



Invest Well: ESG Strategy

Urban Splash
Residential Fund

urbansplash

Invest Well — Our Commitment

A strategy not a policy.

A culture, not a tick box exercise.

Invest Well, do so by Design and by default. These principles underpin our ESG Strategy at the Urban Splash Residential Fund. Investing responsibly is not just about doing the right thing with your funds. We want every investor to have confidence in the financial and social impact return of their investment. Our approach to ESG is to build that confidence by evidence basing our impact and investing in a real-time strategy, reporting on our actions quarterly, not just yearly.

Our investments make a difference for our investors, society, our communities and the wider world and we have a very deliberate focus on evidencing our social impact across people, planet, place and procurement. We measure ourselves locally, using external verification tools to evidence and improve on our work in communities, and we measure ourselves globally, committing to the UN's Social Development Goals and other initiatives such as the Race to Net Zero.

High quality homes matter as much as great spaces to play, rest and connect with nature. The award-winning developments we invest in all have one thing in common – high levels of community investment. Investing in those living, working, delivering in our communities strengthens all aspects of our portfolio. It fundamentally helps us to present you with great opportunities, manage risks, improve the performance of assets, all whilst ensuring we collectively make a financial return equal to that of the social return for people, place and planet and quite often doing so through ever greater ethical procurement relationships.

The Urban Splash Residential Fund is guided by a framework called Live Well by Design, the guiding design, brand, investment and communication philosophy for all Urban Splash communities. The principles of this are carried over into the ESG reporting and the focus of the Charitable Trust. Whilst the Fund acquires assets within the communities where these values have been applied, we also work on additional collaborations with the Charitable Trust to support unique opportunities to demonstrate our commitment. A recent example (summer 2020) is our commitment to launching the very first Art House with Urban Splash at Port Loop. Together we have supported the award-winning, locally rooted arts organisation – MAIA Group, to launch YARD, moving into one of our properties with artists living and working there, with the community, for and in the community. This collaboration led to over £90,000 of funding being leveraged to support the two years of the current collaboration.

Our ESG strategy is a journey. We are learning and making changes to the way we work all the time. We take seriously the importance of externally verifying and baselining our impact, showing measurable improvements that seek to set the standard in our sector, but we have a long way to go yet. Our commitment to you is simple. Transparency.

Check back here throughout the year as we update our strategy, share our evidence and ambitions for further positive action and impact.



John Forbes

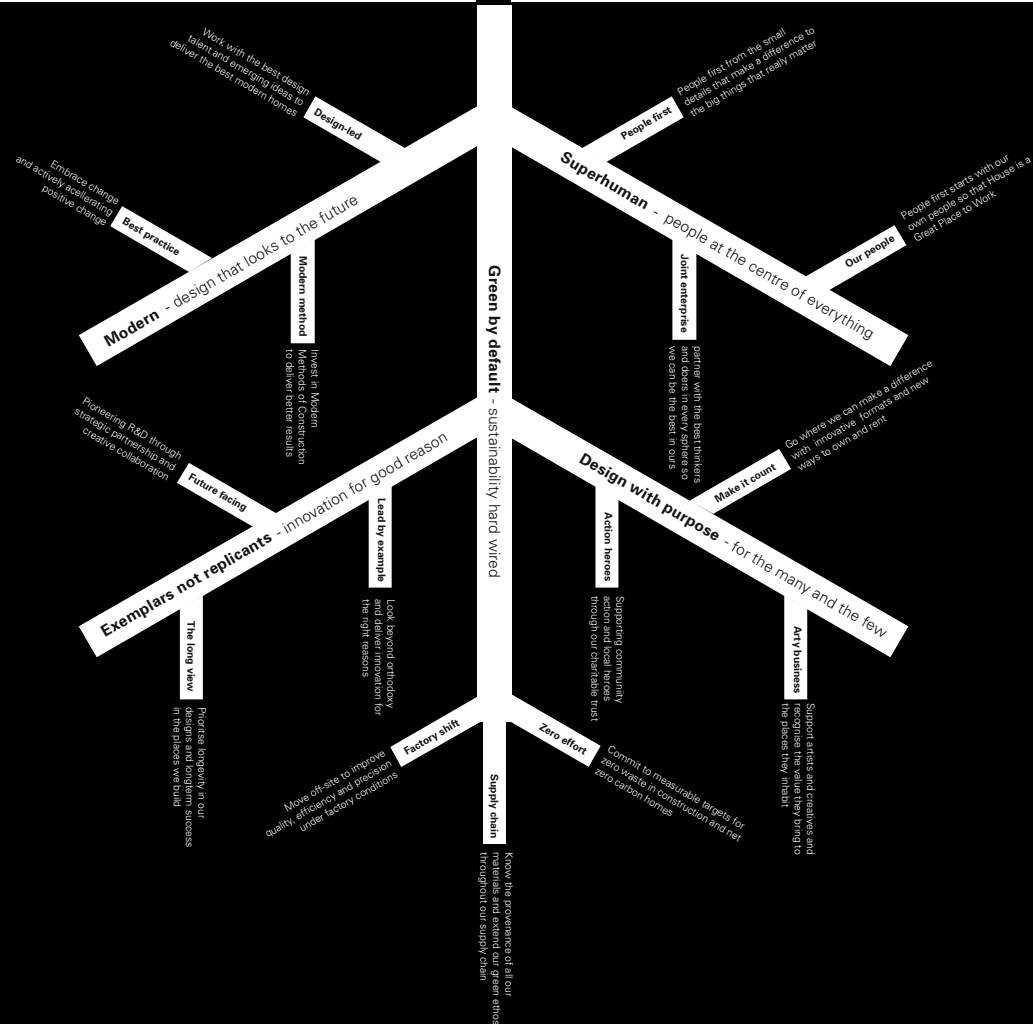
Chair, Investment Committee

Live Well by Design



Live well - this is the bit above ground, the bit everyone can see. This is where everything bears fruit and come to fruition. The part where we show what we do. The part on which we will be judged. When we are talking about living well it is things that every housebuilder can and should do, things that can have a real impact in our daily lives. In a sector that works in pounds per square foot, it's the things that can't be monetized that often get overlooked. So we have set out five universal principals that we believe will make our homes and neighbourhoods great places to live well at all ages.

By design - this is the bit below ground, it's mostly hidden from view. This is how we work. These are our company values and corporate culture. It is where we find inspiration and draw strength. When we talk about living well by design it's not about designer trims and trappings but about design with real intent. It's about design as a means to an end not an end in itself. A commitment to design means working with leading architects to design homes and neighbourhoods that are exemplars not replicants, that work for people and that they can make their own. And by happy coincidence design with true purpose is truly beautiful.





People

People make the difference. We invest in skills, collaborating with schools, colleges and others to deliver training, internships, apprenticeships and creating jobs. Our staff, customers, communities, partners, investors, collaborators and the many people we invest in help to define our values and ESG strategy. We want our people to thrive. Together we can maximise our potential and our strategy of embracing and fostering diversity is matched by our approach to developing talent and opportunities where others might not see it.

The Charitable Trust is collaborating in 10 schools across communities where we have invested funds, including Birmingham, Sheffield, and Manchester, investing in a skills programme and connecting employees across the Urban Splash companies through mentoring and staff volunteering opportunities to inspire the next generation.

The Residential Fund is committed to an active role in the UN's Social Development Goals:



Planet

Our investments are in communities and buildings where we increasingly understand the impact on the environment and put plans in place to improve on every measurable indicator. In construction and in-use is the current focus of Urban Splash's work towards a carbon positive future and ambitiously, to achieve Carbon Zero by 2030. That includes homes, where we are increasingly focussing on modern methods of construction, our offices and the commercial spaces. Externally verified benchmarking processes on our homes are underway and we plan to report on improvements every quarter.

When it comes to what this means locally - green by default is our mantra. Urban Splash is investing in numerous initiatives to deliver sector leading impact that matters to our customers. Initiatives include academic collaborations to carry out plastic audits so we can identify where in our construction process we can minimise plastics. We also have a growing ecology focus, seeking to exceed expectations on developer's investment in bird boxes, collaborating with the RSPB to deliver new innovations with our modular homes. The Urban Splash group of companies are also members of the Race to Net Zero, a United Nations led campaign to deliver action and commitments on climate change in the run up to COP26 in 2021.

The Residential Fund is committed to an active role in the UN's Social Development Goals:





Place

Our assets perform well when our places perform well. Urban Splash is well recognised for its multiple award-winning approach to placemaking and community engagement. Collaborating with those living and working in the community to deliver quality place-based solutions, with, for and by the community is a priority.

During COVID19 we have seen the outcome of our approach to community investment lead to residents organising their own local events and neighbour support schemes. The community has thrived during difficult times with their own cinema nights, projecting films onto the sides of our properties for socially distanced outdoor film nights and using the park, canals and organised sessions to support their mental and physical wellbeing.

The Residential Fund is committed to an active role in the UN's Social Development Goals:



Procurement

Every penny we spend matters. How we invest, secure investment, spend and procure matters. At a local level we are shifting to a 'buy social, buy local' approach to procurement. This covers everything from the things we buy for our colleagues to stock our offices, to the way we work with subcontractors to develop our sites. At a national and global level, we invest in, secure investment from and procure from companies and individuals who share our values and approach to ESG. All Urban Splash companies are undertaking reviews on procurement to identify further opportunities to achieve social impact through ordinary procurement spend.

We are a proud supporter of Social Enterprise UK, the national body for social businesses in the UK. Through this partnership the Urban Splash companies have already made some simple shifts. We are proud to buy our sanitary products from the award-winning social enterprise Hey Girls. Washing our hands has never been so important and so our offices and sales homes now feature hand wash from award-winning social enterprise The GoodWash Company. This is just the beginning and we will update quarterly on further shifts towards greater social impact.

The Residential Fund is committed to an active role in the UN's Social Development Goals:



Research and Innovation

Our approach to ESG is bolstered by the research and innovation work of House by Urban Splash and the charitable giving of the Urban Splash Charitable Trust. All the companies in the Urban Splash family share the same brave attitude and passion for leaving a positive mark on the world and support all of the UN's Social Development Goals but we have a clear approach to putting our shared values into practice.

This year (summer 2020) House by Urban Splash launched Future Lab. Future Lab is a research and innovation division of House by Urban Splash, a place within the House company to think beyond immediate horizons at the future of housing, and the ways in which we can all Live Well by Design™.

Working with partners and collaborators from academia, government and industry, Future Lab explores the impact of environmental, social and technological changes on the ways we may want, and need, to live in the future. Underpinned by continuous engagement with existing and potential customers, Future Lab undertakes ambitious research projects which aim to produce new knowledge, solutions and opportunities which radically change the way in which we design, build and ultimately live in healthy, happy, sustainable homes and communities.

The lab is a semi-autonomous, slightly maverick arm of House by Urban Splash, allowed a certain freedom to explore ideas, experiment and genuinely test exciting new ways of working and delivering our manifesto Live Well by Design™. In many ways Future Lab retains the punk roots of the parent company Urban Splash, with a belief in non-conformity, and an ever-open mind.

Charitable Trust

We collaborate closely with the Urban Splash Charitable Trust. The Trust receives funds from the Urban Splash group of companies and provides a wide range of grant support, expertise support and collaborative programmes in all of our communities. Every member of staff, including the Residential Fund team, can access the Staff Fund to support community initiatives of their choice (£100 each per year for 240 staff). The Fund has already been at the heart of some of the biggest initiatives launched by the Trust this year including the new Art House at Port Loop and has further plans for a pilot initiative supporting West Midlands Combined Authority with a new homelessness (families) pilot.

The Trust also leads on bringing in external grant funding to support social innovation projects which look at new ways to use the technology, products, funds and manufacturing processes to deliver targeted social impact. A current example is a multi-million pound collaboration being supported by UKRI to develop a new approach to configuring our homes enabling people with early onset dementia to live well for longer in our homes – aiming to deliver savings to the current £30bn cost to the state because of the current market gaps.

The Trust is led by Gemma Gordon who also leads on the ESG Strategy, ensuring we have clear leadership on the full breadth of social impact commitments and reporting process for our stakeholders and investors.

Governance

A strong ESG Strategy requires strong and transparent governance. The Urban Splash group of companies is committed to a journey towards ever greater transparency and locking in the commitments to delivering social impact, and new measures are being reported quarterly to detail our progress.

For the Fund, we focus on clear and strong leadership, quarterly reporting on our ESG impact and being open to new ideas from our investors. Our Governance structure is shown opposite.

The fund's robust governance structure comprises separate Investment and Risk Committees, and a combined 140 years of real estate and fund management experience. John Forbes, who previously led PwC's real estate industry practice in Europe, acts as independent chair of the Investment Committee. John also chairs the UBS Triton Property Fund, which received the 2020 AREF Investors' Award for outstanding achievement as a result of its exemplary governance and demonstrable ESG achievements. STAR Capital, a full threshold manager with over 20 years' fund management experience, acts as the fund's FCA authorised and regulated AIFM. STAR's Managing Partner (Paul Gough) and General Counsel (Elizabeth Judd), who each have over 20 years' experience acquiring and developing asset-based businesses, both sit on the fund's Risk Committee.

Investment Management



John Forbes
Chair,
Investment Committee
Experience — 32 years



Paul Gough (co-founder)
Investment Committee,
Risk Committee
Experience — 26 years



Elizabeth Judd
Risk Committee
Experience — 22 years



Akeel Malik
Fund Manager
Experience — 5 years

Residential Property



Tom Bloxham MBE
(co-founder)
Investment Committee,
Urban Splash Chairman
Experience — 30 years



Julian Cumuck
Investment Committee,
Risk Committee,
Urban Splash FD & COO
Experience — 29 years



Katie Dean
Director,
Urban Splash
Experience — 19 years



Guy Ackemley
Residential Director,
Urban Splash
Experience — 22 years



Claire Kober
Chair,
House by Urban Splash
Experience — 18 years



Kenta Konishi
CEO,
Sekisui House UK
Experience — 16 years



Shelley Green
Residential Lettings
Manager, Urban Splash



Rachel Thomas
Interior Design,
Urban Splash

Regeneration, ESG and Innovation



Mark Latham
Regeneration Director,
Urban Splash
Experience — 17 years



Suzy Jones
Director of Future Lab,
House by Urban Splash



Gemma Gordon
People and Culture
Director,
Urban Splash
Experience — 16 years

For more details on our ESG Strategy and the work of our Charitable Trust, contact

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