



RESPONSIBLE INVESTING
POLICY

December 2019

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1 PURPOSE AND SCOPE

At Presima, we believe Real Estate Investment Trusts (“REITs”) are real estate. REITs are typically correlated to stocks in the short term, but we believe they perform like real estate over the medium to long-term. The nature of the listed market can lead to divergences between stock prices and intrinsic value and the investment philosophy at Presima aims to exploit these opportunities through a disciplined underwriting process that prioritizes on-the-ground research and detailed financial modeling.

In pursuing its investment activities and a responsible investment approach, Presima believes that risk factors such as environmental, social and governance (ESG) issues can have an impact on long-term financial returns. As such, ESG considerations are integrated into every security valuation and work in concert with more conventional financial indicators to capture a holistic view of a potential investment’s risk profile.

This Responsible Investment Policy is applicable for all assets under management (AUM) at Presima.

2 POLICY OWNER(S)

Head of the Investment Team

3 PERSONS AFFECTED

This policy applies to all employees of Presima.

4 DEFINITIONS

Environmental, Social and Governance Issues:

Environmental (E): Issues relating to the quality and functioning of the natural environment and natural systems. These can include greenhouse gas (GHG) emissions, climate change, renewable energy, energy efficiency, air, water or resource depletion or pollution, waste management and changes in land use.

Social (S): Issues relating to the rights, well-being and interests of people and communities. These can include human rights, labour standards, workplace health and safety, freedom of association and freedom of expression, human capital management and employee relations, diversity and relations with local communities.

Governance (G): Issues relating to the governance of companies. These can include board structure, size, diversity, skills and independence, executive pay, shareholder rights, stakeholder interaction, disclosure, business ethics, bribery and corruption, internal controls and risk management. This category may also include business strategy implications for environmental and social issues and strategy implementation.

Negative Screening: The exclusion from a fund or portfolio, companies or practices based on specific ESG criteria.



United Nations Principles for Responsible Investment (UN PRI): The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice:

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

Global Real Estate Sustainability Benchmark (GRESB): GRESB assesses the sustainability performance of real estate and infrastructure portfolios and assets worldwide. Assessments are guided by what investors and the industry consider to be material issues in the sustainability performance of real asset investments and are aligned with international reporting frameworks such as the Global Reporting Initiative (GRI) and UN PRI.



5 RESPONSIBLE INVESTMENT PHILOSOPHY

- 5.1.1 At Presima, responsible investment does not mean excluding investment opportunities through negative screening criteria, but rather that ESG issues should be given appropriate consideration consistent with fiduciary duties.
- 5.1.2 Presima believes that forward-thinking, sustainably-oriented companies that excel along a broad spectrum of ESG considerations should be rewarded with a lower risk premium than peers with a more short-term, less responsible orientation.

6 POLICY

- 6.1.1 As part of its overall investment approach, Presima strives to stay informed of emerging ESG considerations and aims to establish collaborative relationships with partners across the responsible investing domain. Presima became a signatory of the United Nations Principles for Responsible Investment (UN PRI) in 2009 and has been an active member of the Global Real Estate Sustainability Benchmark (GRESB) since 2011.
- 6.1.2 As a responsible investor, Presima is committed to being an active owner. Presima constantly monitors its investments, given its accountability to its clients and high active share investment philosophy. Presima demonstrates its active ownership through its Voting Principles Policy and Proxy Voting Procedure, as well as its proactive approach to company engagement.
- 6.1.3 Presima usually has a medium or long-term investment horizon. It therefore intends to monitor and to contribute to the profitability of the companies in which it invests. Its contribution is intended to be constructive by targeting first and foremost a common objective - the success of the companies - and, consequently, an optimal financial return and security of investors' capital. Presima believes that there is a positive link between ESG risk management and cost of capital in real estate and thus tracks broad ESG risk metrics across its coverage universe as part of its monitoring process.
- 6.1.4 A cornerstone of Presima's investment process is engagement with companies in its investment universe. Presima's engagement framework requires portfolio managers and analysts to strive toward building collaborative relationships with key management personnel through dialogue and asset visits around the globe. All company meeting notes, including the identification of and progress on responsible investment issues are logged in Presima's proprietary portfolio management system, which helps in following progress through time.

7 REPORTING

- 7.1.1 UN PRI signatories are required to report on their responsible investment activities annually. The Reporting Framework is split into 12 modules. All signatories complete the organisational overview, strategy & governance and closing module, while the remaining modules are asset class specific.
- 7.1.2 As part of the annual UN PRI reporting process, Presima receives a Public Transparency Report, Private Transparency Report and Assessment Report. As a way to evaluate Presima's responsible investment progress over time and relative to peers, Presima communicates the results of its assessment to the Responsible Investment Committee.



8 RECORD RETENTION

All documentation must be retained in a secure location in accordance with this policy and Presima’s Record Management Policy and Procedure.

9 ROLES AND RESPONSIBILITIES

Presima’s Responsible Investment Committee oversees all responsible investment activities at Presima, which include investment research and integration as well as corporate level initiatives and reporting. The Responsible Investment Committee includes representatives from the Investment Management team and members from the Client Service and Business Development and Compliance teams. The Responsible Investment Committee meets at a minimum annually or as needed.

Presima’s Responsible Investment Policy is reviewed annually by the Responsible Investment Committee and approved by Presima’s Management Committee and/or the Presima Board of Directors.

10 REVISION HISTORY

<i>Version 1</i>	<i>November 2018</i>
<i>Version 2</i>	<i>December 2019</i>

END

