



SC CAPITAL PARTNERS GROUP (“SCCP”)

Environmental, Social and Governance Policy

Sustainable Investment & Environmental Policy

Document History

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1. Environment, Social and Governance (‘ESG’) Strategy Overview

a) ESG Committee Structure

SCCP has established an ESG Committee to assist the Senior Management with adopting, monitoring and reporting on sustainability initiatives and responsibilities for the SC Capital Group.

The purpose, members, responsibilities and powers of the committee are set out in this section.

i. Purpose

The Committee provides the Senior Management with additional focus and guidance on key sustainability matters. The purpose of the Committee is to assist the SCCP implement and manage sustainability matters by:

- (a) Monitoring and engaging in sustainability initiatives;
- (b) reporting appropriate sustainability matters to the Senior Management and our stakeholders; and
- (c) making recommendations

The Committee currently comprises of:

- The Chief Sustainability Officer
- Investment Relations – SCORE+ & RECAP
- Group General Counsel
- SCORE+ Fund General Counsel

ii. Responsibilities

The Committee has responsibility for:

- ✓ reviewing and recommending, where appropriate, to the Senior Management on, sustainability policies;
- ✓ monitoring compliance with the Group’s Sustainability Policies;
- ✓ implementing sustainability measures, monitoring and reviewing the effectiveness of the initiatives and seeking opportunities to improve the Group’s corporate and asset performance;
- ✓ reviewing and assessing the overall Group’s performance in respect of sustainability matters relative to industry benchmark or standards (e.g. GRESB) as applicable; and
- ✓ reporting to the Senior Management on the matters set out above and, where appropriate, making recommendations in respect of sustainability matters.

ii. Meetings

The Committee shall meet once every three (3) months or more frequently as circumstances require.

The Committee may invite such other members of the management team and others as it deems appropriate to attend the Committee meetings.

b) ESG Objectives and Framework

This Environment, Social and Governance (ESG) Policy applies to all SCCP Group operations and funds and is complemented by our other corporate policies to form SCCP Group's full commitment and approach to ESG. Implementation is the responsibility of all SCCP Group employees.

A firm-wide ESG process was set up and is responsible for championing ESG strategically across the business, policies and processes across the firm as well as performance measurement of the key indicators. This Policy will be reviewed every two years at a minimum.

i. Philosophy

SCCP Group recognises that environmental, social and governance factors can be material to the performance of our investments and business and consequential to our stakeholders. Responsible investment through active management of ESG factors can both reduce risk and enhance asset values and has become common practice in real estate investment globally.

As a high quality investment manager SCCP Group is committed to best practices in ESG and as a responsible company it is committed to behaving in a way that enhances the wellbeing of its key stakeholders and environment for the long-term.

ii. Commitment

SCCP Group commits to:

- ✓ Reducing the greenhouse gas, energy, water and waste footprint of our properties and the greenhouse gas, energy and waste footprint of our corporate operations.
- ✓ Reducing the life-cycle environmental impact of building materials used in the development and operation of our properties.
- ✓ Conserving or enhancing bio-diversity and high-ecological value habitat.
- ✓ Managing climate and extreme weather risk to properties.
- ✓ Creating good quality outdoor places for people and achieving high indoor environmental quality at our properties.
- ✓ Ensuring a high standard of health and safety in our offices and properties and providing employment conditions that supports employee well-being.
- ✓ Pursuing diversity in our staff, including gender, ethnicity, age and sexual preference.
- ✓ Support the wellbeing of communities with close relationships with our properties.
- ✓ Being transparent with our performance, including annually reporting publicly.

c) ESG Strategy and Approach

To meet its commitments SCCP Group will work on 3 key strategies:

Responsible Investment and Business Management

- ✓ Identify and appropriately manage ESG risks associated with our investments, business or key stakeholders on an ongoing basis.

Engage

- ✓ Engage our investors, tenants and key stakeholders on the ESG issues relevant to them.
- ✓ Educate our staff and other key stakeholders as required.

Monitor and Advance

- ✓ Set and report against performance targets.
- ✓ Continuously improve.

2. Governance Best Practices

a) Corporate Governance

SCCP seeks to apply the highest ethical standards in the conduct of its activities and to comply at all times with relevant laws and regulatory obligations. In that regard SCCP applies the following principles:

- ✓ A strict prohibition on corruption and the paying or receipt of bribes for any purpose; this includes a prohibition on facilitation payments (i.e. a payment as an inducement to secure the performance of a routine action to which the payer has a legal entitlement);
- ✓ The provision of training for employees so that they can recognise and avoid the use of bribery and corruption and ensure any suspicions are reported;
- ✓ Systems and controls governing the offer and receipt of gifts and hospitality by employees and processes to record close relationships which could compromise impartial business dealings; and
- ✓ Disciplinary action in the event of a material failure to comply with these principles or where an employee assists with such a breach, up to and including termination of employment.

These principles are implemented in practice via the SCCP Group ESG Policy.

b) Code of Business Conduct

The Code of Conduct and Business Ethics embodies the fundamental principles covers a wide range of business practices and procedures, and emphasizes and advances the principles of discipline, good conduct, professionalism, loyalty, integrity and cohesiveness that are critical to the success and well-being of SCCP. All of SCCP's directors, officers and employees (the "Employees") must conduct themselves accordingly and seek to avoid improper behaviour. The Group also expects that contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of SCCP will comply with the relevant parts of the Code when performing such work or services.

All employees must:

- ✓ at all times perform their duties with honesty, faithfulness and fairness and ensure the avoidance of conflicts of interests or situation of undue influence;
- ✓ abide by all applicable laws, rules and regulations and internal policies that apply to the business in all the countries which the Group operates; and
- ✓ be committed to principles of good corporate governance which emphasize transparency, accountability and independence.

c) Conflicts of interest

A “conflict of interest” is where personal interest conflicts with the interest of the Group, a situation which could affect a person’s ability to act objectively. A conflict of interest arises in any situation in which an individual is in a position to take advantage of his or her role for personal benefit, including the benefit of his or her family members (including spouse, parents or children) and friends.

Relating to third parties (supplier, contractor, or service provider) that the Group will engage and interact with, conflict of interest could potentially arise if Employees or their family members:

- a) have a direct or indirect ownership interest in these third parties;
- b) holds a position as director, officer, legal representative or colleague of, or consultant to, these third parties; or
- c) have a direct or indirect financial interest in these third parties as a lender, guarantor, borrower or otherwise.

A conflict of interest will undermine the values of good faith, fidelity, diligence and integrity in the performance of the duties and obligations as expected by the Group. Employees must therefore avoid conflicts of interest between Employees’ personal dealings and Employees’ duties and responsibilities in conducting the Group’s business.

Full disclosure and prior approval is required from department head, compliance and human resources departments for:

- a) any outside employment activity;
- a) engaging any outside organization in which there is personal interest to undertake any service or work for the Group
- b) giving an undue advantage to any outside third party dealing with the Group, whether or not that will result in personal gain, benefit or advantage

d) Confidentiality

All Employees must maintain the confidentiality of proprietary information entrusted to them by the Group or its clients. Proprietary information includes all non-public information that might be of use to competitors or harmful to the Group or its clients if disclosed. The obligation to preserve proprietary information continues even after employment ends as specifically described in the employment contract.

Upon the termination of employment, any information acquired by an Employee in the course of his/her service with the Group shall remain the property of the Group. The Employee shall return all such information and shall not take any copies of or make use of such information for any purpose whatsoever.

All Employees should refer to the Group’s “SCCP Group Code of Ethics & Gifts Policy” for further details.

e) Protection and Use of Group Information And Assets

All Employees must protect the Group’s information and assets, which shall be used for legitimate company purposes only.

Authorisation from the senior management is required prior to disclosure to any outside party or use for your own purpose for any confidential or proprietary information about the Group or third parties with which the Group has entered into a confidentiality agreement or has entered into any type of business relationship.

Confidential or proprietary information may include intellectual property such as personal data, customer information, trade secrets, copyrights, patent, business/marketing plans, designs, databases, records, and

unpublished financial data and reports. Unauthorized use or distribution of this information is a violation of company policy and subject to disciplinary action.

f) Data Protection

A good data protection policy not only helps securing the confidentiality and safe keeping of the data, but also assist the followings:

- a) ensuring regulatory compliance
- b) protecting reputation
- c) preserving customer and Employee trust
- d) safeguarding information infrastructure and asset protection
- e) enhancing information value
- f) reducing risk of data loss or theft

In regards to personal data, restriction in cross-border data transfer and the mandatory breach notification to respective regulatory authority are the risks that may expose the Group to legal and compliance risks in which it operates. Advice should be obtained from the human resources or compliance departments if in doubt.

Personal data protection is underpinned by the below important principles.

- a) be processed fairly and lawfully
- b) be obtained only for specific lawful purposes
- c) be adequate, relevant and not excessive
- d) be accurate and kept up to date
- e) not be held for any longer than necessary
- f) processed in accordance with the rights of data subjects
- g) be protected in appropriate ways
- h) not be transferred cross-border unless it is allowed by laws

g) Human Capital Management

Discrimination and Harassment

The Group is committed to providing equal opportunity in all aspects of employment and will not tolerate any unlawful discrimination or harassment based on race, colour, religion, sex, age, disability or national origin.

The values of mutual respect by maintaining a workplace that is free of all forms of harassment, including verbal, physical, visual or sexual must be upheld.

h) Risk Management

SCCP recognises the importance of managing risk and controlling its business activities in a manner which enables it to maximise profitable opportunities, avoid or reduce risks which may cause injury or loss, ensures compliance with applicable laws and regulations, and enhances resilience to external events. Risk management is the process of continuously identifying, evaluating, treating and monitoring exposures. Risks may be controlled through the introduction of policies, procedures or altered work practices however the most effective long-term method is through the creation of a risk aware culture.

SCCP will ensure that, as far as reasonably practicable, the organisation's operations do not place people, property, or the environment at unacceptable levels of risk or harm.

The appropriate level of resources will be provided to ensure that risk management initiatives are implemented.

- ✓ SCCP and senior management are in a position to make informed decisions based on appropriate risk assessments;
- ✓ Risks are able to be identified, prioritised and managed in a coordinated manner;
- ✓ Strategic planning processes are improved as a result of a structured consideration of risk; and
- ✓ SCCP's resources are safeguarded (including people, finance, property and reputation).

i) Health and Safety

SCCP recognises its moral and legal responsibility to provide a safe and healthy work environment for employees, contractors and employees of contractors, clients and visitors to site. This commitment extends to ensuring that operations do not place the local community at risk of injury, illness or property damage.

This policy applies to all our employees while they are in a workplace under our management and control including at a site away from their usual workplace.

At SCCP, we are committed to ensuring that our employees are safe, with no threat from injury or risk to health while at work. We recognise that a safe and healthy work environment is fundamental to good business management and employee relations. We regard all workplace injury and illness as being preventable and we are committed to achieving excellent practices in the management of our safety and health responsibilities.

We are committed to:

- ✓ Complying with all relevant legislation, standards, codes of practice and safe operating procedures;
- ✓ Establishing, maintaining and reviewing measurable objectives and targets to strive for continual improvement in WHS performance;
- ✓ Ensuring all hazards/risks to safety and health are identified, assessed and effectively controlled according to work activities and the level of risk;
- ✓ Monitoring and reviewing effectiveness of measures to control hazards/risks to safety and health;
- ✓ Consulting with employees in the decision making process on safety and health matters;
- ✓ Providing all employees and visitors with information, instruction, training and supervisions to safely carry out their responsibilities;
- ✓ Ensuring that all workplace incidents and injuries are accurately reported and recorded;
- ✓ Ensuring that all managers are responsible for the safety and health of all staff in their teams, and for ensuring staff are not placed at risk to their health and safety at client workplaces;
- ✓ Supporting the safe and early return to work of injured employees.
- ✓ Effectively implementing this Health and Safety Policy.

Training

Every staff member at their commencement of employment receive Health and safety induction training, which includes notification of emergency procedures, location of first aid kits, accident reporting and use of safety equipment, etc.



Sustainable Investment & Environmental Policy

While green building is not a central focus of the SCCP Group’s investment strategy, the SCCP Group is familiar with techniques for sustainable investment and keeps abreast of the various green incentive and credit programs that are available in its target regions. Furthermore, prior to executing a transaction, SCCP Group performs extensive physical due diligence which complies with the highest local legal requirements for environmental issues.

Each project undergoes Environmental Impact Assessment (EIA) studies in order for SCCP Group to understand the effects of such projects on the environment and implement measures to mitigate any negative effects, accordingly. If the SCCP Group believes that additional evaluation to a higher standard is required, then it will comply with that higher standard. Reputable independent third-party consultants are also utilized as appropriate

In particular, the SCCP Group focuses on implementing the following strategies to promote sustainable investment and account for best environmental practices:

- Work closely with key service providers to offer sustainable or “green” options for building systems, design and construction methods, where appropriate and cost efficient, in the case of development, redevelopment and repositioning opportunities
- Consider alternatives for energy efficient, green initiatives when installing or replacing building systems to promote long-term cost savings in operating expenses
- Select options that meet the highest environmental standards and requirements

The RECAP series of funds managed by the SCCP Group has participated in a number of projects that have been accredited environmentally; one such investment being Millennium Residence (Sukhumvit – Fund I) in Bangkok Thailand, which was awarded the Green Mark (New Buildings) Gold Award from the Building Construction Authority (BCA) of Singapore in 2009. The BCA is under the Ministry of Environment of Singapore, responsible to provide support to the development of buildings, which are eco-friendly to the environment. The Award was given in recognition of achieving sustainable development initiatives in the efficient use of key resources such as energy and water, leading to lower operating and maintenance costs. Millennium Residence was the first project in Thailand to receive such an award.

An example of a case study and additional detail on Millennium Residence and RECAP’s broader approach and strategy regarding sustainable investment initiatives in its prior projects is provided as below:

July 8, 2009 – Millennium Residence receives the Singapore BCA Green Mark Gold Award

Millennium Residence @ Sukhumvit announces its commitment to social responsibility in the development of an environmental-friendly project. The project recently received the Singapore BCA (Building Construction Authority) Green Mark Gold Award, the first such award in Thailand.

Suchad Chiaranussati, Managing Director of MR Sukhumvit Co Ltd, the owner of Millennium Residence, revealed that the company is honored that Millennium Residence @ Sukhumvit has received the Green Mark Gold Award from The Building and Construction Authority (BCA) in Singapore. Millennium Residence @ Sukhumvit is the first project in Thailand to receive such an award, which is given in recognition of the protection and preservation of the environment. BCA is under the Ministry of Environment of Singapore, responsible to provide support to the development of buildings, which are eco-friendly to the environment.



“As a responsible member of society, the company realizes the effect of global warming, which is one of the major problems impacting many parts of the world, and we should do something in return to protect the environment. The company then brings the idea of social responsibility to the development and construction of Millennium Residence @ Sukhumvit project for sustainable benefit, starting from internal management, the selection of construction materials, building design, resource utilization, and waste treatment systems,” said Suchad.

The project has improved its details to fit in with all major criteria set by Green Mark Award. Auditing of project ‘Green’ details by the Building Construction Authority (BCA) of Singapore has been accepted internationally and particularly in Europe, USA, Australia, and Asia. After the construction is completed, the project will be evaluated from time to time to ensure that it is still in line with the conditions upon which BCA made the award. The company has also allocated additional investment to the project regarding environmental issues for the greater public interest.

The outstanding factor for Millennium Residence winning this award is its greater concern on environmental friendliness and awareness and its ability to apply waste treatment systems effectively. One example of this is the rain water and waste water management process. Both waste water and rain water will be harvested and further treatment given to provide irrigation of the huge green area within the project. It will contribute savings in the purchase of clean water from public water supply and at the same time control the large quantities of surplus water that would otherwise be necessary to pump into the Bangkok waste drainage system which should also lessen the chance of floods.

The company has also introduced a new Carbon Monoxide Monitoring system at the project’s underground parking facilities set to detect and control the presence of carbon monoxide in the ambient air. This system is designed to operate the exhaust fans only when carbon monoxide is present in the air and thus help save energy and expenditure in the operation of the fans.

Other interesting systems include energy-saving and environmental-friendly air conditioning system, the use of low VOC (volatile organic compounds) paint, the installation of motion sensors in public washrooms to save energy on reduced lighting, the use of recycle materials in the project such as reconstituted wood lathes on the swimming pool decks which are environmental friendly, beautiful and more durable than real wood and the external “curtain wall” applied to the design of building facade which uses composite aluminum frames and glass joined together and insulated to form a very efficient barrier resisting air and water infiltration and effectively reducing noise and thermal transmission.

“Finally, we can say that Millennium Residence is the residential project that allocates more than 50 per cent of the free project space to landscape areas and water features. The BCA Green Mark Gold Award is the standard set and the driving force for our staff team to create new environmentally friendly ideas that can be applied effectively to our future projects. I’m quite confident that this valuable award will be a forerunner in pushing us further to win additional world-class awards in the future,” said Suchad.