

Gaw Capital Partners: Responsible Investment Policy

1. Background, Purpose and Scope

Gaw Capital Partners ("Gaw Capital") is committed to promoting responsible investment practices, with an aim to create long-term value for our clients while also taking into account the impact of the company's investments on society and the environment.

The objective of this policy is to define an investment approach that considers the financial and non-financial impacts of an investment on all stakeholders and is aligned with the Principles of the United Nations Principles for Responsible Investment ("UN PRI").

The scope of this policy covers major assets and investments that Gaw Capital manages, unless specified in relevant sections, such as where Gaw Capital is a minority shareholder and has limited governance rights. The policy is further supplemented by our Sustainability Policy, which covers the company's approach on environmental, social and governance aspects.

2. Roles and Responsibilities

Gaw Capital's Managing Principals hold ultimate oversight and accountability for the company's responsible investment strategy and performance, and all aspects outlined in this Responsible Investment policy. The Managing Principals are accountable for promoting the integration of sustainability considerations, including the aspects of climate change and human rights, into the company's strategy, investment approach and risk management measures.

Gaw Capital's Sustainability Committee assists the Managing Principals to ensure that sustainability is holistically integrated into the company's investment processes and operations. In addition, a dedicated Sustainability Team was established to formulate and execute responsible investment and related initiatives. The Sustainability Team also works closely with the Investment Team to deliver the company's responsible investment practices. For the purpose of effective collaboration in our stewardship efforts, we also work directly with stakeholders such as third-party property managers in enhancing asset sustainability performance.

3. Our Fiduciary Duty

Gaw Capital is subject to a range of legal and regulatory requirements that guide our investment practices, including compliance with all Applicable Laws, whether in Hong Kong, Singapore or in other relevant jurisdictions. Please see our Compliance Manual for further details on how Gaw Capital maintains compliance to all applicable laws and regulations.

Gaw Capital recognises its fiduciary duty to act in the best interest of our clients and to ensure that our investment decisions take into consideration the client preferences.

4. Sustainability Focus Areas

In line with our commitment towards our prioritised Sustainable Development Goals, Gaw Capital has identified a series of material sustainability topics within four Focus Areas of Business Integrity, Environmental Stewardship, People and Labour Ethics, and Communities that we incorporate within our investment approach and stewardship activities (please refer to our Sustainability Policy for details).

Business Integrity	Environmental Stewardship	People & Labour Ethics	Communities
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<ul style="list-style-type: none"> • Corporate Governance and Oversight on Sustainability Matters • Data Security & Privacy • Supply Chain Management 	<ul style="list-style-type: none"> • Climate Risk & Resilience • Environmental Performance • Ecological Impacts • Air Quality 	<ul style="list-style-type: none"> • Human Rights • Diversity, Equity & Inclusion (DEI) • Health, Well-being & Safety • Employee Training & Development 	<ul style="list-style-type: none"> • Community Investment • Community Engagement
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5. Approach to Responsible Investment

The responsible investment approach Gaw Capital takes differs based on the asset class in question, and takes into consideration the material topics mentioned above. The below further outlines Gaw Capital's investment and management approach with regards to real estate and private equity investments respectively.

5.1 Real Estate

Gaw Capital seeks to embed the consideration of sustainability throughout the lifecycle of its real estate investments.

At the pre-acquisition phase, potential material ESG issues are identified and screened in a due diligence process tailored by asset type, developed based on international frameworks such as GRESB and PRI. Possible impacts at a local level are assessed, such as exposure to physical climate risks, legislative and/or regulatory requirements and community relations. Gaw Capital's due diligence process is further tailored by asset type, namely office, retail, data centers, logistics centers and hotels.

At the investment decision stage, the potential impact of material issues on the asset's valuation is evaluated. Based on due diligence findings, Gaw Capital may exclude investing in targets which have major sustainability risks. Scoring low in sustainability performance does not automatically prevent an investment if the target has potential for value creation through improvements in sustainability performance. Third party consultant is engaged for ESG due diligence to identify any material ESG issues.

At the ownership stage, an active approach to the management of real estate assets is taken where possible. For operating buildings, Gaw Capital seeks to improve asset-level sustainability performance through the implementation of energy, water, waste and other management practices related to operational efficiency, close monitoring and reporting and regular dialogue with third party property managers and tenants. For new development or major renovation projects, Gaw Capital takes a greater focus on issues such as contractor health and safety, waste management, construction materials and supply chain management. Gaw Capital also conducts capacity building initiatives with stakeholders to increase sustainability understanding. Training may be provided to property managers and operators to adopt sustainability practices in management and operation, as well as tenants as needed, to encourage alignment with our objectives.

In addition, we will communicate our sustainability targets to third party property managers, and encourage them to adopt these targets and reporting practices to align with our managed assets; as well as investment partners, and encourage them to align with Gaw Capital's targets and to incorporate sustainability considerations into their investment management processes. Please see our Sustainability Policy for further details on our Asset Management practices.

By the sale stage, Gaw Capital aims to have increased overall asset value through the implementation of green asset enhancement initiatives, with the sustainable performance of our assets recognized by green certification where possible, such as the LEED or BEAM rating schemes.

5.2 Private Equity

Gaw Capital also seeks to integrate a sustainable approach into our private equity business unit.

At the due diligence stage, we will review the Pre-Investment Screening Questionnaire, which is designed to support stakeholders in their consideration of ESG factors during the investment process. Any potential ESG concerns are highlighted for our team to assess possible mitigation actions. Gaw Capital will ensure each investment has a suitable ESG-integrated business plan.

At the post investment stage, we will ask portfolio companies in which we invest in to commit to the upholding of high sustainability standards through the signing of axw sustainability declaration form, and through the exercise of Post-Investment Monitoring Questionnaire, so that we can assess the projects' sustainability performance. Once ESG factors are defined, goals are set, and processes are developed for improvement to advance its sustainability agenda alongside the financial and operational performance, Gaw Capital will keep in close contact with the portfolio companies to keep track of the progress and ensure all goals remain aligned.

Gaw Capital's ability to influence sustainability matters with respect to the companies in which we invest will vary depending on the asset class, investment structure and contractual rights. In cases where Gaw Capital has limited influence, such as where Gaw Capital is a minority shareholder and has limited governance rights and access to sustainability performance, Gaw Capital will only apply those elements of this Sustainability Policy and the foregoing approaches that it determines to be practicable in light of the underlying facts and circumstances.

3. Exclusions

Gaw Capital's approach to sector exclusions is applied against specific activities or industries that are deemed to be incompatible with Gaw Capital's approach to responsible investment, based on the nature of the industry in question and the severity of environmental or social harm caused, such as:

- Companies involved in the production of controversial weapons
- Companies involved in the production of tobacco
- Companies with significant exposure to coal mining or coal-fired power generation
- Companies that have a significant impact on the environment, such as those engaged in tar sands oil extraction, deep sea drilling or deforestation

Gaw Capital may also apply norms-based exclusions against targets that violate minimum standards of business as aligned with international norms such as the United Nations Universal Declaration of Human Rights, or other principles laid out by the United Nations and the International Labour Organisation.

6. Stewardship and Engagement

The objective of Gaw Capital's stewardship practices and collaboration with stakeholders is to encourage the adoption of sustainable business practices and mitigate ESG risks. If certain investments are unsuccessful in achieving Gaw Capital's sustainability objectives over a given time period, Gaw Capital may increase the intensity and frequency of engagement efforts to bring about desired sustainability performance improvements, through the request for additional information, capacity building efforts, or the proposal of specific actions to stakeholders such as property managers, among other means. As a signatory of organizations such as the Principles for Responsible Investment ("PRI") and ILPA Diversity in Action, Gaw Capital gains access to resources and best practices that guide the material topics of our stewardship and engagement activities (as outlined under our Sustainability Focus Areas) and enhances exposure to collaborative opportunities that bolster our stewardship efforts in the industry.

Gaw Capital regularly analyzes the sustainability performance of our investments using various data sources and frameworks to identify areas for improvement and track progress over time. Gaw Capital also engages with a range of stakeholders, including portfolio companies, industry associations, NGOs, joint venture partners, property managers, tenants, local communities, and other relevant parties. We aim to engage stakeholders in an open and honest manner, share information on our investment practices, performance, and sustainability goals. The engagement channels include meetings, quarterly reports, stakeholder dialogues, and written correspondence, to identify areas where we can improve our sustainability performance. The depth of engagement with our portfolio companies varies based on the degree of control that Gaw Capital exercises over each investment.

7. Reporting

Recognising the importance of transparency and accountability, Gaw Capital is committed to regularly reporting its progress to investors and stakeholders. We provide investors with an update on our investment activities on a regular basis through the issuance of investor quarterly reports, which includes updates on the sustainability performance of our investments where available. Furthermore, Gaw Capital participates in the Global Real Estate Sustainability Benchmark (GRESB) to facilitate transparent and comprehensive reporting of the company's sustainability performance to investors, as well as providing public periodic sustainability-related updates on our website.

8. Conflicts of Interest

Gaw Capital has in place policies and procedures to avoid actual or potential conflicts of interest, through specific guidelines on outside employment or business activities, personal transactions, family members and close personal relationships and others. All employees are responsible for disclosing any actual or potential conflicts of interests so they may be appropriately managed and resolved. Additional details regarding Gaw Capital's approach to managing conflicts of interest can be found in the company's Compliance Manual.

9. Disclaimer

This Responsible Investment Policy was last updated in 2Q 2023. This policy will be reviewed on a regular basis for alignment against industry best practices and in light of any organizational changes or developments, and is subject to change as Gaw Capital considers necessary or advisable.