

Universities Superannuation Scheme Ltd

Responsible Property Investment Policy



Universities Superannuation Scheme Ltd believes a responsible approach to property investment will protect and enhance the value and returns of its assets in order to fulfil its commitments to its members. The Scheme's objective is therefore to reduce environmental and social impacts generated by its investment and management activities, including those that may affect climate change. The Scheme seeks to exert a positive influence on its property portfolio and the market, by encouraging improvements in environmental and social performance through a structured programme of activity, including:

Responsible governance and management procedures

- Monitoring progress towards meeting Responsible Property Investment ("RPI") commitments and targets, continually driving improvement in our performance;
- Maintaining established internal governance procedures, including an RPI Working Group, which reviews the implementation and ongoing appropriateness of the RPI policy and objectives, and monitors progress towards meeting the commitments therein.

Responsible engagement

- Integrating environmental and social considerations into the selection of property & asset managers, consultants and suppliers to promote the successful implementation of our RPI policy;
- Communicating with our key stakeholders including tenants about our policy, objectives and performance, and maintaining an appropriate level of employee awareness of RPI issues.

Responsible investment strategy

- Understanding and mitigating relevant environmental and social risks on our property portfolio;
- Setting portfolio and asset-specific RPI key performance indicators and targets in our annual portfolio and property business plans and tracking performance against these.

Responsible property and asset management

- Assessing the risk of environmental and social impacts when considering direct and indirect investments in order to mitigate them where possible following purchase;
- Promoting socio-economic, biodiversity and community opportunities relevant to the property portfolio;
- Integrating RPI considerations into the design and specification of major refurbishments and new developments, including the selection of advisers, agents, consultants, developers, valuers and contractors and other key stakeholders during the development process;
- Ensuring the consistent assessment, measurement and monitoring of our most significant environmental and social impacts against agreed key performance indicators;
- Reducing landlord controlled consumption of energy and water; reduction of waste production including the increase in waste recycling rates;
- Where relevant, including sustainability performance information into marketing materials and dialogue with occupiers and buyers;
- Continue to innovate through the consideration of new initiatives, including the methodology for measuring carbon emissions.

Signed on behalf of the RPI Working Group

February 2020