



Responsible Investment Policy

New Forests is committed to a responsible investment approach in our business. This policy sets out how we will integrate environmental, social, and governance (ESG) considerations into our investment programs. We do this in order to lower risk and support stable returns from our investments, but also because innovative approaches to forest and land management can add value to our investments. This policy will form a component of New Forests' Social and Environmental Management System.

Scope

The Responsible Investment Policy applies to all New Forests' investments, and shall be implemented at three levels within the business:

- New Forests' corporate strategy and business plans;
- Investment strategy and products, including the design of investment vehicles and investment policies; and
- Asset-level management, including ESG management goals and performance evaluation throughout the life of the investment.

Integrating ESG in New Forests' Investment Programs

In seeking to be a responsible investor, New Forests is committed to a set of principles and criteria that ensure our investments are aligned with the interests of the communities where we operate and with the needs of our clients. This commitment encompasses a range of criteria including environmental stewardship, human rights, health and safety, employment conditions, and openness and transparency. New Forests seeks to support the welfare of communities and individuals who may be directly impacted by our investments, including employees, workers, and local communities. New Forests also aims to balance productivity with the conservation of forest and land resources to enrich landscapes and create shared value. We expect to implement these principles and criteria through active ownership including our governance processes, policies, and contractual agreements with our service providers.

New Forests believes operational excellence is a critical component of integrating ESG in our investment programs. Operational excellence refers to systematic organisational behaviour that drives sustainable performance improvement against the principles and criteria discussed above. We also recognise that continuous improvement involves change over time, including adoption of new technologies, responding to feedback and challenges in our business, and implementing new policies and procedures that represent best practice.

Implementation

The following strategies and commitments support New Forests' responsible investment implementation and promote compliance with this policy.

PRI Signatory and ESG Management

New Forests manages ESG through a combination of complementary processes, activities, and commitments. New Forests will seek to continue to be a signatory to the Principles for

Responsible Investment¹ (PRI) and report on progress toward implementing the principles through the PRI's assessment process.

Compliance with New Forests' Social and Environmental Management System

New Forests will continue to support and implement its Social and Environmental Management System (SEMS), which is designed to systematically identify, manage, and report on social and environmental issues and potential impacts of all of New Forests' investments. The SEMS includes a commitment to continual improvement.

Compliance with Laws, Regulations, and Voluntary Commitments

New Forests seeks to comply with all applicable laws and regulations related to ESG issues in the company's investments and also expects our external managers, agents, and portfolio companies to make similar commitments. Compliance systems must be implemented that ensure adherence to anti-corruption, labour, and environmental laws. New Forests will use its influence with portfolio companies and service providers to promote responsible and ethical business practices, good governance, integrity, and a proactive stance against corruption and bribery. In addition, New Forests commits to upholding its voluntary obligations related to ESG, such as those that are mutually agreed with clients or requirements of organisations of which New Forests is a member.

Use of Third-party Certification, Industry Standards, and Best Practice Guidelines

Management practices will be certified by accredited, independent third parties to globally recognised standards for social and environmental performance, where practical and commercially feasible. For example, we use the ISO 14001 Guidance for Environmental Management Systems, the Internal Finance Corporation Performance Standards, and Forest Stewardship Council certification to provide credible third-party assurance of activities regarding management of investments. New Forests will seek to use best practice guidelines to reduce risk and create value in our investments, such as the DFI Toolkit on Corporate Governance² and the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries, and Forests.³

Community Engagement and Stakeholder Relations

New Forests will pursue appropriate stakeholder partnership and engagement opportunities that support ESG management in our investments and more broadly in the asset classes in which we invest. Engagement activities should be appropriate to the scale, location, and cultural and historical context of each investment. Engagement activities may include ongoing consultation with communities, participation in industry groups, providing input to public policy, and working with local or non-profit organisations.

Culture of Workplace Health & Safety (WHS)

New Forests is committed to complying with relevant WHS legislation, codes of practice, standards, and guidelines applicable to New Forests and to achieving industry best practice WHS standards. This is applied within our business as part of the company's WHS Policy, and we will seek to ensure our investments comply with the spirit of this policy.

²See http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/corporate+governance/cg+development+framework/dfi+toolkit+on+corporate+governance.

³ See <http://www.fao.org/nr/tenure/voluntary-guidelines/en/>.



Transparency via Regular Reporting

New Forests will be transparent in engaging and communicating with stakeholders related to ESG issues and sharing decision making criteria and processes with clients and employees. New Forests shall report on material ESG issues and our activities related to responsible investment in client reporting, the corporate annual sustainability report, and in the PRI reporting and assessment framework.

Approval and Review

The Responsible Investment Policy is approved by the New Forests Pty Ltd Board of Directors and will be reviewed regularly as part of the management review of the company's Social and Environmental Management System.

Date of Approval: 25 March 2015

