



STEWARDSHIP POLICY

Phoenix Property Investors Limited (the “Company”) and its subsidiaries and affiliates (collectively, “Phoenix”) take our stewardship responsibilities seriously. It is a privilege for us that our investors have entrusted their assets to us, and we place their interests at the forefront at all times. To sustain long-term benefits for our investors and deliver positive social impact, environmental, social and governance (“ESG”) considerations are integrated into the engagement process at both the property and company-level. Through this engagement process, we seek to understand the interests, issues, needs and concerns of all stakeholders so as to maintain open and transparent dialogue with them. We aim to forge deeper relationships with all stakeholders with the underlying aim of supporting our long-term commitment of being a trusted community partner and valued corporate citizen.

Direct Engagement at Property-Level

The built environment accounts for close to 40%¹ of the world’s carbon footprint. With activity in real estate development projects, Phoenix has the opportunity to contribute to the decarbonization of the property development and management sectors. The following are some of the ways in which we instill sustainability values at the property-level.

- We screen our contractors and property managers through an ESG Assessment Form during the tender process for property development and management projects. The screening process gives preference to parties that go beyond mere compliance and who actively pursue environmental, social and governance advances, indicating their level of consciousness and commitment.
- We provide a Green Tenancy Suggestions pamphlet to our tenants and property managers. It consolidates methods to raise their environmental and social performance with recommendations on recognized schemes and practices.
- We engage in a constant reciprocal communication channel with our contractors, tenants and property managers to identify material ESG initiatives, as well as to strategize in meeting our ESG targets. Representatives of relevant assets are required to report regularly

¹ [Global Alliance for Buildings and Construction, 2020](#)

regarding their progress against target goals, which progress is considered by our investment management team in its decision-making.

Conflict of Interest

In relation to our stewardship activities, including engagement of property managers, contractors and service providers, we have adopted a set of guidelines to identify circumstances which may give rise to conflicts of interests.

We manage conflicts within our engagement activities using a proactive approach with a clear process for selecting priorities - including planning, prioritisation, execution, and reporting. This ensures that decisions taken to engage are aligned with the engagement strategy and is free from any outside or undue influence.

Collaboration Approach at Company-Level

Greater impact is made when we come together. Phoenix aims to work with our like-minded investors and engage in investor networks to accelerate the responsible investment agenda. We actively seek to learn from our peers and raise the bar in industry practices through activities such as participating and contributing to seminars/sharing sessions related to responsible investment. With regard to engaging with individual entities (e.g. sellers, debt issuers) in terms of ESG aspects, Phoenix recognizes collective actions with business partners may impart greater leverage. The following are some ways in which we apply a collaborative approach.

- For property acquisition deals, we seek to raise ESG considerations early on in the investment stages with our business partners (e.g. joint venture partners). By conveying our expectations with a unified voice, we place ESG related terms and conditions squarely in our negotiations.
- For debt investment deals, we strive to maintain engagement dialogue with our co-lenders (if any) to align our stance on ESG aspects for the prospective deal. We adjust our engagement approach depending on the size and duration of holdings, credit quality, degree of transparency and materiality of ESG risks and opportunities.

Escalation Approach

Whether at the company or property-level, stakeholder dialogue is the foundation of good stewardship. Despite our efforts, Phoenix may encounter challenges in navigating its stewardship in which case we may resort to escalation strategies. The following are some ways in which we may apply an escalation approach.

- During the holding period of our acquired properties, we carry out continuous engagement with our contractors, property managers and tenants to deliver sustainable outcomes. For properties that contribute significantly to the portfolio's environmental footprint and social impact in a negative manner and do not demonstrate improvement, this may be a factor of consideration in the timing of the exit of a particular property.
- During the investment period of our debt deals, we require the issuer to declare at least twice a year any ESG incidents (e.g. cases of non-compliance or scandals) the issuer has encountered. If deemed material, Phoenix shall resort to engagement with the senior management of the issuer party to ensure issues have been effectively managed.

