

GOODMAN GROUP SUSTAINABILITY POLICY



Goodman's commitment to sustainability encompasses all areas of Goodman's business including our primary operating activities of property investment, property development, property management, and funds management. We are committed to operating under a global sustainability policy and strategy, and aim to cultivate a culture committed to achieving our objectives and specific sustainability targets.

Goodman's business success is built on lasting mutually beneficial relationships with our stakeholders, which includes Goodman's securityholders, investment partners, customers, workforce, suppliers, 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, operate with integrity, and in an ethical and responsible manner.

Why do we have this policy?

The Goodman Boards and management team are committed to the highest standards of corporate governance and recognise that an effective corporate governance culture is critical to the long-term performance of the business. Our policy outlines Goodman's commitment to managing our environmental and social impacts ethically and responsibly.

This policy aims to:

- Communicate Goodman's commitment to sustainable operating principles endorsed by the Goodman Boards;
- Establish a sustainability strategy 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 investment partners, customers, supply chain and the community on issues relating to sustainability; and
- Create a directive to work with our supply chain to support them and Goodman in achieving innovative and sustainable outcomes.

What does this policy cover?

This policy outlines Goodman's commitments in relation to a range of material ESG issues the Group believes to be important to Goodman's business, and the strategy adopted to achieve our targets. Our policy extends to all of Goodman employees and activities under our operational control across our global operations and seeks to influence the sustainability commitments of our contractors and customers.

Goodman's 2030 Sustainability Strategy

Sustainability is about long-term thinking and leadership. Goodman operates in a manner that leads to positive economic, environmental, and social outcomes for our business, our stakeholders, and the world more broadly. To establish a framework and specific short and long-term targets, Goodman developed and implemented its 2030 Sustainability Strategy. This leverages from our sustainability progress to date, aligns with our purpose of 'Making space for greatness' and takes a more proactive approach to the challenges and opportunities of the future.

Our 2030 Sustainability Strategy is structured around three strategic pillars including:

Property

Goodman focuses on securing key sites for properties that will stand the test of time. We know that well-located, sustainably-designed, and professionally managed properties are better prepared for the challenges of tomorrow. They are more flexible to meet customer needs, support their ongoing health and well-being, are more resilient to climate impacts, and generally experience higher occupancy rates. This maximises their asset value and is a sign that the properties are being used efficiently.

People and culture

To achieve success, any organisation needs great people. That's why we base our recruitment around merit, local knowledge, and cultural fit. We incentivise our team to think strategically, work collaboratively, and undertake programmes to improve their well-being. Importantly, we have a safety target of zero workforce fatalities which we aim to achieve through strict workplace safety standards and making safety a responsibility for everyone. We have aligned wellbeing commitments with customers and contractors, and have a plan to expand our business ethics programme to look at the human rights and social equity aspects of our global supply chains.

Corporate performance

Goodman has established clear lines of ESG accountability and communication within its management team. Matters of significance are reported regularly to Goodman's Risk and Compliance Committee and through to the Board. We seek finance from sustainable capital sources with low leverage, which helps us to remain active through market cycles. We value the trust of our stakeholders and the chance to make a difference in the communities we operate in. To remain accountable and focused on continuous improvement, Goodman participates in multiple international ESG benchmarks which analyse our ESG performance and provide detailed insights for investors.

Material ESG priorities

Our 2030 Sustainability Strategy is based on several ESG priorities which we believe to be material to our business and our customers' operations. Our strategy aims to address these material priorities, and we have set measurable targets to monitor our progress towards our commitments. Our material ESG priorities are summarised below.

Climate risk management

Goodman recognises the increasing impact climate change is having on the built environment. Our Board supports our policy of developing high-quality, climate-resilient properties which are tailored to their local environment. To ensure consistency and transparency, we are committed to aligning our climate disclosures with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, and emission reduction targets with the Science Based Targets initiative.

Operationally, Goodman will continue to respond to the climate risk to our properties through adaptive adjustments within development specifications, asset management procedures, and investment decisions including site selection.

At Goodman we operate collaboratively with our investment partners and customers to invest in and develop long-term sustainable properties. We consistently monitor our greenhouse emissions and are

committed to achieving realistic short and long-term reductions in energy consumption across our operations.

Climate resilience and adaptation

Goodman's industrial properties are subject to a variety of stresses and wear related to our customers' operations and truck movements. Our properties can also be exposed to a range of environmental factors such as strong winds, storms, flooding, hail, snow, heat, tsunamis, and earthquakes.

We take steps to increase the resilience of our properties where these types of climatic and environmental factors present an elevated risk. Examples taken in various regions include bolstering structural design, elevating key plant and equipment, increasing back-up power generation capabilities, and updating emergency communication procedures.

Responsible investment

Goodman invests in the development of high-quality industrial properties in strategic locations in and around major gateway cities globally. Our assets are well-located and provide us with confidence that our buildings will maintain an average occupancy greater than 95% across our global portfolios. These high utilisation rates coupled with long-term leases allow us to collaborate with stakeholders more readily to implement long-lasting sustainable initiatives.

Goodman Group is committed to responsible investment practices. Goodman's Group Investment Committee takes a systematic and consistent responsible investment approach, having implemented a framework to centralise the decision-making process for significant global investments under the Group CEO's delegated authority.

Sustainable buildings and services

Goodman is committed to incorporating sustainable design initiatives into its developments, including innovations and technologies to reduce energy and water consumption, new materials to reduce embodied carbon, and monitoring systems to support our property management practices.

Goodman is committed towards transitioning to 100% renewable electricity by 2025 across all properties within our operational control. This includes generating or procuring renewable energy or renewable energy certificates (RECs) for our operations.

Energy efficiency and smart energy solutions

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.

We place high priority on ensuring our assets are managed well and provide a quality solution for our customers. Ensuring our properties operate in an energy efficient manner is a priority due to the direct impact on our customers and the environment. We monitor and benchmark the energy performance of our properties and take a lifecycle approach with our energy-efficiency upgrades.

Carbon emissions

Operationally, many of Goodman's logistics properties fall under the operational control of our customers, meaning most carbon emissions generated at these sites are a result of our customers' activities. 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.

We are committed to monitoring and reducing our carbon emissions. In 2021, Goodman achieved carbon neutrality for its global operations, certified under the Australian Government's Climate Active Carbon Neutral Standard for Organisations. We are now also evaluating the embodied carbon of our development activities including emissions associated from the use of materials like concrete and

steel. We have created carbon baselines for our developments globally, and we are committed to collaborating with our suppliers to identify lower-carbon solutions as we transition to carbon neutral developments.

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.

Building materials

Goodman's strict development specifications specify the materials to be used in our developments and which materials or products are prohibited. Where possible, we use forestry certified timber.

Goodman will continue to work closely with our supply chain partners to identify and adopt innovations and performance improving materials, and better practices to improve our operations. We are committed to operating in an ethical manner and working to create a supply chain aligned with Goodman's key policies, including Goodman's [Modern Slavery Statement](#).

Brownfield and 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 seaports, 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.

Biodiversity and environmental stewardship

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 maintain and enhance the local environment through initiatives such as land rehabilitation, water sensitive urban design, green corridors, and using native species in landscaping.

Safe working environment

Goodman is committed to creating a safe working environment for our employees, contractors, and customers. To execute this commitment Goodman has developed and implemented a [Global Safety Framework](#) which defines minimum standards of safety across Goodman operations and ensures a consistent approach to management of safety risks globally.

Supply chain ethics and sustainable sourcing

Goodman is committed to good business ethics and the protection of human rights across its supply chain. Our supply chain consists of small, medium, and large-scale suppliers who we partner with to help deliver our property development, property management, and funds management activities. We want our supply chain free of any form of modern slavery, including human trafficking, child labour, and human rights abuses. Goodman will not knowingly engage in these practices, or partner with any supplier who engages in these practices and has begun to gather more information on where it may be present.

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 reach a workforce gender representation ratio of 50%, and a female senior executive ratio of 40% by 2030.

Our offices are designed around collaboration and teamwork, while also supporting our approach to flexible working. Many of Goodman's global offices have been upgraded to focus on health, wellbeing, collaboration, connectivity, and the sustainability of our global workforce. We look at human capital metrics including gender representation, gender pay equity, remuneration, diversity, learning, turnover, and absenteeism and offer fixed remuneration for employees who do similar work within the same region.

Stakeholder engagement

Goodman is a responsible and responsive business, and we prioritise an open dialogue with our stakeholders, including our investors, customers, employees, suppliers, and the communities in which we operate. We seek feedback during our routine investor updates and customer insight meetings. ESG benchmark programmes highlight our non-financial performance aspects while our discussions with stakeholders help us to determine material sustainability priorities and the social impacts of our business. This in turn allows us to set targets and systems to manage, review, and report on our ESG performance.

ESG Governance

Goodman believes that a sustainable approach makes good business sense, and we seek to work with partners who share our views. Goodman's Board, through the Risk and Compliance Committee, seeks to manage and respond to Goodman's operating environment considering not only both economic and ESG risks and opportunities.

This policy is managed by the Goodman Group Head of Sustainability and approved by the Risk and Compliance Committee and should be read in conjunction with Goodman's other core policies including the Goodman [Code of Conduct](#), [Global Safety Framework](#), [Corporate Governance Statement](#), and [Modern Slavery Statement](#).

This policy is reviewed annually and the Risk and Compliance Committee is updated quarterly to provide feedback on our overall sustainability performance.

Alignment with the United Nations Sustainable Development Goals (SDGs)

The UN SDGs are a call to action to address the world's most significant challenges including climate change, poverty, gender equality, and good health and wellbeing for all. Nine of the 17 SDGs are material to Goodman's business and stakeholders. These remain a constant reminder of how Goodman's operations can help to solve some of the world's biggest challenges.

03 Good health and wellbeing

05 Gender equality

07 Affordable and clean energy

08 Decent work and economic growth

09 Industry, innovation, and infrastructure

11 Sustainable cities and communities

12 Responsible consumption and production

13 Climate action

15 Life on land

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, safety framework, and Goodman's other key policies. Training is delivered to employees who have direct sustainability obligations as part of their day-to-day responsibilities.

Through Goodman's long-term incentive plan, our global workforce has a stake in our business, which motivates them to work hard, demonstrate our commitment to our core values including sustainability, and take a strategic approach to decision-making. As part of overall assessment of performance, progress with specific ESG targets are incorporated into the performance assessments of Goodman's senior leadership team.

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