, Cedar Pacific had 15 assets , 11 operational and 4 under development, due to be completed in 2023.

2022 Highlights



11
Operational
Assets



4
Properties under
development



242,479
Sqm of
properties



7,003
Number of
beds



\$1.5
Billion + AUM





40+
Scholarships
awarded in
2022

ESG Progress Matrix

The following are a series of commitments, some of which are to be completed throughout a reporting year while others may have a longer timeframe for implementation. This is our progress as at 31 December 2022

| Commitment | Not Started | In progress | Completed | Commentary |
|---|-------------|-------------|-----------|------------|
| 5 Star overall Greenstar target for the portfolio | | X | | |
| Net Zero Emissions at a Company Level by 2024 | | X | | |
| Achieve net zero emissions for 75% of funds by 2030 | | X | | |
| Achieve 5-star Green Star rating for design and construction on all new buildings from 2023 | | X | | |
| Implementation of Measurabl as a data tracking tool | | | X | |
| Water Use – decrease water usage by 5% by 2031 for all operational assets | | X | | |
| Waste Management – reduce waste to landfill by 20% by 2031 for all operational assets | | X | | |

ESG Progress Matrix

| Commitment | Not Started | In progress | Completed | Commentary |
|---|---|---|-----------|------------|
| Energy Consumption – Net-zero emissions of CO2 by 2050 | |  | | |
| >85% Tenant Satisfaction Survey average across all operational assets | |  | | |
| Achieve an average overall satisfaction rate of 85% on Employee Satisfaction Survey at a corporate level on | |  | | |
| Modern Slavery Screening conducted on all new investments & contracts by 2023 | |  | | |
| Achieve an A+ Principles for Responsible Investment (PRI) rating |  | | | |
| Publish a responsible and ethical investment framework by 2025 |  | | | |
| Inclusion of ESG goals for all corporate senior roles by end of 2023 | |  | | |

MATERIALITY ASSESSMENT & ESG STRATEGY

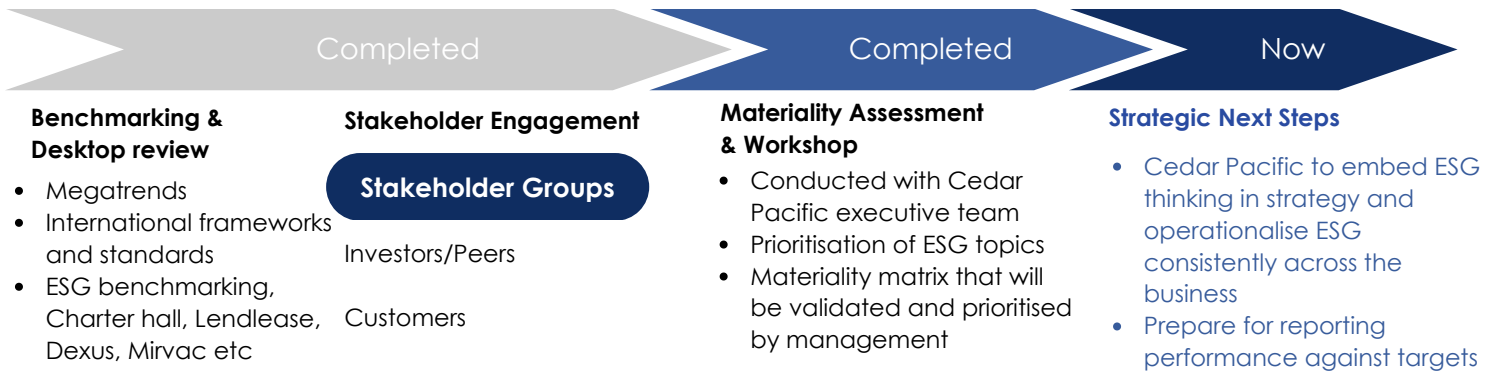
In 2021, Cedar Pacific completed a materiality assessment to identify the environmental, social and governance topics that are the most material to facilitate focused effort.

The process involved a megatrend and benchmarking analysis undertaken to ensure the everchanging ESG environment was captured within the assessment. Interviews were conducted with key internal and external stakeholders to provide insight into which ESG topics are most material.

Cedar Pacific developed an ESG topic list by conducting a benchmarking analysis and review of sustainability frameworks.

Interviews were conducted with key stakeholders, who were engaged directly through interviews.

The Company management team prioritised the issues based on impact on external stakeholders and internal value creation in a workshop.

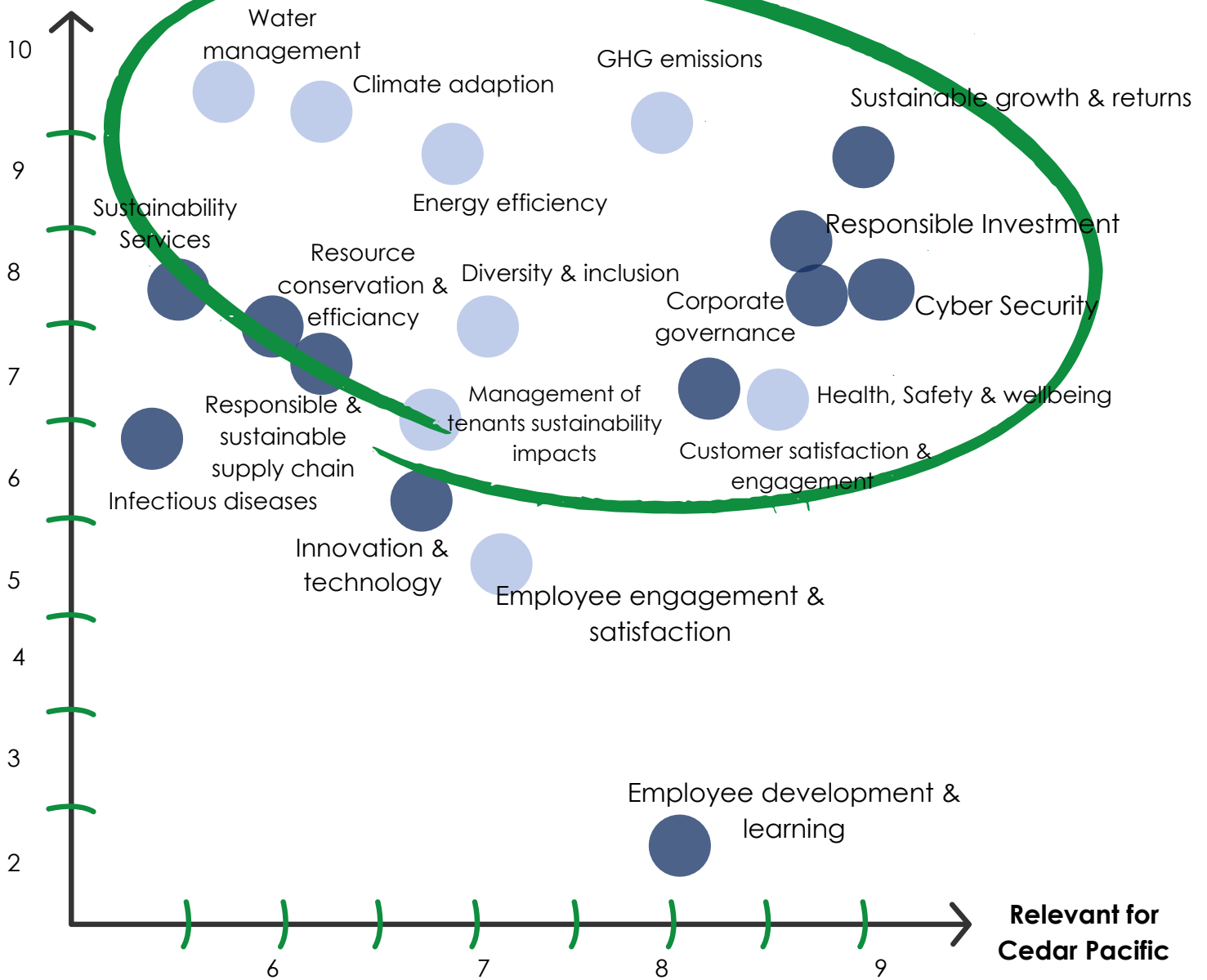


MATERIALITY ASSESSMENT & ESG STRATEGY

Key Material Topics

Cedar developed a materiality matrix based on the results of the materiality assessment which included the topics most relevant to stakeholders versus Cedar Pacific. The resulting matrix below identified the top 14 topics agreed to be the Key Material Topics.

Relevant for stakeholders



- Position unchanged: as at workshop
- Adjusted position: following consideration of external view

KEY MATERIAL TOPICS

ENVIRONMENTAL

GHG Emissions & Energy Efficiency

Energy efficiency and GHG emission 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 and Wellbeing

Cedar's duty of care extends across operations to our employees, 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 need/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.

Environmental, Social & Governance Report

Cedar Pacific is an Investment Management firm that develops and operates student accommodation and is expanding into the Build-to-Rent sector.

We currently have 11 operational student accommodation assets, 4 under construction, and 1 Build-to-Rent development set to commence construction in 2023.

SASB Standards

Investment management and construction of student accommodation does not specifically fit within any one current industry category for the SASB Standards. As such, Cedar Pacific has chosen to apply certain standards across multiple industries. The industry standards applied in this report include standards from:

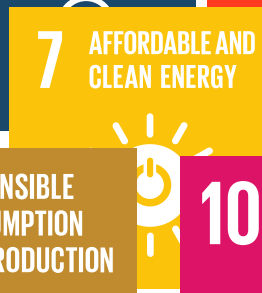
- Real Estate
- Real Estate Services
- Asset Management & Custody Activities
- Energy & Construction Services
- Industrial machinery & goods
- Waste Management
- Hotels & Lodging

SASB Disclosure Topics

The disclosure topics that were included within this report and apply to the Company's current practices can be seen in further detail in Appendix A.

Reporting Standards

Additionally, Cedar Pacific has elected to apply the GRI reporting standards as well as make reference to TCFD and the United Nations Sustainable Development Goals (SDG's). In 2022, Cedar Pacific's activities aligned with the following SDGs:



Environmental Report

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- Pathway to Decarbonisation
- Supply Chains
- ESG Certifications
- Net Zero Goals
- Water Management
- Waste Management
- Energy Consumption

Lincoln Sq Sth
1 - 41

Bouverie St



LANE
K. CARS.

Uni

Pathway to Decarbonisation

Cedar has considered a decarbonisation pathway for the Company and each fund to reduce its carbon footprint and achieve its sustainability goals. This decarbonisation pathway ensures that all of Cedar's funds are aligned with the organisation's overall sustainability goals and are working towards a common objective.

Climate Active certification will initially be sought for two of Cedar Pacific's assets at the beginning of 2024 for the 2023 calendar year. The Company is also working towards getting certified at a corporate level for the 2022 calendar year. Climate Active is a program developed and managed by the Australian Government to certify carbon neutral organisations, products, and services. The program is based on internationally recognised standards and protocols, including the Greenhouse Gas Protocol, ISO 14064-1, and the Climate, Community and Biodiversity Standards. The methodologies used by Climate Active are regularly reviewed and updated to ensure that they reflect the latest scientific research and best practices. Furthermore, Climate Active uses internationally recognised standards and protocols that are regularly reviewed and updated to reflect the latest scientific research and industry best practices.

Cedar Pacific is collaborating with experts to document and guide its decarbonisation pathway. By collaborating with these ESG experts, Cedar Pacific is continuously improving its sustainability practices and promoting the use of sustainable business practices.



Pathway to Decarbonisation

In 2021:

- Finalised establishment of Net-Zero goals with an aim to further refine once decarbonisation actions are defined
- Research into tools to facilitate accurate measuring and monitoring of emissions
- Engagement with investors to communicate Cedar Pacific's intention to decarbonise
- Completion of a TCFD gap analysis which includes reference to the requirement to determine a clear decarbonisation strategy



Look forward to 2023

- Get Climate Active certified at a corporate level
- Achieve Net Zero for first year of operation in two new assets

In 2022:

- Measurabl platform was implemented and has been used to provide credible data for decarbonisation planning, monitoring and tracking
- Renegotiation of energy contracts for operational assets



Cedar Pacific is taking proactive steps towards achieving its goals of reducing its carbon footprint and promoting sustainable business practices. To achieve this goal, Cedar Pacific has implemented Measurabl, a reliable and comprehensive data management platform. This platform enables Cedar to collect, monitor and track credible data for its decarbonisation planning, monitoring and tracking efforts. With the data collected through Measurabl, Cedar Pacific can identify areas that require attention and design bespoke solutions.

In 2022, Cedar Pacific settled renewable energy contracts for two new developments securing 100% renewable energy for those properties. This is the first steps in achieving net zero across all assets in the Company's portfolio.

ESG Certifications

In 2022, Cedar Pacific also completed Green Star Performance assessment of the majority of its assets under management through the Green Star rating system. The assessment resulted in an overall one-star rating, which was attributed to the fact that Cedar Pacific had only targeted specific points in water and waste management to provide data that would form the basis of asset improvement plans drafted by our third-party consultants. The improvement plans for some of the key assets were finalised at the end of 2022 and will form the basis of our ESG certification strategy in 2023.

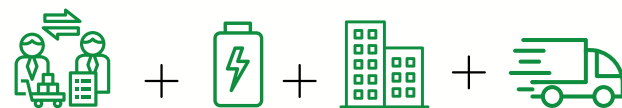
Cedar Pacific recognises the importance of sustainability and is committed to improving its portfolio's environmental performance. Therefore, the company has undertaken a new assessment for the portfolio, which is set to be completed in 2024. Cedar is working towards achieving an overall 5-star rating and has already begun individual asset assessments for five-star achievements among a few of our operational assets.

All new assets under development in the Company's portfolio will strive to achieve a 5-Star Green Star Design and As-Built rating with a goal of achieving 5-star performance after their first year of operation.

At a corporate level, Cedar Pacific has committed to getting Climate Active certified by the end of 2023. Climate Active is a government supported program that provides certification to businesses and organisations that have reached a state of carbon neutrality.

With the support of our investors, we are also striving to achieve net zero for all assets in one of our funds by 2025.

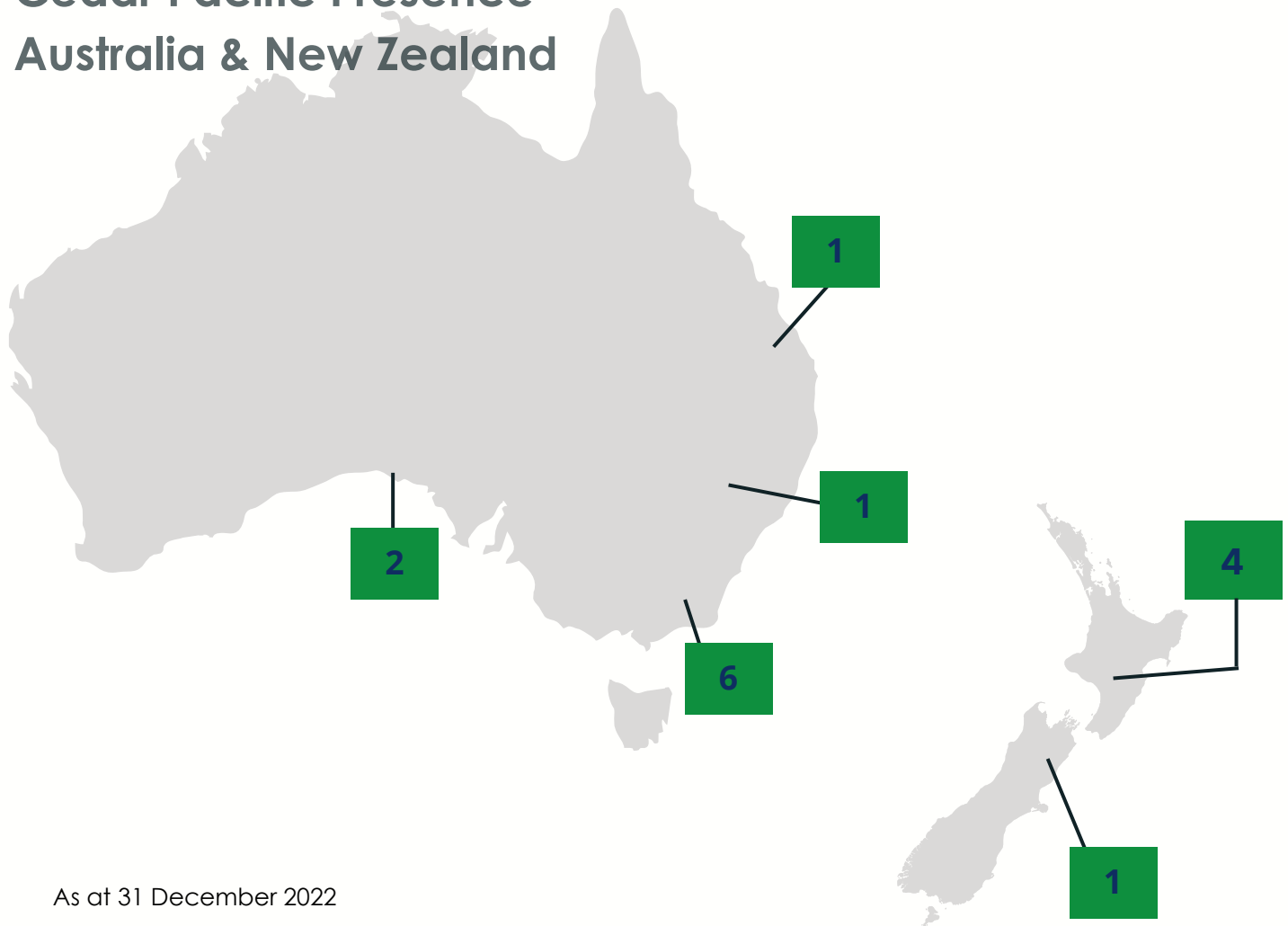
Our Net Zero Pathway



In 2023, Cedar Pacific is looking to:

- Achieve 5-star certification for one of the specific assets based on the improvement plan provided at the end of 2022 (Grote Street);
- Implement some of the key policy and testing measures identified in the improvement plan
- Improve overall scoring of each fund in the GRESB Assessment
- Complete Cedar Pacific's first year of PRI Assessment certification
- Have the Company Climate Active certified

Cedar Pacific Presence Australia & New Zealand



As at 31 December 2022

Cedar Pacific Supply Chains

Cedar Pacific is an investment management firm based in Australia, with its head office based in Brisbane and assets in multiple Australian states and New Zealand. Our business operations involve providing investment advice and portfolio management services to clients in various industries, including real estate, infrastructure, and renewable energy.

Our supply chain of operational assets has been mapped – with relative completeness – to tier two level. This informs Cedar Pacific's efforts to understand its modern slavery risks. Given the small size of annual spend per assets, it seems unlikely there is much scope for subcontracting to occur, suggesting that this level of mapping is sufficient for gauging – and where necessary, responding – to Cedar Pacific's risks.

Water Management

A key focus across all of our funds and within our current operational assets is to decrease water usage

During the 2022 reporting year, Cedar Pacific implemented the following practices through its real assets for the purposes of prioritising water management and reducing usage:

- Based on data available from Measurabl, Cedar Pacific collaborated with experts to determine bespoke initiatives at each asset level.
- Procurement practices updated to ensure devices with water saving measures are prioritised when older products need replacing
- Increased engagement with property managers to ensure building occupants are aware of water saving practices
- Introduction of reporting requirements for water consumption through Measurabl
- Established water usage reduction targets for operational assets

Through the implementation of the Measurabl platform for monitoring consumption within our assets, Cedar Pacific has been able to model more accurate data for the 2021/2022 comparison years in contrast to our 2021 Sustainability Report.

As of December 2022, we have inputted over 98% of 2021 and 80% of 2022 water data. This completeness allows the Company to better use this data when developing initiatives for key assets within each fund for 2023

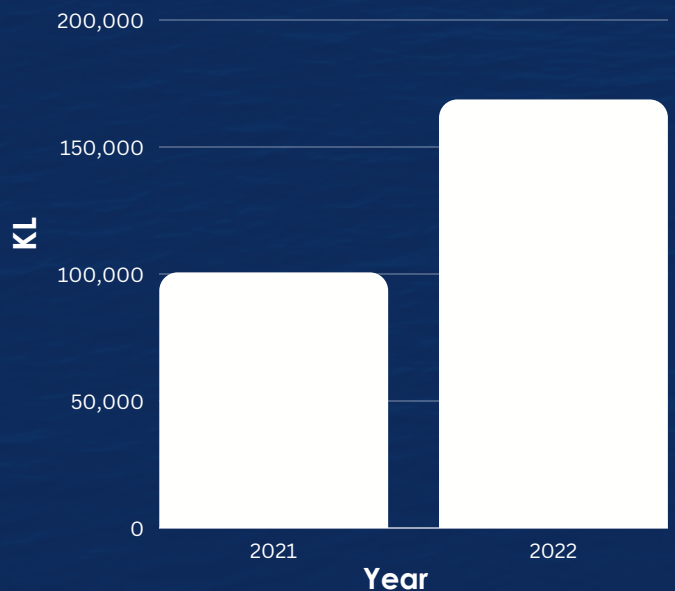


Figure: Fund 1 water consumption data comparison using measurabl platform

Waste Management

Cedar Pacific has committed to reduce waste to landfill by 20% for all operational assets by 2031

A goal set in the Company's 2021 report was that Cedar Pacific would reduce waste to landfill in all Fund 1 properties by 2031.

In 2022 Cedar Pacific renegotiated the waste contracts for a number of operational assets to facilitate more accurate measures of waste to landfill

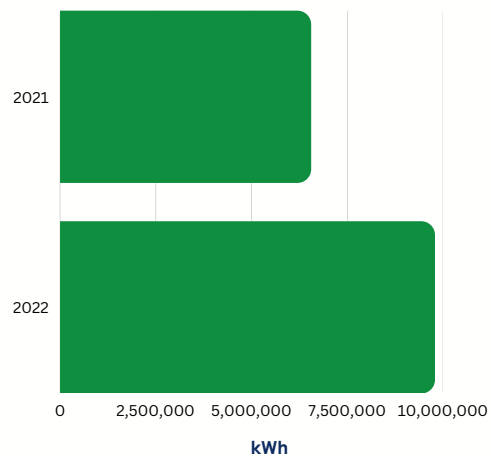
In 2022, we:

- Commenced standardisation of waste procurement contracts to ensure mandatory reporting requirements across all properties, subject to contract termination dates.
- Established operational waste to landfill diversion targets
- Established a food waste composting facility within some properties
- Incorporated operational reporting of waste data into measurable platform

Energy Consumption

In 2022, Cedar Pacific:

- Commenced monthly reporting of energy data on measurable for operational assets
- Commenced an audit of energy meters throughout the portfolio
- Installation of energy efficient lighting throughout the portfolio
- Introduced energy efficiency requirements into procurement processes



The asset electricity usage data for Fund 1 available through Cedar Pacific's measurable portal shows an increase in energy usage compared to 2021 of 49% in 2022. This is attributed to an uptick in occupancy levels across the assets as the first year post Covid. Cedar Pacific expects a slightly lower but similar increase in 2023 data next year due to occupancy rates returning to over 90%

Social Report

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Diversity & Inclusion

Health, Safety & Wellbeing

Employee Engagement

Scholarships

Social Initiatives for our Residents

Communities

Lincoln Sq Sth 1 - 41

Bouverie St

BIKE LANE
NO PARKING
NO STANDING
NO CARS

Uni

Equity, Diversity & Inclusion

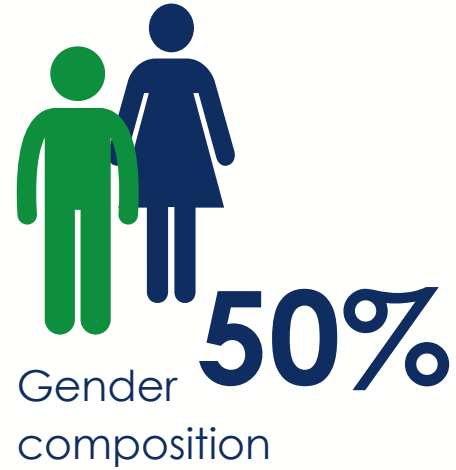
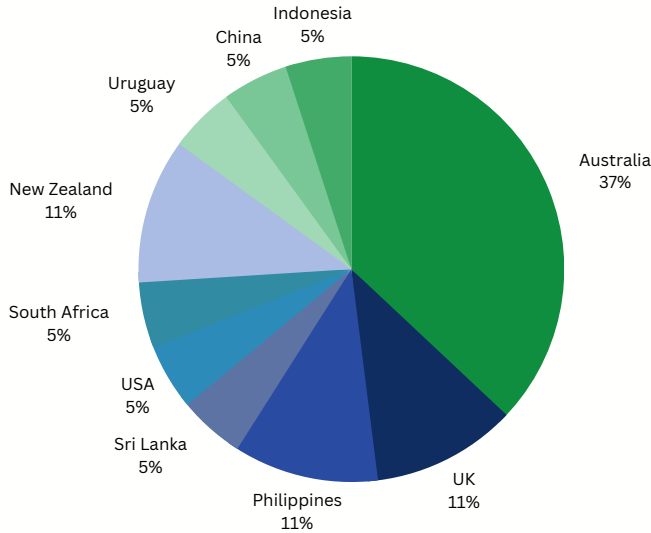
Cedar Pacific is a company that recognises the value of having a diverse and talented workforce. We understand that our success as a business is closely tied to the quality and skill of our employees. Therefore, Cedar Pacific is committed to attracting and retaining the best talent in order to ensure top performance and business growth.

Cedar Pacific believes that having a diverse workforce with a wide range of perspectives and backgrounds can promote innovation and ultimately lead to greater success. As of December 2022, Cedar Pacific's workforce included employees from 10 different countries, who collectively speak ten different languages in addition to English.



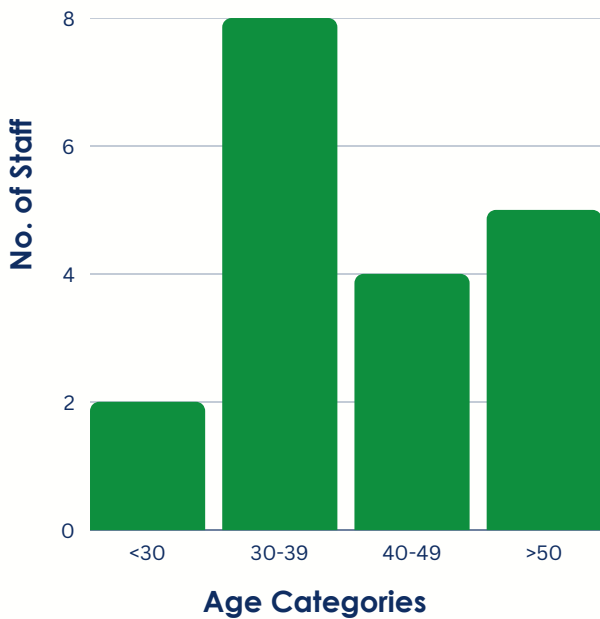
Diversity & Inclusion

Company Diversity by Country of Birth



Cedar is proud of its commitment to gender equality and ensuring that both men and women are equally represented in the workplace. In 2022, the company maintained a 50/50 composition of men and women in its corporate head office. However, the company acknowledges that there is still work to be done in terms of gender representation in senior roles

Company Diversity by Age



With regards to age diversity, currently 11% of the workforce are under 30 years old, 42% are aged between 30-39, a further 21% are between 40-49 and the remaining 26% are over 50 years old. Additionally, 22% of the executive management team are women and 78% are men.

Women in executive leadership

22%



Health, Safety & Wellbeing

As at December 2022, Cedar Pacific reported no physical injuries or fatalities at a corporate level for the 2022 calendar year.

Cedar Pacific maintains a risk register and incident reporting register which are regularly updated and maintained. The risk register identifies and provides mitigation strategies for risk including health & safety risks. These apply at a corporate level as well as asset management & development. The corporate incident register records any incidents that have occurred to employees as well the response and mitigation strategies implemented for future. New incidents are regularly reported to the board.

Flexible Working

The Company's flexible working arrangements were formalised in a Work From Home Policy at the end of the 2022 calendar year to be implemented at the beginning of 2023 permitting staff to work from home one day a week.

Employee Survey

Every year, Cedar Pacific staff are invited to complete an annual anonymous survey which amongst other things, is focused on the health and wellbeing of our employees.

In 2022, 88% of staff participated in the survey and the results indicated a strong support of health & wellbeing as well as overall happiness in the workplace.

In addition to Cedar Pacific's internal survey, an externally facilitated survey is distributed to measure the Employee Net Promoter Score (eNPS). ENPS is a scoring system designed to help employers measure employee satisfaction and loyalty within their organisations. Cedar Pacific's 2022 score was 13.

80%

of employees agreed or strongly agrees that the culture at Cedar Pacific supports their health and well-being

93%

of employees reported that their interpersonal relationships with co-workers were good or great.

86%

of employees rated their health and well-being as either good or great

Employee Engagement

Cedar Pacific is focused on ensuring positive employment engagement and giving back.



Annual Employee Off-Site

Every year, towards the end of the calendar year, Cedar Pacific arranges for its entire corporate workforce to attend an offsite event. The purpose of this event is to provide employees and the management executive team with an opportunity to reflect on the Company's vision, values, and strategy. It is also an occasion for employees to discuss and exchange ideas on how the company can improve in the future.

During the offsite event, Cedar Pacific's executives have an open-door policy and encourage year round feedback from employees. This approach creates a culture of open communication, where employees feel valued and heard and, where the company is committed to continuous improvement.

Overall, Cedar Pacific's commitment to employee engagement and feedback demonstrates the company's dedication to its workforce and its desire to create a positive work environment. By fostering open communication and dialogue, the Company is better able to align its goals and objectives with the needs and aspirations of its employees, and to work collaboratively towards a shared vision for the future.



Volunteering

Each year, Cedar Pacific's corporate office, donates their time to volunteer in the local community.

In September 2022, Cedar Pacific volunteered at Childhood Cancer Support. Childhood Cancer Support is a charity that has been working since 1975 to help families impacted by childhood cancer with a place to call home during their child's cancer treatment in Brisbane

As part of this volunteering exercise, the corporate team went to some of the homes used by families in this charity and assisted in cleaning by; using gurneys to clean footpaths and driveways/carpark as well as sorting, cleaning out and taking stock take of storage.

Scholarships



Cedar Pacific currently offers several types of accommodation scholarship opportunities to support students who require financial assistance or suffer other disadvantages, to pursue their studies.

In 2022, the Company and its related parties awarded over 40 scholarships through these opportunities.

- 01** The first scholarship is the Cedar Pacific Indigenous Accommodation Scholarship, which is designed specifically for Aboriginal and Torres Strait Islander students who are required to relocate to study at RMIT Melbourne. This scholarship provides subsidised rent at Unilodge Royal Melbourne, located near RMIT. The scholarship is aimed at helping Indigenous students to access higher education and achieve their academic goals, whilst also providing a supportive and inclusive living environment.
- 02** The second scholarship is the Cedar Pacific Elizabeth Accommodation Scholarship, which is intended for students who are experiencing financial hardship. This scholarship offers subsidized rent at UniLodge Melbourne City, another well-located student accommodation option in Melbourne. The aim of this scholarship is to provide financial assistance to students who may struggle to afford the cost of living while pursuing their studies, thereby helping to ensure that they are able to focus on their academic pursuits without undue financial stress.
- 03** Cedar Pacific also offers scholarships for students living in some of our New Zealand assets. In 2022, there were 29 Recipients of the University of Canterbury Accommodation scholarships. These scholarships are awarded to students by the University. 10% of the annual cost of the accommodation is funded by Cedar Pacific to assist students with their living costs.

Cedar Pacific is committed to supporting students from diverse backgrounds and helping them to achieve their academic goals. Through these two scholarship programs, the company aims to make a positive difference in the lives of students who may be facing financial barriers to higher education.



SOCIAL INITIATIVES FOR OUR RESIDENTS

CHARITY DONATIONS
THROUGH CHARITY BINS
AND WEEKLY CHARITY BAG
PICK UPS



OVER 40
SCHOLARSHIPS
AWARDED TO
STUDENTS IN 2022

Education & Training



Offered to residents to increase awareness of sustainable initiatives & climate change

Residential Life Program

Offering the following activities to residents:

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



HERB GARDENS & VEGETABLE GARDENS ACROSS THE PORTFOLIO



KITCHEN GARDEN

Communities

Residents

At Cedar Pacific, we prioritise the needs and preferences of our residents when designing and building our properties. Our buildings are designed with communal spaces, including fully equipped kitchens, gymnasiums, and other social areas, which are intended to foster a sense of community and encourage social engagement among our residents.

In addition to providing quality housing, we understand that our residents may need support in other areas, which is why we have partnered with our operator, UniLodge, to provide pastoral care programs. UniLodge is responsible for providing pastoral care services to our residents, and offers a range of programs designed to promote the health and well-being of our student residents.

The use of social media has become an important means of communication with our residents particularly since Covid-19 restrictions ended. Social media platforms are used to provide updates on events, initiatives and are important information, and are also a useful tool for staying connected with our residents.

Student Surveys

UniLodge sends out an annual residential survey to encourage feedback from residents. These surveys are anonymous and target questions on resident experience including cleanliness, comfort, facilities, health & wellbeing among others. Cedar Pacific, as asset manager uses these results in conjunction with UniLodge to review potential improvement measures at an individual asset level or across the portfolio for the following year.

In summary, at Cedar Pacific, we are committed to providing our residents with quality housing and pastoral care services that promote their health, well-being, and sense of community. Our partnership with UniLodge ensures that our residents have access to a range of support programs and services that are designed to meet their needs and preferences.

Governance Report

Governance Framework
Policies Update
Governance Training
Risk Framework
Conflicts of Interest
Due Diligence
Communication of Concerns
and Whistle-blower Policies
Managing environmental & Energy
Impacts of Project Development
Anti-Corruption and Anti-Money Laundering
Cyber Security
Reporting and Memberships
Modern slavery



Uni

Cedar Pacific's Corporate Governance Framework outlines the principles and objectives guiding the Company's decision-making processes.

Our framework was constructed to be in line with the 2019 edition of the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' and has been tailored by the board of directors to promote accountability, transparency, and fairness in the company's relationship with all its stakeholders.

The board of directors at Cedar Pacific, ensure that the Company's key stakeholders remain at the heart of the corporate governance framework and that the company's fiduciary responsibilities are discharged with their interests appropriately prioritised. Cedar Pacific is guided by a set of principles, procedures, best practices, and guidelines that are rooted in sound ethics, and which comply with the relevant legal and regulatory requirements.

The corporate governance framework is supported by a "matrix" of policies, legislation, accounting standards and other self-regulatory codes of practice. These policies and standards provide a strong foundation for ensuring that Cedar Pacific conducts its operations in a responsible and ethical manner, and that it is held accountable for its decisions and actions. By adhering to the corporate governance framework, Cedar Pacific can maintain the trust and confidence of its stakeholders and continue to achieve its strategic objectives.

Governance Framework

Our Policies

Key ESG Policy documents for the Company, include:

- ESG Policy
- Modern Slavery Policy
- Procurement Policy
- Delegations of Authority Manual
- Corporate Governance Policy



Cedar Pacific's Compliance Plan has been developed in accordance with ISO 19600:2014, which comprises of several elements adhered to through our policy framework

Cedar Pacific's compliance system comprises a suite of policies, including:

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



01 ESG Policy

This document sets out Cedar's principles, objectives and commitments in relation to Environmental, Social and Governance factors.

02 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.

03 Procurement Policy

This document sets out the Procurement Policy of Cedar and emphasises the required to consider ESG and Modern Slavery factors.

04 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.

05 Corporate Governance Policy

This document sets out Cedar's corporate governance framework and details all policies implemented across the organisation.

GOVERNANCE TRAINING

In 2022, all Cedar Pacific staff completed mandatory governance training through e-learning and face to face sessions. The topics and policies covered included:



WHISTLEBLOWER POLICY

CYBER SECURITY



SOCIAL MEDIA



WORKPLACE BULLYING

AFSL REQUIREMENTS

EQUITY AND DIVERSITY

WELLBEING IN THE WORKPLACE



PRIVACY AWARENESS

CONFLICTS OF INTEREST

Environmental,
Social &
Governance



CODE OF CONDUCT

FRAUD AWARENESS



MONEY LAUNDERING AND TERRORISM FINANCING



Risk Framework

Cedar Pacific recognises that risk is an integral aspect of its operations, and in order to achieve its strategic goals and create value for our investors, we must understand the necessity for taking certain risks.

To achieve this, the Company has implemented a culture, processes, and structures that focus on identifying and exploiting potential opportunities while mitigating potential negative effects. Effective risk management is an essential part of good corporate governance and plays a vital role in Cedar Pacific's ability to achieve its strategic and operational objectives.

In order to ensure a comprehensive and effective risk management process, Cedar Pacific follows the guidelines of the Australian Standard ISO 31000:2018 "Risk Management – Principles and Guidelines." This standard provides a framework for risk management that allows the company to identify, assess, and manage potential risks across all areas of its operations. By adhering to this standard, Cedar Pacific is able to effectively manage risk and ensure that its activities are aligned with its overall strategic goals.

Conflicts of Interest

Cedar Pacific maintains a Conflict-of-Interest Policy in place to formalise the process of preventing and mitigating conflicts of interest. Our policy aims to ensure that our business operations are conducted fairly and transparently, and that any conflicts of interest are addressed appropriately.

Our policy outlines the various types of conflicts of interest that may arise in the course of our business, such as financial interests, personal relationships, or other circumstances that may influence decision-making. It also provides guidelines for identifying and reporting conflicts of interest to the relevant boards and committees.

To ensure that our policy is effectively implemented, we have established a reporting system that requires all instances of conflicts of interest to be reported to the boards and committees on a quarterly basis. This process enables us to identify and address and potential conflicts of interest promptly and transparently.

Overall, our conflicts of interest policy is a critical component of our corporate governance framework. By adhering to the policy and reporting any instances of conflicts of interest.

Due Diligence

Cedar Pacific has made a concerted effort to align its investment process with the approach recommended by the UNPRI. Cedar recognises that ESG factors are critical in achieving sustainability goals and that they need to be incorporated as early as possible in the investment process.

As part of its commitment to incorporating ESG factors in its investment process, Cedar Pacific has implemented an ESG Due Diligence checklist. This checklist is utilised during the initial due diligence process for proposed acquisitions to ensure that all ESG factors are adequately considered. The checklist is designed to ensure that all relevant ESG factors are assessed and included in the investment decision-making process. By doing so, Cedar Pacific aims to promote responsible investment practices and contribute to the sustainability of its portfolio companies.

Communication of concerns and whistle-blower policies

Cedar Pacific maintains a whistle-blower policy which has been developed to ensure directors, employees and contractors are able to report unacceptable conduct across the Cedar Pacific group.

Cedar Pacific is committed to the highest standards of business conduct and ethical behaviour and expects all business conduct to be fair, lawful and ethical and to respect the rights of all parties.

The purpose of the Company's whistle blower policy is to set out appropriate actions for making, receiving, investigating and addressing disclosures raised by Whistleblowers, referred to as disclosable matters and includes:

- Encouraging our employees to disclose and malpractice, misconduct or conflicts of interest of which they become aware
- Providing protection for the employees who report allegations of such malpractice, misconduct or conflicts of interest
- Ensuring the fair treatment of employees named in a disclosure that qualifies for protection, including those who are the subject of a disclosure; and
- Ensuring that all allegations are thoroughly investigated with suitable action taken, where necessary.

Managing environmental & energy impacts of project development

Cedar Pacific has made a concerted effort to align its investment process with the approach recommended by the UNPRI. Cedar recognises that ESG factors are critical in achieving sustainability goals and that they need to be incorporated as early as possible in the investment process.

As part of its commitment to incorporating ESG factors in its investment process, Cedar Pacific has implemented an ESG Due Diligence checklist. This checklist is utilised during the initial due diligence process for proposed acquisitions to ensure that all ESG factors are adequately considered. The checklist is designed to ensure that all relevant ESG factors are assessed and included in the investment decision-making process. By doing so, Cedar Pacific aims to promote responsible investment practices and contribute to the sustainability of its portfolio companies.

Anti-Corruption and Anti-Money Laundering

The financial services sector is at significant risk of exposure to corruption which can have adverse effects such as misallocating investments, facilitating payments, and breaking the law. Various forms of corruption, such as bribery, fraud, and the exchange of gifts, can breach trust and cause significant reputational harm. At Cedar Pacific, we do not condone any behaviours which would constitute fraud, bribery, or corruption in any form.

As part of our risk framework and assessment, Cedar Pacific has determined that our risk of corruption, fraud and money laundering is low.

We prioritise considerations within our risk register in accordance with any and all regulatory requirements. The following list of specific policies outline Cedar's expectations, approach to reporting, prevention, investigation, management and consequences of corrupt behaviour. These policies also address giving and receiving gifts, donations, money laundering practices and fraud.

Cyber Security

Cyber security risk is a crucial governance issue for all businesses. As a fund manager, Cedar Pacific is well aware of the growing number of cyberattacks being reported on businesses, and we acknowledge that cyber criminals are constantly improving the sophistication of their attacks, which can lead to devastating breaches. To counter these threats, we prioritise implementing a robust cyber security program that includes measures that are preventative, detective, and responsive. These measures are designed to to minimise the potential damage from cyberattacks.

Preventative measures involve proactively identifying and addressing potential cyber threats. These include firewalls, antivirus software, and two factor authentication processes. Detective measures involve ongoing monitoring and identifying of any suspicious activity, such as intrusion detection systems and network monitoring. Rapidly responsive measures involve having protocols and procedures in place to swiftly respond to any breaches such as incident response plans and disaster recovery plans.

By incorporating cyber security into our company culture, we can help to ensure that all stakeholders understand the importance of protecting sensitive data and maintaining the integrity of our systems.

Based on a thorough risk analysis and review during 2022, in 2023 Cedar Pacific will:

- engage a third party to undertake pen testing on its systems
- migrate all files to the Company's own separate and secure SharePoint site
- introduce multi-factor authentication for employees

Reporting & Memberships

Cedar has embedded ESG considerations into its core values, which shapes the way the Company conducts its business.

Cedar is a member of and reports to the following organisations:

GRESB

Cedar Pacific has a membership with and reports to GRESB annually. GRESB is the ESG benchmark for real assets and assesses ESG performance data in order to provide standardised and validated data to the capital markets. GRESB membership requires the Company to report on detailed ESG practices and performance on an annual basis, which are then benchmarked against global peers.



Green Building Council Australia

Cedar Pacific is committed to the sustainable transformation of the built environment and holds membership with the Green Building Council of Australia, which is Australia's leading rating tool for new buildings and major refurbishments.

Taskforce for Climate related Financial Related Disclosures (TCFD)

Cedar Pacific is a signatory of the 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.



Property Council of Australia

Cedar Pacific is a member of the Property Council of Australia. The property council is the country'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.



Principles for Responsible Investment

The Company is a member of the UN Principles of Responsible Investment. Cedar Pacific will submit its first report for the PRI in September 2023.



MODERN SLAVERY REPORTING

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

Cedar Pacific has mapped - to Tier 2 Level - our supply chains for operational assets and assets under development by industry and spend.

In 2022, we received recommendations on how to improve our safeguards against modern slavery, primarily within our supply chain, where its greatest risks lie.

APPENDIX A

ESG Metric Matrix

| Topic | Metrics | | | |
|---|---|--|---|-----------------------------------|
| | GRI | TCFD | SASB | CDSB |
| Environment | | | | |
| Climate, Energy Efficiency and GHG Emissions | <p>GRI 305:1-3 (Greenhouse gas (GHG) emissions)</p> <p>Report in metric tonnes of CO2 equivalent, GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream emissions where appropriate</p> | <p>TCFD implementation (Recommendations of the TCFD;</p> <p>Fully implement the recommendations of the TCFD</p> | <p>IF-WM-110a.1. - (1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations</p> <p>IF-WM-110a.2. - (1) Total landfill gas generated, (2) percentage flared, (3) percentage used for energy</p> <p>IF-RE-130a.1 – energy consumption data coverage as a percentage of total floor area by property subsector</p> <p>IF-RE-130a.2. (1) total energy consumed by portfolio area with data coverage (2) percentage grid electricity, and (3) percentage renewable, by property sector</p> <p>IF-RE-130a.3 – like for like percentage change in energy consumption for the portfolio area with data coverage, by property subsector</p> | CDSB: REQ – 02, REQ – 04, REQ - 5 |
| Sustainable Supply Chain (Environmental Approach) | GRI 308:1-2 (Screening new suppliers using environmental criteria) | | <p>RT-IG-440a.1 – description of the management of risks associated with the use of critical materials.</p> <p>IF-EN-160a.2. - Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction</p> <p>SV-HL-160a.2 – description of environmental management policies and practices to preserve ecosystem services</p> | CDSB: REQ-02 |
| Water Management | <p>GRI 303:1 (Interactions with water as a shared resource)</p> <p>GRI 303:2 (Management of water discharge-related impacts)</p> <p>GRI 303:3-5 (Water withdrawal, discharge and consumption)</p> | | <p>IF-RE-140a.1 - Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or extremely high baseline water stress by property subsector</p> <p>IF-RE-140a.2 – Total Water withdrawn by portfolio area with data coverage as and (2) percentage in regions with High or extremely high baseline water stress by property subsector</p> <p>IF-RE-140a.3 – like for like percentage change in water withdrawn for portfolio area with data coverage by property subsector</p> <p>IF-RE-140a.4 – description of water management risks and discussion of strategies and practices to mitigate those risks</p> | |

| | | | | |
|------------------------------------|--|--|---|--|
| | | | IF-EN-410a.2. Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design | |
| Waste Management | GRI 306:1 (waste generation and significant waste-related impacts) GRI 306:2 (management of significant waste-related impacts) GRI 306:3-5 (waste generated, diverted from disposal and directed to disposal) | | IF-WM-110a.1. - (1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations IF-WM-110a.2. - (1) Total landfill gas generated, (2) percentage flared, (3) percentage used for energy | |
| Climate Adaptation | | | IF-RE-450a.1 – area of properties located in 100-year flood zones, by property subsector IF-RE-450a.2 – description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks IF-RS-410a.2 - (1) Floor area and (2) number of buildings under management provided with energy and sustainability services IF-RS_410a.3 – (1) Floor area and (2) number of buildings under management that obtained an energy rating SV-HL-160a.1 – number of lodging facilities located in or near areas of protected conservation status or endangered species habitat IF-EN-410a.1 -Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification | |
| Tenants Impacts | | | IF-RE-410a.3 – discussion of approach to measuring, incentivising and improving sustainability impacts of tenants | |
| Social | | | | |
| Health, Safety and Wellbeing | GRI: 2018 403-9 (a&b) (Health & Safety) | | IF-RS-510a.3 – Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care RT-IG-320a.1 – total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) | |
| Customer Engagement & Satisfaction | | | FN-AC-270a.3 – description of approach to informing customers about products and services FN-AC-270a.2. – total amount of monetary losses as a result of legal proceedings associated with marketing and communications of financial product related information to new and returning customers | |

| | | | | |
|--|---|--|---|---|
| Responsible Supply Chain (social approach) | GRI 412-1, GRI 408-1 (a), GRI 409-1 (human rights review, grievance impact and modern slavery) | | | |
| Diversity & Inclusion | | | FN-AC-330a.1 – percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees | |
| Governance | | | | |
| Responsible Investment | | TCFD Governance Disclosures Recommendations implementation (a) Describe the board's oversight of climate-related risks and opportunities (b) describe management's role in assessing and managing climate-related risks and opportunities | IF-RS-510a.3 – Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care FN-AC-410a.1 – amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues (2) sustainability themed investing, and (3) screening FN-AC-410a.2 – description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies IF-RE-130a.5 – Description of how building energy management considerations are integrated into property investment analysis and operational strategy | |
| Corporate Governance | GRI 205-3, GRI 205-3 (Anti-corruption) GRI 102-17 (Protected ethics advise and reporting mechanisms) GRI 102-15 (Integrating risk and opportunity into business process) | | FN-AC-410a.3 – description of proxy voting and investee engagement policies and procedures FN-AC-510a.1 - Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations IF-EN-160a.1 Number of incidents of non-compliance with environmental permits, standards, and regulations FN-AC-510-a.2 – description of whistle-blower policies and procedures | CDSB: REQ-01, REQ – 06, REQ – 03, REQ - |
| Sustainable growth and returns | GRI 201-1 (2016) (Total tax paid) | | IF-RS-410a.1 Revenue from energy and sustainability services IF-RE-130a.4 – percentage of eligible portfolio that (1) has an energy rating and (2) is certified to Energy Star by property subsector | |
| Cyber Security | | | | |

CONTACT US

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

All enquiries can be directed to:



Cedar Pacific Investment Management

PO Box 15145
City East QLD 4002



www.cedarpacific.com



info@cedpac.com

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.