

Tomorrow's World: Sustainable Investment Policy



Introduction

We consider the good management of our environmental and social impacts to be central to our long term success. Through our Tomorrow's World Sustainable Investment strategy we address sustainability risks and opportunities to help us anticipate and respond to changes in climate, energy price and supply, the investment market, occupier demand, legislative and fiscal regimes - identifying opportunities to protect and create value for all our stakeholders.

1. Objectives

We recognise that our business activities have both direct and indirect impacts on the environment and society as a whole. We accept that it is our responsibility as a real estate business to use natural resources as efficiently as possible, reduce our carbon footprint and manage the impacts of our property development and management which contribute to climate change. We also believe we must respect and engage with the communities in which we operate, seeking to enhance the local environs wherever possible.

2. Implementation

In order to achieve our objectives we implement this Sustainable Investment Policy through a strategic work programme covering the entire property lifecycle, supported by a set of targets, our progress against which we regularly monitor, benchmark and publicly report upon annually.

2.1. Property Management

Where we have responsibility for managing the assets in our portfolio, we will ensure that our selected managing agents comply with our Sustainable Investment policy and take part in our Responsible Property Management programme - improving energy, water, waste and responsible management practices across our portfolio. We will regularly monitor and report on our performance to maximise operational and cost efficiencies wherever possible. We will also engage with our suppliers and occupiers to ensure that all parties share responsibility and cooperate together to achieve a more sustainable property performance.

2.2. Asset Management

While keeping our focus on maximising individual assets' financial performance, we will take account of our Sustainable Investment objectives and targets by incorporating sustainability objectives into asset business planning and reporting.

2.3. Property Transactions

When engaging in property transactions, we will broaden the scope of our decision-making procedures to assess and consider a wide range of Sustainable Investment issues that may represent a risk or opportunity for the future performance of the asset. By integrating such issues into the investment appraisal process we aim to futureproof our portfolios, minimising downside risks and capitalising on opportunities for enhancing returns wherever possible.

2.4. Commercial Real Estate Debt Management

Our objective is to finance properties that are commercially viable, have good prospects of maintaining their values, attract tenants, and do not have environmental liabilities. We aim to ensure long term commercial viability and reduce downside risk by making sustainability a key consideration in every lending decision and monitoring key metrics over the life of a loan.

2.5. Property Development

Our approach to Sustainable Property Development is an integral part of our Sustainable Investment philosophy as we believe that we can enhance the value of our developments by addressing sustainability issues from the earliest design and specification stages, always ensuring that steps taken are economically viable.

3. Delivery and monitoring

To meet our objectives we will:

- 3.1. Set clear and quantifiable targets to ensure that we can measure and demonstrate tangible progress year on year, establishing deadlines and responsibilities for their implementation, reviewing progress on a regular basis, overseen by the Sustainable Investment Committee.
- 3.2. Ensure all our employees are aware of our Sustainable Investment policy, objectives and targets and that relevant individuals have the appropriate knowledge and skills to implement the strategy in their day-to-day roles. We will provide appropriate training to our staff, as required.
- 3.3. Integrate our Sustainable Investment strategy within our existing operational procedures.
- 3.4. Promote the sharing of good practice and business benefits of Responsible Property Investment, both within the company and to other interested stakeholders, thereby demonstrating our commitment and encouraging industry debate to further our understanding and drive progress in the sector.
- 3.5. Annually review our Sustainable Investment policy and targets, and publicly report on our Sustainable Investment activities and progress
- 3.6. Ensure that all employees, suppliers and contractors worldwide are aware of this policy and objectives.
- 3.7. Develop a set of guidelines for specific goods and service areas.
- 3.8. Implement a performance monitoring and management system. We require key suppliers to regularly report responsible sourcing information to help us engage with them more effectively and disclose our performance accurately and transparently.

4. Review of this policy

Sustainable Investment issues are addressed on a quarterly basis by the Sustainable Investment Committee. The Committee reviews the strategy in relation to evolving trends and issues, and monitors progress made towards achieving the policy and targets.

The Head of TH Real Estate assumes specific responsibility for Sustainable Investment issues, supported by the Head of Sustainability, who co-ordinates and promotes the implementation of our strategy.

Important information

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