



## QIC GLOBAL REAL ESTATE RESPONSIBLE INVESTMENT PROFILE

### QIC RESPONSIBLE INVESTMENT

We believe that environmental, social and corporate governance (ESG) factors can have a material impact on the long-term returns of investment portfolios. This was the motivation for QIC becoming United Nations-backed Principles for Responsible Investment Initiative (UNPRI) signatory in 2008.

ESG factors are integrated into our investment decision-making processes as part of our commitment to delivering strong, long-term returns for clients. Our Responsible Investment Policy outlines our commitment to the six UNPRI principles.

### OUR APPROACH TO RESPONSIBLE INVESTMENT

There is a range of ESG factors that impact the real estate sector which in turn impact people and communities. By considering these factors when constructing and managing buildings, there is an opportunity to capitalise on cost savings and increase tenant demand, which could improve overall portfolio performance. QIC Global Real Estate (GRE) believe that by considering ESG factors when constructing and managing assets, we can broaden the sources for idea generation and potentially improve risk management and increase return opportunities for clients.

QIC GRE has recently adopted a series of ESG measures across the portfolio of shopping centres and office assets by applying the following practices to new and existing property investments. These are applied in Australia and globally:

1. Regulation – Respect all applicable laws of the countries in which we operate.
2. Environmental assessment – Inspect the building/s in conjunction with existing Asbestos Register/s to consider likelihood and location of hazardous materials and assess the risks associated with contaminated sites.
3. Environmental management – Implement environmental management systems that take into consideration waste, water, energy and efficient building design.
4. Social management – Manage and comply with health and safety, and quality control regulations.
5. Community and tenant engagement – Identify all community and tenant impacts and manage according to best practice.
6. Data management – Capture, record and manage environmental metrics based on property data to enable benchmarking.
7. Reporting – Report ESG data and information to clients and stakeholders.
8. Governance – Ensure adherence to these ESG guidelines and transparency.
9. General risk assessment – Assess any potential regulatory changes, climate change physical risks (including flood related risks), occupational risks, bribery and corruption risks, and other financial risks related to the property investments on an annual basis.
10. Supplier contracts – Ensure suppliers and third party contractors/and or counterparties also comply with these ESG guidelines.

### RESPONSIBLE INVESTMENT IN PRACTICE

QIC GRE is committed to monitoring and managing the following ESG issues:

#### Environmental issues

- Management of energy, water and waste in all our shopping centres and office assets.
- Recognition that the building sector is responsible for a large proportion of Australia's greenhouse gas emissions and that climate change related policy will place more focus on, for instance, energy and water efficiency in buildings, which can shift tenant and investor preferences.

#### Social issues

Management of health and safety and community issues. In the construction and operation phases of property development, issues regarding worker health and safety and community wellbeing are likely to arise. This may result in financial and/or reputational risk for the property in question.

## CONTACT US

E: [esg@qjc.com](mailto:esg@qjc.com)

### Governance issues

- Provide value (influence) through board or board committee representation (QIC GRE's strategy is to seek a large enough interest in individual property investments to be able to influence at Board level).
- Belief that good governance (for example transparency and accountability) in property investments reduces the overall investment risk.
- Having in place a zero tolerance approach to bribery and corruption.

QIC GRE's objective is to seek commitment from facility managers and operators to integrate ESG factors as part of the overall operational management of shopping centres and office assets that they manage on QIC GRE's behalf. The ESG requirements above form part of any induction program for new staff and facilities managers.

In addition to our own guidelines, QIC GRE takes into account other global best practice frameworks relating to property investments. These include:

- UNPRI: [www.unpri.org](http://www.unpri.org)
- UNEPFI: [www.uneppi.org](http://www.uneppi.org)
- NGERs: [www.climatechange.gov.au/reporting](http://www.climatechange.gov.au/reporting)
- TRANSPARENCY INTERNATIONAL: [www.transparency.org](http://www.transparency.org)
- GRESB: <http://gresb.com>

## MANAGEMENT AND MONITORING

QIC GRE seeks to continually improve the value of our property assets by adopting an active management approach. As part of this, we embed ESG principles as a management philosophy in relation to the assets we acquire. This is achieved by:

- periodically meeting with property managers and including ESG factors in their reporting requirements and review meetings.
- exploring initiatives that offer operational cost savings as well as deliver ESG benefits. Employees in management, marketing and operations at each property are tasked to seek innovative solutions for ESG improvements.
- continually developing new programs across the portfolio to reduce energy consumption and emissions, and seeking new ways to improve sustainability. In addition to meeting the required investment criteria and financial returns (within the appropriate risk parameters), the QIC GRE team will explore investment opportunities that provide specific environmental and social benefits (where possible).

## ABOUT QIC

We were born with one objective – to deliver investment outcomes for our clients. Created in 1991 by the Queensland government to serve its long term investment responsibilities, we have grown into a Global Diversified Alternatives business. Spanning infrastructure, real estate, liquid strategies, private equity, and multi-asset solutions, we adapt our approach to suit our clients and the investment context. Predictability has built our reputation. It's in our DNA, embedded in our asset classes and delivered in our returns. It's what we pursue day in, day out for clients and why over \$78 billion<sup>1</sup> dollars of people's dreams are entrusted with us. QIC. Pursuing Predictability.

Brisbane ✦ Sydney ✦ Melbourne ✦ New York ✦ Los Angeles ✦ San Francisco ✦ London ✦ Copenhagen

1. As at 31 December 2015. Amount is in Australian Dollars.

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