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INTRODUCTION



A WORD FROM OUR PARTNERS

At Castleforge, we continue to prioritise ESG as we proactively identify ways in which we can make a positive impact, both in terms of where and how we invest and through our own corporate activities.

On the environmental front, across the board, we look to invest in end-of-cycle assets where we can deploy capital to add value for end users and deliver the greatest benefits to the environment and local community. This is at the heart of every project that we take on.

Our two biggest developments are both targeting BREEAM Outstanding, which will put them in the top 1% of sustainable buildings in the UK. To achieve this, we have adopted the most innovative design methods available in the market. For example, One Golden Lane is the first ever project where, from a materials recycling perspective, the donor building is also the recipient. Here we are reusing over 5 tonnes of structural steel from the demolition works in the new construction, thereby not only reducing carbon through minimising construction materials but also through reduced transportation and storage demands. In addition, we have donated over 28,000 kg of other fixtures and materials from the existing building to the local community and charities for direct re-use. This alone achieved an embodied carbon saving of 64 tonnes of CO₂e and generated over £36,000 of savings for the recipients.



Arts 44
Brussels

On the social front, the residential housing market in the UK continues to suffer. A highly fragmented rental market, where only a small fraction of properties are institutionally owned, together with a condition and cost crisis, whereby a majority of private rented accommodation is unfit for purpose or inaccessible to renters from a pricing perspective, has led to circumstances where renters cannot find well managed, well maintained, affordable properties. Our residential platform, managed by Ocaso, provides a high-quality affordable residential product to lower- and middle-income renters in this underserved and under-institutionalised market. Further, on an ongoing basis, through the operation of our residential investments, Ocaso creates positive social impact and stewardship by engaging with local councils and residents' groups to assist in safety initiatives within in the local communities where we invest. Page 20 of this report shines a spotlight on why Ocaso is such a fundamental part of our strategy.

Turning to our own corporate operations, we have now formally adopted a Net Zero Carbon Policy, a key objective that we set in last year's ESG report. This policy discloses our commitments and our approach to achieve operational net zero carbon by 2030 for scope one and two emissions, while committing to a separate target to achieving net zero status for scope three emissions in advance of the 2050 deadline. The policy is aligned to industry best practices and covers all Castleforge owned or managed assets as well as our own corporate operations. The policy focusses on how we can eliminate and reduce emissions as much as possible along the pathway, identifying several key strategies and milestones to enable progress to be continually reviewed and monitored. Only after our emissions have been significantly reduced does the policy recommend removal of emissions through offsetting. This ensures we mitigate risks and remain net zero aligned in a fiscally and environmentally responsible manner. We are conducting detailed research and seeking external advice to ensure the carbon offsetting approach that we develop is aligned with our values by encouraging positive, lasting and sustainable effects.

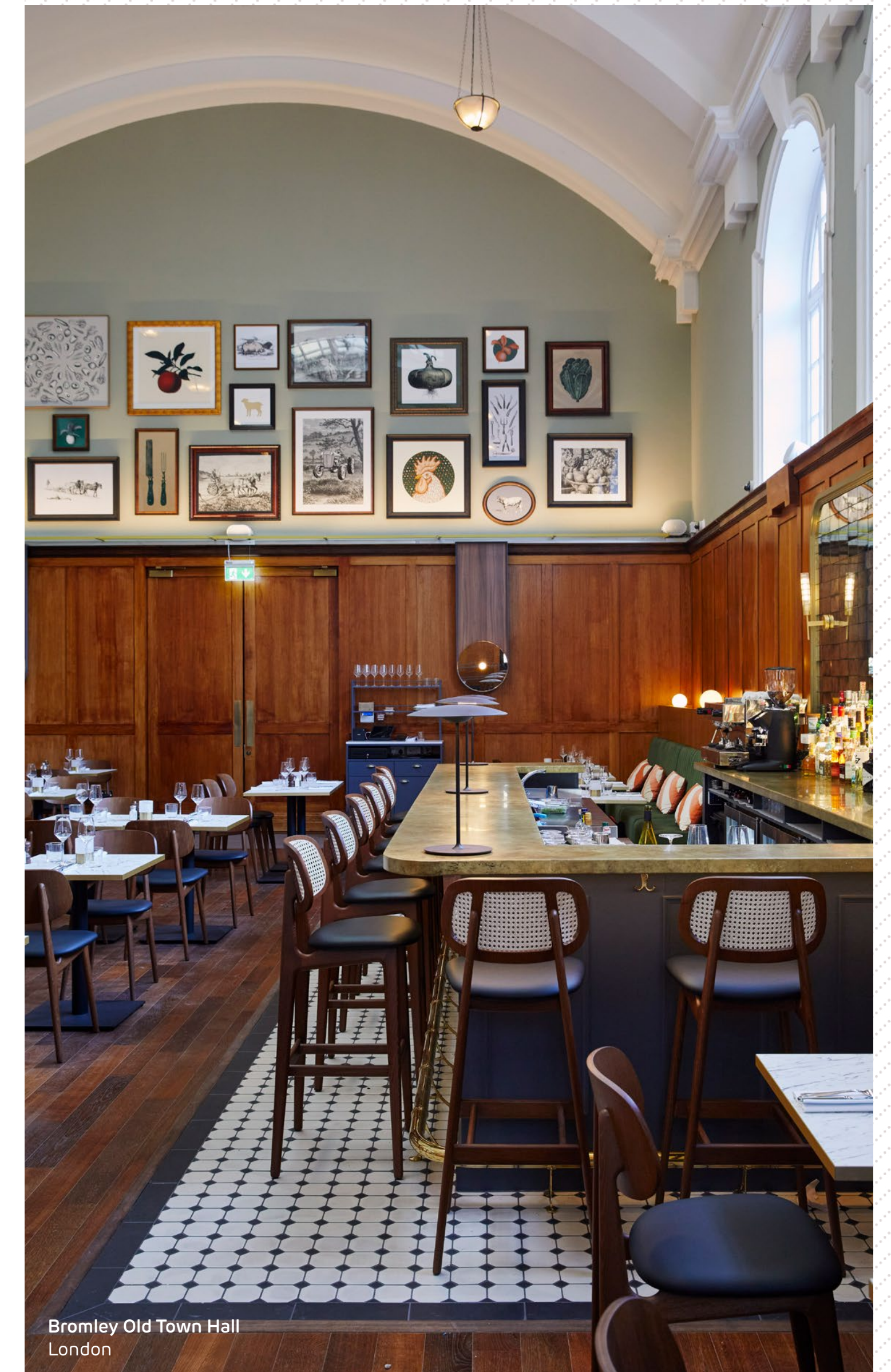
Our ESG Committee has also overseen the adoption of several other important policies for Castleforge this year that will continue to accelerate and influence change in how we do business and interact with our stakeholders for the better. We launched a Local Charter to articulate our social impact priorities and community led initiatives. This document sets out three areas of focus: Wellbeing; Education and Sustainable Growth. Informed by ongoing input from stakeholders, we will undertake an annual review to ensure the Local Charter remains a current testament to our commitment and realised impact. Other key policies include a range of best practice compliance documents, including updated Human Rights policies, Supplier Standards, Whistleblowing and Tax Principles, all of which are published and available on our website, in line with our previously reported objectives around transparency and best practice.

The ESG Committee is helping deliver the desired impact by drawing influence from all corners of our business. This has included achieving a host of new BREEAM ratings on recently completed properties, improving EPC scores on all refurbished spaces, enhancing our GRESB score from 3 to 4 stars for 2023, increasing levels of people engagement, adjusting methodologies within our Finance function, and enhancing due diligence on ESG factors for all potential acquisitions. The diversity of ESG focus is culminating in real action where we continue to drive positive sustainable change for the benefit of our stakeholders. We hope you enjoy reading about this in more detail throughout this report.

Please share any feedback or questions via esg@castleforge.com.

Best wishes

Julian Feldman, Michael Kovacs and Adam MacLeod



Bromley Old Town Hall
London

INTRODUCING
THE CASTLEFORGE
ESG COMMITTEE

Our dedicated ESG Committee has continued to grow and holds working group meetings at least monthly, with full committee meetings every quarter to track our commitments and activities across the business.



Nnesochi Ajukwu
Associate,
Investor Relations



Lauren Brownlow
Head of People



Thomas Conneely
Senior Asset Manager



Kirstin Dunn
Legal Counsel



Julian Feldman
Partner



Michael Kovacs
Founding Partner



Adam MacLeod
Partner



Matt Reid
Head of Development
and Asset Management



Laura Ruthven
Head of Investor
Relations

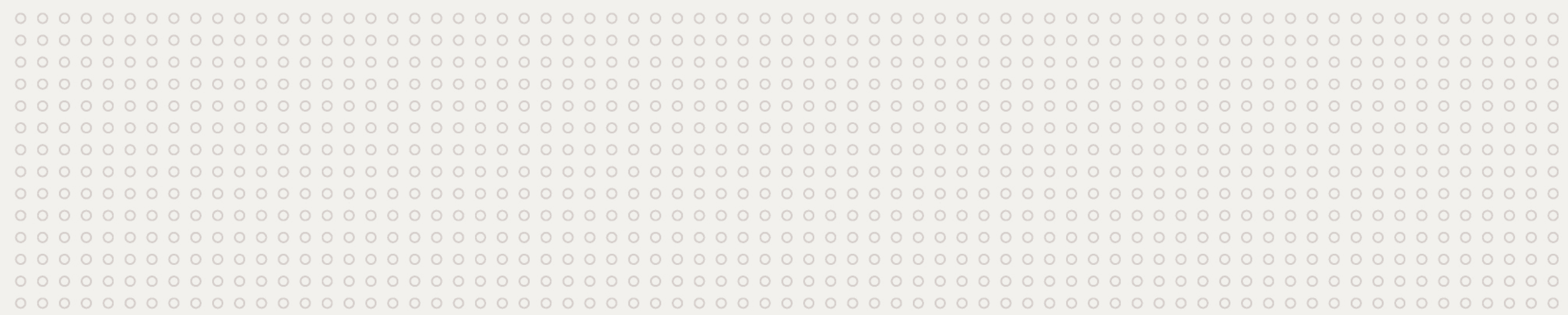


Neil Smith
CFO



Iris Zhao-Fiorello
Head of Capital
Formation

2023: THE HEADLINES



GOVERNANCE

- Achieved 4-star GRESB rating for the Isambard portfolio
- Published our Net Zero Policy
- Fundraising and reporting cycles completed for our first Article 8 Fund
- Revised our ESG framework (ISO 14001-aligned environmental management system established in 2021)
- Maintained cybersecurity ISO 27001 certification
- Published updated compliance and best practice policies
- Reported publicly to PRI exceeding the PRI median score for “Policy Governance and Strategy” and “Confidence Building Measures” scoring 4 out of 5 stars for each (for the “Direct Real Estate” module, Castleforge received 3 out of 5 stars)¹

2023: THE HEADLINES

BUILT ENVIRONMENT

- Achieved Gold and Silver certification across both the WiredScore and ActiveScore regimes for all assets within the Isambard portfolio
- Achieved BREEAM ratings for all Isambard portfolio assets of Very Good or Excellent
- Materially expanded data collection for utilities and completion of detailed metering surveys and schematic surveys to enable metering upgrades
- Implemented waste management dashboard solutions and updated procurement processes to create better reporting data and improve performance
- Recycled 5 tonnes of steel from One Golden Lane for redeployment within the refurbished building to add three new floors of highly sustainable office space
- Achieved BREEAM Very Good Rating across all hotel assets
- Achieved Silver Green Tourism awards across all hotel assets and implemented strategies to improve ratings to Gold

2023: THE HEADLINES

COMMUNITY

- Published our first Local Charter document, articulating our social impact objectives within our investment activities
- Secured materially improved EPCs across our Scottish assets through reassessment moving our Scottish office portfolio from an average rating of D to B
- Published Active Travel best practice guidelines for our portfolio, rating one of our buildings in the top 5% of ActiveScore accreditation ratings globally (One Golden Lane)
- Adopted green lease terms within our standard leases and supply all new occupiers with a fitout guide which provides guidance on a range of ESG topics
- Completed company-wide ESG training, with quarterly ESG meetings implemented with occupiers across our entire office portfolio to support information sharing and the acceleration of green initiatives
- Undertook feasibility studies across multiple assets for the installation of green infrastructure relating to water recovery
- Developed 75m² of dedicated community space and a cultural hub including 200 seat auditorium in our London developments
- Donated £36,000 of equipment from our properties during fitout, reducing waste and supporting our local communities

2023: THE HEADLINES

COMMUNITY

- Operating Partners:

Axiom Hospitality

- Provided 1,542 school lunches via the Scott and Paddy Lunchboxes scheme in 2023
- Worked with Invisible Cities delivering free city tours to 198 Ukrainian Guests and providing 123 “Welcome to Edinburgh” activity bags to Ukrainian Children
- Planted 5,787 Trees with Dripdrop Umbrella tree planting Scheme
- Undertook local community litter picking activities across all hotel assets
- Donated to food banks across all assets

Clockwise

- Partnered with the Turing Trust to donate unused, damaged or surplus IT equipment to empower people to learn IT skills
- Partnered with True Start Coffee across a number of locations to provide Carbon Negative Coffee and employ people in Malawi to turn coffee sacks into reusable bags under the Bags for Good scheme
- Offered all employees the opportunity to attend 23 courses on wellness, ranging from mental health recognition and management, to workforce diversity and inclusion
- Provided over 200 member events across the portfolio focusing on education and wellbeing
- Partnered with Cleanology across assets who use 99.4% chemical free cleaning solutions and soluble tablets which saves up to 70% on plastic bottle usage

2023: THE HEADLINES



PEOPLE

- Placed second cohort from 10,000 Black Interns programme, promoting diversity, inclusion and access in private equity
- Launched pulse survey programme canvassing regular employee feedback across a range of topics, consistently achieving a 70% participation rate throughout the year
- Reviewed and upgraded our corporate benefit offering including increased pension contributions, 'Work from Anywhere' Week, Tech and Payroll Giving Schemes
- Built out our employee DEI data tab on our HR system to improve diversity reporting
- Completed 65 hours of ESG training across the firm
- Improved utilisation of personal continuous professional development (CPD) budget by 4x year on year

THE CASTLEFORGE ESG PILLARS

At Castleforge ESG continues to be more than a general commitment to be greener, more sustainable and implement best practice. Our ESG Committee has looked at what we do as a business and developed a strategy aligned to the way we operate, which will enable us to make the most meaningful impact.

We continue to report against the three pillars established in last year's report which underpin all ESG activity across our business:



Every year we will look at each pillar in detail and report on: (i) the specific commitments that we have made in each area; (ii) our objectives in line with these commitments; and (iii) our pathway to achieve and maintain these objectives. Full details of the basis on which this report has been prepared are set out at Appendix 2.

Accountability, or governance, underpins all three of our pillars. For us, this means the reporting regimes and frameworks that we sign up to as part of our commitments under each pillar, our relationships with third party operators, and the internal measures that we implement to monitor progress and measure performance against our objectives.

Our ambition is clear: by 2030 we want to be one of Europe's most trusted real estate investment managers, and one who takes bold steps to set market precedent. We will get there by building the strongest foundations, creating standout tenant experiences, and leading the way to a bright, sustainable future. The pillars of our ESG strategy derive from this ambition and what we want to do to achieve our goal.



The Heal's Building,
our London HQ

ACCOUNTABILITY

We want to ensure that all our stakeholders have visibility on our ESG commitments as well as our progress towards achieving and maintaining them as part of our commitment to adopt the highest standards of governance and accountability.

We make three overarching commitments to: (1) track and report on the commitments that we make under each pillar in this report which will be updated and published annually; (2) collaborate with like-minded organisations to ensure adherence to the highest sustainability practices; and (3) submit to external standards and reporting regimes to undertake an independent assessment of our efforts in line with our peers.

Annual Sustainability Report

The objective of this report is to outline our ongoing commitment to adopt sustainable and responsible business practices. We will publish this report annually to update on our ESG activities and progress towards meeting, achieving and maintaining our goals. By publicly disclosing our targets, we are prioritising transparency and accountability in fulfilling our commitments. We recognise that setting clear targets and tracking our progress is essential to achieve real impact and demonstrate our dedication to sustainability.

Third party collaboration

We are proud to be a member of the UK Green Building Council, an industry-led network that aims to create a built environment that is sustainable, efficient and healthy. As a member, we have access to valuable resources, such as research, events, and best practice guidance to support our efforts in developing and managing



“Embracing ESG principles isn’t just a checkbox; it’s a fundamental commitment to shaping a sustainable future. I am dedicated to integrating ESG considerations into our operations, ensuring that we not only create value for our stakeholders today but also cultivate a legacy of responsible stewardship for generations to come.”

Neil Smith
CFO

sustainable real estate projects. We recognise that buildings are a significant contributor to global carbon emissions, and we are committed to reducing our impact by promoting the highest sustainability standards across all aspects of our operations.

We further recognise that we have an important role to play to encourage sustainable and responsible business practices which align to our own ESG commitments as part of our procurement process. In 2023 we adopted our first Local Charter where we formally set out the requirements that must be met by third parties who want to work with us. Full details of our approach can be found at page 34 of this report.

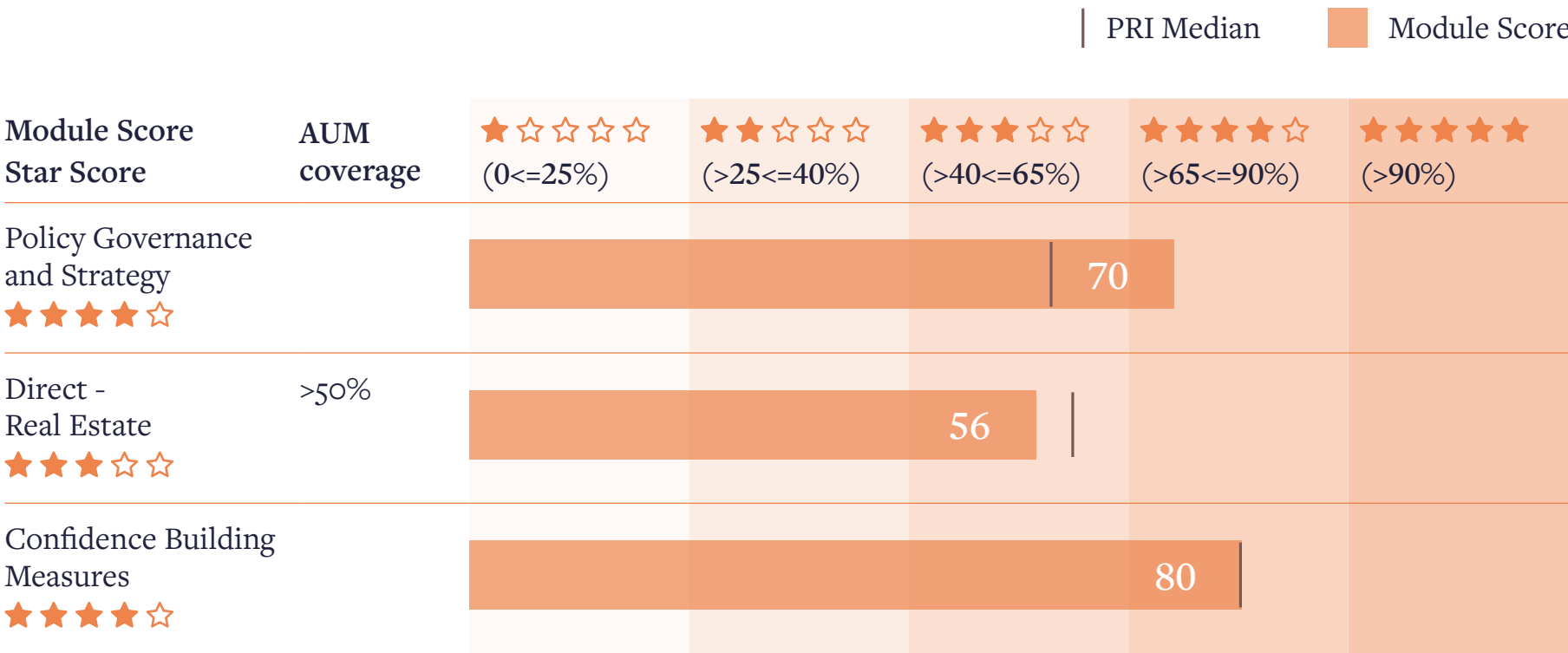
External Commitments

As a declaration of our ESG commitment, Castleforge is a signatory to the United Nation’s Principles for Responsible Investment (“PRI”) and is a member of Net Zero Asset Managers (“NZAM”). Castleforge has aligned its ESG objectives with the UN-backed Sustainable Development Goals (“SDG”) and will report its activity against these indicators going forward as detailed at page 14 below. All new funds will be required to be classified under the Sustainable Finance Disclosure Regulations (“SFDR”) and report accordingly. Certain funds will also submit assessments under the Global Real Estate Sustainability Benchmark (“GRESB”). We provide details of our efforts to date in the following sections.

PRINCIPLES FOR RESPONSIBLE INVESTMENT

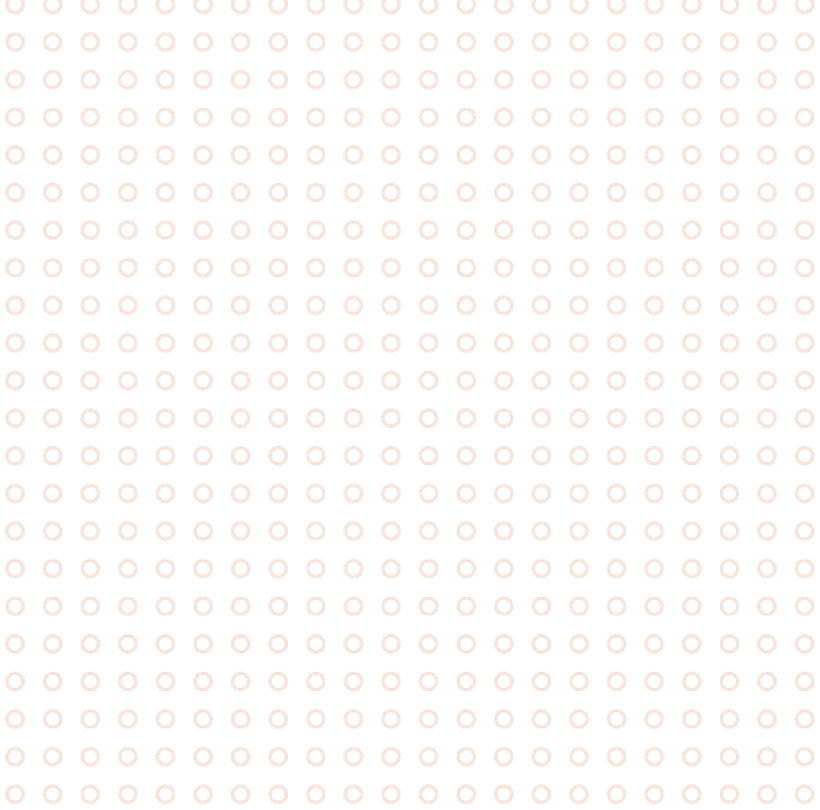
Castleforge has been a UN PRI signatory since 2019. We completed our first scored assessment in 2021, where we scored 4 out of 5 stars for our Investment and Stewardship Policy and 3 stars for Direct Real Estate.

Following the relaunch of PRI’s reporting framework we completed the assessment in 2023. In this respect, Castleforge exceeded the PRI median score for “Policy Governance and Strategy” and “Confidence Building Measures” scoring 4 out of 5 stars for each. For the “Direct Real Estate” module, Castleforge received 3 out of 5 stars.



“Our journey towards ESG excellence isn’t just about corporate responsibility; it’s about people empowerment. By prioritising Environmental, Social, and Governance initiatives, we’re creating a workplace where every individual can contribute to meaningful change and drive collective impact.”

Laura Ruthven
Head of Investor Relations



Abbey Hotel
Bath

NET ZERO ASSET MANAGEMENT

In 2022, we became a member of the NZAM initiative, joining a group of leading asset managers committed to achieving net zero greenhouse gas emissions for investments under management by 2050 or sooner.

The NZAM initiative is a formal partner of UNFCCC's Race to Zero Campaign and a Network Partner of PRI, among others.

We recognise that this is critical to achieve global climate goals and we are excited to work alongside other industry participants to accelerate the necessary transitions towards a more sustainable future. As a first step in this respect, we have published our Net Zero Policy where we articulate our principle led approach to reduce, reuse and offset carbon to align our investments to a net zero economy in line with the Paris Agreement.

The Net Zero Asset Managers initiative



Linley House
Manchester

GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK

We achieved a 4-star rating, with a score of 83 points out of a possible 100 for the 2023 assessment of our Isambard portfolio.

This is an improvement from our score of 72 in 2022 and recognises how the assessment process has driven our decision-making in practice by identifying priority actions for our business.

We scored significantly higher than the industry average for funds of an equivalent size, scoring 17/18 for social impact and 18/20 for governance. Learning from the assessment process, our main areas of focus over the next year is to further improve the environmental performance of our investments. In this respect we have already rolled out green leases and started to use a waste management data platform (SavIQ) across all assets.



Over the next 12 months, we will also:

- Continue to adapt and improve how we track and manage physical and transition risks within our investment activities.
- Carry out a utilities data audit to better track energy consumption and enhance future reporting capabilities.
- Publish clear and consistent tenant fitout guides and support industry adaptations on how the inherently wasteful process around strip-out refurbishment and redevelopment can be made more carbon efficient.
- Investigate the installation of further solar panels and electric vehicle charging points.



“Signing up to the Chancery Lane Project has provided invaluable access to resources and guidance on how to use legal drafting as a tool to incentivise and enforce decarbonisation which has influenced our approach across all standard form leases.”

Kirstin Dunn
Legal Counsel






Bromley Old Town Hall
London

UN SUSTAINABLE DEVELOPMENT GOALS

The SDG are international recommendations which have been developed to support global change and sustainable growth.

The SDG contain 17 goals which we have reviewed to identify those which align with our business and the pillars on which our ESG strategy is based. The below table sets out the relevant goals together with our progress to date and priorities for the next 12 months and beyond.

Goal	Applicable Targets	Applicable Indicator	Our Efforts
	3-4 3.4: Reduce mortality from non-communicable diseases and promote mental health.	Promote mental health and wellbeing.	<p>Through our employee benefits, Castleforge proactively provides mental health support to all employees. This includes:</p> <ul style="list-style-type: none">• Mental health workshops• Mental health support• Wellbeing budget• Health Cash Plan and Employee Assistance Program• Companion Approach (Cognitive Behavioural Therapy App)• Cycle to work scheme• Private Medical Insurance including full mental health cover and digital GP <p>Furthermore, across the assets containing flexible workspaces, Clockwise publishes a monthly wellness newsletter for occupiers.</p>
	5.5 Ensure full participation in leadership and decision-making.	Proportion of women in managerial positions.	<p>Beyond any legislative requirement we are active in ensuring meaningful gender equality in our business. Examples of business policies include:</p> <ul style="list-style-type: none">• Enhanced family friendly policies.• Recruitment practices that are based on objective criteria, technical assessment and panel review in order to remove potential for bias.• Women occupy 50% of the leadership positions in our business (below partner level) (compared with an average of 31% in senior non-investment roles in PE and VC).
	7.2 Increase global percentage of renewable energy.	<p>Energy consumption within the organisation.</p> <p>Energy consumption outside the organisation.</p> <p>Expand infrastructure and upgrade technology for supplying modern and sustainable energy.</p>	<ul style="list-style-type: none">• We endeavour to purchase renewable or green energy for our portfolio via green electricity contracts of increasing quality, where REGO certification is available for audit. We will also continue to investigate the potential to deploy virtual power purchase agreements and the implementation of time based REGO certificated electricity contracts to further positively influence the UK grid mix towards renewable sources.• Roll out of green lease clauses which work to better measure and reduce energy consumption.• Completed metering surveys across all UK office assets to understand the current position on energy consumption, create a best practice paper for the future and begin to map improvement programmes supported by smart metering and dashboard presentation of consumption data to further support analysis and reduction efforts.

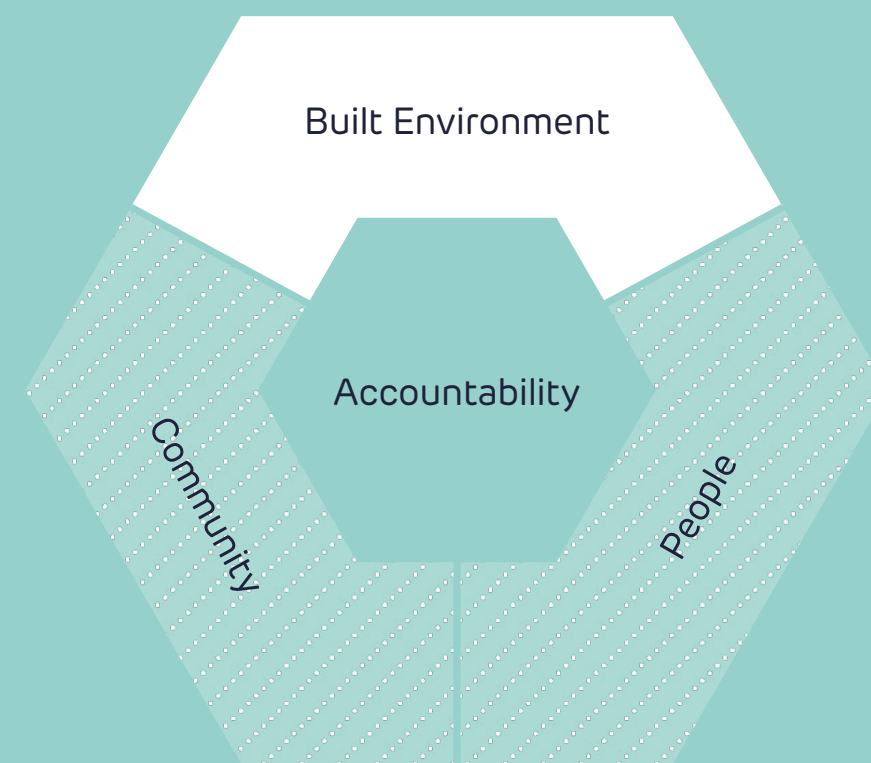
UN SUSTAINABLE
DEVELOPMENT GOALS

Goal	Applicable Targets	Applicable Indicator	Our Efforts
	8.3 Promote policies to support job creation and growing enterprises.	Indirect economic impact on job creation, promotion of local businesses and SMEs.	<ul style="list-style-type: none">Through our flexible workspace operating business, Clockwise, we provide space for SMEs that is otherwise not available in the market working closely to help promote local businesses and improve the local community.Annual provision of work experience to university candidates to support their development and experience in joining the work force. All employees and interns are paid London Living Wage.All of our hotels now hold Silver Medal Green Tourism accreditation with a plan in place to achieve Gold.
	8.6 Promote youth employment, education, and training.		
	8.9 Promote beneficial and sustainable tourism.		
	11.1 Safe and affordable housing.		<ul style="list-style-type: none">Across the residential portfolio, we provide safe and affordable key worker accommodation, with more than 75% let to people on average and below average incomes.We contribute to the sustainable refurbishment and use of cities through our commercial activities making existing buildings fit for future use, retaining existing structures wherever possible and supporting economic growth and wellness through design.
	11.4 Protect the world’s cultural and natural heritage.		
	11.6 Reduce the environmental impacts of cities.		
	12.5 Substantially reduce waste generation.		<ul style="list-style-type: none">Proactively reuse steel and other materials in construction.Recycling efforts encouraged at buildings.Implementation of monitoring and reporting for energy, water, and waste consumption data.Reduce waste and implement sustainable and circular economy policies within our hotels.
	12.6 Encourage companies to adopt sustainable practices and sustainability reporting.		
	13.2 Integrate climate change measures into policy and planning.		<ul style="list-style-type: none">Adopted our Net Zero Carbon policy. Committed to reducing our carbon emissions and making sure our portfolio is climate resilient.Track all office assets’ utility data to create energy intensity baselines from which we are able to set specific reduction targets.Assess our properties for climate change vulnerabilities and complete feasibility studies for introducing mitigation strategies.

OUR PILLARS

OUR PILLARS:

BUILT ENVIRONMENT



Across all asset classes in which we invest, our aim is to create places, products and platforms that transform the experience of the built environment while increasing prosperity, opportunity, and sustainability.

We work hard to ensure that every building, business, and community that we are responsible for becomes more valuable for everyone, from our investors to local stakeholders, and from enterprises to end-users.

OUR PILLARS: BUILT ENVIRONMENT

Castleforge work across a variety of real estate asset classes through each of our investment strategies. As a result, we have tailored a specific sustainability approach for each of our investment strategies.

Our Strategies

Gateway City Offices

Sustainable development is at the core of our Gateway City Office Strategy. We acquire office buildings in desirable locations that are no longer fit for purpose and convert them to best-in-class, highly sustainable buildings fit to operate long into the future. In line with our other strategies, we generally take a retrofit-first approach to our gateway city developments. A significant amount of diligence is required to determine if a building is fit for refurbishment or redevelopment. We seek to limit the carbon expenditure embodied in the materials used in these conversions by reusing existing structure and foundations wherever possible. Further, by sensitively upgrading the building's fabric and internal infrastructure, we create highly efficient, fully electric offices which run on green electricity tariffs, making them carbon neutral in operations. If desired by the incoming occupier(s) we have the ability to offset the embodied carbon throughout the development.

Secondary City Offices

Our Secondary City Office Strategy portfolio focuses on sustainable conversions of ageing office stock, sometimes through a rolling refurbishment where the building remains partially occupied throughout implementation of the business plan. Over our hold period, the building's energy infrastructure is typically overhauled and converted to a fully electric solution. By the end of the business plan, all available space is refurbished to create a building able to stand the test of time.

Central to this strategy line is adding Clockwise to the property as our flexible workspace operating platform. All Clockwise spaces are governed by the Clockwise Positive Impact Strategy, which includes a roadmap to achieve a positive impact on climate change, circular economy, health and wellbeing and socio-economic factors in line with the Castleforge pillars.



OUR PILLARS:
BUILT ENVIRONMENT

Our Strategies

Residential

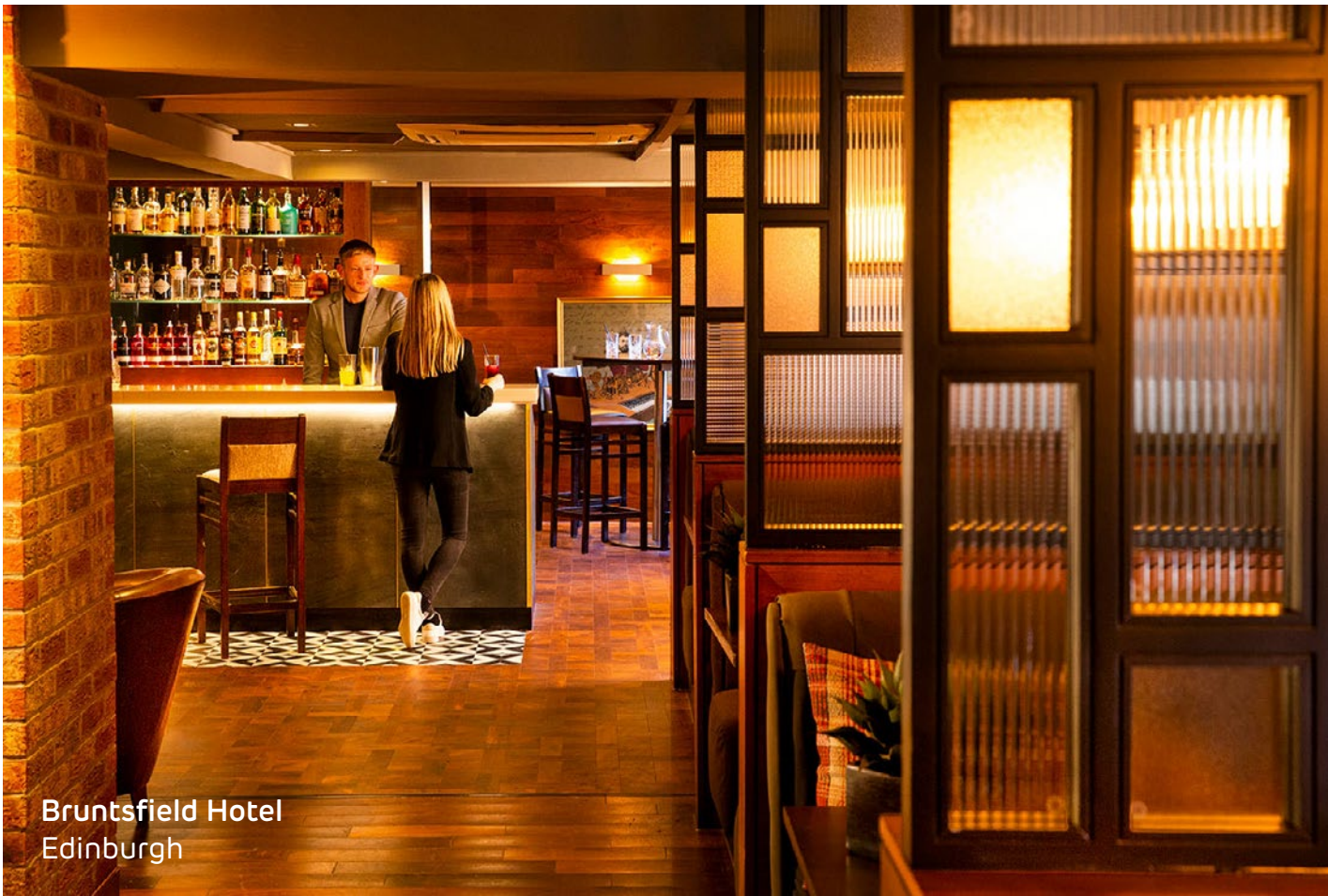
In the residential sector, we invest in existing distressed stock to provide high-quality, affordable, private rented accommodation within commuting distance to specifically targeted and materially undersupplied secondary cities. We set up Ocasa, our residential management business, to provide best-in-class property management services, ensuring high standards are maintained consistently across the portfolio. Our objective is to deliver socio-economic improvements through increased access to good-quality, affordable modern housing in close proximity to transport links, key facilities, and employment hubs to those who would previously have been excluded from this market.



Hotels

Our hotel strategy involves a light touch refurbishment to bring dated hotels back to life. We look to minimise the amount of intervention on these assets as we focus on purchasing operational assets with quality infrastructure. The embodied carbon in our refurbishment programmes is therefore low compared to full scale renovations, and we focus on transferring our hotels onto a green electricity tariff to bring down our operational carbon spend in relation to electricity.

All hotel space within our portfolio has been awarded Silver Green Tourism accreditation with an action plan implemented thereafter on each asset to improve ratings and achieve Gold status through a “Going for Gold” strategy. The certification scheme provides a



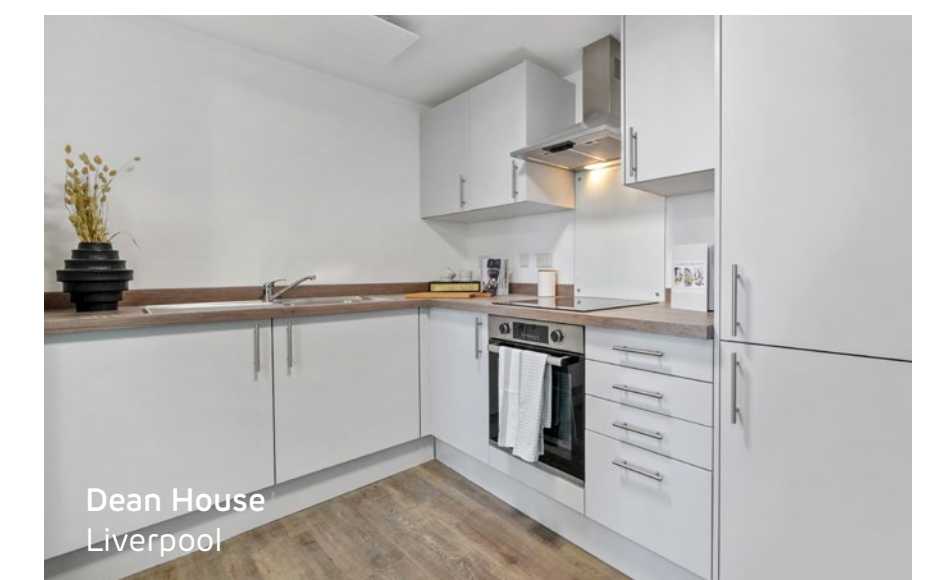
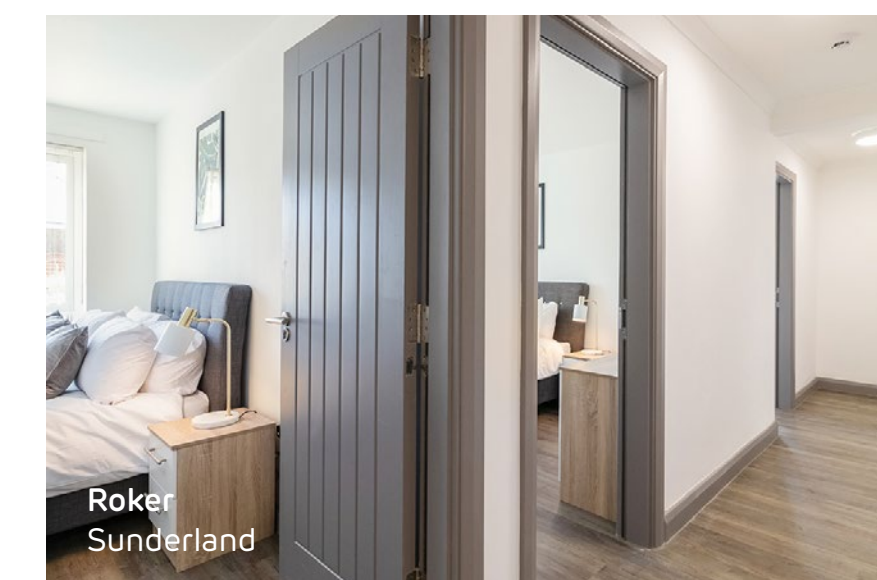
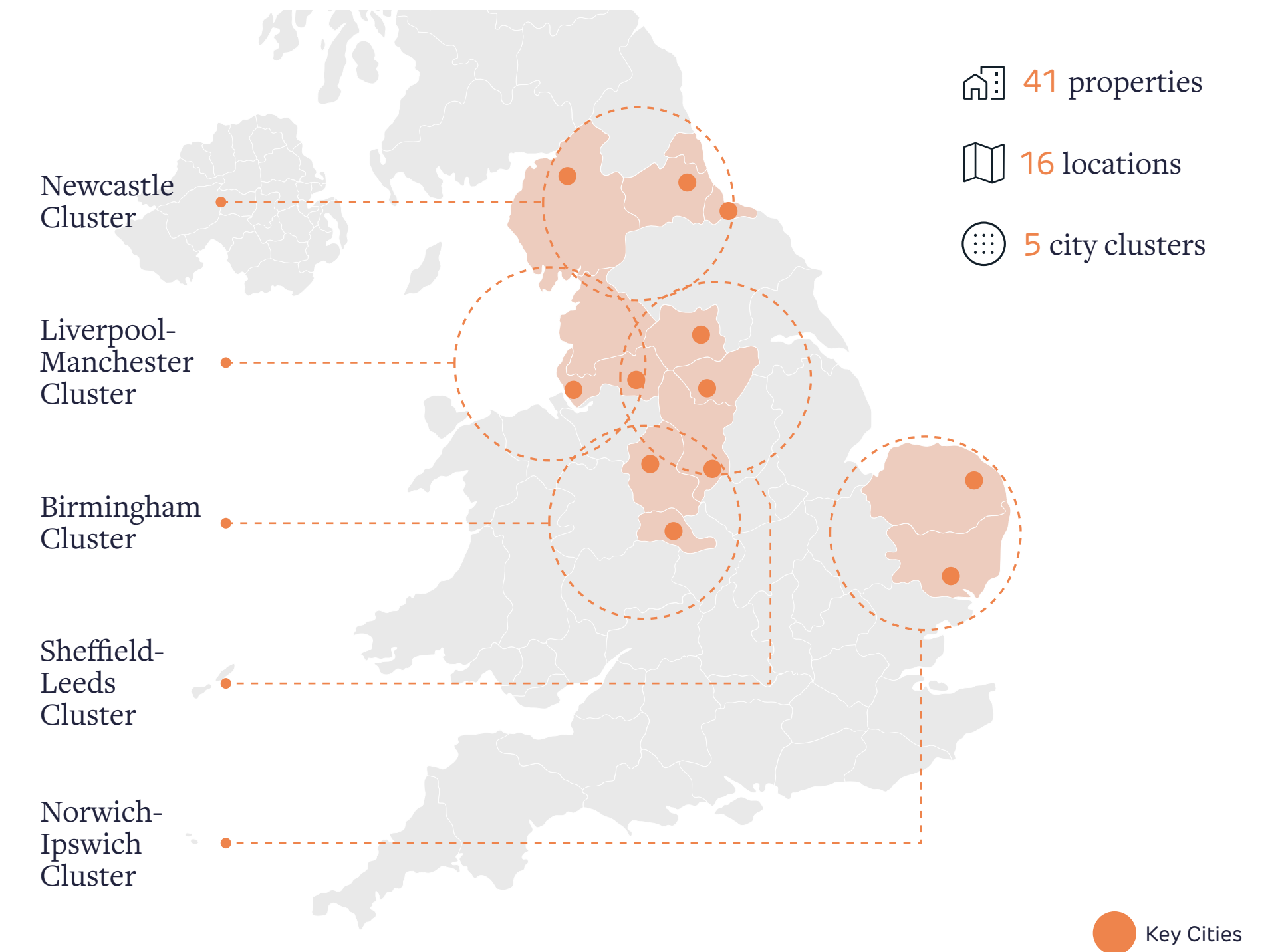
third-party assessment of the hotel’s environmental and sustainable practices with an assessment criteria covering over 70 indicators across 15 sustainability goals including carbon, waste, biodiversity, local produce, ethical purchasing, and equality. Seeking a path of continued improvement in how we operate hotels supports objectives across our priority UN Sustainable Development Goals. The action plan focuses on three key pillars: People, Places and Planet. Each category has a number of subcategories and criteria to hit, and our third-party operator has set up a task force using consultants Mission Net Zero to constantly review hotel portfolio activity and to push for excellence under every category.



OUR PILLARS: BUILT ENVIRONMENT

Spotlight on Ocaso

- Ocaso currently has a total portfolio of just under 74,000 square metres of space across the UK which delivers over 2,000 units in well located employment hubs where there is a gap in the market for high-quality affordable housing.
- Our portfolio supplies essential housing in regional areas for mid-to lower-income renters, a demographic that has been growing since the 1990s but where the supply of high-quality housing to meet this need has largely been overlooked.
- The UK residential market suffers from a systemic undersupply of quality product, with approximately 23% of private rented homes classified as non-decent. This undersupply is exacerbated by the failure to deliver on the Government's previous target of 300,000 new homes each year, with only c. 5,600 new affordable homes being supplied.
- One of the biggest obstacles to investment in housing targeted to this segment of the market is the specialised management requirements needed to deliver this effectively. By setting up and developing Ocaso we can offer a mature, scalable platform with a highly experienced management team.
- Ocaso has a strong record of onboarding new units and experience in delivering refurbishments at scale, with the latent capacity to manage up to 10,000 units due to its efficient management structure and procedure.
- To date, Ocaso is the only national operator of scale focused on the lower-to-middle income market and its product addresses critical social and environmental concerns.
- Castleforge's refurbishment strategy delivered through Ocaso saved 58% of carbon costs compared to new builds while delivering high-quality low-cost housing to an underserved market.
- As with our office projects, capital is used to increase the energy efficiency of our buildings, with 85% of the portfolio having improved from EPC ratings of D-E to a rating of C or above.
- By the end of 2025 all of our residential properties will be serviced by Club Houses, important community space which will be redesignated from the net lettable area in order to provide a well-equipped hub for residents to eat, work, meet with friends/family and attend social events to create a strong sense of community.
- Ocaso has partnered with Mustard Tree, a charity which help low-income families and homelessness in and around Manchester by providing a hub with access to support, classes, affordable furniture, clothes, groceries and a café.



THE CASTLEFORGE
ROAD TO NET ZERO

We have developed and published our Net Zero Carbon Policy which sets out our strategy to reduce our greenhouse gas emissions across our strategy lines by using the Greenhouse Gas Management Hierarchy as guidance.

This is broken down to show areas in which we will reduce greenhouse gas emissions through eliminating use, identifying energy substitutes and offsetting as set out in the adjacent table.

Topic	Aims	Delivery/Management Strategy				Greenhouse Gas Management Hierarchy
		Gateway City Offices	Secondary City Offices	Residential	Hotels	
Electrification of buildings	Transition all our buildings to be fully electric by 2030	We are developing asset-level plans for the phasing out of gas by 2030. At our office assets we will take an active approach to gas elimination where commercially feasible			We will take an opportunistic approach to electrification in terms of removing gas boilers at end of life	Eliminate
Measurement and monitoring of carbon emissions	Monitor more of our strategy lines’ energy consumption and resultant greenhouse gas emissions	Strategy tbc	We are ensuring our metering systems at our owned/managed assets are comprehensive		Strategy tbc	Eliminate / Reduce
			We have conducted CRREM modelling to model and monitor their decarbonisation pathways	Strategy tbc		
Tenant engagement	Hold quarterly tenant meetings, addressing ESG as a topic	We hold quarterly occupier meetings which address ESG as a topic, including recommended greenhouse gas emission reduction measures				Reduce
	Continue to roll out green lease clauses	In 2023 we began to roll out our new green lease clauses which require tenants to provide us with energy consumption data so we can monitor their resultant greenhouse gas emissions and advise on reduction measures				
	Send out regular ESG communications	Strategy tbc	Our flexible workspace operating business, Clockwise, send out regular newsletters to occupiers containing ESG-related information, including net zero carbon	Strategy tbc	Strategy tbc	
Green energy initiatives	Install further onsite renewables	We are continuing to install solar panels	We are conducting feasibility studies for solar panel systems	Strategy tbc	Strategy tbc	Substitute
	Procure reliable, transparent renewable energy tariffs	Procure 100% of the portfolio’s electricity on REGO-backed renewable electricity tariffs, aligning with the UKGBC’s latest guidance (August 2023)				
Offsetting	Develop an offsetting approach in line with our values	We are conducting detailed research and seeking advice from external advisors to ensure the carbon offsetting approach that we develop is aligned with our values in that the approach encourages positive, lasting effects				Compensate

THE CASTLEFORGE ROAD TO NET ZERO

We have committed to achieving net zero carbon in relation to scope 1 and 2 emissions by 2030 (operational net zero carbon).

We will determine our scope 3 commitment in due course, with net zero for all scopes to be achieved by 2050 at the latest. Our current net zero commitment covers all Castleforge owned and managed assets, and Castleforge's corporate operations.

We define operational net zero carbon as when the amount of carbon emissions associated with a building's operations are zero, or negative. This typically results from a highly energy efficient building powered by onsite and/or offsite renewable energy sources. Our initial commitment to achieve operational net zero carbon will be met by implementing a series of measurable actions to initially improve energy efficiency.

We have not yet established a target date for the second part of our net zero carbon commitment, but this will include tenant-controlled emissions from operation, as well as the embodied carbon associated with building development and refurbishment. In 2024, we will establish key milestones for developing scope 3 emissions targets and monitoring procedures, including tenant emissions and embodied carbon from refurbishments and developments. Our initial targets relating to scope 3 emissions will be to establish an accurate baseline so we can set an appropriate target date for achieving material net zero carbon.



Mountbatten House
Southampton

THE CASTLEFORGE ROAD TO NET ZERO

We continue to work with our third-party sustainability consultants, EVORA Global, to develop our understanding of climate-related risks.

Initially we are focusing on our Isambard Secondary City office portfolio, where we have mapped the climate related transitional and physical risks which impact our assets to ensure that our ESG Strategy focuses on the right priorities. Our mapping exercise is set out at Appendix 1 of this report. These assessments included net zero carbon assessments and pathway recommendations. Net zero pathways split the carbon intensity of an asset under a ‘business as usual’ scenario until 2050, alongside a sector-specific carbon reduction pathway based on science-based targets.

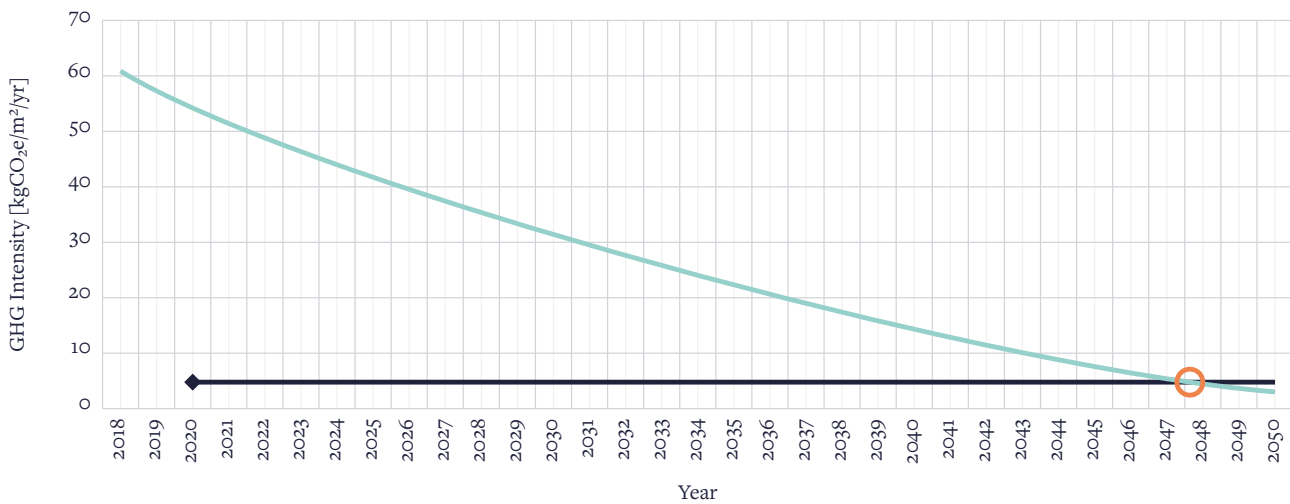
The pathways account for grid decarbonisation and align with a 1.5 Degree Celsius warming scenario as per the Paris Agreement. These pathways are created using the Carbon Risk Real Estate Monitor (“CRREM”) using a market-based approach to give an indication of the energy performance of an asset against market expectations for that sector to determine the year of standing; namely the year in which the emissions intensity is above the target value. Stranded assets will be increasingly exposed to the risk of negative impacts on value resulting from climate change, as they may not meet future efficiency standards or market expectations. Example outputs are summarised in the table and graphs opposite.

Asset	Carbon Intensity	Stranding Year	Comments and Primary Physical Risks
Broadwalk House, Exeter	4.8 kg CO2e/m2 per year	2048	<ul style="list-style-type: none">Renewable electricity contract in place. Ongoing refurbishment of centralised plant to increase energy efficiency.Storms rated as Medium Risk, all other categories low or no risk.
Linley House, Manchester	2.9 kg CO2e/m2 per year	Beyond 2050	<ul style="list-style-type: none">Renewable electricity contract in place.Water Stress and Flooding rated as Medium Risk, all other categories low or no risk.
Yorkshire House, Leeds	0.0 kg CO2e/m2 per year	Beyond 2050	<ul style="list-style-type: none">All electric building powered by Renewable electricity.Flooding rated as Medium Risk, all other categories low or no risk.
Mountbatten House, Southampton	2.4 kg CO2e/m2 per year	Beyond 2050	<ul style="list-style-type: none">Renewable electricity contract in place. Ongoing refurbishment of centralised plant to increase energy efficiency.Water Stress rated as Medium Risk, all other categories low or no risk.

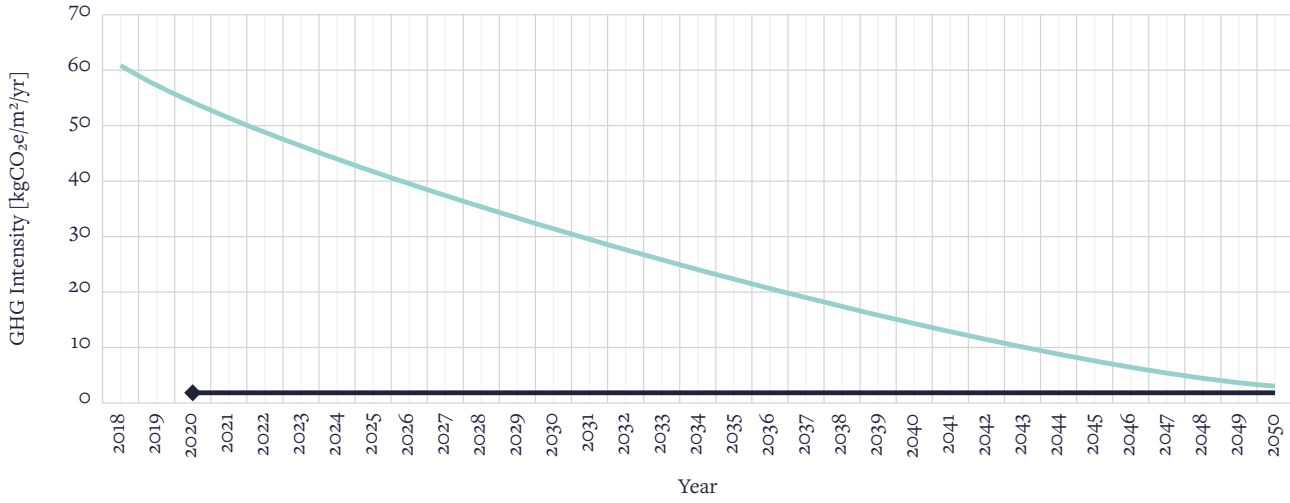
¹ Global Status Report for Buildings and Construction 2021, Global Alliance for Buildings and Construction.

- Decarbonisation target
- Climate and grid corrected asset target
- Stranding
- 2021 Performance

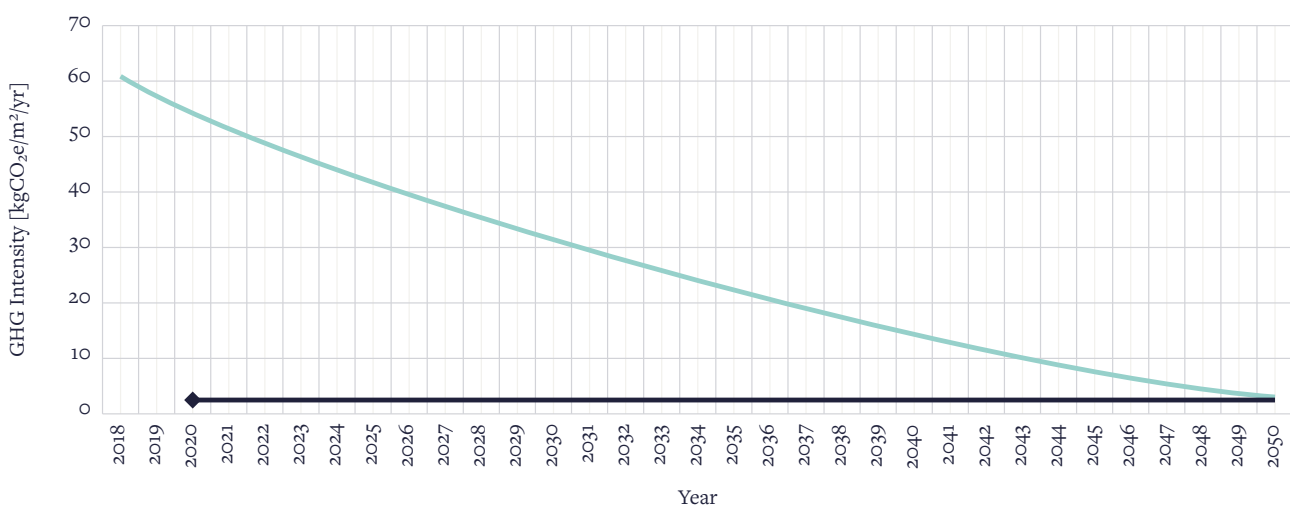
Broadwalk House



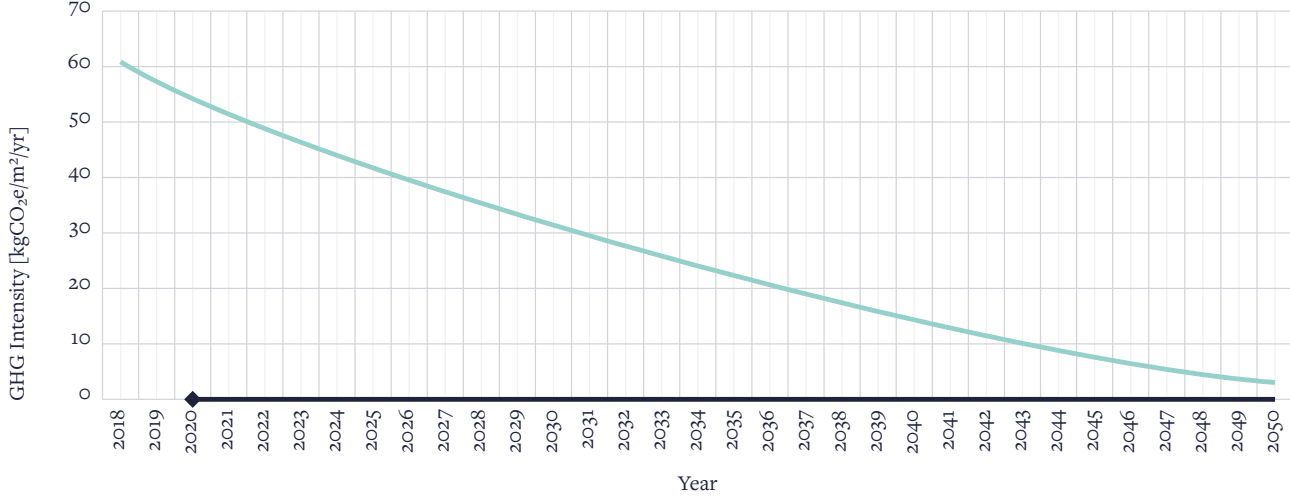
Linley House



Mountbatten House



Yorkshire House



THE CASTLEFORGE ROAD TO NET ZERO

Data is central to developing and implementing a successful Net Zero Carbon strategy.

Since 2021, we have used a net zero carbon pathway tool (integrated with CRREM) to provide us with carbon reduction pathways for properties we have exposure to, based on a specific property type aligned with a 1.5°C scenario (in line with the Paris Agreement). This helps indicate which assets are likely to be at risk. This has been of great benefit as the information also allows for better understanding of why certain assets have higher intensity rates, whether additional capex is needed or whether this is due to other aspects like tenant behaviour or data gathering issues.

With the adoption of our Net Zero Carbon Policy, we look forward to the effective implementation of wider CRREM modelling within our portfolio as soon as possible. In the interim period, we have been ramping up our data collection process for further assets to enable accurate baseline data sets to be created and the completion of detailed metering surveys to ensure solid foundations are laid for our portfolio to enable meaningful data and action in the near-term ahead of our 2030 targets.

Opportunities for improvements are being fed into asset level ESG action plans and reflected within best practice documents, as well as communicated to our operating partners and occupiers. We are continuing to integrate this ESG data with our own data warehouse recognising that holding high-integrity data stored in alignment with our other company data in a manner suitable for analysis will be fundamental to achieving our net zero carbon commitment.



The Generator Building
Bristol

BUILT ENVIRONMENT IN ACTION: 75 LONDON WALL

The approach for 75 London Wall is based on a holistic sustainability framework with five key themes: Physical, Social, Economic, Human and Natural.

This framework captures the synergies and co-benefits between different areas of sustainability and ensures a future-proofed development that responds to the needs of people and the planet. Moreover, it enables strategies to address global and local sustainability challenges in a holistic way.

Defining the project's sustainability objectives at acquisition has allowed Castleforge to incorporate these objectives into the entire design process. By taking a refurbishment route for redevelopment that grows the existing building through the retention of much of the existing cladding and architectural fenestration, this project is set to be at the forefront of sustainable development.



75 London Wall
London

BUILT ENVIRONMENT IN ACTION: 75 LONDON WALL

We are looking to increase the NIA by 55%, taking the building from 317,000 sq ft to 500,000 sq ft.

This increased density utilises the residual capacity within the existing foundations to maximise the site’s potential to accommodate occupiers while minimising embodied carbon.

When the building was originally designed in the 1980s/90s, structural codes of practice required higher imposed loading for the analogue style of office working at the time, compared to today’s digital, and therefore lighter, requirements. This loading difference (of around 30%) will be utilised in the redevelopment, along with an inherent over-design of structural elements which was common of the era, to add additional massing to the structure with limited supplementary sub-structure (the sub and superstructure combined accounts for 65% of the total embodied carbon of a typical office building).

Additionally we have engaged with neighbouring developers, including Landsec at 55 Old Broad Street, to identify opportunities to share materials. Both 75 London Wall and 55 Old Broad Street carried out material re-use audits on the existing structures to catalogue opportunities for re-use. As a result, Landsec have identified the cycle racks in 75 London Wall as a key item that they would be able to re-use in their development. Conversations are ongoing, with the intention of agreeing a trade for mutual benefit.



The whole life carbon strategy for 75 London Wall prioritises reduction of material consumption. As part of this strategy, the design is being developed to reduce the quantity of new materials used, specify low carbon materials and those with high recyclable content, explore pre-fabrication of core plant modules and consider the feasibility of alternate procurement models for building systems with finite lifespans, such as office lighting. For example, we are retaining the existing building’s façade, re-glazing existing window frames rather than replacing them, and optimising the weight of new façade panels for efficient transportation. Taken altogether this reduces demand on the sub/super structures and eases construction logistics which in turn minimises carbon output.

The 75 London Wall project will implement the Energy Hierarchy of Be Lean (reduction through passive and active design measures), Be Clean (energy infrastructure), Be Green (low and zero carbon technologies). An example of reduction through design was the

completion of an in-depth study on the building’s structural bays. Through this, it was identified that the implication of utilising a structural grid of 9.5 x 6m rather than a 14 x 6m spacing, for a steel composite construction, resulted in a 17% reduction in embodied carbon.

We expect 75 London Wall will achieve Net Zero Carbon, a NABERS UK 5 – 5.5* target rating, BREEAM Outstanding, operational energy targets that are aligned to UKGBC / LETI EUI and an upfront embodied carbon target of 350 kgCO₂/m², aligned to LETI band B.

OUR COMMITMENTS AND OBJECTIVES

The table below highlights our key commitments and objectives for the Built Environment Pillar for 2024:

Aspect (Topic)	Goals/Objectives (High Level - Target Outcomes)	Actions (Strategy)	Metrics (KPIs)	Comments
Commitments	Develop a Net Zero Carbon Strategy	Committed to Net Zero Carbon for Scope 1 & 2 by 2030.		Set as part of the Castleforge Net Zero Carbon Strategy.
		Set target Net Zero Carbon for Scope 3.		In progress.
Operational Energy and Carbon (“OE&C”) - Overarching	Transition all our buildings to fully electric power by 2030	Develop asset-level plans for phasing out of gas by 2030.	Percentage of assets which achieve the goal.	In progress.
	Develop better granularity on energy and water consumption data across the portfolio	Develop and implement a comprehensive metering strategy on all assets across the portfolio and different strategy lines.	Percentage of assets which achieve the goal.	We have completed the rollout of our metering strategy across the Isambard portfolio (100% for Isambard).
		Create a baseline energy consumption level on an asset level.	kWh/sq ft Litres.	We are in the process of creating a baseline consumption metric for all assets.
	Set targets for reduced energy and water consumption across the portfolio for 2023	Set targets to reduce energy and water consumption levels.	Percentage reduction.	In progress.
	Develop better granularity on waste production and recycling data across the portfolio	Develop and implement a comprehensive waste strategy on an asset level.		In progress.
	Set targets for reduced waste across the portfolio for 2023 and beyond	Set targets to reduce waste and move to zero landfill if possible.	Percentage reduction.	In progress.
OE&C - Gateway City Strategy	Deliver projects sustainably, considering the amount of intervention appropriate	All developments to be fully electric power.	Percentage of assets which achieve the goal	100% Achieved through design phase.
		All developments to be EPC A.	Percentage of assets which achieve the goal.	100% Achieved through design phase.
		All developments to be BREEAM Outstanding or equivalent.	Percentage of assets which achieve the goal.	100% Achieved through design phase.
		All developments to be WELL Platinum or equivalent.	Percentage of assets which achieve the goal.	100% Achieved through design phase.
		Install on-site renewable power generation.	Percentage of assets which achieve the goal.	100% Achieved through design phase.

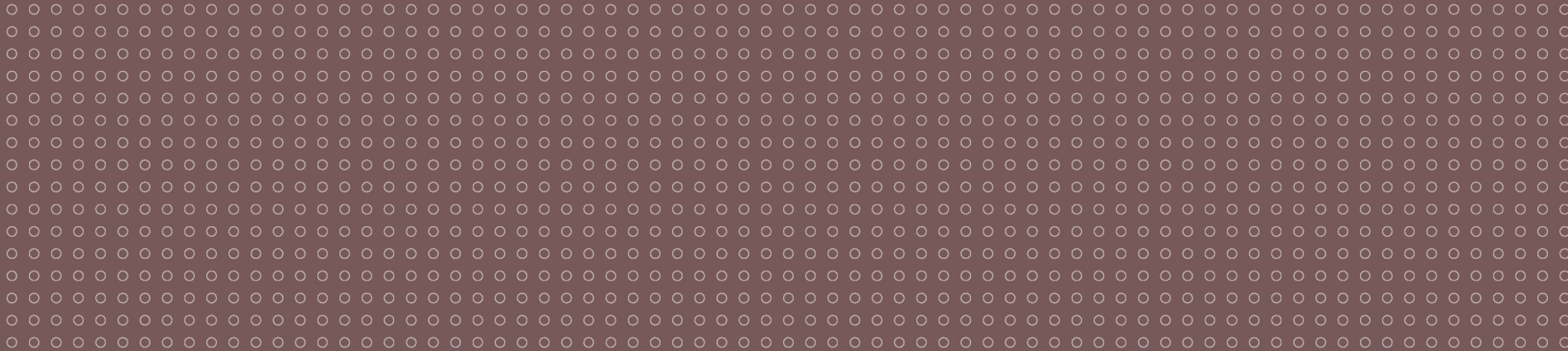
OUR COMMITMENTS AND OBJECTIVES

Aspect (Topic)	Goals/Objectives (High Level - Target Outcomes)	Actions (Strategy)	Metrics (KPIs)	Comments
OE&C - Secondary City Office Strategy	Deliver projects sustainably, considering the amount of intervention appropriate.	All new phases of development to be fully electric.	Percentage of assets which achieve the goal.	100% Achieved for 2023 deliveries.
		All developments to be EPC C equivalent or higher.	Percentage of assets which achieve the goal.	100% Achieved for 2023 deliveries.
		All developments to be BREEAM Very Good or higher (Note: mainland European assets to receive BREEAM In Use rating).	Percentage of assets which achieve the goal.	100% Achieved for 2023 deliveries.
OE&C - Residential Strategy	Deliver projects sustainably, considering the amount of intervention appropriate. Determine an on-site renewable energy strategy.	All new phases of development to be fully electric.	Percentage of assets which achieve the goal.	100% Achieved for 2023 deliveries.
		All developments to be EPC C equivalent or higher.	Percentage of assets which achieve the goal.	87% Achieved for 2023 deliveries.
		Investigate the use of on-site renewable power generation.		In progress.
OE&C - Hotel Strategy	Deliver projects sustainably considering the amount of intervention appropriate to the strategy line.	Develop a plan to transition portfolio to fully electric.	Percentage of assets which achieve the goal.	In progress.
		All developments to be EPC C equivalent or higher.	Percentage of assets which achieve the goal.	We have achieved EPC C or better on all non-listed assets (100%).
		Achieve BREEAM Very Good rating on all developments.	Percentage of assets which achieve the goal.	100% achieved for all assets.
		Achieve Green Tourism Gold rating on all developments.	Percentage of assets which achieve the goal.	We have achieved a Silver rating on all assets we are investigating routes to upgrading to Gold.
Embodied Carbon (EC) - Overarching	Develop a system for monitoring the amount of carbon spent on developments across the portfolio.	Investigate how we can accurately measure the amount of carbon we expend on our developments across all strategy lines.		In progress.
EC - Gateway City Office Strategy	Be a leader in delivering best-in-class office space with a low-carbon footprint.	Deliver all London projects in line with LETI Band C and above for embodied carbon.		100% achieved through design phase.
		Deliver all projects carbon neutral - offsetting when necessary.		In progress.
Energy Initiatives	Run the portfolio on Green Energy.	Procure 100% of the portfolio on Green Energy Tariffs (REGO backed).	Percentage of assets which achieve the goal.	100% achieved on the commercial portfolio.
	Select an energy provider(s) which best fits our portfolio and requirements.	Review the market position on energy to determine if there is advantage to bulk procurement of energy.		We have developed a Castelforge Energy Procurement Strategy.
Carbon Offsetting	Select a leading Carbon Offset Scheme.	Investigate and select a carbon offset scheme.		Set as part of the Castleforge Net Zero Policy.

OUR PILLARS:

COMMUNITY

Protecting and enhancing the positive impact of real estate on society through long-term management and stewardship is vital to our ESG strategy. By engaging closely with stakeholders, we are better able to understand their evolving expectations, inform our strategy, and share our plans and progress.



COMMUNITY

Our colleagues, occupiers, investors, suppliers, community members, government officials and regulatory bodies are all key stakeholders. We want to be a trusted partner and build deeper connections with all our stakeholders.

As part of this we have carried out an in-depth assessment of the evolving areas of regulation and principles within the ESG arena. We have adapted our business to align with the most relevant guidance and principles for investment advisors, asset managers and developers.



Commercial Quay
Edinburgh

OCCUPIER ENGAGEMENT

As part of our ongoing commitment to occupier engagement, we have continued to focus on listening to and understanding the priorities of our occupiers.



“At the heart of our mission lies a commitment to ESG excellence. It is refreshing to see this pursuit reflected in the occupier market allowing us to push the envelope on the art of the possible”

Matt Reid
Head of Development and Asset Management

In 2023, we established quarterly occupier meetings as a new initiative to foster stronger relationships and gather valuable feedback. Through these meetings, we have enhanced our understanding of occupier needs, resulting in adjustments to our operational practices and improved communication regarding site operations.

Over the past years, our occupier survey results have demonstrated a positive trajectory, with increased response rates and higher satisfaction levels for our building occupants across the board. As occupiers’ priorities shift towards ESG considerations, we have recognised the importance of understanding and addressing these evolving needs. Our Net Promoter Score (NPS) has improved, last measured in 2022 at 7.8/10 for overall satisfaction, reflecting enhanced satisfaction levels and loyalty among our occupiers. Despite this progress, there remains room for improvement, particularly in ESG-related satisfaction scores where we rated 6.5/10 in 2022. During 2023 we therefore prioritised the adoption of ESG policies and practices as part of our broader commitment to better communicate initiatives with occupiers. As part of our ongoing commitment to excellence, we are dedicated to continual improvement and plan to conduct another customer survey at the end of 2024 to gauge our progress and further refine our strategies to meet occupier expectations and industry trends.

Our efforts in occupier engagement have yielded positive results already. In 2023, our quarterly occupier meetings facilitated increased dialogue and collaboration, leading to more robust relationships with our occupiers. This has allowed us to adjust in our day-to-day operations to better align with occupier priorities and expectations. Outputs from this have seen a number of key tenant break options pass without utilisation and the completion of 9 renewal and regearing deals, securing nearly £500,000 of annual rent.

We are dedicated to implementing best practices in our service charge processes to provide timely information to our occupiers in user-friendly formats. Additionally, we continue to invest in the maintenance of our buildings to positively impact ESG factors and address occupier priorities, such as navigating challenges like the energy crisis. In 2023, we further progressed key policies, making them publicly available for increased transparency and accountability. To further enhance communication, we are launching a dedicated portfolio website for our office occupiers, both current and prospective, to better communicate our priorities, track record, and commitments regarding ESG. All key policies are accessible for download on this platform, ensuring transparency and accessibility for all stakeholders, as well as links to all our office asset websites.

Looking ahead, we remain committed to continually adjusting our actions to remain relevant and responsive to occupier needs. We plan to conduct another customer survey at the end of 2024 to further refine our strategies and initiatives. We anticipate responses will indicate increasing awareness and impact of ESG considerations on decision-making processes, with a growing appetite for access to data, as well as growing trends towards hospitality and ready-to-occupy spaces. Our ambition is to be the property partner of choice, with ESG and community engagement as core elements of our capability to differentiate and deliver value to our occupiers and stakeholders.

COMMUNITY IN ACTION: MARITIEM HUIS, ANTWERP

Maritiem Huis, located in a predominantly residential area of Antwerp, was constructed in the early 1960s as a federal administration building.

We acquired the building in 2020 when it had been vacant for 6 years and consequently required an extensive refurbishment prior to future occupation. Due to its central location and new use as a Clockwise site, community is at the heart of the building's operation to which several key initiatives have been successfully implemented:

- The comprehensive refurbishment of 39,300 square feet made the building occupiable in accordance with modern standards. The future occupation of this previously dormant building will benefit the immediate area; businesses through support for the local economy, workforce through jobs created, and resident security through occupation of the building and removal of hazardous materials through construction.
- The construction works comprised full façade replacement; replacing both front and back façades with a high performance, energy efficient replacement which responds to the street elevation in its architectural treatment.



- The newly refurbished space within the building will provide a design led, comfortable and affordable workplace option for residents and growing businesses, both as regular members and through use of meeting rooms which are available to be booked by the general public.
- At the top of the building, there are two expansive accessible roof terraces with views across the rooftops of Antwerp, further bolstered by a sheltered ground floor external patio space with comfortable seating for multiple uses.
- Through our refurbishment we have reduced the number of available car parking spaces, increased cycle storage and refurbished showers and changing facilities within the basement level. This amenity provision will promote health and wellbeing via sustainable means of commuting and encourage daily exercise.

COMMUNITY ENGAGEMENT
ACTIVITIES

Our assets are at the heart of the communities in which we operate, and often help bring them together.

Building and preserving relationships with all the communities we serve isn’t just important to our commercial success, it’s also key to the way we operate as a responsible and sustainable business.

In 2023 we continued to focus on various strategic partnerships with local services and employers throughout our residential portfolio, delivering on the aim to provide workforce housing and secure income. To date three such partnerships have resulted in corporate transactions securing accommodation for key workers and the local workforce. Partnerships continue to develop, particularly with NHS trusts across the country with the NHS employing over 3.5% of the working population in the UK.

In our Secondary City Office Strategy portfolio, we have previously furnished all our buildings with publicly registered defibrillators. This means that should anyone within or near our buildings require assistance, this can be provided as soon as possible. We also registered several our buildings to local schemes to provide a safe shelter from street harassment and are monitoring opportunities to further this engagement where new schemes are established, proactively communicating our support to local councils where possible.

This year, Clockwise, our flexible workspace operating business, established a Green Committee with 23% of the team across every Clockwise location actively involved. The focus of the Green Committee is to foster collaboration, idea sharing and feedback on initiatives to serve as an information hub for everything ESG. Clockwise also recruited their first dedicated ESG Manager to support greater communication and collaboration with their members and stakeholders. Clockwise’s procurement choices also reflect our dedication to sustainability, as evidenced by partnerships with Cleanology, whose cleaning products are 99.4% chemical-free and use soluble tablets to reduce plastic bottle usage by up to 70%.

Cleanology operates an electric vehicle fleet and has set a net zero carbon target for 2035 in partnership with PlanetMark. Clockwise have also partnered with Turing Trust to recycle second hand IT equipment and True Start Coffee, a carbon negative social impact business who has B-Corp status. Having Clockwise within our buildings alongside our site-based building managers means that we can ensure that essential collaboration between landlords, tenants and end users translates into meaningful action.

Clockwise have been dedicated to promoting wellness among its members through a diverse range of activities and events. These initiatives include lunchtime massages by Massage and Glow, yoga sessions, mental health awareness events in collaboration with organisations like Help In Mind and Men Matter Scotland, healthy eating weeks and various charity pop-ups supporting causes such as men’s mental health and breast cancer awareness. Members also enjoyed activities like Pilates sessions, wellness walks, meditation tasters, craft workshops, and community events like choir performances. Special occasions were celebrated with events such as National Dog Day, International Women’s Day, and World Kindness Day, fostering a sense of community and care within Clockwise. Additionally, educational workshops on topics like stress management, work-life balance, and mindfulness further enriched members’ wellness journey. From fitness challenges to relaxation sessions, Clockwise has demonstrated a holistic commitment to promoting health and wellbeing among its community throughout the year.

COMMUNITY ENGAGEMENT ACTIVITIES

In 2023, Savills, our primary managing agent overseeing our regional office buildings, demonstrated a steadfast commitment to fostering community engagement and sustainability initiatives.

Through a diverse array of events and activities, they contributed to enhancing the wellness and social fabric within our buildings. From charity fundraisers like sports equipment donations in Leeds, second-hand clothing sales in Glasgow, to yoga and wellness events in Cheltenham and Cardiff, Savills facilitated opportunities for occupants to come together and support meaningful causes. Moreover, their proactive involvement in Earth Hour marked a significant step forward in our sustainability efforts, aligning with our broader goals of energy efficiency and environmental responsibility. Savills also played a pivotal role in advancing our sustainability agenda by championing initiatives such as promoting the Living Wage and transitioning to sustainable suppliers who adhere to rigorous ESG criteria. Their commitment to transparent communication and proactive management strategies alongside Clockwise has not only enhanced the operational efficiency of our buildings but has also contributed to creating secure and sustainable environments that benefit the local communities within which we invest.

As per the commitment in our 2022 report, we have now established our Local Charter. This document refines the focus of our endeavours, not only for ourselves, but for our stakeholders and our operating partners; our operating businesses, both owned or instructed by Castleforge and our appointed managing agents. Through this document, we pinpoint a few key strategic priorities designed to generate positive social impact within the communities that we invest and work in. We have worked closely with local authorities, organisations, occupiers and suppliers to gather feedback and gain valuable insights into how we can cultivate best practices.



This Local Charter will serve as a pivotal tool in articulating these objectives.

At Castleforge, our commitment to fostering meaningful relationships extends beyond the built environment, to encompass every individual who works in, lives in, uses, visits, stays or interacts with our buildings. Our stakeholders are integral to our journey, and we are dedicated to cultivating trust and forging deeper connections with each of them. To achieve this positive change, we will work increasingly closely with our operating partners.

Our portfolio is dynamic, and each property has its own operational intricacies. Therefore, we encourage our operating partners to interpret and implement the Charter’s principles in a manner that resonates with each property’s unique opportunities and characteristics. This flexibility aims to spark innovation, collaboration, and a nuanced approach leading to impactful actions.

OUR PRIORITIES

We have identified three strategic priorities as our foundational cornerstones: wellbeing, education and sustainable growth.



“In a challenging year for many communities across the UK, we were proud to unveil our Local Charter in 2023, which will better focus and articulate our endeavours to create positive social impact through our investment activities.”

Thomas Conneely
Senior Asset Manager

The Local Charter outlines these priorities, underscoring rationale, goals and measurable impact. Ranging from enhancing building amenities and organising fitness clubs, to promoting healthier food choices within our buildings, each objective will be quantifiable and accountable.

As we grow, our Charter will evolve and adapt to meet the needs and priorities of our communities. Fuelled by input from stakeholders, we will undertake an annual revision process to ensure our Charter remains a living, breathing testament to our commitment. This will allow us to pinpoint the most impactful strategies within our portfolio and expedite their replication at a broader scale.

Our commitment to positive change extends beyond the tangible, and we are determined to quantify the outcomes of our actions in a meaningful way. However, we understand that

measuring impact can be complex, especially when compared to more traditional metrics such as financial returns or physical transformations. That’s why our approach involves a combination of data-driven analysis, stakeholder engagement and continuous learning. Through this commitment to measurement and assessment, we aim to refine our strategies, deepen our impact, and evolve as stewards of positive change over time.

Alongside our Local Charter, our Community Policy identifies a range of key documents which are in development, articulating the existing values of Castleforge to better communicate our ethical standards and expected codes of conduct over key business areas such as supplier standards, tax principles, and considerate construction, which will see key performance indicators written into contracts where appropriate with the aim of positively impacting our community.



Broadwalk House
Exeter

COMMUNITY GIVING: OUR SUPPORT FOR CHARITIES IN 2023



In 2023, Castleforge extended its support to two local charities, offering both financial assistance and service contributions.

Our first partnership was with The Switch, an education charity operating in London's poorest borough, facilitating engagement between young people and local employers with the aim of inspiring career options. As well as our funding support as a corporate sponsor, our team took several opportunities to volunteer and hold interview practice with high school students from Tower Hamlets, helping to develop and build confidence with key skills required for future employment.

Castleforge has also supported The Conservations Volunteers, a national charity aiming to connect people and green spaces, improving natural areas for the benefit of the environment and wellbeing of participants. Our financial contribution supported the organisation's ongoing community projects, while a group of volunteers from Castleforge spent a day offsite last summer, toiling to improve a London greenspace for residents.

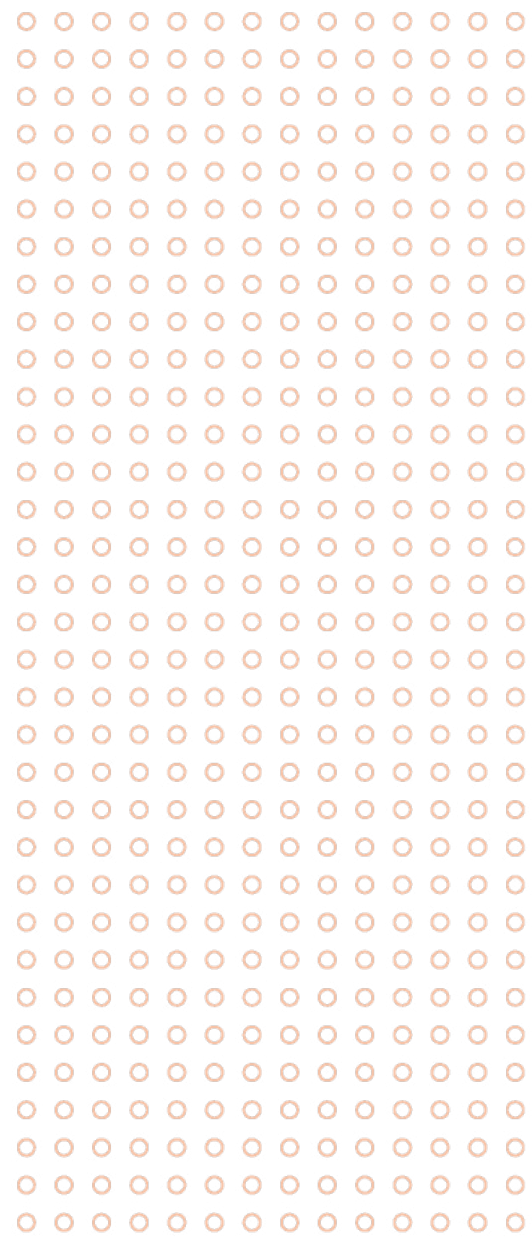
Castleforge committed to donating on behalf of every employee survey response received throughout the year to charities nominated by the team, resulting in contributions to Macmillan Cancer Support, UNICEF and CALM. Furthermore, we launched Payroll Giving, enabling employees to salary sacrifice donations to their own selected charities straight from payroll.

For the third consecutive year we support the ELBA Toy Appeal in December, collecting toys and donations for under privileged children in our local area at Christmas.

OUR COMMITMENTS AND OBJECTIVES

The table below highlights our key commitments and objectives for the Built Environment Pillar for 2024:

Aspect (Topic)	Goals/Objectives (High Level - Target Outcomes)	Actions (Strategy)	Metrics (KPIs)	Comments
Overarching Standards	Human Rights Policy	Develop and adopt a Human Rights Policy and make publicly available.	Number of compliance breaches annually.	Zero compliance breaches reported in 2023.
	Supplier Standards Policy	Develop and adopt a Supplier Standards Paper.	% of suppliers in compliance.	A Supplier Standards Policy has been adopted and is being rolled out within our supply chain.
		Develop and adopt a Responsible Payment Practice.	Average number of days for payment.	A Responsible Payment Practice policy has been adopted and our average number of days for payment was less than 30 days in 2023.
	Modern Slavery Statement	Develop and adopt a Modern Slavery Statement and make publicly available.	Number of compliance breaches annually.	We have published a Modern Slavery Policy across our direct operations and reported no breaches in 2023.
	Whistleblowing	Develop and adopt a Whistleblowing Policy and make publicly available.	Number of reports made annually.	We have a published our Whistleblowing Policy and received zero reports in 2023 in this regard.
	Tax Principles	Develop and adopt a Responsible Tax Principles Policy and make publicly available.	Annual published statement of compliance with Policy.	A Responsible Tax Principles Policy has been adopted and in 2023 we complied with the policy in all of our investment and corporate activities.
	Considerate Construction	Develop and adopt a Considerate Construction Policy and make publicly available.	Annual published statement of compliance with Policy.	Our Considerate Construction Policy requires all contractors we work with to be registered under the Considerate Construction Scheme.
Communities	Local Charter	Agree several focus areas for local charter with head office, operating companies, and property managers.	Annual published statement of actions summarised by operating company and investment strategy.	We published our first Local Charter in 2023 and are implementing its three pillars of focus in 2024 and look forward to reporting our statement of actions next year for the first time along with an updated charter to ensure the document continues to remain relevant and impactful.
	Charity Policy	Develop and adopt a Charity Policy applicable to both Community and People pillars.	Annual impact statement.	Publication of impact included within this report.
	Engagement	Customer engagement: Commission independent customer surveys that cover all aspects of ESG.	Publish Survey results and key takeaways.	Survey last commissioned in 2022 and to be commissioned again in 2024.
		Industry engagement: Select appropriate organisations for the company and staff to engage with to support the goal of net zero.	Publish memberships and associated disclosures annually.	ESG Committee has selected membership of the following organisations, to be reviewed annually: - Net Zero Asset Management - UKGBC - INREV - RICS - SFDR -IPF
		Industry reporting: Sign up to relevant ESG rating systems to increase transparency and integrity to Castleforge ESG activities.	Publish reporting results and requirements annually.	ESG Committee has selected membership of the following organisations, to be reviewed annually and applied to relevant funds/strategies: - GRESB - UNPRI
		Industry alignment: Study and work to create alignment to the industry best practice standards.	Publish statements on extent of alignments annually.	ESG Committee has selected alignment to the following organisations, to be reviewed annually: - SBTi - ISO14001
		Establish a library of case studies on ESG matters.	Publish ESG content monthly and report case studies annually.	Showcase initiatives through our website, social media, operating businesses, and other channels to maximise impact.



OUR PILLARS:

PEOPLE

In our ongoing commitment to ESG principles, Castleforge places utmost importance on our people.



PEOPLE IN ACTION

People are the heart of our organisation, shaping its present and future trajectory. We foster an inclusive environment where individuals thrive, providing ample opportunities for growth and learning.

Our focus remains on nurturing a diverse talent pool, ensuring clear career progression, prioritising the safety and well-being of our team, and cultivating an exceptional workplace culture.

Within our People pillar, we implement strategies and initiatives aimed at enhancing the personal and professional development of every Castleforge employee, empowering them to realise their full potential. Everyone is encouraged to understand their role in our mission and to authentically champion Castleforge as an employer of choice.



The Heal's Building:
Our London HQ

PEOPLE IN ACTION:

Wellbeing

Throughout the year, our commitment to team wellbeing has remained steadfast.

We continued to organise externally led training sessions covering essential mental wellbeing topics such as coping with change, managing pressure, and overcoming imposter syndrome. The introduction of a new benefit, our ‘Work from Anywhere’ Week has extended to our team members, especially those with young families, invaluable flexibility. The launch of a Tech Scheme has empowered employees to procure better performing technology and white goods via salary sacrifice. Notably, our Wellbeing Allowance, offered in lieu of a traditional gym membership, continues to be the most cherished benefit among our team as per our latest benefits survey, boasting an impressive 85% utilisation rate across the financial year. We enhanced our team’s financial wellbeing by increasing our employer pension contribution by 2%.



The Heal’s Building:
Our London HQ



“Our journey towards ESG excellence isn’t just about corporate responsibility; it’s about people empowerment. By prioritizing Environmental, Social, and Governance initiatives, we’re creating a workplace where every individual can contribute to meaningful change and drive collective impact.”

Lauren Brownlow
Head of People

Engagement and Communication

We appreciate the importance of regular and transparent communication in order for team members at every level to maintain connection and commitment to our vision and direction.

With this in mind, we continued our regular all-hand series in 2023, hosting monthly company meetings covering people news, business updates, strategy review and team questions answered by leadership.

We also launched our employee survey pulse programme this year which involved three surveys issued throughout the year with results discussed within the employee forum and presented to the company with insights and actions.

Castleforge continues to be an exceptional workplace, with 88% of the team agreeing they would ‘recommend us as a great place to work’ in our last survey. Throughout the year the team further agreed that they were proud to work for Castleforge (85%). Our team remain highly aligned to our company values, with survey participants agreeing collaboration and responsibility are ‘extremely important values for me in this company’ (100% and 96% respectively).

Opportunities for the team to celebrate and socialise were coordinated throughout the year with summer and winter parties supplemented with competitive pursuits and regular breakfast sessions designed to bring together people from across the business who might not directly work together on an everyday basis.



PEOPLE IN ACTION:

Learning, Development
and Performance

We continue to support individual development through study agreements outlining funding and study leave for exams, qualifications or certificates. Future leaders were supported this year with executive coaching.

In 2023 we continued an internal programme of CPD sessions; external keynote speakers delivered seminars across financial, legal and ESG topics, including regulatory landscape for funds and wellbeing sessions. We promoted two ESG Webinar series delivered through partners EVORA Global and Dentons.

This year we introduced our ESG Training Policy, outlining our annual priorities and team training targets.

Our Continuous Professional Development Budget was introduced in 2022, providing all employees with a personal budget to use at their discretion on areas of interest. Utilisation of this budget was low on launch however following a focused engagement campaign, we were able to quadruple spend on self-directed learning in 2023, covering topics such as, AI, Finance and advanced excel.

2023 was the year that saw our ESG priorities embedded within individual performance, with ESG obligations now included on all role responsibility documents and individual ESG contributions assessed in all employee performance reviews.

We aimed to replace our incumbent performance and development software in 2023, a project that was delayed and therefore carries over to be a focus in 2024.

PEOPLE IN ACTION:

Office Environment

Our London headquarters remains the hub of our activity; our open plan layout, great natural light, incorporation of greenery and ample breakout space provides the perfect environment for the collaboration and deep work required for consistent performance.

Several initiatives this year have focused on reducing the environmental impact of our space.

We've configured our central air-conditioning to automatically turn off in the evenings/weekends and have limited the spread of temperatures available for employees to select throughout the day for heating and cooling, reducing energy consumption, peak loads and optimising efficiency. Overall this has reduced operating hours for the air conditioning by 5% and we are committed to tracking the impact of overall energy consumption/ associated reductions achieved through these changes.

Our corporate Uber for Business account, opened last year, will enable us to better track and reduce carbon emissions as a result of business car travel.

Diversity, Equity and Inclusion

For the second consecutive year, Castleforge provided summer internships through the 10,000 Black Interns programme, which aims to improve opportunity and representation in industries where minorities continue to be underrepresented. Our intern placements across investments, development management and finance resulted in one accepted permanent offer.

We continue to benefit from 38%:62% Female to Male gender profile, with woman representing 50% of the senior leadership team.

This year we focused on improving the quality of our diversity data. We customised our HR functionality to track a range of diversity



demographics including ethnicity, disability, socio-economic factors, sexual orientation, gender identity and religion across the team. Such personal information is only collected on a voluntary basis and exclusively anonymised for reporting purposes. Our aim with this data project is to better report on our diversity profile and track the impact of diversity initiatives over time.

To date, 84% of employees have shared at least their ethnicity information with Castleforge, which confirms our current team is comprised of 28% minority representation (i.e. employees have self-identified minority representation in line with demographics categorised by the Office for National Statistics).

OUR COMMITMENTS AND OBJECTIVES

The table below highlights our key commitments and objectives for the Built Environment Pillar for 2024:

Aspect (Topic)	Goals/Objectives (High Level - Target Outcomes)	Actions (Strategy)	Metrics (KPIs)	Tracking	Comments
Wellbeing & Engagement	Build an environment where employees can thrive holistically: professionally, mentally, physically, and financially.	Delivery of a mental health programme promoting awareness and practical techniques for self-management.	Number of seminars delivered in 2023.	2023 Complete. Now ongoing.	2 sessions held via Companion. Dealing with Change (June) and How to handle pressure (October).
		Training and promotion of internal Mental health First Aiders at work.	Number of MHFA qualified by end Q2.	2023 Complete. Now ongoing.	MHFA training attended in Dec by first delegate. Additional members planned for 2024.
		Annual DSE Risk Assessments and training provided for all staff.	Percentage completed by April 2023.	100% completed by April 2023.	Programme launched through new software (Ergofy). Now rolling / ongoing.
		Set up and launch Payroll Giving.	Delivery against project timeline.	Complete.	Launched in Q4 2023.
		Review of benefits programme with appropriate employee-led enhancements.	Delivery against project timeline.	Complete.	Benefits upgraded in Q3 to include increased employer pension contribution, launch of tech scheme, Work From Anywhere Week and improved flexibility with the Wellbeing Allowance.
	Understand employee needs and expectations through regular upward feedback.	Roll out an engagement pulse programme. (Design and communication of appropriate actions in line with employee feedback.)	Number of pulse surveys undertaken in 2023. Percentage participation rate per survey.	2023 Complete. Now ongoing.	Programme launched and ongoing. 3 surveys held in 2023 on Engagement, Benefits and Company Values.
		Develop and expand the role of the employee forum.	Charter designed.	Ongoing.	Regular forum meetings held throughout the year to discuss and reflect on data from employee surveys and feed thoughts and questions upwards to leadership. Charter drafted.
	Support cross-functional relationship development by providing team opportunities for personal and social connection.	Delivery of a 2023 programme of social activities encouraging communication, teamwork and shared experience.	Number of events hosted.	Complete.	Monthly all-hands drinks and quarterly events planned and executed.

OUR COMMITMENTS AND OBJECTIVES

Aspect (Topic)	Goals/Objectives (High Level - Target Outcomes)	Actions (Strategy)	Metrics (KPIs)	Tracking	Comments
Training and Development	Establish an environment that promotes a growth mindset, within which employees feel challenged, supported to continuously develop and share their learnings.	Deliver a programme of internal CPD sessions (to include Wellbeing and ESG modules, as well as technical and financial topics).	Number of sessions per annum.	2023 Complete. Now ongoing.	2023 Programme delivered including regulatory landscape for Funds, Companion wellbeing sessions and ESG Webinar series promoted through Evora and Dentons
		Provide and promote individual CPD budget for all employees, to be utilised at own discretion.	Improved utilisation year on year.	2023 Complete.	Utilisation quadrupled between 2022 and 2023 following dedicated promotion of the individual budget.
	Improve employee awareness of general issues of sustainability via training and awareness-raising initiatives for all employees.	Establish training priorities annually.	Agreed by ESG committee and centrally stored.	2023 Complete. Now ongoing.	2023 ESG Training Policy drafted to include training priorities and target training hours. Partial implementation.
		Circulate bulletins, webinars, and training opportunities to all staff.	Number of content items shared.	2023 Complete. Now ongoing	Articles and content periodically shared with business by ESG committee by legal and consultant partners and professional memberships
		Monitor training activities; medium term develop a target of hours training per employee per annum.	Hours per employee per annum attended and recorded.	Ongoing .	Target hours established in ESG Training Policy. Tracking of training hours has been well established in some departments but requires improvement to be consistently tracked company-wide.
		Improve sustainability team awareness surrounding ESG focus areas. This includes (but will change reflecting trends in the industry): net zero carbon pathways, social value, ESG in due diligence, PRI and GRESB.	Number of external seminars held and recorded.	2023 Complete. Now ongoing.	Committee members tracked 18 hours against ESG learning covering topics including carbon offsetting, social value and industry accreditations.
Diversity and Inclusion	Embed diversity and inclusion into our processes and culture.	Require Diversity, Equity and Inclusion training for all for all team and hiring managers.	Percentage of completion / attendance in 2023.	Ongoing.	Partial attendance. Continues in 2024.
		Participate in the 2023 10,000 Black Intern Programme (promoting and improving minority representation in investment management).	Number of successful summer placements.	Complete.	3 summer placements offered.
		Re-draft version of the DEI Policy to include these initiatives.	Delivery against project timeline.	Complete.	People Pillar initiatives added to DEI statement .
		Investigate options on industry representation charters that may be appropriate for Castleforge to join or sign by 2024.	Delivery against project timeline.	Ongoing.	Carried over to 2024. Target report date: year end 2024.
	Ensure our environment promotes and protects respect and psychological safety.	Inclusion of DEI insights questions in employee pulse survey programme.	Delivery against survey schedule.	2023 Complete. Now ongoing.	Spread of questions including development, recognition and opportunity topics assessed
		Design and launch awareness raising initiative on equal opportunities issues.	Number of topics considered in 2023.	Ongoing.	Carried over to 2024.
	Track, measure and improve diversity metrics across both candidates and our existing team.	Build Custom Fields in Bamboo to enable all employees to self-identify diversity stats.	Delivery against project timeline.	Complete.	84% of employees have voluntarily shared diversity characteristics including at least ethnicity data.
		Build and implement candidate surveys to better understand candidate demographics and our recruitment practice reach.	Delivery against project timeline.	Ongoing.	Design of our candidate surveys commenced in 2023. Finalisation and launch now planned for 2024.
		Update CFP Privacy Policies to accommodate above.	Delivery against project timeline.	Complete.	Engaged external GDPR consultant to review and revise privacy policies to allow for collection of special category data.

OUR COMMITMENTS AND OBJECTIVES

Aspect (Topic)	Goals/Objectives (High Level - Target Outcomes)	Actions (Strategy)	Metrics (KPIs)	Tracking	Comments
Performance	Encourage individual contribution to our ESG priorities with associated financial reward or consequences for delivery (or lack thereof).	Update and include ESG obligation in all role responsibility documents (i.e. core role requirements for all staff)	Delivery against project timeline.	Complete.	All role responsibility documents updated to new format with explicit ESG obligations included for all roles and centrally stored.
		Publish ESG Strategy and Objectives to encourage awareness, contribution and alignment.	Delivery against project timeline.	Complete.	2023 ESG Report published in April 2023 and presented to company in June all-hands meeting.
		Creation of a process statement describing that all employees are subject to ESG related objectives which have financial and non-financial consequences, and what these may be - (financial consequences labelled as potential bonus payment if company meets its overall financial and ESG objectives, or personal bonus payment based on meeting all objectives including ESG objectives).	Delivery against project timeline.	Complete.	ESG Performance Targets: Process Document finalised in Q1.
		Investigation into various system options (Lattice, Bamboo, Asana) to be used for employees recording contribution to ESG objectives.	Delivery against project timeline.	Ongoing.	Employee self-assessment on individual contribution to Castleforge ESG objectives included in 2023 annual reviews. Continued review on best system to facilitate this focus moving forward continues.
HQ Sustainability	To understand our environmental impact at a corporate level and develop initiatives to prioritise reduction and sustainability.	Measure Energy, Water and Carbon Performance from our own activities (baseline set in 2022-2023) and report by the end of 2024.	Delivery against project timeline.	Ongoing.	Initial baseline metrics measured by MAPP Property Managers.
		Measure our own impact associated with business travel (baseline set in 2022-2023) and report by the end of 2024.	Delivery against project timeline.	Ongoing.	Initial baseline metrics measured by Travel Counsellors.
		Develop a Net Zero Policy for our own activity by end 2023.	Delivery against project timeline.	Complete.	Net Zero Carbon Policy finalised and published.

APPENDICES

APPENDIX 1: MAPPING CLIMATE CHANGE RISK

Part A: Transition Risks

Transition Risk		Timeline	Mitigation / Opportunity
Policy	Policy change around climate could potentially lead to an increase in operating costs through higher compliance costs, although it will depend on the nature and timing of the change. Carbon pricing policies may increase costs for organisations with significant carbon emissions, while other natural resources legislation (such as water and biodiversity) may become more stringent as scarcity increases.	Medium to long term.	Our net zero carbon commitment for scope 1 and 2 has been made. Scope 3 is in development following establishment of accurate baseline data. This will be our primary climate change mitigation strategy and likely to put us ahead of the commitments made by the UK Government in relation to the Paris Agreement. Taking proactive steps to reduce our emissions means we will significantly reduce the risk or magnitude of penalties from incoming future legislation and other policy requirements.
Legal	The failure to mitigate the impact of climate change and/or adapt to climate change, or insufficient disclosure on material financial risk could see increased litigation against companies and government for damages caused by climate change impacts.	Medium to long term.	Our revenue is increasingly drawn from low-carbon, high-performance assets, and we continue to explore how we can lower emissions through better design, the inclusion of energy efficient appliances and access to renewable energy and battery storage. As such, litigation is likely to be a lower risk for us than other companies which are more energy and resource intensive. The incorporation of ‘green lease’ terms and the need for suppliers to comply with our Supplier Standards Policy will further reduce contractual risks associated with climate impact.
Technology	The timing of technology development and deployment remains a key uncertainty in assessing technology risk. As well as the cost and the unproven nature of integrating new technologies into existing assets, rapid changes in technology can also be challenging to integrate into development timeframes.	Medium to long term.	We duly consider technology improvements such as smart metering, battery storage, artificial technology and renewable energy. We look to create smart buildings to improve environmental performance and ease of operation. We see technology, innovation, and integration as key to delivering lower long-term costs, and increased occupant wellness and productivity.
Market	Investors and markets are increasingly redirecting capital away from products and services that contribute to climate change, impacting stock and asset values. In addition to capital market risks, there is also a risk that the supply and demand for products and services may vary in response to shifting consumer demands and changes in technology.	Short to long term.	We look to future-proof our assets through improved energy and water performance (design and operational), and our investment in renewable energy (on and off-site) reduces the uncertainty and instability of electricity price shocks. In addition to this, we promote best-practice transparency to allow investors to make a most informed choice.
Reputation	An organisation’s action or inaction in transitioning to a lower carbon economy poses a potential source of reputational risk, as occupiers and communities continue to expect more from big businesses. A key reputational risk for Castleforge would be failing to achieve net zero carbon. A second risk is that the assets we build and then sell don’t perform well into the future. Reputational risk has a wider-ranging impact to our business: attracting high-quality partners may become more difficult, governments and communities may resist working with us, and it will be harder to attract and retain top talent.	Short to long term.	Demonstrating our commitment to a low-carbon world and taking leadership in reducing our emissions addresses concerns from our stakeholders on Castleforge’s ability to effectively manage both its impact as well as its climate-related risks. Our strong sustainability credentials and reputation also continue to help us attract stakeholders who consider ESG in their decision-making.

Part B: Physical Risks

Physical Risk		Timeline	Mitigation / Adaption
Extreme temperatures	Hotter days will increase demand for air conditioning and ventilation. This will lead to higher operating costs (energy consumption and maintenance costs). Higher minimum temperatures, particularly in summer months, will mean the use of fresh air for cooling overnight will not work as well. Adversely, cold weather extremes will increase demand on heating supplies, leading to higher operating costs (energy consumption and maintenance costs).	Short to long term.	Ongoing mitigation strategies within our investment portfolio include implementing energy efficiency initiatives (such as installing energy efficient lighting, equipment, and HVAC) to assist in reducing energy loads, as well as retrofitting existing assets to improve the building thermal envelope, whenever capital expenditure is justified. Additionally, there is an opportunity for us to work with our occupiers to establish best practices to aid the delivery of optimal conditions and manage risks during extreme temperature events.
Extreme rainfall	Heavy rainfall intensity is projected to increase.	Short to long term.	Our building management teams proactively check and maintain building envelopes to improve resilience to extreme rain and hailstorms, and, where appropriate, implement effective stormwater management strategies. For those sites under development, Castleforge mitigates the impact of heavy rainfall by implementing flood defence measures, such as pumping equipment and backup generators, and ensuring effective stormwater management. Our development processes further manage these risks through good design which are assessed through certifications such as Wired Score and BREEAM.
Rising sea levels	The projected range of sea-level rise by 2030 is around 0.07 to 0.19 metres above the 1986 – 2005 level. This could lead to restrictions on development approvals for projects on land one metre or less above sea level; increased costs and delays to construction; flooding and damage to property; increased costs from need to invest in flood prevention; business interruption to occupants; and reduced land value.	Medium to long term.	Mitigation strategies include reviewing the location of critical building infrastructure and investing in flood prevention infrastructure. In the planning and design of new developments, we currently consider sea levels and projected increases in floodplains and stormwater as specified by the relevant authorities or experts. For those sites considered for acquisition, flood risk is a key component within our investment decision-making.

APPENDIX 2: OUR REPORT

This is our second annual ESG report, covering the ESG activities of Castleforge Partners Limited (“Castleforge”), for the year ending 31 December 2023. This report is intended to help investors form a view about our ESG credentials.

Unless otherwise stated, environmental data in this report pertains exclusively to the assets and activities within Castleforge’s operational control. Specific environmental performance disclosures are broken down by sector type where appropriate. Some aspects of this report have been completed by our third-party Sustainability Consultants, EVORA Global Limited (EVORA).

No significant changes occurred in Castleforge’s organisation or chain of suppliers during 2023. In addition, to our best knowledge, no serious ESG incidents occurred in 2023.

Scope

The energy, greenhouse gas, water and waste data in this report includes all real estate assets within the Isambard portfolio which are owned or managed by Castleforge. This portfolio is made up of office accommodation only. In future years we hope to extend this to other assets and funds to promote maximum transparency. Where possible, we report on our corporate office occupation which we see as a key reflection of us practicing what we preach.

Coverage

Castleforge works actively to access relevant data for the properties that Castleforge owns and manages. Having access to data is important to Castleforge as the information creates conditions for efficient and sound technical management of buildings. Castleforge strives to access all relevant data as comprehensively as possible.

Normalisation

Castleforge calculate energy and water intensity ratios by dividing energy/water consumption by building floor area. This is the most widely accepted method in Europe to compare energy utilisation and resource consumption.

Segmental Analysis (by Property Type, Geography)

Segmental analysis is conducted by property type for consumption data. The Isambard portfolio consists of one building type, Office, all located in the UK. We report on the split of our energy labels (EPCs) by rating. Asset-level performance data is available upon request.

Reporting on Landlord and Tenant Consumption

Castleforge report on both landlord and tenant-controlled consumption where possible.

Methodology

We have reported on all material ESG sustainability performance measures, using the INREV Sustainability Reporting Guidelines (2016 and the 2023 edition where possible), utilising emissions conversion factors for the appropriate year (UK Government’s Conversion Factors for Company Reporting 2022 and 2023). Like-for-like measures exclude all assets not held for the full two-year period from 1 January 2022 to 31 December 2023 and any assets for which development or major refurbishment has been occurring. Applicable properties refer to the number of properties within our organisational boundaries for this indicator.

Disclaimer

This ESG performance data has been prepared for Castleforge for the agreed purpose by EVORA Global. Reasonable professional care has been taken in the development of this data. Our analysis, conclusions and recommendations are based on information provided to us and EVORA Global cannot be held responsible for the accuracy of this information.

We have clearly identified where estimates have been used to provide indications of performance. Estimates are not a guarantee of current or future performance.

Further, EVORA Global cannot be held liable for any losses or damages incurred by a third party (other than the named client/s) relying on the contents of, or recommendations made in, this report. Such third parties should obtain independent advice in relation to the conclusions set out in this report.

Reporting frameworks

Our report is aligned to the INREV Sustainability Reporting Guidelines (2016) to ensure we are transparently and accurately disclosing our ESG performance in alignment with best practice. In addition, we set out a review of our progress in supporting the UN SDGs which can be found on pages 14 - 15.

APPENDIX 3: CORPORATE ESG PERFORMANCE DATA

Table 1: Business Travel

Impact Area	Units of Measure	2023	2022
Employee Business Travel - Rail & Air transport	Total miles travelled (miles)	158,151	158,151
	Total associated carbon (tonnes CO2e)	39.03	39.29
	Miles travelled by rail (miles)	26,790	38,873
	Associated carbon (scope 3 emissions) (tonnes CO2e)	0.89	2.22
	Miles travelled by air (miles)	128,837	119,278
	Associated carbon (scope 3 emissions) (tonnes CO2e)	37.47	37.07
	Miles travelled in personal cars (miles)	2,523	-
	Associated carbon (scope 3 emissions) (tonnes CO2e)	0.67	-

Notes on Data Coverage:

- Employee business travel is recorded for 2021 and 2022 for rail and air travel, both of which are classed as scope 3 emissions.
- Castleforge is working towards gathering data relating to other forms of business travel including car travel and hotel stays.

Narrative on Performance:

- Business travel-associated emissions have increased from 2021 to 2022 by 75% which is likely attributable to the relaxing of COVID-19 travel restrictions.

APPENDIX 4:
ISAMBARD ESG PERFORMANCE DATA

Table 2: Landlord-Controlled Energy Consumption.

Topic	Metric	Absolute Consumption (kWh)	2023 Like-for-like Consumption (kWh)	Absolute Consumption (kWh)	2022 Like-for-like Consumption (kWh)	Absolute Trend	Like-for-like trend
Absolute and Like-for-like electricity	Total landlord-controlled electricity consumed	2,597,005	2,267,807	2,477,598	2,160,594	5%	5%
	Total tenant-controlled electricity consumed	1,820,889	1,642,656	2,094,929	1,480,266	-15%	10%
	Total electricity consumed	4,417,894	3,910,463	4,572,527	3,640,860	-4%	7%
	Proportion of total electricity generated offsite from renewable sources	92%	99%	91%	99%	1%	0%
	Proportion of total electricity generated and consumed onsite from renewable sources	0.4%	0.0%	0.3%	0.0%	14%	-
	Total electricity consumption data coverage, by area	100%	86%	100%	86%	0%	0%
Absolute and Like-for-like fuels	Total landlord-controlled fuels consumed	1,024,071	86,378	1,099,949	107,999	-7%	-25%
	Proportion of landlord-controlled fuels from renewable sources	0%	0%	0%	0%	-	-
	Total tenant-controlled fuels consumed	1,046,659	378,617	1,188,187	439,254	-14%	-16%
	Total fuels consumed	2,070,730	464,995	2,288,135	547,253	-10%	-18%
	Proportion of total fuels from renewable sources	0%	0%	0%	0%	-	-
	Total fuels consumption data coverage, by area	100%	67.80%	100%	67.80%	0%	0%
Absolute and Like-for-like energy	Total landlord-controlled energy consumed	3,621,076	2354185.286	3,577,547	2,268,593	1%	4%
	Total tenant-controlled energy consumed	2,867,548	2021272.654	3,283,116	1,919,519	-14%	5%
	Total energy consumption	6,488,624	4375457.94	6,860,662	4,188,112	-6%	4%
	Total energy consumption data coverage, by area	100%	77%	100%	77%	0%	0%
	Proportion of landlord-controlled energy consumption and associated GHG emissions that is estimated	20%	0%	19%	0%	4%	-
	Proportion of tenant-controlled energy consumption and associated GHG emissions that is estimated	2%	0%	23%	0%	-1281%	-
	Proportion of total energy consumption and associated GHG emissions that is estimated	11%	0%	21%	0%	-94%	-
	Proportion of total energy which is renewable	63%	73%	61%	77%	3%	-5%
Building energy intensity for Office sector (kWh/sqm/year - GIA)							
Energy Intensity	Building energy intensity for all energy consumed	179.2	153.3	189.5	149.8	-6%	2%

Notes on Data Coverage:

- Absolute and like-for-like energy consumption data is recorded for all Isambard assets (Mountbatten House, Linley House, Broadwalk House and Yorkshire House).
- Like-for-like consumption data is defined for the purposes of this report as data from assets which have been fully complete and operational during the calendar years 2021 and 2022. Assets which were still undergoing development/refurbishment during the reporting period are not included in like-for-like analysis.

Commentary on Performance:

- Like-for-like Landlord electricity consumption saw an increase of 5% from 2022 to 2023, like-for-like tenant electricity consumption also saw an increase of 10% from 2022 to 2023, while like-for-like gas decreased by 18%.
- 100% of the electricity consumed in both 2022 and 2023 was from a renewable source. Renewable electricity generation data is measured at Yorkshire house to reflect the generation and consumption of their onsite solar PV system.
 - Overall like-for-like energy consumption increased by 4% from 2022 to 2023.

Table 3: Greenhouse Gas (GHG) Emissions

Topic	Metric	2023		2022		Absolute Trend	Like-for-like trend
		Absolute Consumption (tonnes CO2e)	Like-for-like Consumption (tonnes CO2e)	Absolute Consumption (tonnes CO2e)	Like-for-like Consumption (tonnes CO2e)		
Office							
Absolute and Like-for-like direct GHG emissions	Direct GHG emissions (GHG Protocol Scope 1)	375	373	302	302	-19%	-19%
Absolute and Like-for-like indirect GHG emissions	Indirect GHG emissions (GHG Protocol Scope 2 Location-Based)	375	373	302	302	-19%	-19%
	Indirect GHG emissions (GHG Protocol Scope 2 Market-Based)	682	682	711	711	+4%	+4%
	Indirect GHG emissions (GHG Protocol Scope 3 from tenant-controlled energy)	0	0	0	0	0%	0%
Absolute and Like-for-like GHG emissions	Total GHG emissions (GHG Protocol Scopes 1, 2 and 3, Location-Based)	1,058	1,055	1,014	1,014	-4%	-4%
	Total GHG emissions data coverage, by area	375	373	302	302	-19%	-19%
Building GHG intensity for Office sector (kgCO2e/sqm/year - GIA)							
GHG emissions intensity	Building GHG emissions intensity (GHG Protocol Scopes 1, 2 and 3; Location-Based)	35.6	24.7	35.9	22.2	-1%	10%
	Building GHG emissions intensity (GHG Protocol Scopes 1, 2 and 3; Market-Based)	20.9	11.7	22.7	10.7	-9%	9%

Notes on Data Coverage:

- Absolute GHG emissions data is recorded for all Isambard assets (Mountbatten House, Linley House, Broadwalk House and Yorkshire House).
- Like-for-like consumption data is defined for the purposes of this report as data from assets which have been fully complete and operational during the calendar years 2021 and 2022. Assets which were still undergoing development/refurbishment during the reporting period are not included in like-for-like analysis.

Commentary on Performance:

- Like-for-like total GHG emissions increased by 10% from 2022 to 2023.
- Like-for-like scope 1 emissions have decreased by 25% while like-for-like scope 3 emissions increased by 10%. This is likely due to meters being reallocated correctly to tenant control rather than landlord control, making these emissions scope 3 rather than scope 1.

^[1] Scope 3 emissions in this data table refer to tenant energy consumption where this is available. In this report, this refers to Yorkshire House's tenant electricity consumption.

Table 4: Water Consumption

Topic	Metric	2023		2022		Absolute trend	Like-for-like trend
		Absolute Consumption (m3)	Like-for-like Consumption (m3)	Absolute Consumption (m3)	Like-for-like Consumption (m3)		
Office							
Absolute and Like-for-like water	Total landlord-controlled water consumed	22,861	19,150	17,926	15,637	22%	18%
	Proportion of landlord-controlled water consumption data that is estimated	1%	0%	0%	0%	100%	-
	Total tenant-controlled water consumed	3,370	3,370	2,289	2,289	32%	32%
	Proportion of tenant-controlled water consumption data that is estimated	0%	0%	0%	0%	-	-
	Total water consumed	26,231	22,519	20,215	17,926	23%	20%
	Proportion of total water consumption data that is estimated	1%	0%	0%	0%	100%	-
	Total water consumption data coverage, by area	100%	100%	100%	100%	0%	0%
Building GHG intensity for Office sector (kgCO2e/sqm/year - GIA)							
Water intensity	Building water intensity for all water consumed	0.7	0.6	0.6	0.5	23%	20%

Notes on Data Coverage:

- Absolute and like-for-like water consumption is recorded for: Yorkshire House, Mountbatten House, Linley House and Broadwalk House.
- Like-for-like consumption data is defined for the purposes of this report as data from assets which have been fully complete and operational during the calendar years 2022 and 2023. Assets which were still undergoing development/refurbishment during the reporting period are not included in like-for-like analysis.
-

Narrative on Performance:

- Like-for-like water consumption has increased by 20% from 2022 to 2023. Water data provided is sourced from meter readings and invoices.

Table 4: Waste Generation

Topic	Metric	2023		2022		Absolute trend	Like-for-like trend
		Absolute Consumption (tonnes)	Like-for-like Consumption (tonnes)	Absolute Consumption (tonnes)	Like-for-like Consumption (tonnes)		
Office							
Absolute and Like-for-like waste	Landlord-controlled recycled	51.6	51.6	47.6	47.6	8%	8%
	Landlord-controlled incineration (with and without energy recovery)	73.8	73.8	72.8	72.8	1%	1%
	Landlord-controlled landfill (non-hazardous)	0.0	0.0	0.0	0.0	-	-
	Total landlord-controlled waste generated	125.4	125.4	120.4	120.4	4%	4%
	Proportion of landlord-controlled waste generation data that is estimated	74%	74%	0%	0%	100%	100%
	Total diverted from landfill	100%	100%	100%	100%	0%	0%
	Total non-recycled	59%	59%	60%	60%	-2%	-2%
	Proportion of total waste generation data that is estimated	78%	78%	0%	0%	100%	100%
	Total waste generation data coverage, by area	68%	68%	68%	68%	0%	0%

Notes on Data Coverage:

- Absolute and like-for-like waste data has been recorded for 2022 and 2023 including some estimation. Waste data for Yorkshire House has not been received for either reporting year. Narrative on Performance:
- Absolute waste generation has increased by 4% from 2022 to 2023.
 - All waste reported is diverted from landfill to either recycling or incineration facilities.

Table 5: Green Building Certifications

Type of Certification	Name of certification	Number of certified properties	2022	2023	
			Percentage of portfolio certified (by floor area)	Number of certified properties	Percentage of portfolio certified (by floor area)
Mandatory Certifications	EU Energy Performance Certificate	4 of 4	100%	4 of 4	100%
Voluntary Certifications	BREEAM (or equivalent)	4 of 4	100%	4 of 4	100%

EU Energy Performance Certificate	Proportion of 2023 Portfolio by Floor Area
EPC rated A	0%
EPC rated B	20%
EPC rated C	47%
EPC rated D	23%
EPC rated E	11%

Notes on Data Coverage:

- All assets in the Isambard portfolio were covered by valid EPCs during 2022 and 2023.
- All assets in the Isambard portfolio were accredited with WiredScore and ActiveScore during 2022 which were valid in 2023. All assets also achieved BREEAM In-Use certification in 2023.

