

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. Furthermore, it is important to us that our focus on generating added capital value, also brings social and environmental benefits.

We recognise our fiduciary duty to our clients to consider the risks and opportunities in our investment decisions. The integration of sustainability considerations into our 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

Scope

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.

Principles & Approach

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 sustainability 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> <ul style="list-style-type: none"> • Identify risks at acquisition • Stock selection • Plan to de-risk 	<p>We will appraise opportunities throughout the asset lifecycle to maximise value from sustainability considerations.</p> <ul style="list-style-type: none"> • Asset management • Development • Refurbishment 	<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"> • Operational improvement • Optimise building performance • Occupier engagement

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



We have identified four material areas, within the Environmental, Social and Governance areas, where we will focus on implementing commitments that lead to the fulfilment of our strategic principles. These material areas described below are addressed at appropriate stages of the asset lifecycle and our corporate function.

Environmental	Social	Governance
<p>Future Proofing is Crucial</p> <p>Just as targets for limiting climate change and decarbonising economies are being set at international and national levels, this is also being reflected by regulations for buildings' energy efficiency.</p> <p>At Clearbell, we have a strategy of preparing for regulatory change, and anticipating the nature of changes to come.</p>	<p>Social Responsibility</p> <p>In terms of our investments, we try wherever possible to find ways to support the wider community and use our assets to create a positive impact.</p>	<p>Going Above our Obligations</p> <p>To consistently follow best practise and adopt an open and transparent approach that exceeds regulatory compliance.</p> <p>Our governance processes are designed to ensure that environmental and social considerations are built into our day-to-day business practices</p>
<p>Conscious of our Footprint</p> <p>Across our buildings, we identify opportunities for reducing our environmental footprint and act on them.</p> <p>We are currently focused on understanding and defining our Net Zero approach across all portfolios, as well as collecting high quality data to inform our science-based targets and asset level performance.</p>		

Governance

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



Main purpose & remit

- Monitor emerging industry trends and best practice including participation in the annual GRESB Real Estate Assessment.
- Review, maintain and update annually our Sustainability Policy, Strategy, and all other relevant policies from acquisition to disposal.
- Ensure that ESG criteria are integrated into company policies and implemented at all stages of investment by employees and supply chain partners.
- Regular analysis of landlord and tenant data, EPCs and all other relevant KPIs.
- To meet in defined intervals and review ESG performance and commitments of the organisation.
- 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.
- Ensure regular company-wide sustainability training is delivered.

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

Rob West (Feb 14, 2023 09:51 GMT)

February 14th 2023

Manager & Fund Commitments

Below are our four overarching commitments as well as the actions that sit underneath. Further information can be found in the appendices of our [annual sustainability report](#).

Environmental	
1 Understand the pathway to Net Zero & EPC B.	
Actions	Status
Undertake TCFD Framework Alignment Gap Analysis.	Commenced.
Define the scope for Net Zero carbon by 2030 in the operation of our corporate office.	Target to have scope defined by Q4 2023.
Complete a CRREM analysis using updated CRREM model and additional data coverage, setting science-based targets for all funds.	Annual commitment, with a target to have refined SBTs set by Q4 2023.
All buildings to have an EPC B pathway at acquisition including costs in initial Business Plan.	Annual commitment.
2 Reduce energy consumption.	
Actions	Status
Maintain a regular energy, water and waste monitoring programme for landlord-controlled activities. Aim to achieve 100% landlord data coverage across all utilities. Improve the FRI data coverage to 50% from 40% with a view to reporting our scope 3 emissions.	Annual commitment.
Where appropriate, undertake biodiversity surveys on new developments and purchased land and consider biodiversity net gain (BNG) of 10%.	Annual commitment.
All new projects to consider the Sustainability Strategy for Developments guidelines and achieve requirements (were appropriate) including: <ul style="list-style-type: none"> Minimum BREEAM 'Very Good' for all developments and refurb All refurb and developments need to achieve at least EPC B Measure whole life carbon on major refurbishment and development projects and target reductions through the design and construction process 	Annual commitment.

Social

3 Create a positive social impact on the community.

Actions	Status
Identify business case for health and wellbeing certification for new builds or major refurbishments (as picked up in the Sustainability Strategy for Developments guidelines).	Annual commitment.
Undertake tenant satisfaction surveys within 6 months of ownership.	Annual commitment.
Record social impact metrics for developments and major renovations, as set out in the Sustainability Strategy for Developments guidelines.	Annual commitment.
Ensure all contracted onsite employees & operating partners receive the Real Living Wage (RLW).	Annual commitment.

Governance

4 Maintain our high standards.

Actions	Status
Undertake sustainability audit within 100 days of acquisition / major renovation at landlord-controlled assets that include analysis of likely asset net zero carbon stranding risk.	Annual commitment.
Ensure all new leases/ regears are sent out with green clauses.	Annual commitment.
Maintain non-financial disclosures in line with INREV sustainability requirements.	Annual commitment.

Clearbell Sustainability Policy (February 2023)

Final Audit Report

2023-02-14

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