

<p>Policy Statement</p>	<p>Our corporate vision is to be the property investment manager of choice recognised for our investment performance and client focus. This corporate vision and our values are consistent with our objective to encourage, promote and enforce good corporate governance and awareness of Environmental, Social and Corporate Governance (ESG) issues across our property investment decision-making and ownership practices. We believe that doing so is a key part of our responsibility towards investors, clients, employees and other stakeholders, as well as those in the wider community.</p> <p>As a signatory to the United Nations Principles for Responsible Investment (UNPRI), we are aligned with an internationally recognised set of guiding principles for responsible investment. We are committed to raising awareness of ESG within our operations and to transparent monitoring and disclosure of ESG performance in our investor reports, and via GRESB and UNPRI, to the wider investment community.</p>
<p>Purpose</p>	<p>The purpose of this policy is to define our Responsible Investment (RI) policy approach. Further guidance accompanying this policy can be found on our website. It is communicated to all fund and property management teams via the intranet and should be adhered to by all stakeholders.</p>
<p>Scope</p>	<p>Our responsible property investment objectives are as follows:</p> <p><u>Environmental Sustainability</u> Savills Investment Management (Savills IM) recognises that, as a property investment manager, it is increasingly important for us to focus on sustainability objectives; these include sustainable development, energy, waste, water and carbon monitoring and reduction. We are also committed to engaging with internal and external parties including employees, clients, tenants, project partners and service providers in order to raise awareness of the environmental impact of our activities. Where possible, we also endeavour to encourage our stakeholders to proactively lessen their impact on the environment.</p> <p><u>Social Equity</u> Savills IM recognises that its business has social obligations to its trading partners and employees, and that the operation of its business should include consideration of the communities and the broader society in which it functions. We aim not only to meet legislative obligations but, where possible without prejudicing our investors, exceed these requirements by proactively engaging and promoting the importance of ESG issues.</p> <p><u>Responsible Corporate Governance</u> Savills IM believes that it is important to be a responsible business and observes fundamental standards of good management and conduct. Savills IM is committed to transparent monitoring and disclosure of ESG aims and asset performance for the wider business and investment community.</p>
<p>Implementation</p>	<p>In order to achieve our objectives, ESG criteria are incorporated into all stages of our property lifecycle, from acquisition and development, through to management and disposal. Detailed guidance is provided to our investment teams and asset managers on how ESG considerations should be integrated at every lifecycle stage.</p> <p>ESG considerations form part of the agenda for the Investment Advisory Committee which forms a key part of the governance process at Savills IM.</p> <p>Progress on identified corporate and fund level action areas is driven by an ESG Committee which meets quarterly, and progress is tracked via an ESG Roadmap, where objectives are agreed and reviewed, and targets set, for continuous improvement, benchmarking and reporting.</p>
<p>Approved by:</p>	<p>Kiran Patel (Global Chief Investment Officer, Savills IM)</p>



Overview

Environmental, social and governance (ESG) matters form an integral part of our role as responsible and effective investment managers.

Savills Investment Management (Savills IM) believes that awareness and consideration of ESG issues throughout its investment process are a key part of its primary responsibility towards investors, clients, employees and other stakeholders, as well as those in the wider community.

Our corporate vision and values are consistent with our objective to encourage, promote and enforce good corporate governance and awareness of ESG issues across our business activities, wherever possible.

Savills Investment Management's Corporate Vision

To be the property investment manager of choice recognised for our investment performance and client focus

Savills Investment Management's Corporate Values

Our business is built on four values which determine how we conduct ourselves on a daily basis:

- Integrity by acting in the best interests of our clients at all times
- Diligence in applying rigour and process to manage risk
- Accountability is integral to the management and governance of our business
- Innovation in finding solutions for our clients

Guiding Principles: UNPRI

There are sound practical reasons for considering the environmental impact of our business activities and embracing good corporate citizenship and consequently Savills IM is a signatory to the United Nations Principles for Responsible Investment (UNPRI).

The principles entail a set of internationally agreed guidelines which aim to help institutional investors incorporate ESG issues into their investment decision making and ownership practices. These principles are based on the notion that ESG issues can affect the performance of investment portfolios and should therefore be considered alongside traditional financial analysis. This aligns with our belief that, as an investment manager, there are pragmatic as well as ethical reasons for the consideration of ESG issues in our investment making decisions and asset ownership.

By following and applying the voluntary and aspirational principles central to UNPRI we intend to improve our ability to meet commitments to investors and better align our investment activities with the broader interests of society and the environment.

We will adopt and implement these guidelines, where consistent with our fiduciary responsibilities, and commit to evaluate their effectiveness and strive to improve the way in which we adhere to the principles over time.

Therefore, where consistent with our fiduciary responsibilities, we will:

- incorporate ESG issues into investment analysis and decision-making processes;
- be active owners and incorporate ESG issues into our ownership policies and practices;
- seek appropriate disclosure on ESG issues by the entities in which we invest;
- promote acceptance and implementation of the principles within the investment industry;
- work to enhance our effectiveness in implementing the principles; and
- report on our activities and progress towards implementing the principles.

Responsible Investment: Core Objectives

Savills IM's Responsible Investment strategy is expressed in terms of the following ESG objectives:

Environmental Sustainability

It is increasingly important for us to focus on sustainability objectives; these include sustainable development, energy, waste, water and carbon monitoring and reduction. We commit to engaging with internal and external parties including employees, clients, tenants, project partners and service providers to raise awareness of the environmental impact of our activities. Where possible, we endeavour to encourage our stakeholders to proactively lessen their impact on the environment.

Social Equity

Our business has social obligations to our trading partners and employees. The operation of our business should include consideration of the communities and the broader society in which we function. We aim not only to meet legislative obligations but, where possible without prejudicing our investors, exceed these requirements by proactively engaging and promoting the importance of ESG issues. Our social policy also includes an awareness and commitment to the social impacts of our business and office environment, on our staff, with a staff benefit programme, and awareness of Health and Wellbeing in place.

Responsible Corporate Governance

We believe it is important to be a responsible business and observe fundamental standards of good management and conduct. We are committed to transparent monitoring and disclosure of ESG targets and asset performance for the wider business and investment community, through fund reporting and participating in the [GRESB](#) survey and annual [UNPRI reporting requirements](#).

Responsible Investment: Implementation

To ensure our strategy is successfully implemented, we ensure our ESG objectives are incorporated into every stage of property transaction: property acquisition, asset management, development / refurbishment / fit-out and disposal.

Wherever relevant, training and supporting documentation is made available to guide investment managers, asset and property manager and support teams as to how relevant and material ESG considerations should be incorporated.

Asset acquisition and asset management

All purchases are reviewed and presented to the Investment Advisory Committee (IAC). The IAC paper templates contain guidance on ESG considerations to be made in stock selection, and purchase due diligence, such as environmental and social risks and opportunities, regulatory compliance, green building accreditation or value-add innovation.

We identify opportunities for, and the inherent risks of, sustainable practices. Opportunities may include tenant engagement to help meet sustainability targets, the installation of green technology and infrastructure within an asset, or participating in benchmark surveys and reporting at both a fund and corporate level.

We evaluate and manage the impact that sustainability has on investment performance; for example this may include depreciation costs due to additional capital expenditure or the ability to let or sell a property. We seek to manage these elements in a manner appropriate to each fund or mandate's risk and return profile.

For all investment management mandates Savills IM aims to:

- Meet and where possible exceed the minimum requirements of any relevant planning, construction or environmental legislation;
- Consider the sustainability credentials of an asset or development prior to purchase and include details in the papers presented to the Transaction Advisory Committee;

Property development, refurbishment or fit-out

Integrating sustainability and ESG considerations into the earliest stages of design and construction of asset development, refurbishment or fit-out creates an opportunity to add tangible value to asset value, future-proof against obsolescence, improve occupancy appeal and results in improved building performance.

Property management

Where we manage the assets in our investment portfolios, we select managing agents who have a strong track record in sustainability and responsible property management, and expect that they adhere to our Responsible Investment strategy and incorporate ESG into all aspects of their management mandate. We expect that our managing agent has integrated the Managing Agents Partnership core provisions for integrating sustainability into property management.

<http://www.betterbuildingspartnership.co.uk/our-priorities/managing-agents-partnership>

Our focus on integrated sustainability and ESG into property management practices ensures we are able to continue to add value, improve and enhance assets in our ownership, reduce operation costs and foster tenant satisfaction and occupancy appeal.

Asset disposal

When a property is being positioned for sale, sustainability measures and programs can be used to further enhance the property's status and maximize its value. Such features help provide valuable criteria that differentiate the property from other offerings in the market and serve as an indicator of overall quality. Being able to bring high-performing assets to market will result in a greater choice of prospective buyers, and potentially lead to a more profitable and efficient exit.

Responsible Investment: Delivery, monitoring and reporting

Governance and oversight: ESG Committee

An ESG Committee has been appointed for the development, promotion and implementation of appropriate policies to meet this objective; its responsibilities are covered later in this policy. The committee provides leadership and guidance on ESG issues.. The group reviews the efficacy of ESG policies and procedures to ensure that they remain in line with best practice.

The ESG committee is chaired by the Global Head of Investment Risk and includes senior members from all international office locations who are responsible, inter alia, for encouraging the consideration of ESG issues and promoting awareness of and adherence to the ESG policy.

ESG Roadmap

ESG roadmaps are utilised to track and monitor the delivery of our responsible investment objectives at corporate, fund and asset level.

Specific actions and targets comprise compliance, governance, environment and social impacts. The roadmaps also includes goals for ESG training and development for all fund staff, public disclosure and reporting.

ESG Reporting and Disclosure

We disclose the emissions related to managed portfolios, illustrate how these associated emissions are being reduced and report performance to the wider investment community.

As a UNPRI signatory, we follow the mandatory annual reporting and assessment process. More information on these reporting requirements is available on the UNPRI website, and the Savills IM report, submitted on an annual basis (permitting a one year grace period from sign up date) is also available online for public viewing, furthering our commitment to increase transparency around our ESG activities: <http://www.unpri.org/>

Internal and Investor Corporate Reporting

Quarterly and annual reporting is undertaken on a fund and corporate level. Information is collated and reported for:

- Energy consumption - electricity, gas, oils, diesels, etc.
- Water consumption
- Waste consumption - amounts to landfill and recycling

These reports also illustrate the ongoing historic performance of assets, in order to track reductions and challenges on an asset and fund basis.

GRESB Disclosure

Savills IM recognises that taking a responsible approach to property investment can protect and enhance the long-term performance of the funds we manage. Measurement and disclosure are vital parts of Responsible Property Investment, and the participation in Global Real Estate Sustainability Benchmark (GRESB) provides an effective means to achieve this. GRESB provides a means of measuring a product's environmental performance and benchmarks this against the environmental and social performance of 450 other real estate companies and funds. [More information on GRESB can be found at http://gresb.com/](http://gresb.com/).

All Savills IM managed funds are encouraged to annually report their environmental and social performance to GRESB, thereby:

- Meeting Savills IM's commitment to Responsible Property Investment measurement and reporting;
- Supporting the funds' individual sustainability strategies; and
- Monitoring and managing exposure to the risk of obsolescence and occupancy cost.

Health and Wellbeing Policy

Training, awareness and communications

We continually aim to incorporate sustainability into the training and development for all employees and include sustainability linked objectives where appropriate. We have engaged with staff globally on ESG topics via a staff survey, the results from which will form part of a Materiality Matrix and will guide the participatory development of our ESG policy and strategy.

A focused intranet group is used to communicate and share information on sustainability topics, corporate projects and reports, as well as new green initiatives being introduced by the ESG Committee, policies and terms of reference. All new employees are invited to the group, providing a discussion forum for ESG issues within the Savills IM community.

Employee engagement, development and welfare

Savills IM encourages its employees to acquire skills and knowledge through training and volunteering opportunities, where new skills can be developed and applied, such as fundraising, communication, leadership, teamwork and problem solving. We also support our employees to volunteer their time for charitable causes.

The company ensures adequate controls are provided for health and safety risks arising from work performed for and on behalf of the company, and at properties owned or controlled by the company. Savills IM implements and adheres to its own Conflicts of Interest policy as well as subscribing to the Savills group Conflicts of Interest, Anti-Corruption and Environmental policies.

Employment benefits provide support to staff health and wellbeing, such as the availability of an impartial, third party-provided Employee Assistance Programme which is available to all employees with a focus on well-being. The programme offers free, confidential access to practical information, referrals to local services and counselling on a wide range of personal issues.

All employees are offered private medical care, and we offer our UK employees convenient access to healthcare via the NHS virtual doctor system, babylon, which provides online appointments 24 hours a day, seven days a week.

With an awareness of staff health and wellbeing, we ensure all employees have the access to the services and provisions needed to stay healthy, engaged with work and comfortable in a personal and professional sense. The company regularly reviews benefits with new benefits introduced where necessary.

Savills IM employees are offered subsidised gym memberships to support mental and physical fitness. We also allow and encourage our employees to exercise during the working day with the provision of showers, changing facilities, sports lockers and a drying room at our London office, and bicycle racks to encourage healthy commuting. A Cycle to Work scheme is also in place to support this initiative.

Our Human Resources department is also in the process of developing and promoting flexible working at Savills IM. Savills IM aims to make its business a flexible place to work to support individual needs, ensuring engagement and commitment to work is higher, and health and wellbeing optimal.

Other benefits which contribute to health and wellbeing include the annual leave provision, which offers a days above the required legal minimum, and allow employees to roll over holiday so it isn't lost. Free leave days are provided over the Christmas period to encourage employees to take a proper break, which is crucial to staff health and wellbeing. Further benefits currently under review which support employee health and wellbeing are:

- Availability of Childcare vouchers
- Handbooks for staff in all our offices
- Help to Rent scheme
- Corporate health and fitness events (such as the Global Corporate Challenge and annual JP Morgan charity run)

- Life Assurance
- Critical Illness cover