

yoo CAPITAL

Astarte PLATFORM MEMBER

Environmental, Social and Governance Report
2023/24

Yoo Capital Investment Management LLP



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MESSAGE FROM THE DIRECTOR

At Yoo Capital Investment Management LLP (Yoo Capital) we focus on developing transformative real estate that contributes to society and for which we can create additional value. We recognise our responsibility to develop and manage our real estate developments in alignment with environmental best practice, providing social benefits and integrating this within our overarching framework of strong corporate governance.

As a firm, we take a proactive approach and apply sound practices across environmental, social and governance (ESG) matters throughout the investment cycle of our investments. We recognise our fiduciary duty to achieve the best returns for our investors within acceptable risk parameters, and that wider societal and community benefits are a core part of our approach. We strongly value our visionary community building and responsible transformation approach and recognise that ESG outcomes are strongly linked to value creation and stronger returns for clients and other key stakeholders.

Whilst we are making great progress in our ESG efforts, we acknowledge that there is always more to be done. We continuously work to improve and evolve our ESG approach, responding to innovation developments within the industry, latest ESG guidance, and changing needs of our stakeholders. This report aims to complement our ESG Policy and show our progress to date as well as show transparency around our aims and ambitions moving forward.

LLOYD LEE
MANAGING PARTNER



OVERVIEW OF YOO CAPITAL

Yoo Capital was co-founded in 2010 by global property entrepreneur John Hitchcox and finance veteran Lloyd Lee with the ambition of delivering visionary investments that create value for investors, communities, and consumers alike. We have invested into central London and are committed to creating new spaces for London that support the arts, creative, hospitality and science-led industries and are sustainability-minded to evolve and stand the test of time.

In May 2023, Yoo Capital announced the final close of its second fund, Yoo Capital Fund II (YCFII), the first in a series of funds launched by a partnership between Astarte Capital Partners and Yoo Capital.

Yoo Capital Fund II (YCFII)

Saville Theatre:

We are returning Saville Theatre to a live performance venue, incorporating a boutique hotel and comprehensive food and beverage outlets, with many other ancillary offerings.

Shepherd's Bush Market:

We are investing in one of London's historic markets and redeveloping adjacent land to provide workspace and affordable housing to the area.

Camden Film Quarter:

We are creating an innovative and sustainable mixed-use neighbourhood that has industrial, commercial, and creative activities provided alongside high-quality new homes and infrastructure to support the local community.

OUR INVESTMENT PHILOSOPHY

Yoo Capital invests in undermanaged real estate and areas to create new places founded on an ethos of community and social inclusion for long-lasting positive impact and longevity. Our projects celebrate heritage and culture, foster innovation, and scientific discovery, and aim to effortlessly blend into and add value to local communities. Our team engages with key stakeholders at every level, from members of the local community to prospective tenants. This gives us a deep understanding of their needs and results in places that serve the people they are designed for.

At Yoo Capital, we are passionate about integrating ESG factors holistically across our investment process and continuously monitor standards and ideas that strengthen our positive impact. As such, Yoo Capital is a signatory to the UN Principles for Responsible Investment (PRI) and submits annually to the Global Real Estate Sustainability Benchmark (GRESB) for YCFIL. We track progress at the project level against carefully set key performance indicators (KPIs), which have also been amended and enhanced this year to align with best practices and the double materiality findings. Louise Page-Jennings, our Director of Communications and Social Impact, leads on advising our investment team and partners on ESG matters and is responsible for the promotion and further development of our investment philosophy with carefully selected external firms to support.

In summary, Yoo Capital’s unique ESG and social-value-first approach creates investment value through stable income growth, greater tenant retention, and a more attractive investment profile to major investors seeking longevity, stability, and sustainability.

Figure 1: Yoo Capital's investment process.



For further information on our investment process, please see our ESG Policy.

FY2023 HIGHLIGHTS

Shepherd's Bush Market

We maintain a strong commitment to delivering social value at Shepherd's Bush Market. In 2023, YCIM worked with market managers REImagine to grow and improve the Market Academy (case study on the following page), host free community events, provide free space for the Citizen's Advice Bureau, support local organisations and work with the Shepherd's Bush Market traders.

Yoo Capital has continued a programme of community outreach and consultation. This has included sponsoring school events, giving space to charities, and working with local organisations. Yoo Capital has also worked with REImagine to launch a 'High Street Incubator'. It is the first of its kind in London and offers free training to existing traders and Londoners with business ideas, access to small format affordable trading space and ongoing support to businesses. Additionally, work is being done to improve the environmental impact by reviewing waste strategy, improving biodiversity, and working with traders to reduce plastic usage, for example.

Shepherd's Bush Market invited the charitable organisation Ramadan Tent Project to hold an Open Iftar event in the Market. With support of key representatives of the Muslim trader community at the Market, REImagine worked with the external organisation to create a bespoke event including the breaking of the fast, a prayer, speeches from various members of the community and a shared meal. The event was part of a series of cultural events to celebrate and grow the diverse trader and customer community. The event was produced in a response to an initiative of members of the Muslim trader community at the Market, traders invited friends and family and two thirds of attendees were from around W12. Most items used for the event were sourced within a one-mile radius from the Market. There were 200 ticketed participants and many there to watch the event. One trader said, *'It was a moment of history having an Open Iftar at the Market'*.

Camden Film Quarter

We acquired the Holmes Road Depot and Regis Road Recycling Centre on a subject to planning basis in April 2023. Since then, the project team has been creating concepts for a new Camden Film Quarter covering the land acquired by Yoo Capital as well as the wider Regis Road Growth Area, a 20-acre site in Kentish Town.

The project is in its early phases, but we have committed to deliver social value throughout the project, including 50% affordable housing, community infrastructure and education facilities for the film industry. In 2024, an ESG Policy will be created directly for Camden Film Quarter including a commitment to ensuring the future development achieves Net Zero in operation.

We are committed to extensive engagement with the local community and began this with a series of meetings and a consultation event in November 2023. The purpose of the consultation event was to share the high-level vision and to introduce Yoo Capital to start building relationships and getting an understanding of the local area.

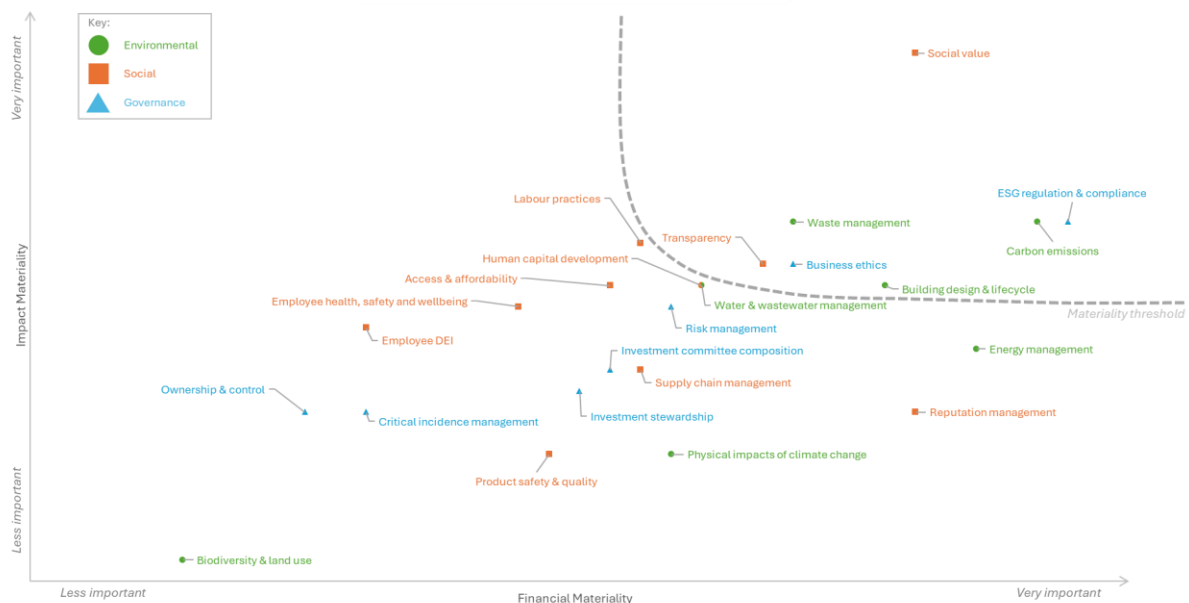
DOUBLE MATERIALITY ASSESSMENT

In early 2024 we conducted a double materiality assessment for YCFII & III to help refine and align our strategic approach relating to ESG factors, ensuring that we prioritise action in the areas that matter most to our stakeholders.

Materiality is the principle of defining topics that matter most to a business and its stakeholders. Double materiality recognises that ESG matters can have a financial impact on Yoo Capital, but also that Yoo Capital can have a broader impact on people and the planet through its commercial activities and projects.

Conducting a double materiality assessment has also helped the firm stay aligned with recent regulatory standards such as the Corporate Sustainability Reporting Directive (CSRD), uncover ways to innovate our processes and services and enhance our overall direction of travel. Most importantly, it has given our stakeholders a platform to voice opinions and highlight priority ESG themes, ensuring that these are listened to and incorporated into the firm's strategy and operations.

Figure 2: Yoo Capital double materiality results.

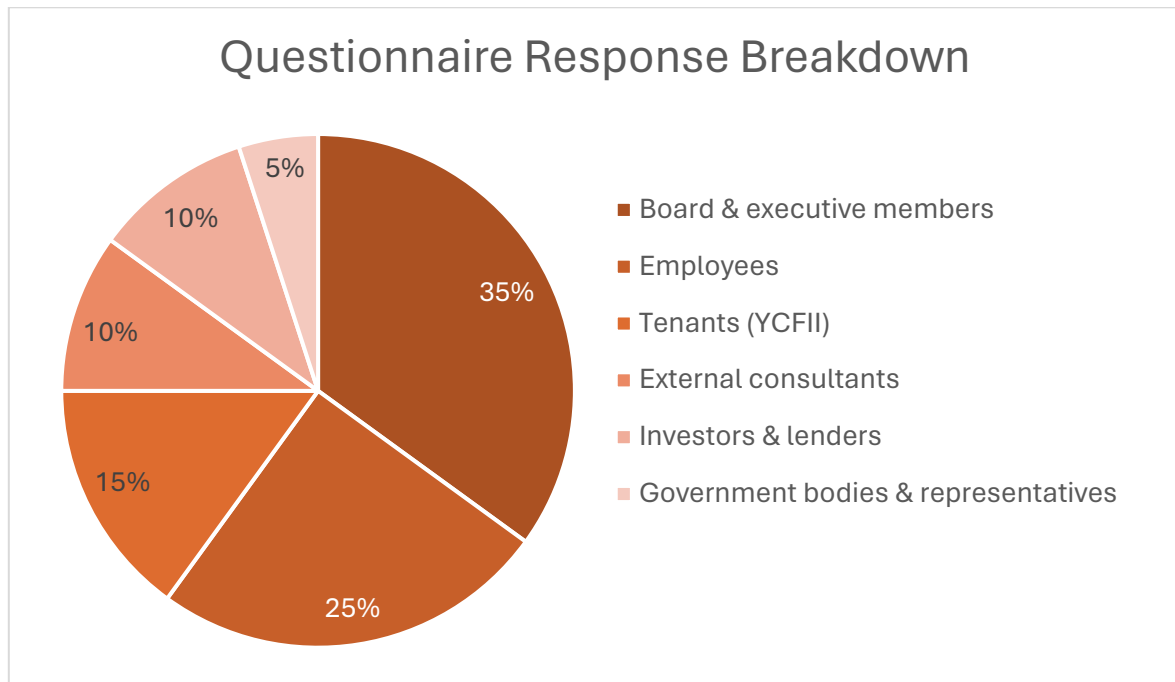


Throughout this process, we engaged with a comprehensive set of internal and external stakeholders through both questionnaires and interviews. These included board & executive members, employees, investors & lenders, external consultants, tenants, and government bodies and representatives.

In total, we identified 24 ESG issues material to our business, funds, and ongoing real estate projects, which were subsequently ranked to create the materiality matrix shown in Figure 3. The topics above the threshold line represent the ESG topics which are most important to stakeholders, some of which we already perform strongly within, such as social value. These

topics form the foundation of the firm's four new ESG pillars and will be Yoo Capital's key focus areas moving forward.

Figure 3: Breakdown of stakeholder groups that responded to the double materiality questionnaire.



When stakeholders were asked to identify Yoo Capital's greatest ESG strengths, many of them spoke highly of Yoo Capital's prioritisation of social value. One tenant remarked they feel Yoo Capital 'actually cares about the societal side of things', which is seen through Yoo Capital's commitment to rent freezes at Shepherd's Bush Market. The same tenant feels their comments in conversations are genuinely 'listened to' and lead to change. An external consultant described 'social value and community engagement' as Yoo Capital's 'biggest strengths', which aligns with a board/executive member who described social impact as a 'necessary' and fundamental aspect of Yoo Capital's investment thesis. One stakeholder encouraged Yoo Capital to increase transparency and communications around the social value its projects bring to communities. Our ESG pillars, outlined in the next section, address this suggestion.

Stakeholders also encouraged Yoo Capital to continue its efforts to reduce carbon emissions and prioritise its impact on biodiversity, specifically the biodiversity net gain of its projects. Multiple stakeholders complimented Yoo Capital's leadership on efforts to create more sustainable buildings, applauding the firm's 'desire and ambition' to ensure ESG is a top consideration in development.

OUR ESG PILLARS

Pillar 1: 'Empower authentic local communities'

This first pillar is core to Yoo Capital's unique approach and emphasises our commitment to social value. We incorporate this from the outset of our real estate development planning process to truly understand the local communities in which we work. Yoo Capital is passionate about fostering London's culture and to do this we need to understand the heritage and values of the areas in which we operate. We strive to be active neighbours, and we believe that good engagement creates better, more authentic places that in turn deliver stronger returns for our investors and create more liveable areas. Core to our strategy is that affordable housing, real communities, safer environments, and working with charitable and public benefit groups all create true intrinsic value in the fabric of our real estate.

This aligns with Yoo Capital's recognition of social value as the most material topic in our double materiality assessment. Our social value approach aligns with industry standards, with a strong focus on the place-based impact investing (PBII) principles. The incorporation of these principles into our social value plan supports our unique investing approach. Our social value plan incorporates health and well-being, and we champion this across our portfolio, having completed the WELL pre-accreditation for Shepherd's Bush Market and having a wider social value strategy in place, aligning with healthy development principles.

Pillar 2: 'Drive decarbonisation through longevity'

The second pillar revolves around driving decarbonisation and environmental impact through prioritising longevity, echoing our ethos on building assets with enduring quality. We lead with the knowledge that the construction phase of a building accounts for a significant portion of emissions from the built environment. By constructing buildings to last longer, the frequency of new construction projects can be reduced, thereby decreasing the embodied carbon throughout the whole life cycle of urban spaces. Yoo Capital focuses on developments with longer lifespans that require fewer replacements and renovations, in turn reducing the carbon emissions associated with demolition, disposal, and replacement of building components.

Pillar 3: 'Champion accountable governance'

The third pillar centres on championing accountability through robust governance practices that ensure ESG regulation and compliance, business ethics, and transparency are front of mind at the board level. At a corporate level, our ESG Committee meets monthly and reports to our Investment Committee. The purpose of the ESG Committee is to oversee reporting, manage risk, and review and update corporate policies. The Committee is currently working on our pathway to Net Zero and we also understand the importance of climate-related risks and opportunities being integrated into our pre-existing governance structure. The Investment Committee considers climate-related risks and opportunities at each stage of the investment cycle and provides ultimate sign-off on the investment. Further information on the committee and members can be found in the ESG Policy.

Pillar 4: 'Invest in our people'

Human capital development is fundamental to Yoo Capital's approach to our staff. In line with our project-level longevity goals, we aim to hire individuals with long-term growth potential, and we provide training and development opportunities for our staff. We recognise that firms that support the health and well-being of their employees have happier teams, are better at retaining staff and report higher returns on investment. We have created robust policies to ensure that our team has the support to thrive. We also support and encourage diversity and inclusion at Yoo Capital through our recruitment practices, internal training, and partnerships with external organisations. We have employee benefits including life and healthcare insurance, mental health first aid training and paid volunteering leave. We measure the success of our policies through annual staff satisfaction surveys, absenteeism reports and diversity, equity, and inclusion (DEI) data collection. This year we have also set ambitious KPIs to further enhance the opportunities available to our team, including external and tailored training on ESG, and the integration the latest DEI best practices.

PILLAR 1: ‘EMPOWER AUTHENTIC LOCAL COMMUNITIES’

Social value

“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

Yoo Capital has a history of delivering exceptional places, and social value is at the forefront of our investment decisions. From our guiding vision to our daily operations, communities are at the heart of everything we do, and we create our investment thesis around the social value our projects will generate.

We emphasise evaluating and prioritising the social value potential of projects we support and are strong believers in the importance of collaboration between private sector entities and local government. Bolstering these partnerships from a project’s inception can foster the successful implementation of initiatives that drive economic growth and deliver tangible community benefits that resonate with local residents.

We strongly believe our projects can move the needle on creating social value for communities. This is reflected in our commitment to:

- Initiate town hall meetings and engage early with local stakeholders and planning authorities during our development process to incorporate community feedback into our planning strategy.
- Include a high proportion of affordable housing within our developments, as well as affordable office spaces which together create mixed communities.
- Create places, not merely buildings, that are fundamentally grounded in the concept of enhancing social value for communities.

“We engage with communities as soon as we become active in an area. This helps us understand what’s important, what the issues are, and where we can add value. We can then create buildings and schemes that are an active part of their community from the offset.”

- LOUISE PAGE-JENNINGS, DIRECTOR OF COMMUNICATIONS & SOCIAL IMPACT

We follow a place-based impact investment (PBII) methodology to guide our approach to social value. PBII takes a holistic view of communities, considering the impact of physical and non-physical factors that affect social and environmental matters. Physical factors include the types of buildings we create and related infrastructure initiatives, such as the planned creation of a community garden in Shepherd’s Bush Market to boost biodiversity and provide more green spaces, which both reduce the urban heat island effect¹ and have demonstrable benefits for mental health². Non-physical factors include our commitment to integrating diversity, equity, and inclusion (DEI) considerations into our developments and ensuring we are creating spaces that are welcoming and accessible for all.

Our PBII approach aligns with the core tenets of the IFC’s Operating Principles for Impact Management. The nine principles of this framework are outlined in Figure 4, which is included for information only. PBII is guided by these principles.

Figure 4: IFC Operating Principles for Impact Management.



¹ A phenomenon whereby cities experience higher temperatures due to roads and buildings displacing natural surfaces like trees, ponds, and soil. <https://climate.mit.edu/explainers/urban-heat-islands>.

² Urban greenspace was correlated with individuals having ‘less mental distress, less anxiety and depression, greater well-being, and healthier cortisol profiles’. Barton J, Rogerson M. The importance of greenspace for mental health. *BJPsych International*. 2017;14(4):79-81.doi:10.1192/S205647400002051

Guided by these principles and our commitment to PBII, we follow a fund- and asset-level strategy that considers the **intent** of an investment, the **contributions** an investment will deliver to communities and investors, and **measurements** that evaluate our impact for transparency and accountability. We apply this framework to all business activities and go beyond compliance to actively seek additionality, which is the delivery of social value outcomes above what would have been achieved by purely financial incentives.

Stakeholder engagement is and has always been core to our activities. For example, we provide our suppliers with our ESG policy and social value requirements. We then engage with suppliers on social value issues and provide guidance for those who wish to further engage on these topics. We believe that strong engagement creates better places, which in turn deliver stronger returns for our investors and create more liveable areas.

Our engagement strategy is highlighted in Figure 5. Phases of engagement are adapted and tailored for individual projects; we focus on enhancing social value for our employees, our supply chain partners, our tenants, and our communities.

Figure 5: Social value phases of engagement.

	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 job creation	Tenant social value scheme and satisfaction monitoring in place

We believe PBII yields happier, more prosperous communities, as well as a greater return on investment for our business partners and investors. Furthermore, we believe environmental and social goals are often mutually beneficial; a focus on one can frequently benefit the other. PBII schemes can be complicated, involving multiple stakeholders, and require lengthy planning processes, and so investors need to hold a long-term view. Nevertheless, we believe the PBII investment strategy creates assets that are both defensive and capable of delivering enhanced long-term risk adjusted returns, whilst making a real positive difference to communities.

As part of our PBII approach, we measure progress towards social value goals with a combination of quantitative and qualitative KPIs that are tailored to each project, in addition to firm-level KPIs.

For social value, we will measure and report our progress using the following KPIs:

1. Percentage (%) of space that is designated affordable per project

We aim to contribute affordable spaces within our developments to support local communities and make sure they are accessible to as many people as possible. For example, we are providing 100% affordable housing in our Shepherd's Bush Market development, with no private housing. We are also providing affordable office space and separate spaces for community use.

2. Number of new good quality, well-paying jobs supported

Job creation is a core part of the social value we aim to create for our local communities and in our supply chain. So far for our YCFII developments, we estimate we will support 2,000 new jobs that are paid at least real living wage.

3. Tenant mix and use class mix across portfolio

Measuring the tenant mix and use class mix across our developments helps us determine how many stakeholder groups we are creating social value for and recognise where we might need to address additional needs. At Shepherd's Bush Market, Yoo Capital recently worked with CACI to undertake an in-depth look at the current customer profile and the needs of the local community. This will be used to shape the Market's business plan and tenant mix.

4. Total area available for community and public use per project (%)

As outlined in this social value section, we aim to create social value for local communities even if they were not originally affiliated with the development site. An integral part of this is ensuring that surrounding communities can make use of our developments so that we do not exclude anyone from accessing the social value we contribute. The total area available for community and public use in Shepherd's Bush Market is 23%.

CASE STUDY

The Saville Theatre: Revitalising a cultural icon.

Project context and objectives

The Saville Theatre's rich history as an epicentre for music, performance, and culture in the West End provides a strong foundation upon which its future will be built. Currently underutilised as a four-screen cinema, Yoo Capital acquired The Saville in 2021 to rekindle the light of this once-bright landmark and usher in a new era of live performance, complemented by ancillary uses.

The proposed development will transform Saville Theatre, a Grade II listed building, into the first UK-based permanent home of Cirque du Soleil, a mission-oriented, contemporary circus producer. The development will also create a boutique hotel operated by citizenM; a brand built around its social value strategy.

Yoo Capital, in collaboration with project partners – Cirque du Soleil, citizenM, Food and Beverage operator, Incipio – aim to maximise the social value opportunities of The Saville and spark socioeconomic growth in Camden.

Promoting diversity and inclusion through employment and youth development

Yoo Capital's development plans place a strong emphasis on diversity, equity, and inclusion (DEI) policies that benefit local communities. This includes providing spaces for community engagement and ensuring the design is inclusive and accessible to all. Inclusivity measures include designing spaces that are physically accessible to individuals with varying levels of physical mobility; providing accessible, plentiful, and well-designed toilets, including gender-neutral toilets and child/family friendly spaces; engaging with specific organisations to design shows that are accessible to individuals who are D/deaf or hard of hearing, blind or visually impaired, or individuals who require relaxed performances.

Cirque du Soleil is working with Go Live Theatre Projects to support disadvantaged London families to visit the theatre for the first time, and young people with special educational needs development to develop confidence and new skills. Cirque du Soleil will also liaise with local theatre groups to understand pricing affordability for residents and will distribute free or subsidised theatre tickets to Camden residents through these partnerships.

In collaboration with contractor Kier, initiatives have been developed to attract, retain, and promote diverse talent around the project area during construction. Kier has a working relationship with Camden Council and the Euston Skills Centre; for each new job posting, Kier circulates vacancy details to every provider servicing borough residents, and across the projects, Kier have delivered a total of 500 apprenticeship weeks. Through its Network Building project, Kier have engaged with The Mason Foundation to provide opportunities to support individuals and families from all walks of life who may face additional challenges. Kier will be supporting their Propel Programme, an initiative established in 2021 to support young adults with learning disabilities to access and thrive in meaningful and sustainable employment. Kier became one of the Young Camden Foundation's business partners in 2023 and will support over 170 Camden-based charities that offer services and support to children and young people.

The Saville Theatre can also support SME businesses and sole traders seeking co-working space. Incipio and citizenM are working together with Camden Council, the Federation of Small of Small Businesses, and the East Ends Trade Guild to explore partnerships with local suppliers, and citizenM properties will offer coworking spaces for students and independents.

Our vision for the Saville Theatre project to boost to the Camden economy through job creation is aligned with We Make Camden's strategic priority of creating opportunities for young people. We have worked with Cirque du Soleil, citizenM, and Incipio to create approaches for driving youth opportunities through apprenticeships and training offerings.

These efforts aim to foster a sense of belonging and community ownership to enshrine the Saville Theatre as a point of pride for Camden and greater London.

Promoting health and well-being through design

The refurbishment project is guided by a design ethos that prioritises accessibility and inclusivity in addition to improved health & well-being. By creating spaces that enable movement and encourage healthy eating, the theatre aims to improve physical and mental well-being of both employees and visitors through its restorative design.

Partnerships with local health and social services organisations will facilitate the delivery of wellness programs, workshops, and events that encourage community interaction and promote mental health. We have engaged with Lighthouse Club to increase awareness of mental health support services among frontline trades. Lighthouse Club's Make It Visible campaign combats construction worker suicide by hosting regular chats with mental health first aiders with lived experience in the construction sector.

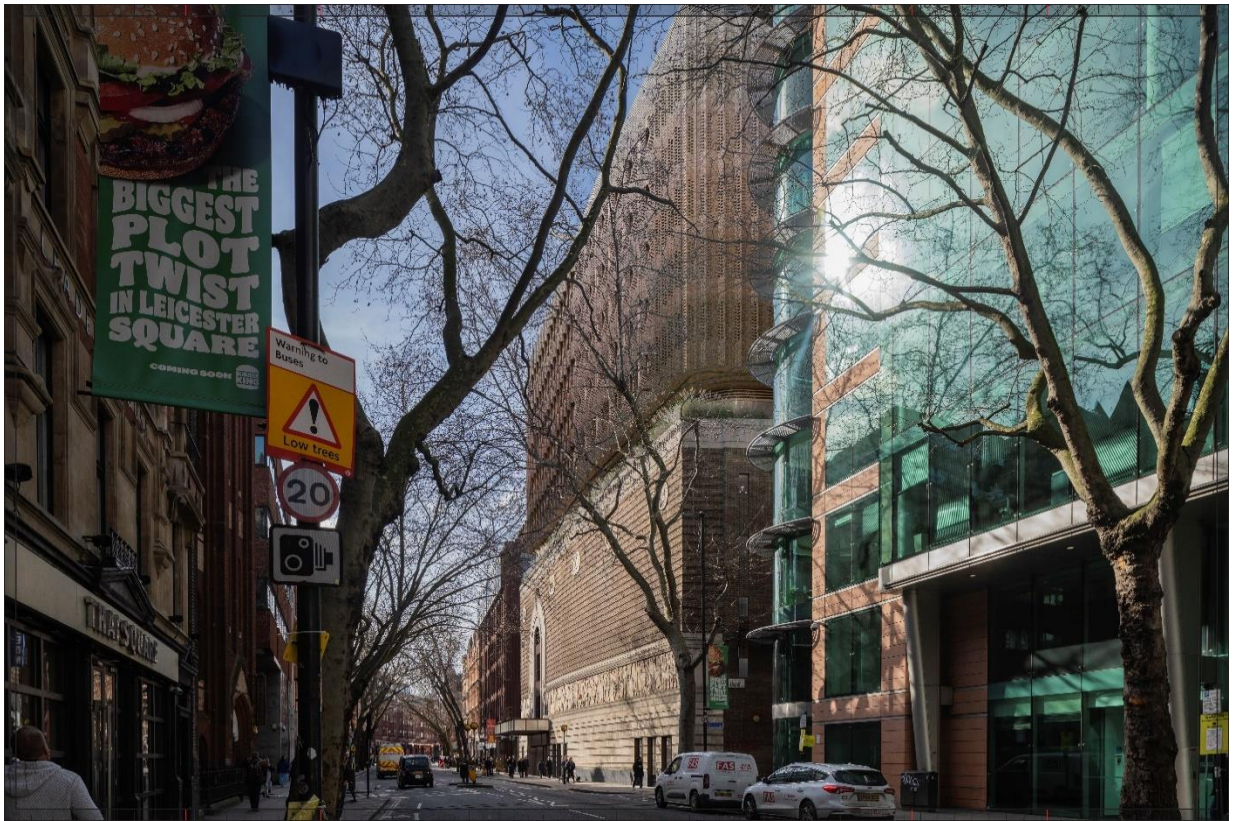
The redesigned Saville will have increased natural light and greening to create spaces that prioritise the holistic well-being of both staff and visitors. For example, we are working with SPARCC to re-introduce glazing and windows which were lost in the conversion of the theatre to a cinema. The building will also have newly created health and well-being rooms for the cast, front of house staff, crew, and hotel employees.

Future social impact

The Saville Theatre's refurbishment goes beyond the physical restoration of a historic venue and sets out a strategic vision for social value creation that benefits Camden and London communities. Through inclusive practices, community engagement, and professional and educational initiatives, the project sets an example for how heritage sites can serve as catalysts for social and cultural enrichment, ensuring a legacy of positive change and vibrancy in the heart of London.

Moreover, the health and well-being dimension of the Saville Theatre refurbishment reflects a comprehensive and compassionate approach to community revitalisation and stands as a testament to the power of thoughtful redevelopment in enhancing the quality of life for individuals.

Figure 6: Saville Theatre and the surrounding area.



Health & well-being

“Yoo Capital has always placed great emphasis on the impact of our projects. Health and well-being have never been as important as in the last few years and, as well as doing good, we want our projects and working practices to leave people feeling good.”

- LLOYD LEE, MANAGING PARTNER

Health and well-being are key components of our ESG strategy. We recognise that many of our decisions directly impact people’s short- and long-term health and well-being. This applies for people living and working in the communities in which we operate, as well as for our staff, contractors, and designers.

We have developed an internal strategy in partnership with health and well-being experts that recognises these responsibilities to both our staff and communities. This strategy guides how we develop and manage our real estate assets. From project initiation, we take these requirements seriously and plan for their continuous improvement.

Our health & well-being policy is built around the following aspects:

- **Movement and animation:** creating developments and masterplans that encourage movement and activity.
- **Restorative spaces:** creating spaces for rest, contemplation, and relaxation to support mindfulness and mental health.
- **Nourishing communities:** ensuring our developments encourage better nutritional choices and help create healthier communities through thoughtful design and management.
- **Thriving in our environments:** creating environments that allow people to comfortably fulfil their full potential.
- **Nature and biophilic design:** creating biodiverse environments that support people and the planet.
- **Social connectivity and community:** creating spaces that expand social connectivity and boost social value.
- **Toxicity management in the environment:** reducing toxicity in the built environment through material selection, air, and water quality management.
- **Site management and post-occupancy monitoring:** proactively managing our assets and collecting performance data that mitigates risks and leads to future improvements.
- **Align with global standards and reporting:** ensuring our health and well-being strategy relates to wider industry standards and is measurable and progressive.

“Some of the UK’s most pressing health challenges – such as obesity, poor mental health issues, physical inactivity, and the needs of an ageing population – are influenced by the built and natural environment. The planning, design, construction and management of spaces and places can help to promote good health, improve access to goods and services, and alleviate, or in some cases even prevent, poor health thereby having a positive impact on reducing health inequalities.”³

- PUBLIC HEALTH ENGLAND

We also recognise our responsibility as a firm to the well-being of our employees. The Yoo Capital company handbook entrenches this in company policy, in both the way we grow and care for our team and in the way our team carries out our purpose. We offer each employee one day per year to volunteer for projects or charities of their choosing.

For health & well-being, which falls under our social value umbrella, we will measure and report our progress using the following KPIs. Please note there are additional health & wellbeing KPIs that have been set by our health & wellbeing consulting partner, and these KPIs are monitored regularly. These will be in the public domain via our separate health & wellbeing document.

1. Response rate (%) from annual staff satisfaction survey

We conduct an annual staff satisfaction survey, which explores our employees’ sentiments on what they feel we are doing well, what we could do better and where they would like more support. The response rate for our 2023 survey was 86%.

2. Staff turnover (%)

We value staff retention and seek to foster a workplace that encourages professional development and enables employees to grow. Our current staff turnover rate is 21%.

³ Public Health England. Accessible via: <https://www.gov.uk/government/publications/phe-healthy-places/phe-healthy-places>

CASE STUDY

Celebrating culture and community at Shepherd's Bush Market

Coming together

In March 2024, the normally bustling walkway winding through Shepherd's Bush Market was, for a moment, still and calm. Then, following time for reflection and prayer, joyful conversations rang out as the community came together for an Open Iftar event and held a communal breaking of the fast.

Yoo Capital worked with REImagine and the Ramadan Tent Project to host Open Iftar, a bespoke event including the breaking of the fast, a prayer, speeches from various community members, and a shared meal. This event is part of a series of cultural events to celebrate and grow the diverse trader and customer community of Shepherd's Bush Market. By acknowledging and inviting the cultural practices of its many communities, Shepherd's Bush Market aims to build a relationship with its customers, grow trust and footfall, and foster a thriving trading environment. The Muslim community plays a particular role in developing the market audiences, driving peak trade around Eid.

A community effort

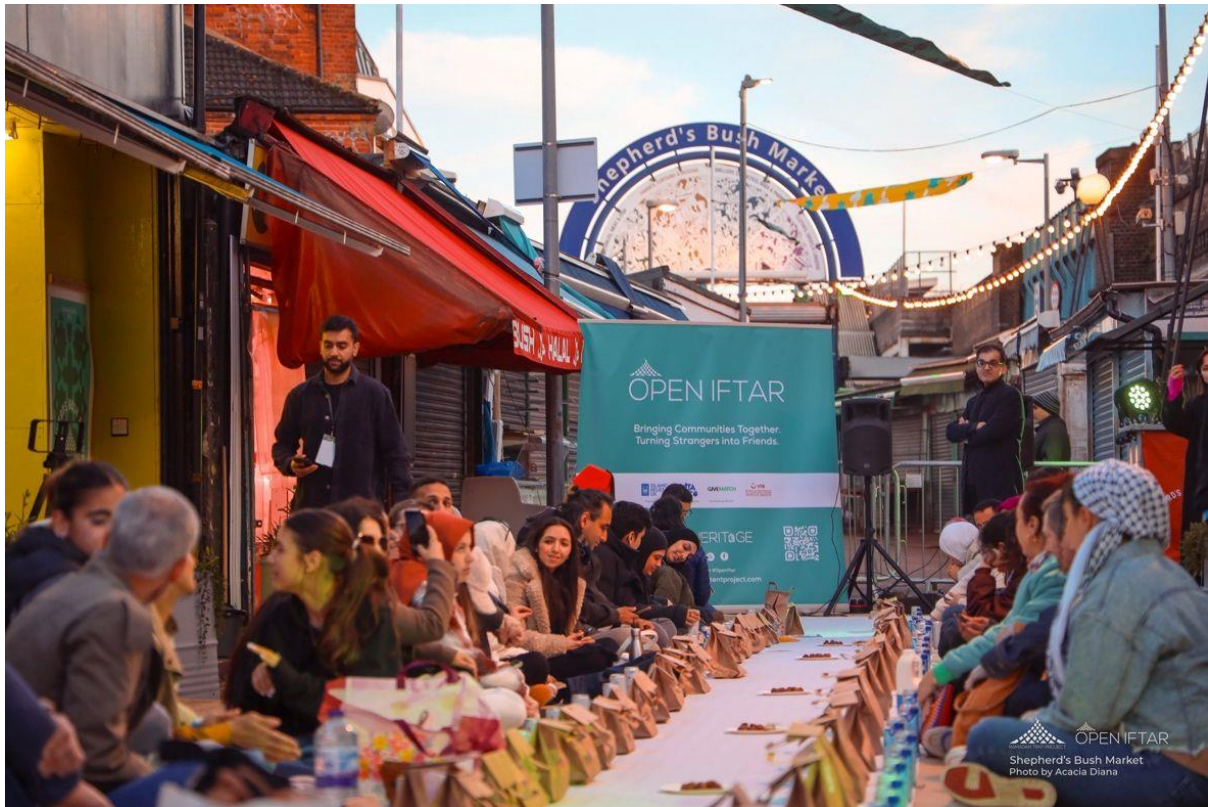
The Open Iftar event was produced in response to an initiative of members of the Muslim trader community at Shepherd's Bush Market. Working closely with Strawberry Hill Fruiterers and Hamdan Coffee, the market team identified a trusted third party to deliver the breaking of the fast event. Two-thirds of attendees were from W12 and the surrounding area, and most supplies used for the event were sourced within a one-mile radius of the market. This included posters from Pigment Press and fabrics from vendors on Goldhawk Road. All materials were selected with circularity in mind: the polyester flags used for decoration will be converted into umbrellas and the hanging bunting into tote bags.

Growing our horizons

More than 200 ticketed guests participated, with further audiences watching on. Social media promotions from the Ramadan Tent Project and Shepherd's Bush Market accounts reached almost 9,000 users, and the Bush Bugle also covered the event.

We're grateful for our partners from REImagine, Ramadan Tent Project, and all the Shepherd's Bush Market traders and volunteers who helped make this Open Iftar a reality. We look forward to continuing to foster cultural connections and celebrating the diversity of the Shepherd's Bush community through more events in the future.

Figure 7: The Open Iftar event at Shepherd's Bush Market in March 2024.



PILLAR 2: 'DRIVE DECARBONISATION THROUGH LONGEVITY'

Carbon emissions

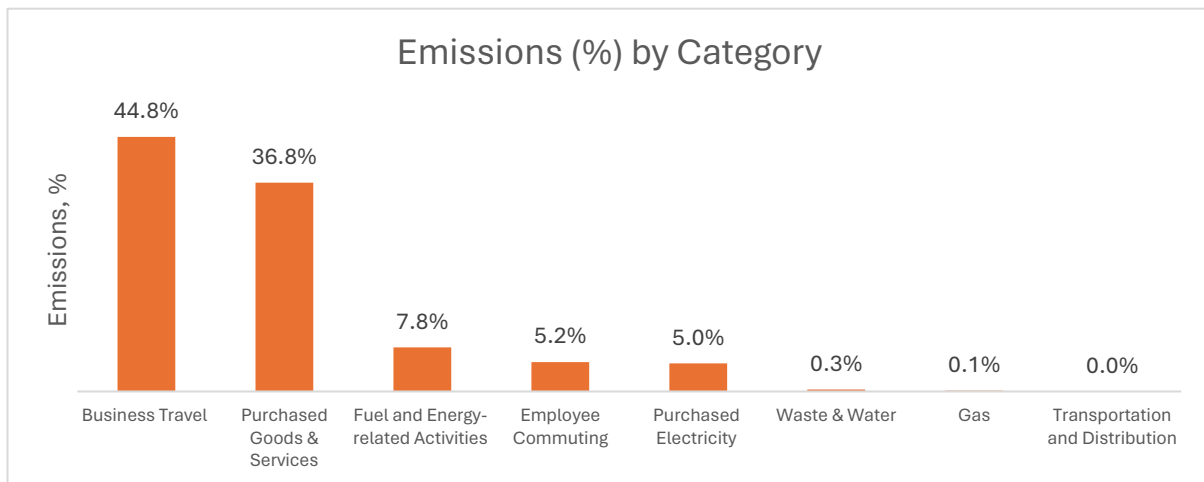
At Yoo Capital, we are committed to reducing our carbon emissions to minimise our impact on the environment. Our carbon footprint for the 2022 calendar year (1 January to 31 December) serves as our baseline and is our most recently calculated footprint. It was calculated in accordance with the Greenhouse Gas (GHG) Protocol using an operational control approach and accounts for scope 1 (direct emissions), scope 2 (indirect emissions), and material scope 3 emissions (other indirect emissions). Scope 3 categories are deemed material if their associated emissions contribute to greater than 1% of the total footprint. The following scope 3 categories are considered material for Yoo Capital: Purchased Goods and Services, Transportation and Distribution, Business Travel, Employee Commuting, and Waste (incl. water).

In 2022, our total emissions amounted to 73.65 tCO₂e. 95% of this total stem from scope 3 emissions, particularly Business Travel (45% of our total footprint) and Purchased Goods and Services (37% of our total footprint). Table 1 lists details of our emissions by scope and the material scope 3 categories, and Figure 8 shows the distribution of our footprint by emission activity. While we have not yet calculated our emissions for 'Investments' (Category 15 of the GHG Protocol), we recognise this is material to us as a real estate investor.

Table 1: Yoo Capital's 2022 carbon footprint by scope and business activity.

Type of Emissions	Activity	Data	Tonnes of CO ₂ e	% of Total
Direct (Scope 1)	Fuels: Natural Gas, kWh	556.27	0.10	0%
	Subtotal		0.10	0%
Indirect (Scope 2)	Purchased Electricity, kWh	18,879.69	3.65	5%
	Subtotal		3.65	5%
Other Indirect (Scope 3)	Purchased Goods & Services	-	27.10	37%
	Transportation and Distribution, tonne.km	0.77	0.00	0%
	Business Travel	-	33.02	45%
	Waste & Water	-	0.25	0%
	Employee Commuting	-	3.80	5%
	Fuel and Energy-related Activities	-	5.72	8%
	Subtotal		69.89	95%
Total Emissions			73.65	100%

Figure 8: Percentage contribution to Yoo Capital's carbon footprint by emission category.



For carbon emissions and our decarbonisation journey we will measure and report our progress using the following KPIs:

3. Gross Scope 1, 2 and 3 emissions (tCO₂e)

As detailed above, our emissions in 2022 totalled 73.65 tCO₂e. We aim to calculate our emissions annually and will complete GHG Protocol Category 15 calculations in 2024/25.

4. Energy use during construction (kWh/£100,000 construction spend)

This KPI will enable us to monitor our energy use for our developments, which will be beneficial when addressing our Scope 3 Category 15 emissions.

Building design & lifecycle

For all our developments we follow the Greater London Authority (GLA) guidance on circular economy and whole life-cycle carbon assessments. We adopt several strategies to create sustainable and long-lasting places, including working towards minimising material quantities, optimising energy use, and sourcing sustainable materials.

We strive to minimise material quantities in our developments by employing methods such as prefabrication and modular construction, in which components are produced offsite in controlled environments to control material use more precisely. For Shepherd's Bush Market for example we are aiming to utilise prefabrication techniques for structural elements and facades. Additionally, incorporating energy-efficient systems allows us to reduce our operational costs as well as our environmental impact. Energy efficiency in Shepherd's Bush Market is exemplified by the adoption of air-source heat pumps, triple-glazed window fittings, and a shading strategy which significantly reduces energy demand.

Furthermore, we engage with our manufacturers, suppliers, and contractors to source sustainable materials, referencing sourcing guides such as Greenspec and Green Guide. Wherever possible, we try to source local products, source products with high recycled content and source products with Environmental Product Declarations (EPDs). Furthermore, we prioritise material suppliers that operate an Environmental Management System. For the development of Shepherd's Bush Market, we aim at an overall minimum target of 20% for recycled content by

value for materials to be procured. We further break this target down for specific material categories, following the Royal Institution of Chartered Surveyors (RICS) guidance to have up to 5% recycled content by mass for all concrete materials, 97% recycled content by mass for all rebar materials and 30-50% recycled content for steel materials.

Build it once, build it right.

In line with our “build it once, build it right” ethos, we also believe that the materials we source should support the longevity of buildings; the longer a building is functional the less materials need to be used in the future for both maintenance and reconstruction. For elements with a long lifespan, which we define as over 25 years, we try to use concrete for longevity and high thermal mass and steel since this is highly recyclable. The building layers with shorter life expectancy (less than 25 years) are designed for ease of maintenance, reuse, and recoverability.

Our efforts to implement circular economy initiatives into our developments feed into our whole life-cycle carbon (WLC) assessments, which we submit for each development. A WLC assessment quantifies the total carbon emissions associated with all stages of a building’s life, from material extraction and construction to operation and eventual demolition. This helps us identify significant sources of emissions and opportunities to implement more sustainable practices throughout our development’s lifespans. The table below describes the life cycle modules and stages included in our assessments.

Table 2: Whole life-cycle carbon assessment stages.

Product Stage			Construction Process Stage		Use Stage								End-of-Life Stage				Benefits and loads beyond the system boundary		
Raw material supply	Transport	Manufacturing	Transport to building site	Installation into building	Use/application	Maintenance	Repair	Replacement	Refurbishment	Operational energy use	Operational water use	Deconstruction/demolition	Transport	Waste processing	Disposal	Reuse	Recovery	Recycling	
A1	A2	A3	A4	A5	B1	B2	B3	B4	B5	B6	B7	C1	C2	C3	C4	D	D	D	
x			x	x	x	x	x	x	x	x	x	x				x			

For Shepherd’s Bush Market we conducted a whole life-cycle carbon (WLC) assessment for a 60-year life cycle. The total embodied carbon over the life cycle for the proposed development at this stage is 1,012 kgCO₂e/m², which is 28% lower than the GLA benchmark for office schemes of 1,400 kgCO₂e/m².

For building design and lifecycle, we will measure and report our progress using the following KPIs:

1. **Portfolio embodied carbon in construction (kgCO₂e/m² GIA)**

To measure the embodied carbon in our portfolio we utilise the GLA WLC assessments. We have set a target of 650 kgCO₂e/m² GIA for all our new build elements of development by 2030 for the construction phase (A1-A5). For Shepherd's Bush Market we have estimated embodied carbon from construction of 689.9 kgCO₂e/m² GIA and for Saville Theatre we have estimated 582 kgCO₂e/m² GIA.

2. **Total portfolio embodied carbon (kgCO₂e/m² GIA)**

We measure total portfolio embodied carbon using our GLA WLC assessments. The total embodied carbon for Shepherd's Bush is 1,012 kgCO₂e/m² GIA, which is below the GLA target of 1,400 kgCO₂e/m² GIA. The embodied carbon for Saville is 966 kgCO₂e/m² GIA, also below the GLA target.

3. **Percentage (%) of materials with recycled content used across portfolio**

To reduce embodied carbon, we aim to increase our use of materials with recycled content across the portfolio. Our current target is to reach 20% of materials by weight having recycled content.

4. **Percentage (%) of materials certified under BREEAM-recognised schemes**

We also aim to use materials certified under BREEAM-recognised schemes, since this does not only help our environmental performance but also means we consider supply chain transparency and material efficiency, durability, and longevity. Our target is to ensure 100% of timber materials are certified under BREEAM-recognised schemes. For all other materials we aim for over 36% being certified by weight.

5. **Percentage (%) of materials recovered across portfolio**

To reduce the overall impact of our redevelopment work, we aim to retain as much of the original buildings and structures as we can. Where we need to demolish parts of a development, we aim to recover materials to reduce the environmental impact of this. We anticipate to recover 9.2% of materials for Shepherd's Bush Market and are in the process of determining this for Saville Theatre.

CASE STUDY

Green Curtains Rise: The Saville Theatre's Journey to Sustainability & Decarbonisation

The Saville Theatre is undergoing a transformative refurbishment with a vision to reinstate the Theatre's cultural icon status as a live performance venue by aiming to couple historical preservation with modern sustainable design.

We plan to deliver a combined use development including a theatre and a hotel set within a historic landscape with ambitions to become a climate-positive development. Embracing circular economy principles, we are committed to achieving net-zero, optimising energy efficiency and fostering a sustainable operational model that can inspire similar projects globally.

The Road to Net Zero Carbon:

Creating Operational Resilience:

Our approach to operational carbon for the Saville Theatre is split into 5 phases and follows the energy hierarchy motto of be lean – be clean – be green – be seen.

1. Measure: assess the operational energy consumption and compare it to benchmarks and targets
2. Reduce: implement energy efficiency measures such as all-electric solutions, low energy appliances and smart controls
3. Generate: eliminate fossil fuels and generate renewable energy on site
4. Source: procure renewable electricity
5. Offset: purchase carbon offsets for residual carbon and disclose the amount used

To reduce energy demand, we are adopting both passive and active design measures. Passive design measures include the optimisation of glazing ratios, solar shading, thermal mass, thermal transmittance, solar transmittance, daylighting, air tightness and thermal bridging. These ensure that cooling and heating systems can operate with optimal efficiency and that daytime use of lights is only needed in specific areas of the development. These measures are complemented by active design strategies like high-efficiency lighting, mixed mode ventilation and heat recovery.

For renewable energy generation we are looking to install both solar PV panels and air-source heat pumps. This aids our movement towards an all-electric approach to make use of the decarbonising UK electricity grid, which is expected to reach net zero mid-2030 according to National Grid projections.

Future Impact:

The Saville Theatre, through our strategic focus on decarbonisation, sets a transformative example of how heritage buildings can be adapted to meet the challenges of climate change. By leveraging strategies throughout the whole lifecycle of the development, the project does not only preserve a cultural landmark but also contributes to the creation of a more sustainable and resilient urban environment. It demonstrates the possibility of harmonising historical preservation with environmental stewardship essential in our collective effort to combat climate change.

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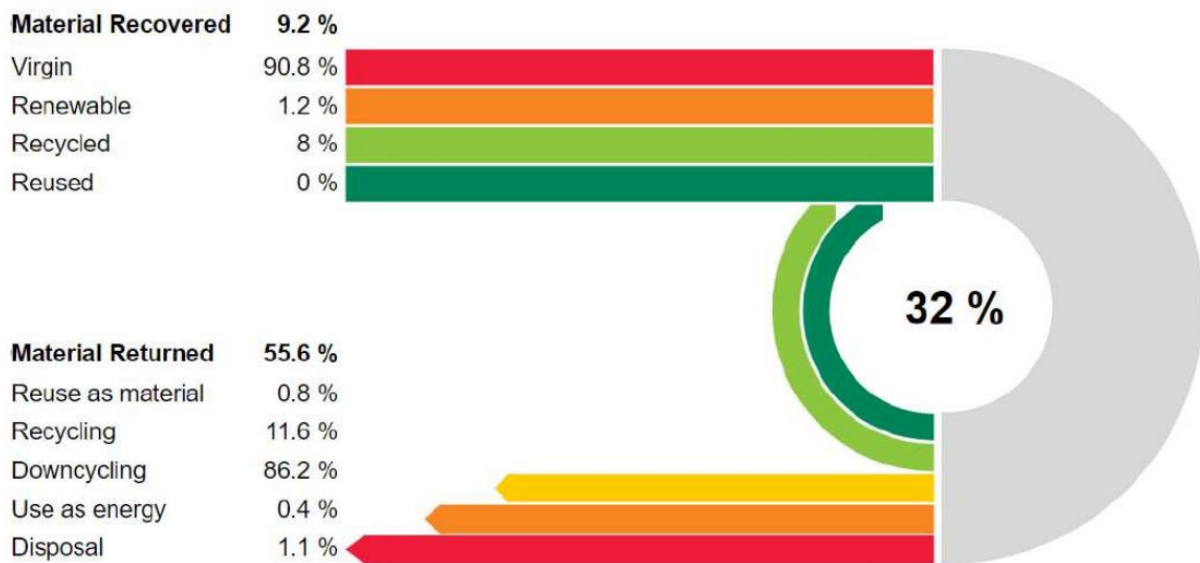
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Waste management

We have a comprehensive approach in place for all our developments to manage waste effectively across all phases of the project from demolition to construction to operations. All our strategies follow the waste hierarchy of eliminate – reduce – reuse – recycle.

During the demolition and construction phase, we estimate the material arising and develop a strategy around diverting waste from landfill and reusing as much of the material as possible. For Shepherd’s Bush Market, we estimate a total of 3,025 tonnes of material arising from demolition and aim to divert 95% of demolition and non-demolition waste from landfill and reuse some of the concrete and brick material for the piling mat and the construction of temporary roads. Furthermore, we set targets around waste minimisation for the construction process and work with our manufacturers and contractors to accomplish these. This includes assessing a development’s building circularity score. For Shepherd’s Bush Market we aim to produce no more than 13.3 m² of waste per 100m² gross internal floor area and have implemented manufacturer “take-back” schemes to reduce waste. We anticipate Shepherd’s Bush Market to have a building circularity score of 32%, with 9.2% recovered material and 55.6% returned material at the end of life of the building.

Figure 9: Building circularity score of Shepherd's Bush Market.



For the operational phase of the development, we develop a waste management plan covering aspects such as bin availability and capacity, collection frequencies, and waste separation. For example, waste in Shepherd’s Bush Market will be separated into dry recyclables, general waste and food waste and we plan to the London Plan municipal recycling target of 65% by weight and business waste recycling target of 75% by weight by 2030.

For waste management and lifecycle, we will measure and report our progress using the following KPIs:

1. Weight of non-hazardous construction waste (m³/100m² GIA)

We aim to reduce the amount of construction waste we use by designing our developments efficiently to use less materials. Our target is to produce less than 4.5 m³/100m² GIA across our portfolio.

2. Weight of hazardous construction waste (m³/100m² GIA)

Measuring hazardous construction waste is important primarily from a health and safety perspective so we can ensure sufficient processes and supports are in place to effectively deal with and dispose of hazardous waste. We are currently in the process of setting a target for this across our portfolio.

3. Percentage (%) of construction waste diverted from landfill

Waste diverted to landfill as a large environmental impact, which is why we aim to minimise this for our development sites. We expect to divert 95% of construction waste from landfill for both the Shepherd's Bush Market and Saville Theatre developments.

PILLAR 3: 'CHAMPION ACCOUNTABLE GOVERNANCE'

ESG regulation & compliance

Due to our activities in the real estate sector, Yoo Capital falls under several UK regulations that have an impact on our strategies and actions regarding ESG.

Building Regulations 2010: the UK Building Regulations 2010 are a set of legal requirements to ensure the health, safety, sustainability, and accessibility of development projects in England and Wales. Part L (Conservation of Fuel and Power) specifies minimum requirements for our projects regarding aspects such as thermal performance, energy efficiency, CO2 emissions, air tightness and insulation. The social side of ESG is primarily addressed through health & safety, and the regulation includes requirements on issues such as structural integrity, fire safety, sound, ventilation, injury prevention, accessibility, and electrical safety. We address all aspects of the Building Regulations 2010 in our development documentation that is submitted to the relevant council.

Town and Country Planning (Environmental Impact Assessment) Regulations 2017: these regulations require developers to assess and report the environmental impacts of their development projects, ensuring that decisions are made with a full understanding of their potential consequences. Environmental Impact Assessments (EIA) are required for all our developments, and we submit the necessary Environmental Statement (ES), which details the likely environmental effects and measures to avoid, reduce and remedy these, with our planning applications.

The London Plan & Local Borough Development Plans (2021): the London Plan is the statutory spatial development strategy for the Greater London Area over the next 20-25 years, which works in conjunction with the local borough development plans. Since we re-develop spaces in the Greater London Area, our planning permission documentation needs to be aligned with the London Plan, which covers aspects such as aiming for net zero carbon, meeting the urban greening factor (UGF), providing affordable housing, and integrating renewable energy sources.

Biodiversity Net Gain (BNG) Regulation: introduced as part of the Environment Act 2021 in the UK, this regulation mandates that developers must achieve a 10% increase in biodiversity following the completion of a development project. The BNG requirement became mandatory for major developments on 12th February 2024, meaning it will apply to all our planning applications going forward.

Equality Act 2010: this act applies across all sizes of development projects and requires developers to embed equality and non-discrimination into their corporate culture, operational practices, and development projects. This includes for example designing places that do not exclude people with disabilities. We comply with this regulation and provide evidence with our planning applications.

Bribery Act 2010: any company incorporated or formed in the UK is subject to the Bribery Act. We have a zero-tolerance approach to bribery and corruption and detail this in our Employee Handbook, which is accessible to all current and new employees.

UK General Data Protection Regulation (GDPR)/Data Protection Act 2018: we comply with data protection legislation to ensure the protection and lawful processing of personal data. For more information on this please see our [Privacy Policy](#).

The Companies Act 2006: since Yoo Capital is a private limited company, we need to comply with the Companies Act, which covers aspects such as incorporation, director responsibilities, financial reporting, and governance.

Besides these key regulations, we also comply with general UK regulations applicable to private limited companies such as corporation tax, annual accounts and reports, and employment laws. Furthermore, Yoo Capital as a financial services company is regulated by the Financial Conduct Authority (FCA), meaning we also comply with all relevant FCA regulations, such as the anti-greenwashing rule. We are aware of emerging ESG legislation and are actively aligning to this, even if we do not yet fall under it or it is not mandatory in the UK. This positions us at the forefront of our sector and allows us to futureproof ourselves against legislation coming down the line. Yoo Capital also sees the value creation behind many of the regulations and therefore is committed to aligning as early as possible.

Further to the above, ESG regulations such as the UK Sustainability Disclosure Standards (SDS)⁴, CSRD, EU taxonomy for sustainable activities (EU Taxonomy), Energy Savings Opportunity Scheme (ESOS) and Sustainable Finance Disclosure Regulation (SFDR), do not apply to us as a business since we are exclusively UK-based and fall below the employee headcount or turnover thresholds. Examples where we have already acted include identifying material climate change risks and opportunities in line with TCFD (refer to pg. 33 for more information) and conducting a double materiality assessment with corresponding KPIs in line with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This approach assesses, identifies, and prioritises impacts, risks, and opportunities in a systematic way that also recognises stakeholder consultation as a key part of the process (refer to page 7 for further information).

Finally, with Yoo Capital's focus on social value we stay up to date with all relevant regulatory drivers, aimed primarily at the public sector and ensure that these are incorporated into our overall social value approach.

For ESG regulation and compliance we will measure and report our progress using the following KPIs:

1. Biodiversity net gain (BNG) and urban greening factor (UGF)

Both biodiversity measures are required under the BNG regulation and the London Plan respectively but are also important in our mission to create social value. We therefore aim to report them for all our developments and have set a target of meeting at a minimum a 0.3 UGF and 10% BNG. For Shepherd's Bush Market we are forecasted to realise a 317.99% BNG and for Saville we have estimated a 0.366 UGF.

⁴ The UK SDS is expected to be published no later than July 2024 and to follow guidelines set by ISSB S2 (which has taken over from the Taskforce for Climate-related Financial Disclosures (TCFD)).

2. Total fines (£) for violation of laws

To ensure we are transparent about meeting all relevant ESG regulation that applies to us, we are reporting on the total fines we receive for violating laws. In 2023, we had a total of £0 of fines.

Business ethics

At Yoo Capital, we are committed to maintaining an ethical working environment and conducting all our business in an honest and ethical manner. We provide employees with an Employee Handbook, including a Compliance Manual, which sets out the policies and procedures that they are expected to follow, including:

- **Modern Slavery:** we strive to ensure there is no slavery or human trafficking within any part of our business or supply chain. Our approach to procurement of resources reflects the commitment to act ethically, in line with the Ethical Trade Initiative (ETI) Base Code as the minimum labour standards we expect from our suppliers, as well as requiring compliance with the Modern Slavery Act 2015.
- **Conflicts of Interest:** all employees have the duty to avoid business relationships, financial or otherwise, direct, or indirect, that could have negative impact on us or them. Our Conflicts of Interest policy is set out in the Compliance Manual.
- **Whistleblowing:** we are committed to avoiding malpractice through informal consultation with workers, who are expected to highlight areas of concern either to their manager, our Whistleblowing Officer (Andy Colman) or the relevant regulatory body. Yoo Capital will, within a reasonable period, investigate the matter and, if requested, report back to the employee. Data collected from any point at which the individual makes the report is held securely and accessed by, and disclosed to, individuals only for the purposes of dealing with the disclosure. Employees are also provided with the contact details of Public Concern at Work, an independent whistleblowing charity.
- **Data Protection:** we have an internal data protection policy and are committed to being transparent about how we collect and use personal data. We have appointed Alexandra Head, Head of Administration, as the person with responsibility for data protection compliance within Yoo Capital. For more information, please see our [Privacy Policy](#).
- **Anti-bribery and Corruption:** Yoo Capital takes a zero-tolerance approach to bribery and corruption, and we strictly prohibit any form of unethical inducement or payment including facilitation payments and kickbacks or any conduct which might conflict with our interests or compromise Yoo Capital's integrity. We fully comply with Bribery Act 2010.
- **Equal Opportunities:** all employees and those that we work with are expected to adhere to our Equal Opportunities and Dignity at Work policy. We aim to create and maintain a work environment that ensures no employee is treated less favourably on the grounds of or assumption about their gender, sexual orientation, race, or ethnic origin, marital or parental status, age, religion, political conviction, membership of a trade union, disability and pregnancy and shared parental leave. Managers have a responsibility to investigate all situations that are brought to their attention. Our dignity at work policy also covers harassment, bullying and victimisation which are considered gross misconduct and for which an employee may be summarily dismissed.

- **Health and Safety:** we are committed to providing safe and healthy working conditions and to setting high standards for the health and safety of employees, contractors, and others. Our health and safety policy covers issues such as accident prevention, accident reporting, first aid, fire regulations and evacuation procedures, and use of display screen equipment and is overseen by Alexandra Head, Head of Administration. We also have a separate Mental Health policy.

For business ethics we will measure and report our progress using the following KPIs:

1. Total number of incidents/reports made in relation to business ethics

This will allow us to monitor how well we are complying with business ethics and that we are addressing any issues that arise. In 2023, we had 0 incidents or reports raised in relation to business ethics.

2. Total number of resolved incidents/reports

This KPI will be relevant if we have incidents or reports on business ethics raised during the year. Since in 2023 we had 0 incidents or reports, the total number of resolved incidents and reports is also 0.

Transparency

We recognise the importance of transparent ESG reporting and are proud to align our operations with globally accepted benchmarks and frameworks.

GRESB: Our Global Real Estate Sustainability Benchmark (GRESB) journey began in 2022, when we first submitted the GRESB Real Estate Development Benchmark Assessment for YCFII. In 2023, we submitted our GRESB assessment for YCFII for the second year, and we are in the process of our 2024 assessment submission for YCFII now.

Yoo Capital's YCFII earned a two-star rating with a score of 83 out of 100 in the 2023 GRESB Real Estate Benchmark Assessment; this is a 17-point increase from our 2022 score of 66. YCFII outperformed its peer group in the following categories: Leadership, Stakeholder Engagement (internal employees, contractors, and suppliers), ESG Requirements, and Energy. Our peer group outperformed YCFII in the following categories: Reporting, Risk Management, Materials, Building Certifications, Water, and Stakeholder Engagement (contractors, site, and community).

The management component of our 2023 GRESB Real Estate Benchmark Assessment score increased by six points compared to 2022, resulting in a score of 24 points out of 30. Main improvements were in Stakeholder Engagement, Risk Management, Leadership, and Reporting.

The development component of our 2023 GRESB Real Estate Benchmark Assessment score increased by 11 points compared to 2022, resulting in a score of 59 out of 70. Main improvements were in Building Certifications, ESG Requirements, Stakeholder Engagement, Water, and Energy.

YCFII scored full points on ESG Requirements and Waste.

PRI: We have been a signatory to the Principles of Responsible Investment (PRI) since 2 February 2021. Our FY 2022 PRI submission achieved a ranking above the median global performance, showcasing excellence compared to other PRI signatories in the same industry. We earned four

stars in the 'Direct – Real estate' and 'Confidence building measures' categories, and three stars in the 'Policy Governance and Strategy' category.

TCFD: In 2023 we undertook an intensive project to align to the Taskforce for Climate-related Financial Disclosures (TCFD). This included identifying risks across the development and asset lifecycle and recognising the opportunities that come with this. Furthermore, we looked at the initial steps we are taking and can take to monitor and respond to these risks and opportunities. Further information is given below however it should be noted that this process has been put on hold due to the adoption of the TCFD by ISSB S2 and will be continued when comprehensive guidance from the UK government has been given on the UK SDS (replacement of the TCFD).

In line with TCFD, we looked at the impact of climate change from both a transitional and physical standpoint. We identified that some risks were potentially material to our success during our investment holding period, which is typically 8-15 years, and the period beyond sale. Once identified, we put in place an action plan to actively manage the risks before and during investment to ensure the asset's longer-term value.

The focus areas were Governance, Strategy, and Risk Management. At the Governance level, we created an action plan to integrate these risks and opportunities into our pre-existing governance structure and management processes. The below shows the proposed structure which we are looking to implement.

Figure 10: Yoo Capital's governance structure.



For each risk/opportunity we assessed i) the likelihood, ii) the magnitude of financial impact, and iii) the timeframe in which it will be most material. Our assessment concerned existing mitigating actions and the residual risk assessment, combining likelihood and impact to give a High, Medium, or Low-risk assessment by timescale.

We undertook this exercise due to our dedication to managing climate-related risks and capitalising on opportunities in real estate. Comprehensive strategies were developed encompassing policy engagement, market responsiveness, reputation management, and strategic business integration, delivering sustainable value for investors.

WELL Building Standard: We hold our buildings to a high standard and are proud to have received WELL certifications for multiple developments. Our Olympia and Shepherd’s Bush Market offices both achieved WELL Precertification in 2024, and we intend for our Shepherd’s Bush Market offices to achieve WELL Gold or Platinum certification upon completion.

We are committed to enabling healthy development and have implemented a Health and Well-being Strategy for Shepherd’s Bush Market. This strategy encompasses a variety of specific goals, metrics, and interventions, some of which are summarised in the following table.

Table 3: WELL-aligned priorities and actions in Shepherd's Bush Market.

Goal	Metric	Interventions
Target a minimum of WELL Building Standard ‘Silver’ for all newly constructed building	Conduct robust technical checks and monitoring through the design and construction process, ensuring targeted specifications are met or not exceeded	Create a noise barrier between the nearby railway and the Shepherd Bush market and residences
Optimise acoustic-related features in the WELL Building Standard	Number of sites with a defibrillator	Conduct outdoor air quality assessment and action plan based on results, including pollution capture activities, such as pollution-capturing plant species
Adhere to the WELL Building Standard preconditions and aim to achieve more optimisations in the Air, Water and Materials concepts on future sites	Number of WELL-specific optimisations achieved on each site under the Air, Water and Materials concepts, and testing air and water quality to ensure compliance with preconditions	Utilise air-quality-improving paint for market stalls
Utilisation of the WELL Building Standard Certification across all future assets, targeting WELL Silver as a minimum	Number of WELL Registered, WELL Precertified, and WELL Certified schemes	Enrol for WELL Certification

BREEAM: All our developments are accredited by BREEAM (the Building Research Establishment's Environmental Assessment Method), which is the leading environmental assessment method for UK non-residential buildings and UK domestic refurbishments. BREEAM sets the standard for best practice design and encourages and certifies the incorporation of best environmental practice within the building design and construction stages.

Our Shepherd's Bush Market project is categorised under the BREEAM New Construction v6 scheme, and our development is targeting a BREEAM rating of 'Excellent' to demonstrate how it incorporates exemplary standards of sustainable and inclusive urban design and architecture. Our Shepherd's Bush Market pre-assessment discussed each of the BREEAM criteria during workshops led by a BREEAM assessor and attended by the project team. These workshops ensure the full development team understands how to successfully integrate BREEAM credits into their design.

The current assessment shows that a BREEAM 'Excellent' rating can be targeted with a predicted score of 76.3. It is anticipated that there are additional potential credits which can be secured during the subsequent stages of the project.

The BREEAM pre-assessments of Shepherd's Bush Market are representative of our portfolio-wide priority to incorporate sustainable design principles into our developments.

For transparency we will measure and report our progress using the following KPIs:

1. ISO 14001 certification

We aim to be ISO 14001 certified to validate our comprehensive environmental management system (EMS). Our EMS includes proactive measures to minimise our environmental footprint, comply with relevant legal requirements, and achieve our environmental objectives.

2. Percentage (%) portfolio with BREEAM Excellent certification

We aim to achieve BREEAM Excellent certifications across our entire portfolio (100%) to showcase our work on ESG from a third-party, independent perspective. For both Saville and Shepherd's Bush Market we have achieved BREEAM Excellent in the pre-assessment process and aim to achieve the same for Camden Film Quarters.

3. Percentage (%) portfolio with WELL certification/precertification

We want to achieve WELL certifications for as many of our developments as possible to demonstrate our commitment to social value, and health and well-being. We have recently achieved WELL precertification for Shepherd's Bush Market, meaning 50% of YCFII has achieved this.

4. GRESB and PRI scores

We believe that disclosing our GRESB and PRI scores is important to remain accountable and to show stakeholders the results of our continuous efforts on ESG. Please see the PRI and GRESB sections above for a breakdown of our results.

PILLAR 4: 'INVEST IN OUR PEOPLE'

Human capital development

In line with our 4th ESG Pillar, we aim to increase investment into the development and training of our people in 2024/25.

We will measure and report our progress on human capital development using the following KPIs:

1. Percentage (%) of employees receiving ESG training

Making sure all our employees receive training on ESG areas such as business ethics, diversity, equity, and inclusion (DEI), and climate change will ensure we remain an ethical business that addresses the concerns of our stakeholders.

LOOKING AHEAD

We see ESG as an investment and value-creation opportunity, and we will continue championing environmental and social progress through all our operations. We operate under the philosophy of 'build it once, built it right', and this ethos is core to ensuring the projects we construct are built to last.

We also will continue to advance our social value efforts, aligning with the latest thought leadership, frameworks and pushing the boundaries by focusing on social value first, and working creatively to maximise impact at the site of our developments right through to Greater London. We will continue to push ourselves, as well as our stakeholders, to be more sustainable and consider ESG risks and opportunities through the whole lifecycle of our projects. As investors in the built environment and custodians of place, we have a responsibility to our people, our communities, and our planet.

KPI APPENDIX

Table 4 below shows a summary of the KPIs detailed throughout this report in addition to the KPIs we report publicly for our GRESB submission. Where we can, we are showing progress updates since 2022 and targets we aim to achieve. Some of these KPIs can only be monitored once the construction phases for YCFII are completed.

Table 4: Overview of Yoo Capital's ESG KPIs.

KPI Title	Target	2023 Status
Pillar 1 KPIs – ‘Empower authentic local communities’		
Percentage (%) of space that is designated affordable per project	-	15%
Number of new good quality, well-paying jobs supported	5,000	2,000 consented in planning
Total area available for community and public use per project (%)	-	23%
Response rate (%) from annual staff satisfaction survey	-	86%
Staff turnover (%)	20%	21%
Pillar 2 KPIs – ‘Drive decarbonisation through longevity’		
Gross Scope 1, 2 and 3 emissions (tCO ₂ e)	-	Scope 1: 0.10 tCO ₂ e Scope 2: 3.65 tCO ₂ e Scope 3: 69.89 tCO ₂ e Total: 73.65 tCO ₂ e (2022 carbon footprint)
Energy use during construction (kWh/£100,000 construction spend)	-	No sites in construction
Portfolio embodied carbon in construction (kgCO ₂ e/m ² GIA)	650 kgCO ₂ e/m ²	SBM: 689.9 kgCO ₂ e/m ² Saville: 582 kgCO ₂ e/m ²
Portfolio embodied carbon (kgCO ₂ e/m ² GIA)	1,400 kgCO ₂ e/m ²	SBM: 1,012 kgCO ₂ e/m ² Saville: 966 kgCO ₂ e/m ²
Percentage (%) materials with recycled content used across portfolio	20% by weight	SBM: 8.7%
Percentage (%) materials certified under BREEAM-recognised schemes	100% timber 36% by weight for all other materials	Saville: 100% Timber
Percentage (%) materials recovered across portfolio	-	SBM: 21% re-use of demolition waste onsite
Weight of non-hazardous construction waste (m ³ /100m ² GIA)	<4.5 m ³ /100m ²	N/A – not in construction
Weight of hazardous construction waste (m ³ /100m ² GIA)	-	N/A – not in construction
Percentage (%) construction waste diverted from landfill	-	SBM: 95% Saville: 95%
Pillar 3 KPIs – ‘Champion accountable governance’		
Biodiversity net gain/urban greening factor	BNG: 10% UGF: 0.3	SBM: 317.99% BNG Saville: 0.366 UGF
Total fines (£) for violation of laws	-	£0

Total number of incidents/reports made in relation to business ethics	-	0
Total number of resolved incidents/reports	-	0
ISO 14001 certification	Certified	Not certified
Percentage (%) portfolio with BREEAM Excellent certification	-	Predicted 100% for YCFII
Percentage (%) portfolio with WELL certification/pre-certification	100%	50%
GRESB score	-	2-star rating (83/100) Management: 24/30 Development: 59/70
PRI score	-	Four stars in “Direct – Real Estate” & “Confidence building measures”. Three stars in “Policy Governance and Strategy”
Pillar 4 KPIs – ‘Invest in our people’		
Percentage (%) of employees receiving ESG training	75%	20%
Other key KPIs		
Water consumption during construction (m3/£100,000 construction spend)	-	N/A
On-site water reuse (m3, % total)	-	N/A
On-site water capture (m3, % total)	-	N/A

GLOSSARY

The table below summarises key terms used throughout the report:

Term	Definition
Accessible	Physically and economically available to all.
Affordable	Reasonably priced to be accessible to those on or below the median household income.
Biodiversity	The variety of plant and animal life in the world or in a particular area.
BREEAM	The Building Research Establishment Environmental Assessment Methodology (BREEAM) is a science-based suite of validation and certification systems for a more sustainable built environment.
Carbon footprint	A carbon footprint measures the greenhouse gas (GHG) emissions from all the activities across an organisation (organisational carbon footprint) or for a specific product or service (product/service carbon footprint). Carbon footprints enable you to identify and quantify your key emissions sources and, ultimately, pinpoint opportunities to reduce emissions.
Community	People with common interests living in a particular area.
Corporate Sustainability Reporting Directive (CSRD)	The Corporate Sustainability Reporting Directive (CSRD) builds on the EU's Non-Financial Reporting Directive (NFRD). It has stricter reporting guidelines and covers an additional 40,000 companies. The goal is to ensure consistent and comparable reporting of environmental, social, and governance (ESG) performance. The steps are very closely aligned and build on the GRI framework which includes double materiality and KPI setting.
Decarbonisation	Reduction or elimination of carbon dioxide emissions.
DEI	Diversity, equity, and inclusion.
Double materiality	Double materiality considers financial materiality and impact materiality. A double materiality assessment identifies the most important ESG topics to a company based on stakeholder perceptions and industry trends.
Embodied carbon	The embodied carbon of a building can include all the emissions from the construction materials, the building process, all the fixtures and fittings inside as well as from deconstructing and disposing of it at the end of its lifetime.
Environmental, social, and governance (ESG)	Environmental, Social, and Governance represent the non-financial factors that can be used to analyse a company's processes and impact. Incorporating ESG considerations at the centre of corporate

	strategy has increasingly become standard practice and represents the numerous non-financial benefits that companies can generate through their operations. ESG has also become an important metric for investors to analyse a company's material risks and growth opportunities.
Global Real Estate Sustainability Benchmark (GRESB)	GRESB is a mission-driven and industry-led organization that provides actionable and transparent environmental, social and governance (ESG) data to financial markets. GRESB collects, validates, scores, and independently benchmarks ESG data to provide business intelligence, engagement tools, and regulatory reporting solutions for investors, asset managers, and the wider industry.
Greenhouse gas (GHG)	Greenhouse gases that absorb and trap heat in the atmosphere. There are six recognized GHGs by the Kyoto Protocol: Carbon dioxide (CO ₂), Methane (CH ₄), Nitrous oxide (N ₂ O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs) and Sulphur hexafluoride (SF ₆). Although a carbon footprint considers all six of these gases, its unit of output is usually presented in tonnes of carbon dioxide equivalent (tCO ₂ e). CO ₂ e allows different greenhouse gases to be compared on a like-for-like basis relative to one unit of CO ₂ and is calculated by multiplying the emissions of the six greenhouse gases by their 100-year global warming potential.
Governance	Governance in the context of ESG is about how a company is managed at board level. It is about how well executive management, and the board of directors attend to the interests of the company's various stakeholders – employees, shareholders, and customers. Governance concerns include management structure, employee relations, executive compensation, cybersecurity, data protection and privacy, fraud and bribery and corruption.
KPI	Key performance indicator.
Neighbourhood	A district or community.
Net zero	A state where we add no incremental greenhouse gases to the atmosphere. This means achieving a balance between carbon emissions and carbon sinks through a combination of emissions reduction and carbon sequestration.
Principles for Responsible Investment (PRI)	The PRI is a list of six principles that were developed by investors for investors, which commit signatories to developing a more sustainable global financial system.

Scope 1, 2 and 3 emissions	Scope 1 are direct emissions that result from activities within an organisation's control. Scope 2 are indirect emissions from any electricity, heat or steam an organisation purchases. Scope 3 are all other indirect emissions from sources outside an organisation's direct control, which includes 15 categories as compiled by GHG Protocol covering emissions produced up or down the value chain.
Social value	The 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.
Stakeholder	An individual or group that has an interest in any decision or activity of an organisation. (ISO 26000)
Task Force on Climate-related Financial Disclosures (TCFD)	Established in 2015 by the Financial Stability Board at the request of G20 leaders, the purpose of the TCFD is to increase action taken in response to climate-related financial risks and provide recommendations to businesses to encourage consistent, reliable, and clear climate-related financial disclosures.
WELL Building Standard	WELL is a performance-based system for measuring, certifying, and monitoring features of the built environment that impact human health and well-being, through air, water, nourishment, light, fitness, comfort, and mind.
Whole life-cycle carbon assessment (WLC)	A WLC assessment quantifies the total carbon emissions associated with all stages of a building's life, from material extraction and construction to operation and eventual demolition.