



LEA 02	Discipline: Mandatory	Principle: PRI 1, 2, 3
<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency on climate change</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>	<p><b>Type of engagement</b></p> <p>Individual/internal staff engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency on climate change</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>
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# RI TRANSPARENCY REPORT

## 2017

### ISPT Super Property

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2017 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	n/a							✓
OO End	Module confirmation page	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04		✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13	Long term investment risks and opportunity	✓	Private	✓						
SG 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 17	Innovative features of approach to RI	✓	Private							✓
SG End	Module confirmation page	✓	-							

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments	✓	Private							✓
PR 02	Breakdown of assets by management	✓	Private							✓
PR 03	Largest property types	✓	Private							✓
PR 04	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 05	Fund placement documents and RI	✓	Public	✓			✓		✓	
PR 06	Formal commitments to RI	✓	Private				✓			
PR 07	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 08	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 09	ESG issues impact in selection process	✓	Public	✓						
PR 10	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 11	ESG issues in post-investment activities	✓	Public		✓					
PR 12	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 13	Certification schemes, ratings and benchmarks	✓	Private		✓					
PR 14	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 15	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 16	Proportion of green leases or MOUs referencing ESG issues	✓	Private		✓					
PR 17	Proportion of assets engaged with on community issues	✓	Private		✓					
PR 18	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 19	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR 20	Disclosure of ESG information to public and clients/beneficiaries	✓	Public						✓	
PR End	Module confirmation page	✓	-							

# ISPT Super Property

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 01.2

Additional information. [Optional]

ISPT has mandate agreements to acquire and 'manage' assets on behalf of existing major investors. Several Assets were acquired in the reporting year bringing total assets under management of \$12,134M including:

- 206 Bourke Street, Melbourne VIC - 100% holding
- World Square Shopping Centre, Sydney NSW - 50% holding
- Scoresby Industry Park, Scoresby VIC - 100% holding
- 117-119 Princes Highway, Sylvania NSW (to enable the expansion of the nearby Southgate Shopping Centre) - 100% holding
- 4 Eastern Seaboard Neighbourhood Shopping Centres = 100% holding

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Australia

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

1

2-5

6-10

>10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE
-----

109.75

OO 02.4	Additional information. [Optional]
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Headcount of 116 staff.

OO 03	Mandatory	Public	Descriptive	General
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OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.
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- Yes
- No

OO 04	Mandatory	Public	Gateway/Peering	General
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OO 04.1	Indicate the year end date for your reporting year.
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30/06/2016

OO 04.2	Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.
---------	---

	trillions	billions	millions	thousands	hundreds
Total AUM		12	134	000	000
Currency	AUD				
Assets in USD		9	043	470	873

OO 06	Mandatory	Public	Descriptive	General
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

OO 06.1	How you would like to disclose your asset class mix.
---------	--

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0



Private equity	0	0
Property	100	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

**OO 06.2**

Publish our asset class mix as per attached image [Optional].

### Gateway asset class implementation indicators

**OO 11**

**Mandatory**

**Public**

**Gateway**

**General**

**OO 11.1**

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Property

None of the above

# ISPT Super Property

## Reported Information

### Public version

### Strategy and Governance

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Other, specify (1) Acquisitions/ Property Investment Management Policy <input checked="" type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM
<div style="background-color: #0070C0; color: white; padding: 5px;">other (2) description</div> Workplace Health & Safety Policy	

SG 01.4

Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)

	other (1) description
--	-----------------------

ASX Principles of Corporate Governance

- Other, specify (2)
- Other, specify (3)
- None of the above

No

<b>SG 01.6</b>	Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]
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ISPT is an active participant in the Australian property industry. Staff are encouraged to become advocates for best practice in asset management and sustainability. Environmental, social and corporate governance issues are central to ISPT's investment decision-making approach.

ISPT's ethical investment standards such as human rights, health and safety, local communities, and brand and reputation management are important to the way we do business. This ensures ISPT investments are not detrimental to our property and/or the surrounding properties and communities. The transparent nature of our relationship with shareholders and investors acts to ensure ISPT's social conscience is of the highest standard.

In application, ISPT's social considerations include, but are not limited to, the following:

- Working conditions of the janitorial/cleaning staff of the properties we own and manage;
- The Key Performance indicators of the contracts between ISPT and the externally appointed property managers ensures ISPT's environmental and social values are passed through to these organisations;
- On a corporate level, our aim to be an employer of choice providing a challenging, professional and family friendly working environment by actively promoting a health work-life balance.

Our social conscience is further demonstrated through our 'Community Program'. Each year, members of the ISPT Board and staff are encouraged to nominate worthy organisations to receive donations to assist in their efforts to improve the social conditions of disadvantaged groups of people either within Australia, or abroad.

Although ISPT is not legally required to comply with the best practice recommendations of the Australian Stock Exchange (ASX) Corporate Governance Council (neither it, nor the Trusts it manages are listed on the ASX), ISPT still complies with their recommendations (to the extent applicable to our business) in terms of governance, reporting, transparency, and accountability for our investors, in order to maintain best practice.

<b>SG 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 02.1</b>	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

	URL/Attachment
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- URL

URL

<http://ispt.net.au/about-ispt/sustainability/>

- Attachment (will be made public)
- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

<http://ispt.net.au/wp-content/uploads/ESG-Beyond-Financial-Performance.pdf?v=b>

- Attachment (will be made public)
- Formalised guidelines on social factors

URL/Attachment

- URL

URL

<http://ispt.net.au/people/our-culture/>

- Attachment (will be made public)
- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

<http://ispt.net.au/about-ispt/governance/>

- Attachment (will be made public)
- Asset class-specific RI guidelines
- Other, specify (1)

Other, specify (1) description

Community Support Program

URL/Attachment

URL

URL

<http://ispt.net.au/your-ispt/the-community/>

Attachment (will be made public)

Other, specify (2)

Other, specify (2) description

Annual Review for FY 2016

URL/Attachment

URL

URL

[http://ispt.net.au/pdf/Annual\\_Review\\_2016/](http://ispt.net.au/pdf/Annual_Review_2016/)

Attachment (will be made public)

We do not publicly disclose our investment policy documents

**SG 02.4** Additional information [Optional].

The majority of our policy and guidance documents are commercially sensitive and are not appropriate for circulation to the general public. Our policies are reviewed annually by board sub-committees and are available to investors upon request. Where appropriate, guidelines and process documents are made available to external service providers.

During this reporting period, a dedicated Responsible Investment Policy was drafted and approved by the Board in August 2016, outside the reporting period. Elements of this were present as core principles informing our existing policies, and are publicly accessible through our Annual Review and ESG Brochure (attached in the previous question).

<b>SG 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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**SG 03.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**SG 03.2**

Describe your policy on managing potential conflicts of interest in the investment process.

ISPT has a dedicated Conflict of Interest Policy which sets out our approach to managing situations where certain Parties within the organisation encounters either an ethical or material conflict between their own personal or private interests, and their duties to act in the interests of ISPT. The policy covers all ISPT Directors, Employees (including key investment staff) and Independent Contractors, who are required to confidentially disclose their personal or private interests on an annual basis.

The ISPT Board has governance processes in place to address any conflicts of interest in the voting process. Potential Conflicts of Interest are presided over by the Compliance Conflict Committee - a Committee of the Board. These processes ensure appropriate delegation levels for approvals while enforcing a level of functional separation between certain business activities.

No

**Objectives and strategies****SG 05****Mandatory****Public****Gateway/Core Assessed****General****SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not reviewed

**SG 05.2**

Additional information. [Optional]

This applies to the ISPT Core Fund, IRAPT and 50 Lonsdale Street Property Trust

**Governance and human resources****SG 07****Mandatory****Public****Core Assessed****General****SG 07.1**

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

## Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
  - Fund Managers & General Managers**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Portfolio managers
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Investment analysts
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Dedicated responsible investment staff
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - External managers or service providers
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Investor relations
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)

### SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

The ISPT Board has overall responsibility for RI oversight/accountability execution and may delegate authority to committees which support the board, committees are detailed below:

- Audit and Compliance Committee



- Environment, Safety and Operational Risk Committee
- People and Culture Committee
- Nominations Committee
- Conflict Compliance Committee

The CEO, along with the Fund Managers and General Managers then have the responsibility to oversee the implementation of the RI principles set by the Board in their strategies for ISPT as a business, and our respective funds. Portfolio (property investment) and development managers have the responsibility of ensuring that RI is implemented from an operational perspective.

**SG 07.3** | Indicate the number of dedicated responsible investment staff your organisation has.

Number

4

**SG 07.4** | Additional information. [Optional]

Whilst there is a dedicated Risk & Compliance Manager and a General Manager for Sustainability & Technical Services, all staff at ISPT incorporate aspects of responsible investment into their work and responsibilities.

## Promoting responsible investment

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 09.1** | Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

ISPT has been a signatory to the UNPRI since 2010.

- AFIC – La Commission ESG
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify  
**Green Building Council of Australia**

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced
- Other collaborative organisation/initiative, specify  
**Property Council of Australia; Australian Property Institute; Shopping Centre Council of Australia**

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced
- Other collaborative organisation/initiative, specify  
**Australian Institute of Superannuation Trustees**

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

ISPT actively partakes in AIST discussions regarding matters of governance and operational due diligence.

Other collaborative organisation/initiative, specify

Urban Development Institute of Australia; Large Format Retailers Association

Your organisation's role in the initiative during the reporting year (see definitions)

Basic

Moderate

Advanced

SG 10

Mandatory

Public

Core Assessed

PRI 4

SG 10.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

No

SG 10.3

Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

ISPT actively engages our key services providers to drive continuous improvement and promote responsible investment. Regular reporting is provided to investors across a range of business metrics related to our investments.

## Implementation not in other modules

SG 12

Mandatory

Public

Descriptive

PRI 1

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 12.1

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

We execute scenario analysis which includes factors representing the investment impacts of future environmental trends

We execute scenario analysis which includes factors representing the investment impacts of future social trends

We execute scenario analysis which includes factors representing the investment impacts of future governance trends

We execute other scenario analysis, specify

We do not execute such scenario analysis and/or modelling

**SG 12.2**

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

- We do the following
  - Allocation between asset classes
  - Determining fixed income duration
  - Allocation of assets between geographic markets
  - Sector weightings
  - Other, specify
- We do not consider ESG issues in strategic asset allocation

**SG 12.3**

Additional information. [OPTIONAL]

ISPT's Sustainability Strategy includes KPIs for achieving minimum sustainability ratings across sectors.

Assets with poor investment fundamentals including ESG are divested or upgraded accordingly. The ISPT Core Fund in particular has a strategy of investing in either Premium or A-grade assets only, and is in the process of divesting any assets of lower grades.

ESG factors are incorporated into investment decisions for acquisitions and divestment decisions for existing assets.

# ISPT Super Property

## Reported Information

### Public version

#### Direct - Property

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## Overview

PR 04	Mandatory	Public	Core Assessed	PRI 1-6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

**PR 04.1** Indicate if your organisation has a Responsible Property Investment (RPI) policy.

Yes

**PR 04.2** Provide a URL or attach the document

URL

<http://ispt.net.au/about-ispt/governance/>

Attach Document

No

**PR 04.3** Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy.

During this reporting period, ISPT's upgraded Responsible Investment policy was being drafted (it was released August 2016). However, the core principles of responsible investment were still embedded throughout our existing policies (such as Property Investment Management and Environmental Sustainability Policy (which has since been included in our new Responsible Investment Policy - post-FY2016 reporting period).

The principles of Responsible Investment are embedded throughout the business in the following ways:

- Policy and guidelines on sustainability - which addresses management and efficient use of the natural resources that support business activities, social responsibility around community relations, procurement and labour standards;
- Policy and process on workplace health and safety - ensuring the welfare, health and safety of building occupants and customers using our properties;
- Policy on Acquisitions and Investment Management;
- Decision making processes on asset classes, assets and tenants;
- Policy and process on procurement - ensuring value for money, quality service and fair contracting ethics.

The principles of responsible investment are also embedded in ISPT's Property Investment Management Policy which is commercially sensitive and not released to parties other than investors.

## Fundraising of property funds

PR 05	Mandatory	Public	Core Assessed	PRI 1,4,6
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**PR 05.1** Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

Yes

**PR 05.2**

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

**PR 05.3**

Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]

There are no specific references to responsible investment within information memorandum and other documents. However any investor requests for placement of funds are aligned with the principles of responsible investing - reflecting investor expectations.

Funding notices sent out by the Core Fund in FY2016 to raise capital for acquisitions and projects in FY2017 have a specific note on responsible investing, assuring investors that the Core Fund will 'continue to invest responsibly' and uphold ISPT principles by community, sustainability and efficiency initiatives in partnership with tenants and local communities affected by our assets.

- No
- Not applicable as our organisation does not fundraise

### Pre-investment (selection)

**PR 07**

**Mandatory**

**Public**

**Gateway/Core Assessed**

**PRI 1**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**PR 07.1**

Indicate if your organisation typically incorporates ESG issues when selecting property investments.

- Yes

**PR 07.2**

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.

ISPT integrate environmental, social and corporate governance (ESG) considerations into investment management processes and ownership practices in the belief that these factors can have a positive impact on financial performance.

- No

**PR 07.3**

Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process, and list up to three examples per issue.

#### **ESG issues**

- Environmental



List up to three typical examples per E, S and G issue

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply
- Flooding
- GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other

Description [OPTIONAL]

Reduction of carbon emissions resulting from the energy consumption in our managed properties through the selection of energy efficient plant and equipment and renewable energy is carefully considered during the acquisition process for new assets.

List up to three typical examples per E, S and G issue

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply
- Flooding
- GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other

Description [OPTIONAL]

As part of the Due Diligence (DD) process undertaken by our Transactions Team and their consultants (internal and external) for the acquisition of new assets, soil (and other) tests are performed on site land to determine any contamination. The prospective asset is rejected if evidence of contamination is found.

List up to three typical examples per E, S and G issue

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply
- Flooding
- GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other

Description [OPTIONAL]

The DD process also takes into account the proximity of the asset from public transportation nodes, from the view that this will add substantial value to the asset in terms of 'green transportation' and tenant convenience.

- Social

List up to three typical examples per E, S and G issue

- Building safety and materials
- Health, safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Description [OPTIONAL]

The ISPT Core Fund in particular strategically invests only in Prime and A-grade office assets, in part to provide prospective occupiers with the best possible accommodation throughout their tenancies.

List up to three typical examples per E, S and G issue

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Description [OPTIONAL]

Working conditions in all ISPT Operational Properties are subject to stringent health and safety conditions – this is reflected in the Physical and Environmental aspect of the pre-acquisition due diligence process, whereby a prospective investment must have the ability to comply with these standards.

List up to three typical examples per E, S and G issue

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Description [OPTIONAL]

ISPT ensures that all buildings incorporate accessible features for building users, tenants, visitors and/or customers with impairments or physical disabilities.

- Governance

List up to three typical examples per E, S and G issue

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Description [OPTIONAL]

ISPT has documented policies and processes to manage delegations within the business, as well as a dedicated Risk & Compliance Manager with oversight over corporate risk management and adherence with controls compliance (such as GS007 etc.).

List up to three typical examples per E, S and G issue

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Description [OPTIONAL]

ISPT has a Conflicts of Interest Policy in place to identify any potential personal or ethical conflicts of interests held by any member of staff – including directors and chief-level staff. The Conflicts Governance Committee, a sub-committee of the Board also exists to enforce this policy should a conflict become evident.

List up to three typical examples per E, S and G issue

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Description [OPTIONAL]

The ISPT Board is composed of members who are direct representatives of our Investors. They are also comprise Sub-Committees dedicated to matters such People and Culture, ESG, Audit & Compliance, and the Environment, Safety and Operational Risk Committee.

PR 09

Mandatory

Public

Core Assessed

PRI 1

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

PR 09.1

Indicate if ESG issues impacted your property investment selection process during the reporting year.

- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

PR 09.2

Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

PR 09.3	Additional information.
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Property acquisitions processes identify ESG issues of potential investments and vendor disclosures during due diligence are frequently incorporated as validated records in conditions of purchase.

Furthermore, ISPT's Investment process requires our Capital Transactions Team and their Due Diligence Committee to carefully consider the ESG information as selected above as part of their overall due diligence process associated with purchasing a new asset for investment. This information is then factored into the decision to purchase the potential asset.

## Selection, appointment and monitoring third-party property managers

PR 10	Mandatory	Public	Core Assessed	PRI 4
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

PR 10.1	Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.
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Yes

PR 10.2	Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.
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Selection process of property managers incorporated ESG issues

	Types of actions
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- Request explanation of how ESG is effectively integrated, including inquiries about governance and processes
- Request track records and examples of how the manager implements ESG in their asset and property management
- Discuss property level out-performance opportunities through greater integration of ESG criteria
- Request explanation of engaging stakeholders on ESG issues
- Other, explain

	Coverage
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- 75-100%
- 50-75%
- 25 – 50%
- 0 – 25%

Contractual requirements when appointing property managers includes ESG issues

#### Types of actions

- Include clear and detailed expectations for incorporating ESG
- Require dedicated ESG procedures in all relevant asset and property management phases
- Clear ESG reporting requirements
- Clear ESG performance targets
- Other, explain

#### Coverage

- 75-100%
  - 50-75%
  - 25 – 50%
  - 0 – 25%
- Monitoring of property managers covers ESG responsibilities and implementation

#### Types of actions

- Performance against quantitative and material environmental / resource targets over specified timeframe.
- Performance against quantitative and material environmental / resource targets against relevant benchmarks
- Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment,
- Other, explain

#### Coverage

- 75-100%
  - 50-75%
  - 25 – 50%
  - 0 – 25%
- No

#### PR 10.3

Provide a brief description of your organisations selection, appointment and monitoring of third party property managers and how they contribute to the management of ESG issues for your property investments.

ISPT's Sustainability and Technical Services team regularly hold planning sessions and instructions to assist property managers in fulfilling their obligations in alignment with ISPT's ESG requirements.

Aside from requiring property managers to comply with any written procedures imposed by ISPT within our Property Management Agreements (PMAs), each agreement also includes general statements on ESG embedded within the legal terms and conditions set out within the directives for the property management companies (PMCs) we engage to manage our assets.

These general terms embedded within the aforementioned agreements require our property managers to comply with legislation including (but not limited to):

- The National Greenhouse and Energy Reporting (NGER) Act 2007 (Commonwealth)
- National health, safety and environment legislation, regulations and codes of conduct applicable to WHS and environment protection, dangerous goods, building safety and electrical safety; and
- The Workplace Gender Equality Act 2012

PMCs acting on our behalf are also required to uphold various international standards such as:

- BS8903:2010 "Principles and framework for procuring sustainably";
- ISO14000/ISO14001 Environmental Management Standards;
- ISO9002 Quality Assurance; and
- AS/NZS4801 Occupational Health and Safety

With regards to environmental protection, the PMC must acknowledge that ISPT, as a member of the Green Building Council of Australia in addition to being a signatory to the UNPRI and GRESB, is firmly committed to reducing the adverse impact the asset has on the environment - including actively reducing the level of greenhouse gas emissions produced by its use and occupation. The PMC is therefore required to take all reasonable steps to minimise any adverse impacts arising from the performance of their services and other obligations.

Furthermore, in alignment with ISPT's environmental objectives, PMCs are required to implement sustainability programmes to deliver ISPT's required outcomes, including ratings:

- PMCs must operate all aspects of the property to the highest possible NABERS rating (Energy, Water, and Waste) in accordance with approved Business Plans and ISPT Guidelines. In doing so, they must: Keep auditable records
- Draw up a sustainability plan for the asset to be incorporated within Asset Strategy Plans, as well as review its delivery;
- Provide regular reports on environmental performance and provide data for compliance-related obligations (eg NGER reporting);
- Perform annual audits and certifications
- Action plans for achieving and maintaining maximum environmental operational efficiency.
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## Post-investment (monitoring and active ownership)

### Overview

PR 11	Mandatory	Public	Gateway	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

PR 11.1	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.
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Yes



**PR 11.2** Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and major renovations.
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

Environmental Management Plan meetings plus joint initiatives with tenants, property managers and where appropriate, contractors on a regular basis.

**PR 11.3** Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.

ISPT engages tenants by holding Environmental Management Plan meetings with tenants, property managers and where appropriate, contractors on a regular basis. These meetings discuss key information on the environmental performance of the property including, but not limited to, sustainability ratings (Green Star and NABERS Energy, Water and IE Ratings) as well as information on potential/current pilot programs. We have joint initiatives with many tenants to reduce the total foot print on the environment.

Moreover, key service providers, including the outsourced property management model, have Key Performance Indicators included in their contracts outlining the ESG metrics. ISPT also has procurement guidelines in place to ensure ethical process are adopted in the tender, selection, and management of contractors working on our assets.

No

**Property monitoring and management**

<b>PR 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2,3</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**PR 12.1** Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

**PR 12.2** Indicate which ESG targets your organisation and/or property managers typically set and monitor

- Environmental

Target/KPI	Progress Achieved
Energy consumption Waste management Water consumption	Since 2006, initiatives ISPT have implemented has reduced electricity and gas consumption by approx. 73,600 tonnes (as at 30 June 2016) We actively track and monitor the diversion of waste from landfill. ISPT sustainability initiatives have also led to a reduction in the consumption of drinking water by 1,370 mega litres.

Social

Target/KPI	Progress Achieved
Workplace Health & Safety Tenant engagement Community partnerships	ISPT has a WHS framework in place overseen by our Environment, Safety and Risk Committee ISPT holds regular Environmental Management Plan meetings with tenants on a regular basis. ISPT is involved in a number of community partnerships with staff actively involved in charitable initiatives such as SecondBite, Green Collect and Fitted for Work

Governance

Target/KPI	Progress Achieved
Portfolio and corporate level overview of property management activities Property management company systems and processes e.g. risk management, contractor management Internal audit programs	Key service providers, including the outsourced property management model, have Key Performance Indicators included in their contracts outlining the ESG metrics. Procurement guidelines are in place to ensure ethical processes are adopted in the tender, selection and management of contractors ISPT annually engages auditors (BDO) to undertake internal audits of our financial, risk management, IT, and transactions controls. Their findings are reported through GS007 reports

We do not set and/or monitor against targets

<b>PR 12.3</b>	Additional information. [Optional]
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**Further details on our procurement policy:**

ISPT's Procurement Policy has clear objectives in relation to securing business partners with ethical and practical procurement processes, and environmental, WHS and social processes. We will only select business partners that meet these requirements and who demonstrably share our values. Our Board and/or senior Management consider the appointment of all key service providers and acceptance of any new investors and apply these procurement principles in any decision.

**Property developments and major renovations**

<b>PR 14</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>PR 14.1</b>	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.
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- >90% of active developments and major renovations
- 51-90% of active developments and major renovations
- 10-50% of active developments and major renovations
- <10% of active developments and major renovations
- N/A, no developments and major renovations of property assets are active

(by number of active property developments and refurbishments)

<b>PR 14.2</b>	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.
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- Environmental site selection requirements
- Environmental site development requirements
- Sustainable construction materials
- Water efficiency requirements
- Energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Construction contractors comply with sustainability guidelines
- Resilient building design and orientation
- Other, specify

## Occupier engagement

<b>PR 15</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>PR 15.1</b>	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
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- >90% of occupiers
- 51-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

<b>PR 15.2</b>	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
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- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Offer green leases
- Other, specify

<b>PR 15.3</b>	Additional information. [Optional]
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ISPT engages with building occupants by regularly holding Environmental Management Plan meetings with tenants.

## Communication

<b>PR 20</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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<b>PR 20.1</b>	Indicate if your organisation proactively discloses ESG information on your property investments.
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- Disclose publicly

	provide URL
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<http://ispt.net.au/about-ispt/our-properties/>

<b>PR 20.2</b>	Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.
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- Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- Other property reporting standards, specify  

NABERS
- No property specific reporting standards are used

<b>PR 20.3</b>	Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.
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- Yes
- No

**PR 20.4**

Indicate the type of ESG information that your organisation proactively discloses to the public.

- ESG information on how you select property investments
- ESG information on how you monitor and manage property investments
- Information on your property investments' ESG performance
- Other, specify

**PR 20.5**

Indicate your organisation's typical frequency of disclosing ESG information to the public.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify

**PR 20.6**

Indicate the type of ESG information that your organisation proactively discloses to your clients/beneficiaries.

- ESG information on how you select property investments
- ESG information on how you monitor and manage property investments
- Information on your property investments' ESG performance
- Other, specify

**PR 20.7**

Indicate your organisation's typical frequency of disclosing ESG information to your clients/beneficiaries.

- Quarterly or more frequently
- Semi annually
- Annually
- Every two years or less frequently
- Ad-hoc/when requested, specify

**PR 20.8**

Describe the ESG information and how your organisation proactively discloses it to the public and/or clients/beneficiaries. [Optional]

Monthly, quarterly and annual reports are provided to investors.

Annual review document available publicly as well as other general information available on the ISPT website.

Investors and their asset consultants are also readily provided with ESG information on an ad hoc basis upon their request.

- Disclose to clients/beneficiaries only
- No proactive disclosure to the public or to clients/beneficiaries

**PR 20.9**

Additional information. [Optional]

**ISPT website - specifically:**

Responsible Investment/ Sustainability Section: <http://ispt.net.au/about-ispt/sustainability/>

Sustainability News: <http://ispt.net.au/news/category/sustainability/>

Annual Review: <http://ispt.net.au/about-ispt/annual-review/>

Governance: <http://ispt.net.au/about-ispt/governance/>