

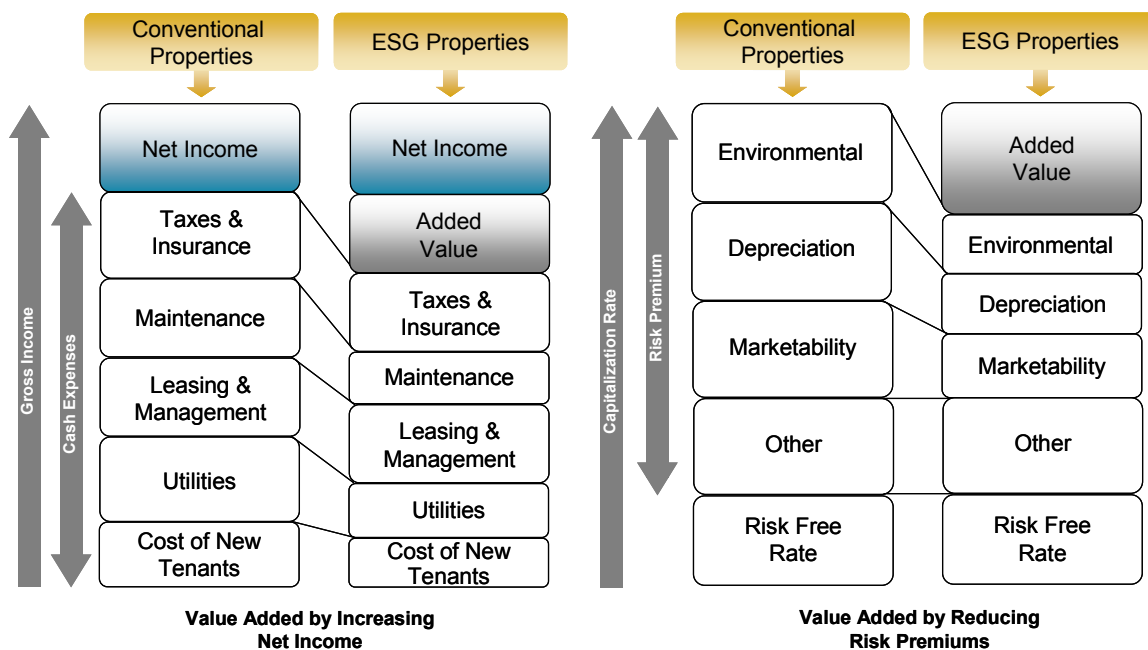
# Principles for Responsible Investments

In pursuing its investment activities, Presima recognises that risk factors such as environmental, social and governance (ESG) issues can have an impact on long term financial returns.

In this context, Presima prefers that the companies in which it invests conduct themselves as good corporate citizens in the communities in which they operate.

Presima intends to exercise its influence in the area of responsible investments by adopting a proactive approach through policies guiding the proxy voting process and by engaging in constructive dialogue with companies in its investment universe.

Presima’s view is that a company’s ESG balance sheet must be a component in the risk premium adjustment and security selection process. Investing in ESG responsible real estate companies has many benefits. As the graph below demonstrates, these include, among other factors, increasing net income through lower expenses and higher valuations through lower risk premiums<sup>1</sup>.



<sup>1</sup> Clements-Hunt, Paul & Dr Gary Pivo, Responsible Property Investing – What the leaders are doing, UNEP Finance Initiative: P4.

# *Principles for Responsible Investments*

## **PRINCIPLES RELATED TO RESPONSIBLE INVESTING**

Presima favours a proactive approach and engages in dialogue with company officers regarding the issues surrounding responsible investing. Presima generally expects the companies in which it invests to:

- conduct their activities and promote best in class behaviour with respect to good corporate governance and regulatory practices;
- respect the local communities in which they own, operate or develop real estate;
- take measures necessary to respect, protect and conserve the environment in which they own, operate or develop real estate.

As a responsible investor, Presima wishes to encourage the companies in which it invests to contribute to improving their ESG balance sheets by:

- encouraging disclosure of information on corporate governance, social and environmental practices;
- encouraging companies to become aware of the environmental footprint of their buildings and adopt quantifiable and measurable steps towards best in class practices;
- supporting the active exercise of voting rights as the principal method of intervention through a case-by-case consideration of shareholder resolutions of an ESG nature.

Presima aims to preserve flexibility in its investment decision making process while incorporating the best policy principles on responsible investing. The ESG balance sheets of any company should be taken into consideration in making investment decisions.

Presima aims to keep abreast of company specific issues and policies such as the social behaviour, environmental and governance practices of the companies in which it invests.

Presima aims to also establish a collaborative relationship with key stakeholders in ESG areas of concern.