

Responsibility Report

The Company's Board is responsible for establishing the key principles and culture of the Company, including environmental, social and corporate governance. The Company seeks to be clear and open in performance reporting for all stakeholders and conduct its affairs responsibly and with suitable oversight. We are fortunate to have built a strong team at the Company and our culture is key in ensuring that the team works well. We are guided by our shared objectives, values and understanding of the Company and the Company's stakeholders and environment.

Stakeholder Engagement

The Company acts within a number of intersecting stakeholder groups:

Employees

We value the contributions made by the Company's employee and non-executive team. Since the Company's formation in 2018 we have striven for a strong and open company culture, with values that have been co-created by our employees. We aim to have a positive, transparent business environment consistent with our values, with equal opportunities for all. All employees are invited to the weekly Company business meeting and are free to table points, question or propose agenda items and participate as fully as they require. The Company has a flat reporting structure, aided by its relatively small size, so each employee reports, and has daily access, to an executive Board member.

We seek to select, recruit, develop and promote the very best people in a working environment where all are treated with dignity and respect This is effected by:

1. Ensuring equal opportunities in the recruitment process;
2. Setting fair and competitive salaries and benefits;
3. Ensuring employee objectives and reviews and objectives reflect the Company's objectives and culture;
4. Having appropriate family and well-being policies; and
5. Being opposed to any form of discriminatory treatment.

All employees and executive directors receive death in service and long-term disability insurance, as well as health insurance for them, their spouses and dependents under the age of 18. The employee pension benefits contributed by the Company are 15% for every employee without exception. With the approval of the Remuneration Committee each of the employees is eligible to receive a bonus for outperformance against specific and agreed measures. During 2020 the Company intends to expand the membership of the Long Term Incentive Plan to include certain employees in addition to the executive directors to more closely align those employees with Company performance.

The Executive Directors are responsible for overseeing the training, development and career mentoring of the employees that report to them. The Company's open and inclusive work culture allows employees to see the benefits of their work to the Company and where relevant, its wider community. Employee development needs are met by a mix of activities which include internal and externally provided training, structured 'on the job' work experience and through interaction with professional colleagues. Over the year, staff complete an average of 15 hours training.

As a smaller company the Directors recognise the benefits of diversity of skills, experience, background, gender and other qualities in the Company's employees. We are committed to reflecting diversity in its broadest sense, while ensuring that we maintain the necessary skills and experience

required to oversee the significant business activities and related requirements of the Group. In reviewing the Company's employment requirements, candidates are considered on merit against objective criteria and with due regard for the benefits of diversity. The Company has a Diversity Policy, the aim of which is to ensure that the percentage of women to men employed by the Company remains at or exceeds 30%. At the end of 2019, of the Company's employees and officers (including independent non-executive directors) 30% were women, of the employees 33% were women.

The health and well-being of our employees and stakeholders is critical to the business. Our commitment to providing a safe and healthy working environment for our employees is achieved by:

1. Adhering to the appropriate health and safety standards;
2. Providing a working environment that as far as possible enables employees to work effectively and free from unnecessary anxiety, stress and fear;
3. Having private health benefits for all employees;
4. Ensuring employees can report inappropriate behaviour or concerns through any of their managers, the senior independent director or the whistleblowing policy;
5. Having appropriate family friendly policies; and
6. Having a Modern Slavery Policy and a zero-tolerance approach to slavery, human trafficking, as well as bribery and corruption.

Indicator		31/12/2018	31/12/2019
Gender Diversity (Male/Female ratio)	All employees	60/40	66/33
	Executive Directors	100/0	100/0
	Non executive Directors	75/25	75/25
Gender pay (basic pay by Male/Female ratio)	All employees	71/29	73/27
	Executive Directors	100/0	100/0
	Non executive Directors	78/22	78/22
Training and development (Average hours per employee)		12	15
Performance appraisals (% of workforce)		100%	100%
New hires		5	1
Turnover		0	0
Injury rate (Injuries per work hour)		0	0
Lost day rate (Days per employee)		0	0
Absentee rate (Days per employee)		0	0
Fatalities		0	0
H&S Impact assessments		0	0
H&S incidents		No instances of non-compliance	No instances of non-compliance

Nomination and selection process for selecting the highest governance body	http://www.vgreit.com/~media/Files/Y/Yew-Tree-Commercial/documents/20-terms-of-reference-nominations-committee-may-2018.pdf	http://www.vgreit.com/~media/Files/Y/Yew-Tree-Commercial/documents/20-terms-of-reference-nominations-committee-may-2018.pdf
Conflict of interest management	The Company has a Conflict of Interest Policy, the Conflicts Log is reviewed by the Audit Committee at each meeting, no conflicts have been reported.	The Company has a Conflict of Interest Policy, the Conflicts Log is reviewed by the Audit Committee at each meeting, no conflicts have been reported.

Shareholders

The Directors welcome the opportunity to meet with the Company's shareholders both at the Company's AGM, any GM and at informal meetings. All directors attended the 2019 AGM and GM to meet with shareholders and the Executive Directors conducted shareholder meetings following release of the 2018 Annual report, the 2019 Interim report and before the Company's capital raisings in July and December 2019. The Company hosted visits to its offices and its properties for shareholders and intends to continue doing so in 2020. At each quarterly Board meeting (and at ad-hoc Board meetings if merited) the Executive Directors brief the Non-executive Directors on current and potential shareholders' views on the Company's performance, strategy and results. The Company's broker, Goodbody Stockbrokers, provides written feedback from meetings that is shared directly with the Board. Garry O'Dea as Senior Independent Director remains a point of contact for shareholders who wish to speak directly with the Non-executive Directors.

Service Providers

The Company conducted a review of the performance, cost and benefit of all its service providers, making changes where these were merited and reviewing the need and cost benefit of additional staff to ensure the Company remains operationally effective. The Company has internalised its finance function in 2019 and continues to review other currently outsourced services that might be better provided internally from 2020. As a lightly staffed, responsible Company the Directors value the past, present and future business relationships that allow the Company's strategy and business to be efficiently executed. The Company has drafted a Supplier Code of Conduct which is being shared with all suppliers and has conducted property visits with service providers to ensure they understand the Company's business better. A significant amount of the Company's employees' time and effort is taken in educating our business suppliers and stakeholders on the Company's objectives, plans and ethics in order that our service providers understand their part in those goals. The Company has a Modern Slavery Policy and requires behaviour from its service providers to be in keeping with the Company's Supplier Code of Conduct.

Tenants

The Company's interest in its tenants is indicated in its Investment Policy and continued through the ownership of each property. The Company's property management group's aim is to be proactive, approachable and responsible in their tenant interactions in order that our properties support our tenants, and modern workplace, requirements. All property purchases and new leases require a detailed review of the tenant, the tenant's business and the relationship of these with the Company and the economic and social environment. The Company's property management group meet with the tenants to understand their current and future use of the properties, deal with issues and, where feasible, to try to improve the quality of the property and its environment. The Company and its agents

also ensure at least annually, and in many cases semi-annually, that its tenants are compliant with their lease obligations including their regulatory and statutory obligations.

There is more on our tenant interaction in the section on sustainable buildings below.

Communities

As a company we invest in property situated in communities across Ireland, usually in areas where our tenants are significant local employers. However, it is important that we are not just the owners of the buildings housing businesses that employ local people, but that we do what we can to have a positive impact on those local communities. This includes ensuring our buildings are healthy places to work but we also aim to try to improve the local communities in some way.

Our business strategy is predicated on benefitting from Ireland's attractiveness to foreign direct investment. That investment is in large part driven by the quality of the young, educated work forces that exist in the larger towns and cities in regional Ireland. Whilst the cities (Cork, Limerick and Galway) have thriving universities which spawn research institutes and help to encourage business investment, the towns rely on institutes of technology which tailor many of their courses to educate students in ways that make them more attractive to and employable by those multinational investors. The buildings we own outside of the larger cities are usually situated on IDA Ireland parks set close to local institutes of technology. One of our key community objectives for 2020 is to engage with at least two of those institutes to see how better we can improve the local environment: for example by sponsoring and facilitating research in practical improvements to the environmental impacts of both the parks in which the buildings are situated as well as the buildings themselves.

As part of a broader community outreach we also intend to engage with at least one local charity in the regions in a way which makes a material difference to that charity. Given the relatively small size of our company and workforce some of the involvement will necessarily be small scale. However, the most effective engagement which could make the most material impact is in the creative use of our assets, such as development land or vacant floor space.

Environment and Sustainable Buildings

Yew Grove's portfolio of buildings were mostly constructed when regulatory and social concerns with environmental issues was less pronounced than today. As a result whilst the buildings may have been constructed soundly, the lighting, heating, insulation, air conditioning, waste disposal and other systems integral to their function may not be of a standard expected from a new build, especially following the Near Zero Energy Building Regulations now in force for all new construction. However, that does not mean that there is nothing we can do. Our strategy is multi layered but in simple terms has four strands.

1. Throughout the life of the building as leases, building design and tenants allow we will replace existing mechanical and engineering (M&E) systems with more environmentally friendly improvements. For example, this means replacing lights with LED lighting, reglazing and reinsulating (where possible), upgrading energy supply systems to switch as far as is possible and desirable to renewable energy, using technology such as heat pumps to reduce energy wastage in air conditioning and heating systems. It also means introducing modern building management systems either as upgrades or in a number of cases as the first system to those buildings which have none. The speed of development will vary across the estate as some is single tenanted and control of a number of the issues is vested with the tenant and some of

the estate is multi-tenanted where we control the building management but still need to work with our tenants to agree the speed and cost of implementation.

2. Across our estate we have begun measuring all of the energy and water consumption and will also measure waste disposal and destination. The purpose is to allow us to understand better the baseline usage and effect of those buildings but also to target material improvements in energy and water consumption, water disposal and greenhouse gas (GHG) emissions.
3. We have already introduced green cleaning into some of our estates and with the agreement of tenants will roll that out across all of our buildings.
4. We have begun engaging tenants to understand their objectives and concerns, and to let them know of our plans. This is done through meetings and a tenant survey which has been tested on one of our buildings and will be rolled out across the entire estate and repeated annually. In order to make the surveys meaningful we will, where possible and where tenants are engaged, work with them to add additional improvements to the buildings: for example by adding more cycling and shower facilities, improve the usage of common space or land with bee friendly planting or improving the common spaces within multi let offices to improve the working environment for the workers who use them.

We expect to publish ambitious target for improvements in energy efficiency, GHG emission, improvement in recycling by the date of our Interim Report in June 2020. But for those to be meaningful the baseline measurements need to be accurate and to that end we are not only ensuring there is measurement across all of our buildings, but we are also engaged with the installation of intelligent measurement and analytical systems which will track usage and system efficiency both at a landlord and tenant level to the benefit of both.

At present we are too small in capital terms to be considered for GRESB membership, but provided we grow to sufficient size we will target a private submission of data by the end of 2021, with a target of full membership by 2022.