

Clearbell

Clearbell ESG Policy

Shining light
on complexity

January 2022

CLEARBELL ESG POLICY

Background

At Clearbell we are committed to delivering our clients' target returns. We believe that by investing capital responsibly we can protect and enhance asset and portfolio investment performance. We also believe that our strong focus on adding capital value during our stewardship of the assets can generate value beyond the financial, providing social and environmental benefits too.

We recognise our fiduciary duty to our clients to consider these risks and opportunities in our investment decisions. The integration of ESG considerations into our core investment processes and activities is therefore a fundamental aspect of the way we operate.

The United Nations Principles of Responsible Investment (UNPRI) sets the framework for our own approach to investing responsibly and in a sustainable way. Although we are not signatories to UNPRI we recognise the value of these principles and alignment with our clients' interests who are.

The Framework

We integrate sustainability considerations into our principal activities of investment, asset management and development. This policy is relevant to our key stakeholders, our investors, our occupiers, our employees, our service providers and communities in which we operate. The policy governs all Clearbell managed Funds and our management business operations.

We have three guiding principles that are aligned with our core business objectives to drive our sustainability strategy. These focus areas highlight where we consider ESG issues in our operations and decision-making processes as identified below.

Risk Management	Enhance Capital Value	Performance Improvement
<p>We will comply with existing and anticipate and prepare for future environmental and social legislation as well as follow market trends and consider sustainability best practice</p>	<p>We will appraise opportunities throughout the asset lifecycle to maximise value from sustainability considerations</p>	<p>We will seek continual improvement in asset performance as well as our performance in the annual GRESB Real Estate Assessment and other sustainability benchmarks we opt to participate in</p>
<ul style="list-style-type: none"> Identify risks at acquisition Stock selection Plan to de-risk 	<ul style="list-style-type: none"> Asset management Development Refurbishment 	<ul style="list-style-type: none"> Operational improvement Optimise building performance Occupier engagement

We have developed a systematic approach to manage ESG risks and opportunities that follows the Plan-Do-Check-Act approach as described in the ISO 14001 International Standard for Environmental Management.



Following a materiality review to identify the most relevant sustainability issues, we identified four material areas within Environmental, Social and Governance, which we seek to focus on to achieve our strategic aims. The materiality review was undertaken by our sustainability consultants, EVORA Global. These material areas are described below and are addressed at appropriate stages of the asset lifecycle and our corporate function.

Environmental Monitoring and improvement of environmental performance and manage risk throughout the lifecycle of an asset.	Health and Wellbeing Promote a safe and healthy environment, improve productivity and increase occupier satisfaction of assets under management.	Socio-Economic Engage with tenants and local communities as part of Business Plans with a view to improving social value of asset management activities.	Governance Ensure that all Manager operations comply with legal, financial and property legislation and seek to communicate our ESG programme and performance in a timely, transparent way.	Corporate Acquisitions Asset Management Project Management
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Governance

The ESG Committee is responsible for overseeing the integration of sustainability and ESG issues at Clearbell. The group consists of senior individuals across the business with representation from various corporate and property specific disciplines.



Main purpose and remit:

- Review and maintain the ESG Policy and Strategy
- Ensure that ESG criteria are implemented at all stages of investment
- To meet in defined intervals and review ESG performance of the organisation
- To set business ESG commitments and review progress periodically
- Ensure environmental compliance of the organisation and at fund level
- Ensure accurate reporting and disclosure of sustainability performance using targets and measures, where applicable, as well as communication of the sustainability policy, strategy and commitments to key stakeholders
- Monitor emerging industry trends and best practice including participation in the annual GRESB Real Estate Assessment

As we pride ourselves on our transparency, we commit to report on our sustainability performance annually, and communicate this policy to our employees, investors and other interested parties.

Our Sustainability Policy has been approved and endorsed by all the Clearbell Partners.

Signed on behalf of Clearbell Capital LLP

Signature

A handwritten signature in black ink, appearing to read "D. Moore".

Dominic Moore (ESG Director)

January 2022

COMMITMENTS

	Commitment	Timeframes
Environmental	Work towards the annual science-based carbon-reduction target for each mandate	Q3 2022
	Define scope for net zero carbon in operation in corporate office	Define scope: Q3 2022 Achieve net zero: 2030
	For the highest energy consuming assets, implement regular energy, water and waste monitoring programme for landlord-controlled activities	Q3 2022
	Undertake sustainability audit within 100 days of acquisition / major renovation at landlord-controlled assets that includes analysis of likely net zero carbon stranding	Ongoing
	For high and medium impact assets, develop and maintain Sustainability Action Plans covering energy, water, waste, biodiversity and tenant engagement strategy	Ongoing
	For high impact assets, undertake quarterly review of ESG / sustainability performance in conjunction with the Property Manager	Ongoing
	Review minimum requirements on energy intensity, embodied carbon and life cycle analysis	Q3 2022
	All new projects to meet the below criteria: - Minimum BREEAM "Very Good" (where appropriate) for all new developments and refurbishments - All refurbishments/developments must achieve at least EPCs "B" - Measure whole life carbon on development and refurbishment projects and target reduction projects through the design and construction process	Ongoing
	Complete a biodiversity survey for all new developments to support local biodiversity	Ongoing
Health and Wellbeing	Identify business case for health and wellbeing certification for new builds or major renovations including a viral response strategy as appropriate	Q3 2022
Socio-Economic	Continue to ensure all new leases have green clauses in them	Ongoing
	Expand tenant engagement programme, including post-occupancy evaluation, data sharing and net zero carbon	Q3 2022
	Undertake tenant satisfaction surveys within 6 months of Fund ownership	Ongoing
	Establish minimum project management targets and embed into tender process	Q3 2022
	Ensure all individuals providing services at investment sites are paid the Real Living Wage	Ongoing
	Identify initiatives to promote diversity and inclusion further	Q3 2022
	Offer work experience plus mentoring opportunities during the year to young people from a range of backgrounds	Q3 2021
Governance	Enhance ESG training strategy for employees	Ongoing
	All buildings must have an EPC B pathway at acquisition	Ongoing
	Continue to enhance the investment decision-making process by integrating ESG into Due Diligence and Investment Committee processes	Ongoing
	Complete a physical climate risk assessment acquisition for all new acquisitions	Ongoing
	Undertake a gap analysis against the Task Force on Climate-related Financial Disclosures (TCFD) recommendations	Q1 2022
	Maintain Fund non-financial disclosures in line with INREV sustainability requirements	Ongoing