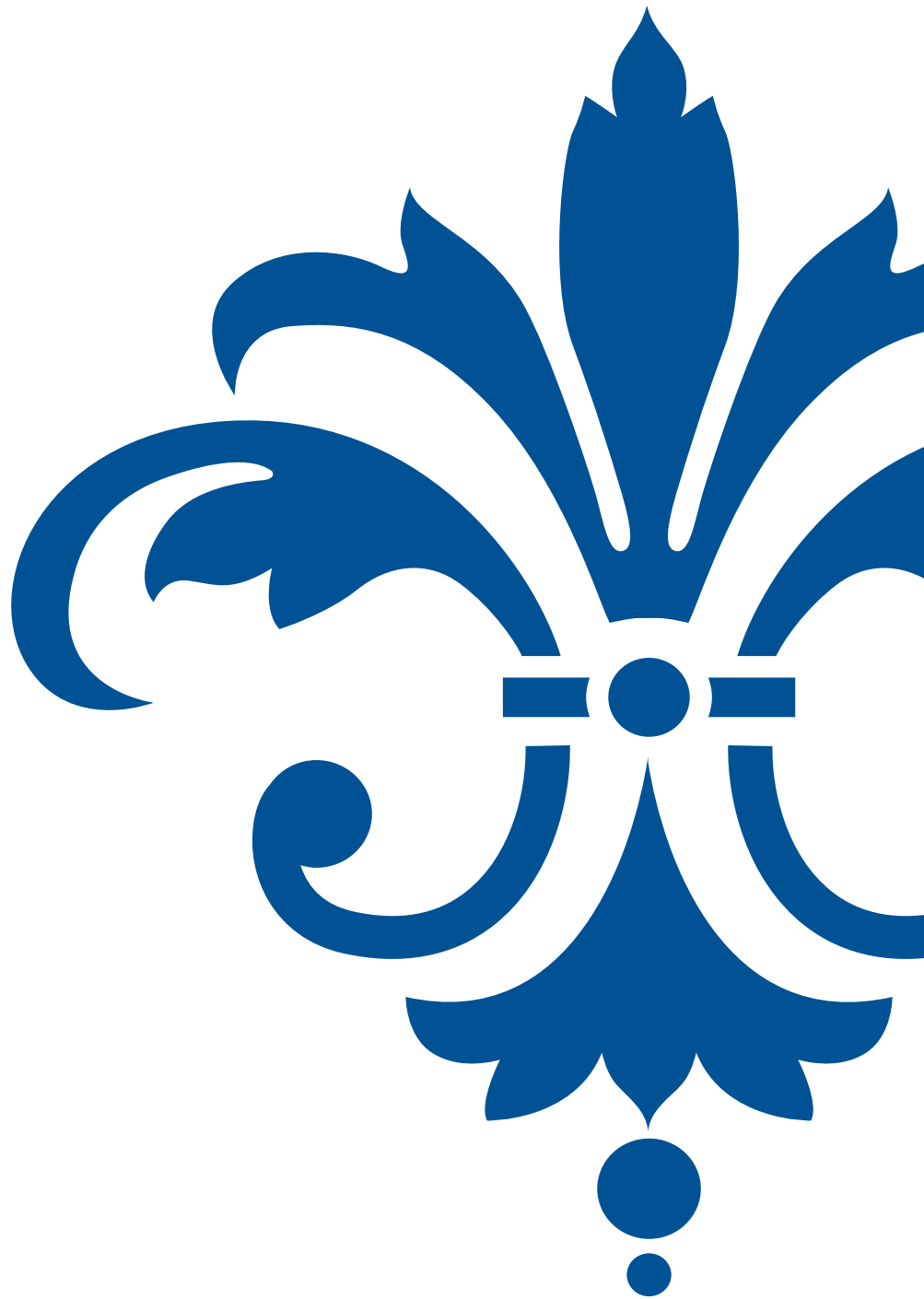




Custodian Capital  
PROPERTY FUND MANAGEMENT





## Our Philosophy

Custodian Capital ("Custodian") recognises that our decisions as a property management business have an impact on the environment, our people and communities. We also recognise the risks imposed if we do not incorporate good Environmental, Social and Governance ('ESG') practises into the way we do business. Our commitment to embedding good ESG management is important to our staff, investors and other stakeholders. This ESG policy outlines our approach to managing ESG impacts and provides the framework for setting and reviewing environmental and social objectives to ensure we are continuously improving our impacts and setting a leadership direction.

## Our Governance

### GOVERNANCE AND MANAGEMENT STRUCTURES

The Managing Director of Custodian Capital has overall responsibility and accountability for ESG across the company through the ESG Policy.

The Custodian Board is responsible for overseeing and supporting the implementation and monitoring of the ESG Policy across the organisation. Tom Donnachie, Portfolio Manager, has taken responsibility for overseeing the implementation of Custodian's ESG strategy on a day to day basis.

### Roles and Responsibilities

The below table outlines the roles and responsibilities of key stakeholders across Custodian for the implementation of ESG within the property investment portfolio. Full details of the commitments can be found in the section 'Our Policy'.

<b>Managing Director</b>	Responsible for ESG and general oversight and direction for ESG implementation across the property portfolio.
<b>Finance Director</b>	Responsible for ensuring data accuracy and completeness for transparent disclosures to EPRA and GRESB frameworks.
<b>Portfolio Manager</b>	Responsible for the day-to-day oversight and implementation of ESG in the property portfolio.

### REPORTING STRUCTURES

The Custodian Board should meet a minimum of quarterly to assess progress on ESG initiatives, ESG data and trend monitoring and progress towards targets set. Key performance metrics from each of the strategic focus areas should be reported against and reviewed by the Board.

### Approval and Review

This ESG Policy was approved by Custodian Capital's Board of Directors.

The Policy shall be reviewed at least every three years to include developments in legislation, market and/or best practices, strategic direction and organisation.

### Effective Date and Implementation Deadline

The Effective Date of this Policy is 22 April 2020.

The Policy shall be implemented immediately.

### Scope of Application

The ESG Policy applies to the investment properties Custodian Capital manages.

# Our Policy

Our ESG policy outlines our commitments to environmental, social and governance aspects in the way we conduct our business. We want our properties to minimise their impact on the local and wider environment and carefully consider the environmental performance of our properties, both before we acquire them, as well as during our period of management. Sites are visited on a regular basis and any obvious environmental issues are reported to the Board.

Our key commitments are outlined below.

## **ENVIRONMENT**

In our overarching environmental policy, we commit to:

- Seek to reduce pollution and compliance with all relevant environmental legislation;
- Gather and analyse data on our environmental performance across our business and portfolio; and
- Set targets of environmental performance for our activities and properties under management and monitor the key aspects of our environmental commitments which are outlined below.

### **Energy Consumption & Management**

We commit to:

- Comply with all applicable, relevant energy-related legislation and other requirements;
- Monitor energy consumption across our own operations, landlord-controlled assets and tenant consumption, where possible;
- Undertake thorough environmental due diligence in regard to all new property acquisitions;
- Obtain an Energy Performance Certificate ('EPC') for all new property acquisitions;
- Identify and where possible upgrade high energy-consuming equipment within our property portfolio assets to use optimal energy sources and achieve higher energy efficiency levels and improved EPC ratings;
- Review our energy objectives and targets on an annual basis;
- Promote energy efficiency and management to our tenants; and
- Where possible, build in green lease clauses into our tenant leases.

### **Building Materials**

We commit to:

- When we have the opportunity to develop new property or refurbish current assets, we commit to reviewing building materials which have a lower environmental impact and to select these materials, if appropriate; and
- Select greener building materials, in line with our vision to increase the sustainability certifications of our property portfolio.

### **Greenhouse Gas Emissions & Management**

We commit to:

- Quantify our Scope 1 and 2 (landlord controlled) emissions on an annual basis in line with our reporting requirements;
- Gather tenant energy consumption data, where possible, to quantify our leased assets' emissions;
- Comply with and make representations to industry standard ESG frameworks including both the European Public Real Estate Association (EPRA) Annual Sustainability Report and the Global Real Estate Sustainability Benchmark (GRESB); and
- Continue to expand our carbon reporting in line with industry expectations and relevant legislation.

### **Waste Management**

We commit to:

- Monitor waste levels across our own operations, landlord-controlled assets and tenant consumption, where possible;
- Implement landfill diversion waste streams such as recycling in our own operations and property assets, where possible; and
- Promote waste management to our tenants;
- Monitor tenant business activities in order to identify potential risks and avoid those tenants whose operations are considered high risk.

### **Water Consumption & Management**

We commit to:

- Monitor water consumption across our own operations, landlord-controlled assets and tenant consumption, where possible;
- Identify and implement water reduction technologies and opportunities within our portfolio, where possible; and
- Promote water management to our tenants.

### **Climate Change Adaptation & Resilience**

We commit to:

- Through our risk management processes, identify climate-related risks;
- Perform regular environmental risk assessments of our property portfolio; and
- Consider mitigation and management strategies for climate and environmental risks.

### **Biodiversity**

In the circumstances where we are developing new assets, the biodiversity of the development area will be considered and maintained to the most appropriate level possible.

### **SOCIAL**

The key aspects of our social commitments are outlined below.

#### **Asset Level Safety, Health & Well-being**

Custodian strives to manage and develop buildings which are comfortable, safe and high-quality spaces. As such, our aim is that the safety and wellbeing of occupants of our buildings is maximised. We will implement a portfolio approach to wellbeing which encourages engagement with tenants, ensures maximum building safety and optimises comfort and quality of occupancy.

#### **Stakeholder Engagement**

We engage regularly with both our internal and external stakeholders. These include:

- Board – our Board meets on a quarterly basis and monitors ESG performance and progress towards our objectives;
- Employees – as part of our training and staff roles and responsibilities, ESG progress is discussed and embedded across the work we do;
- Managing agents – we receive quarterly reports on our asset performance and engage directly on portfolio optimisation; and
- Tenants – we attempt to engage with tenants on a quarterly basis both to understand consumption trends and data and understand where Custodian can upgrade and optimise buildings for tenant well-being and environmental impact reductions.

