SC CAPITAL PARTNERS
RESPONSIBLE INVESTMENT POLICY
(VER 1.0)

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Document History

Version	Effective Date	Author	Reviewer	Description
v 1.0	30 Apr 2025	Miak Ou, Head of Sustainability	Board of Directors	NA

Contents

1. Overview

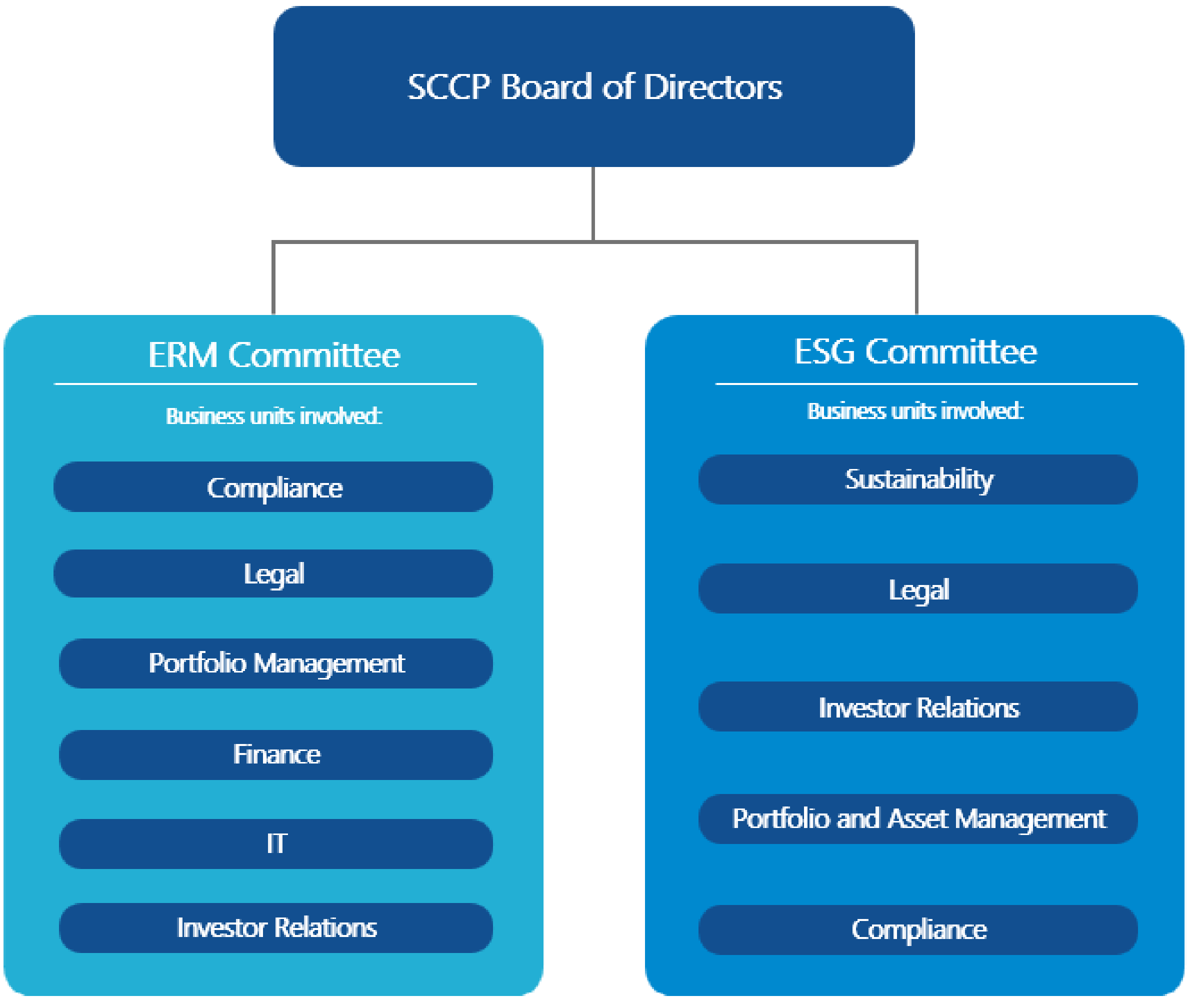
SC Capital Partners' Responsible Investment Policy underscores our commitment to integrating environmental, social, and governance (ESG) considerations throughout the real estate investment lifecycle. We strive to safeguard the environment, support stakeholders, and create sustainable value for investors while adhering to a pragmatic and adaptive approach. As a signatory of the Principles for Responsible Investment (PRI), we align our investment practices with industry's best standards while maintaining a pragmatic operational approach.

This policy provides a high-level overview of our responsible investment practices, structured across the investment lifecycle: pre-acquisition, investment decision-making, ownership, and sale. It should be read alongside our internal guidelines and frameworks, which offer further operational details.

2. Sustainability Governance

Our sustainability governance is overseen by the Board of Directors, supported by the Enterprise Risk Management (ERM) and ESG Committees. ESG is integrated into our risk and investment processes, and disclosures are approved by the Board. Internal controls, training, and conflict of interest processes help ensure transparency and regulatory compliance.

Figure 1: SCCP's Sustainability Governance Structure



3. Core Values and Responsible Investment Strategies

SC Capital Partners' responsible investment approach is anchored in four key themes:

Figure 2: Four Themes of Our Responsible Investment Approach

a. Governance

- Ensure compliance with all applicable environmental and social regulations across jurisdictions where we operate.
- Promote strong corporate governance and ethical business practices through clear policies, accountability, and transparency.
- Integrate ESG considerations progressively into our investment and risk management processes.
- Seek to report ESG performance in line with globally recognised frameworks, including the Principles for Responsible Investment (PRI), International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards (S1 and S2), and Taskforce on Climate-related Financial Disclosures (TCFD).
- Review our ESG policies and practices regularly to keep abreast with evolving stakeholders' expectations and regulatory developments on sustainability.

b. Investment Management

- Consider ESG factors throughout the investment lifecycle to enhance long-term asset resilience and investor value.
- Conduct ESG due diligence prior to acquisitions, with a focus on understanding environmental risks, regulatory compliance, and community considerations.
- Seek to avoid investments in sectors or activities that do not align with our responsible investment principles, such as weapons manufacturing, forced labour, or those harmful to endangered species.
- Engage property managers, tenants, and other stakeholders to explore and implement sustainability measures in asset management strategies.
- Aim to improve ESG performance through appropriate asset upgrades, green certifications where feasible, and enhanced operational efficiency.

c. Stewardship

- Assess environmental risks, including climate-related vulnerabilities, at various stages of the asset lifecycle, and seek to manage them appropriately.
- Encourage energy efficiency, water conservation, and waste reduction in property operations.
- Implement climate resilience strategies, aligning with IFRS Sustainability Disclosure Standards (S1 and S2), addressing both physical and transition risks.
- Adopt green building certifications and sustainability benchmarks to guide performance improvements, where feasible
- Encourage the use of renewable energy sources and sustainable materials in development and renovation projects.

d. Society and People

- Maintain a commitment to human rights by ensuring investments do not support forced labour, human trafficking, or child labour.
- Foster an inclusive and equitable workplace by promoting diversity, equal opportunity, and employee well-being.
- Engage with local communities and strive for positive contributions to their social and economic development.

- Prioritise transparent communication with stakeholders on our ESG initiatives and progress.
- Support responsible supply chain practices by integrating ESG criteria into supplier and contractor selection.

4. Stewardship Guidelines

SC Capital Partners views stewardship as an essential component of responsible investment, ensuring that our capital allocation promotes sustainable value creation. Our stewardship approach is supported by the following guidelines.

a. Active Ownership

- We engage with property / asset managers and other stakeholders to encourage the adoption of responsible corporate behavior and improved ESG performance.
- Our engagement efforts may include direct dialogue with management teams, participation in industry working groups, and collaboration with like-minded investors on ESG topics.
- We periodically review the progress of our engagements and, where material ESG risks remain insufficiently addressed, we may consider raising the issue internally for further discussion and action.

b. Transparency and Reporting

- We encourage property and asset managers to share updates on stewardship activities in line with recognised global practices, where applicable.
- We communicate our stewardship approach and progress through our annual Sustainability Report (https://www.sccpasia.com/sustainability/), which offers stakeholders visibility into our ESG priorities and engagement efforts.
- As a PRI signatory, we participate in the annual PRI Assessment to reaffirm our commitment to continuous improvement and transparency in responsible investment.

c. Escalation Mechanism

- If engagement at staff-level does not result in meaningful improvements in addressing identified significant ESG risks, we will escalate internally to the Board of Directors to undertake key executive decisions.
- In cases where ESG risks remain unresolved despite multiple engagement efforts, we may consider divestment or exclusion from future investments.

d. Stakeholder Engagement

- We engage with our key stakeholders, including investors, employees and regulators, through various channels including emails, teleconferences, quarterly asset management reports, and annual general meetings.
- We aim to continually enhance our stakeholder engagement processes to foster transparency and better align with our sustainability goals. Feedback received is considered thoughtfully and, where relevant, incorporated into our business practices.
- We offer periodic training to help employees stay informed on regulations, industry trends, and sustainability practices, to support greater firm awareness and alignment with our ESG priorities.

5. Responsible Investment Throughout the Real Estate Lifecycle

As a holder of a Capital Markets Services Licence in Fund Management issued by the Monetary Authority of Singapore's (MAS), SC Capital Partners' investment practices are subject to applicable prevailing MAS regulations, which includes the MAS Environmental Risk Management Guidelines. In line with these regulatory expectations, we integrate ESG considerations at every stage of the investment process:

Figure 3: Integration of ESG Processes into Investment Management

a. Pre-Acquisition

Before acquiring an asset, we conduct a tailored ESG due diligence process to identify material risks and opportunities. This includes assessing exposure to physical climate risks and local regulatory compliance. ESG factors are evaluated in the context of asset type and geography, ensuring a nuanced understanding of potential challenges and value-creation opportunities. Where necessary, third-party consultants are engaged to conduct specialised assessments.

As part of our minimum screening requirements, we ensure that:

- The asset is free from significant ongoing environmental disputes.
- The asset has been complying with all relevant environmental regulations.
- The asset investment does not support or is not directly tied to activities that involve significant harm to species listed as endangered or critically endangered by the International Union for Conservation of Nature (IUCN) Red List.
- The asset investment does not support or is not directly tied to the use of forced labour, human trafficking, and child labour.
- The asset investment does not support or is not directly tied to the manufacture or distribution of weapons or arms.

We evaluate the impact of identified ESG risks on asset valuation and long-term performance. Assets with significant sustainability risks may be excluded from our portfolio unless there is a clear pathway to meaningful ESG improvements that align with our investment objectives. Low ESG scores do not automatically preclude investment; instead, we assess the feasibility of driving positive change through strategic interventions.

b. Asset Management

During the holding period, we seek to progressively integrate ESG considerations into asset management practices by:

- Monitoring ESG performance on a regular basis and working collaboratively with third-party property managers, where relevant, to support sustainability improvements.
- Exploring practical and cost-effective opportunities to improve energy, water, and waste management, with a view to enhancing operational efficiency over time.
- Staying abreast of evolving environmental regulations and aligning asset practices with applicable reporting requirements.
- Encouraging responsible construction practices such as sustainable materials use, waste management, and attention to contractor health and safety, for development and major renovation projects

c. Investment Exit

At the point of an investment exit, we seek to enhance asset value, particularly for newer funds, by incorporating relevant ESG improvements where appropriate. These may include energy efficiency upgrades, obtaining green certifications (where feasible), and broader sustainability enhancements. Such efforts can contribute to long-term asset resilience and support the asset's competitiveness in the market.

6. Exclusions

SC Capital Partners applies sector exclusions for investments that conflict with our responsible investment approach. Specifically, we seek to avoid companies or assets associated with:

- Controversial weapons production
- Tobacco production
- Significant exposure to coal mining or coal-fired power generation
- Environmentally destructive activities such as tar sands oil extraction, deep-sea drilling, and deforestation

Additionally, where relevant and applicable, we may exclude investments based on norms-based screening, aligned with internationally recognised standards such as the United Nations Global Compact principles and International Labour Organisation's Fundamental Principles and Right to Work.

7. Climate Risk Management

SC Capital Partners recognises the increasing financial and operational risks associated with climate change. We integrate climate risk assessments throughout the investment lifecycle, leveraging climate scenario analysis to evaluate potential impacts and inform our decision-making.

a. Scenario-Based Climate Risk Analysis

To strengthen our understanding of climate-related risks, we are developing a quantitative climate risk scenario analysis to cover both physical risks (e.g., extreme weather events, flooding, and rising sea levels) and transition risks (e.g., regulatory changes, carbon taxation, and shifts in market demand). Our approach seeks to align with industry-leading frameworks, including IFRS Sustainability Disclosure Standards (S1 and S2) and the TCFD.

We assess climate risks under two climate scenarios:

- RCP 2.6 (Low-Carbon Transition Scenario): Assumes aggressive global efforts to mitigate climate change, leading to lower physical risks but increased transition risks due to regulatory tightening, carbon pricing, and mandatory energy efficiency measures.
- RCP 8.5 (High-Emissions Scenario): Reflects limited climate action, resulting in severe physical risks such as extreme weather patterns, higher temperatures, and increased infrastructure vulnerability. Transition risks remain lower due to slower regulatory intervention.

Our scenario analysis considers short-term (2030), medium-term (2040), and long-term (2050) risk exposure. We evaluate potential financial impacts using qualitative and quantitative assessments, including climate valuation risks. Insights from this analysis help inform asset-level risk assessments and resilience planning.

b. Managing Physical and Transition Risks

- Physical Risks:
  - Conduct location-based hazard mapping for assets, considering risks such as typhoons, floods, and heat stress.
  - Assess insurance coverage adequacy for extreme weather-related damages.
- Transition Risks:

- Monitor regulatory trends, including carbon tax policies and energy efficiency mandates.
- Engage with tenants and stakeholders to ensure compliance with evolving decarbonisation regulations.

By integrating climate scenario analysis into our investment strategy, SC Capital Partners aims to enhance the resilience of our portfolio and align with global sustainability objectives. We will continue to refine our methodology and expand our data-driven approach to ensure robust climate risk management.

8. Commitment to Continuous Improvement

As SC Capital Partners work towards setting specific emissions reduction targets, we remain committed to:

- Improving ESG data collection and emissions tracking
- Exploring feasible energy efficiency initiatives
- Refining our ESG reporting and monitoring capabilities

9. Transparency and Reporting

We are committed to clear and accurate ESG disclosures. Our latest Sustainability Report (https://www.sccpasia.com/sustainability/) takes reference to IFRS Sustainability Disclosure Standards (S1 and S2), Global Reporting Initiative (GRI) Standards, and the TCFD recommendations. The report is also written for PRI assessment and the UN Global Compact's (UNGC) Communication on Progress. We are working to enhance our quantitative disclosure, with assurance to be considered in the future.

For further inquiries, feel free to reach out to our Investor Relations team at ir@sccapital.com.