



TABLE OF CONTENTS

Overview	2
Introduction	3
Scope	4
Objectives	5
Commitments	6
ESG Committee	7
Framework	8
Policy Objectives	9
Conclusion	10

OVERVIEW

Overview

Castleforge's Environmental, Social and Governance ("ESG") policy (the "Policy") describes our commitment to sustainability, including mitigating environmental impacts, addressing relevant social issues, and maintaining sound governance procedures.

Objective

The objective of this policy is to affirm our commitment to achieving long-term sustainable outcomes through our real estate assets, across our supply chain and in the communities in which we operate. The ESG policy describes our overall intentions and aims as they relate to our environmental and social performance. The policy also provides a framework for the setting of our ESG objectives and targets.

Scope

This policy covers:

- Castleforge's corporate operations
- The Isambard portfolio and all future funds advised by Castleforge

Policy Owner

The Castleforge Sustainability Committee

Policy Approver

The Policy has been approved and adopted by Castleforge's Management Committee. The Policy will be reviewed at least annually, considering legislation, benchmarking, reporting and organisational changes and developments in sustainability best practice. Where material changes are noted, the Policy will be referred to Castleforge's Management Committee for approval.

Effective date

June 2023

Review date

June 2024



INTRODUCTION

Founded in 2010, Castleforge is a leading UK-based private real estate investor that combines research-led investment themes with vertical integration and in-house operating platforms.



We invest in real estate located in and around select UK and European cities. Our team has a proven track record of investing throughout the capital structure and across asset classes, adding value with operational expertise. We act as a trusted real estate investment partner to provide consistent returns while making a positive impact in the communities in which we invest. We strive always to be at the forefront of change, developing in-house capabilities and a thoughtful view on the world that together create a sustainable competitive advantage.

ESG principles are integral to our investment strategy and operating philosophy. We are committed to acting responsibly and pro-actively to continuously improve our sustainability performance and to support a responsible and balanced pathway to sustained business success. Our returns are commercial, but we deliver them in a socially responsible way. In doing so, we aim to provide continued financial security for our investors, improve

the communities in which we operate and be at the forefront of sustainable business practice globally.

We recognise the need to protect the environment so that it can meet the needs of current and future generations so giving back and limiting our environmental impact is not simply a choice, it is an essential output of our operations. In addition, across our products we endeavour to provide high-quality service that makes people's lives easier, to engage communities around our investments, and to always seek to have a positive impact on the communities in which we invest. While doing so, we engage our tenants, partners, suppliers, and employees in sustainable practices to improve asset performance, conserve energy and reduce greenhouse gas emissions. We are committed to a process of continuous improvement across our business wherever we own, manage, or develop properties or funds under management.



SCOPE



This Policy sets out the sustainability commitments and objectives for all our employees, suppliers, contractors, and partners.



This Policy also includes the management of our physical offices and pertains to any philanthropic or corporate social responsibility activities that we undertake.



This Policy describes our approach to integrating ESG in our business and investment activities and outlines our commitment to understanding, managing, measuring, and communicating the impacts of our activities.



This Policy was last updated in June 2023 and is subject to change as we deem necessary or advisable. This policy is intended to be reviewed annually.

OBJECTIVES

Objectives and targets have been established to reduce our directly managed environmental and energy impacts, to embed diversity and inclusion into our processes and culture and to incorporate responsible governance practices into our investment activities.



Incorporating responsible governance practices into our investment activities is a cornerstone of our commitment. Upholding ethical standards, transparency, and accountability not only strengthens our relationships with stakeholders but also ensures the sustainability of our operations and the positive impact we create.

We believe that by embedding ESG management into our business model, we not only fulfil our responsibilities as conscientious global citizens but also unlock a multitude of benefits for Castleforge and our stakeholders. The harmonious integration of environmental consciousness, inclusivity, and responsible governance generates positive outcomes that resonate through our operations, projects, and partnerships.



COMMITMENTS

As a declaration of our commitments, we partner with the following organisations and comply with their stated requirements:

- **Principles for Responsible Investment (“PRI”)**
- **Net Zero Asset Managers**

We are also an active participant in the Global ESG Benchmark for Real Assets (“GRESB”) – an organisation that collects, validates, scores and benchmarks ESG data.

All new funds will be required to be classified under the Sustainable Finance Disclosure Regulations (“SFDR”).

We have aligned our ESG objectives with the UN-backed Sustainable Development Goals (“SDGs”) and will report our activity against these indicators going forward.



**The Net Zero Asset
Managers initiative**

ESG COMMITTEE

We maintain an ESG Committee which is made up of members from across our business units including Legal, Investments, People, Development & Asset Management, Finance, and Investor Relations to ensure an integrated approach.



50 Station Road
Southampton

Members of the ESG Committee meet quarterly and are responsible for overseeing Castleforge's ESG policy and coordinating and implementing various ESG initiatives.

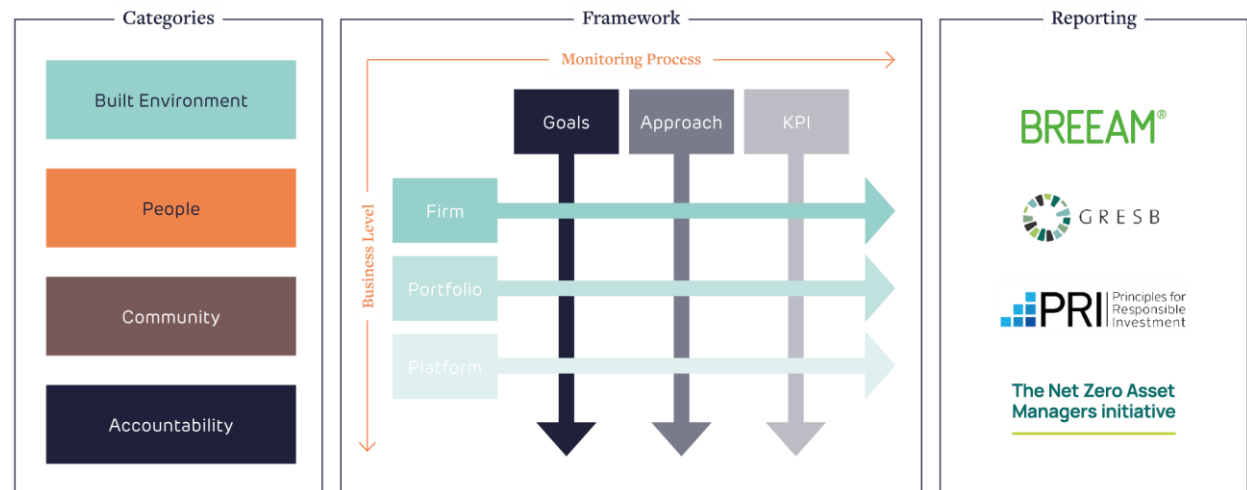
The Committee will review and make recommendations on the ESG Policy, support investment managers' integration of ESG considerations into their business processes, leverage existing resources and research capabilities on ESG related topics for the benefit

of the business, make recommendations concerning relevant ESG factors and agree objectives discussed and set by each subcommittee. A key deliverable of the ESG Committee will be to produce an annual report detailing Castleforge's ESG activities and performance.

FRAMEWORK

We have created an integrated model for ESG that aligns with the business and our operations, enabling improved monitoring and reporting.

This system draws on expertise from across the team to ensure that ESG considerations are incorporated into each aspect of the business in a clear and measurable way. The framework is organised in a matrix with three distinct pillars overlaid by reporting accountability.



The pillars include:

- (i) **Built Environment** – commitment to improving the environmental performance and impact of Castleforge’s properties to enrich lives, communities, and the planet.
- (ii) **People** – responsibility for promoting the wellbeing and development of the Castleforge team.
- (iii) **Community** – alignment of Castleforge’s partnerships with the ESG principles outlined, and engagement with corporate social responsibility in the communities within which Castleforge invests.

The accountability overlay ensures that commitments to international standards, various reporting bodies and investors are adhered to. We are committed to being transparent with our team members, investors and other stakeholders about our goals, initiatives, and performance on ESG matters.

Each pillar is considered from the perspective of the firm (Castleforge and its operations), portfolio of investments (existing and future funds), and platform companies (Clockwise – flexible office provider, Ocasa – affordable rental residential manager, and Two Hands – café and restaurant operator). A working group is in place for each of these categories to set goals, define the approach and meet KPIs to enable effective monitoring and reporting to ensure transparency and alignment. Each working group holds an interim meeting between each quarterly ESG Committee meeting.

POLICY OBJECTIVES

We will demonstrate commitment to sustainability principles by ensuring that we:



- Lead by example and collaborate with our business partners and stakeholders to understand and promote sustainable business practices.
- Operate with the highest level of ethical standards, with governance in place to ensure that these standards are followed.
- Use our ESG Framework to set and deliver ESG objectives across our business.
- Identify any material exposure to environmental and social sustainability risks and opportunities.
- Implement a robust risk management framework to support our investments and identify the material risks and opportunities arising from the impacts of climate change.
- Engage with our stakeholders and the communities in which we operate and respond pro-actively to their concerns.
- Work diligently to meet our ESG objectives and those mutually agreed with stakeholders.
- Promote robust supply chain management practices across the business that respect and protects human rights.
- Create a work environment that values a capable, diverse workforce, provides challenging opportunities for employees, rewards performance and is respectful of work/life balance.
- Support employees to contribute to the community through volunteering and workplace giving.
- Monitor and provide regular disclosure of ESG performance.
- Demonstrate industry leadership in efficiency and sustainability through the implementation of continuous improvement strategies to:
 - Improve energy efficiency
 - Deliver sound environmental management system aligned with ISO 14001
 - Prevent pollution and minimise impacts to biodiversity and the natural environment
 - Reduce water consumption
- Reduce waste and emissions associated with the management and operations of our business and property assets
- Protect and ensure safe working environments at our properties
- Invest in and develop our people to create a talented, diverse and inclusive workforce.
- Meet or exceed legal compliance obligations.
- Apply this policy to all locations under our operational control.
- Encourage contractors and suppliers to engage in sustainable practices and prioritise those who do so in our procurement processes.
- Work collaboratively with all stakeholders to apply this policy.





CONCLUSION

Our ESG Policy serves as a foundation upon which we can achieve measurable ESG impacts across our property portfolios.

By adopting a disciplined approach, we aim to achieve more resilient, sustainable property portfolios which we believe will ultimately enhance value and deliver better performance for our clients. Our focus is on embedding sustainable investing into every aspect of our activities, and across the entire life cycle of every property. We are committed to setting ambitious but practical targets in order to continually improve our performance and ensure independent measurement of our progress. We will report on an annual basis, at fund-level, against commitments made within this policy, as we progress on our sustainability journey.



**BUILD
WITH
VISION**