



ASX RELEASE

3 December 2021

2021 Sustainability Report

Home Consortium (ASX: HMC) is pleased to provide its inaugural Sustainability Report as attached.

-ENDS-

For further information, please contact:

INVESTORS

Misha Mohl
Group Head of Strategy & IR
+61 422 371 575
misha.mohl@home-co.com.au

Will McMicking
Group Chief Financial Officer
+61 451 634 991
william.mcmicking@home-co.com.au

MEDIA

John Frey
Corporate Communications Counsel
+61 411 361 361
john@brightoncomms.com.au

Authorised for release by the Home Consortium Board

About HomeCo

HomeCo is an ASX-listed fund manager which invests in high conviction and scalable real asset strategies on behalf of individuals, large institutions and super funds. HomeCo is well capitalised and resourced to internally fund its strategy to grow FUM to \$5bn+ in the medium term by leveraging its 'Own, Develop and Manage' model.

HomeCo is the manager of HomeCo Daily Needs REIT (HDN) which listed in Nov-20 and owns approximately \$1.8bn of assets. HDN recently announced a proposal to merge with Aventus Group (AVN) to create Australia's leading daily needs REIT with a combined portfolio size of \$4.1bn and market capitalisation of approximately \$3.3bn. HomeCo's second ASX-listed externally managed vehicle, HealthCo Healthcare and Wellness REIT (HCW) listed in September 2021.



**Home
Consortium**

2021

Sustainability Report

Creating Healthy Communities

Acknowledgement of Country

Home Consortium acknowledges the Traditional Custodians of country throughout Australia and celebrates their diverse culture and their connections to land, sea, and community.

We pay respect to their Elders past, present and emerging, and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

CONTENTS

CEO & Chair Letter	1
About HomeCo	2
Materiality Assessment	4
Strategy and Social Impact Framework	6
Connection	8
Respect	11
Climate Action	12
Green Future	14
Alignment	16
Accountability	18
Sustainability Policies and Procedures	20
Corporate Directory	25

ABOUT THIS REPORT

This is Home Consortium's first Sustainability Report and sets out our ESG strategy which has been endorsed by the Board, as well as a review of our sustainability performance for the financial year ended June 2021.

This report addresses the ESG materiality topics identified, that have an impact on, and are most material to our business and that of our stakeholders, and aligned with relevant UN SDGs and their relevant targets or indicators. In future years we aim to align with reporting standards as they develop through the newly established International Sustainability Standards Board.

Our commitment to sustainability

As responsible stewards of the funds and assets entrusted to us, our mission is to unlock strong economic performance and drive genuine, positive impact for people and our environment. The transition to a low carbon economy is rapidly accelerating, as businesses make decisions with a view toward long term value creation and to benefit future generations. At the same time, the COVID-19 pandemic has highlighted the enduring and significant impact that unforeseeable shocks can have on our daily lives, our economy, and our well-being.

For HomeCo, successful businesses not only need to respond and adapt to change, but should also consider a broader social purpose.

Since HomeCo's listing in October 2019, the Group has undergone rapid change and growth. We have transitioned from a pure asset owning business into a diversified fund manager with over \$5B¹ of AUM with a platform to support continued growth. The recently announced merger between HomeCo Daily Needs REIT (HDN) and Aventus will create Australia's leading Daily Needs REIT, with significant scale and enhanced capability to unlock value and extend our social impact.

During FY21 we undertook a foundational process in commencing our ESG journey by engaging KPMG Banarra to assist us in forming our approach and strategy. An important part of that engagement was to conduct an internal and external comprehensive Materiality Assessment. Many of our stakeholders, including our tenants, existing and prospective investors, were crucial in understanding what was important to them and defining our shared ambition on what can be achieved. This valuable insight has assisted us in forming our Sustainability Commitments and those specific Commitments are set out in this, our FY21 inaugural ESG report.

When it comes to our Commitments, a key objective for HomeCo is to have a real, lasting social impact on Australia's local communities. Our investments are made with a long term view, connecting communities to products and services required to live healthy and productive lives. For this reason our strategic focus is to create Healthy Communities.

For example, our HealthCo Health and Wellness REIT has an express mandate to focus on real estate assets that can serve the healthcare and wellness needs of our cities and neighbourhoods. Furthermore, the mandate for our HomeCo Daily Needs REIT is to invest in predominantly metro-located, convenience-based assets, providing the infrastructure required to ensure individuals' essential needs are accessed conveniently. COVID-19 reminds us of how important access to essential products and services are, and we are proud that our assets were able to service the increased needs of our communities throughout the pandemic's challenging periods, while we also proactively provided rental relief for Small and Medium Enterprises (SMEs) before government incentives were actioned.

We can also unlock value by supporting the transition to a green, low carbon economy. We are committed to achieving net zero emissions by 2028 across our owned and managed assets through a combination of energy efficiency, onsite renewable energy, and smart technology. Our focus and priority will be to reduce emissions on site as much as possible.

Finally, our Commitments are underpinned by a corporate governance framework that promotes ethical decision-making, best practice benchmarking, and an inclusive culture. We are proud to be members of the Principles for Responsible Investment (PRI) and the Global Real Estate Sustainability Benchmark (GRESB) and will use these frameworks to continuously report on, and enhance, our performance. Our annual Sustainability Report will remain the key communication document to showcase progress of our Commitments and performance against our targets and benchmarks.

Thank you for taking an interest in our journey and for your continued support.



David Di Pilla
Managing Director & CEO,
Home Consortium



Chris Saxon
Chair and independent director,
Home Consortium

1. Post completion of merger with Aventus expected Q1 2022

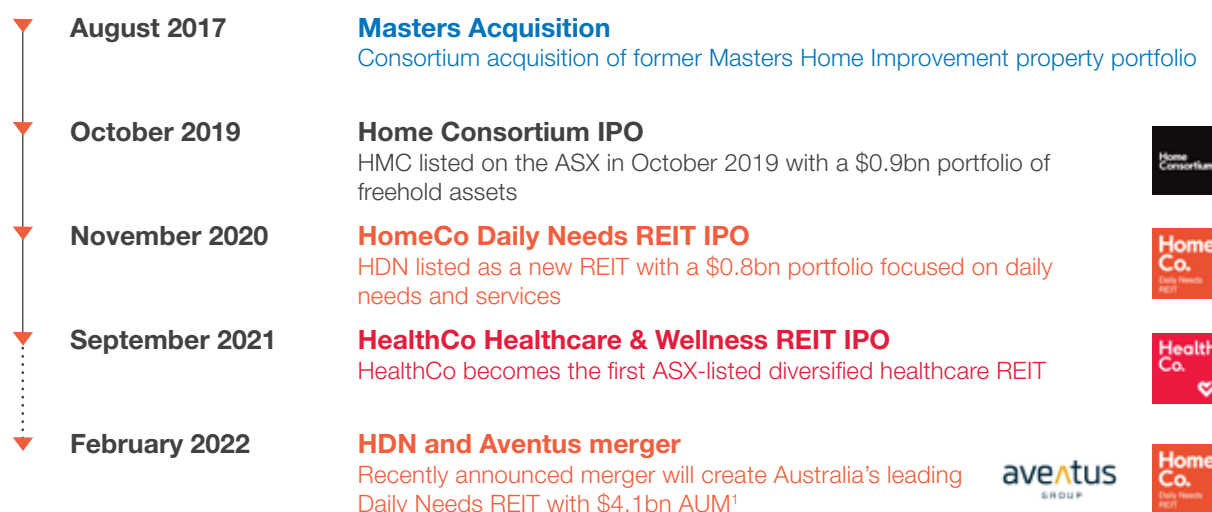
Since our inception in 2017, we have moved quickly to secure opportunities and unlock value

Home Consortium (HomeCo) is an ASX-listed (HMC) fund manager which invests in high conviction and scalable real asset strategies on behalf of individuals, large institutions, and super funds. HomeCo is well capitalised and resourced to grow its funds management strategy, with a target to increase externally managed assets under management (AUM) to \$10 billion+ by 2024.

HomeCo is the manager of HomeCo Daily Needs REIT (HDN), which has a mandate to invest in predominately metro-located, convenience-based assets, across the target subsectors of Neighbourhood Retail, Large Format Retail and Health & Services.

HomeCo's second ASX-listed externally managed vehicle, HealthCo Healthcare and Wellness REIT (HCW) listed in September 2021 with a mandate to invest in real estate focused on the healthcare and wellness sectors; hospitals, life sciences, primary healthcare, aged care and childcare.

Continued growth in scale and impact



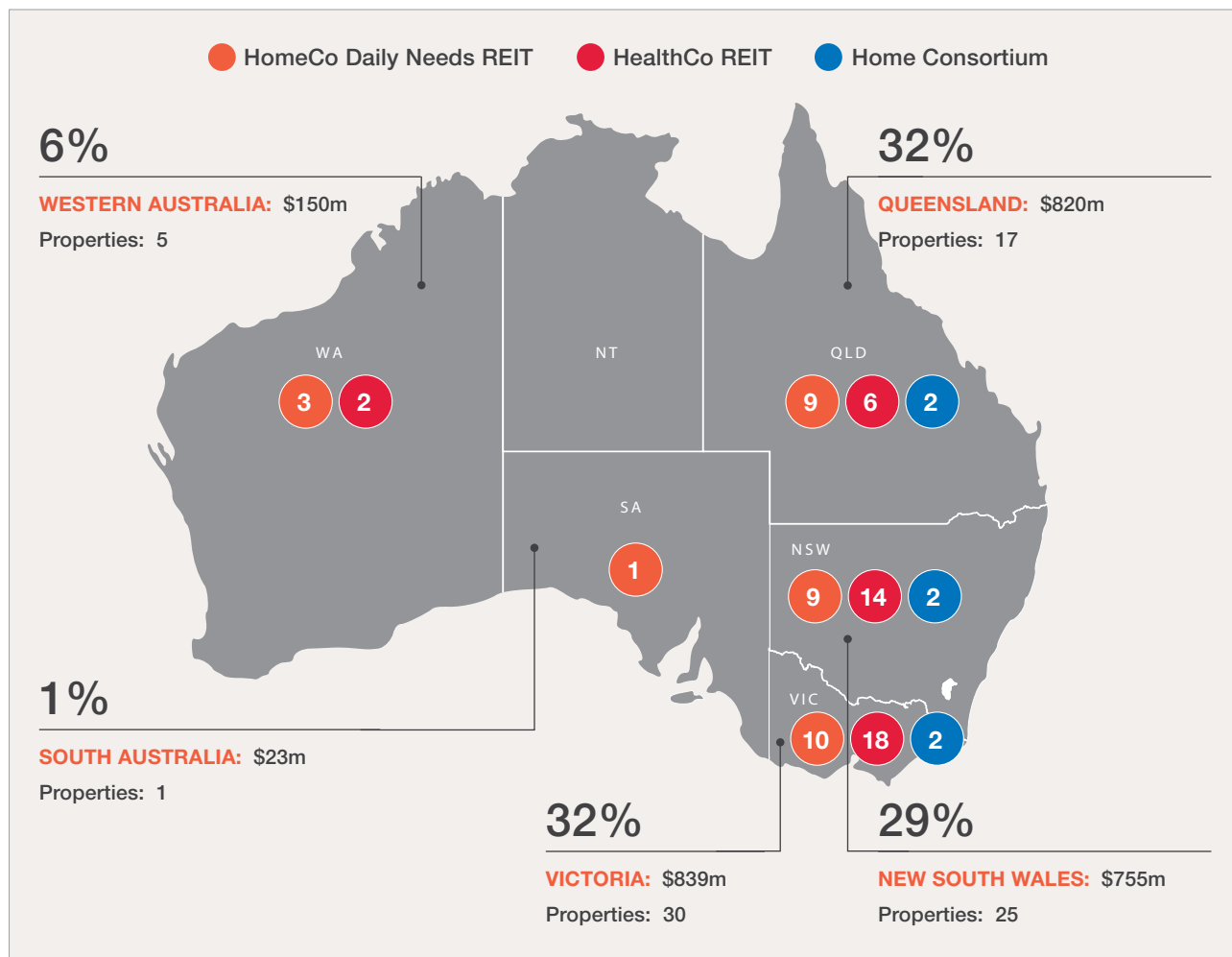
1. Subject to Aventus Shareholder approval and HomeCo Daily Needs REIT unitholder approval

Supporting Healthy Communities across Australia

78
ASSETS

Total Portfolio¹

Portfolio value	~\$2.5bn
Tenants	>700



Over
7 million people
within a 10km radius of
an HDN property²

88%
metro located¹

73%
of tenants have click & collect



Ready for the healthcare
needs of Australia's
ageing population

Government expenditure
on healthcare
growing 4–5%
per annum³

Positioned for everyday
healthcare, and supporting
**technology
innovation**

2. As at 30 June 2021

3. LEK Consulting

“As an owner, developer and manager of long duration assets we are committed to sustainable practices that drive long-term value creation and achieve a *positive impact on the communities* in which we operate.”

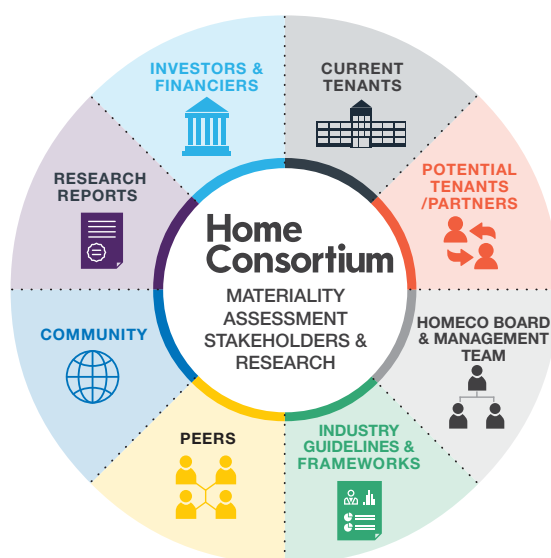
Our Materiality Assessment

At HomeCo, our purpose is to create long term value in the investments we make and manage. Sustainability is fundamental to the way we operate and aligned with our ambition to create enduring value for our communities — for families, investors, tenants, employees, partners, and broader society.

We understand that in order to integrate sustainability into our operations and establish meaningful commitments, we need to carefully investigate which environmental, social and governance (ESG) topics are most important to us and our external stakeholders. To do this, we engaged KPMG Banarra to complete an internal and external materiality assessment.

The materiality assessment process reflected the recognition that relevant partnerships and engagement with stakeholders are critical to delivering meaningful impact. Our materiality assessment involved current and prospective investors representing circa \$1.5 trillion of AUM, tenants, operating partners, financiers, our employees, and Home Consortium board members.

The engagement undertaken through the materiality assessment helped educate us on our stakeholders' expectations and on the ESG opportunities most suited to our business model. The outcomes of the assessment have informed the themes, focus areas and commitments within our sustainability approach as described in this report.



Our Sustainability Committee

Given the importance of ESG from a corporate strategy and risk management perspective, the HomeCo Board has established a Sustainability Committee. The Committee's charter can be downloaded from our [website](#).



Brendon Gale,
Sustainability Committee Chair



Jane McAloon,
Sustainability Committee Member



Kelly O'Dwyer,
Sustainability Committee Member

"We are very proud to be publishing our inaugural Sustainability Report. HomeCo's growth is unparalleled by its broader commitment to ensure that ESG is well embedded into our investment strategy and culture. It is simply good business to align robust ESG processes to investments. Significant good can be achieved and amplified when corporates take on the challenge to utilise their capital and people to drive positive outcomes. We recognise though that creating enduring environmental and social impact takes time and will need to evolve as our world changes. We are at the start of this journey. This year, we have made good progress by setting out our commitments and advancing some of those commitments already which we are pleased to share in this report."

– Brendon Gale, Home Consortium Sustainability Committee Chair

KEY INSIGHTS FROM OUR STAKEHOLDERS

*"ESG is not just a point in time, it is a long-term pursuit. If we understand that this group gets it and is moving the company in the right direction, that is an **opportunity** to create value."*

– Investor

*"Property companies and fund managers are in a **strong position** to influence the behaviour of external property/asset managers and/or other external suppliers with regard to ESG issues."*

– Global Real Estate Sustainability Benchmark

*"It's important to **understand commitments** and what the roadmap and pathways are to obtain this."*

– Investor

*"We need to be **embedded** into community and respond to community needs: this will drive economic and social returns."*

– HomeCo Management

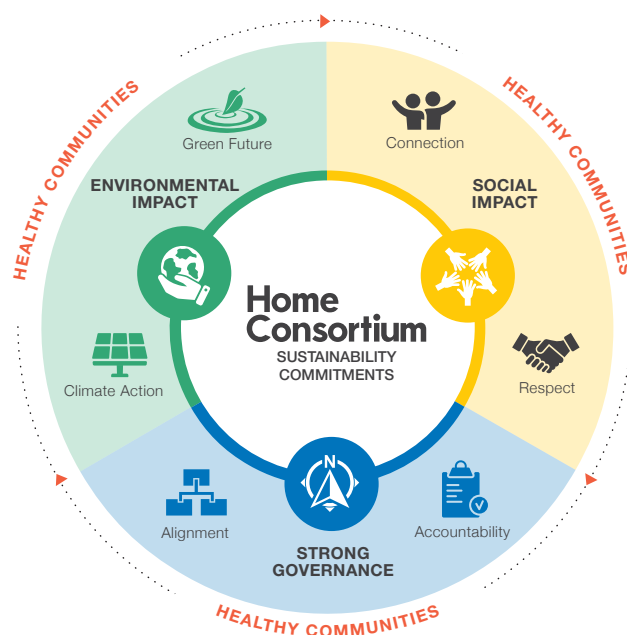


ESG Strategy

Through the materiality assessment process we identified a sustainability focus for HomeCo — the creation of **HEALTHY COMMUNITIES**, where people have access to products, services and experiences to live healthy lives.

We create Healthy Communities by driving change across six impact themes: Climate Action, Green Future, Connection, Respect, Alignment, and Accountability. These themes encompass the most important environmental, social and governance topics, as indicated through our materiality assessment (page 4). The creation of Healthy Communities will be measured by ensuring environmental, social and economic outcomes are achieved, and these impacts will be informed by and aligned with the applicable UN Sustainable Development Goals (SDGs).

Our sustainability commitments frame how we view sustainability throughout our investment strategy and asset management. We report against the commitments that support each theme, and will continue to develop our reporting as our approach matures into the future.

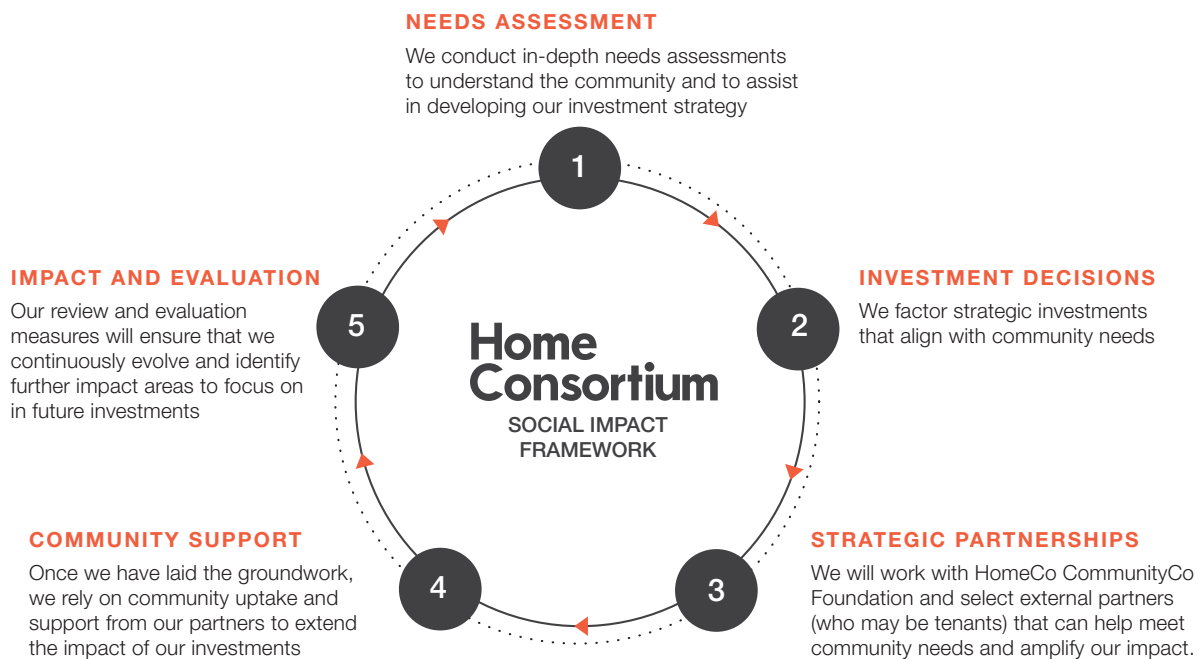


“Taken together, our environmental, social and governance commitments support our overarching objective of *creating Healthy Communities*.”

– Rowan Griffin, Head of Sustainability, HomeCo

Social Impact Framework

Our focus on investments that meet community needs means that we can deliver a positive social impact through our operations. We recognise that real impact can be difficult to measure, but that doesn't mean the effort is unwarranted. We devised a social impact framework that will underpin our investment and management decisions, helping to ensure that our actions are hitting the mark and are continuously enhanced over time.



CommunityCo Foundation

HomeCo's Community Co Foundation will be established to accelerate the delivery of our commitments. The Foundation will seed and support businesses and partners that share our ambitions.

It's important to note that the work of the CommunityCo Foundation is additional to the core social impact that we strive to achieve through our investments.



HCW asset – "Family Day" at Rouse Hill, NSW

SOCIAL Connection



“Listening and interacting with the local communities our assets are located in and understanding their needs is essential in *creating deep connection*.”

– Marie Nguyen, Asset Manager, HomeCo

HDN Asset – Marsden Park, NSW

HomeCo’s aim is to provide Australians with access to quality local and regional infrastructure to enable the services they need to live their way. Through a partnership approach with key stakeholders across local communities, we can enhance our social impact across our national footprint.

CONNECTION is one of the social themes within our sustainability approach, and it includes how we respond to local and regional essential community needs as they relate to health, wellness, and daily services.

Key commitments underpinning our CONNECTION theme include:

WE CARRY OUT

initial needs assessments for new acquisitions as they relate to community needs, and will conduct periodic reviews

WE WILL WORK

with and facilitate tenants and operators to create access to essential products and services to serve community needs

WE PROVIDE

safe, clean, and inclusive spaces for our communities to connect

Our social impact themes of Connection and Respect are aligned with several UN SDGs and their relevant targets or indicators.





HCW asset – Ballarat, Vic

CASE STUDY

HealthCo Ballarat

After acquiring the former Masters Home Improvement property in Ballarat, Victoria, initial consideration was given to large format retail and supermarket tenants at the 13,000 square metre facility, which at the time of acquisition was an empty property.

On considering the needs of the local community, HomeCo determined that it could better meet community needs by offering a much broader combination of services through the property. As such, HomeCo designed and implemented a tenancy mix focusing on health, wellness and government services – all of which were underprovided in the area.

Over the past year, HealthCo Ballarat has witnessed the opening of the Services Australia centre, childcare facilities, pharmacy as well as a medical centre with a mental health services provider. More community services are scheduled to open at the property in FY22.

HealthCo Ballarat sits within the group's HealthCo Healthcare and Wellness REIT (HealthCo). HomeCo designed the HealthCo concept in response to megatrends including an ageing population, increased government support for health services, and evolving consumer preferences toward healthy lifestyles. HealthCo Ballarat is a prime example of how HealthCo has put its health and wellness focus into action. By constructing a tenant mix based on community needs, the centre promises to deliver positive social impact and a strong financial outlook.

CASE STUDY

Aurrum Kids

HomeCo recognises the need to enhance access to quality childcare. For this reason, HomeCo has jointly financed Aurrum Kids, a childcare business that is now a tenant at several locations across both the HealthCo Healthcare and Wellness REIT and HomeCo Daily Needs REIT.

The social impact attributable to Aurrum Kids goes beyond quality community service and early childhood education. Aurrum Kids centres also offer economical meals for families to purchase – providing care and convenience for busy families.

The meals provided by Aurrum Kids are healthy and affordable, thus enhancing the traditional childcare service offering. Families with children at Aurrum Kids have provided feedback suggesting how the meals have made a big difference in their evening routines.

Producing the meals makes better use of kitchen facilities, staff, and chefs on site, and reduces food waste. It has also helped recruit managers and chefs at the centres, who are attracted by the additional community impact that supports families.

As the portfolio grows, HomeCo looks forward to more partnerships like the one it has with Aurrum Kids – where it can work with a tenant to service an immediate need and amplify their impact.



SUPPORTING HEALTHY COMMUNITIES ACROSS AUSTRALIA

HomeCo Daily Needs REIT

HomeCo Daily Needs REIT is an Australian real estate investment trust listed on the ASX with a mandate to invest in predominantly metro-located, convenience-based assets across target sub-sectors of neighbourhood retail, large format retail and health and services. Ensuring ready access to essential products and services through HomeCo Daily Needs REIT is just one of the ways that Home Consortium seeks to deliver on its broader purpose of creating Healthy Communities.

Throughout the COVID-19 pandemic, assets within the HomeCo Daily Needs REIT portfolio have experienced sales growth as consumers increasingly sought out convenient, local options that meet essential needs and provide the ability to social distance. The strong performance of the portfolio to date demonstrates how financial performance can be underpinned by serving a broader social purpose.

In October 2021, we announced a merger of HomeCo Daily Needs REIT with Aventus. The merger accelerates our momentum further and on completion will establish Australia's leading Daily Needs REIT with a combined portfolio size of \$4.1 billion.



"HomeCo Daily Needs REIT is all about connection — connecting Australians conveniently to the products and services they need to lead healthy, prosperous lives. Our portfolio has served local communities well throughout the COVID-19 pandemic, and we look forward to expanding our impact into the future."

– **Simon Shakesheff**, Independent Non-Executive Chair, HomeCo Daily Needs REIT

HealthCo Healthcare and Wellness REIT

HealthCo Healthcare and Wellness REIT (HealthCo) is a real estate investment trust listed on the ASX with a mandate to invest in real estate focused on the healthcare and wellness sectors. HealthCo's purpose is underpinned by health and wellness megatrends such as:

- An ageing population with higher rates of healthcare spend per capita
- Growing government expenditure to support health and social welfare services
- Technological changes and improvements in detection and treatment of illnesses contributing to increasing utilisation of health services
- Evolving consumer preferences including increased health literacy and changing social behaviours driving greater consumption of health services

The establishment of HealthCo in response to these megatrends is yet another example of putting HomeCo group's vision of creating Healthy Communities into action. By addressing community needs, the very success of HealthCo itself is tied to its capacity to deliver positive impact across Australia.



"HealthCo exists to serve Australian communities by increasing access to health and wellbeing services. Our investments are matched to community needs and incorporate sustainable development principles, helping to deliver positive social impact."

– **Joseph Carrozzi AM**, Independent Non-Executive Chair, HealthCo Healthcare & Wellness REIT



“Our team *demonstrates respect* in their everyday interactions and decision making, which in turn builds trust, safety and well-being with our retail partners, customers and communities”

– Karla Mitchell, Asset Manager, HomeCo

“Diversity is about embracing and respecting differences — to help see things differently in order to get the *best outcome for everyone.*”

– Priya Kumar, Senior Legal Counsel, HomeCo

RESPECT is one of the social themes within our sustainability approach, and it relates to respecting the inherent dignity, safety, diversity and human rights of everyone we impact. This includes our workforce, our suppliers, our tenants, their customers, and surrounding communities.

Key commitments underpinning our RESPECT theme include:

WE WORK

with suppliers, tenants, partners and use our other key business relationships to promote responsible business practices

WE SUPPORT

diversity and inclusion and will by FY25 target 50% gender representation in our workforce, including our leadership team and our Boards

WE PROVIDE

safe working spaces for our staff, tenants, and operators

ENVIRONMENT Climate action



“Net zero by 2028 is a target that shows we want to *lead* and not follow.”

– Stephen Alborough, Asset Manager, HomeCo

HCW asset – Morayfield Health Hub, Qld

While climate change presents real risks to our business and Australian communities, HomeCo is enthusiastic about contributing to Australia’s transition to a low carbon economy. We aim to exceed emerging regulatory and industry expectations by rapidly deploying technological solutions.

CLIMATE ACTION is one of the environmental themes within our sustainability approach, encouraging us to actively minimise carbon emissions. We will achieve emissions reductions by integrating climate-related issues into every aspect of our investment strategy — from acquisitions due diligence, to development design and construction, and through to ongoing operations.

Key commitments underpinning our CLIMATE ACTION theme include:

WE TRANSITION

the real assets we manage and control towards net zero carbon by 2028

WE CONSIDER

environmental factors in the acquisition, development, and maintenance of our assets

WE SEEK

to responsibly adopt renewable energy sources and technologies

Our environmental impact themes of Climate Action and Green Future are aligned with several UN SDGs and their relevant targets or indicators.



NET ZERO BY 2028

Home Consortium is committed to achieve scope 1 and scope 2 net zero carbon emissions by 2028, for real assets under its management and control. Our decarbonisation strategy focuses on energy efficiency, renewable energy, and opportunities for batteries and microgrids — helping to minimise our reliance on carbon offsets.



Our pathway to achieve this is through these three sequential programs.

Energy efficiency

We will drive down emissions through our Smart Energy Management System (EMS), which will reduce energy consumption through integration of HVAC, electrical systems, security, and load management.



Renewable energy

Our commitment will include the installation of solar photovoltaics on every asset managed by HomeCo by FY26, where feasible.



Microgrids, storage and networks

We are in the early stages of considering solutions that enable us to shift power within and between our assets intelligently, through the use of batteries and microgrids.

CASE STUDY

Implementing our Smart EMS

HomeCo's Smart Energy Management System (EMS) uses artificial intelligence technology to facilitate the most energy efficient management of its assets' lighting and heating, ventilation, and air conditioning (HVAC) controls.

>15% TARGETED REDUCTION
in energy consumption by FY24.

This is currently in the pilot stage and demonstrating achievement of the targeted reduction at the trial sites.

Across the trial sites, the EMS is expected to reduce energy consumption by as much as 18%, equating to emissions reductions as high as 122 tonnes per annum. Reducing energy usage also reduces operational expenditures, which means that the EMS upgrades are also a smart business decision. Importantly, the reduced energy usage will not impact tenant and customer experience — it's all about maximising efficiency and minimising waste.

The EMS is the start of HomeCo's net zero by 2028 journey. The system is futureproofed to allow for further expansion, as well as the integration of renewable energy and storage technology.

CASE STUDY

Getting going with solar

For HomeCo, the widespan roof infrastructure at its properties present an opportunity to generate power through solar installations.

To get started, HomeCo has assessed the feasibility of solar photovoltaics (PV) at Keysborough, Penrith, and North Lakes. The solar PV systems will be designed to provide electricity consumed in the common areas of the properties and could result in emissions reductions as high as 349 tonnes per annum across these trial sites. The solar PV will also reduce energy costs associated with grid-based electricity and protect the assets from energy price volatility. Installations are expected to commence from FY22 onward.

~50% TARGETED REDUCTION
in energy consumption through installation of renewable energy capacity by FY26.

This work is currently in the feasibility stage.

Installing solar PV on site is a key component of HomeCo's net zero by 2028 strategy and follows on the footsteps of HomeCo's Smart Energy Management Systems upgrades. Solar installations will be designed to accommodate microgrids and battery storage, preparing properties to incorporate future technological advances and reducing our reliance on offsets to reach net zero carbon emissions.

ENVIRONMENT Green future



“By moving to renewable energy and implementing innovative waste and water efficiencies we work towards creating a *healthier community* that will continue a lifetime”

– Matia Jelinic, Asset Analyst, HomeCo

HCW asset – Erina Aged Care, NSW

Energy and emissions aren't the only environmental challenges that a fund manager like HomeCo faces. We need to use water efficiently and aim for responsible use of materials and other natural resources. We also see waste management as an opportunity to demonstrate leading practices in adaptive reuse and onsite waste reduction.

GREEN FUTURE is one of the environmental themes within our sustainability approach, and it includes how we champion the preservation and restoration of the natural environment.

Key commitments underpinning our GREEN FUTURE action theme include:

WE WILL REDUCE

waste and promote efficient use and reuse of water across our operations

WE WILL DEPLOY

environmentally friendly building materials where available and appropriate

WE WILL RESTORE

and enhance the natural environment within, and in the surrounds of our assets

Demonstrating adaptive reuse from the start

One of the sustainability challenges for the real estate industry relates to the amount of waste produced when buildings are repurposed. Entire interiors may be stripped out and sent to landfill, or properties may be demolished and rebuilt altogether.

HomeCo traces its origin back to 2017 when a group of private investors acquired the real estate portfolio of Masters Home Improvement. At the time of the acquisition, the large buildings were predominantly empty, were serving little or no community purpose, and risked becoming abandoned and underutilised over time. Following the acquisition, HomeCo repurposed the former Masters properties to better meet community needs and with sustainability embedded from the start. The properties were repurposed with minimal destruction, waste, and demolition of existing infrastructure. By making best use of what was available on site, HomeCo was able to both minimise waste and reduce the use of new materials (and the associated embodied carbon).

Upgrades or alterations were made with sustainability in mind:

- HVAC systems were retained, and layouts configured to ensure maximum utilisation of the existing systems
- LED lighting and skylights were retained for optimal lighting efficiency
- Tapware was replaced with low-flow efficiency fittings, including sensors
- Existing concrete slabs were reused – grinding, polishing, and repurposing as needed
- Electrical boards were reused to ensure efficient energy supply to tenancies



Former Masters Home Improvement property at Springfield, QLD



HDN asset – Hawthorn East, Vic

Through thoughtful consideration of adaptive reuse opportunities, HomeCo was able to reduce costs while reducing emissions, water and waste compared to redeveloping the properties altogether. The approach to repurposing the old Masters properties is a demonstration of how building sustainability into the HomeCo ethos enabled positive financial, social, and environmental outcomes.

REPORTING ON OUR ENVIRONMENTAL PERFORMANCE

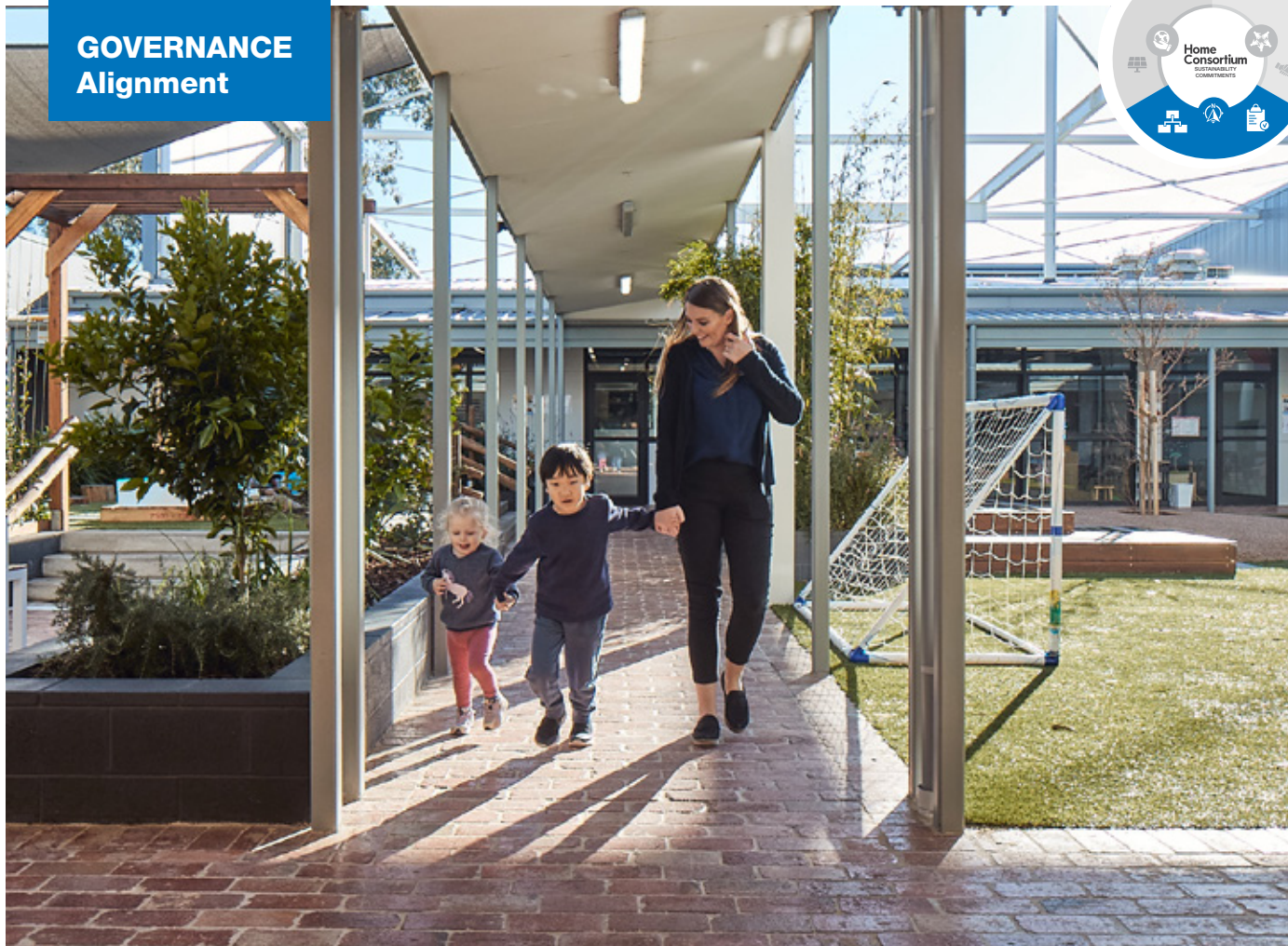
HomeCo is committed to collating comprehensive environmental performance data across its portfolio, in order to inform management action and continuously improve performance over time. In this year's report, we are able to provide energy and scope 2 emissions for 20 assets that were within the portfolio for the entire FY21 reporting period.

Metric	FY21	2028 target
Emissions (tCO2e)	10,896	Net zero
Emissions intensity (kg CO2e/sqm)	40.99	Net zero
Electricity consumption (kWh)	12,420,795	
Electricity intensity (kWh/sqm)	47.01	
Apportioned area (sqm)	268,699	

As we put our sustainability commitments into action and stabilise new additions to the portfolio, our data coverage will expand and will include water and waste data. We will also report on building certifications such as NABERS and Green Star.

We have committed to participating in the Global Real Estate Sustainability Benchmark (GRESB), as described on page 19. Participating in GRESB will ensure we collect comprehensive asset-level data and improve portfolio performance over time.

GOVERNANCE Alignment



HomeCo is committed to ongoing, effective, and transparent governance. This is critical to ensure trust as custodians of assets on behalf of our shareholders and investors across the funds we manage. Our commitment to strong governance includes the effective integration of our sustainability approach, which is overseen by our independent Sustainability Committee. Our Corporate Governance Statement and board committee charters are available on our [website](#).

ALIGNMENT is one of the governance themes within our sustainability approach, and it includes having the skills, environment and culture that support and propel our ambition and sustainability commitments.

Key commitments underpinning our ALIGNMENT theme include:

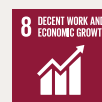
WE CONTINUE

to build independent Boards that have diverse skills and are gender balanced

WE INCENTIVISE

and reward the leadership team who deliver on sustainability outcomes through our remuneration framework

Our governance themes of Alignment and Accountability are aligned with several UN SDGs and their relevant targets or indicators.



CASE STUDY

HomeCo Materiality Assessment

HomeCo's inaugural materiality assessment, described on page 4, demonstrates our commitment to strong governance. Right from the start, HomeCo understood that its ESG approach could not be taken "off the shelf" or cobbled together from other approaches in the market. Instead, the process engaged a range of key stakeholders and identified key opportunities where HomeCo could have a clear and lasting impact.

Since completion of the materiality assessment, HomeCo's Sustainability Committee (introduced on page 5) has overseen the integration of materiality assessment findings into strategy and operations. Key integration

processes overseen by the committee include the development of HomeCo's social impact framework, alignment of internal activities with PRI and GRESB frameworks (page 19), and the production of this inaugural sustainability report. HomeCo recognises the need to continually review its material issues as its business evolves with changing social and environmental contexts. Regular materiality assessments and transparent reporting will remain cornerstones of HomeCo's strong governance into the future.

Alignment in action through the COVID-19 pandemic

Throughout the COVID-19 pandemic, HomeCo has sought to provide safe workplaces for its people and ensure the right culture, even when working remotely. The pandemic also exacerbated economic pressures on Australian workers and families, including our people.

In response to the impacts on HomeCo from the COVID-19 pandemic, the directors and executives agreed an abatement of their cash remuneration for FY20 including:

- Executive Chairman and CEO fixed remuneration being reduced by 100% for the period of 3 months to 30 June 2020;
- Director's cash fees being reduced by 50% for the period of 3 months to 30 June 2020; and
- Key management personnel forgoing the cash component of their short-term incentive plan for the full year FY20 period.

As compensation for the above reduction in cash remuneration, HomeCo announced on 5 June 2020 that it intended to provide a one-off grant of share rights.

GOVERNANCE Accountability



HCW asset – “The George”, Camden Health and Innovation Precinct, Camden, NSW

HomeCo’s commitment to strong governance includes holding ourselves to high standards and demonstrating ethical business practices. We have developed comprehensive policies and procedures that govern our investment decision-making, our operations, and our engagements with external stakeholders. Many of our policies are available on our [website](#).

ACCOUNTABILITY is one of the governance themes within our sustainability approach, and it instructs us to earn and keep the trust of our key stakeholders through transparent communication and by doing what we say we will do.

Key commitments underpinning our ACCOUNTABILITY theme include:

WE UNDERTAKE

processes that ensure independence in decision-making where there are potential or perceived conflicts of interest

WE WILL PROVIDE

clear, honest, and robust sustainability performance updates that are rated against recognised global benchmarks such as GRESB and PRI

ACCOUNTABILITY THROUGH GLOBAL ESG FRAMEWORKS



HomeCo is a signatory to the Principles for Responsible Investment, a United Nations-supported network of investors who work to promote sustainable investment through the incorporation of ESG into investment and ownership decisions.

As a signatory, HomeCo is committed to applying the PRI's six principles of responsible investment. The six principles underpin HomeCo's duty to act in the best long-term interests of its beneficiaries, as well as align its investments with the broader objectives of society.

Over the course of FY22, HomeCo will assess its operations against the PRI six principles and its reporting framework. HomeCo will report on its progress in accordance with PRI reporting requirements and make these reports available publicly.



HomeCo is committed to participating in the Global Real Estate Sustainability Benchmark (GRESB). Created in 2009, GRESB is an industry-led organisation that provides actionable and transparent ESG data to financial markets.

Participating in the GRESB assessments will help HomeCo understand the management practices expected by investors and will help ensure it is collecting comprehensive performance data across its portfolio.

Home Consortium has assessed its strategy and data availability against the GRESB Real Estate Assessment requirements and will participate in GRESB for the first time in 2022 for its relevant funds. Results from the GRESB assessment will be used to continuously enhance operations and engage investors on HomeCo's sustainability journey.

In addition to leveraging investor benchmarks such as GRESB and PRI, we are committed to reporting against regulatory frameworks as they apply to our business, such as the National Greenhouse and Energy Reporting (NGER) Scheme and the Modern Slavery Act. The work we are undertaking to align our operations and disclosure with GRESB and PRI (as described in the GRESB and PRI boxes above) will also help align for disclosure to the Task Force on Climate-related Disclosures (TCFD) recommendations when undertaken.

At the asset level, we will regularly benchmark performance using recognised tools such as NABERS (Energy, Water, Waste), and Green Star Performance. For developments and major renovations, we will use tools such as Green Star for New Buildings and the WELL family of ratings to independently verify the sustainability credentials of our new properties.

Sustainability policies and procedures

Integrating ESG into the investment process

Acquisitions

Home Consortium, as a signatory to the Principles for Responsible Investment (PRI), is committed to putting the six principles of responsible investment into practice. We believe that environmental, social, and governance (ESG) issues can affect the performance of our investments and consider the following ESG issues when performing due diligence on potential acquisitions:

- Biodiversity and habitat
- Building safety
- Climate change adaptation
- Compliance with regulatory requirements
- Contaminated land
- Energy efficiency
- Energy supply
- Flooding
- Greenhouse gas emissions
- Health and wellbeing
- Human rights
- Indigenous and traditional owners rights
- Indoor environmental quality
- Infrastructure
- Natural hazards
- Socio-economic factors
- Transportation
- Waste management
- Water efficiency
- Water supply

If material ESG issues are found during the investment due diligence process, they may affect the price we would pay or lead to the abandonment of the prospect altogether. For investments that proceed, the identification of ESG issues during the due diligence process helps inform ongoing management. ESG issues can present opportunities for us, such as unlocking value by enhancing the sustainability performance of an underperforming asset.

Developments

HomeCo believes that the integration of ESG considerations into asset development is key to the long-term sustainability of our portfolio. We work closely with stakeholders in the communities where we operate to ensure that our developments add value for everyone involved and will continue to create value for years to come.

ESG Factor	Development approach
Biodiversity and habitat	We work to restore and enhance the natural environment within and around our new developments. We consider and review as appropriate to our developments, local biodiversity and habitat and work to maintain a net positive impact on local biodiversity. Where our developments are judged to impact on ecosystem services or wildlife habitats, we work to incorporate mitigation strategies into our designs.
Building safety	<p>We require our development projects to uphold the highest level of safety, starting in the design phase and continuing through the operation of the asset. We incorporate industry leading safety standards into our building designs, including structural stability, fire safety, sanitation, safe wiring, and more.</p> <p>During the construction and operation of our assets, our ultimate goal is to provide an injury free working and living environment.</p>
Health & wellbeing	<p>We recognise that properties developed by Home Consortium and the products and services provided by our tenants contribute to the social determinants of health, which directly impact the stakeholders in our communities.</p> <p>We work to support the health and wellbeing of all our constituents by facilitating the delivery of high-quality, culturally appropriate health services in our communities. Home Consortium develops assets that address unmet and underserved community needs, which we identify through needs assessments. We encourage the development stakeholders in our communities to engage with these health services.</p> <p>To facilitate Healthy Communities, we engage through educational campaigns, promotions, and social media, with the goal of increasing the number of Australians that have integrated access to high-quality health services.</p> <p>During the COVID-19 pandemic, we have implemented safety measures throughout our assets, including implementing hand sanitiser stations at the front entrances and adding additional hospital-grade cleaning procedures. We have also increased the number of cleaning staff that we employ across our shopping centres.</p>
Indoor environmental quality	<p>In recognition of the impact that indoor air quality has on the continued wellbeing of our tenants, we consider indoor air quality at every stage in our development process.</p> <p>Home Consortium starts by designing high quality ventilation and air exchange systems into all of our developments. During the construction phase, we require our contractors to maintain indoor air quality. Throughout the operation of our properties, we require regular maintenance and testing of HVAC systems to ensure that air quality is maintained throughout the life of our assets.</p>
Renewable energy	The incorporation of renewable energy into our new development is an important part of our decarbonisation strategy. We aim to incorporate on-site renewable energy generation into all our new developments, such as photovoltaic panels, etc. We are also working to retrofit properties where appropriate to increase our renewable energy generation and reduce our reliance on conventional grid energy.
Resilience to catastrophe/ disaster	As part of our site selection process, we evaluate the existing and possible future threats of natural disaster. We work to mitigate these threats through measures such as incorporating resilience into the design of our assets, educating our tenants, and implementing policies that ensure we are ready to respond to climate-related catastrophes.
Waste management	During development, we require our contractors to divert construction materials from landfill as much as possible. There are financial incentives for contractors to recover and reuse building materials. We also encourage our contractors to reuse or divert vegetation and soil from landfill. We monitor the disposal of hazardous and non-hazardous waste as appropriate.

SUSTAINABILITY POLICIES AND PROCEDURES

Operations

Integrating ESG considerations into the ongoing operation of our assets minimises risks while positioning the business to unlock value through sustainability-related opportunities. Through continuous improvement of our operations and minimising our carbon emissions, we are playing our part to move toward a greener future.

The table below provides a detailed view of how we integrate of ESG factors into asset operation.

ESG Factor	Operational approach
Climate/ Climate change adaptation	<p>We recognise that climate change impacts our properties through increased frequency and severity of extreme weather, and longer-term changes in climatic conditions. These changes introduce risks of property damage and requirements for changes in building management to maintain optimal operations.</p> <p>Actions that we can take to enhance our portfolio's adaptation to climate change, as appropriate, include:</p> <ul style="list-style-type: none"> • Structural adjustments designed to protect from natural hazards such as flooding, etc • Designing and operating our building management systems to accommodate increased extreme weather events • Working with our suppliers to consider review of the supply chain to identify companies that may face disruptions themselves
Energy consumption	<p>Throughout our operations, we strive to reduce our energy intensity and reliance on non-renewable energy sources wherever possible. We seek to enhance energy efficiency through initiatives like LED lighting upgrades, installing high-efficiency heating, ventilation, and air conditioning (HVAC), and using occupancy sensors to match energy usage to demand appropriately.</p> <p>Moving forward, we have established a Smart Energy Management Systems (EMS) with AI to reduce energy consumption through integrating building systems and flattening the load. These systems are designed to allow us to easily incorporate new technologies as they become available (e.g., incorporating on-site solar power generation to reduce reliance on fossil fuels). We will also seek to attain asset-level energy ratings to benchmark our current performance and improve our energy efficiency going forward.</p>
Greenhouse gas emissions	<p>We are committed to transitioning the real assets we manage and control to net zero carbon emissions by 2028. We are focused on rapidly decarbonising our operations through energy efficiency upgrades, on-site renewable energy generation, and microgrid technology, along with minimal use of offsets.</p>
Renewable energy	<p>We are committed to producing solar energy on site within the next five years, with the initial goal of generating all of the electricity used in common areas. These systems are designed to be expanded in the future as battery and power storage technology evolves.</p>
Waste management	<p>We seek to reduce our waste generation in both the initial development and continued operation of our assets.</p> <p>In the operations of our standing assets, we engage with our waste management contractors to provide recycling facilities and track waste production across our portfolio. Home Consortium will seek to attain a NABERS Waste rating to benchmark our current performance and improve our resource recovery efforts.</p>
Water consumption	<p>Australia is a land of floods and droughts, with climate change impacting rainfall patterns and water availability across the country. To minimise our impact on water availability in the communities where we operate, we action water efficiency, recycling, and reuse opportunities across our portfolio. Common water efficiency measures include, and will be considered for implementation:</p> <ul style="list-style-type: none"> • High efficiency fixtures such as efficient taps and water conserving toilets • Water meter separation, and leak detection • Drought resistant landscaping • Rainwater collection systems <p>We track water use across our standing portfolio and will seek asset-level water ratings to inform continuous improvement over time.</p>

Looking after our people

An engaged, motivated workforce is central to HomeCo's sustainability objectives. Key aspects of our employee policies and procedures are described in the table below.

ESG Factor	Home Consortium approach
Employee engagement	<p>We understand that our success is dependent on an engaged workforce that is motivated to deliver on our purpose.</p> <p>As a small and growing organisation, we informally survey our people about their employee experience to understand what works for them and to identify initiatives that can enhance the employee experience, over time this will be developed into an external independent process. All employees agree key performance indicators and targets with their respective managers and receive performance appraisals at least once per year to celebrate success and redefine role requirements as appropriate. Our people enjoy a variety of benefits related to leave entitlements and access to health, wellbeing, financial, and other services.</p> <p>Our people are expected to act with integrity and in accordance with the company's stated values. This includes performing their duties with care and dealing fairly with all clients, customers, suppliers, business partners and competitors. We hold our people accountable for their personal decisions and expect them to refrain from any illegal or unethical activity. The conduct that we expect from our employees is explicitly stated in our Code of Conduct.</p>
Inclusion and diversity	<p>Our commitment to an inclusive and diverse workforce recognises the benefits of attracting a wide range of talent and creating an environment where our people are encouraged to bring their whole selves to work.</p> <p>We are committed to equal treatment of all our employees. This is provided by our Code of Conduct, which states that HomeCo aims to provide a work environment in which all Employees can excel regardless of race, religion, age, disability, gender, sexual preference or marital status. The Group will not tolerate any form of harassment, violence, bullying, victimisation, vilification, or discrimination in the workplace from any person working for or with HomeCo.</p> <p>Our people receive training on how to foster an inclusive workplace and how to report any concerns that they may have. These policies are laid out in the Home Consortium Diversity Policy. As part of our ongoing inclusion and diversity efforts, we have set a FY25 target of 50% gender balance across our workforce, including our leadership team and boards.</p>
Health & Safety: employees	<p>We support the health and safety of our employees. This includes our people who work from home, who are engaged to ensure that their home workplace is safe. When working collaboratively in an office setting, we apply relevant Australian COVIDSafe protocols to protect our people from COVID-19 and other transmissible diseases.</p>

SUSTAINABILITY POLICIES AND PROCEDURES

Looking after our communities

Community development initiatives and supporting Healthy Communities are essential components of our social impact approach. Policies and procedures underpinning our community initiatives and community engagement are described in the table below.

ESG Factor	HomeCo approach
Community development	<p>Our community engagement and development approach is informed by needs assessments that identify critical gaps that our operations can address. For example, we provide space for community activities in the locations where we operate and use our social media and on-site advertising to raise awareness of our community partners' activities.</p> <p>The CommunityCo Foundation will be established to support the development and scale of on-the-ground initiatives that address a range of issues in the communities where we operate. Foundation funding will be allocated based on the results of community needs assessments which are planned to be implemented regularly in the areas around our sites.</p>
Health & Safety: community, tenants, and customers	<p>Home Consortium supports our tenants' and customers' Health and Safety, through active management of the operations in our assets. Regarding health we focus on indoor air quality during the design and operation of our assets.</p> <p>To enable our efforts to support the health of the communities around our assets, we complete community needs assessments when making investment decisions, and plan to implement reviews across operating assets. Through our Healthy Communities Initiative, we enable tenants and operators to access essential products and services within the community. We invest in assets that address an unmet or underserved need of the community, and work with tenants to provide convenient and appropriate services.</p> <p>Home Consortium also works to protect the privacy of our stakeholders. More information can be found in our Privacy Policy.</p>
Social enterprise partnering	<p>HomeCo is at an early stage of the implementation of its Social Impact Framework. Our social enterprise area of focus will be aimed at working with, and partnering with, service providers and "not for profits" where relevant for the communities in which we operate. We will further develop our detailed position on social enterprise partnering as part of this development phase, and relevant for each of our operating funds.</p>

Partnering with suppliers

HomeCo's success is dependent on strong partnerships with suppliers, ranging from facilities managers to builders, through to the entities supplying corporate consumables and raw materials for our developments. We strive to partner with suppliers who share our commitment to sustainability and can demonstrate their capacity to deliver positive environmental and social impacts.

Contractor health and safety

Contractors working at our sites are covered by our suppliers health and safety management systems and are properly inducted on site before works commence.

Addressing modern slavery risk

HomeCo is aware that modern slavery risks may be present in its supply chain. We are committed to upholding human rights in our operations and supply chain, and do not condone the use of child labour, forced or compulsory labour, or other forms of intimidation or coercion across our business and supply chain. We seek to ensure safe working conditions, including the elimination of discrimination and harassment. We will take a proactive risk to understanding modern slavery and other human rights risks across our supply chain, including collaborating with industry to address collective human rights challenges that we face.

Corporate directory

Directors	Chris Saxon David Di Pilla Zac Fried Greg Hayes Jane McAloon Brendon Gale Kelly O'Dwyer
Company secretary	Andrew Selim
Registered office and Principal place of business	19 Bay Street Double Bay NSW 2028 Telephone: 1300 466 326
Share register	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Telephone: 1300 554 474
Auditor	PricewaterhouseCoopers Tower One, International Towers Sydney Level 17, 100 Barangaroo Avenue Barangaroo NSW 2000
Stock exchange listing	Home Consortium shares are listed on the Australian Securities Exchange (ASX code: HMC)
Website	https://www.homeconsortium.com.au/
Business objectives	In accordance with the Listing requirements ASX 4.10.19, the directors confirm that the group has used cash and cash equivalents that are held at the time of listing in a way consistent with its stated business objectives.
Corporate Governance Statement	<p>The directors and management are committed to conducting the business of Home Consortium in an ethical manner and in accordance with the highest standards of corporate governance. Home Consortium has adopted and has fully complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition ('Recommendations')).</p> <p>The group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and ASX Appendix 4G are approved and released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement and Home Consortium's other corporate governance policies and charters can be found on it's website at https://investors.home-co.com.au/investor-centre/?page=corporate-governance</p>

**Home
Consortium**

homeconsortium.com.au