

GOODSTONE DEVELOPMENT PARTNERS I LP

SUSTAINABILITY - RELATED WEBSITE DISCLOSURE

Goodstone Development Partners I LP (the **Fund**) is managed by Goodstone Living Limited (the **Manager**).

The following disclosures are made pursuant to Article 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, and each technical implementing measure issued by the Commission thereunder (the **Sustainable Finance Disclosure Regulation**, or **SFDR**).

1. No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

2. Environmental or social characteristics of the financial product

The Fund invests in real estate assets and promotes the following environmental and social characteristics:

Environmental:

- Reduction of greenhouse gas emissions – The Manager will seek to minimise greenhouse gas emissions at both the construction and operational phase of the building lifecycle including by managing investments to reduce embodied carbon and operational carbon emissions.

Social:

- Positive social outcomes – The Manager will seek to contribute to improved social outcomes in the communities in which the Fund's investments are developed and operated within. Examples include local jobs creation, support for local businesses and accessible rent for local people.

3. Investment strategy

Potential investments will be screened to evaluate if they meet or have the ability to meet the environmental and social characteristics promoted by the Fund.

The Manager will undertake comprehensive due diligence on each investment, assessing the environmental and social characteristics the Fund promotes, including an assessment of target investments' key ESG risks and opportunities throughout the asset lifecycle.

Screening	Due diligence	Investment decision	Development	Asset management and operations	Exit
Assets are screened for ESG-related red flags and opportunities	Specialist advisers appointed to (i) assess the ability to meet or exceed Fund decarbonisation targets by analysing anticipated emissions profile; and (ii) develop a project-specific social value strategy tailored to the local community	Material ESG risks, opportunities and mitigants evaluated by the Investment Advisory Committee (“IAC”) as part of all investment approvals	Specialist advisers appointed to develop a social value and sustainability strategy in consultation with the Manager and to measure embodied carbon against targets and execute the social value and sustainability strategy	Ongoing ESG oversight, engagement and enhancement while measuring and reporting on operational decarbonisation and social value targets	ESG advantages and opportunities integrated into the realisation process to ensure optimal valuation

During the hold period of each investment, the Manager will seek to monitor and improve ESG performance of each investment. For example, the Manager may take the following actions in order to attain the environmental and social characteristics promoted by the Fund:

Environmental

Embodied carbon: Design and construction will, where possible, target at least 30% reduction in embodied carbon (KgCO₂/m²) from a pre-determined baseline. This will be measured and reported at a project level through the completion of a Lifecycle Carbon Assessment (LCA).

Operational carbon: Projects will be designed, where possible, to operate with at least 50% reduction in operational carbon (KgCO₂/m²) from a pre-determined baseline. Projects will also be designed, where feasible, to eliminate fossil fuel based heating systems on site.

Green Building Certifications: The Manager will utilise Green Building Certifications and energy ratings to manage the accreditation of its projects, where it will target the following for each of its projects:

- a) BREEAM “Very Good” rating on commercial space
- b) WiredScore Platinum
- c) EPC “B” rating or above

The Manager will seek to achieve these outcomes on all development projects.

The Fund may acquire projects which are at a more advanced stage of planning or development. In these cases, it might not be feasible for the design to be amended to meet the targets outline above, such projects will be disclosed in the Fund’s annual sustainability report.

Social

Local jobs creation: target a meaningful percentage of local labour hiring during both construction and operations for every project, including an allocation of apprenticeships

Local business support: The Manager will seek to secure commercial tenants from businesses within the local community

Local rent accessibility: The Manager will seek to provide new housing for local communities that includes both affordable homes, by applying discounted market rent principles and promoting ‘pepper-

potting' to enhance social cohesion, and accessible homes by ensuring a material number of private units will be priced to be affordable for the average private renter in the local area

Fitwel certification: The Manager will seek to obtain a 3 Star certification for every project

Project-level carbon monitoring reports will be collated and measured by the Manager to measure progress against decarbonisation targets and shared with investors on at least an annual basis. Social and environmental outcomes will be reported on an annual basis.

4. Proportion of investments

Over the life of the Fund, the Manager will invest at least 75% of the Fund's investments in investments which are aligned with the environmental and social characteristics promoted by the Fund. This percentage is calculated according to equity invested.

Accordingly, the proportion of other investments (i.e. the investments which are not aligned with the environmental or social characteristics of the Fund) will constitute up to 25% of the Fund's portfolio.

The above target percentages may not be attained in the early life of the Fund as it commences deployment of capital and builds up its portfolio.

5. Monitoring of environmental or social characteristics

The Manager will use the sustainability indicators set out below to measure the attainment of the Fund's environmental and social characteristics:

Environmental:

- GHG emissions scope 1 and 2
- Absolute total emissions by scope
- Emissions intensity
- Embodied carbon (kgCO₂ per sqm)
- kWh per annum per unit
- kWh per square meter
- Ratio of renewable energy
- % of assets with electrified heating and cooling systems
- % of assets by floor area achieving Green Building Certifications such as BREEAM, WiredScore or Energy Performance Certificates

Social:

- Number of jobs created
- Number of local persons hired and ratio to total hires
- Number of apprenticeships and ratio allocated to total hires (during construction)
- Ratio of locally-owned businesses in commercial space
- Ratio of intermediate tenure and discounted units to total units
- Fitwel certification

To monitor progress against the environmental and social characteristics, the Manager will track the sustainability indicators at a project level, aggregating data for the Fund portfolio and will report quarterly to investors and annually via a sustainability report.

6. Methodologies

As per above, the Manager will use the sustainability indicators to measure attainment of the environmental and social characteristics.

The Manager undertakes the following steps to ensure the Fund attains the environmental and social characteristics it promotes:

1. Analysis and engagement with specialist advisers in order to understand any risks of deviation from existing strategies, as well as identify positive avenues for future development;
2. Measuring key sustainability indicators as listed above. The Manager carries out this analysis on an annual basis at a minimum using data from third-party data providers, as described in more detail within the 'Data sources and processing' section; and
3. Maintaining a forward-looking approach to emerging developments to sustainability in the real estate sector and seeking to take advantage of developments to reposition the portfolio in such a way as to minimise potential negative ESG impacts or take advantage of new developments in the sustainability of projects.

7. Data sources and processing

The Manager uses a range of data sources when assessing whether the environmental and social characteristics of the investments. For example, the Manager has appointed third-party ESG specialists, including Aecom, who assess carbon emissions, emissions intensity, as well as a range of other sustainability metrics. Data quality is reinforced through subscription to industry providers of sustainability information.

The Manager does not intend to rely on estimated data to attain the environmental characteristics of the Fund. In circumstances where data is unavailable, any estimated data used will be disclosed in the sustainability report.

8. Limitation to methodologies and data

The Manager has identified the following limitations with respect to methodologies and data:

- Embodied carbon: There are limitations to the supply chain tracking of carbon emissions related to materials production, transport, and construction. The Manager will address this through the engagement of external experts to conduct the LCA using industry standard tools and best practices.
- Design and planning restrictions: The Fund may invest into projects which are further progressed into permitting and planning permissions and as a result may be unable to make significant changes to project design which may influence the targeted embodied or operational carbon outcomes.
- Tenant data: Due to data protection and privacy reasons related to the residential asset class, the Manager may have limitations when collecting energy consumption data of its tenants.

The Manager believes that these limitations do not affect the attainment of the environmental or social characteristics promoted by the Fund.

9. Due diligence

The Manager is responsible for undertaking due diligence for each project and presenting this within their underwriting papers to the IAC. To effectively assess ESG considerations, the Manager will appoint a specialist adviser to undertake embodied and operational carbon assessments for each project. The Manager will work with these advisers to identify sustainability initiatives suitable for incorporation into the project design, assessing the ability to meet or exceed the Fund's decarbonisation targets outlined in Section 3. These initiatives will be underwritten into the cost plan for each project, contributing to the overall determination of project approval.

For social considerations, the Manager will set social value priorities for projects, including, but not limited to, local job creation, assessing rent accessibility for the local community, identifying potential partnerships with local businesses and assessment of ability to implement enhanced fire safety standards in the building design. Associated costs in delivering these priorities will be included in the underwritten cost plan and presented as part of the investment decision.

10. Engagement policies

Not applicable given the nature of the Fund's investments directly into real estate development projects.