

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

OCTOBER 2020

OUR COMMITMENT 2020

Altis is committed to investing responsibly and enhancing investment performance by making a positive and sustainable contribution to global, local, corporate and personal wellbeing, in an ethical culture with robust governance.

1. Purpose of this Policy

Altis Property Partners (“Altis”), recognises the importance of ensuring that our stakeholders have confidence in the way that we manage our environmental, social and governance responsibilities.

This document sets out Altis’ ESG policy and outlines our approach of incorporating ESG principles into our day to day business operations.

2. What is ESG?

Environmental Social and Governance (ESG) refers to the key considerations when measuring the sustainability and ethical impact of an investment. Altis believes that organisations that incorporate ESG strategies can better manage and mitigate risks, improve and maintain value, allocate capital, and contribute to a more sustainable world. Altis believes that ESG issues are material to investment decisions and must be addressed throughout the investment process.

3. Altis’ approach to ESG

Altis’ philosophy is to incorporate ESG into our business through an active systematic approach that links ESG strategy to performance outcomes, consistent with our stakeholders’ objectives. Our approach is to embed ESG processes throughout the organisation, so that each manager and staff member is responsible for ensuring ESG initiatives are integrated in the day to day operations, as well as transaction origination, assessment, development, and management.

Altis recognises that each of its Investors and Stakeholders have their own ESG policies and objectives. We commit to ensuring that there is a collaborative approach with regards to ESG to ensure consistency with their ESG objectives and to maximise the ESG impact of Altis' investments and management.

3.1 Environmental / Sustainable Initiatives

Altis believes that climate change is one of the greatest challenges facing humankind this century. Climate Change has the potential to cause substantial disruption and cost to our economies, businesses and livelihoods in the coming decades.

Altis considers that minimising the environmental impact, and enhancing the sustainability, of its investments is an essential principle of successful real estate investment. As such, Altis is committed to the reduction of carbon and greenhouse gas emissions from the assets that we develop and manage, to limit the impact of climate change.

Altis is committed to integrating sustainability management and compliance initiatives within each stage of property ownership by ensuring that ESG initiatives are actively considered in its decision making through ESG templated internal documents and ESG checklists.

Specifically, Altis is committed to:

- Engaging in the Global Real Estate Sustainability Benchmark (GRESB) process and obtaining a GRESB rating for two Altis funds - AREEP3 and ARET - in 2021;
- Ensuring that all internal acquisition, development, management and approval documents, strategic asset plans and meeting agendas contain an ESG section or checklist, and that all managers and staff are regularly trained and prompted to consider the ESG impacts on their decisions around managed assets and development projects;
- Gathering and documenting the environmental performance of the assets in our portfolio so that we can better understand the environmental performance, and implement measures to actively reduce greenhouse gas emissions, with a view to setting carbon reduction targets by 1 January 2022;
- Utilising green rating tools where possible, particularly by ensuring that all new commercial and industrial developments are designed and built to at least a 4 star Green Star rating, 7 star NatHERS for our new residential developments, as well as obtaining and continually improving green performance ratings (including Green Star Performance and NABERS) for the assets that we manage;
- Minimising the environmental impacts of our developments and investments by actively understanding and managing our energy data, implementing operational improvements, investing in more sustainable technologies, plant, fixtures, systems and processes, considering the circular economy and end of life emissions;

- Documenting physical climate risk and considering resilience measures, and climate adaptation plans, associated with our developments and investments, and undertaking related mitigation and sensitivity analyses;
- Promoting biodiversity, including improved water conservation, waste reduction, flood mitigation, and habitat protection as part of our operations and development practises;
- Using sustainable construction materials and building design principles, to minimise embodied carbon across our developments, and design and build with regards to the circular economy;
- Removing and containing contaminants or hazards such as asbestos, PFAS and other prescribed chemicals and toxins to acceptable legal levels;
- Utilising sustainability measures within our office, including for waste, recycling, paper usage, and general office practices;
- Regularly holding training sessions and ESG information updates for all Altis staff, and encouraging ESG related discussions, so that all staff understand their ESG obligations and are encouraged to use ESG initiatives in their day to day activities;
- Respecting heritage and native rights, and conserving and enhancing biodiversity and landscapes where possible; and
- Maintaining ESG related communication with property managers and tenants, particularly with regards to energy data and usage, fit-outs, capital expenditure and lease re-negotiations.

3.2 Social

Altis seeks to make a positive contribution to local and global communities, as well as Altis staff and family.

We undertake to consider the effect of investing in industries with a negative social impact, such as gambling, and to avoid investments in assets within the tobacco, pornography and weapons manufacturing industries. Altis is committed to undertaking investments with strong positive social outcomes where possible, such as affordable housing, and key worker housing.

Altis encourages ethical behaviour in its operations and decision making and expects similar standards and compliance from its suppliers and partners. Further information can be found within the Altis Code of Conduct.

Altis specifically prohibits the direct or indirect participation in any form of bribery, corruption or modern slavery, child labour, forced or compulsory labour, and seeks to identify and act against these risks in the workplace and supply chain, as well as to enforce policies that promote workers' rights.

Health and Safety

Altis seeks to ensure that it complies with, and mitigates risks to, workplace health and safety in the workplace and at its investments.

Altis complies with the Disability Services Act 1992 and the Work Health and Safety Act 2011 which prescribes the duty of care for work health and safety to all persons who conduct a business or undertaking as required.

Where Altis is responsible for the control of a site it seeks ensure that its WHS obligations are met. A separate detailed Altis WHS Policy exists to ensure compliance and management practice in accordance with relevant legislation.

Altis complies with its responsibilities under fire and flood safety legislation and codes in the construction and management of its assets.

Altis is committed to providing tenants and the community with work spaces that promote health and well-being, and is actively working with the Green Building Council and it's environmental consultants in respect of developing estates with high green and community ratings.

Altis Workplace and Employees

Altis is an inclusive and collaborative workplace where the wellbeing of staff is a high priority.

Altis is committed to providing a working environment that is free from all forms of discrimination, harassment, and vilification or bullying under any circumstances, for example sex, race, religion or sexual preference.

Altis does not select staff on the basis of sex, race, religion, age or sexual preference.

Altis is committed to creating a positive and rewarding workplace for its employees. Altis seeks to provide a fair and rewarding remuneration policy and practise linked to business and personal performance, including ESG initiatives.

Altis actively encourages work and life balance with a flexible and considerate approach to employment including a generous approach to remuneration, working hours and attendance, leave, sick leave and other aspects of wellbeing.

Specific initiatives for Altis staff include:

- Short term incentive bonus structure for all staff;
- A generous paid parental leave scheme;
- Additional leave at Christmas time;
- Flexible working practices, including working from home;

- Gender and race agnostic with a policy for both female and male candidates to be interviewed for each available role within Altis, and female participation at the senior leadership group level;
- Several wellbeing, charity events, and social activities held throughout the year;
- Community participation and further education and training is encouraged by full payment, sponsorship, subsidy, and time allowed depending on circumstance;
- The creation of an employee satisfaction survey, which will be undertaken by an independent third party;
- Regular staff consultation with an independent HR consultant to ensure regular feedback and improvement; and
- The appointment of a professional consulting organisation for the ongoing use of all Altis employees.

Altis supports global and local charities and individuals, and participates in their efforts to enhance social well-being, for example Special Olympics, the Big Kitchen, and UNHCR. We also encourage our staff to nominate other charities for participation and/or Altis donation.

3.3 Governance

Altis is committed to ensuring that its governance is robust with continuous monitoring, reporting and compliance frameworks, which are reflected in our day to day operations. The rights and interests of our Investors and Stakeholders underpin our decision-making processes and are at the core of our corporate governance practices.

Altis recognises its fiduciary duty and complies with its regulatory and legislative obligations, including codes and charters, documented policies, guidance from industry groups, and best practise. We seek to minimise the risk of breaches or non-compliance and have procedures for reporting non-compliance within our separate detailed policies.

Separate detailed Anti-Bribery and Corruption, Code of Conduct, Related Party and Conflict of Interest, Privacy and Human Resources policies form part of the governance structure of Altis.

4. ESG Resources within Altis

Dedicated ESG Resource

Altis is committed to dedicating resources to assisting the management and staff to actively implement our ESG framework and the implementation of the associated internal procedures.

Altis has nominated a dedicated ESG resource - "Director - ESG" - who is responsible for reviewing our policies and practices regularly, obtaining approval from the Altis leadership group, and enforcing the policies throughout the organisation. This person is:

Tamara Williams
Director - ESG
Email: tamara.williams@altisproperty.com.au
Phone: +61 4040 861 000

ESG responsibility throughout Altis

Each person employed within Altis is responsible for monitoring and implementing ESG initiatives in their day to day activities. ESG checkpoints and factors are embedded into each of the Altis procedures, from transaction acquisition, due diligence, development, investment, management and reporting. The Director - ESG is responsible for co-ordinating these processes and engaging the directors and staff in this respect.

Altis ESG Taskforce

Altis recognises the importance of ensuring that our stakeholders have confidence in the way that we manage our ESG responsibilities, and as such we have established an ESG Taskforce ("Taskforce"), which is comprised of four members of the Leadership Group, plus the Director - ESG.

The objective of the Taskforce is to consider the material environmental, social and governance issues relevant to the group's business activities and support the group in establishing and improving its ESG performance.

Please refer to our ESG Taskforce Policy dated 1 October 2020.

ESG related communication, incidents and misconduct

Altis invites our Investors and Stakeholders to review this policy and actively engage with us with regards to suggested enhancements, changes or otherwise non-compliance.

In the first instance, please direct all correspondence to:

Tamara Williams
Director - ESG
Email: tamara.williams@altisproperty.com.au
Phone: +61 4040 861 000

5. Disclosure of and Changes to this Policy

This policy will be published on the Altis website: www.altisproperty.com.au.

Altis recognises that ESG initiatives and factors are constantly changing, so it is our intention to review this policy periodically to ensure that it remains relevant to the ESG, legal and regulatory framework in which we operate. Any changes will be communicated with Altis staff, Investors and Stakeholders and posted on the Altis website.