360 Capital

Responsible Investment
Environmental, Social & Governance Policy

1. Purpose

The purpose of this Responsible Investment: Environmental, Social, & Governance (**ESG**) Policy (the **Policy**) is to set out a high-level overview of 360 Capital Group's approach to managing ESG issues.

The principal objective of the Policy is to ensure that ESG risks and opportunities are adequately considered and managed as an integral part of 360 Capital Group's investment process.

2. What is ESG?

ESG is an acronym for Environmental, Social, and Governance. 360 Capital Group believes that these are material investment issues and should be considered as part of the investment process. ESG covers a broad range of factors, examples of which are given below.

Environmental issues might include:

- Climate change and its potential impact on investments, including exposure to carbon pricing and regulation to reduce carbon emissions; exposure to the physical impacts of climate change, such as potential sea-level rises, and increased frequency and intensity of severe weather events; and stranded asset risk
- The availability or over supply of water, and competition for the use of water
- Pollution and disposal of waste products
- The impact that a company and its operations have on the local environment
- Future liability risk, arising from activities such as the disposal or spillage of toxic substances, or from contamination of areas or populations

Social issues might include:

- The effectiveness of a company in maintaining its 'licence to operate' – in other words, how well it manages its relationship with the community and civil society
- A company's effectiveness in constructively managing labour relations with its workforce
- The extent to which a company effectively manages and provides transparency on the safety of its workforce
- Adherence to international conventions (such as those specified by the International Labour Organisation, the UN

Declaration of Human Rights, and the OECD Guidelines for Multinationals)

- Effective management of supply chains, particularly for businesses with significant offshoring
- Workforce diversity, including gender diversity at senior levels within businesses and on governing boards

Governance issues might include:

- The structure and composition of the board of directors, including an adequate number of directors who are independent from management, and the fitness and propriety of directors
- The structure and quantum of remuneration for directors and executives
- The provision of adequate transparency about the company's operations, and a governance structure that demonstrates appropriate accountabilities
- The attitude and actions taken by a company to ensure that its officers are not involved in bribery or corrupt practices

3. Why is ESG Important?

Our approach to managing ESG risks, impacts and opportunities, has a meaningful impact on our long-term viability and success. That is, assets and businesses that act in a responsible way are likely to perform better over time. Assets and businesses that are unwilling or unable to take ESG issues into consideration may:

- Put the asset/company's reputation at risk;
- Cause loss of market opportunities;
- Diminish asset/company value; and
- Adversely affect other assets/businesses in which the 360 Capital Group has invested.

We believe that identifying and managing ESG factors helps in finding new opportunities, steering capital towards more attractive areas, and managing long-term investment risks. As a result, it is expected that returns will be higher, and downside risks lower, over the long term. These benefits arise from avoiding the poor performance and enterprise failures that can arise from lax governance, and weak environmental and social practices.

Managing ESG risk is a source of opportunity and a way to control for longer-term risks. Assessing ESG risks in the investment process is consistent with our objectives as long-term investors, and also our fiduciary duties and responsibilities.

4. Implementation of ESG

Poor management of long-term ESG-related risks not only impacts our investments but can potentially harm the broader community and environment as well. Managing ESG risks implies that we must behave as the owners of assets rather than just investors in various securities.

ESG considerations are therefore integrated into the investment activities, from investment selection and due diligence to ownership activities such as monitoring our internal and external investment managers, exercising our voting rights and engaging with businesses to improve their ESG policies and practices.

4.1 ESG Integration in the Investment Process

In accordance with our investment objectives and strategy, we invest across the capital stack, strategically investing in both public and private opportunities across real estate and infrastructure assets, public and private equities, credit markets and various corporate-level opportunistic transactions.

We are committed to integrating consideration of ESG issues into our investment decision- making processes. We are also committed to considering investments which provide positive social and environmental benefits for members in addition to the required financial return.

All else being the same, we prefer investment opportunities that demonstrate sound ESG practices, and we monitor ESG risks that relate to our investments.

4.2 Direct Real Estate and Infrastructure Investments

In the acquisition of real estate and infrastructure assets or through financing such opportunities, we will seek to ensure our investments reflect some or all of these below elements, as applicable:

- Growth opportunities for metropolitan, regional, and/or rural locations and communities; and
- Sound due diligence on all key counterparties.

4.3 Corporate-Level & Investments: Active Ownership

As an asset owner, we believe that we have an obligation to seek to ensure that the businesses and other assets in which we invest are governed and managed in an appropriate way that will enhance performance over the longer term, and thereby produce the best financial outcome for members. For this reason, we take an active interest in the ESG practices of the businesses and assets in which we invest and seek to exert influence on their governance, policies, practices and management through voting, engagement, and advocacy.

4.3.1 Voting Securities

We have exposure to listed and unlisted equity investments. Exercising the voting rights attached to securities held is something we regard as being integral to active ownership. Voting is an important tool for engaging with businesses. Voting is an effective way for us and other investors to publicly express its views on what a business is doing right, and what it needs to improve on.

4.3.2 Engagement and Advocacy

The objective of the engagement is to improve the ESG performance of the business and thereby protect or increase its economic value. This will generally occur when the investment team or its agents have identified that the business's ESG policies or practices are deficient relative to standards established by government, regulators, industry, peers or society at large, or that their conduct threatens their reputation and value.

The investment team prioritises which businesses it will engage with based on a screening process, thematic research (i.e. climate change, worker safety) and the materiality of the risk (including reputational risks). More specifically, priority and materiality include an assessment of potential losses and the likelihood that engagement will effect change.

4.3.3 Exclusions

The integration of ESG in the investment process does not mean the exclusion of particular businesses on ethical grounds. Rather, integration of ESG requires that the impact of ESG issues on the value of a business is included in the valuation process. Our investment approach has generally not been to exclude particular businesses or sectors, but rather to use engagement and proxy voting to influence the behaviour of investee's.

However, there are some circumstances in which it is appropriate to consider exclusions of a sector or a specific stock. These circumstances include:

- If the investment may have a negative impact on the reputation of 360 Capital Group; or
- If the investment would lead to contravention of international treaties or conventions.

5. Reporting and Disclosure

Report/Approval	Frequency and to Whom	Minimum Information Required
ESG Implementation Update	Reported annually to the Board of Directors	Summary of the ESG activities, including integration, research projects, proxy voting exceptions, engagement activities, achievements, challenges and future priorities
Material Changes to this Policy	Approved annually (as well as ad hoc if required) by the Board of Directors	Details and reason for change
Breach of this Policy	Reported immediately to Board of Directors	Details of breach and remedial action taken

6. Roles and Responsibilities

Role	Responsibility
Board of Directors will:	• Review and approve material changes to this Policy • Review and note the results of the ESG Implementation Update
Compliance Officer will:	• Ensure this policy is kept current and relevant to the activities being undertaken • Recommend material changes to this Policy to the Board of Directors for approval • Manage the relationships with all key ‘responsible investment’ service providers • Ensure all reporting and disclosure requirements are met under this Policy (with the exception of tobacco and class action reporting)
Head of Responsible Investment will:	• Oversee the implementation of this Policy • Ensure ESG issues are integrated in the investment process Manage engagement and advocacy around ESG issues