

# Sustainability & Responsible Investment Policy

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# Sustainability and Responsible Investment

## 1 Purpose and Scope of this Policy

APN Group (APN) aims to apply a best practice approach to sustainability across the organisation. This document sets out APN’s approach to incorporating responsible investing and sustainability as part of our business operations.

## 2 What is ESG?

Environmental Social and Governance (ESG) refers to the key factors when measuring the sustainability and ethical impact of an investment. APN defines Responsible Investing as an investment process that incorporates ESG factors into its day to day approach in addition to the normal financial criteria.

Companies that invest in ESG programs have demonstrated that they can optimise operational performance, identify and mitigate risks and gain a competitive advantage in the industry.

## 3 Defining our Focus

APN has identified the material ESG issues that are relevant to our business [and sector] using the Sustainability Accounting Standards Board (SASB) materiality map for infrastructure and real estate. This will help us to focus and act on the issues that are the highest priority for the business.

These ESG focus areas are illustrated in Figure 1 below.

**Figure 1: APN ESG Focus Areas**



### Sustainable Development Goal (SDGs)

The UN SDGs articulate the world’s most pressing sustainability issues and can support investors in recognising sustainability trends, and the potential for long term financial performance, by investing in sustainable economies, assets and markets. Over the long-term, the SDGs aim to achieve economic growth without compromising our environment or placing unfair burdens on societies.

APN has also mapped our Material ESG Factors to the following SDGs. The SDGs below are the areas where we believe our organisation can provide a meaningful impact.

**Figure 2: SDGs targeted by APN**



## 4 Environmental, Social and Governance Commitments

APN believes that the sustainability of the business is intrinsically linked to the successful management of its financial, social and environmental risks and opportunities. APN is committed to sustainability and responsible investment through the following measures:

- identifying and understanding key ESG issues, such as climate change, within our business operations and investment decisions;
- considering ESG issues in our operation and investment decision making;
- including ESG factors alongside financial analysis of assets by investment managers;
- seeking appropriate disclosure on ESG issues by the entities in which we invest with the aim of improving their ESG related policies, practices and performance;
- actively engaging with likeminded investors and asset managers in our quest to improve the environment and invest responsibly;
- supporting the development of appropriate standards which improve sustainability and responsible investment;
- reporting on our responsible investment activities and outcomes to key stakeholders.
- Committing to complying with applicable environmental law in our operations and minimising harm to the environment; and

### 4.1 Climate Change

APN acknowledges that Climate Change poses a real and material risk to the property sector. With this in mind, we are committed to understanding our climate-related risks and opportunities and managing risks that are material to our business.

## 5 Implementation of this Policy

The implementation of this policy will be achieved by:

- Fostering an environmentally responsible culture within our workplace; and
- Regularly reviewing our Sustainability and Responsible Investment Policy to ensure it is aligned with best practice.

## 6 Governance

APNs directors, executives and staff are committed to high standards of governance. The rights and interests of our investors underpin our decision-making processes and are at the core of our corporate governance practices.

APN's corporate governance framework incorporates the requirements of market regulators, adopted codes and charters, documented policies and procedures and guidance from industry best practice. These policies and practices will remain under constant review as the corporate governance environment and good practice evolve.

APN's committee charters and policy documents can be found on the APN Group website (<https://apngroup.com.au/about-us/governance/>)

## 7 Proxy Voting

As an active, value focused investment manager, APN FM considers that corporate governance issues are an important part of managing an investment portfolio. It is the objective of APN RES to vote on all resolutions in respect of entities in which the APN RES invest and hold voting authority. We believe we are exercising our fiduciary responsibility by voting and we take this responsibility very seriously

APN RES will publish on APN's website an aggregate summary of its Australian proxy voting record for the financial year. The result will be published annually and within 2 months of the end of the Fund's financial year.

<https://apngroup.com.au/investors/investors-information/>

## 8 Disclosure of this Policy

This policy will be published on APN Group's website (<https://apngroup.com.au/about-us/governance/>), or other such page as APN Group deems appropriate.

## 9 Questions

If any member of APN staff has any questions from time to time about the subject matter or requirements of this policy, that person should contact Risk and Compliance in the first instance.

## 10 Changes to Policy

APN will review this policy periodically to ensure it remains appropriate to the legal and regulatory framework in which APN operates. Any changes will be communicated to APN staff and posted on APN's intranet site and/or website (as deemed appropriate).

## 11 Definitions

In this policy, unless the context otherwise requires:

**APN Entity** means any member of the APN Group and any of the APN Funds.

**APN FM** means APN Funds Management Limited.

**APN Fund** means any managed investment scheme managed by APN FM, APN RE or any other member of the APN Group.

**APN Group or APN** means APN PG and any of its controlled or related entities including APN FM and APN RE.

**APN PG** means APN Property Group Limited

**APN RE** means APN RE Limited.

**APN Staff** means and includes any director, officer, senior manager or other employees of APN PG, APN FM or APN RE and any other employee of or consultant to an APN Entity as designated by the board of APN PG, APN FM or APN RE.

**Board** means the board of directors of APN PG.

**ESG** means Environmental, Social and Governance

**Executive Management** refers to APN Staff members who from time to time make up the senior management team.

**GRESB** means Global Real Estate Sustainability Benchmark

**PRI** means Principles of Responsible Investment

**Risk and Compliance** means the person(s) responsible for overseeing the regulatory, risk and compliance function at APN Group.

**SDG's** Sustainable Development Goals