



Environmental, social and governance (ESG) policy

Victory believes that on a global scale everyone has a responsibility to be conscious of ESG (environmental, social and governance) matters. We believe that appropriate consideration of ESG factors is part of a sound investment program and that incorporating ESG information into our decision making enables us to better understand and assess the investments we make and to positively impact ESG matters where possible. Our ESG commitments are overseen by the Board and managed by Ben Cooper (Executive Director), who is responsible for ESG within the firm and is responsible for enacting our ESG commitments in our day-to-day work as well as recording our ESG progress, reporting and recording.

Approach

Victory's approach to responsible investment is designed to more than just meet industry best practices. Victory believes that the approach adopted is appropriate in light of the company's specific investment activities. This policy has been informed by consulting the United Nations Global Compact and the United Nations Principles for Responsible Investment of which Victory is in the process of becoming a signatory.

Furthermore, Victory will remain informed about ESG developments within relevant industries and the countries in which it operates. It will actively seek to optimise the sustainable performance of the company and the investments where it is possible to do so whilst still observing its fiduciary responsibilities to investors to optimise financial returns. ESG issues are considered in specific asset underwriting, as part of our annual strategy meetings, as well as being reviewed on weekly investment committees and company meetings as required.

Victory understands its ESG responsibilities extend further than the company or its investments. As such, where practical, we will seek to review the ESG performance of contracted parties and suppliers as part of the selection and management process within the relevant part of a project/ investment.

Victory Foundation

As well as the various points and examples set out below, Victory has also taken steps to set up the Victory Foundation. This foundation has been set up with ESG in mind and looks to add to Victory's overall contributions to ESG matters – in some cases these may be related directly with the investments (e.g. helping to fund the provision of emergency defibrillators to the benefit of a local community around at asset), whilst others are related to more overarching goals of Victory (e.g. funding sporting achievements for participants who would otherwise be unable to compete).



Environmental

Victory recognises its responsibility to minimise negative impacts on the environment through its business operations and those of its investments. We understand the major role that real estate has in delivering sustainability and protecting the environment. Accordingly, we consider the impact that our activities have on the environment and, where feasible, we harness opportunities to actively enhance the environmental performance of an asset in which we invest as part of our investment process.

Where it is possible, and commercially appropriate to do so, we seek to achieve standards and deliver outcomes which are ahead of minimum legal requirements, especially where this is deemed likely to make a positive contribution to capital values, NOI and/or a reduced risk premium. Historically, this has led Victory to refurbish rather than demolish real estate, for example, saving significant amounts of carbon emissions in the process. In addition, where possible Victory has increased the BREEAM rating of buildings in which it has invested. Specifically, this has resulted in improved BREEAM ratings for more than 300,000 sqm of prime mixed-use real estate, in numerous cases to the “Excellent” rating. This provides an example of what has been done historically and may be considered in the future.

Victory has also endeavoured to reuse, repurpose or rehabilitate given the significant benefits of this approach. We will continue to consider modern, cutting edge and appropriate methods for incorporating sustainability in our projects.

The environmental criteria towards which attention is focused includes, but is not limited to energy efficiency, carbon reduction, pollution and waste management.

Social

The construction, use and management of commercial real estate impacts on communities and societies in a variety of ways, not least through the relationships and reputation fostered with people and institutions in the communities in which Victory does business. Victory seeks to ensure that negative social impacts are avoided, whilst opportunities to deliver public benefits are identified and harnessed by recognising that our investments do not exist in a vacuum and that we operate within a wider society. Standards highlighted in the UN PRI form a further important tenet of our social policies.

In addition to the social effects of Victory’s activities, we also recognise that the buildings in which we invest can play an important role in the lives of the people who work in or visit them. They can have a significant bearing on their sense of well-being, on their physical and mental health and on their economic productivity. To provide a further historic example, we are proud of the market-leading office ecosystems created by Icon Real Estate and are confident that these have improved the daily work experiences of their occupants.



While governed by our fund and investment horizons, we take an approach that favours long-term stewardship – considering the impact our projects have on tenants, local residents and neighbours (particularly in redevelopment projects). We believe our legacy is important as demonstrated by the association currently being created in collaboration with our key stakeholders to positively impact the lives of those living in the local community surrounding a major real estate investment project (e.g. law firms providing pro bono work, scholarships for top ranked business school for individuals from local area)

The above are good examples of our commitment to social issues, and the type of responses we may consider in the future.

The social criteria towards which particular attention is focused includes, but is not limited to human rights, impact on local communities, equality and health and safety. These criteria are vital to our work with our assets but also for our staff on a day-to-day basis, ensuring a business that upholds the highest standards of professional and ethical behavior as well as fostering a work environment that encourages diversity.

Governance

Victory is committed to the highest standards of corporate governance and we believe that such standards form an essential component of our commitment to investors. We recognise that transparent governance processes at both corporate and fund level are critical to the alignment between us and those who entrust us with their investments, as well as to the overall integrity and performance of our business.

Victory is committed to continuing to build its business and reputation through a consistent track record of acting with integrity, accountability and responsibility towards all relevant stakeholders, including investors, employees, tenants, potential sellers, potential buyers, other business partners, government bodies and the community at large.

The governance criteria towards which attention is focused includes, but is not limited to director training, management structure, anti-money laundering and conflicts of interest.

Other policies

This policy is in addition to all other Victory policies and guidelines.

Implementation of the policy

Ben Cooper at Victory is responsible for administering this policy under the guidance of the Board and may adopt such reasonable procedures as are deemed necessary or desirable to implement this policy, including training Victory's employees with respect to this policy.



Victory

Resources and further reading:

United Nations Principles for Responsible Investment: <https://www.unpri.org/pri/an-introduction-to-responsible-investment/what-are-the-principles-for-responsible-investment>

UN Global Compact: <https://www.unglobalcompact.org/what-is-gc/mission/principles>