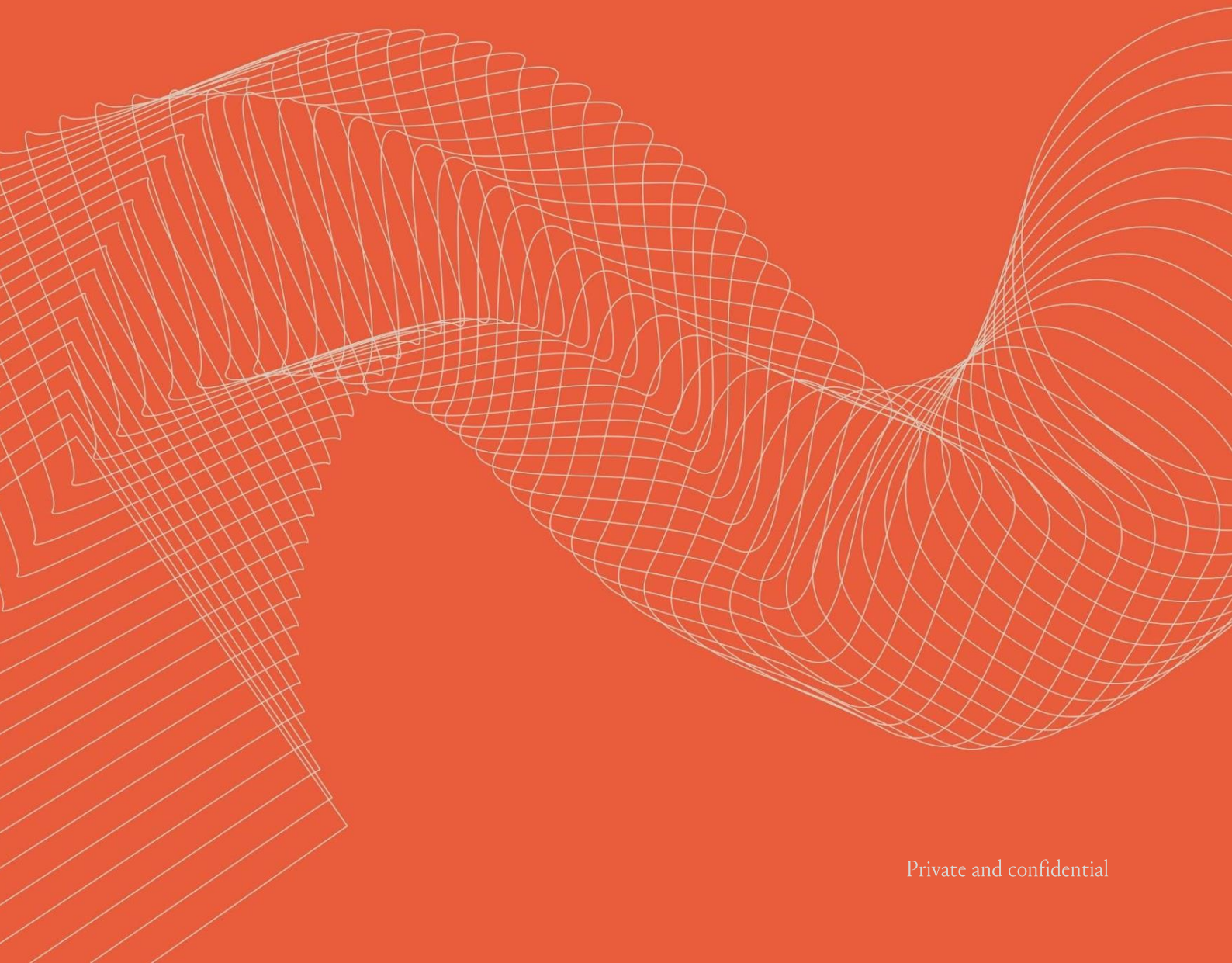


yoo CAPITAL

Astarte PLATFORM MEMBER

Social Value Strategy & Guidance 2022



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Key Terms

Social Value	Social value means the direct, positive impacts for people and communities that can be created by going beyond fit-for-purpose built environment design and creating socially sensitive infrastructure or architecture. (<i>Supply chain sustainability school</i>)
Stakeholder	An individual or group that has an interest in any decision or activity of an organisation. (<i>ISO 26000</i>)
Community	People with common interests living in a particular area
Accessible	Physically and economically available to all
Affordable	Reasonably priced to be accessible to those on below the median household income
Transformative real estate	A marked change for the better in a specified area resulting from real estate investment
Inclusive	Not excluding any parties or groups
Neighbourhood	A district or community
Local	Relating to a particular neighbourhood
Livability	The degree to which a place is suitable or good for living in

I. Introduction

“The power of any firm ultimately lies in its people and their ability and will to pursue a common vision. As a firm, we see the communities we help to build in the same way; people sharing common ground whose ultimate long-term success and strength resides in their ability to grow as a whole.”

Lloyd Lee, Managing Partner

At Yoo Capital, we are driven by our conviction that positive social impact 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.

This document has been created to outline how the team at Yoo Capital embeds, monitors, and reports on social value. It explains in detail how we perform this function as part of the ‘S’ in ESG, in line with recognised best practice and guidance.

Our policy is ambitious, and we go beyond compliance to actively seek additionality in this area. We apply social value criteria to all business activities, from investment due diligence to encouraging our tenants to develop their own social value policies. The outcomes and impacts are measured and reported back to our Investment Committee and investors.

Our calculation, monitoring and reporting processes are outlined in the body of this document. We monitor the social value initiatives across our portfolio quarterly and conduct a wholesale review of our policy and methodology annually, benchmarking progress and ensuring that we continue to pursue ambitious targets.

The policy set out in this document aligns with the following:

- UNPRI:
 - SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
 - SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable
- UKGBC
- Social Value Portal
- AccountAbility 100

2. Culture and Management

Think differently, deliver difference

Social Value is embedded in our culture, from our company purpose and brand to individual training and performance.

The Yoo Capital company handbook entrenches social value in company policy; in both the way we grow and care for our team and in the way our team carries out our purpose.

The policies relating to our staff have been devised to promote diversity and inclusion, wellbeing in the workplace and career development in line with guidance from Real Estate Balance and WELL. These are outlined in detail in our Company Wellbeing policy. Each team member is given 1 day a year to volunteer for projects or charities of their choosing.

Team members are briefed and trained on the importance of social value from their first interactions with the company. Our job adverts all include reference to social value and our purpose, and job descriptions all have reference to social value expectations. When a new member of staff joins the company, they receive our company handbook and ESG policies, including social value. As part of an induction, they also have an initial briefing with the Director of Communications and Social Impact along with their department lead. The briefing covers the importance of social value to the company and the practical application of it related to their job role. Any gaps in knowledge are identified at this point and training is organised relevant to role.

Once they have been finalised, the annual report and ESG policies are presented to team members. They review their documents within their departments and implement the strategy, arranging necessary training if required.

All team members receive action plans as part of their appraisals. The actions relate to overall business objectives, targets set out in our ESG policy and their own job descriptions. Each member of the team is given at least one 'social value action' every year and their progress is monitored quarterly and assessed annually. Overall progress against the identified actions informs remuneration and bonus levels.

Training and development in social value also takes place informally. ESG and social value initiatives are discussed at a regular Monday morning meeting with all staff present. Best practice is circulated via email on ad hoc basis and there is a monthly ESG meeting, bringing together at minimum one member representing the investment team, one member of the development team and the Director of Communications and Social Impact. The minutes of the meeting are circulated to all staff.

3. Procurement and Supply Chain Management

“In procurement Social Value is about making sure that what we buy is creating benefits for people, stakeholders and society as a whole.”

UKGBC

We provide our suppliers with our ESG policy and an outline of our requirements in terms of social value. This requires companies to undertake the below where possible and practical:

- Have a CSR/ESG policy making note of social value
- Indicate preference to use businesses and subcontractors local to projects
- Hire locally
- Advertise apprenticeships
- Create training programmes and work experience opportunities
- Promote diversity within project teams
- Acknowledge and/or plan their role in collaborating with communities
- Promote health and wellbeing in their workforce and through subcontractors

We engage with our suppliers on this issue and help them to fill gaps where they exist. We require our Tier 1, 2 and 3 contractors to report on social value.

4. Stakeholder Engagement and Social Value Additionality

“I know Yoo Capital and, having seen how they work elsewhere in our borough, welcome their investment and stewardship of this important part of Shepherd’s Bush. I’m confident they’ll invest and work collaboratively to ensure market traders thrive and prosper, and that new genuinely affordable homes and workspaces are built on the adjacent Old Laundry Yard site. I look forward to working with them and local people to deliver those results.”

Cllr Stephen Cowan, Leader of Hammersmith and Fulham Council

Stakeholder engagement is and has always been core to what we do. We believe that good engagement creates better places, that in turn deliver stronger returns for our investors and create more livable areas.

Our stakeholder engagement strategies have been formulated inline with best practice from the UK Green Buildings Council and the AccountAbility 100 combined with our on-the-ground experience.

While we have guidelines for stakeholder engagement, we appreciate that every community is different. We believe stakeholder engagement should be meaningful, measurable, and reportable, however a significant part of our approach involves spending time within communities ourselves, getting to know people, building relationships, and creating a trusted dialogue. We have labelled this as our ‘Active Neighbour’ approach, taking inspiration from the ‘Active Owner’ approach prevalent in ESG strategies. We have found that being an active owner generates the best response for all involved, giving us ideas and local knowledge that we otherwise would not have had, and providing communities with a real conduit to inform, influence and change proposals as they evolve.

Phases of Engagement

Our engagement strategies have phases that are adapted and tailored for each of our projects. We build our social value additionality through each phase and strive to ensure we deliver social value from ‘Phase 3’ onwards.

	Phase 1: Investment	Phase 2: Planning	Phase 3: Design	Phase 4: Construction	Phase 5: Operation
Phase description	Due diligence and early appraisals pre-acquisition	Site acquired and core project team appointed	Project team evolving designs during pre-application process	Planning permission secured and project under development	Building tenanted and operated
Phase of engagement	Stakeholder research & due diligence. Initial social value analysis to assess opportunity for additionality	Begin stakeholder engagement to gain insight and understanding, and identify potential social value additionality	Involve stakeholders on the design of the scheme	Continued engagement with stakeholders in line with Considerate Constructors Scheme. Delivery of social value through jobs	Tenant social value scheme and satisfaction monitoring in place

Phase 1: Investment

Projects can only deliver true impact when it is built in from the offset. Historically in the real estate industry stakeholder engagement and community benefits have been considered when a project is 80% designed and almost ready to be submitted as a planning application. Benefits were agreed through negotiations with councils on s106 contributions and this was the tool to measure social value.

At Yoo Capital, we understand that our projects operate within communities before we acquire them and must remain rooted in those communities to be successful.

When a potential project first crosses our desks, we undertake initial place-based research (see page 13). This includes a review of council policies and targets, a review of key local stakeholders and a high-level assessment of local need. This helps us understand the type of scheme the council and local community may welcome, and the benefits we could provide.

As we enter the due diligence phase, we make an initial assessment of the potential social value additionality using the methodology below. Each identified area is given a score out of 5. This is combined with our wider ESG score (outlined in our ESG Manual) and only projects that score 70% or higher pass through our due diligence phase.

	Description	Metric
Community	The extent to which the community can directly access, use and benefit from the development.	<ul style="list-style-type: none"> • % of the project that is publicly accessible • Forecast Social Return on Investment in £
Partnering	The extent to which other stakeholders are involved, and where applicable, partnerships are formed. For example with third sector, public sector and charitable partners.	<ul style="list-style-type: none"> • Potential to partner with public body, charity or third sector organisation
Affordability	Whether the project can be considered affordable and financially accessible to its tenants.	<ul style="list-style-type: none"> • Level of designated affordable space required • Initial understanding of stakeholders to form basis of Equality Impact Assessment
Transformative	The impact the project will have on the existing operational use of the site after development, the benefits delivered to partners, and the power to unlock regeneration in the wider area.	<ul style="list-style-type: none"> • Livability score against forecast Social Return on Investment in £

Phase 2: Planning

The planning phase of a project lays the groundwork for stakeholder engagement and identifies themes in the local area that could contribute to the development. Over time, and using recognised guidance, we have developed the strategy outlined in this section to inform the process by which we engage stakeholders. Once this phase of work is complete, a social value brief is prepared and given to the project team.

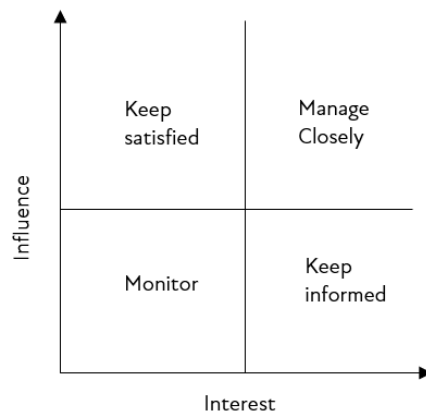
Stakeholder mapping

We identify the stakeholders on each project using a combination of desk-based research and knowledge from existing or pre-identified stakeholders. Our stakeholders include the existing users of the projects we acquire, members of the local community, wider stakeholder groups and our supply chain.

Once identified, these stakeholders are profiled in line with the criteria below:

- knowledge of the issues
- expectations of engagement
- existing relationship with the organisation
- dependence on the organisation
- willingness to engage
- level of influence
- type (civil society, government, consumer, etc)
- cultural context
- geographical scale of operation
- capacity to engage (e.g. language barriers, IT literacy, disability)
- legitimacy and representation
- relationships with other stakeholders

Using the stakeholder profiles, we assess the risks associated with engaging with each group and create stakeholder maps, which chart the groups in terms of interest and influence. This helps us to plan the scope, level and method of engagement as well as preparing us for any conflicts that might emerge.



The stakeholder profiles and maps are used to inform the methods and levels of engagement for each group.

Monitor	Passive	<ul style="list-style-type: none"> • Letters • Media • Websites
	Monitor	<ul style="list-style-type: none"> • Media and internet tracking. • Second-hand reports from other stakeholders possibly via targeted interviews.
Keep informed	Advocate	<ul style="list-style-type: none"> • Pressure on regulatory bodies • Other advocacy efforts through social media • Lobbying efforts
	Inform	<ul style="list-style-type: none"> • Bulletins and letters • Brochures • Reports and websites • Speeches, conference and public presentations
Keep Satisfied	Transact	<ul style="list-style-type: none"> • ‘Public- Private partnerships’ • Private Finance Initiatives • Landlord tenant relations
	Consult	<ul style="list-style-type: none"> • Surveys • Focus groups • Meetings with selected stakeholder/s • Public meetings • Workshops
	Negotiate	<ul style="list-style-type: none"> • Collective bargaining with workers through their trade unions/tenants with representative group
Manage Closely	Involve	<ul style="list-style-type: none"> • Multi-stakeholder forums • Advisory panels • Consensus building processes • Participatory decision-making processes • Focus groups • Online engagement tools
	Collaborate	<ul style="list-style-type: none"> • Joint projects • Joint ventures • Partnerships • Multi-stakeholder initiatives • Online collaborative platforms
	Empower	<ul style="list-style-type: none"> • Integration of stakeholders into governance • strategy and operations of the organisation

Engagement Plan

Once the stakeholder mapping process is complete, an engagement plan following the structure below is created. This sets the parameters of engagement.

Principles of Engagement	Mandate	Establish principle of engagement, risks and ground rules
	Purpose and scope	An outline of the project, scale and parameters of engagement
	Boundaries of disclosure	What level of information can be disclosed to stakeholders and when
	Swot Analysis	Assess the opportunities and risks of engagement
Resources and Responsibilities	Resources Required	Budget and external resources (e.g. consultancy support)
	Owners of the engagement, their roles and responsibilities	Points of contact for stakeholders and project leads
Methodology	The engagement level(s) and methods	Channels of communication and technology. Tools for ensuring engagement is accessible (e.g. comfort requirements considered).
	The pre-engagement activities	Additional research or systems required
	Expected timeline	High level timeline
Feedback	Collating feedback	Establish methods for monitoring, collating and evaluating feedback
	Reporting back	Identify stakeholders to report back to and the methods for doing so

At this stage, the project team will raise awareness of the project and begin to build relationships with key members of the community. This will provide further insight into key community groups and members and help to develop links with harder to reach groups.

Research

As well as creating stakeholder profiles, we conduct research to understand the demographics of our stakeholders and areas, the existing social value of our built assets and the social value assets that currently exist in the areas we operate. This enables us to establish the current types and levels of social value in an area and provides a benchmark for us to create additionality. The UKGBC Framework for Defining Social Value identifies the three methods of conducting this research below. We use a combination of the three depending on the size and status of the project.

<p>Place-based assessment</p>	<p>The existing social value of a building, place or piece of infrastructure is the sum of the environmental, economic and social outcomes or wellbeing attributed to that built asset.</p>	<ul style="list-style-type: none"> • Inventory or asset documentation • Meetings with existing asset users • Surveys of relevant stakeholders
<p>Mapping social value</p>	<p>Mapping the existing assets that provide social value in the project’s local area</p>	<ul style="list-style-type: none"> • Existing data (ONS data, local authority local plans, ward profiles) • Stakeholder meetings • Workshops • Consultation events
<p>Local area needs analysis</p>	<p>An assessment of the existing environmental, economic and social wellbeing of a particular area or an assessment of the wellbeing of individual stakeholders</p>	<ul style="list-style-type: none"> • Existing data (ONS data, local authority local plans, ward profiles) • Surveys • Focus groups • Stakeholder meetings • Workshops • Consultation events

Phase 3: Design

During the design phase, we develop our proposals and our social value offer incorporating feedback from stakeholders. Our engagement strategies follow AA1000 guidelines and encourage involvement from a diverse range of stakeholders as possible.

Invitations

In line with AA100 recommendations, invitations to consultation and engagement events contain the information below:

- the purpose and scope of engagement
- the engagement process and timelines
- what stakeholders are expected to contribute
- benefits to the stakeholder invited to participate
- logistical and practical information about the engagement
- instructions on how to respond to the invitation
- additional information that will be provided
- next steps

Where possible, invitations are sent to named stakeholders. Invitations to events are sent in the post, over email, publicised on websites, posted on social media and advertised in the media. Where appropriate, members of the project team canvas local residents and businesses to raise awareness.

Engagement Methodology

Our engagement takes the form of:

- Websites
- Surveys
- Flyers/Newsletters
- Town Hall Meetings
- Roundtables
- Workshops
- Consultation events/exhibitions
- Charettes
- Community events
- Canvassing

All meeting-style forms of engagement take place virtually and in-person and we ensure that our venues are easily accessible on foot or by public transport and have disabled access. We endeavour to meet as many people as possible at locations close to or convenient to them.

Materials

Engagement materials are presented in accessible formats that are clear and highlight the key points. They cover the purpose and scope of engagement, the mechanism for feedback and evaluation, and a timeline as well as a clear overview of the topic of discussion.

The presentation of materials will take in consideration relevant language, disability and literacy issues or technical restrictions associated with online engagement.

All materials will be made available in digital and printed formats.

Incorporating feedback

Our building designs evolve over the planning and design phase. While we welcome feedback on all areas of our projects, we explain the parameters and constraints clearly to stakeholders to ensure the process of engagement is transparent productive.

We report back to stakeholders after each engagement event so they can see how their comments influence design progression. We also report on the social value commitments and quantify their monetary value using a combination of cost benefit analysis and social return on investment metrics.

Phase 4: Construction

All the contractors used by Yoo Capital sign up to the Considerate Constructors Scheme. This sets out a Code of Considerate Practice that commits contractors to:

- Respect the community;
- Care for the environment; and,
- Value their workforce.

In addition to this, we require all Tier 1 and 2 contractors to deliver social value through the construction phase of the develop. The exact benefits of this are created for each project in conjunction with the community and council but include:

- Apprenticeships
- Job creation
- Work experience for local people and priority groups
- Training and development with higher education providers and schools
- Charity fundraising
- Engagement with the local supply chain (i.e. use of local tier 2/3 subcontractors/material and plant suppliers)

As part of our 'Active Neighbour' approach, Yoo Capital maintains contact with the community throughout the construction phase. On our larger masterplan schemes, meetings are held in person and virtually every month/6 weeks and special working groups are formed with key stakeholders on issues such as traffic. On schemes of all sizes, we send regular newsletters to our neighbours updating them on progress and notifying them of out of hours working or road closures.

Phase 5: Operation

During the operational phase of a project, a large proportion of Yoo Capital's focus is on the delivery of social value and reporting publicly.

We create ESG clauses for leases with our tenants. This ensures that they adhere to our high standards and uphold commitments in the long-term. These relate to operation and environment and encourage a social approach bespoke to the scale of the project and social value metrics agreed.

Once a project is operational, we report back to external stakeholders, sharing a narrative on social value, our cost benefit analysis and the Social Return on Investment. We make this information public on our website.

5. Measuring, Monitoring, Reviewing and Reporting

“We make a living by what we get; we make a life by what we give.” *Winston Churchill*

We use a combination of tools to measure social value and apply them to projects depending on scale. For all projects, we undertake an initial assessment based on the metrics in the table below. These are reported to our Investment Committee prior to acquisition.

	Description	Metric
Community	The extent to which the community can directly access, use and benefit from the development.	<ul style="list-style-type: none"> • % of the project that is publicly accessible • Forecast Social Return on Investment in £
Partnering	The extent to which other stakeholders are involved, and where applicable, partnerships are formed. For example with third sector, public sector and charitable partners.	<ul style="list-style-type: none"> • Potential to partner with public body, charity or third sector organisation
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Transformative	The impact the project will have on the existing operational use of the site after development, the benefits delivered to partners, and the power to unlock regeneration in the wider area.	<ul style="list-style-type: none"> • Livability score against forecast Social Return on Investment in £

Towards the end of the design phase, we take an initial measurement of the social value of the project. This is done using a cost benefit analysis and Social Value UK’s Social Return on Investment Guide and HACT guidance on monetary values. This is monitored and reviewed throughout the construction and operation phase and a final social value calculation is reported once a project is fully operational. Other metrics may be used depending on the nature of the project including, for example, local crime statistics and Public Open Space (POS) Tools.

Yoo Capital reviews and reports back on social progress and outcomes to project stakeholders through the consultation process and to company stakeholders and investors as outlined below.

1. Feedback and learning from each project are continually looped into reporting.
2. We update our investors on our ESG and social value activity in a quarterly investor report. A more detailed analysis per project is submitted to our Investment Committee Quarterly.
3. Our data is externally assured by consultants (e.g., MJ Mudson, Ekkist and Volterra)
4. We upload documentation on social value to our website for public viewing.

6. Stewardship

“Stewardship is leaving a system better than you found it” *Michael Barber*

Yoo Capital promotes and champions the importance of delivering social value through real estate within our team and to external stakeholders.

The wider Yoo Capital team is constantly updated and educated about the changing social value environment informally at our Monday morning meeting and via email. Formal updates take place at a monthly ESG meeting and annual review and training session.

Our Investment Committee members and Director of Communications and Social Impact actively speak at ESG conferences. Over the last year, we attended Labour and Conservative Party Conferences and attended talks and meetings with policy makers on the 'levelling up agenda' and best practice in consultation. We spoke at events, including the Future of London with policymakers from all London boroughs, and were invited to join the West London Corporate Recovery Board working with local Leaders on West London's Recovery post-Covid. We have also taken part in roundtables with Pensions for Purpose, PERE, Real Estate Live, IREI and were featured in PERE's annual ESG report, focused on social value.