

# ESG Policy

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# Contents

Revision Header .....	1
1. Background .....	2
2. Policy.....	2
2.1. Objectives .....	2
3. ESG Strategy & Framework .....	2
4. ESG Considerations.....	3
4.1. Environmental .....	3
4.2. Social.....	5
4.3. Governance .....	5

## Revision Header

Revision No.	Revision Date	Revision Comments	Prepared By:	Approved By:
1	24/09/2024	Initial revision	James Cahil	Board

This Policy can only be amended with the approval of the Board, with the exception of minor amendments that do not affect the nature, substance or intent of the document.

## 1. Background

Aliro is committed to delivering enduring value for its customers and creating better places for people to connect and thrive. We recognise the important role that ESG plays in contributing to these outcomes. ESG considerations are applied across the business's property investment, delivery, and management processes and procedures. By regularly engaging with key stakeholders, such as employees, tenants, investors, lenders, suppliers, service providers, local communities, and government, we ensure that ESG considerations are fully integrated into our business strategy and day-to-day operations.

Through the establishment of this ESG Policy and its supporting ESG Strategy and Framework, Aliro demonstrates that it operates in a sustainable and ethical manner and is committed to delivering exceptional property outcomes for its stakeholders.

## 2. Policy

### 2.1. Objectives

The objectives of Aliro's ESG Policy include:

- Outline the ESG issues of greatest relevance to our business;
- Outline our management approach for material ESG issues;
- Establish a clear mandate to pursue environmental, social, and governance initiatives across Aliro's Acquisitions, Development, Asset Management, and Funds Management functions that enhance our reputation as an ethical and responsible organisation and/or deliver enduring value to our stakeholders; and
- Provide direction to Aliro's stakeholders, including suppliers, service providers, investors, lenders, employees, shareholders, and local government as to how they can support Aliro in achieving positive sustainability outcomes.

## 3. ESG Strategy & Framework

Aliro's ESG Strategy supports our ESG Policy by guiding our approach to building resilient assets, creating places where people can connect and thrive, and operating the business in an ethical and responsible manner. The Strategy was shaped by our materiality assessment, which determined the most significant environmental, social and governance risks and opportunities facing Aliro. Our methodology captures insights from both internal and external stakeholders to ensure our material issues reflect the needs and priorities of our people, partners, and customers. The materiality assessment process involved four key steps:

1. Initial analysis;
2. Engagement with stakeholders;
3. Evaluate and prioritise results; and
4. Review and disclose key ESG themes and material issues.

The Strategy comprises four key pillars: Resilient Assets, Sustainable Design, Responsible Business, and People & Partnerships. These pillars support a systematic approach to executing our Strategy across our active assets, development pipeline, and funds management platform.

Aliro's ESG Framework supplements our ESG Strategy by embedding ESG priorities and initiatives across the business. The Framework comprises a range of tools, processes, templates, and guidelines, which are used by our teams to help deliver on our goals. The Framework sets high sustainability standards across all stages of the property lifecycle, including acquisition, development, and operations.

## 4. ESG Considerations

### 4.1. Environmental

Aliro is committed to environmental initiatives that:

- Protect the natural and built environment in the areas in which we operate;
- Mitigate environmental risks associated with our activities;
- Enhance the adaptive capacity and environmental performance of Aliro’s assets; and
- Support our compliance with legislative and regulatory requirements.

Issue	Aliro’s Management Approach
Energy & Emissions Management	<p>Aliro is committed to identifying and implementing opportunities to reduce energy consumption and emissions intensity at our assets.</p> <p>Our Development team sets high standards of energy efficiency through our Development Brief and Technical Specifications. Features such as natural light, natural ventilation, controllable LED lighting, insulation, and high-performance glazing, are standard features at all new projects. We deliver rooftop solar PV at all new developments to help our customers access cleaner and more affordable energy, while also striving to deploy low-refrigerant equipment to achieve further reductions in operational carbon emissions.</p> <p>Our Asset Management team completes regular operational analysis to monitor the effectiveness of existing initiatives and identify new opportunities to improve energy and emissions performance.</p>
Water Efficiency	<p>Aliro is focused on improving water efficiency and reducing potable water use in the development and operation of our assets.</p> <p>We seek to improve water efficiency through a combination of site-wide and tenant-specific solutions, including rainwater capture and re-use, drought-resistant landscaping, and water-efficient fixtures.</p> <p>Our Asset Management team uses sub-metering and monitoring systems to monitor water consumption trends, identify potential leaks, and assess new opportunities to improve operational performance.</p>
Waste Management	<p>The management of both construction and operational waste is a key priority for Aliro. We work with Aliro’s principal contractors to implement recycling programmes at our development projects to help maximise waste diversion rates.</p> <p>We also seek to engage with our tenants to implement Operational Waste Management Plans, which help our customers separate on-site waste streams and improve overall waste performance.</p>
Pollution & Contamination	<p>Aliro is committed to complying with all regulatory requirements relating to pollution and the contamination of land. We also closely monitor tenant activities to ensure our customers comply with lease obligations relating to contamination prevention and occupational health and safety.</p>
Materials	<p>Aliro is committed to adopting circular principles across our business. This involves partnering with our contractors and broader supply chain to increase the use of lower-carbon and recycled content building materials at our developments to improve the environmental credentials of our assets. We are focused specifically on how we can use more sustainable alternatives to concrete, asphalt, and steel products due to their high embodied carbon content.</p>
Building Safety	<p>Aliro is committed to ensuring we meet all occupational risk obligations required to safely occupy, manage, and maintain our assets. We do this through our Design Brief, Technical Specifications, and risk assessments, which are completed at the design stage and in operation.</p>

	<p>Our buildings are continually monitored to ensure compliance with updated standards and regulations as required.</p>
<p>Natural Hazards</p>	<p>Natural hazards such as flooding and bushfires are assessed as part of Aliro’s due diligence processes for all new acquisitions. We also complete physical climate risk assessments at new projects and existing assets to identify other climate-related shocks and stresses such as heat stress and water stress.</p> <p>Our Development team is responsible for mitigating climate-related risks and building adaptive capacity to natural hazards through tailored design solutions, such as light-coloured pavements and native landscaping to reduce urban heat, and rainwater harvesting to reduce water stress.</p> <p>Our Asset Management team regularly monitors the effectiveness of these measures and works with tenants on new initiatives that build resilience at our estates.</p>

## 4.2. Social

Aliro is committed to social initiatives that:

- Provide safe and healthy environments for our people;
- Promote diversity and inclusion;
- Drive strong corporate culture, high rates of employee engagement, and professional development opportunities;
- Promote active engagement with our tenant customers;
- Enable engagement with our community partners; and
- Promote responsible procurement and sustainable supply chain management.

Issue	Aliro’s Management Approach
Health & Wellbeing	Aliro is committed to supporting the health and wellbeing of our employees through tailored programs, policies, and training related to flexible working, leave, psychological safety, and mental health support.
Diversity & Inclusion	Aliro recognises that a diverse and inclusive workforce helps contribute to a strong company culture and high-performing teams. We are committed to promoting diversity at all job levels and creating an inclusive working environment where we recognise and celebrate our differences.
Culture & Training	<p>Maintaining a strong corporate culture and high rates of employee engagement is critical to our overall business performance. We measure the success of our approach through regular employee engagement surveys, which are designed to provide Aliro’s Senior Leadership team with critical data and insights that help shape the future of our workplace and culture.</p> <p>We also recognise the importance of learning and development. As a growing business, we place a strong focus on training to help build highly qualified and passionate teams that can deliver on our strategy and maintain business continuity.</p>
Tenant Engagement	Building and maintaining positive relationships with our tenant customers is a key priority for our business. By engaging with tenants regularly, we can better understand their needs, identify new ways to unlock shared value, and deliver a market-leading experience.
Community Engagement	<p>Aliro has opportunities to deliver long-term shared value for the broader community through our roles as a developer and asset manager. We strive to engage with local community groups, including traditional landowners, to help us create connected, inclusive places that celebrate history and culture. We also promote a range of giving and volunteering initiatives with our partner organisations to support the broader community.</p> <p>Aliro also has a directive to ensure that its employees, across all levels from directors to support staff, are engaged in community events and programmes through Aliro-implemented giving and volunteering initiatives, or through locally driven community initiatives.</p>
Human Rights & Supply Chain	Aliro recognises that the real estate sector faces elevated risks of modern slavery and other forms of supply chain disruption. We are committed to improving the visibility of our value chain, engaging with our supplier base, and actively mitigating and remediating our human rights risks through regular engagement with our contractors and mandatory training for our people.

## 4.3. Governance

Aliro is committed to governance initiatives that:

- Maintain high standards of risk management and information security;
- Build positive and enduring relationships with our stakeholders; and
- Enable us to report transparently to our investors and other stakeholders.

Issue	Aliro’s Management Approach
<p>Governance &amp; Risk Management</p>	<p>We recognise that effective corporate governance is critical for Aliro to operate responsibly and ethically.</p> <p>Aliro’s Board of Directors has overall responsibility for all governance and risk management related matters. These are summarised in a suite of policies and standards, which are available on our website. Our systems, processes, and procedures also reflect high standards of governance and risk management, underpinning our commitment to responsible business and creating sustainable, long-term value for our customers and partners.</p> <p>Our Risk Management Strategy and Framework helps the business identify, understand, and manage any risks related to our daily business activities. Our Compliance Program ensures we meet various legal and regulatory, organisational policy, and contractual obligations. Aliro Management and its nominated Risk Managers are responsible for implementing these policies and procedures, maintaining Aliro’s risk register, and promoting a risk management culture within Aliro.</p> <p>Aliro’s ESG Committee was established in 2022 to regularly review and guide sustainability-related strategic objectives, performance, and reporting. The Committee reports to the Board quarterly and is comprised of representatives from Aliro’s ESG and Senior Leadership teams, as well as business unit leads.</p>
<p>Information Security</p>	<p>Our teams rely on digital resources and information systems to run the business effectively. To protect Aliro, its employees and its customers from cyber threats, Aliro management regularly reviews material security risks and implements policies and processes to improve our resilience.</p> <p>The Board is responsible for ensuring Aliro maintains Group-wide cybersecurity capabilities commensurate with the size and extent of threats to its IT assets. All staff are required to comply with our policies and standards, complete mandatory training, and raise incidents when identified.</p>
<p>Stakeholder Engagement</p>	<p>At Aliro, we’re committed to building and nurturing positive, long-term relationships with our stakeholders, which include tenants, investors, government, industry partners, communities, and employees. We use an aligned and personalised approach and regular two-way communication to help us understand stakeholder needs and priorities, and identify new ways to improve our relationship.</p>
<p>Reporting</p>	<p>Aliro is committed to reporting transparently on sustainability-related information. We report on our Group-wide ESG performance annually through our TCFD-aligned Sustainability Report. We also complete periodic Fund-level reporting through a range of platforms, including peer benchmarking and investor-specific surveys. This comprises annual Global Real Estate Sustainability Benchmark (GRESB) assessments, which helps us identify new ways to improve our ESG management practices and operational performance.</p>