



# Sustainable Investing Policy

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# BGO's Sustainable Investing Policy

## Defining Sustainable Investing

At BGO, we believe that long-term investment performance is closely tied to the economic, environmental, social, and governance systems in which we operate.

Sustainable investing refers to the practice of evaluating material environmental, social, and governance (ESG) factors throughout the investments process and, where appropriate, implementing practices to support value creation, and risk mitigation.

As a fiduciary, BGO tailors its approach and execution to match a range of investment strategies and client expectations, addressing risk mitigation, performance, and value creation to help maximize an asset's financial and operational resiliency.

### Scope of the BGO Sustainable Investing Policy

BGO's Sustainable Investing Policy (the "Policy") outlines our approach to considering environmental, social, and governance risks and opportunities, where relevant, in the management of our client mandates. The Policy applies to our global investment management business and to BGO Properties, our in-house Canadian property and leasing management business.

Where BGO is an investor in an entity that it does not manage or control (such as a joint venture or partnership), it will, where appropriate, encourage management of the assets and operations of that entity in a manner aligned with this Policy.

This Policy is reviewed periodically to reflect changes to BGO's business strategy and innovations in the market and is approved by the firm's Global Executive Team.

## Our Approach

### Leadership Oversight

BGO's Board of Directors receives quarterly updates on environmental, social, and governance risks and opportunities relevant to the firm, and notable initiatives, including operational performance, industry benchmarking, and market and regulatory updates.

BGO's Global Executive Team is responsible for our business strategy, which includes our sustainable investing strategy. Given the range of different investment strategies across BGO globally, the extent of our sustainable investing approach for each strategy is determined collaboratively with input from our Global Management Committee, portfolio managers for the strategy and the Sustainable Investing team.

The delivery of our sustainable investing approach is led by the Global Head of Sustainable Investing, and supported by BGO's dedicated Sustainable Investing team.



The Sustainable Investing team partners with investment and real estate management teams, and BGO's Legal & Compliance team to support the continued integration of material environmental, social and governance factors across our investment strategies. The team also monitors regulatory changes, and industry trends and provides guidance and expertise to business units where required.

BGO's investment teams are responsible for executing relevant sustainable investing initiatives, including setting strategy-level direction aligned with client goals, and if applicable, monitoring progress against sustainability objectives. Investment decisions are overseen by BGO's various Investment Committees which may assess identified ESG risks and opportunities, where relevant, by evaluating how these factors could impact performance.

### Sustainable Investing Framework

Our Sustainable Investing Framework is designed to support investment strategies in setting relevant sustainability objectives that are specific, measurable and time bound. The Framework is comprised of 12 core themes across the three environmental, social and governance pillars. It is designed to be flexible in considering the key environmental, social and governance issues confronting the investment, firm and the broader real estate industry.

<b>Environmental</b>	<b>Social</b>	<b>Governance</b>
Decarbonization	BGO Human Capital	Risk Management & Policies
Climate Risk & Resilience	Tenant Experience (Health & Well-being)	Disclosures & Assurance
Resource Conservation & Renewables	Thriving Communities	Industry Engagement
Biodiversity Impact	Vendor Engagement	Building Certification & Ratings

## **ESG Integration**

Environmental, social and governance factors may be integrated into BGO's investment processes to help identify material risks that may be mitigated and monitored, and opportunities that may support value creation activities. This approach varies by region, investment objective and asset type.

### Equity

#### **Acquisitions**

For equity investments, BGO may evaluate material ESG risks and opportunities using bespoke pre-investment sustainable investing due diligence tools.

Material ESG risks and opportunities identified may be carefully considered, among other factors, as part of the investment decisions in alignment with a range of investment strategies and client expectations. Where warranted, the investment team will seek to document in its investment



committee memo the sustainability issues considered, findings and next steps, including mitigation measures, if applicable.

## **Operations**

BGO uses various sustainability and utility data management systems, which vary across select strategies and assets to gather and analyze data to help understand our sustainability impact, identify opportunities to increase efficiency, inform business decisions, reduce operating costs, and improve building sustainability performance.

To support the alignment of third-party property management activities with the firm and strategy's sustainability objectives, BGO may request detailed information on potential property managers' overall approach to sustainability. Where relevant and in alignment with business practices, sustainability clauses may be included in property management contracts.

## **Developments**

Within select regions, investments in ground-up development projects look to their development partners to adhere to agreed upon sustainability criteria outlined in region-specific service agreements, where relevant. Generally, the service agreements will include criteria on key relevant sustainability areas to help meet the business needs of each region or strategy.

## Listed Equity

In its direct real estate investing activities, BGO does not generally participate in proxy voting or traditional shareholder engagement. For its limited holding of public securities BGO will refer to local policies or supplementary codes for guidance on voting activities.

## Debt

For debt investments, where applicable, BGO seeks to evaluate and integrate environmental, social and governance factors into the investment process through the following:

- Due diligence: Pre-investment ESG analysis may be completed during due diligence to understand each underlying asset's relevant ESG risks and opportunities.
- Monitoring and engagement: Where applicable, during BGO's loan monitoring, BGO may engage with the Sponsor on environmental, social and governance areas, such as but not limited to climate risks and opportunities, green building certifications, energy performance, health and wellbeing features, community engagement, and Sponsor's governance practices.

## BGO Strategic Capital Partners

BGO Strategic Capital Partners (SCP) may seek to partner with managers who act in accordance with sound sustainable investing related philosophies both in their own organizations and in their investment activities:

- BGO SCP investment professionals incorporate ESG diligence, where relevant, during the

investment process and may review progress over time as part of the regular investment monitoring process. SCP may evaluate environmental, social and governance factors, where applicable, both through the lens of manager organizations as well as their investment practices and decision making.

- To the extent applicable and available, SCP may review Environmental Site Assessments and other similar reports commissioned by underlying managers to understand the current and historical use of a property and whether such use can or has resulted in an environmental hazard.

## Engagement and Stewardship

BGO's engagement and stewardship related to sustainable investing is comprised primarily of collaborative engagements in the real estate sector. Examples of how we engage may include:

- Engaging with policy makers and standard setters, where permitted, either directly or through BGO's parent company and industry associations.
- Contributing to public goods (i.e. research).
- Engaging in public discourse and disclosures that support stewardship goals; and
- Negotiating with and monitoring others in the investment chain (e.g. engaging with third-party property managers and tenants).

## Exclusionary Criteria

Where relevant, BGO may screen investments for exposure to known activities that fall within the following categories:

- Generate revenue from illegal activities; or
- Violate government sanctions or legal and regulatory restrictions governing financial involvement with specified individuals, companies.

Upon the discretion of the applicable portfolio management team, we may also screen investments for exposure to the manufacturing or selling of controversial weapons (controversial weapons include cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, napalm, white phosphorous and/or non-detectable fragments weapons or munitions).

## Reporting

BGO is committed to transparency through a robust annual reporting campaign on our sustainability initiatives across a variety of channels.

### Principles for Responsible Investment (PRI):

As a proud signatory of the United Nations-supported Principles for Responsible Investment (PRI), we are committed to aligning with its guiding Principles while upholding our fiduciary responsibilities and meeting client expectations. Through the PRI Reporting and Assessment Survey, we provide



stakeholders with a transparent view of our progress in integrating these Principles across our investment strategies.

**GRESB:**

Since 2009, BGO has annually reported environmental, social, and governance performance for select real estate equity strategies to GRESB, a leading global benchmark for the real estate industry. The GRESB Real Estate Assessment provides a comprehensive framework for evaluating and comparing the sustainability performance of listed property companies, private property funds, developers, and direct real estate investors.

**Sustainable Investing Report:**

Our annual reporting, guided by the Global Reporting Initiative (GRI) standards and the Task Force on Climate-related Financial Disclosures (TCFD) framework, highlights BGO's commitment to advancing environmentally responsible and sustainable investment practices.

**Climate Report:**

Our 2022 inaugural Climate Report is aligned with Task Force on Climate-related Financial Disclosure (TCFD) recommendations and demonstrates our progress and continued commitment to address climate risk and opportunities.

Our sustainability performance and related information are publicly accessible on our website:  
[www.bgo.com/sustainable-investing](http://www.bgo.com/sustainable-investing)