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Environmental Social & Governance Policy

Avison Young Global Investment Management
2019

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Global ESG Policy

Introduction:

Avison Young Global Investment Management is the real estate investment management arm of Avison Young Global. Headquartered in Toronto, Canada, with offices in Frankfurt, London and Los Angeles. The group's main business objective is helping institutional investors meet their long-term real estate investment goals through directly managed real estate portfolios as well as close end funds. The team develops and proactively manages diverse portfolios comprised of various property types to create stable income and above average capital growth. It does so with a keen eye to managing risks, while also addressing resiliency and sustainability in accordance with Environmental, Social & Governance ("ESG") factors governed by our policy. Through our investment portfolios, we are committed to engaging stakeholders and suppliers 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.

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

-  Energy Efficiency & GHG Reduction
-  Health & Wellbeing
-  Stakeholders & Community Engagement
-  Positive Socioeconomic & Environmental Impact
-  Best Practices, Benchmarking & Compliance

Within our group policy, environmental factors also consider climate risks, the impact of our activities on our surrounding ecosystem as well as how these ecosystems affect our business, tenants and investors. Social factors include diversity and inclusion, the impact that we have on our local community as well as society as whole, tenant engagement and health and wellness programs. Lastly, governance factors assess how our organization and investments are administered, insurance coverage for identified risks and how this compares to best practices or regulatory requirements in the markets that we operate.

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 is a core component for each of our staff members day job and we offer training to help support them in this regard. Many hands make light work and we believe this approach to incorporating ESG factors at the organizational level is the most impactful across our business.

In addition to our group ESG policy, our management team assigns specific ESG policies & objectives to each portfolio under management in consultation with our clients. These include specific short, medium and long-term goals as well as a tracking system to indicate the year that the objective is completed or is planned to be implemented. This ensures property and investment management professionals assigned to the portfolio are continually working towards to 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 sustainability consulting team for Avison Young Global to ensure best practises are maintained.

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ESG Policy Commitments:

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, consistent with our client's return objectives, we set an example that demonstrates our commitment and capabilities, which ultimately contributes to our bottom line and that of our investors.

Property Investment



We work with our clients to select properties that meet certain investment objectives while also balancing long term asset risk as a fiduciary taking into account, among other risks, climate change. 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.

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. Avison Young Investment Management 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.

Disclosure & 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, and as a component of our annual corporate sustainability report. 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 & Wellbeing



Avison Young Investment Management 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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ESG Policy Commitments: *(continued)*

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. Avison Young Investment Management 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.

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. Our professionals participate in industry wide organizations, conferences and produce white papers on topics ranging from building sustainable communities, to strengthening community resilience.

Diversity & Inclusion



Our company is committed to creating an inclusive environment for people of all backgrounds, faiths and orientations. We believe that our organization has greatly benefited from recruiting talent with a diversity of experiences and perspectives, and we are committed to inclusion across race, gender, age, religion, identity and belief.

Training & 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. Our on-line learning platform includes courses on sustainability and securing professional designations in sustainability and wellness. Regular in-person training, including senior management, is heavily tied to achieving this commitment and increasing awareness and engagement within the organization.

Bribery, Corruption & 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.

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ESG Policy Commitments: *(continued)*

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, dieticians, 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, human rights, 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.

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



Our organization is governed by detailed policies covering the use of technology which can be found within the policies of Avison Young Global. Cybersecurity is provided by Microsoft and all employees are mandated to take cybersecurity training annually. 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. All employees involved in approving invoices and or transferring money are mandated to use double authentication. We will further respect all applicable International Safe Harbor Privacy Principles within the jurisdictions that we operate.

The policy commitments contained herein are additive to the policies of Avison Young Global. For more information about Avison Young Global, our 2019 ESG Policy, or its implementation across our portfolios, please contact your local Investment Management office.

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