



Goodman's commitment to sustainability encompasses all areas of Goodman's business which includes our primary operating activities of property investment, property development, property management and funds management.

We are committed to operating under a global corporate responsibility and sustainability policy, and cultivating an employee culture committed to achieving our objectives under this policy.

Goodman's business success is built on lasting mutually beneficial relationships with our stakeholders which includes Goodman's investors, customers and the communities in which we operate. We recognise the increasing importance sustainability plays in the investment decision process and we will continue to do the right thing by our stakeholders, behave with integrity and in an ethical and responsible manner.

Why do we have this policy?

The primary purpose of this policy is to:

- Communicate Goodman's commitment to sustainable operating principles endorsed by the Goodman Boards;
- Establish a sustainability mandate which supports the long-term commitment to Goodman's integrated business model;
- Support the adoption of sustainable design principles and innovations within Goodman's development specifications;
- Establish an ongoing commitment to engage with our investors, customers and the community on issues relating to sustainability;
- Promote the continual improvement of the industrial real estate sector by striving for best practice and broad industry engagement; and
- Create a directive to engage with our supply chain to support Goodman in achieving innovative and sustainable outcomes.

What does this policy cover?

This Policy outlines Goodman's sustainability policies in relation to a range of sustainability issues the Group believes to be important to Goodman's business, and the framework adopted to achieve our objectives. These include:

Energy Consumption

Goodman's standard development specifications include a range of design initiatives which aim to reduce energy consumption during the operational phase of our properties. These include features such as natural lighting, energy efficient lighting systems, automated and sensor controlled lighting, insulated wall panels and high performance glazing. We are increasingly looking to onsite energy generation through solar PV systems, particularly in markets with supportive policies and market conditions.

Goodman places high priority on ensuring its assets are managed well and provide a quality property solution for our customers. Ensuring our properties operate in an energy efficient manner is a priority due to the direct financial impact on our customers. We use a variety of tools to monitor and benchmark the energy performance of our properties, in particular our more energy intensive properties such as our office properties. In terms of capital upgrades, we take a lifecycle approach and invest in energy efficiency upgrades when and where it is commercially viable to do so.

Carbon emissions

Operationally, many of Goodman's logistics properties fall under the operational control of our customers, meaning the majority of carbon emissions created result from the consumption of electricity related to the activities of our customers. However, we continue to expand the monitoring of carbon emissions across our operating regions, with particular focus on our larger markets where Goodman has significant operational control over its assets.

Water consumption

Goodman operates in several regions of the world where water scarcity is a major issue. Depending on the region, our development specifications include a range of water saving design initiatives including rainwater harvesting tanks, rainwater re-use in amenities and landscaping, water efficient fixtures and drought tolerant plants and landscaping.

Waste management

Goodman's development teams work in partnership with pre-qualified principal contractors to complete the construction of our development projects. We encourage our contractors to manage their waste in accordance with best practice and implement recycling practices. Where possible, we encourage our contractors to reuse all fill from earthworks on site. In relation to the management of waste at Goodman properties, our property management teams offer waste and recycling services to our customers in properties which are under the day-to-day control of Goodman.

Climate change

Goodman understands the increasing pressure a changing climate and weather patterns have on the built environment. Our aim is to operate and develop high quality logistics properties which are resilient and suitable to the local climate, while at the same time minimising our contribution to climate change. We will continue to monitor the risk of climate change on our properties, and take prudent steps to mitigate impacts, which may include adjustments to our development processes, investment decisions and asset management procedures.

Building resilience and adaptation

Goodman's industrial properties are subjected to a variety of stresses and wear related to our customers' operations and truck movements. Our properties are also subject to a range of environmental factors such as strong winds, storms, flooding, hail, snow, tsunamis and heat. Earthquakes also present a risk in some regions where Goodman operates. Where these type of climatic and environmental factors present an elevated risk, Goodman takes steps to increase the resilience of its properties. Examples of steps Goodman has taken in various regions include increasing structural design, back-up power generation, elevating key plant and equipment, and emergency communication procedures.

Building materials and supply chain

Goodman's development teams work in partnership with pre-qualified principal contractors to complete the construction of our development projects. Strict development specifications are in place which specify the materials to be used on our developments, and which materials are prohibited.

Where possible, we use forestry certified timber, particularly if we are seeking certification for the development under one of the national certification programs we use globally.

Goodman will continue to work closely with our supply chain partners to identify and adopt innovations and new materials which improve performance, and better practices to improve our respective operations. We are committed to operating in an ethical manner and working to create a supply chain aligned with Goodman's key policies, which includes among other things, the avoidance of modern day slavery.

Biodiversity and habitat

Goodman recognises that its development activities have an impact on the natural environment. Goodman is committed to meeting applicable regulations and development conditions in place to protect and manage biodiversity and habitat. In many cases, Goodman's properties are located in industrial urban areas, and where possible, Goodman aims to enhance the local environment through initiatives such as land rehabilitation, water sensitive urban design, green corridors and using native species in landscaping.

Infill strategy

Goodman places high value on opportunities where it can redevelop properties located in brownfield sites and existing urban areas. These sites present multiple advantages including proximity to customers, supply chain and major infrastructure such as sea ports, rail and airports, while preserving undeveloped land. Goodman works with its customers to find the best location for their requirements including the evaluation of available infill opportunities.

Diversity and workplace

Goodman's Diversity Strategy aims to create an inclusive and transparent work environment that is free of harassment and discrimination, where all employees can contribute equally to our commercial goals. We operate in geographically and culturally diverse markets and we recognise and celebrate the differences that exist in them. We take the Goodman Corporate Values seriously and strive to include these behaviours into the way we interact every day with each other, our customers and investors. An important long-term objective is to increase the representation of female employees at senior management levels in all regions.

How do we apply this policy?

Employees are encouraged to adopt sustainability principles in their respective areas of work. New employees go through a thorough induction process which includes information of Goodman's sustainability program. Training is delivered to employees who have direct sustainability obligations as part of their day to day responsibilities.

Employees and external parties can also raise any concerns to Goodman, via the Contact us+ form on the Goodman website, which can be made anonymously. Concerns can also be emailed to ethicalconcerns@goodman.com.

Governance

Goodman's sustainability policy is managed by the Goodman Group Head of Sustainability. This Policy should also be read in conjunction with Goodman's other core policies including the Goodman Code of Conduct, Work Health and Safety Policy and the Goodman Corporate Governance Statement.

This policy has been approved by the Risk and Compliance Committee and is effective from the 1st of February 2017. Goodman undertakes to review this Policy including its effectiveness every two years.