

TITLE	ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICY
Date	November 2023

1. Introduction

(a) Terraplex is Australian owned and focused. We have a deep understanding of what it means to deliver value in relation to the investment and cultural drivers of our clients.

(b) We recognise Environmental, Social, Governance (ESG) matters are increasingly becoming an important factor for investors, our employees and other stakeholders.

(c) Terraplex recognises that the community expectation for companies to expand, improve and apply ESG considerations over all its business practices.

(d) The ESG Policy is designed to address the current business status as well as being positioned to cater for future business expansion.

2. Purpose

(a) The purpose of this policy document (Policy) is to set out the guiding principles for Terraplex as we integrate ESG risk (and opportunity) management into our business.

(b) This Policy is approved by and delivered through the Terraplex Board.

3. Scope and application

This Policy applies to the Terraplex group. This Policy is supported by, and should be read in conjunction with the following Terraplex policies:

- Anti-Bribery
- Anti-Money Laundering and Counter-Terrorism Financing
- Conflict of Interest & Self Dealing
- Diversity and Inclusion
- Workplace Health, Safety and Wellbeing

4. Responsibility

The Board is ultimately responsible for oversight of strategic ESG matters for our business. The following parties have responsibilities in relation to this policy:

Board	<ul style="list-style-type: none"> - Oversight of development of ESG strategy across all business units. - Review and sign-off of this Policy annually.
Executive Management	<ul style="list-style-type: none"> - Maintain operational responsibility for implementation of this Policy. - Report to the Board on compliance with this Policy. - Prepare the ESG KPIs for Board review

5. Executive Leadership Team

The Executive Leadership Team have responsibility to consider ESG factors as part of Terraplex’s strategic planning processes and to prioritise relevant practices and initiatives. They are responsible for developing and implementing ESG practices and initiatives, monitoring their effectiveness, and reporting on their progress, to the Board.

The Executive Leadership team has delegated authority from the Board to:

- Provide, with Board approval as necessary, strategic actions, initiatives and measures;
- Request and obtain information (and the analysis of that information, including any necessary research) from the business on ESG matters; and
- Ensure that our employees and contractors understand and comply with the organisation’s ESG policies and reporting requirements.

6. Our ESG Policy Commitments

We are committed to improving our approach to ESG risk (and opportunity) management in our business. We understand the strategic imperative to address ESG risks, and the opportunity for growth and value capture if we do it well.

Given the dynamic and evolving nature of ESG-related policy shifts and expectations, we are committed to providing ongoing professional development sessions for our Board and employees on a periodic basis.

7. Our People

- (a) Attracting, engaging and retaining talented people is crucial to the success of our business. We strive to provide a safe work environment to support a diverse team. We understand that diversity enables our organisation to bring different experiences and perspectives to achieve greater innovation, creativity and problem solving.

(b) The following initiatives are designed to support our people deliver their best efforts and be part of an inclusive working environment.

Item	Description
Health and Wellbeing	<ul style="list-style-type: none"> • Confidential, wellbeing consultation for individuals to support health and wellbeing goals. • Group fitness training sessions delivered on a weekly basis. • Fresh fruit and healthy snacks are provided. • Access to central gyms and end-of trip facilities are made available.
Community Engagement	<ul style="list-style-type: none"> • Support to engage in community volunteering activities with up to one day's paid leave provided.
Safety Culture	<ul style="list-style-type: none"> • Commitment to provide a safe work environment is underpinned by our policies including Workplace Health Safety and Wellbeing and Equal Employment Opportunity. • Induction sessions are provided to new people on commencement and compliance training is offered throughout the year to all our people.
Diversity and Inclusion	<ul style="list-style-type: none"> • Diversity profile mapping is undertaken to understand our workforce and identify opportunities for improvement.
Employee Experience	<ul style="list-style-type: none"> • Provide a platform for feedback from our people to inform initiatives to enhance and evolve the experience.
Learning and Development	<ul style="list-style-type: none"> • Commitment to professional development through paid memberships relevant to individual professions. • Support for learning and development with two (2) paid study leave per subject and up to 4 in total per year provided.

8. Environment

(a) We understand that our business impacts on the environment, and must be resilient to environmental risks, including climate change. We are committed to ensuring that the management of environmental risks (and opportunities) are embedded into our investment activities and asset operations.

(b) We aim to improve over the following areas:

(i) Transparency: Record and monitor our environmental performance with appropriate metrics.

(ii) Integration: Set environmental targets and create processes to action them.

(iii) Innovate and accelerate: Invest in technology to accelerate the setting and achievement of our environmental targets.

(c) The following initiatives are designed to support our management of environmental risks (and opportunities):

Item	Description
Emission Reduction	<ul style="list-style-type: none"> • Operational Efficiency: All our assets are actively monitored for water, gas and electricity consumption. • All our buildings are audited and provided with engineering assessments for energy efficiency (electricity and gas), and improvements are adopted, if proven to be beneficial. • To further our emissions (greenhouse gas) reduction ambitions, we will be investigating renewable energy procurement and carbon offsetting opportunities.
Sustainable Sourcing	<ul style="list-style-type: none"> • For new fitout or replacement of existing product, we will endeavour to purchase items from suppliers with: <ul style="list-style-type: none"> - environmental credential such as ISO14001 accreditation or have EMS. - Product with environmentally certified such as GECA - products with sustainable materials: timber must be FSC sourced
Development	<ul style="list-style-type: none"> • New Developments (where appropriate) we will source an environmental accreditation. For example, Green Star and NABERS. • We work with experts to reduce embodied carbon in our developments (where appropriate).

9. Industry Engagement

- (a) We work with local and international organisations to drive best practices within our industry. To engage with our community, we will consult with industry bodies and form part of industry working groups, such as:
 - (i) Property Council of Australia (PCA)
 - (ii) Property Funds Association of Australia (PFA)

- (b) We recognise the importance of benchmarking and rating systems, and our assets are evaluated using one of the following platforms:
 - (i) NABERS
 - (ii) GreenStar

- (c) Professional memberships are key in staying relevant with market practices and we have membership with the following organisations:
 - (i) Property Funds Association of Australia (PFA)
 - (ii) Property Council of Australia (PCA)
 - (iii) Australian Property Institute (API)
 - (iv) Institute of Chartered Accountants (ACA)