




Altus Group

ESG
2018

Environmental Social Governance

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Content current as at February 21, 2019

For Altus Group, Environmental, Social and Governance (“ESG”) matters are cornerstones of our strategy and corporate culture, and contribute to our success and long-term financial sustainability. We identified the following ESG factors in particular to be important to our sustainability: corporate governance, environmental impact, social impact, corporate philanthropy, human capital, diversity and inclusion, and cybersecurity.

Corporate Governance

Altus Group is committed to maintaining high standards of governance and ethics throughout our company. We believe **strong stewardship and good governance** are essential to operating our business effectively and are important to our shareholders, employees and other stakeholders.

The Board has adopted the following corporate governance guidelines and framework to protect Altus Group’s interests and to align our objectives with those of our shareholders:



- Corporate Governance Guidelines
- Board Mandate and Committee Charters
- Written Position Descriptions
- Director Independence
- Directors’ Equity Ownership Requirements
- Directors’ Equity Ownership Interests
- Prohibition on Hedging and Equity Monetization Policy
- Code of Business Conduct and Ethics
- Whistleblower Policy
- Timely Disclosure and Confidentiality Policy
- Board Diversity Policy
- Advance Notice By-Law

Our governance highlights include:

- We were early adopters of a Board Diversity Policy and today three of our eight directors are women (representing almost 40% of our total members).
- We believe that we have shareholder-friendly executive compensation plans that align performance with compensation, and align the objectives of our executives with the long-term interests of the company and its shareholders, while ensuring that we remain competitive in the market, and continue to attract, retain and motivate top talent.
- The composition of our Board has evolved to better suit our strategic direction, providing the ideal mix of industry knowledge, diversity, international experience and financial expertise, as well as a range of director age and tenure that provides the Board with a diversity of opinion and experience.

Our corporate governance policies, procedures and practices are designed to ensure that our Board can fulfill its statutory mandate to supervise the management of our business and affairs in accordance with the highest standards of ethical conduct and in the best interests of all of our stakeholders. We strive to put governance practices in place that not only comply with regulatory requirements in accordance with prevailing market practices, but exceed them. We are committed to effective and sound practices in corporate governance and regularly assess opportunities for improvement. More information related to our governance practices and guidelines is available on our corporate website under the Investor Relations tab.



Environmental Impact

As the majority of our revenues are derived from services and software, we do not consider our business to have a material environmental footprint. We are committed to protecting the environment and reducing waste by promoting the efficient use of energy and natural resources. We strive to implement recycling programs wherever it is available in our offices, including reducing use of bottled water by installing drinking water filtrations systems, installing energy efficient lighting in many of our offices, and encouraging employees to save paper and only print documents when necessary. Our head office in Toronto is also LEED certified, and as we expand our geographical presence we strive to choose offices that have similar environmental certifications.

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Social Impact

Altus Group has a number of social policies that govern our conduct and speak to our corporate culture and values. Our Altus Group Employee Handbook(s), Code of Conduct and Ethics policy, Workplace Anti-Violence Unlawful Discrimination and Bullying policy, and health and safety training all contribute to ensuring a safe workplace - both physically and culturally. We mandate training of employees on a number of related topics, such as preventing harassment and violence in the workplace, IT security, and Code of Conduct.

All of our employees are required to participate in health and safety training based on jurisdictional requirements which we routinely review with a view to improve efficacy and meet prevailing market standards.

Our Code of Business Conduct and Ethics policy contains principles and guidelines in the following areas: complying with applicable laws (including insider trading laws and timely disclosure); conflicts of interest; protection of corporate assets and corporate opportunities; gifts and entertainment; payments to government personnel; government relations; fair dealing; outside directorships; confidentiality, propriety information and



Social Impact (Continued)

trade secrets; confidentiality, propriety information and trade secrets; workplace environment; and reporting violations of the Code or other company policies. Altus Group employees who violate the standards in this Code are subject to disciplinary action, which may include the termination of their employment.

As a reflection of our commitment to uphold high professional standards, Altus Group became the first company to be globally regulated by the Royal Institution of Chartered Surveyors (“RICS”), the world’s leading qualification for professional standards in land, property and construction. RICS is the global professional body that promotes and enforces the highest international standards in the valuation, management and development of land, real estate, construction and infrastructure.

To our best knowledge, we remain the only Canadian publicly-traded company regulated by RICS. Among other things, RICS requires us to adhere to certain valuation standards that take into account sustainability factors, such as environment and climate change, health and well-being and corporate responsibility. With our commitment to regulation by RICS, the Company aligns itself with RICS’ recognition of the growing relevance of sustainability factors as a market influence.



Corporate Philanthropy



We are committed to support the communities in which our employees live and work, through both financial support and volunteer commitments. Our “Altus Cares” Committee meets regularly to plan and facilitate volunteerism and fundraising initiatives to add value to our communities. Directionally, we have committed our charitable focus on organizations that help children and their families dealing with challenging situations. We are proud that we continue to attract significant employee participation in our ongoing initiatives

throughout the course of the year. In September (our Month of Caring), Altus Group employees around the world volunteer their time to support their local communities. A pillar event for our Canadian office has been our volunteerism with Ronald McDonald Houses to support the families who with their ill children. Over the years, our Month of Caring has evolved to include a variety of charities (Juvenile Diabetes, Ride for Cancer, etc.) to promote our mandate of helping children and their families.



Human Capital

One of our key competitive advantages is our industry expertise. As such, our employees are our most valuable asset. In order to deliver on our clients’ needs and provide the level of service our clients expect, we are dependent on being able to attract, retain and motivate qualified individuals. We have been successful in attracting and retaining talented professional staff due to, among other things, our global scale and position as an industry leader. This gives us the ability to offer professionals the opportunity to develop a broad and



Human Capital (Continued)

unique skill set through participation in a variety of projects, practice areas and high profile assignments.

Our dependence on being able to attract and retain employees is also one of our material risks. We strive to mitigate this risk by providing competitive benefits and compensation packages. We regularly benchmark our practices to those of our peers to ensure our benefits remain competitive and continue to meet our employees' needs. At our most senior levels, not only do we offer participation in our Long-Term Incentive Plan, but we also award a portion of our annual bonus in the form of equity. We offer flexible working arrangements that help improve our employees' work-life balance and overall wellness, and we provide a wide array of training, including technical, leadership and personal development aimed at empowering our employees to advance their careers within our company. In 2018 we launched a pilot program focused on training for new managers to equip them to successfully transition from a team member to a team leader. The response to the pilot was extremely positive and we have adopted the program globally and will roll out sessions across the globe regularly to support our new leaders.

We regularly review our talent and succession pipeline, giving visibility of our top talent to our Executive team across the business. We highlight and apprise our Board regularly in regards to our key talent and ensure the Board has direct exposure to these individuals.



Diversity and Inclusion

As a global organization, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to our success. Altus Group's global growth plans requires an agile culture, and competitively, Altus Group needs to continue to develop an attractive employment proposition that appeals to a wide range of talent that will help the Company sustain its advantage. Diversity and inclusion are integral to Altus Group being successful and a key facet to an effective team of senior leaders. At Altus Group, diversity is about more than just gender. We embrace our employees' unique and diverse characteristics and think beyond traditional definitions of diversity. Altus Group realizes that age, ethnicity and geographic background, language, thinking styles, life experiences, personal style, sexual orientation, educational background, religion and more all enrich both the working environment and in turn what we can offer both our fellow employees and clients alike. It's all about the varied perspectives people can bring to our collective table.



Diversity in our workforce is a differentiator that improves our ability to innovate and to drive improved performance. We believe that Altus Group is a better company when our workforce reflects the diversity of the communities in which we live and work, and that putting our unique differences to work across the company will drive growth and innovation.

While always a cornerstone at Altus Group, 2018 saw formal Diversity and Inclusion Committees formed globally. Sponsored by the CEO and the CHRO, employees from all levels are participating in these committees. They meet regularly to educate, increase awareness and promote a wide variety of activities furthering Altus Group's diversity and inclusion efforts. These committees have been developing plans and strategies while embracing an even wider range of activities to more visibly encourage and celebrate our diversity. Additionally, we hosted International Women's Day with events around the globe in March of 2018, and we continued to participate in forums such as the Commercial Real Estate Women's (CREW) Network.

Diversity and Inclusion (Continued)

Furthermore, we remain committed to continuing to increase the diversity of our workforce and continue to make solid progress. In relation to our diversity initiatives, we recognize the importance of increasing women's representation in executive and senior leadership roles and we are focused on developing this talent "pipeline".

Today, just under 40% of our global workforce are women. Our current Global Executive is comprised of 20% women and similarly we currently have women in 19% of our global leadership team positions.



Cybersecurity

We have developed a cyber and information security program and implemented a variety of practices that safeguard our intellectual property and our client's data. We have an Information Security Policy and have implemented a framework of standards, controls, practices, processes and technologies in an information security management system ("ISMS") based on the ISO/IEC 27001:2013 international standard.

Following industry best practices, our cyber and security controls are applied using a risk-based approach, following the principles of defense in depth and least privileged. Our cyber and information security measures focus on people, processes and technology, and address operational aspects such as training, systems development, access right, suppliers, cryptography, protection against malware, patching and many more.

