

IRONGATE

Sustainability Report

For the year ended 31 March 2022

Irongate Group

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About this report

This sustainability report provides information on IAP’s approach to sustainability and a summary of IAP’s sustainability goals and progress to date towards these goals. The report forms part of IAP’s FY22 reporting suite.

Message from our CEO



In today’s property world, to be successful means we must become experts in sustainability.

ESG continues to be an important consideration for all of the Fund’s stakeholders, and the Board and management team take their responsibilities in this regard seriously. We recognise that it is our obligation to ensure that our properties, services and actions are designed to protect and enrich the environment while minimising our direct operational impact to communities and the environment in which we operate.

As Australia continues its transition to secure, affordable, environmentally conscious energy, IAP is committed to a transition to a low carbon future through our net zero by 2030 commitment. We are going beyond energy and adopting leading practices and technologies to increase water efficiency, electrify our buildings to operate from on-site and off-site renewables, and reducing emissions associated with waste from operations.

Six buildings in the office portfolio have now been classified as carbon neutral certified by Climate Active. Our visibility across the portfolio on operational performance has been significantly enhanced this year with close to 2,500 analytics points monitoring HVAC, electricity and water consumption and 21 NABERS ratings conducted across energy, water, waste and indoor environment. IAP has also recently obtained ISO accreditation for Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015) and Occupational Health and Safety Management Systems (ISO 45001:2018). We are about to commence the GRESB assessment process and expect to be able to publish our first GRESB score later this year.

We recognise that our responsibility extends beyond our operational control and have this year started engaging further within our supply chain. Ten tier one providers have been surveyed to help educate, influence and achieve leading outcome across our community of suppliers. IAP has set certain diversity targets which are set out in the Fund’s diversity policy and the Fund continues to exceed its targets in respect of gender diversity across all levels of the business. We will continue to review these targets to ensure it is adhering to accepted industry practices. The Fund also acknowledges its responsibility to the communities within which it operates. We are proud to continue our association with selected charitable organisations that have special meaning to IAP.

The Board and management team are committed to upholding the requirements of disclosure and transparency prescribed by applicable rules, guidelines, regulations and statutes, including the JSE Listings Requirements and the King IV Code in South Africa and the ASX Listing Rules and the ASX Guidelines in Australia. We have commenced aligning with the Task Force on Climate Related Financial Disclosures and have carried out 30 environmental audits assessing our climate change related risks. The Board has adopted a corporate governance statement and a board charter which formally recognises the codes of corporate practice and conduct under which the Board operates.

Graeme Katz
Executive director and CEO

Overview

ESG framework

Environmental

Social

Governance

Glossary of terms

Overview

IAP’s direct property portfolio now comprises 37 properties with an area of 396,593m² valued at A\$1.679 billion.

 Third party FUM has grown to A\$423 million during the period.

Our vision

Our vision is to be a meaningful player in multi-sector property investment and asset management in Australia and New Zealand.

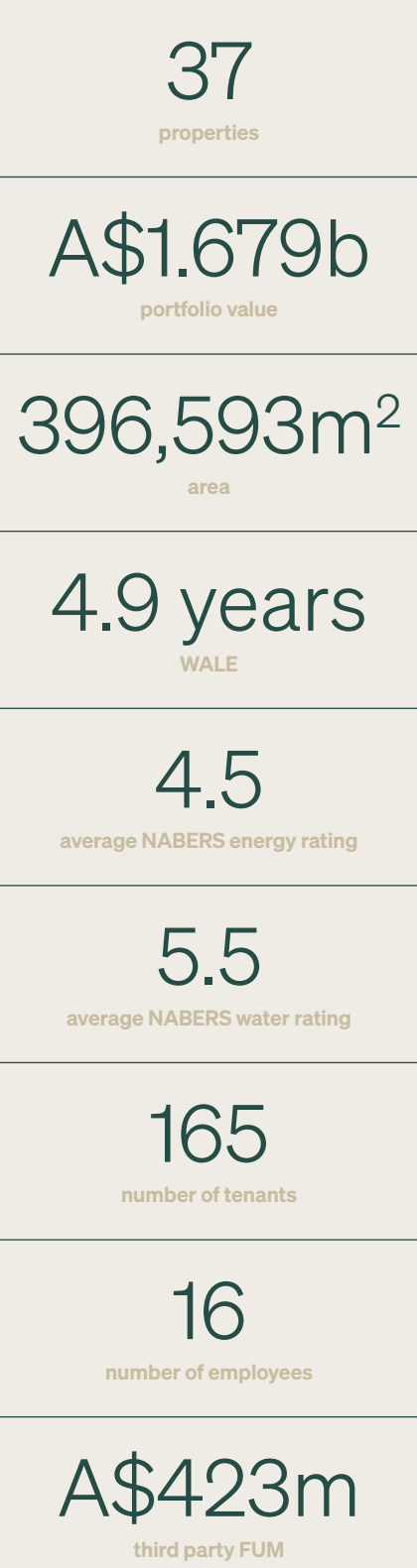
Our competitive edge

What differentiates us from others is our people. At IAP, our management team has worked together for over a decade. The team is well connected with extensive industry experience. We continue to attract and retain a diverse team of property specialists who are driven and passionate about delivering results for our various stakeholders.

Our approach

- IAP has focused on constructing a portfolio with the following characteristics:
- strategically located industrial properties that typically provide longer term sustainable income
 - suburban office properties located in close proximity to key infrastructure such as main arterial roads and railway stations with affordable occupancy costs for tenants
 - CBD office properties in select markets with the opportunity to enhance income and/or capital value through active asset management
 - retail properties with the opportunity to unlock value located in growth corridors

Our business

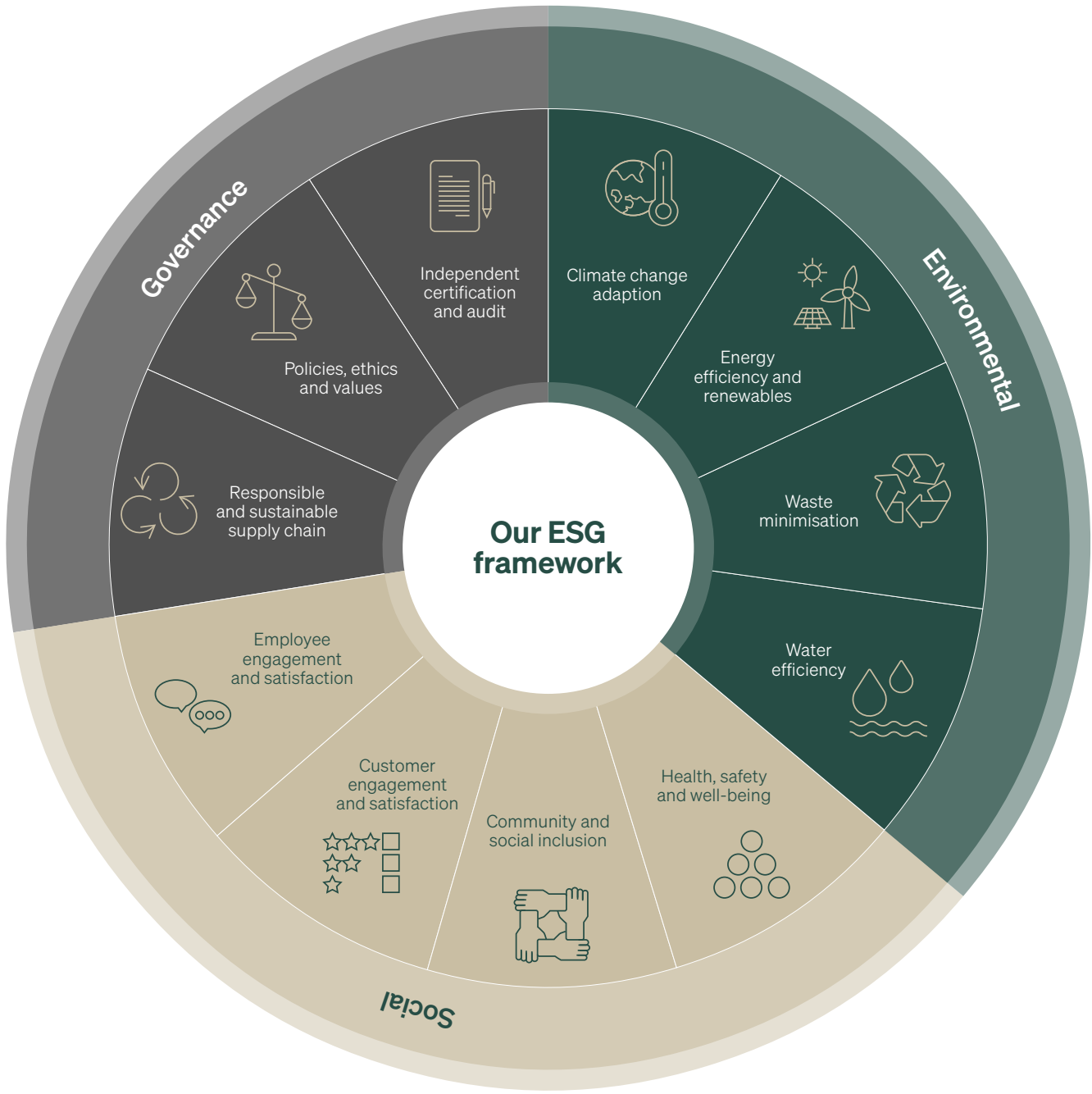


Our ESG framework

We want to be a positive contributor to communities, stakeholders, people and the environment. Sustainability is integrated into our organisational culture, governance, and the way we manage our assets.

We have a considered approach and take environmental, social, ethical and labour standards into account in the identification and management of properties. Our team is focused on providing an excellent customer experience, whilst carefully managing the environmental impacts of our properties. Our sustainability approach is the foundation to build and embed operational commitments across the business and build resilience into our operation.

 We understand our broader influence on society and effective stakeholder engagement helps us to identify and manage business risks and opportunities, while also informing our decisions as we act responsibly and create long-term, sustained value.



FY22 highlights

As this is the Fund's first full reporting year since internalisation, our sustainability framework has seen substantial development. This work has resulted in a number of achievements, and we are pleased to present our key highlights for FY22.

MSCI

ESG RATINGS

BBB

SUSTAINALYTICS

a Morningstar company

Low Risk

NEGL

LOW

MED

HIGH

SEVERE

0-10

10-20

20-30

30-40

40+



Environmental

906,377kg

savings in Scope 1 and Scope 2 emissions

C02_e

6

sites

Climate Active carbon neutral buildings

2,438

analytic points monitoring HVAC, electricity and water consumption

net zero

2030

mapping

N[★]

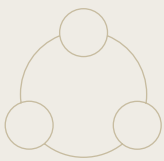
NABERS

21

NABERS ratings

663,345kwh

generated from rooftop solar



Social

82%

were very satisfied or satisfied with COVID-19 response

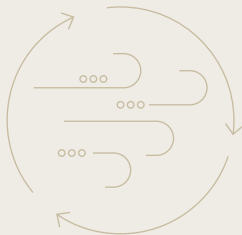
76

businesses surveyed representing

3,952

occupants

Indoor air quality assessments have commenced at properties under operational control with positive results being identified



85/100

average employee satisfaction rating

First employee wellness survey issued

100%

of employees responded



BUSH HERITAGE AUSTRALIA

CYSTIC FIBROSIS

Continued to provide financial contributions to chosen charitable organisations



Governance

9001

14001

45001

Obtained independent certification of:

- Quality Management System
- Environmental Management System
- Occupational Health and Safety System

Voluntary modern slavery statement made in

2021



TCFD

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

30

environmental risk audits carried out to align with the Task Force on Climate Related Disclosure

3

new policies implemented to support the ESG framework



10

tier 1 suppliers surveyed for sustainability awareness and education

01 — Environment

Environment

IAP recognises its obligation to ensure that its properties, services and actions are designed to protect and enrich the environment while minimising the direct operational impact to the communities and the environment in which we operate.

Commitment to this undertaking contributes to IAP's objectives and embeds the importance and value of sustainability within the culture of the Fund.

IAP is committed to reducing its environmental impact through operations and property designs to optimise building performance and create a unique experience for all stakeholders. It achieves this by:

- improving environmental performance through setting targets to minimise the consumption of energy and water, and reduce waste generation
- reducing carbon emissions and facilitating the transition to a renewable energy future
- exploring opportunities to install renewables on-site and increase off-site through procurement activities
- increasing the resilience of its buildings and increasing the capacity of buildings to adapt, adjust, withstand, and recover from various external forces, including global climate change
- actively engaging with the supply chain to build awareness of the options available to decarbonise, provide technical advice and introduction to schemes
- assisting occupants to optimise the operational efficiency and quality of their properties via best practice leasing, delivering strong energy efficiency performance for tenancies
- complying with all relevant government legislation, policies and planning instruments, and by meeting obligations required for environmental and sustainability reporting
- seeking to adopt greater voluntary reporting to enhance the information needs of all stakeholders including information about environmental, social and governance performance
- providing IAP staff with the skills, awareness and leadership to thrive and achieve environmental responsibilities
- connecting with the communities in which the IAP operates and making a positive contribution through investments, projects and support



Environment

Continued

Climate change adaptation



Climate Neutral Buildings: 6 sites

Carbon Neutral Certification is issued by Climate Active and certifies that a building or an organisation is carbon neutral. IAP embarked on obtaining Carbon Neutral Certification for properties under operational control. A great initiative, and an amazing achievement with 6 buildings receiving carbon neutral status.



Climate resilience

IAP undertook an immense task to carry out a climate risk assessment across all properties. A climate risk assessment is a systematic process to identify potential hazards from climate-related events, trends, forecasts and projections. This provides the Fund with the ability to develop plans to manage and mitigate climate risks.



Refrigerants

IAP is currently implementing low global warming potential (GWP) alternative refrigerants to high-GWP hydrofluorocarbons (HFCs) for use in commercial air conditioning equipment.

Energy efficiency and renewables

Energy efficiency

IAP’s smart building data analytics provides our operations teams with the capability to make timely and precise decisions so that they can achieve their business, environmental and sustainability goals.

Engineering analysts performed site assessments and 2,438 analytics points were accessed and/or installed throughout the portfolio with data being collected, aggregated and analysed. With this level of smart analytics, building operations and management teams provide solutions that reduce unnecessary consumption and wastage of water and energy. Automated alerts draw attention to actionable items 24/7 as well as identifying future projects that will further reduce wastage.

NABERS energy

Our efforts in energy efficiency are now translating to improved energy ratings with the average NABERS energy rating increasing to 4.5 stars.

We have seen a 12% decrease in energy consumption year on year due to our increased level of monitoring, active asset management and capital upgrades throughout the portfolio.

STATE	SITE ADDRESS	CARBON NEUTRAL	NLA (M²)	FY22	FY21
NSW	20 Rodborough Road, Frenchs Forest		12,677	4.5	4.0
NSW	2 Richardson Place, North Ryde	●	15,205	5.0	5.0
NSW	21–23 Solent Circuit, Baulkham Hills	●	10,816	5.0	4.5
NSW	266 King Street, Newcastle		13,868	4.5	4.5
VIC	449 Punt Road, Cremorne	●	6,420	4.5	4.5
VIC	35–49 Elizabeth Street, Richmond	●	11,831	4.0	–
QLD	324 Queen Street, Brisbane		19,864	4.0	4.0
ACT	186 Reed Street, Greenway	●	5,407	5.5	5.5
ACT	38 Sydney Avenue, Forrest ¹	●	8,975	4.5	–
Average NABERS rating ²				4.5	4.3

Renewables

As part of the Fund’s commitment towards a transition to a low carbon future through our 2030 net zero commitment. We are investing in renewables such as solar arrays on rooftops. In excess of 660,000 kWh of energy was produced at our properties.

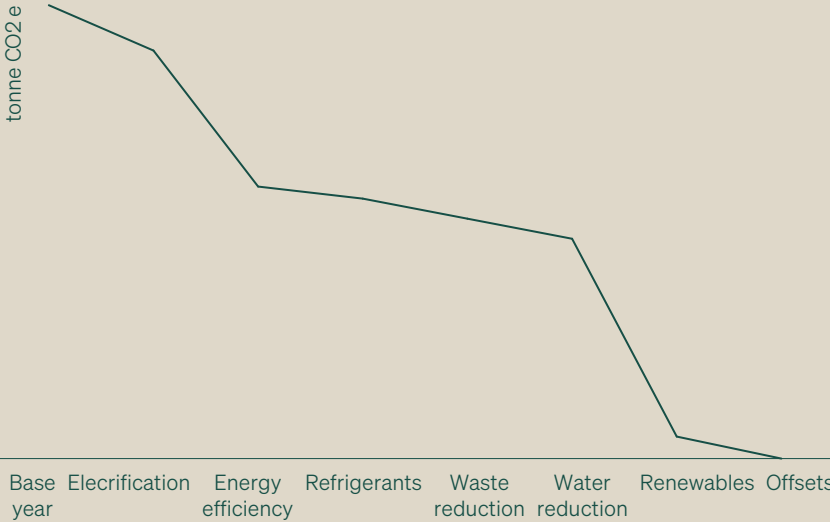
SOLAR ARRAYS	KWH
35–49 Elizabeth Street, Richmond (Base Building)	183,904
2 Richardson Place, North Ryde (Base Building)	130,705
2 Richardson Place, North Ryde (Tenant)	150,596
16 Dawson Street, East Arm (Tenant)	126,470
67 Carlarco Drive, Derrimut (Base Building)	71,670
Total KWh generated on site	663,345

		FY22	FY21
NABERS rated area	m²	94,655	91,011
Average NABERS energy rating	stars	4.5	4.3
Average NABERS water rating	stars	5.5	4.0
NABERS energy intensity	MJ/m²	320.3	371.1
Average NABERS water intensity	kL/m²	0.38	0.64
Average base building GHG intensity (Scope 1 and Scope 2)	CO2/m²	69.3	82.1

1. Acquired in FY22, average for FY21 does not include this property.
 2. Average NABERS rating has been calculated using the NABERS method for calculating average NABERS ratings for publication.

net zero
by 2030

The net zero trajectory has been mapped using NABERS data and industry benchmarks to determine the scale of impact across emissions sources. The main focus areas are energy efficiency, renewables, electrification, waste and eater reductions and refrigerants as the primary efficiency measure and the use of offsets as required.



Environment

Continued



CASE STUDY 1: Optimum start and optimum setback

As part of the BMS upgrade works, control optimisation and control changes at 266 King Street, Newcastle NSW the building operations were comprehensively assessed. We were notified of apparent irregular scheduled operations for the floors with no uniform start/stop operational time. Through data analysis, we implemented optimum start and optimum setback to focus on having uniform start/stop times for all tenants and scheduled operations upon tenants’ contractual hours.

Through data analysis it was identified that the package air conditioners should have the ability to start up to an hour earlier if temperatures within the zone require conditioning. Optimum setbacks were also implemented where an extended temperature dead band is applied to those zones where conditions are deemed suitable for up to an hour before required stop time.

By implementing the changes in mid-2021 as part of the BMS upgrade works, monthly consumption savings of ~8,000 kWh (\$1,700) was achieved in the winter months and around ~10,000 kWh (\$2,215) was achieved in the summer months.

The item was closed after reviewing the energy savings during the summer of 2022 period, with a monthly savings of 8,825 kWh estimated over 12 months, delivering total savings of \$22,504

CASE STUDY 2: Lighting upgrades

The 4-level car park basement at 20 Rodborough Road, Frenchs Forest NSW used conventional T8 lighting consuming 188,172KWh of energy per annum. LED fittings with sensors were used to replace the existing lighting. Using the higher lux, lower wattage lighting with sensors will provide a maximum output of 81,275 KWh, this number would likely be improved as this value is calculated with lighting being on 24 hours a day at 100% output. Given the improved lighting is managed through sensors and not on for 24 hours, further savings are likely to be captured. A conservative estimate demonstrated approximately 67% energy savings which equates to over 100,000 KWh per annum.

Waste minimisation

NABERS waste ratings have been carried out at three sample properties. NABERS is an independent measure of the recycling and resource recovery performance of a building. The Waste Verification Report process assesses buildings on how well they separate and divert waste generated in the building into streams that can be re-used and recycled, and whether those materials are likely to go to a facility that will recover them.

A data quality score is achieved through a combination of weight-based waste data, audits, bin counts, verification and a reasonableness check.

We are now able to fully understand our waste performance from this sample, with greater information on the following

- **Total landfill waste:** The total weight of all waste going to landfill.
- **Total recycled waste:** The total weight of waste avoiding landfill.
- **Waste Intensity:** The total weight of all waste generation for a site compared to the sites allocated metric over a year.

A waste management program in line with the Better Buildings Partnership and NABERS will be developed as a result of this data collected with a view to obtaining and publishing NABERS waste ratings in the future.

Water efficiency

During the course of the reporting year IAP installed 23 additional water management meters across the portfolio including a significant number of properties not under operational control. The total number of properties which have leak detection has increased to 29 properties. Post installation, several alerts were encountered and investigated saving significant water waste. Water usage can now be benchmarked for future reporting periods for the individual properties.

CASE STUDY 1: Industrial assets leak detection

During the reporting year a slow leak was identified through the pulse meters installed at an industrial property. The leak was identified through fault detection process and would have gone unnoticed for days, weeks or even months.

Megalitres of water were saved as the leak affected the hydrant supply continually being topped up by unmetered mains water.

CASTE STUDY 2: Office asset leak detection

It was identified that the mains water meter showed a significant overnight consumption. No downstream meters indicated excess usage, and no excess usage was identified in tenanted areas. Upon review, it was identified that the excess usage was directly related to the operation of the condenser water system, where usage increased when the condenser water pumps were not in operation. As part of the site visit, the excess usage was simulated and it was found that the float valve serving the domestic water fire tank in rooftop plant room was bleeding large volumes of water through and overflowing the tank. The ball float was replaced and domestic water pressure setpoints reviewed, resulting in no further instances of excess consumption.


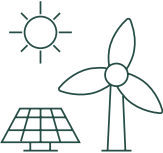

NABERS water

COVID-19 has had a positive effect on water consumption, however our efforts in water efficiency and monitoring are translating to improved NABERS water ratings with the average rating increasing to 5.5 stars.

STATE	SITE ADDRESS	NLA (M²)	FY22	FY21
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NSW	2 Richardson Place, North Ryde	15,205	5.0	4.5
NSW	21–23 Solent Circuit, Baulkham Hills	10,816	5.0	3.0
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ACT	186 Reed Street, Greenway	5,407	5.5	5.0
ACT	38 Sydney Avenue, Forrest	8,975	4.5	–
AVERAGE NABERS rating¹			5.5	4.0

1. Average NABERS rating has been calculated using the NABERS method for calculating average NABERS ratings for publication.

Reporting on FY22 commitments

FY22 environmental focus	Actions for FY22	Outcomes
<div>  <div> Risks to IAP arising from climate change </div> </div>	<p>Undertake climate change risk audits across all assets by 31 December 2021.</p>	<p>A climate change risk audit was successfully completed for the portfolio. The audit is TCFD aligned and provided insight to focus actions for individual assets.</p>
<div>  <div> Energy and water consumption and GHG emissions </div> </div>	<p>Renew all NABERS energy and water ratings prior to expiry of the current ratings.</p> <p>Source and implement building performance analytics and fault detection system where feasible, to enable more efficient optimisation of building performance.</p> <p>Undertake an energy and water improvement opportunity audits of each NABERS rated building in conjunction with the NABERS program.</p> <p>Undertake energy and water improvement opportunity audit of each industrial property.</p> <p>Undertake appropriate efficiency upgrades where favourable business cases are identified.</p>	<p>All NABERS energy and water ratings are set out on pages 9 and 11. In addition to energy and water ratings, waste and indoor environment data was also captured for the first time in several buildings.</p> <p>Five additional office buildings had building analytics and fault detection services added. These services became live during the reporting year and data is being actively used for fault detection and energy management. IAP is also trialling data driven maintenance on a number of these sites to improve the maintenance regime, and performance of plant.</p> <p>Audits are being undertaken as and when NABERS assessments are being done.</p> <p>The Envizi platform continues to record, manage and report on performance across energy, water and GHG. Additional work is being done to build a dashboard with live GHG and emission data.</p> <p>A capital lite LED lighting system was installed at 20 Rodborough Road, Frenchs Forest NSW with further opportunities being explored for the portfolio.</p>
<div>  <div> Waste generation and disposal </div> </div>	<p>Source and implement a reliable system for measuring base building waste across the office portfolio, to establish a waste performance benchmark.</p> <p>Implement environmentally friendly cleaning products within all IAP cleaning contracts by 31 December 2021.</p>	<p>The Better Buildings Operational Waste Guideline process is being undertaken across properties under operational control.</p> <p>Waste management processes based on the guideline are to be implemented across properties within the portfolio under operational control.</p> <p>NABERS waste ratings are being targeted and work has commenced to capture the relevant data.</p> <p>Environmentally green cleaning products have been mandated across all suppliers servicing the portfolio.</p>

02 — Social

Social

Whilst it has been another challenging year due to the ongoing impacts of the COVID-19 pandemic, IAP has remained committed to creating a meaningful social and economic impact to help sustain the communities it is a part of.

▷ Health, safety and well-being

Workplace safety

For FY22 there have been zero lost time accidents among IAP’s employees and no notifiable incidents across properties where IAP has operational control.

Health and well-being

Supporting the health and wellbeing of our employees is an important part of our success. To support employees coming out of the COVID-19 lockdown in the second half of 2021, employees received hospitality vouchers aimed at encouraging them to take some time out to support their wellbeing and those of their families.

- This is in addition to the existing wellbeing initiatives in place, including:
- two wellness days per calendar year for employees outside of standard annual leave
 - an annual wellness allowance per employee to contribute toward wellness expenses, such as a gym membership

IAP continually looks to enhance tenant amenities including by providing end of trip facilities.



▷ Community and social inclusion



Bush Heritage Australia

We have continued our partnership with Bush Heritage Australia, which is a not-for-profit conservation organisation. Bush Heritage Australia works to protect Australia’s landscapes and native species, including working closely with Aboriginal people across Australia to deliver positive environmental, social and economics outcomes. IAP’s contribution to Bush Heritage Australia is used help to revegetate land to create connected habitat corridors so that wildlife can more freely breed and thrive.

Bush Heritage Australia celebrated 30 years of conservation in 2021 and employees collectively donated money to the organisation which was matched by IAP.



Cystic Fibrosis Australia (CFA)

We support CFA by providing rent free accommodation at 2 Richardson Place, North Ryde NSW in Sydney for their national head office.

From this space CFA delivers a range of programs and services to individuals and families living with cystic fibrosis in Australia.

At the beginning of the COVID-19 pandemic, the Fund advised CFA that they would not be required to pay any occupancy costs under their lease until March 2022, which has been extended until further notice. This has enabled CFA to continue their important work without additional financial burden.

At Christmas IAP chose to donate money to CFA in lieu of giving corporate gifts to business partners. COVID-19 has continued to impact those living with this debilitating disease and this money will contribute to the important work CFA do in providing people living with cystic fibrosis the opportunity to lead full, productive and valuable lives.

Inclusion and diversity

IAP is committed to creating a diverse work environment in which everyone is treated fairly and with respect and where everyone feels responsible for the reputation and performance of the Fund. This commitment is driven from the top down with the Board setting the tone for ethical leadership. The management team play an important role in the translation of a strong ethical culture to employees and are committed to the ongoing development of culture and values providing a strong anchor for the business. The Board has set certain diversity targets which are set out in the diversity policy. IAP has exceeded these targets for FY22 in respect of gender diversity. The Board will continue to review the targets to ensure we are adhering to both industry practice and regulatory guidelines.

▷ Customer engagement and satisfaction

Customer insights survey

Surveys were distributed to 76 tenants representing 3,952 occupants across the Fund’s properties.

Generally, tenants across the portfolio are satisfied with their building amenities and results showed overall high tenant satisfaction with interaction between tenant and building management.

Overall there was a high satisfaction response to management of COVID-19 and tenants are also finding environmental considerations very important and are keen to receive updates on our environmental developments.

Respondents indicated the main reason they are witnessing a return to the workplace is for general work/focused work, and are unlikely to see a change in footprint in the next three years.



Social

Continued

Employee engagement and satisfaction

Employee engagement and satisfaction

Our business success has always been built on the quality of our people. We are proud of who we are, and we are equally proud of the people that choose to work with us. We are focused on continuing to foster an inclusive and collaborative culture for employees enabling them to deliver on our strategy.

To support our employees we implemented an employee assistance program (EAP) during the period. Employees have confidential access to coaches to assist with career development and/or counselling services.

An employee wellness survey was issued during the period. The survey addressed factors affecting employees such as the office environment, hybrid work environment and views on the EAP. 100% of employees responded to the survey and the average overall satisfaction rating was 85/100.

Employee training

In addition, the management team are focused on the continued training and development of employees to assist in their professional development.

During the period an employee training system was implemented and all employees have received training across a wide range of topics relevant to the business as a whole and also at an individual level in relation to specific roles.



Reporting on FY22 commitments

FY22 social focus	Actions for FY22	Outcomes
 Employee diversity and wellbeing	Achieve and maintain a diverse workforce.	IAP has exceeded the diversity targets as set out in our diversity policy.
 Workplace safety	Provide quality tenant amenities at every property. Achieve a “very satisfied” rating from all tenants on tenant satisfaction surveys. Zero lost time accidents among IAP’s employees. Zero notifiable incidents across the properties where IAP has operational control.	We continue to review EOT facilities for enhancement. 82% of tenants surveyed were satisfied or very satisfied. IAP maintained zero lost time accidents among IAP employees. There were zero notifiable incidents across the properties IAP has control of.
 Community engagement	IAP will donate two days of every employees time to selected community programs each year. Match employee selected charity donations up to an agreed limit. Provide financial support to selected charities each year.	Due to the ongoing challenges of the COVID-19 pandemic, employees have been unable to utilise their community days. It is hoped that these will be utilised in the coming year. IAP has maintained its financial contributions to selected charities and matched employee donations where made.

Overview

ESG framework

Environmental

Social

Governance

Glossary of terms

03 — Governance

Governance

The Fund is committed to acting honestly and with integrity in all its dealings and recognises the importance of having in place a strong corporate governance framework to ensure compliance with legal and other obligations to our stakeholders.



These policies can be found on the website at irongategroup.com.au

► Responsible and sustainable supply chain

Modern Slavery Policy

This policy sets out the Fund's approach to modern slavery. We recognise the importance of protecting and upholding human rights of all people, including our own staff and employees of our suppliers. The Fund is committed to the promotion of a corporate environment that sets the highest standards of ethical and professional behaviour and maintains transparency. The Board and management believe that commitment to this policy contributes to achieving our corporate objectives and embeds the importance and value of human rights within the culture of the Fund.

In addition to the adoption of the Modern Slavery Policy, IAP has rolled out a framework to support its commitment to promote a corporate environment that sets the highest standards for ethical and professional behaviour and maintains transparency. To assist, IAP has engaged with Informed365 who act as a facilitator to assist IAP in conducting due diligence on modern slavery risks in our supply chain and operations.

This work will assist IAP in lodging a Modern Slavery Statement with the Australian Border Force by the end of September 2022.

Supplier Code of Conduct

The Fund is committed to the highest standards of integrity and ethical behaviour. The Fund's policy is not merely to comply with the letter of the law or regulation, but rather to instil and maintain a true culture of compliance wherever it does business. The Fund expects that all suppliers and service providers will embrace the spirit of the Fund's commitment to integrity.

This code incorporates the standards of ethical conduct which form part of the core values of the Fund. Suppliers and service providers are required to adhere to this code, to remain mindful that their activities may have an influence on the Fund's reputation and relationship of trust with clients, employees and securityholders and agree to submit to the Fund's due diligence in this regard.

Screened 10 Tier 1 providers on ESG issues

Environmental, Social and Governance issues in the supply chain can pose a reputational risk and put purchasing and contracting strategies at risk. Irongate is in a strong position to influence the behaviour of our external property/asset managers and other external suppliers with regard to ESG issues. We take our obligations seriously and are able to provide support and guidance to suppliers to assist their ESG journey. We have surveyed 10 Tier 1 providers as an introduction and to provide guidance on the various programs and support networks, as well as gather information on their current programs and ESG strategies. The survey will help us understand our suppliers obligations including their participation in mandatory and voluntary reporting schemes and the way in which they manage their environmental impact. The information extends beyond environmental factors and seeks to gain information on health and well-being, policies and procedures and the monitoring of incidents.

The ability to better identify and manage potential risks across the trading partner ecosystem along with full supplier collaboration is a key concern for Irongate. Looking in the network, the ability to mitigate risks to related supply chain disruptions, has become critical in today's market. Brands themselves can suffer reputational damage due to both upstream and downstream issues which must be managed through an advanced ESG supply chain network. Given the ability to mitigate risk, ESG and sustainability enablement directly generates increased shareholder value along with providing benefits to all partners across the supply chain network.

Governance

Continued

Policies, ethics and values

ESG governance development

During the reporting period IAP formed an ESG management working group consisting of the sustainability manager, key employees across the business and the CEO. The working group structure is aligned to manage ESG risks and opportunities and to oversee the development of IAP’s ESG framework.

The taskforce meets continually throughout the year and report on a quarterly basis to both the Audit and Risk Committee and to the Board on all ESG matters.

Policies

As part of our continuing commitment to sustainability we have put in place an Environmental Policy to support our ESG framework. This is in addition to the newly adopted Modern Slavery Policy and Supplier Code of Conduct.

Environmental policy

This policy sets out the Fund’s approach to sustainability and the environment. The Fund recognises that it’s obligation to ensure that its properties, services and actions are designed to protect and enrich the environment while minimising the direct operational impact to the communities and the environment in which the Fund and the Fund operate. The Board and management believe that commitment to this policy contributes to achieving the Fund’s and the Fund’s corporate objectives and embeds the importance and value of sustainability within the culture of the Fund.

Independent certification and audit

The Fund was required to establish its own governance process beyond internalisation. Adopting ISO standards and achieving ISO certification enabled the Fund to embrace recognised processes and systems used by organisations internationally. Three key systems were identified for certification in FY22.

ISO 9001 Quality Management System

IAP has met the criteria required to obtain the internationally recognised standard for creating, implementing, and maintaining a Quality Management System. Being aligned with the ISO 9001 standard demonstrates our commitment and ability to consistently provide products and services that meet our customer and regulatory requirements.

ISO 14001 Environmental Management System

ISO 14001 has been attained as an environmental management system that IAP will use to enhance our environmental performance.

This will help us achieve the intended outcomes of our environmental management system, which provide value for the environment, our organisation and stakeholders. Consistent with the organisation’s environmental policy, the intended outcomes of an environmental management system include:

- enhancement of environmental performance
- fulfilment of compliance obligations
- achievement of environmental objectives

ISO 45001 Occupational Health and Safety System

IAP has always been committed to work health and safety within the business and across the portfolio of properties, including active maintenance, fit-out and construction projects. To demonstrate and enhance these commitments IAP embarked on achieving accreditation with the ISO 45001 standard. The accreditation puts a framework around occupational health and safety to assist with preventing work-related injury and ill health, as well as by proactively improving the occupational health and safety performance throughout.

TCFD aligned

This year we have conducted 30 environmental risk assessment as part of our alignment with the TCFD. Australia’s weather and climate are changing in response to global warming, and we have assessed the impact increased of temperature trends across the portfolio. Other key future impacts assessed include the increased intensity of heavy rainfall events, sea level rise and bushfire risks. Also, a broad range of current environmental risks have also been assessed identifying risks including biodiversity and habitat, earthquakes, indoor environment, resource security and regulatory risks.

Better information will allow us to incorporate climate-related risks and opportunities into our risk management, strategic planning and decision-making processes. By increasing our understanding of the financial implications of climate change, we will provide a more sustainable and resilient solution, and opportunities for our investors.

Alignment to ASX Guidelines

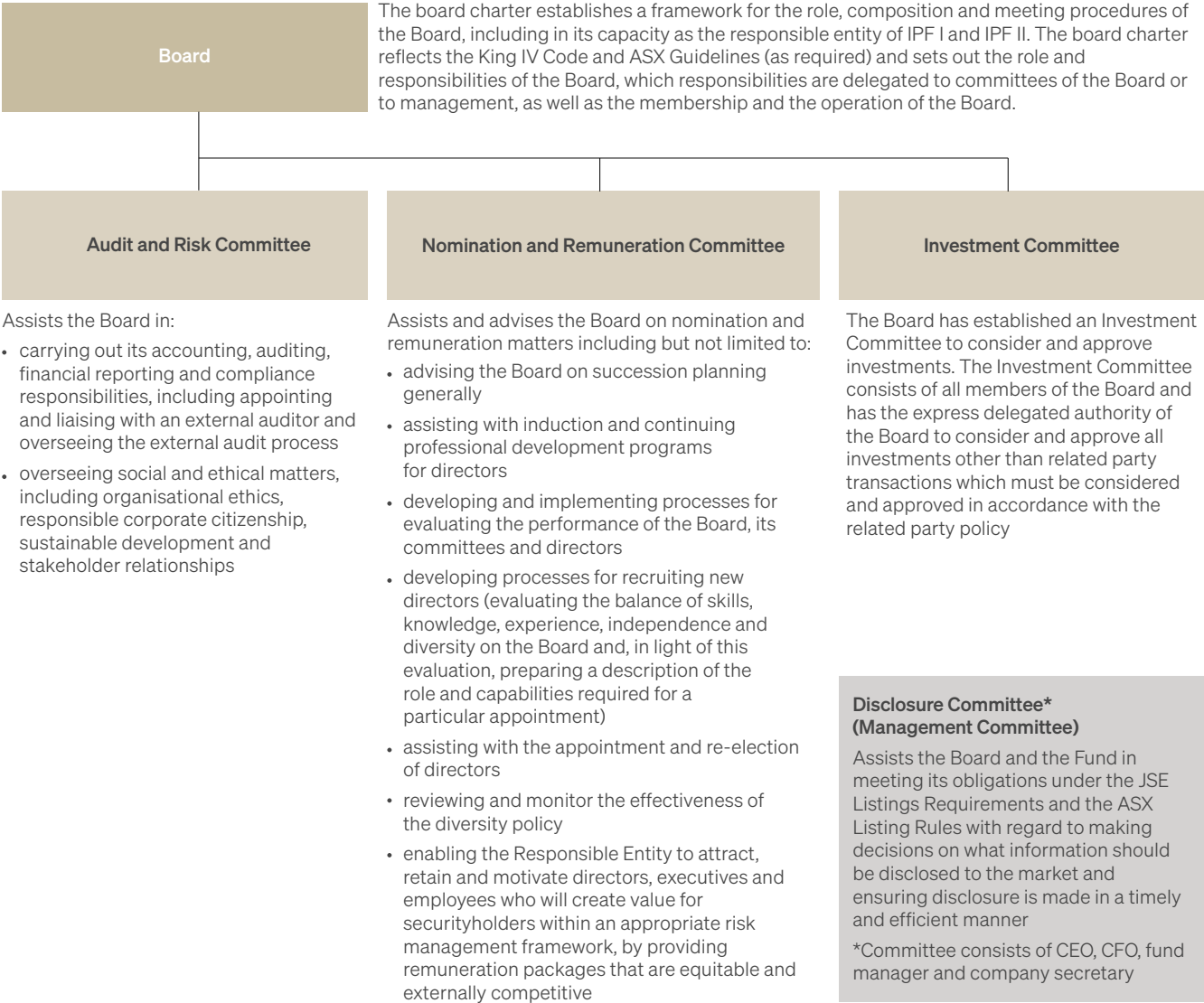
The Responsible Entity and the Fund comply with the ASX Guidelines as they apply to managed investment schemes. The ASX Guidelines encompass matters such as board composition, committees and compliance procedures and are designed to maximise corporate performance and accountability in the interests of investors and the broader economy.

Alignment to the JSE Listings Requirements and King IV Code requirements

The Responsible Entity and the Fund comply with the JSE Listings Requirements, which among other things require compliance with the King IV Code principles. The King IV Code principles outline the corporate governance guidelines that apply to all JSE-listed entities. The Responsible Entity is committed to the continued application and monitoring of the King IV Code principles and have applied these principles to the management of the Fund to the extent applicable.

The Fund’s compliance with the ASX Guidelines and King IV Code principles are set out in our corporate governance statement which is available on the website at irongategroup.com.au.

Corporate governance framework

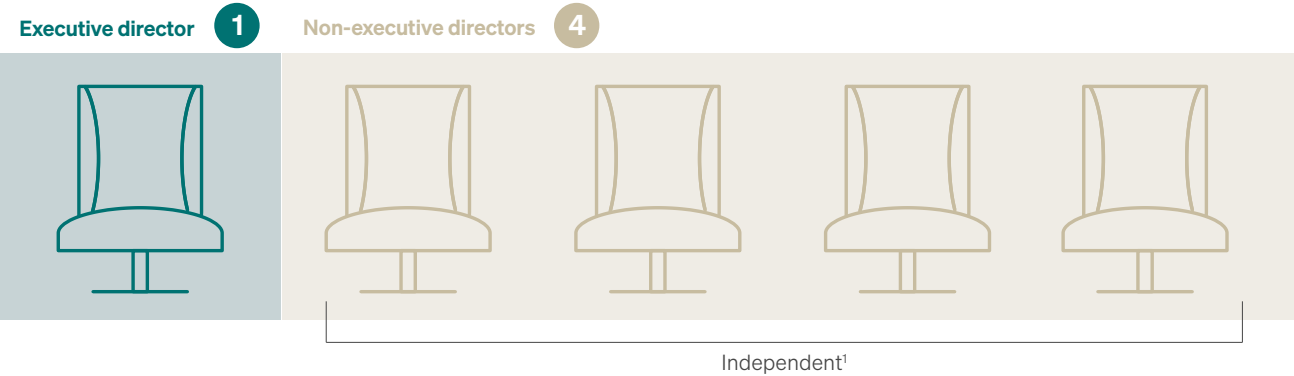


The charters for the Board, Audit and Risk Committee and Nomination and Remuneration Committee can be found on the website at irongategroup.com.au.

Governance

Continued

Board composition



The appointed non-executive directors, representing both South Africa and Australia, are experienced directors who have a broad range of skills including strategy, leadership and communications, and expertise covering property, funds management, investment banking, mergers and acquisitions, public policy, legal and compliance, all of which enable them to bring independent judgement to Board deliberations and decisions. The Board ensures that there is an appropriate balance of power and authority, such that no one individual or block of individuals can dominate the Board’s decision making.

Details on the experience and skills of the Board can be found in the Annual Report.

Board and committee memberships

As at 31 March 2022

	BOARD	AUDIT AND RISK COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	INVESTMENT COMMITTEE
Sally Herman	✓	✓	✓	✓
Graeme Katz	✓	✗	✗	✓
Stephen Koseff	✓	✓ ²	✓	✓
Georgina Lynch	✓	✓	✓	✓
Richard Longes	✓	✓ ³	✓	✓

1. Includes the chairperson of the Board.
 2. Appointed on 12 August 2021.
 3. Became an ex officio member on 12 August 2021.

Functionality

The information needs of the Board are reviewed annually and directors have unrestricted access to all information, records and documents to enable them to discharge their responsibilities sufficiently. Efficient and timely methods of informing and briefing directors prior to Board meetings has been developed and in this regard steps have been taken to identify and monitor key risk areas, key performance areas and non-financial aspects relevant to the Fund. In this context, the Board is afforded information in respect of key performance indicators, variance reports and industry trends.

Directors may convene a meeting of the Board whenever a director thinks fit. Board meetings are held at least quarterly with additional meetings convened when circumstances necessitate. The Board has established certain committees to assist in the discharge of its responsibilities (see page 21). External advisors, executive directors and senior management who are not members of specific committees attend committee meetings by invitation, if deemed appropriate by the relevant committees.

Senior management have a standing invitation to the Board and Audit and Risk Committee meetings.

The number of meetings held and directors’ attendance are detailed below:

	BOARD	AUDIT AND RISK COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE
Sally Herman	12/12	7/7	7/7
Graeme Katz	12/12	–	–
Stephen Koseff	12/12	4/4 ¹	7/7
Georgina Lynch	12/12	7/7	7/7
Richard Longes	12/12	3/3 ²	7/7

Company secretary

The Board is satisfied that the appointed company secretary, Lucy Spenceley, is a suitably competent and experienced company secretary and is appropriately empowered to fulfil her duties to assist the Board.

The company secretary is subject to an annual evaluation by the Board. Directors have access to the services and advice of the company secretary. The company secretary is not a director of the Responsible Entity and has an arm’s length relationship with the Board, who can also remove the company secretary from office.

Evaluation

The directors are committed to ensuring the Board is diverse and appropriately balanced in terms of independence, business experience, knowledge, skills and gender. A review of Board performance is carried out on an annual basis. This review takes take into account the operation and performance of the Board and its committees, and the effectiveness of Board communications. This review is undertaken by the chairperson and, if so determined by the Board, an independent service provider.

The annual performance review has been carried out and the Board were satisfied with the composition and effectiveness of the Board, the Chair and its committees. The chairperson was satisfied with the outcome of the review. The performance review of the chairperson was carried out by the lead independent director.

1. Appointed 12 August 2021.
 2. Became an ex officio member 12 August 2021.

Board tenure

The Board acknowledges that the length of director service on the Board needs to be continually assessed to ensure that a director’s independence from management and substantial holders has not been compromised. The interests of IAP and its securityholders are well served by having a mix of directors, some with a longer tenure with a deep understanding of the entity and its business and some with a shorter tenure with fresh ideas and perspective. The mere fact that a director has served on a board for a substantial period does not mean that the director has become too close to management or a substantial holder to be considered independent.

Nomination and remuneration

The Responsible Entity entered into a governance deed poll in favour of securityholders and, although not compulsory, have chosen to adopt certain additional measure in respect of corporate governance matters which afford securityholders certain rights, these include:

- ratification of the appointment of directors
- the Responsible Entity will accept nominations for the election of directors
- the ability of securityholders to lodge an advisory vote in respect of approval of the remuneration report
- the Responsible Entity will seek securityholder approval prior to increasing the aggregate fee pool for non-executive directors

These measures are designed to ensure the Board is held accountable by securityholders for oversight of the performance and strategic direction of IAP and enhance transparency in relation to the remuneration of directors and key management personnel.

The governance deed poll can be found on the website at irongategroup.com.au.

Governance

Continued

Remuneration

Please see the Remuneration Report contained in the Annual Report

Code of conduct

The code of conduct sets out the values, commitments, ethical standards, and policies of the Responsible Entity and outlines the standards of conduct expected of its business and people. The Board has endorsed the code of conduct. The Responsible Entity and the senior management team believe that their commitment to the code of conduct will assist in maintaining confidence of the Responsible Entity’s key stakeholders.

The code of conduct can be found on the website at irongategroup.com.au.

Policies

In keeping with the code of conduct the Responsible Entity ensures a high standard of governance through a comprehensive suite of policies. These are designed to improve the accountability of directors, key management and employees in all areas of the business.

The key governance policies are summarised below and can be found on the website at irongategroup.com.au.

Disclosure Policy

The Responsible Entity is required to comply with the continuous disclosure requirements of the JSE Listings Requirements, the ASX Listing Rules and the Corporations Act 2001. Subject to the exceptions contained in the JSE Listings Requirements and the ASX Listing Rules, the Responsible Entity will be required to disclose any information concerning the Fund which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the units.

The Responsible Entity is committed to observing the disclosure obligations under the JSE Listings Requirements, the ASX Listing Rules and the Corporations Act 2001. Information will be communicated to securityholders through the lodgement of all relevant financial and other information with the ASX and the JSE and continuous disclosure announcements will also be made available on the website at irongategroup.com.au.

The Responsible Entity aims to ensure that securityholders are kept informed of all major developments affecting the state of affairs of IAP. In addition to its continuous disclosure obligations, the Responsible Entity has adopted a marketing and communications policy. The Responsible Entity will communicate information regularly to securityholders through a range of forums and publications. If the Responsible Entity wishes to release information on the ASX it will ensure that such information is also released on the JSE, and vice versa.

All announcements made to the market, including half year and annual financial results, will be posted on the website at irongategroup.com.au as soon as they have been released by the Responsible Entity on the ASX and the JSE. The full text of all notices of meetings and explanatory material, annual reports and copies of all securityholder presentations made to analysts and media briefings will be posted on the website at irongategroup.com.au. The website also contains a facility for securityholders to direct queries to the Responsible Entity.

Diversity Policy

The Responsible Entity is committed to a workplace culture that builds respect, fosters inclusiveness, promotes diversity and embraces the unique skills of all staff and directors.

The Board has adopted a Diversity Policy which sets out the Responsible Entity’s commitment to diversity and inclusion in the workplace at all levels. The Diversity Policy provides a framework to achieve the Responsible Entity’s diversity goals and commitment to creating a diverse work environment where everyone is treated fairly and with respect.

The Nomination and Remuneration Committee continually review and monitor the effectiveness of the Diversity Policy and assess progress in maintaining diversity targets.

Related Party Policy

The Board has implemented a Related Party Policy which outlines how the Responsible Entity will approach transactions with related parties. Any related party transaction the Responsible Entity enters into must be approved by the independent non-executive directors. If it is determined that it is in the best interests of securityholders to enter into the related party transaction, the Responsible Entity will consider whether to obtain the approval of securityholders, in which case the Responsible Entity will follow the steps and processes set out in the related party policy. The Responsible Entity may also require or decide to obtain expert or professional advice in certain circumstances.

Conflicts of Interest Policy

Conflicts of interest may arise where the interests of IAP, or of its officers, management or agents, are inconsistent with or divergent from some or all of a securityholder’s interests. The Board has implemented a Conflicts of Interest Policy which aims to:

- identify any actual, perceived or potential conflicts of interest
- outline policies and procedures to assess and evaluate conflicts of interest
- establish processes and procedures to monitor and manage conflicts of interest

All transactions in which the Responsible Entity may have, or may be perceived to have, a conflict of interest will be conducted in accordance with the Conflicts of Interest Policy.

Capital Allocation Policy

The Responsible Entity has adopted a Capital Allocation Policy which aims to establish a clear framework for the allocation of investments between IPF I and other investments managed by IPF II from time to time. Where there is overlap between the mandates of IPF I and other mandates managed by IPF II, the opportunity will be shared between the relevant funds if suitable, otherwise a rotation system will apply.

Personal Account Dealing and Trading Policy

The Board has adopted a Personal Account Dealing and Trading Policy to regulate dealings in securities of the Fund. The Personal Account Dealing and Trading Policy explains the types of conduct which are prohibited under insider trading laws in Australia and South Africa, and establishes procedures for the buying and selling of securities which are intended to prevent individuals from entering into transactions that could be perceived to amount to market abuse, involve the misuse of inside or confidential information, or breach applicable laws and regulatory requirements.

Whistleblower Policy

As a matter of good corporate governance, and to enhance and create an ethical culture that will facilitate openness and disclosure of information relating to criminal or other irregular conduct at the workplace, the Responsible Entity has adopted a whistleblower policy. Under the Whistleblower Policy, eligible whistleblowers are able to disclose information about possible fraudulent, unethical, criminal, corrupt or other improper behaviour or workplace misconduct in total confidentiality and anonymity, without fear of retribution or prejudice.

Anti-Bribery and Corruption Policy

To ensure that the highest ethical standards of honesty and integrity are being met, the Responsible Entity has adopted an Anti-Bribery and Corruption Policy. The policy sets out the Responsible Entity’s minimum standards on giving or receiving gifts, benefits and entertainment and the Responsible Entity’s stance on anti-bribery. It seeks to ensure that gifts, benefits and entertainment of a value or frequency that would give rise to an actual or perceived conflict of interest are not received or offered, and to provide sufficient training in anti-bribery procedures.

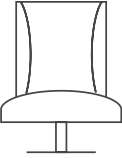

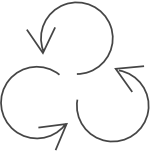
Investment Policy

The Responsible Entity has adopted an Investment Policy to ensure investment decision taken align with the investment strategy of the Fund. The strategy of the Fund is to invest in high quality commercial real estate assets (office, industrial and retail) that are well located in major metropolitan cities or established commercial precincts in Australia and New Zealand. IAP will also seek to grow its third party funds management platform over time, which may involve making third party assets and funds and making co-investments in relation to such third party assets and funds.

Unit Pricing Discretions Policy

The Unit Pricing Discretions Policy sets out how the Responsible Entity exercises its discretion relating to issue and redemption prices as conferred by the constitutions of IPF I and IPF II. The Responsible Entity opted into the application of ASIC Class Order CO 13/655 and the policy also complies with the relevant sections of the Corporations Act 2001.

Reporting on FY22 commitments

FY22 governance focus	Actions for FY22	Outcomes
<div>  <div>Board diversity</div> </div>	Maintain a diverse Board.	IAP has exceeded Board diversity targets as set out in our Diversity Policy.
	Develop and maintain a broad based ESG program which reflects IAP sustainability values.	See our sustainability framework on page 3.
	Continued commitment to cultivating a strong ethical culture.	The significant development of IAP's sustainability framework supports the Fund's commitment to a strong ethical culture across the organisation.
<div>  <div>Stakeholder engagement</div> </div>	Create a sustainability working group to oversee the sustainability program IAP has operational control.	ESG working group established which reports to the Audit and Risk Committee and the Board.
	Maintain ongoing Board and senior management engagement in IAP's ESG program.	ESG working group established which reports to the Audit and Risk Committee and the Board.
	Ensure continued application of our supplier code of conduct through responsible and sustainable practices.	Implemented a Supplier Code of Conduct which suppliers and service providers are required to adhere to.
<div>  <div>Supply chain sustainability</div> </div>	Investigate modern slavery risks and prepare IAP's first Modern Slavery Statement.	Voluntary Modern Slavery Statement made in 2021. We have also commenced modern slavery due diligence on third parties that engage with the Fund to identify and asses modern slavery risk. This work will assist us in preparing to lodge our first Modern Slavery Statement with the Australian Border Force by the end of September 2022.

Glossary of terms

A\$	means Australian dollars.
ASX	means ASX Limited and, where applicable, the Australian securities exchange operated by ASX Limited operated by ASX Limited.
ASX Guidelines	means the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, as amended from time to time.
ASX Listing Rules	means the listing rules of the ASX, and other rules of the ASX which are applicable to the Fund while the Fund is listed on the ASX, as amended from time to time.
Audit and Risk Committee	means the audit and risk committee of the Board.
Board	means the board of directors of the Responsible Entity.
BMS	means building management system.
CBD	means central business district.
CEO	means chief executive officer.
CFO	means chief financial officer.
ESG	means environmental, social and governance.
FUM	means funds under management.
FY	means the financial year ending 31 March in the relevant year.
GHG	means greenhouse gas.
GRESB	means Global Real Estate Sustainability Benchmark for ESG performance.
IAP or Fund	means Irongate Group, comprising IPF I and IPF II.
Investment Committee	means the investment committee of the Board.
IPF I	means Irongate Property Fund I (ARSN 162 067 736).
IPF II	means Irongate Property Fund II (ARSN 644 081 309).
JSE	means JSE Limited and, where applicable, the exchange operated by JSE Limited in accordance with its licence under the Financial Markets Act, No. 19 of 2012 of South Africa.
JSE Listings Requirements	means the listings requirements of the JSE, as amended from time to time.
King IV Code	means the King IV Report on Corporate Governance for South Africa 2016.
m²	means square metres.
NABERS	means national Australian built environment rating system.
NLA	means net lettable area.
Nomination and Remuneration Committee	means the nomination and remuneration committee of the Board.
Responsible Entity	means Irongate Funds Management Limited.
Scope 1	means GHG emissions directly from a site arising from the burning of fuels on site or discharge of gases from the site.
Scope 2	means indirect emissions arising from electricity purchased and consumed at properties under IAP's operational control (e.g. base building electricity consumed).
TCFD	means Task Force on Climate Related Disclosures.
WALE	means the average lease term remaining to expiry across the Fund's portfolio or a property or group of properties, weighted by gross property income.

IRONGATE

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