

goodstone

ESG Strategy

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Introduction



At Goodstone, the purpose that drives our business is to create positive and sustainable outcomes for our residents, communities and environments

- We recognise that, as developers and operators of residential spaces, we are uniquely placed to deliver meaningful environmental, social and governance (together, “**ESG**”) outcomes that benefit our stakeholders
- Our long-term focus allows us to put down roots in the local community and invest significantly in creating healthy homes designed to promote wellbeing
- Our approach to ESG is focused on promoting decarbonisation initiatives and creating positive social value during the delivery and operation of our rental communities
- We are targeting net zero carbon operations for both our corporate and portfolio activities
 - For our controlled developments, we will initially focus on halving our operational carbon emissions and significantly reduce embodied carbon (vs current building regulations)
- Working collaboratively with our supply chain to promote social investment will further support the value we can create locally
- We are convinced that creating a better residential experience, delivered in a way that enhances social and environmental cohesion will generate attractive long-term outcomes for our stakeholders
- The following slides outline our ESG objectives and strategy to realise these ambitions



Our carbon reduction strategy

Goodstone is committed to reducing carbon emissions at both (i) the corporate level; and (ii) in the development and operation of our rental communities

	Objectives	Our strategy to achieve objectives	Reporting
Goodstone business	<ol style="list-style-type: none"> Achieve net zero carbon for the Goodstone investment management business by 2030 	<ul style="list-style-type: none"> Our initial strategy includes: <ul style="list-style-type: none"> Utilise renewable energy at our corporate offices Offset emissions for corporate travel We are also committing to do the following by 2023: <ul style="list-style-type: none"> Develop a corporate carbon reduction strategy to ensure our objective is achieved; and Establish a science-based carbon reduction target 	<ul style="list-style-type: none"> We will issue an annual sustainability report that measures and discloses corporate carbon emissions
Goodstone projects ¹	<ol style="list-style-type: none"> Achieve a +50% reduction in operational carbon immediately Achieve net zero operational carbon by 2030 Assess and verify embodied carbon with a target to reduce by +30% Implement carbon reduction strategies for our resident-controlled spaces 	<ul style="list-style-type: none"> Design and deliver our controlled projects to: <ul style="list-style-type: none"> Exceed new amendment to Part L of Building Regs (2021) Align as much as feasible with the UK Government's 2025 Future Home Standard and LETI's Net Zero Operational Carbon Standard Seek to utilise Energy Use Intensity (EUI) metric to drive link between design & construction and operations Seek to utilise best-practice industry standards to provide greater transparency of life-cycle and whole-life carbon assessments and to review and consider the impact of our mitigation strategies Once all other efforts have been exhausted to reduce energy and material-related carbon, we may seek to purchase verified carbon offsets to neutralise any remaining carbon footprint Our approach to reduce unregulated energy in resident spaces include: <ul style="list-style-type: none"> Targeted unit design and fitout Development of a resident engagement strategy to reduce energy use and switch to good quality renewables energy tariffs Partner with industry bodies to drive innovation and assist with performance measurement and disclosure <ul style="list-style-type: none"> For example: GRESB, BRE, UK Green Building Council, UK BTR Advisory Council, Better Buildings Partnership 	<ul style="list-style-type: none"> We will issue an annual sustainability report that includes assessment against the following benchmarks: <ul style="list-style-type: none"> GRESB BRE Home Quality Mark ONE LETI Net Zero Operational Carbon Standard

1. For all our controlled development projects; Reduction against Part L of Building Regulations (2013) in force at the date of Goodstone's establishment.

Our social value strategy



Goodstone is committed to creating a positive social impact in the communities in which it operates

	Objectives	Strategy	Reporting
Goodstone business	1. Create a culture of positive social change within our business	<ul style="list-style-type: none"> We have developed the Goodstone Social Value Charter that outlines our social value priorities We have developed the Goodstone Social Value Supply Chain Charter that sets out minimum social value characteristics that all Goodstone suppliers must meet before they can be appointed – for example: <ul style="list-style-type: none"> Modern slavery policy statement Living Wage employment requirements Local jobs program Goodstone will appoint a dedicated Community Impact Manager to lead these workstreams 	<ul style="list-style-type: none"> Community impact assessment results to be reported to the Goodstone Risk Committee and Board We will issue an annual social value report that discloses our social value activities
Goodstone projects ¹	1. Positive and measurable social impact on the community surrounding our assets	<p><u>Design and construction phase</u></p> <ul style="list-style-type: none"> We will undertake a Community Audit for each individual project (in conjunction with specialist social impact adviser) to identify the key priorities that are bespoke to the local community Based on the results of the Community Audit, we will create a bespoke Social Value Strategy for each project including objectives, implementation plan and monitoring/measurement <p><u>Operations phase</u></p> <ul style="list-style-type: none"> Once each building is completed, we will revise and update the Community Audit for each individual project (in conjunction with specialist social impact adviser) Based on the results of the revised Community Audit, we will create a bespoke Social Value Strategy for each project including objectives, implementation plan and monitoring/measurement 	<ul style="list-style-type: none"> At completion of each project, a social value assessment will be completed The above assessment will be included in the annual social value report A social value assessment for each project will be included in the annual social value report Benchmarking against BRE's Home Quality Mark wellness assessment

1. For all our controlled development projects.



Our governance strategy

Goodstone is committed to creating a culture of sustainable practice and positive change across its business activities by embedding ESG in its decision-making process

Objectives	Our strategy to achieve objectives	Reporting
1. Embed sustainable development and resilience across all of our activities	<ul style="list-style-type: none"> Implement an ESG action plan for reducing operational carbon impact by +50% percent in the underwriting of all new projects Develop and grow our application of ESG and sustainable activities each year Partner with service providers and capital partners to drive innovation in climate change, sustainable design and social value To embed net-zero, resilience and social value targets into our supplier appointment and the projects we invest in To measure key impacts such as carbon emissions, climate resilience and social value at both the corporate and project level 	<ul style="list-style-type: none"> Annual corporate impact / responsible investment report to Goodstone Risk Committee and the Board
1. Improved governance	<ul style="list-style-type: none"> Develop an underwriting framework to assess ESG opportunities and risks in all new potential projects Drive leadership accountability and advocacy through specific ESG goals/metrics in annual goals Monitor and report on ESG performance targets in line with leading industry benchmarks ESG policies will be reviewed regularly to reflect evolving market best practice and the objectives of the business By participating in GRESB and BRE Home Quality Mark, benchmarking will be discussed and reviewed annually 	<ul style="list-style-type: none"> Annual corporate impact / responsible investment report to Goodstone Risk Committee and the Board

Goodstone business

1. For all our controlled development projects; Reduction against Part L of Building Regulations (2013) in force at the date of Goodstone's establishment.