



 Plenary

# ESG and Responsible Investment Policy



# 1. Introduction

At Plenary, as a leading investor, developer and manager of public infrastructure, we aim to be recognised for a distinctive approach and capability that delivers outstanding results for clients, partners, communities and the environment.

This Policy sets out our approach, commitments, associated policies and procedures that we have put in place to integrate our environmental, social and governance (ESG) considerations in our investment decision-making processes and asset management activities.

We believe that the proper consideration and implementation of ESG factors in the operation of our business is:

- Essential to our client-value proposition;
- An integral driver that improves the resilience and sustainability of our investments, leading to better risk-adjusted returns; and

- Fundamental to our social licence and our business model, to help ensure our projects offer long-term economic, social and environmental dividends to the communities in which they operate.

These beliefs are underpinned by our corporate values of:

- Resilience;
- Integrity;
- Independence;
- Diversity; and
- Respect.

This Policy is principles-based, non-prescriptive and prospective. It applies to Plenary Group Holdings Pty Ltd (Plenary) and its subsidiaries, covering:

- Plenary's corporate operations; and
- All project origination, pre-investment and due diligence, investment decision-making and procurement, asset management, and sales and disposal phases of Plenary's operations.

Plenary will seek to apply the principles set out in this Policy in respect of its investments in projects, operating within the limits imposed through the relevant contractual and equity structure, reflecting the nature of individual projects and the specific needs of clients, co-investors and business partners.

In respect of our corporate operations and projects located outside of Australia, this Policy will be tailored in its application to suit the circumstances of the relevant local jurisdiction.





This page:  
Hills Showground Railway  
Station on the Sydney  
Metro North West Line  
(credit Justin Sanson)

Cover image:  
AgriBio, Centre  
for AgriBioscience  
(credit Peter Glenane)



## 2. Our ESG framework

Our ESG Strategy sets Plenary's vision: **To lead responsible custodianship of public infrastructure in our regions.**

Plenary's ESG Action Plan and Roadmap for 2023-2026+ sets out commitments and goals across five pillars to support the fulfilment of our vision.

<b>Governance</b> 	<b>Value chain</b> 	<b>People</b> 
<p><b><i>We are accountable for and transparent about our actions and performance</i></b></p> <p>We are committed to:</p> <ul style="list-style-type: none"><li>• Effective governance of ESG throughout the project lifecycle</li><li>• Transparency on our ESG performance, including reporting against global sustainability frameworks such as the UN PRI and UN Global Compact</li></ul>	<p><b><i>We partner with integrity</i></b></p> <p>We are committed to:</p> <ul style="list-style-type: none"><li>• Partnering with integrity across all stages of each project and in our corporate activities</li><li>• Implementation of our Sustainable Procurement Policy guided by ISO20400 in our procurement activities</li><li>• Working with our supply chain partners, especially smaller partners, to improve procurement practices across the supply chain</li></ul>	<p><b><i>We foster a diverse and inclusive work environment, and empower our people to deliver our vision</i></b></p> <p>We are committed to:</p> <ul style="list-style-type: none"><li>• Working to achieve 40:40:20 gender balance</li><li>• Ongoing Reconciliation Action, including through our <a href="#">Reconciliation Action Plan</a></li><li>• Measurement of key diversity and inclusion metrics at Plenary and action planning to drive ongoing improvement</li><li>• Working with relevant stakeholders on a project-by-project basis to set targets to increase diversity within the project workforce and supply chain</li></ul>



## Innovation



### ***We integrate innovative ESG factors to deliver superior solutions***

We are committed to:

- New projects: setting environmental targets and ratings aimed at environmental risk management, decarbonisation and biodiversity protection
- Existing projects: working with project stakeholders to identify and advance opportunities for emissions reduction and improvements in environmental performance, subject to investment and contractual constraints

## Growth initiatives



### ***We deliver fair and equitable outcomes across our markets***

We are committed to:

- Building ESG considerations into growth strategies as we expand the geographic footprint of our investments
- Tailoring our ESG policies, processes and procedures to our investment context

More information on Plenary's ESG initiatives can be found **here**.



# 3. Our approach to ESG and responsible investment

We are working to adopt appropriate ESG and responsible investment principles and industry guidelines aligned with leading practice, in order to fulfill our vision to lead responsible custodianship of public infrastructure in our regions. Our approach is informed by the following: the United Nations Principles for Responsible Investment (Signatory); the UN Global Compact (Member); the UN Sustainable Development Goals; the Taskforce on Nature Related Financial Disclosures; the UN Guiding Principles on Business and Human Rights; the Green Loan Principles, the Sustainability Linked Loan Principles, the Social Loan Principles and the Climate Bond Initiative, and the Partnership for Carbon Accounting Financials.

## ESG Thematics

In line with leading practice, we assess on a regular basis the material ESG issues that have the potential to significantly impact, both positively and negatively, the success of our business and the ability to deliver beneficial outcomes for our clients, partners, communities and the environment over the

term of each project. Additionally, we work with our key stakeholders to better understand the ESG issues that matter to them. Based on our work to date, we have identified the following ESG themes to prioritise and focus on:

- Climate Change (Transitional and Physical);
- Human rights and Modern Slavery;
- Diversity and Inclusion; and
- Biodiversity.

## Integration

We incorporate the consideration of ESG risks, impacts and innovation opportunities at all stages of our decision-making processes, including Plenary's:

- Corporate operations; and
- Investments, at each stage of the Project lifecycle, including investment, financing, development, ongoing asset management and maintenance of projects, as well as handback at the end of the Project term, or divestment of our interest, where applicable.

We are committed to the following ESG and responsible investment processes and actions:

- Aiming to exceed the minimum ESG-related regulatory requirements of the jurisdictions in which we operate;
- Undertaking ESG analysis and due diligence on prospective investment opportunities;
- Establishing ESG frameworks, KPIs and targets in early project design and origination phases;
- Undertaking due diligence on the ESG commitments, governance and performance of our co-investors and business partners;
- Measuring ESG performance at the Group level and on a project-by-project basis, subject to constraints set by the relevant investment and contractual structures; and
- Continuously striving to improve ESG performance at the Group level and within projects, subject to any limitations set by the relevant investment and contractual structures.



In relation to the systemic risk of climate change, we are currently working towards the measurement of emissions on each of our project investments. Where feasible and subject to investment and contractual constraints, we will then work to set targets on the reduction of emissions, including proposing emissions reductions plans for operating assets with at least 10 years to run on their concession term. In relation to new project opportunities, where feasible, we will seek to set an emissions baseline and plan the requisite reductions to decarbonise the investment. We are working towards setting a 'net zero' target on new project investments, over time. We are committed to assessing the "transitional" and "physical" risks and opportunities of our investment portfolio operating assets on a regular basis.

In relation to systemic human rights risks, this year we are commencing the implementation of our Sustainable Procurement Policy, with full implementation targeted for completion by 2025. As part of our implementation process, we are refining our human rights and Modern Slavery due diligence in respect of new

procurement activities, working into deeper layers of the supply chain over time. We are committed to collaborating with our supply chain partners to improve the identification and mitigation of potential human rights risks.

## Stewardship

We seek to be active owners and to incorporate ESG issues into our ownership policies and practices, including in the following ways:

- Should regulatory or project design specifications, or the expectations of our clients, co-investors and partners be lower than the standards outlined in this Policy, where we have influence and leverage, we will endeavour to work with other project stakeholders to raise the standard to the level outlined here;
- Where feasible, we will engage with co-investors, clients and project partners to pursue opportunities for improvement of ESG outcomes in design, construction, operation and asset disposal; and

- We acknowledge that not all market participants, particularly small and medium enterprises, have the capabilities to deliver on all aspects of this Policy, and therefore, we will work with and support and encourage our business partners to improve their capabilities in line with the standards set out here.



## Exclusions

We do not explore or pursue opportunities to invest in organisations who derive more than 20% of their annual revenue from the following activities:

- Exploration, mining and sales of thermal coal and oil and gas;
- Production and sales of controversial weapons;
- Production and sales of tobacco products; or
- Gambling or adult entertainment.

## Disclosures

We are committed to increasing the transparency of our disclosures on ESG. In keeping with this commitment, in addition to project-specific ESG assessment and reporting, we are developing appropriate performance indicators and metrics to report on our ESG performance including management of ESG risks and opportunities, to relevant stakeholders on a regular basis. Our disclosures will be informed by international disclosure and reporting guidelines, the requirements of the UN PRI and the UN Global Compact, and evolving mandatory disclosure requirements.





Melbourne Convention and Exhibition Centre  
(credit Stewart Donn Photography)



## 4. Governance

This Policy forms an integral part of Plenary's governance, risk and compliance function and establishes organisational-wide ESG performance expectations, principles and standards.

Governance of ESG at Plenary is conducted through the structure on the following page.

The Plenary Board, in its specialist Governance, Risk and Compliance function, oversees the implementation, operation and effectiveness of this Policy, in consultation with the CEO, CFO, CIO, COO and Group Executives. The specialist Governance, Risk and Compliance function of the Plenary Board will review the

effectiveness of this Policy at least every two years, and more frequently if required, in line with leading industry practices, changing regulatory requirements and stakeholder expectations.

The Head of Sustainability and ESG, Plenary Group's Chief Investment Officer and the Chief Operating Officer, have joint delegated responsibility to support Plenary Group's business divisions to implement the requirements of this Policy.

Date approved            5 March 2024

## Board

Oversight, strategy and key approvals

## ESG Function

- Develop and implement ESG Strategy and Policies
- Set ESG targets and oversee fulfilment of ESG action plans
- Identify and manage ESG risks and opportunities
- ESG reporting

## Executive Team

Cross-functional collaboration to promote identification and management of ESG risks and opportunities

Bid phase

Investment decision

Delivery and Operations phases

## Origination Team

- Identify and manage ESG risks and opportunities in bidding process
- Report material items to the Board for consideration in investment decision-making

## Asset Management Team

- Identify and manage ESG risks and opportunities throughout Delivery and Operations phases
- Manage fulfilment of ESG obligations
- Monitor and report on ESG performance





Victorian  
Comprehensive  
Cancer Centre  
(credit Peter Glenane)