

Elanor 

ESG ANNUAL REPORT

2022

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Acknowledgement of Country

Elanor is proud to work with the communities in which we operate, to manage and improve properties on land across Australia and New Zealand.

We pay our respects to the traditional owners, their elders past, present and emerging and value their care and custodianship of these lands.

Elanor



Letter from the CEO and Chairman

On behalf of Elanor Investors Group we are pleased to present our inaugural ESG (environment, social and governance) report. This marks a major milestone in our ongoing commitment to ESG initiatives as it articulates our impact over the year, but more importantly, sets the direction for our future sustainability endeavours.

Our mission is to grow Elanor Investors Group into a leading real estate funds management business known for delivering exceptional investment returns and making positive and impactful social and environmental contributions to the communities in which we operate and more broadly.

We've always strived to do business the 'right-way', and it is Elanor's ESG Committee, reporting to the Board as a Management Committee, that has helped permeate this approach to business throughout the entire Group. Our ESG Committee has played a significant role in assessing and overseeing the implementation of important and impactful environmental, social and governance initiatives across the business.

Elanor's ESG strategy has been refined during the year after assessing what ESG topics are most important and impactful to our stakeholders. This strategy is now guiding our ESG ambitions and helping us to prioritise initiatives for the years ahead, while also working to focus on risks and opportunities.

Throughout the year we've made sustainability improvements at some of our real estate investments through energy efficiency projects and renewable energy generation and sourcing.

We continue to protect endangered and threatened species through our Wildlife Parks including a breeding program for the Plains Wanderer, a critically endangered and taxonomically unique Australian bird, in partnership with the NSW Government's Office of Environment and Heritage.

Our ongoing collaboration with The Smith Family, providing educational support for young Australians through their flagship Learning for Life program, is making an impactful contribution to the community.

Finally, our most important asset, our people, are benefitting from a focus on personal growth, the fostering of a learning culture, and an acute focus on Work, Health and Safety across the business.

We are delighted to showcase some of our ESG achievements for the year and we look forward to updating you on our ESG initiatives in the future as we continue to strive to do business the 'right-way'.




Glenn Willis
Managing Director and
Chief Executive Officer




Paul Bedbrook
Chairman

Who we are

Elanor Investors Group is a real estate funds management business with over 50 investment properties across Australia and New Zealand. We were founded in 2009 and listed on the ASX (ASX:ENN) in 2014.

We strive to deliver exceptional investment returns and make positive and impactful social and environmental contributions to the communities in which we operate, and more broadly.

We are:

Passionate: We are passionate about performance

Urgent: We execute with urgency

Different: We seek to challenge the status quo

Collaborative: We respect each other and value teamwork

Caring: We care – for our people, our investors, our community and our environment

We have a highly active approach to asset management and are passionate about unlocking value in real estate assets to deliver exceptional investment returns.

Our differentiated capabilities across Office, Healthcare, Retail and Hotels, Tourism & Leisure (including Wildlife Parks) make us a unique multi-sector real estate fund manager.

With a strong presence across regional Australia, we provide a significant number of employment opportunities for people in the regions from both the ongoing operation of our assets and delivery of value-add capital expenditure projects.

Our Funds Under Management of \$2.72bn, is diverse with assets in the following real estate sectors across Australia and New Zealand



Office

\$829m



Retail

\$1,122m



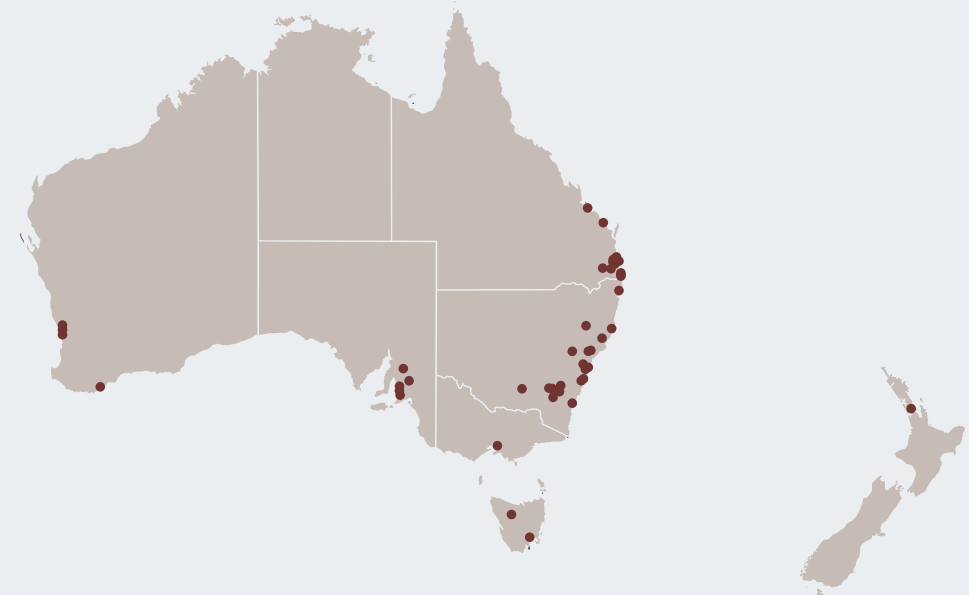
Healthcare

\$304m



Hotels, Tourism and Leisure

\$466m



Our approach to ESG

Elanor's ESG Committee reports to the board as a Management Committee. The Committee is governed by its Charter and plays a significant role in assessing and overseeing the implementation of important and impactful ESG initiatives across the Group.

In 2022, the ESG Committee engaged PwC to assist the Group in refining its ESG strategy. The review of the Group's ESG strategy comprised four key stages:

1. Identification

The process began with Elanor identifying key ESG topics that are important to the organisation. These topics were identified based on our business, vision and values, as well as industry standards that align with best practice.

2. Stakeholders Analysis

A stakeholder analysis was completed, looking at Elanor's internal and external stakeholders to assess the importance and impact of the ESG topics. Stakeholders were broken down into the following categories:

Internal stakeholders
e.g. employees, investors, key business partners

External stakeholders
e.g. tenants, visitors, suppliers, competitors

Regulatory bodies
e.g. regulators, sustainability guiding bodies



Our approach to ESG (cont.)

3. Prioritisation

Based on the stakeholder analysis, eight topics were identified to be most material based on importance and impact, as shown to the right.

In addition to the eight material topics, Community Relations was identified by the ESG Committee as an area of focus for the Group given 'Caring' is a core value of Elanor.



Our approach to ESG (cont.)

4. Baselineing and Strategy Development

Following the materiality assessment, nine ESG topics were selected as areas of focus.

ESG Committee members have been assigned to each material topic and are accountable for baselineing current activity, goal setting and tracking progress.

The result was a refined ESG Strategy containing short, medium and long-term goals under each of the nine material topics.

Portfolio-wide energy data capture, carbon emission measurement and ESG resourcing are our current priorities.

On the following pages, we have focussed on showcasing initiatives against the material topics where we believe we've had the most impact.

Our efforts will be categorised under the following:

E (environment) – minimising our impact on the planet

S (social) – creating stronger communities by giving back to those we operate in and building an inclusive, diverse culture within our company that focuses on the wellbeing of current and future employees.

G (governance) – using internal systems and processes to make decisions that supports performance, builds on our integrity and value for our stakeholders.

Material ESG Topics

- 1 Energy and Carbon Management
 - 2 Ecological Impacts
 - 3 Water Management
 - 4 Waste Impacts
 - 5 Climate Change Vulnerability
 - 6 Community Relations
 - 7 Employee Engagement, Diversity and Inclusion
 - 8 Health, Safety and Welfare
 - 9 Corporate Governance and Ethics
- }

E
- }

S
- }

G

Energy and Carbon Management

We are in the process of evaluating the impact our business operations have on the environment, and how our carbon footprint can be minimised. We are making progress in improving energy efficiency and reducing greenhouse gas emissions through:

- Energy efficiency improvements across our portfolio of real estate investments
- On-site renewable energy generation
- Power purchase agreements for renewable electricity



Retail

We are working with Solar Bay and Momentum Energy to provide renewable electricity to our shopping centres through both on-site and off-site generation. Currently this model has been implemented at Waverly Gardens (Melbourne) and Clifford Gardens (Toowoomba) with plans to extend this strategy across other assets in the retail portfolio.

Commercial

We are developing a roadmap to a Carbon Neutral Portfolio for our Elanor Commercial Property Fund (ASX:ECF).

We have commenced upgrading our buildings to improve their energy performance, as well as transitioning our assets to renewable energy (measured by NABERS Energy Ratings).

For example:

Our WorkZone West building in Perth was the first 6 Star NABERS (base build) and carbon neutral building in Western Australia. It will also have a 99kW PV system installed in early 2023.

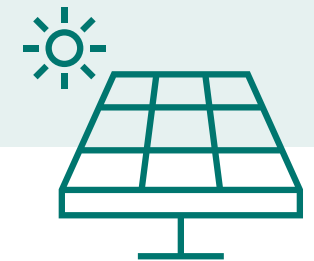
Garema Court in Canberra has a 5.5 Star NABERS Energy Rating. It has a 45kW solar PV system that provides approximately 25% of the total electricity consumed.

19 Harris Street in Sydney is 5 Star NABERS Energy Rated and is also carbon neutral. It has a solar PV system which at peak performance generates 54kW.

Hotel, Tourism & Leisure

Within our HTL division, energy efficiency and renewable energy solutions are being assessed to reduce consumption and associated emissions.

For example, at Clare Country Club, a 30kW solar PV system has been installed. Additionally, all hotel fixtures and fittings (e.g., lights) and HVAC systems are being upgraded to become more energy efficient.



- Workzone West, WA



- Garema Court, ACT
- 50 Cavil Street, QLD



- Nexus Centre, QLD
- 34 Corporate Drive, QLD
- 19 Harris Street, NSW

Energy and Carbon Management – Partnership with Solar Bay

We have partnered with Solar Bay, an Australian-based renewable energy impact fund to provide renewable energy to our tenants

We have entered into Power Purchase Agreements (PPA), Energy Service Agreements (ESA) and an embedded network strategy which creates a private electricity network for our tenants.

To date, rooftop photovoltaic (PV) energy systems have been installed at our Waverley Gardens and Clifford Gardens shopping centres.



	Energy Consumption (MWh)	Solar Generation (MWh)	% of total	Peak Capacity (kWp)
Waverley Gardens	2,356	754	32%	648
Clifford Gardens	7,560	2,855	38%	1,852

For Waverley Gardens and Clifford Gardens the energy generated by onsite solar PV systems accounts for 32% and 38% respectively, of overall consumption. Further renewable energy is then sourced through an offsite ESA with Hydro Tasmania.

Ecological Impacts

We are passionate about making meaningful contributions to animal conservation and improving the health of native wildlife across Australia.



The Koala Genome Programme

In a world-first conservation partnership with The Australian Museum, our Wildlife Parks have helped establish the Koala Genome Program that supports scientists in mapping the entire genome of over 20,000 specific koala genes to advance our understanding of the Koala population. The success of mapping the genome in its entirety is now having a direct impact on the health and survival rate of Koalas.



Mogo Wildlife Park Veterinary Hospital

In 2020, the world witnessed the ferocity of the “Black Summer” bushfires and the devastating consequences for our local wildlife. In response to these fires our Mogo Wildlife Park, near Batemans Bay on the NSW South Coast, built and opened a veterinary hospital for the treatment and rehabilitation of both its own animals and injured or displaced native wildlife.



Australian Wildlife Parks Foundation

The Australian Wildlife Parks Foundation Limited is an ACNC registered charity created to protect, care for, preserve, and study animals while improving the communities outlook on them. Elanor provides resources and staff volunteer their time to assist the Australian Wildlife Parks Foundation.



Saving our Species – The Plains Wanderer

Our Wildlife Parks, in conjunction with the NSW Government's Office of Environment and Heritage, have been a fundamental partner in supporting the Saving our Species (SoS's) program for the Plains Wanderer.

The Plains Wanderer is a critically endangered and taxonomically unique species representing an ancient lineage of birds that evolved more than 100 million years ago. Endemic to Australia, the bird is ranked number one in Australia and number four in the world on a list of bird species we must not lose because of its evolutionary distinctiveness.

In March 2022, SoS's active breeding program successfully released 10 birds in the native grasslands near Hay, in NSW's South-West. It is hoped the inaugural project will boost Australia's dwindling population, estimated to be at less than 1,000 in the wild.

Waste and Water Management



Waste Management

Waste management and recycling is an important consideration to reduce carbon emissions. Responsible management of waste generated at our assets in order to minimise landfill will be an area of focus for Elanor.

Our first step is to understand what waste types and volumes are being generated across all of our assets. Based on this we will work with our staff, tenants and people to implement policies to facilitate its reduction and proper management. Ultimately, we seek to create a more permanent solution for waste within our portfolio through the use of circular economy principles.

We have begun to implement initiatives across our hotels by reducing single-use plastics such as straws and packaging. We have also begun to introduce water refill stations in our lobbies to reduce the need for purchasing single-use plastic bottles.



Water Management

We are actively looking at ways to manage and reduce our consumption of water.

We recognise the importance of managing water through applying water efficient practices and sourcing water from alternative sources where possible. We will be investigating the feasibility of the different options and how they can be integrated into the operation of our assets. We are also beginning to collect data across our entire portfolio to understand where most consumption is taking place.

Across our commercial portfolio, we are completing a gap analysis that will feed into the development of a water plan. This will include setting NABERS Water targets for our assets, introducing smart metering and integrating data collection software to manage and track performance.



Community Relations



One of Elanor's core values has always been that of 'Caring'. As investors and asset managers, we are in a unique and privileged position to positively impact communities. We recognise the impact we can generate through providing financial support, mentorship, volunteer time and gifting to those in need.

Our collaboration with The Smith Family is perhaps our most notable contribution to the community. The Smith Family is a national children's educational charity with a vision of a world where every child has the opportunity to change their future. There are around 1.2 million young Australians living in poverty who face a multitude of challenges when it comes to their learning. The Smith Family is working to help young Australians overcome educational inequality caused by poverty.

We currently support the learning and development of 112 senior secondary school students in The Smith Family's flagship *Learning for Life* program.

Additionally, we also take part in a range of other impactful initiatives including fundraising for the annual Toy and Book appeal, student mentoring and hosting *Work Inspiration* sessions to help ensure young Australians have a positive, meaningful and inspiring first experience of the world of work.



everyone's family

Community Relations (cont.)

Corporate

Since Elanor's establishment in 2009, we have partnered with the FSHD Global Research Foundation to support it to find treatments and a cure for FSHD (Facioscapulohumeral Muscular Dystrophy). In addition to financial support we also provide office space and resources.

The 2022 floods in New South Wales and Queensland saw widespread damage and devastation in regions close to us. To help those impacted, we donated \$25,000 to the victims of the floods through GIVIT, to support the donation of goods, services and volunteering. We also matched \$ for \$ any staff donations that were made and ultimately donated over \$40,000 to those affected.

Commercial

We support various community initiatives such as facilitating the distribution of free bread to the community of Ellenbrook in Perth via our Broadway Medical Centre.

We host fundraising initiatives such as the Biggest Morning Tea in support of cancer awareness where we helped raise \$10,000 this year at our 50 Cavill Avenue property on the Gold Coast

Retail

We have focused on tailoring our retail centres to make them more community-centred, with greater consideration placed on medical, health and wellbeing uses.

We are offering parts of our centres to community groups (e.g., Red Cross, Lions Club, Salvation Army) and social causes (e.g. the National Cancer Foundation, MS Australia) to enable them to fundraise for, and raise awareness within the community.

Hotels, Tourism and Leisure

We have partnered with TAFE NSW to support the learning and upskilling of studying Certificate 3 & 4 in Animal Studies/Captive Animals. We run a volunteer program at both Featherdale and Mogo Wildlife Park for up to 100 students each year. This enables them to participate in work experience as per course requirements and grow and develop their knowledge in a controlled environment.



1%

of FY 2022 Core Earnings has been donated to not-for-profit organisations

Including Elanor resources and staff volunteer time

Neeta City – Community Wall

A Community Wall Installation in collaboration with Fairfield City Council and the Navitas English Fairfield Youth Group to showcase the lives and journeys of the young refugees. They provided insight into places of cultural spiritual and emotional significance in students' homelands and Australia.

This installation has resonated with members of the community, many of whom are migrants, refugees and former students of Navitas English.

Employee Engagement, Diversity and Inclusion

Our people are our most important asset. We strive to create an environment that is inclusive, welcoming and open for all to feel safe and valued. Our business operates in many diverse regions, with our assets reaching communities consisting of a variety of backgrounds and demographics. We seek to attract, retain, support and grow our talent through fair recruitment, strong leadership, inclusive culture, and a warm, welcoming and collaborative working environment.

Diversity Policy

We are fostering an inclusive and diverse culture that aligns with our values and growth ambitions. We seek to embrace individuals' strengths and differences to enable our team members to use their unique experiences and diversity of thought to contribute to the development of our business. Our diversity policy has been adopted to acknowledge and appreciate the diverse range of abilities and perspectives within the Group.

Our policy ensures that all employees are:

- Treated with equality and respect; and
- Encouraged to foster a culture of acceptance and teamwork

Personal Growth Review

Our Personal Growth Review (PGR) program is a two-way conversation to align our employees' personal growth objectives with Elanor's growth objectives. It is a critical component of our overall performance management strategy. The aim is to have conversations that focus on personal growth and development, and alignment to organisational goals. Our process is a unique, individualised, framework for our people.

We foster a learning culture prioritising learning, development, personal and career aspirations. We develop deep professional expertise and create the conditions for collaboration across Elanor to share this expertise.

Training

Development is a vital element of employee growth and retention. We offer a multitude of training opportunities for our teams internally and externally. This includes networking opportunities, mentoring partnerships, professional industry-recognised training, short courses, and Diploma level programs.

We have established a series of 'lunch and learn' sessions for both online and in-person training. This provides an opportunity to upskill staff while also shaping culture and facilitating interaction in the workplace.

Our staff are involved in a variety of role-specific industry training to upskill and gain confidence within their area of expertise as well as general training that helps them communicate more effectively. Many of these initiatives are driven by our employees who are passionate about learning and expanding their skill sets.

Staff Engagement

We are engaging with our people across all teams through a variety of initiatives that encompass the holistic employee.

Our focus is on mental, physical, nutritional and educational aspects to support all staff and teams to grow, strive and to help foster a culture of an engaging, diverse and inclusive workplace.

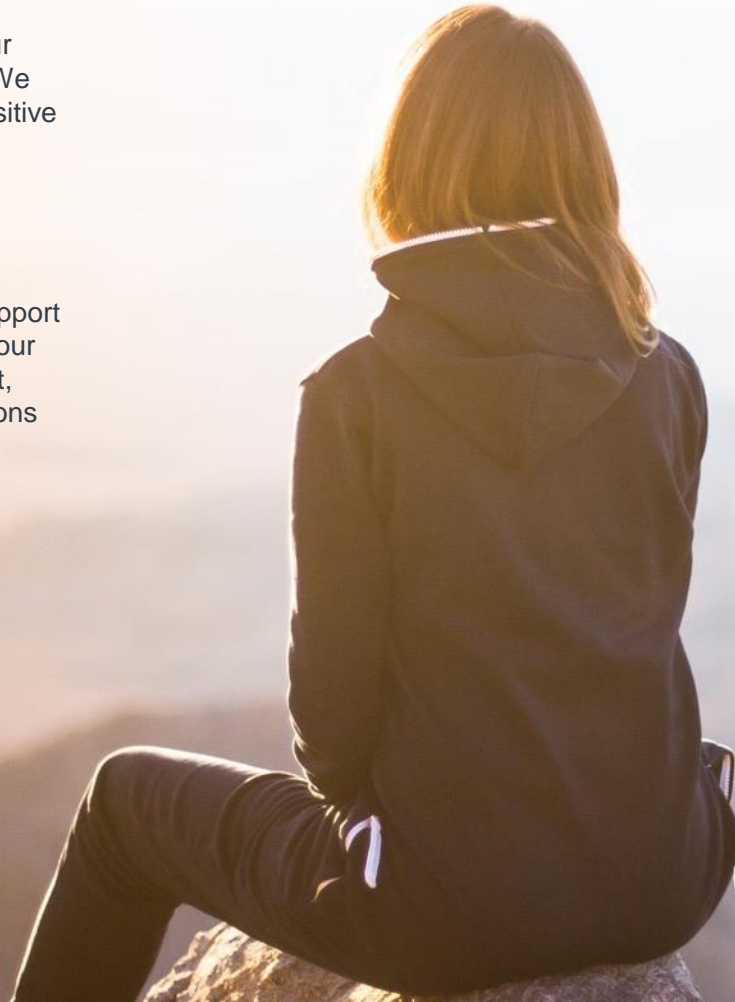
Health, Safety and Welfare

Our approach to health, safety and welfare extends to employees and visitors across our business and real estate assets.

We recognise that for our business to flourish, our people and our communities must also flourish. We work to provide an environment that fosters a positive culture and prioritises people.

We are proactively engaged in implementing physical, emotional, mental health and education programs across the Group.

Nutrition is a key area of focus and we look to support healthy eating choices where possible. We offer our staff daily healthy breakfast options including fruit, cereals and plant-based milks as well snack options for a diverse range of dietary requirements.



Recently, we have partnered with Kinex Health to focus on the mental health of our staff through resilience workshops and an eight week training program. The program seeks to help us understand mindset and perception through patterns. It will provide our staff and teams with tools to help build resilience for themselves and those around them.



Corporate Governance and Ethics

Elanor Investors Group has a Board of Directors that is responsible for establishing a framework of corporate governance, culture and processes for the Group.

As an ASX listed organisation and the holder of an Australian Financial Services License, the Board's role is to reinforce the confidence of the investment community to support the overall performance of the Group and ultimately increase securityholder value.

The governance framework developed is aligned with ASX Corporate Governance Councils Principals of Good Corporate Governance and Best Practice Recommendations and includes the following:

- WHS Committee
- Audit and Risk Committee
- Remuneration and Nominations Committee
- Independent Compliance Committee
- Board and Committee Charters
- Corporate Governance Policies

As part of Elanor's Code of Conduct, the Board is responsible for instilling a culture of acting lawfully, ethically and responsibly. This is underpinned by Elanor's core values:

Passionate

We are passionate about performance



Urgent

We execute with urgency



Different

We seek to challenge the status quo



Collaborative

We respect each other and value teamwork



Caring

We care – for our people, our investors, our community and our environment



ESG Committee

Elanor is a values driven and socially conscious organisation that actively gives back to the community. The values and culture of Elanor's leadership and people influence our decision making to deliver securityholder returns that are socially, environmentally and ethically responsible.

The Board recognises the importance of ESG to the future of the Group and its importance to its key stakeholders.

Elanor's ESG Committee reports to the board as a Management Committee. The Committee is governed by its Charter and plays a significant role in assessing and overseeing the implementation of important and impactful ESG initiatives across the Group.

The nine material ESG topics have been delegated to specific topic owners to implement initiatives, monitor progress against targets and provide feedback to the ESG committee.

The ESG Committee is chaired by the CEO. The ESG Committee, along with the WHS Committee, Audit and Risk Committee, Remuneration and Nominations Committee and the Independent Compliance Committee assists the Board in fulfilling its responsibilities.





The Future

We are using this inaugural ESG Report to showcase our achievements over the year and share the direction we are moving towards to meet our environmental, social and governance ambitions.

We will continue to implement impactful ESG initiatives across the Group while working to better measure, establish targets and resource against our material ESG topic areas.





Elanor 