



Wingate Responsible Investment Policy

Introduction

Wingate believes that evaluating environmental, social and governance (**ESG**) factors leads to more informed and holistic investment decision making and better outcomes for our co-investors. We are committed to incorporating ESG considerations into our investment analysis and decision-making processes (Responsible Investment) and are a proud signatory to the Principles for Responsible Investment (**PRI**). This policy sets out the principles and commitments that direct our approach to Responsible Investment.

2. Scope

- 2.1 This policy applies to all new lending and investment activities of Wingate, including those of the funds that it manages (**Funds**).
- 2.2 It describes Wingate's approach to responsible investment, including its consideration of the risks and opportunities associated with ESG issues.
- 2.3 Investing in a sustainable way by assessing and integrating ESG risks into investment decision making forms a core part of Wingate's investment philosophy and is consistent with Wingate's fiduciary duty to act in the best interests of its co-investors.
- 2.4 In this policy, the term **Wingate** (or **we**, **us** or **our**) means Wingate Group Holdings Pty Ltd ACN 128 511 035 (**WGH**) and its wholly owned subsidiaries (as defined in the *Corporations Act 2001* (Cth)) that undertake Wingate's core business activities. It does not include ORDE Financial Pty Limited, Fifo Capital Australia Pty Ltd or Talaria Asset Management Pty Limited or their subsidiaries.

3. Roles and Responsibilities

- 3.1 The board of WGH (**Board**) is the owner of this policy and is ultimately responsible for ensuring that Wingate maintains a governance framework for the selection, management and monitoring of investments. The Board has delegated certain decision-making responsibilities, including responsible investment practices, to the investment committees or trustee boards of the Funds, as well as to Wingate’s credit committees.
- 3.2 Wingate’s originating business units are responsible for identifying, assessing and managing ESG-related risks throughout the investment process, as further described in this policy.
- 3.3 In most instances, investment decisions are approved by the applicable Fund trustee board or investment committee and credit decisions are approved by the credit committee of the relevant originating business unit, each of whom are responsible for considering ESG issues when deciding whether or not to invest or approve the credit aspects of an investment.
- 3.4 The Legal, Risk and Compliance (**LRC**) team is responsible for supporting the implementation applicable investment principles and other operational processes described in this policy.

4. Environmental, Social and Governance Guidelines

4.1 ESG Factors

The ESG factors that are most material to our investments will vary depending on asset class and investment strategy. The factors below are non-exhaustive and are intended to act as a guide to the relevant ESG factors that we consider.

Environmental considerations	Social considerations	Governance considerations
<ul style="list-style-type: none"> • Climate change risks • Energy consumption • Water and waste management • Building ratings and certifications • Land use • Renewable energy sources • Hazardous materials • Natural resource management 	<ul style="list-style-type: none"> • Workplace health and safety • Property usage • Community impact • Stakeholder and community engagement • Human rights, including modern slavery and supply chain risk • Cultural heritage 	<ul style="list-style-type: none"> • Board composition • Governance structures • Legal and regulatory compliance • Financial reporting and transparency • Credit and risk management • Remuneration structures and incentive plans

• Materials selection		
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4.2 Sustainability and Climate Change

We understand that climate change has the potential to materially impact our business and investments. Climate change and sustainability risks include:

- Physical risk: the direct impacts of climate change, such as damage to assets arising from extreme weather events or rising sea levels, supply chain disruptions and loss of resource availability and biodiversity
- Transition risk: the risks associated with policies, regulations and market changes that are necessary to transition to a low-carbon economy, such as carbon pricing mechanisms and emission standards that may impact fossil fuel-dependent businesses, and shifting investor preferences for low-carbon products and services

We aim to incorporate climate change and sustainability considerations into all investment decisions. We support the use of building rating schemes such as NABERS and encourage the application and use of ratings for investments where they are feasible.

Wingate supports the objectives of the Paris Agreement to limit global warming to well below 2°C above preindustrial averages, and to pursue efforts to limit warming to 1.5°C. We are therefore committed to minimising the environmental impact of our own operations, including through occupying premises with high NABERS ratings, managing and reducing waste and encouraging responsible business travel.

4.3 Human Rights and Modern Slavery

We have a zero-tolerance approach to modern slavery or human rights breaches and implement stringent due diligence processes on all investees to satisfy ourselves as to their integrity, conduct and operations. Our negative screening and due diligence processes (as detailed below) are one of the pillars by which Wingate ensures that it does not invest in any activities that may involve human rights or modern slavery concerns.

Wingate also publishes a voluntary Modern Slavery Statement to transparently disclose our approach to human rights in our business operations and investment process.

5. Responsible Investment philosophy

- 5.1 We believe that ESG factors have the ability to impact investment risk, returns and reputation. Wingate’s view is that developing an understanding of the risks and opportunities associated with material ESG issues will better inform investment decisions

and enable Wingate to deliver superior financial performance for its co-investors. We acknowledge that ESG issues have the potential to erode value over time and, therefore, managing the risks associated with ESG issues is important to generating sustainable, long-term financial returns.

5.2 Considering ESG risks and opportunities is also aligned with the Wingate's success, which is built upon our deep belief in and adherence to The Wingate Way – a way of operating and being that keeps the interests of our co-investors and business partners at the centre of all that we do.

6. Responsible Investment approach

6.1 Wingate integrates ESG considerations into decision-making throughout its investment process, both pre-investment and post-investment.

6.2 Wingate invests across a range of different asset classes and investment strategies. The manner and extent to which ESG issues influence investment decisions will vary depending on:

- the asset class;
- the likelihood of the issue occurring; and
- and the materiality of the issue on overall performance of the Fund and/or investment.

6.3 In practice, ESG risks which are expected to have the greatest impact on Fund and/or investment performance receive the most focus.

6.4 Negative screening

There are circumstances where it may be appropriate to consider investment exclusions, including:

- If the Board believes that certain investments may have a negative impact on Wingate's ability to meet its long-term return objectives;
- If the defined activities do not align with our responsible investment beliefs and those of our stakeholders, particularly where these investments also present significant financial or reputational risks;
- If the Board believes that certain investments may adversely impact Wingate's reputation; or
- If the Board believes that certain investments may contravene international treaties or conventions.

As at the date of this policy, the Board has decided to exclude investments and transactions in entities or assets in the following sectors:

Sector	Definition
Tobacco	production and manufacturing of tobacco products, including goods related to tobacco and electronic cigarettes
Armaments (including weapons)	revenue from or production of weaponry, including the retail of arms and defence equipment and the production and/or sale of ammunition and guns
Adult entertainment	adult entertainment production, venues and sale of pornography

We may in future exclude other products, business activities or companies from our investments where we consider it appropriate to do so.

Wingate may elect to apply a materiality threshold (for example, a maximum percentage of revenue from the prescribed sector) in determining whether an investment that is exposed to, but not directly engaged in, a prescribed sector is excluded.¹

An investment opportunity may be rejected on ESG grounds by the Board, an Investment Committee or a Credit Committee even if it does not fit within the above categories.

6.5 Due diligence

Wingate embeds consideration of material ESG factors in its credit and investment assessment processes, with a focus on risks that could negatively impact the performance of the investment and/or cause reputational damage to Wingate or its co-investors. This involves the following:

- Wingate engages an external provider to conduct background due diligence on all new potential borrowers (unless an exception applies). The purpose of the engagement is to identify any matters that may indicate that the entity's (or its sponsor's) business practices or prior conduct do not meet the standard expected of responsible businesses in the relevant industry, or Wingate's broader principles and values. If any material issues are identified, this may result in Wingate electing not to proceed with the investment.
- Members of the originating business unit at Wingate will directly engage with the borrower or investee entity during the due diligence process to obtain the information

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 or guns, a 0% threshold is applied.

necessary for Wingate to assess the maturity of the entity’s ESG practices and its exposure to ESG-related risks. This may include any or all of the following:

- targeted questions relating to specific ESG factors, such as carbon footprint, environmental risks, diversity and corporate governance practices;
- meeting with management teams to deepen Wingate’s understanding of management views and strategies with regards to both broader business and ESG-related issues;
- for property transactions, reviewing third party reports regarding matters such as contamination and cultural heritage; and
- engaging an independent expert to assess specific ESG-related risks.

This gives Wingate an early opportunity to raise any concerns that we may have about any material ESG risks that we observe. To the extent possible, we will propose potential courses of action or mitigants to address such risks. If we consider that the risks are likely to be irresolvable, this may result in Wingate electing not to proceed with the investment.

- For each investment, Wingate includes an ESG risk analysis in the Investment Overviews that are submitted to its credit committees and investment decisioning bodies. This includes both qualitative and quantitative data regarding the entity’s ESG practices and risk exposures. To the extent any material ESG issues are flagged, these will be discussed at the relevant meeting or forum before any credit or investment decision is made. The decisioning body will determine whether the ESG risks associated with a potential investment have been addressed or mitigated to an appropriate extent. If they have not been appropriately addressed or mitigated, Wingate will not pursue that investment opportunity.

6.6 Enhanced due diligence

In addition to the standard due diligence described above, Wingate will undertake enhanced due diligence on investments in entities or assets in the following sectors:

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

The originating business unit at Wingate will initially determine what additional due diligence is required. It is expected that, in most instances, third party experts will be engaged to assess and report on the relevant ESG risks and appropriate mitigation measures. These reports will be provided to the credit committee and investment decisioning bodies in conjunction with the Investment Overview and/or other relevant material, before any decision is made. The decisioning bodies may request further due diligence. If any material issues are identified that cannot be appropriately addressed, this may result in Wingate electing not to proceed with the investment.

7. Stewardship through engagement and ongoing monitoring

Wingate acknowledges that good and effective stewardship of investments is an important aspect of achieving its obligation to act in the best interests of its co-investors. Our approach to stewardship is two-fold: regular engagement with the entities in which we invest, and ongoing monitoring of our investments.

7.1 Engagement

Wingate takes proactive steps to ensure that the entities in which we invest (including through the provision of loan facilities) take appropriate actions to address ESG risks or concerns.

In the documentation phase, we embed covenants and undertakings regarding ESG matters in the documentation for all our investments. These may include commitments and obligations regarding contamination and environmental law compliance, or information undertakings to report to Wingate on material ESG matters, including matters that may affect the investee entity's or Wingate's reputation. To the extent any specific ESG risks are

identified in the due diligence phase, these may be the subject of bespoke undertakings and reporting requirements.

Post-investment, Wingate's business units maintain a regular dialogue with the management teams of all borrower and investee entities. A focus of this engagement is to highlight and discuss any real, perceived or potential issues affecting the investment, including those relating to ESG. Where new ESG issues are identified, Wingate will work with the management team to identify potential courses of action or mitigants to address such risks.

In instances where Wingate considers engagement to be unsuccessful or unsatisfactory, it may elect to exercise its rights under the investment documentation. For debt investments, this may include restricting further drawdowns, reviewing the facility pricing or deciding to accelerate the debt or otherwise dispose of the investment, if we consider that this is in the best interests of Wingate and its co-investors.

7.2 Ongoing monitoring

We monitor whether our borrowers and investees have been involved in any negative ESG incidents through active media monitoring. We also monitor the ESG performance of our investments using information provided directly by investees, including through ongoing reporting requirements embedded in the investment documentation. In cases where specific ESG risks or issues points were identified during the due diligence phase, the originating business unit monitors the implementation of the required improvements.

In some scenarios, Wingate may have the opportunity to obtain enhanced visibility over an entity's ESG compliance and risk profile through the appointment of observers to the entity's board and/or attendance at project control group meetings.

8. Training

Wingate implements a comprehensive training and development program for all staff members, which includes compulsory modules on ESG. Targeted training may also be provided to employees who are actively involved in originating, assessing and/or approving potential investments. Members of all business units are encouraged to attend external seminars and conferences to ensure that they remain abreast of developments and changes to best practice in all areas affecting Wingate, including ESG.

9. Collaboration

9.1 Wingate seeks to advance consistent and thoughtful responsible investment processes through collaborating with like-minded investors, peers and industry organisations. The focus

of this collaboration is to:

- share and gain insights into responsible investment best practices;
- jointly develop solutions to responsible investment challenges; and
- send consistent messaging to borrowers and other investees regarding the importance of ESG risk mitigation.

9.2 Wingate is a signatory to the PRI, as well as other industry bodies which provide guidance and opportunities for collaboration on ESG matters, including 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).

9.3 From time to time, Wingate may participate in activities that could be considered as indirect political engagement, such as providing feedback on proposed regulatory changes or publicly endorsing policymaker statements regarding ESG-related issues. Any such participation is carefully considered and is not intended to favour any political party or ideology. Wingate does not, and will not, involve itself in any political engagement that is inconsistent to its commitment to responsible investment, or that would impede progress on ESG-related issues.

10. Disclosure and Reporting

10.1 When required:

- Wingate will report on its responsible investment activities by using the PRI's Reporting Framework; and
- Wingate's publicly reported data will be made available on the PRI website.

10.2 The Board retains oversight over the responsible investment activities of Wingate through regular reporting prepared by the business units and LRC team.

11. Conflicts of Interest

Ethics and integrity are at the centre of our core values and culture. Our approach to avoiding, identifying and managing conflicts of interests is outlined in the Wingate Conflicts, Gifts, Benefits & Hospital Policy.

12. Review

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

Policy Information

Document Owner: Legal, Risk and Compliance Team

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