



ENVIRONMENTAL, SOCIAL & GOVERNANCE POLICY

1. AT A GLANCE

WHO This Policy applies to Wingate and all persons working for Wingate including permanent employees, temporary employees, secondees, contractors, consultants, interns and directors.

In this policy, Wingate Group (or **Wingate**) means Wingate Group Holdings Pty Ltd ACN 128 511 035 and/or its subsidiaries as defined in the Corporations Act 2001 (Cth) that undertake Wingate's core business activities.

This policy excludes some of Wingate Group's businesses, such as Orde Financial, Fifo Capital and Talaria Capital. Wingate will consider expanding this Policy over time to all its business units.

WHAT This Policy details Wingate's Environmental, Social and Governance (**ESG**) factors (outlined below), describes how Wingate will implement them and outlines the ESG standards which Wingate aims to adhere to, and which have helped guide this Policy.

Within 12 months of launching this Policy, Wingate will set tangible targets that will improve Wingate's performance around ESG Factors and encourage active employee participation in industry groups. Wingate's results will be measured and reported using industry recognised governance and reporting frameworks.

WHY Wingate recognises the increasing importance of ESG to investment decisions, investment allocations, access to funding and capital markets as well as community participation. Over a 20-year track record of strong commitment to the 'Wingate Way', Wingate has sought to be an active contributor to the community with the purpose to 'enlarge and enrich' the lives of all of whom with Wingate comes into contact.

2. BACKGROUND

1.1 Wingate's ESG Approach

Wingate approaches ESG risk and opportunity management in the same manner it approaches its other key business functions such as operations, financial management and risk management.



Wingate's ESG approach is integrated – it occurs at both an organisation level and through its key business functions (property, corporate investments, and funds management) which leads to greater partnership. Wingate is also committed to best practice for corporate governance, as defined by the Australian Security Investment Commission (**ASIC**).

This document complements other Wingate policies including investment policies, the risk management framework, risk appetite statement, code of conduct, conflicts management framework and policy, workplace health & safety policy, equal employment opportunity, discrimination, bullying and harassment policy, Anti-Money Laundering and Counter- Terrorism Financing (AML/CTF) Program, modern slavery statement, privacy policy and whistle-blower policy.

1.2 ESG Definition

Wingate acknowledges that the ESG space is continually evolving and there is not an exhaustive and universally settled list of ESG principles. As at the date of this Policy, Wingate defines ESG as:

ENVIRONMENTAL – PRESERVATION OF OUR NATURAL WORLD	Issues relating to the quality and functioning of the natural environment and natural systems. Preservation protects the natural environment from harmful human activities which may include biodiversity loss; toxic and/or harmful emissions, climate change, renewable energy, energy efficiency, air, water or resource depletion or pollution, waste management, stratospheric ozone depletion, changes in land use, ocean acidification and changes to the nitrogen and phosphorus cycles.
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SOCIAL – CONSIDERATION OF HUMANS AND OUR INTERDEPENDENCIES	Issues relating to the rights, well-being and interests of people and communities. These include human rights, labour standards in the supply chain, child, slave and bonded labour, workplace health and safety, freedom of association and freedom of expression, human capital management and employee relations; diversity; relations with local communities, activities in conflict zones, health and access to medicine, HIV/AIDS, consumer protection; and controversial weapons.
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GOVERNANCE – LOGISTICS AND DEFINED PROCESS FOR RUNNING OUR BUSINESS	Issues relating to the governance of companies and other investee entities. In the listed equity context these include board structure, size, diversity, skills and independence, executive pay, shareholder rights, stakeholder interaction, disclosure of information, business ethics, bribery and corruption, internal controls and risk management, and, in general, issues dealing with the relationship between a company's management, its board, its shareholders and its other stakeholders. This category may also include matters of business strategy, encompassing both the implications of business strategy for environmental and social issues, and how the strategy is to be implemented. In the unlisted asset classes governance issues also include matters of fund governance, such as the powers of advisory committees, valuation issues, fee structures, etc.
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Wingate will review its definition of ESG as required.

3. WINGATE'S ESG FACTORS

Wingate has identified the following five ESG factors that are the primary focus of Wingate. This does not mean that other ESG factors are not important or not considered. As Wingate continues its ESG maturity journey, these factors may be developed and expanded on.

The factors outlined below are taken into consideration at a Wingate organisational level but also are assessed when making investments as well as the assessment of counterparties and other stakeholders with whom Wingate interacts.

Within 12 months of launching this Policy, Wingate will set tangible targets that lead to improving Wingate's performance around ESG Factors.



EMISSIONS REDUCTION AND CLIMATE RISK	Considers the impact of Wingate’s investments and loans, and the associated environmental emissions and exposure to climate risk – both transitional and physical. Supporting investment to reduce toxic and/or harmful emissions and supporting borrowers in moving towards net zero science-based emissions targets.
BUSINESS ETHICS AND TRANSPARENCY	Business ethics are core to the Wingate Way, a way of operating and being that keeps the interests of our borrowers, co-investors and business partners at the centre of all that Wingate does. Wingate values transparency in disclosures, reporting to investors and the marketing of our investment products, ethics and good culture in all business practices.
RESPONSIBLE BUSINESS AND COMPLIANCE	Considers fraud, whistleblowing, corruption, bribery and facilitation payments, and other behaviour in line with our responsibilities to our clients. Our Code of Conduct and Corporate Governance framework set the standard of how Wingate does business and interacts with its stakeholders.
RISK MANAGEMENT AND DUE DILIGENCE	Wingate is committed to undertaking risk management and due diligence processes at multiple stages of the investment life cycle, including in relation to ESG factors. This includes the negative and exclusionary screens described below.
BOARD, EXECUTIVE AND MANAGEMENT COMPOSITION	Considers the impact of Wingate and our investments associated with board and executive management composition and diversity. This is inclusive of good leadership, composition, size, diversity, capabilities, compensation, transparency, and succession planning.

4. GLOBAL AND LOCAL STANDARDS

In developing this Policy, Wingate has considered a range of standards to guide and influence our approach.

As part of considering these standards, Wingate has become a signatory to the Principles for Responsible Investment (**PRI**). PRI promotes ESG being incorporated into investment decisions, ownership, and asset management. Through its network of signatories, the PRI encourages investors to use responsible investment to enhance returns and better manage risks. The PRI is the world’s leading proponent of Responsible Investment. Membership will be utilised by Wingate to benchmark our ESG performance against industry standards.

Wingate is also committed to monitoring ESG developments occurring in the broader industry, through engagement with industry collaborations. Wingate is a member of the Property Council of Australia (PCA), the Urban development Institute of Australia (UDIA), Women in Banking and Finance (WiBF), the Australian Israeli Chamber of Commerce (AICC), the Banking and Financial Services Law Association (BFSLA) and the Asia Pacific Loan Market Association (APLMA). Wingate employees regularly attend educational seminars to ensure best industry practice is maintained. This includes representation and attendance at overseas conferences. Further to the above, Wingate directors and staff are encouraged to participate in community organisations, such as the Melbourne Symphony Orchestra (MSO) and the Jewish Museum of Australia Foundation.

Wingate will consider joining other industry bodies from time to time as appropriate.

5. SCREENING

Wingate applies a screening process to ensure all investments are aligned with Wingate’s broader principles and values.



Negative Screening

Wingate applies a negative screening process that involves the mandated exclusion of borrowers whose business is comprised of, or assets targeting any of the following activities:

SECTOR	DEFINITION
TOBACCO	production and manufacturing of tobacco products, including goods related to tobacco and electronic cigarettes
ARMAMENTS (INCLUDING WEAPONS)¹	revenue from or production of weaponry, including the retail of arms and defence equipment and the production and/or sale of ammunition and guns
PORNOGRAPHY	adult entertainment production, venues and sale of pornography

Wingate's investment committees may also reject an investment on ESG grounds even if it does not fit within the above categories.

Enhanced Due Diligence

Wingate prides itself on its partnership-style approach with all counterparties, which includes an assessment process to ensure that values and goals of all parties are aligned. Wingate will use enhanced due diligence methodologies on investments with borrowers whose business is comprised of, or assets targeting any of the following activities:

SECTOR	DEFINITION
GAMBLING	the operation of gambling facilities, including betting services, and the manufacture and supply of gambling products/services
COAL	thermal and metallurgical coal including new coal mines or for expansion, companies that own proven & probable coal reserves, coal trade, borrowers whose business is mining exploration, expansion, development
COAL FIRED POWER PLANTS	the operation of coal-fired power plants
FOSSIL FUELS (EXPLORATION AND EXTRACTION)	extraction, exploration, expansion or development of fossil fuel projects, companies that own proven & probable oil and natural gas reserves
NUCLEAR & URANIUM	production, storage and/or transportation of nuclear/radioactive material (other than medical equipment or quality control measurement equipment). Extraction and exploration of uranium extraction processes which produce radioactive waste.

Enhanced due diligence methodologies will be addressed in Wingate's Responsible Investment Policy. The purpose of conducting enhanced due diligence is to address ESG risk and to identify ways in which Wingate may partner with counterparties to align their ESG objectives.

¹ For involvement in the production and maintenance of armaments and controversial weapons, including retail of arms and defence equipment and the production and/or sale of ammunition of gun, a 0% threshold is applied.



6. ESG INTERGRATION INTO WINGATE'S KEY BUSINESS FUNCTIONS

It is Wingate's responsibility to incorporate ESG issues into investment analysis and decision-making where relevant and possible. Wingate realises that ESG risks will vary across the different business units and capabilities.

Wingate's investment approach

Wingate believes that its investment solutions and opportunities should be provided in alignment with its core principles and operating values, and to enlarge and enrich the lives of those Wingate interacts with daily. Wingate's credit meetings consider whether the investment aligns with Wingate's principles and values. Wingate will also ensure that debt solutions are not provided to sectors and industries that are captured within Wingate's negative/exclusionary screens.

Wingate's due diligence approach

Wingate undertakes due diligence on each borrower and its business (including any property or project that is being funded) prior to advancing funding.

For property lending or investments, this due diligence includes a review of third-party environmental reports to confirm items such as:

- that no contamination exists on the land, or if there is contamination, that there is sufficient budget in place to remediate to the required standards; and
- that existing tenants and tenants' use of the property will not adversely affect the environmental conditions, or alternatively the tenant has full remediation responsibilities or sufficient budget has been allowed by the purchaser for remediation.

Wingate also reviews cultural heritage management plans when funding land subdivision projects to ensure the requirements are adhered to.

Comprehensive third-party background checks are conducted of Wingate's borrowers which satisfy Anti-Money Laundering and Counter-Terrorism financing obligations as well as inform credit decisions around the good standing of those Wingate does business with.

Other ESG Activities

As a leading alternative investment manager, Wingate will:

- Provide good employment conditions, a safe and healthy workplace, and promote a healthy work-life balance to employees as detailed in our flexible working policy.
- Provide equal opportunities, protection against any discrimination and consult with employees on changes that impact their work.
- Promote good governance, including via conflict-of-interest policies and restrictions on gifts and entertainment as well as adhering to policies preventing corruption and bribery.
- Guard against risk of modern slavery and human trafficking issues and have a modern slavery policy.
- View child and forced labour as unacceptable.
- Support local charities through donations and partnerships.

7. RESPONSIBILITIES AND GOVERNANCE

The Board is responsible for approval of any material changes to this Policy.

The Legal, Risk and Compliance Team is the owner (**Owner**) of this Policy and is supported by the Wingate ESG Committee (the **ESG Committee**).

The Owner and ESG Committee meets quarterly and more regularly when needed to review Wingate's performance in complying with this Policy and in particular will:

- review reports from across Wingate on ESG matters;



- review the use of ESG information on investment opportunities;
- if applicable and appropriate, review the outcome of Australian regulations and prepare documentation;
- recommend strategic targets (KPIs) for the business around ESG Factors to the Board; and
- make recommendations to Wingate’s Leadership and Board, employees and broader stakeholders on improvements which can be made and monitor implementation.

The Property, Corporate Investments & Funds Management teams are responsible for the implementation of this Policy on a day-to-day basis. These teams will make recommendations to Wingate’s numerous investment/credit committees to ensure effective integration of ESG considerations into investment and decision making.

8. REPORTING

Wingate endeavours to ensure greater collaboration and information sharing with its key stakeholders in respect of ESG risks and opportunities. To this end, Wingate is committed to adopting industry recognised reporting practices within the next 12 months from implementation of this Policy.

Wingate is a PRI signatory. As a signatory, Wingate will participate in annual reporting, available to the public on the PRI website.

9. COMPLIANCE AND CONSEQUENCE MANAGEMENT

Wingate recognises the importance of integrating ESG considerations into daily business operations. To this end, where relevant Wingate will aim to include ESG Factor related Key Performance Indicators into relevant employees’ performance goals in the next performance review cycle.

Any employee who does not comply with this Policy may be subject to disciplinary action, including termination of employment.

This Policy will be reviewed by the ESG Committee as required, including for changes in industry approaches, regulation or legislation.

10. POLICY INFORMATION

**Document Owner - The
Legal, Risk and Compliance
Team**

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Date Last Reviewed	19 April 2023