

## **Channel Islands Property Fund Limited (“CIPF”)**

### **Environmental, Social and Governance (“ESG”) Policy**

#### **Purpose**

To deliver sustainable returns to investors from a diversified portfolio of high quality office premises in the Crown Dependencies in a manner which minimises adverse impact on the environment and contributes positively to the communities we invest in.

#### **ESG Objectives**

- Positively impact the communities we work in
- Be the Landlord of choice based upon our responsible, sustainable, ethical and transparent approach
- Mitigate climate change
- Maintain ethics and integrity in our governance and dealings.

In achieving our objectives we ensure that sustainability considerations are integrated into all investment decisions and the ongoing management of our portfolio. We promote social responsibility, act with integrity in governance and aim to ensure that our actions fully take into account their effect on the environment.

Our portfolio impacts on people and the environment, whether it be our customers in our role as Landlord, or the wider communities in which we operate and it is essential for environmental, social and economic sustainability to come together to deliver the investment proposition in the long term. It is also incumbent upon us to make it clear that this responsibility to act with care, consideration and integrity also applies to our service providers.

This Policy aims to demonstrate how these responsibilities are discharged.

#### **Roles and Responsibilities**

The Board has overall responsibility for the ESG Policy and the delivery of its objectives.

The Policy applies to both all stages of the investment process and to all asset management activities.

Day-to-day management is delegated to Ravenscroft, the Investment Manager and D2 Real Estate as the Property Manager. Both apply this Policy so that CIPF can deliver on its objectives employing guiding principles where environmental, social and governance opportunities and risks are considered throughout the investment cycle and both have a strong track record as socially responsible partners contributing much to the communities in which we operate.

Corporate values must be lived and adhered to by all those with whom we deal and this is a fundamental part of our procurement processes, how they are applied and monitored.

#### **Review**

Particularly with climate change, the change in public attitudes and advances in technology, this is a fast moving area and this Policy will be formally reviewed each year to measure against the objectives and to

seek to take account of changes that can positively impact on the environment, our social contribution and governance whilst delivering sustainable returns for our stakeholders.

### **Property Managers**

Our appointed Property Managers, D2 Real Estate, incorporate numerous aspects of ESG into their day-to-day management of our property portfolio with a copy of their internal ESG policy available upon request from Grant Irvine:

E-mail: [grant.irvine@d2re.co.uk](mailto:grant.irvine@d2re.co.uk)

Telephone: **01534 716238**

Please see below examples of how ESG is incorporated by D2 Real Estate (“D2RE”) into their management of our portfolio:

### **Environmental**

1. D2RE will benchmark the multi occupied buildings’ environmental performance against similar UK assets by using the Real Estate Environmental Benchmark.
2. D2RE are endeavouring to “green” the supply chain for the multi occupied buildings. This includes requesting details of suppliers’ green initiatives when tendering and ESG now forming part of our monthly agenda with them. This has led to one supplier, C8, almost solely using electric vehicles when attending the CIPF sites.
3. D2RE aim to reduce physical wastage when Occupiers refit their premises by promoting and facilitating recycling of their fixtures and fittings. This includes D2RE partnering with both Guernsey’s and Jersey’s Association of Charities to have any available furniture shared with all registered charities so they can benefit from it free of charge.
4. All Hard Services maintenance contracts for multi occupied buildings are to industry best standard SFG20. This proactive approach is claimed to be able to reduce energy consumption by up to 15% and reduce unplanned reactive visits.
5. D2RE has a commitment to educate and provide training to all Occupiers Facilities Managers in 2021 on environmental matters and steps they can take to reduce their business’ impact.
6. D2RE and CIPF are facilitating the installation of electric car charging points in the buildings by covering Occupiers’ costs incurred in approving and documenting Licence’s for these works. 8 installed in 2021 to date.
7. Through planned Preventative Maintenance programmes, D2RE are having old inefficient M&E kit replaced with modern equivalents.

The list below details specific projects either undertaken or scheduled to be completed which have an environmental benefit:

- Roof Chiller replacements completed. The new chillers operate more efficiently, consume less energy, they have a lower Global Warming Potential (GWP) and should require less reactive visits.
- Additional bike racks installed to encourage environmentally friendly commuting.
- Local firms awarded major works contracts thus reducing off island travel and associated carbon impacts.
- All lighting in communal areas to be replaced with energy efficient LED’s in in all buildings in 2020 and 2021.
- Sub meter installation for Occupier’s Air Conditioning (“A/C”) consumption to provide them detailed information allowing them track, monitor and take informed decisions accordingly.



- Building Management System (BMS) replacement scheduled for 2021 which will allow Occupiers to control the A/C within their demises, rather than centrally, which will mean more efficient usage.
- CO2 detection system replaced in car parks with a smart system which means fans only function when required rather than continuous, thus significantly reducing energy consumption.

## **Social**

Social initiatives:

1. D2RE and CIPF supported International Day of Persons with Disabilities by working with EY to light up Liberation House and Royal Chambers purple to raise awareness.
2. D2RE have put in place a Cinema Discount Scheme for all staff within multi occupied buildings in Jersey, which provides a saving of up to 30%.
3. All multi occupied CIPF buildings now have defibrillators onsite for use by anyone in the building or the general public passing by.
4. All Service Charge suppliers are on a maximum of 30 day payment terms with a target of 14 day payments for small suppliers.
5. An allowance within all supplier contracts to allow for cost-of-living increases for low salary roles.
6. Requirement for all suppliers to not discriminate in their pay between female and males.
7. D2RE strive for industry best practice in all aspects of Health & Safety management within CIPF buildings.
8. D2RE had a commitment to not recover any fees due from Occupiers in financial distress due to COVID-19 when drafting Rent Deferral Agreements or providing input to Lease variations because of the pandemic.
9. D2RE have a “local sourcing” policy where possible when tendering projects or contracts, provided the expertise is within the islands.
10. D2RE have facilitated local charities utilising reception areas within buildings to raise funds through initiatives such as Beresford Street Kitchen and World Porridge Day.

## **Governance**

Governance examples below for D2RE and CIPF managed buildings:

1. With D2RE being a RICS registered company, they are bound to run all service charges in accordance with the RICS “Service Charges in Commercial Property professional statement” and strictly do so for the multi let buildings.
2. D2RE adopts a responsible and ethical approach to preventing and detecting financial crime. D2RE considers its obligations in all business conduct and standards for combating financial crime which includes surpassing the regulatory requirements by employing a specialist independent regulatory advisory business to assist with this.
3. D2RE carries out a robust due diligence process when tendering and awarding contracts for multi occupied buildings utilising their alliance with BNP Paribas Real Estate for best practice on this front.