

Environmental social and governance policy



Avison Young Investment Management






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Introduction

Avison Young Investment Management, LP (“AYIM”) is the real estate investment management arm of Avison Young Global. Headquartered in Toronto, Canada, the group’s main business objective is providing fiduciary investment and asset management to private and institutional investors to meet their long-term real estate investment goals through directly managed real estate portfolios as well as funds. The team develops and proactively manages diverse property portfolios, comprised of various property types, to create stable income and above average capital growth. It does so with a keen eye to providing risk adjusted returns for investors, while also addressing resiliency and sustainability in accordance with Environmental, Social & Governance (“ESG”) factors governed by this policy. Through our investment portfolios, we are committed to engaging stakeholders around ESG, fostering health and wellbeing at every opportunity and creating a positive impact on the communities in which we invest. These commitments are further defined within our guiding principals and expanded upon within the larger policy.

It is our belief that sound governance and active management of environmental and social issues increases the likelihood that organizations, and their portfolios will perform well over the long-term, minimizing risk and capitalizing on opportunities along the way. To this end, AYIM is committed to five Environmental, Social & Governance guiding principles on behalf of its clients and partners:

-  Energy efficiency and GHG reduction
-  Health and wellbeing
-  Stakeholders and community engagement
-  Positive socioeconomic and environmental impact
-  Best practices, robust compliance, and transparent benchmarking and reporting

Within AYIM’s group policy, environmental factors cover the impact of our activities on our surrounding ecosystems (climate, infrastructure, community, and biology) as well as how our business, tenants and investors affect these ecosystems. Social factors focus on the impact on and contribution of our properties and operations to on our local community as well as boosting resilience of society as whole. Lastly, governance factors assess how our organization and investments are administered and how this compares to best practices and regulatory requirements in the markets in which we operate. Governance also addresses accountabilities, grievances, transparency, benchmarking, and reporting

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ESG objectives across portfolios

All employees are responsible for incorporating our ESG commitments and policy directives into their day to day business activities. While there are key decisions makers, ESG integration is a core job requirement for each of our staff members and we offer training to help support them in this regard. We believe that ESG integration improves financial outcomes, including tenant retention, reduction of operating expenses and harmonious community relations. We further believe that this integration approach to incorporating ESG factors at the organizational level is the most impactful means to achieve our ESG objectives across our business.

In addition to our group ESG policy, our management team develops specific ESG policies & objectives for each portfolio under management in consultation with our clients. These include specific short, medium, and long-term goals, accountabilities, and reporting protocols as well as a tracking system to indicate the year that the objective is completed or is planned to be. This ensures property and investment management professionals assigned to the portfolio are continually working towards their assigned ESG objectives. This also allows our clients and senior managers to track progression but also creates alignment with ownership around long term goals. Objectives are updated annually by the management team in conjunction with the dedicated Avison Young Global Sustainability team to ensure best practises are maintained.

ESG policy commitments

ESG Strategy Alignment

Part of our commitment includes aligning our strategies with guidance from the leading benchmarking providers, the United Nations' Sustainable Development Goals (SDGs), and maintaining good standing as a signatory to the UN supported Principles for Responsible Investment (PRI) and the Taskforce for Climate-related Financial Disclosure (TCFD).



The Global Real Estate Sustainability Benchmark (GRESB): GRESB validates, assesses and benchmarks the Environmental, Social and Governance (ESG) performance for Real Assets. The 2020 real estate benchmark covered more than 1,200 property companies, REITs, funds and developers representing in excess of US \$5.3 trillion in value.



Principles for Responsible Investment (PRI): The PRI is the world's leading (non-profit) proponent of responsible investment. It works to understand the investment implications of environmental, social and governance (ESG) factors; to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories; of the financial markets and economies in which they operate and ultimately of the environment and society as a whole. It encourages investors to use responsible investment to enhance returns and better manage risks.

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Taskforce for Climate-related Financial Disclosure (TCFD): The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information. The Task Force consists of 31 members and more than 1000 supporters from across the G20, representing both preparers and users of financial disclosures.



United Nations' Sustainable Development Goals (SDGs): The Sustainable Development Goals or Global Goals are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.

Paris Agreement



We are committed to doing our part to uphold the aspirations of the Paris Agreement and assisting our clients with understanding the relationship between buildings, climate change and community resilience to facilitate achievement of their own corporate values and investment objectives.

Thought leadership



Avison Young is committed to serving as a thought leader in ESG and promoting efforts to reverse climate change. Through public speaking at industry events, key professionals of the organization help to achieve awareness to the larger issues and trends effecting sustainable investment and management within the commercial real estate industry. By providing our clients with industry-leading strategies that work, we help them achieve excellence by integrating sustainability into their financial, operational, and cultural goals.

Operational excellence



Improvement in performance on environmental factors can Increase potential rents & occupancy, reduce operating costs, and increase value and returns for our investors. By aiming for the highest achievable standards in sustainable operations, consumption, and GHG reduction, we set an example that demonstrates our commitment and capabilities, which ultimately contributes to our bottom line and that of our investors.

Responsible Investment Policy



We work with our clients to select properties that meet certain investment objectives while also balancing long term asset risk as a fiduciary amid climate change based on our Responsible Investment Policy. Our real estate investment and management program includes acquiring properties that meet certain sustainability criteria or include the use of renewable energy, but also properties which require retrofitting or the elimination of contaminants. At every opportunity, we are committed to making investments in our properties to achieve our long term ESG objectives as well as reductions in energy, waste, water, and overall green house emissions of the portfolio.

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Environmental protection



Our management teams are committed to ensuring its operations and those of its tenants are conducted in such a way as to prevent pollution, minimize negative impacts, and protect the quality of the environment. AYIM is further committed to ensuring all investments, operations, business activities, as well as those of our tenants, follow all applicable laws and regulations related to environmental protection. We further strive to develop and manage assets to support improved biodiversity. We rely on nature-based solutions when seeking carbon offsets.

Climate risk



Assessing climate risk is a pivotal component of our due diligence and management process and cannot be overlooked when assessing the long-term viability of the investments we make on behalf of our clients. Each investment is reviewed from both a transition and physical risk standpoint to determine how well insulated an investment or market is from these risk factors. This is done both at the time of acquisition and throughout the life of our investments, on an annual basis at a minimum.

Net Zero



Our UK operation has adopted a Net Zero Operations by 2030 plan and has committed to science-based targets. We are currently evaluating a Net Zero Operations commitment for our offices in other locations. For third party client service provisioning and portfolio planning purposes unless our clients specify otherwise, we are utilizing a target of 2040 for net zero operations and utilize a 2050 guideline for decarbonization. We are commencing carbon accounting at the asset level and utilize TCFD data to inform resiliency plans and capital expenditure priorities.

Disclosure and reporting:



GHG Performance and consumption tracking is key to establishing long term environmental sustainability targets for our managed portfolios. All energy use and consumption for long term portfolios are tracked using an energy management data system and disclosed to the appropriate stakeholders on an annual basis as part of our normal reporting process. Any and all environmental incidents are reported to appropriate stakeholders as soon as commercially reasonable.

Benchmarking



Our group is committed to achieving ESG excellence across our portfolios. For this reason, we participate in the Global Real Estate Sustainability Benchmark (GRESB) on an annual basis. This provides us with an objective, independent comparison of where we stand on our ESG commitments and provides a framework of best practices for improvement. All energy and consumption data used for benchmarking is reviewed by an independent third party for accuracy each year.

Health and wellbeing



AYIM is committed to promoting and protecting the health and wellbeing of all our employees, surrounding communities as well as occupiers of our properties. This includes support for staff on various matters affecting health and wellbeing. We take occupational health and safety seriously across all offices and properties to ensure a safe working condition for all parties. This includes regular testing and air monitoring to ensure adequate air quality for our residents and management staff working and living within our properties.

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Responsible procurement



Our Responsible Procurement policy seeks to identify and engage minority and female led suppliers and service providers at the local level to achieve our goal of serving the communities we operate in with qualified local service providers as an integrated part of our community engagement.

Stakeholder engagement



We strive to earn the respect, trust and cooperation of all stakeholders we interact with through relationships that are inclusive, honest and mutually beneficial. AYIM will ensure that stakeholders have a comprehensive understanding of sustainability, environmental issues and climate change and how these affect properties and business operations. Avison Young will engage with stakeholders on environmental issues and collaborate with them to inspire and drive positive change, share information about our ongoing ESG initiatives and involve partners in affinity groups' success.

Supplier Code of Conduct



Avison Young will collaborate with best-in class service providers and suppliers that uphold strong values and approaches for delivering the most sustainable business to our clients. We have a Supplier Code of Conduct to ensure our values are aligned with those in our supply chain and choose partners who demonstrate their commitment to ESG and the use of sustainable buildings products above others wherever possible.

Supporting our communities



We believe our activities and the actions of our people should always have a net positive impact on our communities. At both the corporate and individual levels, Avison Young actively contributes resources to improve the communities where we do business.

Diversity, inclusion and belonging



Our group is committed to creating an inclusive environment for people of all backgrounds. We believe that our organization is greatly benefited by a diversity of experiences, and we are committed to inclusion across race, gender, age, religion, identity, and belief. Embracing diversity and inclusion means respecting those who look, act and live differently than we do. In addition to valuing protected characteristics. We value all types of diversity and believe in creating an inclusive environment for everyone, across cultures, race, religion, age, sexual orientation, lifestyle, interests, political affiliations and other personal backgrounds and experiences. We mentor our employees and are committed to achieving pay equity in our ranks. We actively participate in several industry trade association committees specifically focused on improving diversity and pay equity in our profession.

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Training and professional development:



At all levels of the organization, as well as through third party managers, ESG must be incorporated into almost everything we do. From day to day operations staff, to high level fund management and investment professionals, we are committed to ensuring all levels of the organization incorporate sustainable thinking and best practises into their job functions. Regular training, including senior management, is heavily tied to achieving this commitment and increasing awareness and engagement within the organization.

Bribery, corruption and fraud



Our organization does not tolerate bribery, fraud, or corruption in any form. No employee or contractor through wrongful or criminal deception will offer, accept, authorize or promise any sort of bribe, kickback, or similar type of payment, directly or indirectly, to or from any person, organization, or governmental representative, in an effort to secure favored treatment or obtain or retain business for the company or any of its employees or independent contractors. Such activity is illegal and will be prosecuted to the full extent of the law if discovered.

Conflicts of Interest



Avison Young expects employees to conduct business according to the highest ethical standards of conduct. Employees are expected to devote their best efforts to the interests of the company. Business dealings that appear to create a conflict between the interests of the company and an employee or that could, in any way, impede the employee's independent judgment are unacceptable. As a global real estate services company, Avison Young closely monitors all potential conflicts of interest across our business lines with a reporting mechanism available to all staff.

Compensation



Avison Young has a Compensation Committee that develops and employs a charter and practices to determine and review executive compensation in line with industry standards. Employees are provided livable, market-based salaries as well as full employee benefit packages. Benefits include dental care, vision care, healthcare, prescription coverage, access to mental health professionals, dietitians, fitness programs as well as many others.

Workplace compliance



The company complies with all applicable international labor and employment laws including, without limitation, those associated with, workplace respect, diversity and equal opportunity, discrimination, harassment, retaliation, child labor, forced or compulsory labor, work hours, wages and benefits, education, employment security, confidential information, health and safety, diversity and equal employment opportunity, immigration, freedom of association and a harassment-free work environment.

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Whistleblower mechanism



The company operates a toll-free HR Hotline where employees can call and speak anonymously regarding their concerns regarding any management or operational activity within the organization. It is open 24 hours per day, with live personnel from 8:30 a.m. – 5:30 p.m. CST Monday through Friday and can accept voicemails. Any issues relayed are fully reviewed, and formally investigated as necessary, with all applicable legal protections afforded to the reporting party. The HR Hotline: 1-844-568-7542.

Employee privacy



Avison Young values its relationship with its employees and is committed to compliance with applicable privacy legislation and the protection of their personal information and keeping their personal information accurate, confidential, secure, and private. This commitment also extends to our tenants, suppliers, and partners.

Political contributions



All employees must comply with all laws prohibiting improper payments to domestic and foreign officials. All Employees are prohibited from making or offering payments (including facilitating payments), gifts or incentives to any foreign or domestic government official or agent on their own behalf or on behalf of the company in the hope of influencing that individual.

Information Technology and cybersecurity



Our organization is governed by detailed policies covering the use of technology which can be found within the policies of Avison Young Global. Each employee is responsible for their own adherence to these policies covering legitimate use of resources, security and proprietary Information, privacy, personal use, virus protection and enforcement. We will further respect all applicable International Safe Harbor Privacy Principles within the jurisdictions that we operate.

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The policy commitments contained herein are additive to the policies of Avison Young Global. For more information about Avison Young Global, our ESG Policy, or its implementation across our portfolios, please contact:

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