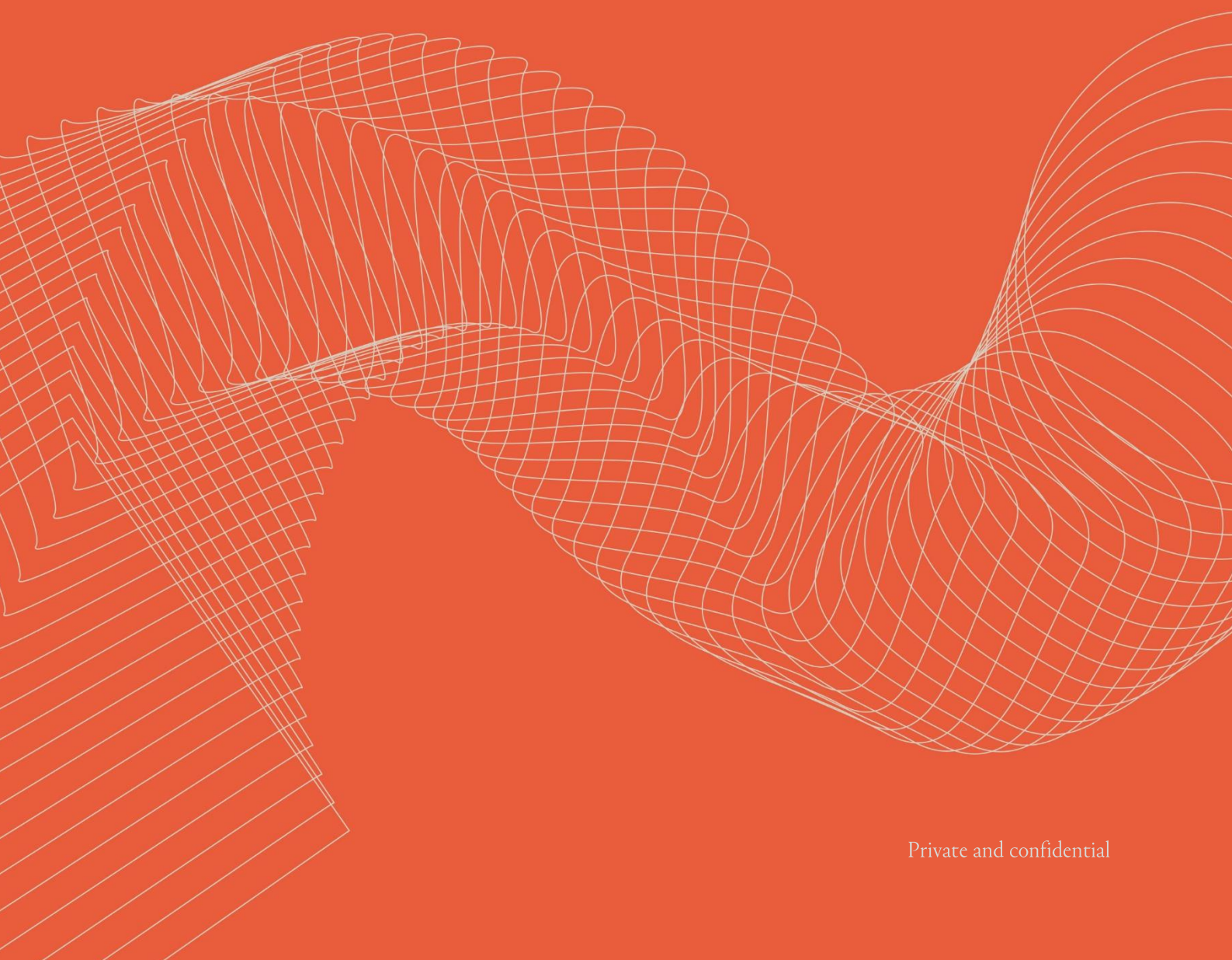


yoo CAPITAL

Astarte PLATFORM MEMBER

Environment, Social, Governance Policy 2022



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I. Introduction

At Yoo Capital Investment Management LLP (YCIM), we are driven by our conviction that positive social value is at the core of transformative real estate; and that a focus on creating societal value goes hand-in-hand with investment returns. We continuously look for the transformative opportunities that contribute to society and in which we can play an additional role in creating value. We have a responsibility to manage developments in a manner that is sensitive to the environment, provides a social benefit, and is set within the overarching framework of strong corporate governance.

The firm takes a proactive approach and applies sound practices to environmental, social, and governance (hereafter ESG) matters throughout the investment cycle. We recognise that we have a fiduciary duty to our clients to achieve the best returns possible from the assets we manage on their behalf within acceptable risk parameters. Achieving those returns should not be at an undue cost to the wider society and, more often than not, delivering positive ESG outcomes results in stronger returns for clients than would have been achieved otherwise.

This ESG policy communicates the overarching rules and regulations that YCIM abides by in its approach to the integration of ESG throughout its investment strategy. It is applicable to all our developments, and to our advisory mandates, in so far as concerns the scope of our contractual services and ability to influence the development and management of portfolios. Implementation of our ESG policy aims to be specific and measurable so that we can evaluate and report upon the success of this policy and its implementation in future years. Our strategy is constantly evolving, responding to innovation within the industry, market, and the changing needs of our stakeholders.

The implementation of YCIM's ESG policy and the overall ESG approach has several benefits for our clients, future tenants, and other stakeholders. These can be summarised as follows:

- Effective management of risk
- Driving performance through efficiency
- Futureproofing of buildings across the portfolio
- Enhanced levels of stakeholder engagement with contractors, staff, communities, and relevant industry bodies

Last but not least, we see the value of sustainability and ESG from the growing evidence that supports the commercial case for more sustainable buildings in terms of generating rental premium and speeding the pace of letting space.

Over the long term, building inclusive communities is key to the success of our places. Our commitment to this and the creation of social value benefits everyone. With more companies signing up to the science-based targets initiative, setting net zero strategies, aligning with ESG benchmarks, and the growing focus on social contribution, the demand for sustainable real estate is expected to increase significantly.

2. Commitment

At YCIM, we are committed to investing responsibly and encouraging the highest standards of business conduct and ESG management in our own practices and across our portfolio.

We recognise that our investments, through their socioeconomic and/or environmental functions, help contribute to the global sustainable development agenda as set out by the United Nations' Sustainable Development Goals (hereafter SDGs). YCIM is committed to aligning OurWE Ener its portfolio activities and key performance indicators (hereafter KPIs) with the SDGs as a well-established framework to indicate positive outcomes of our investments.



YCIM is committed to creating spaces that promote physical and mental health and well-being, as well as encouraging social interaction and creating inclusive communities. All developments target WELL Building Standard certification.



YCIM is committed to ensuring all contractors have water management plans or policies in place to ensure responsible usage, treatment, and disposal throughout the construction of the development.



YCIM is committed to the development of multi-dimensional community hubs that create socioeconomic benefits for the surrounding community. Further, during the development phase, policies are in place to ensure decent opportunities, work, and pay for any labour force obtained.



YCIM is committed to delivering developments that integrate inclusive designs that are non-discriminatory, safe and resilient, and that generate socioeconomic and environmental benefits.



YCIM is committed to targeting BREEAM certification, and sustainable and responsible procurement of all suppliers and materials used for the development. This includes policies that cover sustainable consumption and usage during- and post-development.



YCIM is committed to taking climate action through sourcing sustainable and low embodied carbon material, ensuring efficient energy management during construction, and energy efficient building systems on completion.



YCIM is committed to incorporating green areas and plants that promote biodiversity and provide shelter and food for a variety of species, including birds and invertebrates.

3. Leadership and Governance

We have a clear governance structure for the embedding and implementation of ESG within our team and the assets across our funds.

Employees

Our team is embedded in our ESG strategy. On joining the company, all staff receive ESG training. Each job description includes an ESG requirement and appraisals are linked to ESG goals and further training is offered. YCIM's employees are also encouraged to participate in stewardship activities.

YCIM holds a full team call every Monday morning where ESG is informally discussed, and we have formed an ESG committee that has oversight and governance responsibility for objective setting, development of procedures, and overseeing the implementation of the ESG policy. This committee holds monthly meetings to ensure progress is maintained in line with the policy and KPI's. Given the nature of our AUM, the focus will be on the development stages however ESG with the full lifecycle of the investments will be considered right through to disposal. The committee is made up of the Managing Director, Managing Partner, Director of Communications and Social Impact, and at least one further member of both the investment and development teams.

In addition to this ESG policy there are several more specific policies detailing ESG issues across our organisation's activities. These include:

- Social Value Policy
- Health and Wellbeing Policy
- Company Handbook, including:
 - health & safety policy (including details on mental health),
 - modern slavery policy
 - data protection & cybersecurity policy
 - anti-bribery policy
 - diversity and inclusion policy

All policies will be reviewed and updated on an annual basis. This includes working on a policy to become Net Zero in line with science-based targets in 2022.

Contractors and Suppliers

YCIM recognises the important role our contractors and suppliers play with regards to the impact and performance of our developments. Therefore, we have established governance processes through our Procurement Policy that ensures environmental and social performance is reviewed at proposal and appointment of contractors and suppliers. Key expectations include:

- Environmental commitments and policies
- Sustainable and responsible procurement of supplies and materials
- Health and safety procedures for workers
- Ethical procurement of labour (including anti-slavery and fair living wage)

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- Social value commitments (including diversity and inclusion, and employability)

These expectations apply to all contractors, sub-contractors, and suppliers appointed. We further expect continuous delivery against YCIM ESG principles throughout the length of the projects, which will be governed through specific ESG deliverables or key performance indicators.

Tenants and Users

Our future tenants and users play a central role in the deliverance of environmental performance across our assets. YCIM ensures that future tenants share our core values and commitment to being a responsible and engaged neighbour. We understand that many of our future occupiers have ambitious ESG and net-zero targets of their own and expect assets they lease to align and support with these ambitions. A commitment to upholding standards is included in leases and, where applicable, a contribution to social value is made on an ongoing basis.

4. Benchmarking and Disclosure

Reporting and benchmarking is a fundamental part of YCIM's ESG strategy. Disclosure to internal and external stakeholders ensures transparency and sharing of best practice. It also allows comparison and benchmarking of performance internally and externally to be undertaken which supports measurement of progress and performance year on year.

YCIM produces a quarterly report to investors that includes key information on ESG both at the fund and asset level and an annual report examining its ESG performance in detail. Additionally, we have committed to participation in external benchmarking frameworks including GRESB and UN PRI in 2022 and 2023 respectively and have aligned with industry standards to ensure comparisons are possible.

Principles for Responsible Investment

YCIM became a signatory to the United Nations for Responsible Investment (UN PRI) in February 2020. YCIM recognises the importance of ESG in making investment decisions, particularly through our investment due diligence process. Incorporating ESG into our investment practices also positively influences our ability to attract and retain tenants, garner government and local government support, obtain more competitive bank finance, and improve valuations upon exit. We commit to its six Principles:

1. We will incorporate ESG issues into investment analysis and decision-making processes
2. We will be active owners and incorporate ESG issues into our ownership policies and practices
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest
4. We will promote acceptance and implementation of the Principles within the investment industry
5. We will work together to enhance our effectiveness in implementing the Principles
6. We will each report on our activities and progress towards implementing the Principles

The Paris Agreement on climate change and Taskforce for Climate-related Financial Disclosures (hereafter TCFD)

The TCFD recommendations support companies to articulate how their business models and preserves value against relevant climate related risks. This requires companies such as YCIM to effectively identify, monitor and respond to these risks across the development and asset lifecycle, whilst also identifying climate related opportunities.

As a real estate investment manager YCIM is committed, through its investments and own operations, to play its role aligning to the goals set out in the 2015 Paris Agreement on climate change. YCIM recognises the importance of transparency to enhance understanding of climate risks

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and opportunities and we welcome the recommendations of the TCFD and will use them as guidance in enhancing our approach to climate risks and relevant disclosures to investors.

YCIM are working with external consultants this year to begin alignment with the TCFD, both in-house and within the investment process.

Global Real Estate Sustainability Benchmark (GRESB)

GRESB provides a benchmark assessment that is used by investors to understand and compare the effective responsible management of real estate assets in the development and management phase of real estate assets across the investment portfolios. GRESB assesses several key aspects of ESG, scoring each fund's response in the submissions process and providing a score of the fund's overall approach to ESG.

YCIM will submit to the Global Real Estate Sustainability Benchmark (GRESB) in 2022. The aim of submitting to GRESB is to drive ESG performance across YCIM's funds and assist in developing our approach to ESG through benchmarking annually. It will also allow YCIM to compare ESG performance against key peers and drive performance and innovation.

Submission to benchmarks and frameworks will be reviewed on an annual basis as best practice within the industry evolves. In addition to the disclosure mentioned above KPI's at firm level have also been set and are outlined in the targets section of this policy.

5. Responsible Investment

YCIM has historically created its turnaround plans based on the fundamental premise that affordable housing, real communities, safer environments, sustainable construction methods, and working with charitable and public benefit groups all create true intrinsic value in the fabric of its real estate.

The challenge has been to ensure not to take on these elements as an after-thought, but rather to integrate them into the original design and plan from the start. This integration creates an authentic, sustainable and vibrant mix within the real estate that is tangible and creates bonafide investment value because it engenders stable income growth, greater tenant retention and a more attractive investment profile to major institutional and retail investors seeking longevity, stability and sustainability.

We continuously monitor standards and ideas which can strengthen our impact management process. As such, YCIM has become a UN Principles of Responsible Investment signatory this year and closely follows GRESB standards. The Director of Communications and Social Impact advises our teams and is responsible for promotion and further development of our methodology.

Deal Flow Stage – Initial Screening and Due Diligence

Impact is a dominant investment criterion for YCIM. Because we typically invest in transformative real estate and often have a majority share, selecting the right projects is critical. We have integrated impact in all investment processes:

During deal flow, we actively seek to identify investment opportunities that have the potential for positive social value, as well as pre-screening for ESG-related externalities. We believe that the transformational power of generating positive social value represents the greatest opportunity to add value through investment. Our approach is to look at existing sites, rethink previous plans and then transform the site to create positive social value.

To aid our investment managers in the selection process, we developed the YCIM Social Impact Framework to identify and score value, collect data and drive accountability. The framework helps us to select those rare opportunities with exceptional impact potential. Together with an ESG checklist containing exclusion requirements, investment managers are well positioned to make informed investment decisions. During Due Diligence, the investment teams rate opportunities based on the four social value criteria: community, partnering potential, affordability, and transformation potential. Results are reported to the Director of Communications and Social Impact before an investment decision is made.

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We firmly believe that there are certain investments that do not align with our nature and philosophy of business. We consider these areas as non-investable and will not seek to raise capital or engage in business opportunities in these areas. We follow a list of attributes that would classify an investment opportunity as non-investable. Strict exclusions include forced labour, slavery and prostitution, war and terrorism, money laundering and nuclear activities.

Y CIM's acquisition due diligence will include a detailed technical evaluation which encompasses issues such as the presence or otherwise of contamination, and harmful building materials and a review of building quality concerns that may impact occupants or visitors.

Value Creation Stage

During the investment holding and development period Y CIM will take the initiative to support and educate investment partners on sustainability issues and will work actively with its financial and advisory partners to develop and implement measurable sustainable asset management initiatives. At this stage, the firm-level KPI's and improvement targets will be implemented at fund and asset level. Due to their quantitative nature, this can be tracked on an ongoing basis to assess performance and progress. Y CIM is working with external consultants to ensure this process runs smoothly and that outcomes are linked to the investment and manager investor reporting requirements.

Y CIM will use capital expenditure programs to monitor and evaluate the possibility of improving the sustainability levels of the asset. If a green improvement project is determined to be unfeasible (e.g. uneconomic, pay-back period too long, not approved by investors), this will be documented.

Project Realisation

Although Y CIM does not currently have AUM at the exit phase this is still something we take into consideration. At this phase, Y CIM will produce ESG impact assessments, report to investors and have an internal close out process including a process to document ESG lessons learnt.

Finally, Y CIM is committed to aligning our ESG commitments across the RIBA Plan of Work. This organises the process of briefing, designing, delivering operating and using a building into eight stages. It is a framework on all disciplines on construction projects and Y CIM is using its stages to integrate ESG alignment across these stages.

6. ESG Policy Pillars

Our ESG Policy is made up of four pillars that underpin our approach to ESG internally and across our portfolio.

1. Create ambitions, actionable, and achievable environmental targets

Our environmental targets are carefully calculated to be ambitious but achievable. This balance is important to ensure that we deliver real meaningful change and positive environmental impact. We achieve this through the adoption of a sustainability strategy for each project; the assessment and adoption of BREEAM, Nabers and WiredScore ratings; and, the KPIs set out in this document.

2. Act as 'Active Neighbours' delivering measurable and impactful social value through our projects

At the core of YCIM's ESG strategy and beliefs is the fundamental premise that affordable housing, real communities, safer environments, and working with charitable and public benefit groups all create true intrinsic value in the fabric of its real estate.

We focus on redevelopment projects that are predominantly based in the Greater London area and all are unique and reflective of their individual areas and communities. Our speciality is authentic mixed-use developments that include, for example, affordable housing, commercial space, retail, community space, and cultural and educational facilities. We uphold this authenticity by acting as 'Active Neighbours', becoming part of the community and consulting and involving them in the development process creating buildings and places that are of their local area. We ensure that our methodology for community involvement aligns with industry standards and guidance set out by the UKGBC, Social Value Portal and AccountAbility100.

We work with these communities to build social value into our projects and have set out detailed guidance on this in our Social Value Strategy.

3. Champion health and wellbeing at work and across our portfolio

YCIM understands the importance of not only investing in the health and wellbeing of our team but ensuring that each member is fully committed to and involved in our ESG strategy. Our Health and Wellbeing Strategy outlines the range of policies that we have put in place, including life and healthcare insurance, mental health first aid training and paid volunteering leave. We measure the success of our policies through annual staff satisfaction surveys, absenteeism data and diversity data.

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Alongside promoting employee wellbeing, our Strategy informs the design of our building, ensuring that the health and happiness of the end user is considered at all stages of the design process.

4. Embed ESG in our practices and promote our commitment externally

At YCIM we understand the importance of stakeholder engagement in ensuring our developments create true intrinsic value and deliver ESG performance throughout, from our contractors and suppliers to future occupants. Our team entire team actively engages with residents, businesses, contractors, suppliers, politicians and other key stakeholders to provide information about our ESG principles and the continuous commitment to these across the operational and development stages of the project. As a team and individually, we regularly contribute to panels, take part in reports, and produce our own material on industry best practice.

7. Targets: Key Performance Indicators

The Key Performance Indicators (KPIs) set out are quantifiable and measurable targets that will demonstrate credibility for our ESG policy. They consist of high-level topics covering mainly the construction and development stage, given our AUM. The targets and KPI's are split into the three categories of the policy: Environmental, Social, and Governance.

Environmental KPIs

1. General Construction

BREEAM

This KPI encourages a strong general performance across the construction of new assets. It covers 10 categories and is the leading international environmental building certification.

Quantitative Metric(s):

100% of developments to achieve an 'Excellent' in BREEAM UK New Construction.

2. Materials

Embodied Carbon

The UKGBC defines embodied carbon as the total greenhouse gas emissions generated to produce a built asset including extraction, processing, manufacture, and recycling. This KPI encourages the procurement of materials that have a low embodied impact over their lifetime. Taking embodied carbon into consideration can result in a significant reduction in emissions prior to the development becoming a standing asset.

Quantitative Metric(s):

Target 650 Co2/m2 GIA across all new build elements of development by 2030 for A1-A5 sections of Whole life Carbon assessment.

Responsibly Sourced Materials

Through supply chain management, sustainable materials can be sourced in an ethical and transparent way. This KPI encourages the procurement of key materials that are sourced responsibly and aligns to larger benchmarks such as BREEAM, which recognise and value building with sustainability as a main consideration.

Quantitative Metric(s):

For timber and timber-based products: 100% of total material certified under BREEAM-recognised schemes. For all other materials >36% of total weight of materials certified under BREEAM-recognised schemes. 20% of construction materials used (by weight) are recycled.

3. Energy

Operating CO2 Emissions

This KPI encourages the specification and design of energy efficient building systems at the development stage, including sourcing equipment that will improve the inherent energy efficiency of the building and therefore subsequently reduce its associated carbon emissions. Inefficient energy management systems lead to waste and therefore an increase in greenhouse gas (GHG) emissions.

Quantitative Metric(s):

Project specific (to be determined at stage 1)

Metric: CO2/m2/yr

Low Global Warming Potential refrigerant gases will be used for artificial cooling.
Onsite renewable energy generation deployed if possible and >75% of the energy is derived from renewable sources

Energy Used During Construction

Energy use during construction or renovation of a building development will be sourced sustainably, conveying YCIM's commitment to emission reduction and aims to show best practice within the industry.

Quantitative Metric(s):

Project specific (to be determined at stage 1)

Metric: kWh/£100,000 of construction spend

4. Water

Mains Water Use

This KPI encourages sustainable water use in the operation of the building and its site. The approach to sustainable water use may include both soft and hard measures including a water management system.

Recommended Quantitative Metric(s):

Use 50% (in design or operation or both) mains water

Use during construction

This KPI encourages sustainable water use during the construction or renovation of the building and its site. Project teams must propose a target based on project scope and size.

Quantitative Metric(s):

Project specific (to be determined at stage 1)

Metric: m3/£100,000 of construction spend

5. Supply Chain

14001-Certified Contractors

The adoption of supply chain best practice means YCIM will work with contractors and suppliers that have established and improved their environmental issues, adhering to the high standards set for environmental management systems.

Quantitative Metric(s):

Achieve 100% 14001-Certified Contractors

6. Waste

Weight of (non-hazardous) Construction Waste Generated

This KPI encourages resource efficiency in the development or renovation of real estate and therefore reducing overall waste from construction sites, which will have to be disposed of.

Quantitative Metric(s):

<4.5 m³/100m² GIA

7. Biodiversity

This KPI aims to maximise the biodiversity potential of all developments and aim to achieve an overall increase in net biodiversity gain.

Quantitative Metric(s):

Achieve an Urban Greening Factor of 0.3 as per London Plan requirements

Social KPIs

1. Social Value

This KPI encourages stakeholder participation with the aim to maximise the positive impact that projects can have on the local community, including increasing employment opportunities and apprenticeships in the local area.

Quantitative Metric(s)

Project specific (to be determined during due diligence and updated against target)

Metric: forecast social return on investment in £ per sq ft.

2. Well-being

How a building is designed and operated should take into consideration every aspect of health and well-being, ranging from air quality to building materials. This KPI ensures the developments will facilitate well-being and productivity once fully operational as a standing asset.

Quantitative Metric(s)

Have at least one asset WELL Building Pre-Certified in 2022

Align all future developments with WELL Silver or above.

Governance KPIs

1. Resilience

This KPI includes aligning to the recommendations set out by the Task Force on Climate Related Financial Disclosures (TCFD) and will involve identifying material risks and opportunities at each of the YCIM Fund locations. After identifying the risks (flooding, legislation, building regulations, and so on) adapting the building will be considered to improve climate resilience.

Metric(s):

Create a heat map identifying the different physical and transactional risks to YCIM funds (low risk, medium risk, high risk).

2. Handover and Aftercare

This KPI intends to support building tenants and users in the long-term maintenance of a developed asset. By doing so, this KPI can help to reduce the Performance Gap in energy efficiency and consumption, empower building users to take ownership of their buildings, and connect YCIM with their assets post construction.

Metric(s):

Conduct tenant satisfaction surveys and create action plan with KPIs