



Sustainability Report

2019-2020

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About this report

This is our sixth annual sustainability report, and it covers the financial year for Curlew Capital from September 2019-August 2020 reporting period.

We have performed a new materiality assessment in 2020 and its results informed the content of this report. We are mainly focussing on the main materiality aspects of our operations but for the sake of transparency, we are also covering some aspects of our main service providers' operational impact produced on our behalf.

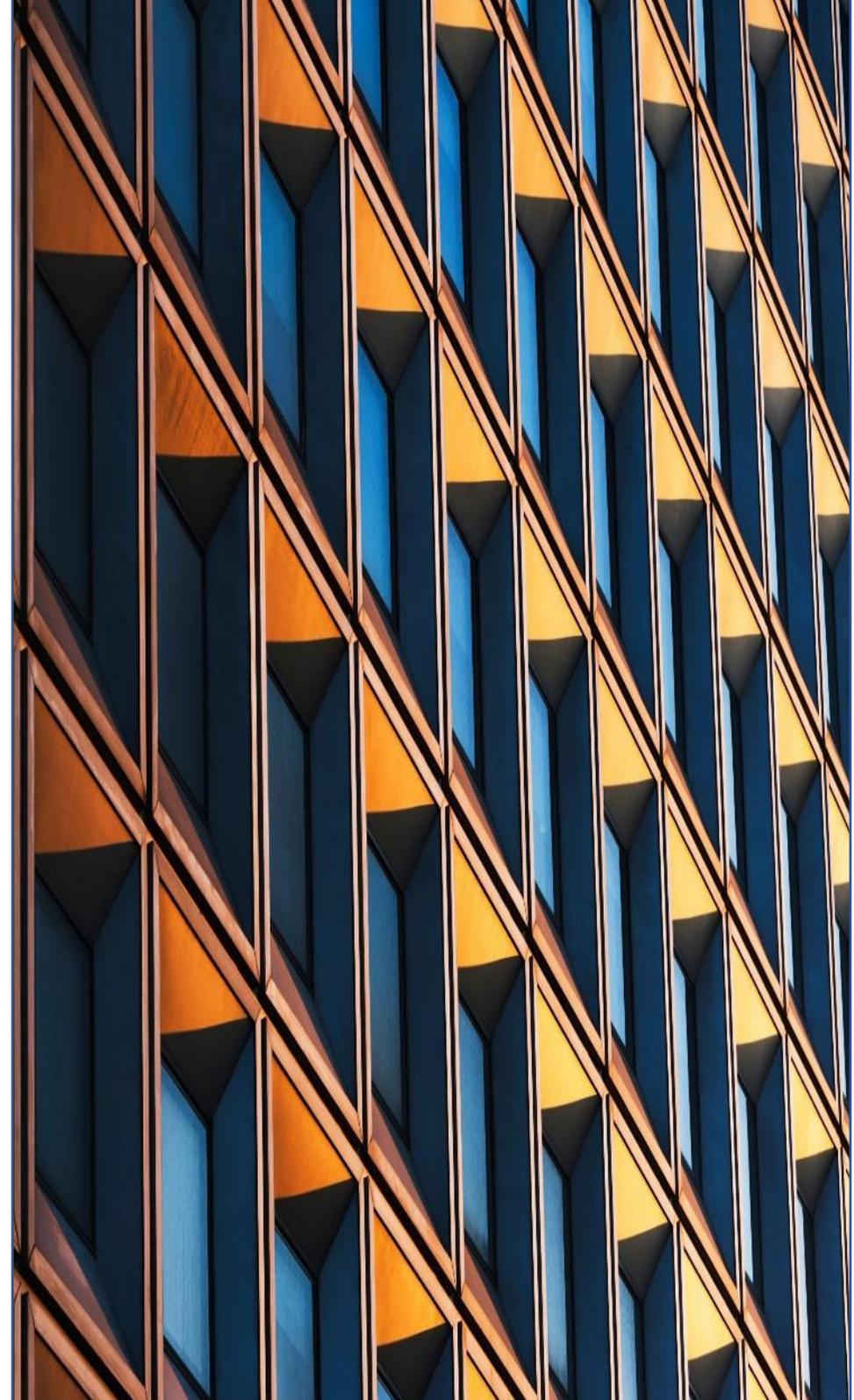
This report covers:

- The company & its funds under management
- Our operating assets
- Our governance and sustainability management
- Our ethics and policies
- Our performance

As part of our reporting process, this report is prepared in accordance with the Global reporting Initiative standard and the reference table can be found at the end of this document. Our overall reporting exercise includes:

- United Nations Global Compact COP (Communication on progress)
- United Nations PRI (Principle for Responsible Investment)
- Greenhouse Gas Inventory (included in this report)
- GRESB Survey

To demonstrate our commitment to sustainability and transparency, this report is publicly available from our website: curlewcapital.co.uk/esg



Foreword

Dear Stakeholders,

We are pleased to present our sixth annual sustainability report.

Building upon the establishment of CST2 and the integration of the Curlew Opportunities' team, Curlew began the year monitoring the delivery of the four Forward Fundings in the portfolio, the planning process on the three Developments and continued to manage the nine remaining assets in the CST1 portfolio.

The Barn, Exeter was shortlisted and Highly Commended for the Private PBSA Development of the Year and Curlew Capital shortlisted for Investor of the year, at the 2019 Student Accommodation Awards.

This was all against a backdrop of continued economic uncertainty during the final Brexit negotiations and subsequent disturbance caused by our exit from the EU. This disruption paled into insignificance towards the end of the reporting period as it became increasingly clear that the World was descending into a global Pandemic.

Despite the ongoing turmoil the reporting year ended with two Forward Funding PBSA deals under offer, which if closed would take the CST2 portfolio to eight assets of which four are developments.

In this sixth annual report, we demonstrate our progress in, and ongoing commitment towards implementing our ESG agenda

throughout the business and outline our increasingly comprehensive reporting in this space.

This report highlights some of the principles and methods we are utilising to drive our sustainability programme, including our participation in the UN Global Compact (UNGC), the UN Principle for Responsible Investment (UNPRI) and Global Real Estate Sustainability Benchmark GRESB. We are committed to measuring and publicly reporting our ESG performances and we also conduct reliable financial reporting through accurate accounting processes.

We have also participated in our sixth GRESB return, now including CST2, highlights include:

- CST2 Ranked 2nd (out of 14) for United Kingdom Residential: Student Housing peer group
- CST1 Ranked 4th (out of 14) for United Kingdom Residential: Student Housing peer group
- Policies Score: 83% vs 65% in 2019 - +28% increase year on year
- Stakeholder Engagement Score: 63% vs 56% in 2019 - +12.5% year on year
- Certifications Score: 79% vs 45% Peer Group average
- Risk Management Score: 88% vs 79% in 2019 (+11.4% increase) vs 76% Peer group average

Given our part-focus on direct developments, we continue to look for

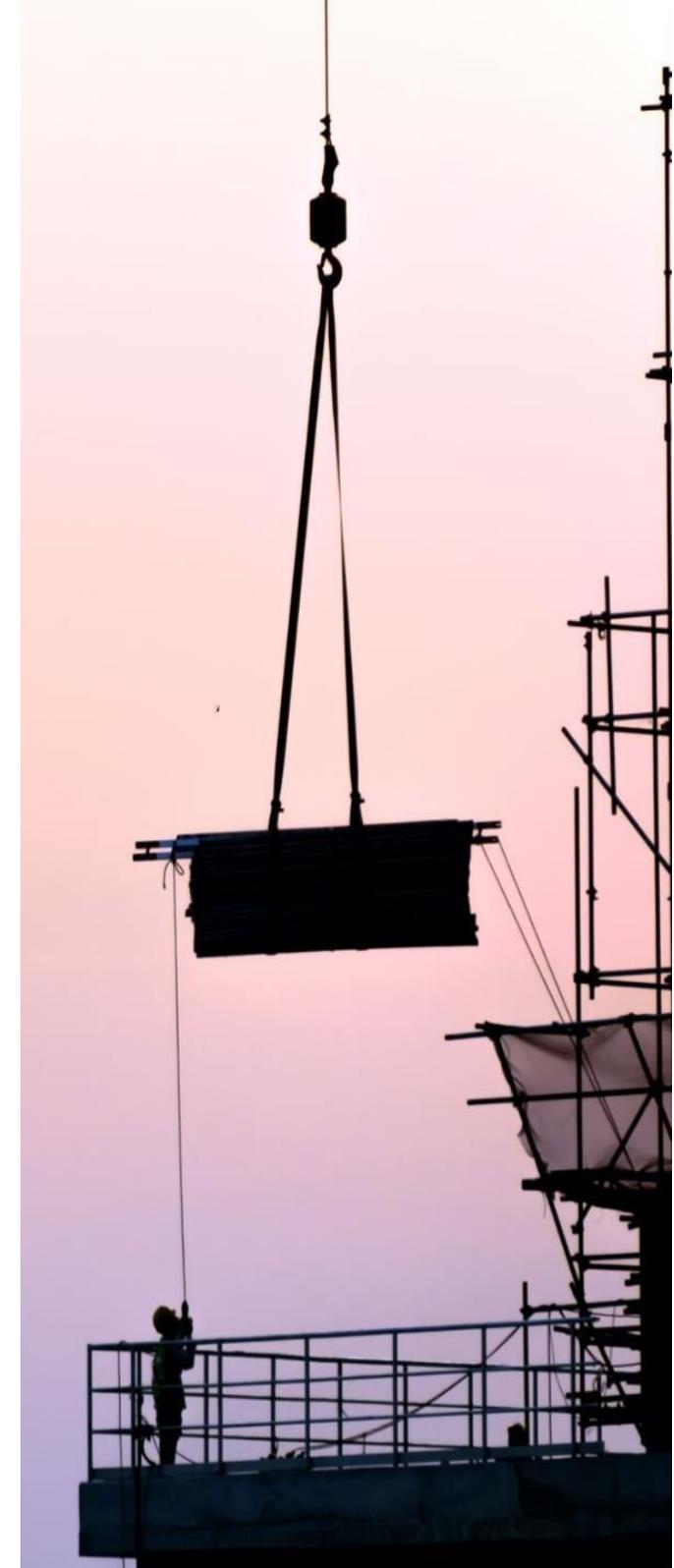
suitable benchmarks on which to rate our performance against, not just during construction - where appropriate, all our own developments will target BREEAM Ratings of Excellent - but also post completion, during the operational life of the asset. Sustainability, Health and Wellbeing are now also becoming increasingly important to our tenants and so we must prove to them that we consider these elements when designing, developing and operating their residences.

We must constantly strive to improve our performance across all E, S and G aspects, setting appropriate performance targets and reporting on progress to demonstrate our clear commitment to sustainability.

Over the next reporting period, we look forward to evolving and setting ambitious targets for 2030 and beyond.

We hope you find this report insightful.

Paul Oliver



Curlew Capital

Curlew is a privately owned, UK based, real estate business, focusing on the Development and Investment Management of Alternative Real Estate Assets and Funds. Founded in 2011, the company has raised and invested over £1.1bn through Indirect Funds and Direct Single Accounts across the UK and The Netherlands.

Since inception our focus has been on the emerging alternative sectors of real estate. Our first fund, Curlew Student Trust (CST I), was created in 2013 to provide institutional investors with access to high quality UK Purpose Built Student Accommodation (PBSA). Following the success of the first fund, we launched Curlew Student Trust II (CST II) in 2018.

Taken together, the 2 funds equate to [c.4,000] beds in 9 operational assets and 7 developments spread across 13 university towns within the UK with an extensive committed pipeline of forward funding and developments in CST II.

Curlew's investment policy is to target high-quality University cities with favourable demand/supply dynamics. The strength of our site location within cities has enabled us to drive consistently high occupancy across our schemes, translating into strong rental growth since inception. In addition, our strategic drive to be in prime, predominantly Russell Group University cities, has meant we have benefitted from stronger yield compression compared with secondary PBSA

locations. Prime University cities have also remained resilient during the pandemic, providing downside mitigation via stable yields that few other real estate sectors have matched. This has enabled Curlew to deliver superior risk-adjusted portfolio returns through a combination of rental and capital growth, high occupancy and low leverage.

Our extensive in-house specialist knowledge enables us to acquire sites via forward funding arrangements or direct development opportunities, both unconditionally and subject to planning. We have also expanded our remit to include PBSA led mixed-use schemes.

This flexibility enables us to acquire the best located sites, deliver additional return to our investors through discount and profits, and importantly offers greater control of the ESG credentials of our assets from day 1. This ensures that any new acquisition helps us to meet our goal of net zero emissions by 2030.

Curlew expanded in 2017 by launching Curlew Opportunities, focussed on development and Curlew Communities, focussed on the Built to Rent residential sector.

Curlew Opportunities

Since its inception in 2017 Curlew Opportunities has been providing development services to Curlew Capital. Initially this role was limited to assisting on non-core elements of the PBSA portfolio but has quickly turned to the management of

direct development schemes and, assisting in the forward funding projects, utilising the development experience of the team.

We have four direct development schemes under management currently totalling circa £175m in value and are involved in providing services to three other forward funding projects.

Covid 19 has brought a new set of problems to the sector and we have worked closely with Curlew Capital to manage the ongoing projects through these difficult times. Curlew Opportunities did not have any new openings throughout this period however we did enter into a Conditional Contract to acquire a prime PBSA site in Manchester.

Curlew Communities

This new vehicle offers institutional investors stable long-term income-led returns from this structurally undersupplied sub-asset class. The strategy is to create new 'mid-market' build-to-rent assets (single family houses, and multi-family apartment blocks) and manage them to produce steadily growing income returns.

The Curlew Communities team has been working with developers, and agreeing forward-funding arrangements to deliver purpose-built, professionally managed, mid-market private rented residential assets. A seed portfolio is ready for investment and will be brought to the funding market in 2021



Key Numbers



1891

Beds in



-10%

Energy reduction yoy



80%

BREEAM certified
"very good" or above

9

Operating assets with

-14%

Water reduction vs
base year

2

GRESB rated funds

97%

Occupancy rate

-36%

GHG reduction year
on year

7

Green Stars

90%

Tenants' Satisfaction



Potterrow, Edinburgh
151 beds



Potterrow II, Edinburgh
52 beds



Cricket Field Court, Exeter
159 beds



The Shield, Newcastle
409 beds



Dun Holm, Durham
276 beds



The Barn, Exeter
150 beds



The Lantern, Liverpool
412 beds



Packsaddle, Falmouth
124 beds



Bridge House, Glasgow
128 beds



Curlew Student Trust I

Following the sale of 16 of the assets within Curlew Student Trust (CST) in early 2018 and the recent opening of five assets, the fund is now a fully stabilised portfolio of over 1,800 PBSA beds located in nine operational assets. It brings together Forward Funded assets alongside direct developments. This includes the Potterrow 2 development in Edinburgh, which was shortlisted for the Student Accommodation Development of the Year at the 2019 Scottish Property Awards.

The Fund also won an MSCI Real Estate Data Quality Award, achieving an average score above 95% across all funds during 2018 reporting. This award recognises Curlew's achievement with regards to the transparency and validity of the submitted data and the overall sustained and timely engagement throughout the data provision process.



G R E S B
★ ★ ★ ★ ★ 2020



Curlew Student Trust II

CST2 has achieved a strong start in delivering its investment strategy of blended Forward Funding and Development projects.

The four forward funding assets in Sheffield, Coventry, Leeds & Norwich are due to become the first stabilised assets in this Portfolio, delivering over 1,600 PBSA beds for the 2020/21 academic year.

These are to be followed by development projects in Exeter, Brighton and London which are at various points in the pre-planning and planning process.

These developments are to be directly managed by Curlew Opportunities, allowing us to impart the knowledge and experience gained across the funding and operation of our 26 previous assets.

The acquisition team continues to look for further land, development, and funding opportunities to grow the fund.



FORWARD FUNDING



Gulson Road, Coventry
462 beds



The Gate, Sheffield
455 beds



The Refinery, Leeds
407 beds



Benedict's Gate, Norwich
302 beds

DEVELOPMENT



London Road, Brighton
232 beds



Poland House, London
259 beds



Harlequin Centre, Exeter
325 beds



Covid Management

Since the start of the Covid-19 pandemic, Fresh Student Living - our main property manager, have worked hard to ensure resident and staff safety. FSL has developed a COVID safe working standard that has been accredited by the HSE and through the control measures, procedures and practices put in place, they have been awarded Covid-secure accreditation from the British Safety Council (BSC).

Some of the measures put in place by Fresh are:

- Tracking of positive cases – QR codes located on posters throughout the building can be scanned using mobile phones to alert site teams so they can take further action in supporting students isolating in the building
- Services for self-isolating students – Fresh staff complete regular welfare checks on students who are self-isolating. Fresh have ensured food and medication is delivered by site teams to students' rooms along with other parcels.
- Virtual events – through the wellbeing program "Be" Fresh have aimed to ensure residents feel part of the wider building community by hosting a variety of events online and socially distanced, including quizzes, virtual city tours, dress your room competitions and drawing competitions

In terms of operation, we are fortunate that there has been minimal impact as a result of the COVID-19 pandemic.

There were four schemes to be delivered into operation this year, namely Coventry,

Sheffield, Leeds and Norwich. COVID-19 and the restrictions and lockdown that accompanied this have proved challenging for our construction and delivery partners with labour and materials all being adversely affected. However, through all this adversity and restrictions 3 of the four schemes were successfully delivered in time for the students to move in. The scheme that has not yet opened is Coventry which has been affected by a range of issues and not just COVID.

Curlew has worked very closely with Developers and Contractors to ensure that sites remained safe and operational. All sites implemented local systems of track and trace, kept labour in separated groups, developed additional canteen and changing space to allow social distancing and introduced one-way systems around the buildings to keep separation.

Most of our ongoing development projects have been at design and planning stage and, there has been limited impact with our operations with many in the property industry moving seamlessly into working from home utilising the numerous online media platforms to facilitate virtual meetings.

We have held meetings with a number of key consultants and contractors throughout this period to ensure consistency and manage any issues which have arisen. This has resulted in ensuring key orders with the supply chain are made early (such as bathroom pods and electricity orders) and in some cases the securing and payment of materials off site for our projects to ensure

delivery dates aligned with programme activities.

Covid-19 has brought a number of unprecedented events for the sector to deal with. However, the industry has proved in many cases to be equal to the task and combined with the reactive and collaborative approach we have implemented, we have to a large extent successfully managed the difficulties we have encountered on our various projects. We believe that by working closely with our supply chain and key consultants, and ensuring we look ahead to identify early any obstacles or potential difficulties, we can continue to avoid any significant issues.



Human Capital

Curlew has 20 investment, development, and finance executives with strong specialist experience in the PBSA industry. These are broadly split across Acquisitions, Project Delivery and Finance teams and cover all three entities.

Curlew Capital has bolstered its team with four new hires as part of its ambitious growth plans in the UK Purpose Built Student Accommodation sector.

Curlew



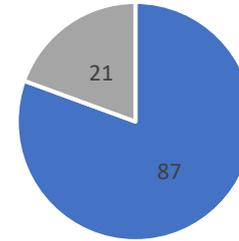
Curlew Opportunities



Curlew Communities

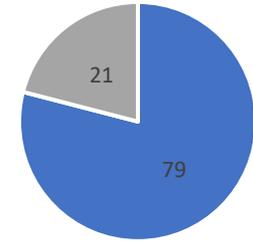


Employment Type



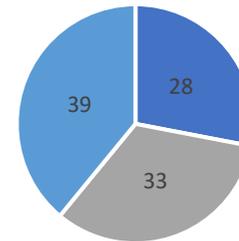
■ Employees ■ Consultant

Gender Diversity



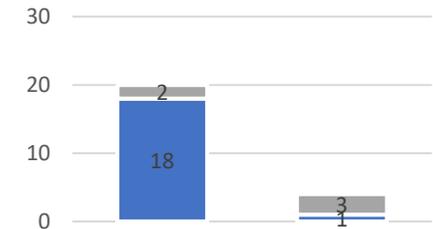
■ Male ■ Female

Age Group



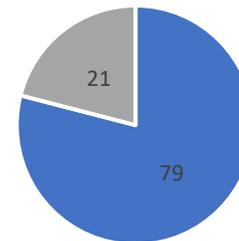
■ < 30y/o ■ 30-50 y/o ■ > 50 y/o

Employment Type by Gender



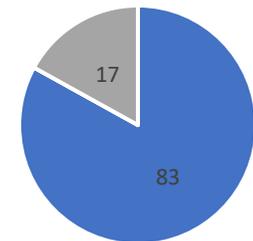
■ Male ■ Female

Diversity



■ White ■ Bame

Regional Diversity



■ UK ■ EU

Stakeholders

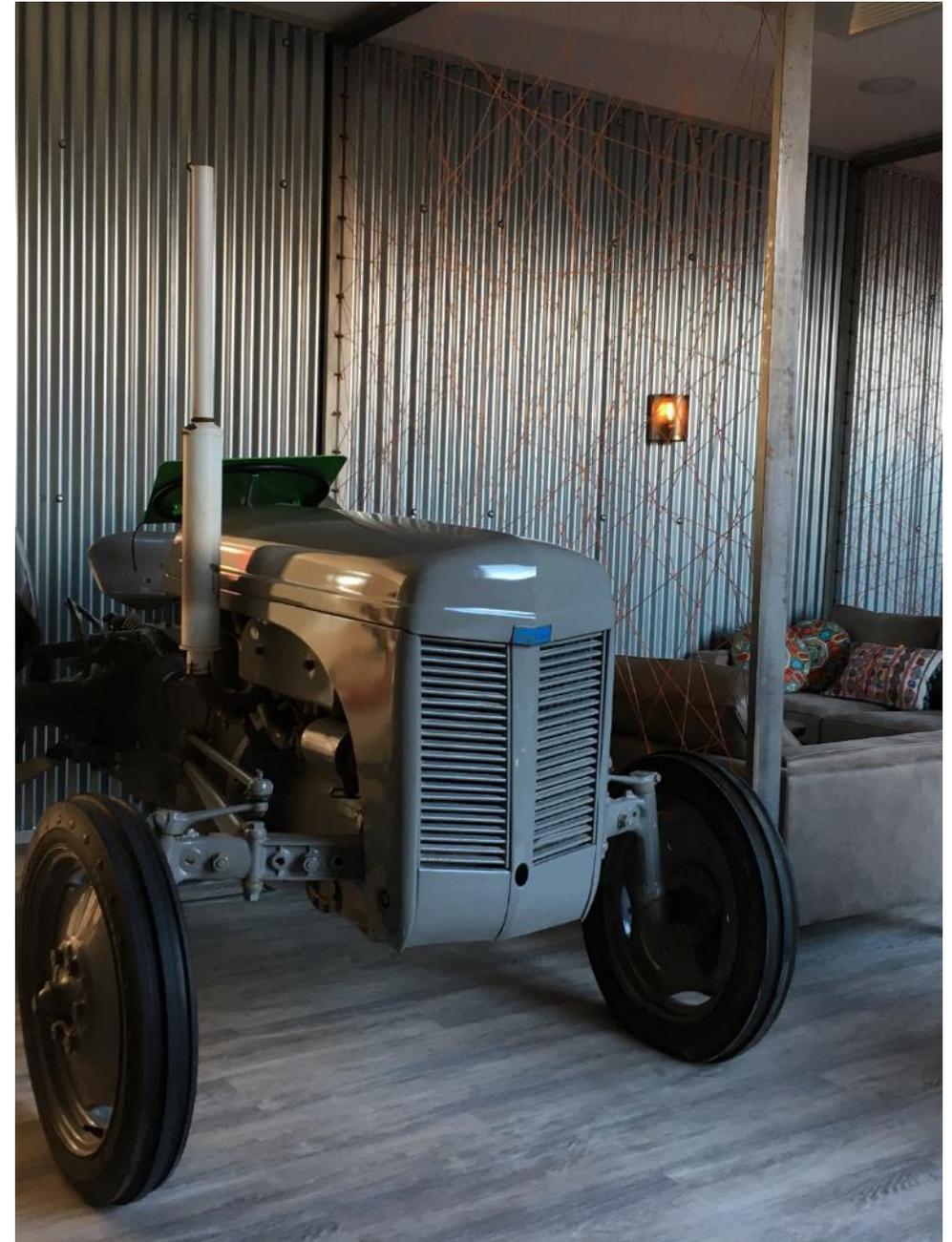
We know that our stakeholders are the key to our success and maintaining strong relationships is critical to the sustainability of our business. To ensure that we continue to deliver value – social or financial – we have a strong stakeholder engagement policy in line with our business objectives and includes measures such as customer satisfaction survey, employee satisfaction survey, local impact assessment and clear and transparent reporting processes.

Curlew is managed by a small team, but we understand that our business impacts local communities, our student tenants, our service providers, and contractors’ employees. Curlew will provide appropriate sustainability training and development for its staff and will encourage them to apply sound sustainability practices at work, at home and within the wider community.

We are implementing measures to ensure that our services providers and contractors are involved and committed to our sustainability policies by adhering to our “Service Providers Code of Conduct”.

Stakeholder Engagement Channels

OUR MAIN STAKEHOLDERS	ENGAGEMENT CHANNELS
Investors	<ul style="list-style-type: none"> ■ Annual general meeting ■ Annual & interim reports ■ Regular consultations ■ Sustainability Report ■ GRESB survey ■ UNGC Communication on progress ■ PRI Report
Service Providers	<ul style="list-style-type: none"> ■ Regular work meetings ■ Annual Supplier performance review ■ Sustainability Self-Assessment ■ Service providers code of conduct
Tenants (Students)	<ul style="list-style-type: none"> ■ Satisfaction Survey ■ Social media ■ University Sport team sponsorship ■ Sustainable Living guide
Local Communities	<ul style="list-style-type: none"> ■ Sustainability Report ■ Socio-economic impact assessment ■ Pre-planning consultation



Student Satisfaction Survey

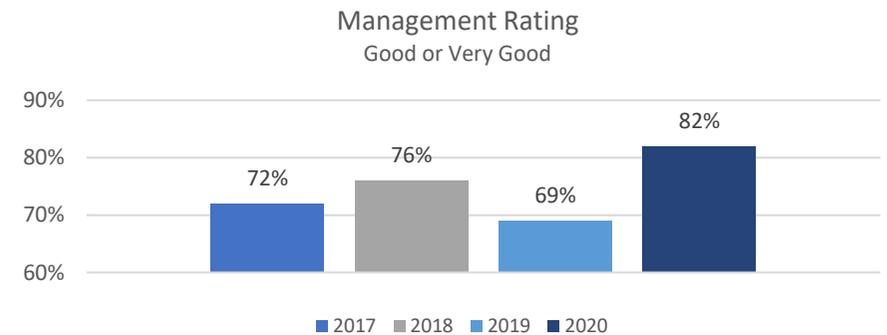
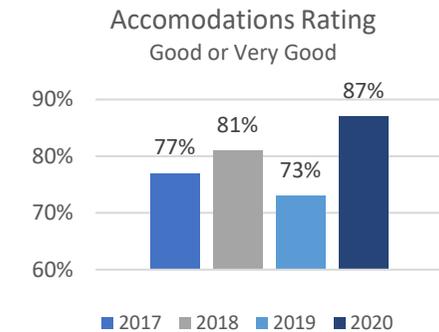
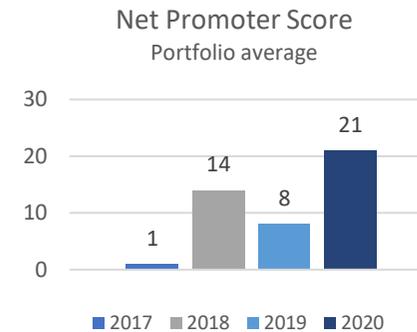
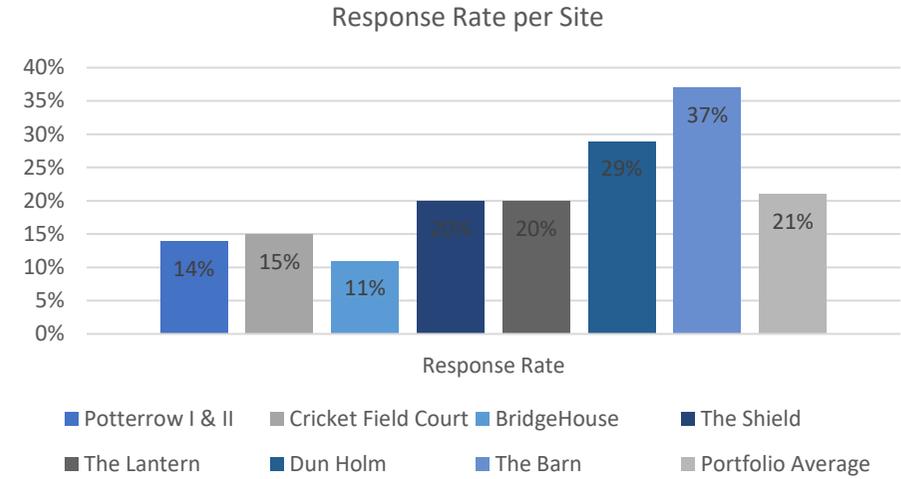
We run an annual satisfaction survey in all our buildings to ensure that the services we offer are in line with our tenants' expectations and at the top end of the market.

Over the past 5 years, the Curlew portfolio has consistently outperformed the UK's average and the private student halls average.

The survey results are also used to implement improvement measures and help define new standards for future project.

Boundaries:

- Survey covers all our sites except Packsaddle
- This report contains data based on responses received between 2/10/2020 and 3/6/2020
- All scores, benchmarks and tracking are based on data gathered prior to COVID lockdown.
- Potterrow I & Potterrow II have been combined as 1 site for this survey



Local Impact Assessment

We conduct an annual local impact assessment of our assets to better understand the impacts our buildings have on their neighbourhood. To conduct this survey, we define the questions, and we then employ some of our residents to conduct the survey on our behalf.

Scope and Boundaries

As part of our stakeholder engagement program, we conduct a 'local impact assessment' in the neighbourhood of our assets. To ensure that our data is always "current", we alternate the assets we assess annually. In the past 2 years, 4 assets have been assessed:

- Potterrow in Edinburgh
- Bridge House in Glasgow
- The Shield in Newcastle
- The Lantern in Liverpool

The survey has given us a better understanding of the impact our buildings may have but also a better understanding of the points we need to improve in the management and operation of our assets.

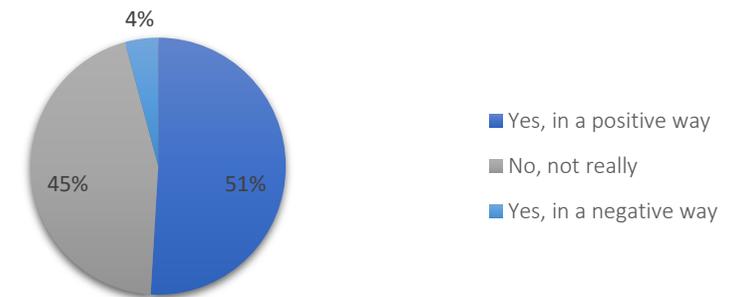
Highlights

- 99.7% of respondents feel very safe or somewhat safe in the buildings' neighbourhood.
- 38% feel the student accommodation has improved the safety of their neighbourhood with a high of 60% in Glasgow.
- 47% feel the students impacted the neighbourhood as a place to live in a positive way with a high of 72% in Glasgow.
- 90% feel that their neighbourhood is clean or very clean (high in Edinburgh with 97%) but 36% feel the student accommodation has had a negative impact on the cleanliness of the neighbourhood (with a high of 46% in Newcastle).
- 85% of business feel the students moving into the neighbourhood have had a positive impact on their business with a high of 94% in Glasgow.
- 60% of business feel it has positively improved the value of their business.

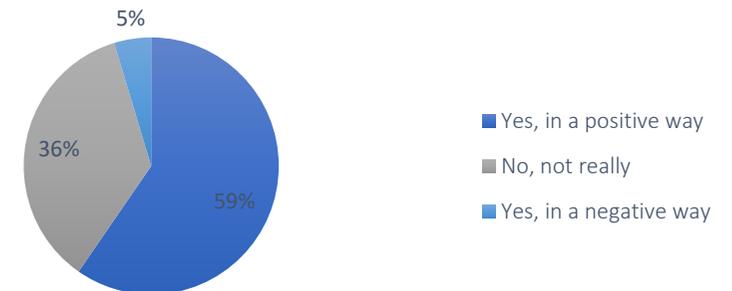
How safe do you feel your neighbourhood to be?



Have the students impact the safety in the neighbourhood?



How safe do you feel your neighbourhood to be?



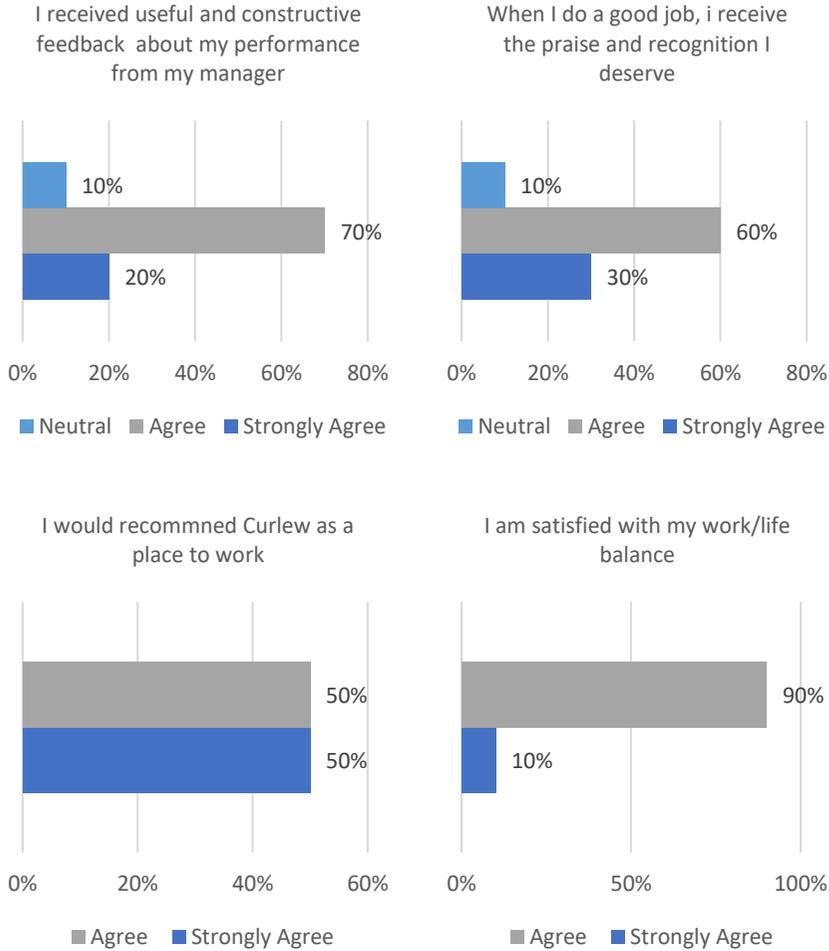


Employee Satisfaction Survey

Towards the end of 2019, we performed our first and now annual Employee Satisfaction Survey and we were very pleased to see that our employees are fulfilled within their positions, happy to recommend Curlew as a place to work and either very satisfied or satisfied with their jobs and the work environment.

Scope:

Survey sent to all employees - Response rate: 72%



Sustainability Framework

Materiality Assessment

In 2020, we have conducted a new sustainability Materiality Assessment and its results have directed the defining our new strategic priorities to ensure that Curlew becomes a sustainability leader in its market. It has become clear that our stakeholders require Curlew to perform both financially and sustainably, and our sustainability framework, detailed in these pages, is in line with these objectives.

Our new materiality assessment was performed with a mix of desktop research, taking into consideration market trends and upcoming legislative changes and by sending surveys to our main stakeholders: Our team, our service providers and our clients and investors.

The questions covered 4 aspects of our operations:

- Construction
- Operations (asset)
- Human Capital
- Governance

Following our materiality assessment, we have defined 3 strategic priorities and defined 12 indicators covering all our material issues. The results have also been used to develop the core of our Sustainability Strategy 2030.

As the results came in towards the end of the reporting period, we will develop each indicator in detail in subsequent sustainability report.

Materiality Matrix



Net Zero	Health & Wellbeing	Sustainable Investment
<ol style="list-style-type: none"> 1. Energy 2. Water 3. Waste & recycling 4. Material used 	<ol style="list-style-type: none"> 5. Stakeholders Engagement 6. Health & Wellbeing program 7. ESG Training 8. Diversity & Inclusion 	<ol style="list-style-type: none"> 9. Policies 10. ESG Risk Assessment 11. Climate Change 12. Reporting



Ethic & Policies

CURLEW has always conducted its business with integrity and transparency, and we are committed to measuring and publicly reporting our ESG performances. We publish an annual sustainability report based on the GRI guidelines, a Communication on Progress (COP) to the UNGC, participate in PRI reporting framework and submit an annual GRESB survey. We also conduct reliable financial reporting through accurate accounting processes.

Since 2019, we have moved our Data Management System from an in-house system to the Measurabl platform to ensure that all our data are correctly managed, and easily verifiable should it become necessary.

Over the past 5 years, we strived to develop a comprehensive and coherent set of policies that are in line with both our values as a company and our stakeholders' expectation. We continually review and improve our policy set. As of 2020, new policies covering GDPR, Privacy and IT have been added and our Code of Conduct has been reviewed and updated.

A new comprehensive Sustainable Real Estate Investment Policy is being finalised and will be implemented in 2021.

For more details and to view our complete set of public policies, please visit: www.curlewcapital.co.uk/esg

Sustainability Management

At Curlew, the Sustainability vision comes from our CEO and run through our governance all the way to our operations, asset managers and service providers.

Our sustainability governance is based on both our values and operational processes, so that the right people work on their relevant sustainability issues and are able to deliver sustainability improvement across the business, the funds and all our assets, and our EMS that requires a stricter process.

Our sustainability task force meets on a quarterly basis and is responsible for:

- Reviewing and managing all ESG issues
- Contribute and review the annual report
- Review all sustainability policies
- Review Curlew's ESG performances
- Establish and review all ESG targets
- Assess and review all service providers, contractors, and suppliers
- Manage sustainability request from investors

The real estate industry has a tremendous environmental and social impact and has a clear role to play in the mitigation of environmental issues in a global context. We have designed our policies to provide a set of tools and practices that will help us get in line with the industry's Environmental, Social & Governance (ESG) best practices, our investors requirements and, where possible, exceeding any relevant legal minimum requirements.

We recognise that we have a duty to mitigate our environmental impact and we

are taking steps to integrate a fully operational Environmental Management System (EMS) in line with ISO 14001 standard since September 2017. We have also implemented procedures and policies to measure Greenhouse Gases (GHG) emissions, energy consumption, water usage and waste disposal, and we will continue to implement sustainable practices, targets and KPIs throughout our business whenever possible.

Because the direct impact of Curlew is limited, most of our environmental and social impact come through our supply chain, service providers and contractors conducting operations on our behalf. It is our policy to require all major suppliers, service providers and contractors to sign our Service Providers Policy & Code of Conduct. This will ensure that all our sustainable policies are adhered to by our suppliers and service providers working on our behalf.



Curlew ESG Management

ESG GOVERNANCE

- Sustainability Task Force
- Sustainable Investment Policy
- Sustainability Statement
- Environmental Policy
- Service Provider Self-Assessment
- Anti Bribery & Corruption policy

ESG GOVERNANCE

- Integration of ESG issues in investment decisions
- Sustainability due diligence
- Minimum requirements for building certifications & ratings
- Futureproof design
- Smart technology requirements

OPERATIONAL MANAGEMENT

- Consumption monitoring (energy, water & waste)
- GHG emissions monitoring
- Environmental Management System (EMS)
- PPM program
- Monthly property managers meeting
- Quarterly sustainability task force meetings

SUSTAINABILITY REPORTING

- Sustainability report based on GRI standard
- Annual GHG inventory based on GHG protocol
- Annual UN PRI submission
- Annual GRESB submission
- Monthly asset managers meeting
- Quarterly investment report
- Quarterly financial report
- Annual tenants' satisfaction survey
- Community impact assessment

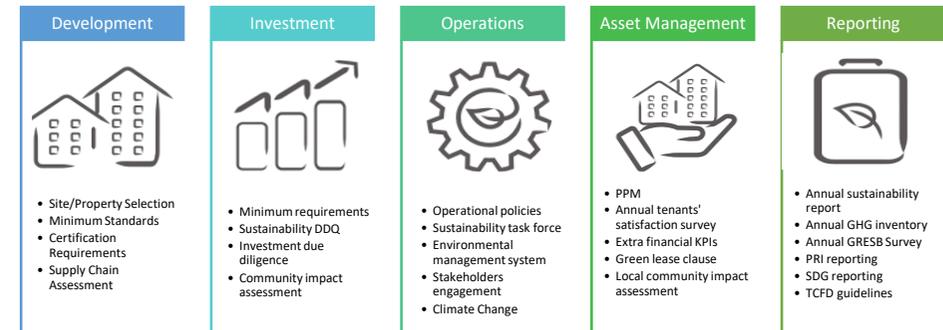
Sustainable Operations

We believe an open and honest dialogue is the best way to build strong relationships across our stakeholder network.

As part of our operational processes, we have implemented an EMS (Environmental Management System) that sets the standards for CURLEW and all their service providers/contractors must adhere to in relation to our real estate investment, construction, and operational management of these assets.

This system is in place to ensure that we, alongside with our investors, contractors, service partners & stakeholders, maximise our environmental performances and minimize our environmental impact and increase our positive social impact.

We understand that this is a continuous process, and we are committed to implement, manage, and improve this EMS during the duration of our investments.



United Nation Global Compact

Curlew became a signatory of the UNGC in March 2016 and by doing so, we committed to follow the 10 principles of the UNGC and to report progress on an annual basis.

HUMAN RIGHTS	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Curlew developed a strong set of policies covering Human Rights including a mandatory requirement for all our service providers to provide a Human Right and Anti-slavery statement
	Principle 2: make sure that they are not complicit in human rights abuses.	For all our major service providers, we require a completed ESG self-assessment (covering human right and labour standards) and to sign up to our Service Provider Code of Conduct.
LABOUR	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Curlew Employees are all free to join any association and should collective bargaining be requested; Curlew will engage in an open and honest manner.
	Principle 4: the elimination of all forms of forced and compulsory labour;	Force and compulsory labour are prohibited throughout Curlew and all its service providers are required to sign up to our Code of conduct
	Principle 5: the effective abolition of child labour; and	Although not an issue within Curlew, we track under 18 th employment within the construction company we employ. We are looking a tracking this data from our material supply chain.
	Principle 6: the elimination of discrimination in respect of employment and occupation.	We have a strong Equality & Diversity policy, and we ask our service providers to comply to our policy. We also track through our ESG self-assessment.
ENVIRONMENT	Principle 7: Businesses should support a precautionary approach to environmental challenges;	Curlew has a strong environmental policy and our GRESB environmental rating shows we are ahead of the curve in terms of our environmental approach. Our new Sustainability Strategy 2030 is very ambitious on the environmental aspect and we will continue to reduce our environmental impact as much as we can.
	Principle 8: undertake initiatives to promote greater environmental responsibility; and	
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.	
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Curlew is equipped with a strong set of policies covering bribery & corruption and fraud as well as a comprehensive internal code of conduct and whistle-blowing policy.



United Nations Global Compact

Sustainable Development Goals

As part of our new Sustainability Strategy 2030, we have decided to report on the UN Sustainable Development Goals. Based on our materiality assessment and the set of indicators we have defined from our strategic priorities; we will report on the following SDGs in the following years:



UN Principle for Responsible Investment

The PRI is the world's leading proponent of responsible investment.

It works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in integrating these factors into their investment and ownership decisions.

Curlew Capital became a signatory to the UN PRI in March 2016. In doing so, we agreed to a voluntary and aspirational set of 6 investment principles

<p>PRINCIPLE 1 We will incorporate ESG issues into investment analysis and decision-making processes.</p>	<p>Curlew has a strong ESG management framework and a Sustainability Task Force representing all aspect of the business.</p>
<p>PRINCIPLE 2 We will be active owners and incorporate ESG issues into our ownership policies and practices.</p>	<p>Curlew Capital has equipped itself with policies covering the most material subjects to its business: Investment, Human Capital, Natural Capital, Anti Bribery & Corruption, Supply chain and a comprehensive and ambitious ESG strategy. All are publicly available on the website.</p>
<p>PRINCIPLE 3 We will seek appropriate disclosure on ESG issues by the entities in which we invest.</p>	<p>We have a wide-ranging reporting process that allows all our stakeholder to review any material aspect of the Curlew operations.</p>
<p>PRINCIPLE 4 We will promote acceptance and implementation of the principles within the investment industry.</p>	<p>Beside PRI, we produce an annual COP for the UNGC, an annual sustainability report that will incorporate TCFD guidelines and SDGs, we submit an annual GRESB survey for all our funds and provide quarterly updates for all our investors.</p>
<p>PRINCIPLE 5 We will work together to enhance our effectiveness in implementing the principles.</p>	<p>Our focus over the next few years will be through our work with our service providers, and in doing so, will make the implementation of this principle a mandatory requirement for working with Curlew and its funds.</p>
<p>PRINCIPLE 6 We will each report on our activities and progress towards implementing the principles.</p>	<p></p>



Efficiency & Performance

Energy

Energy efficiency is a key aspect of our operation and a major cost item. As part of both our environmental and business strategy, it is imperative that we manage and improve our energy performance.

To ensure that we can accurately monitor our asset consumption, we are currently reviewing our entire energy strategy. We have appointed Amber Energy to both manage our cost as well as our energy data. Smart meters are being installed in all our assets for both Electricity and Gas so that we can accurately measure our consumption and implement pro-active measures to reduce it.

As part of this review the lighting systems were reviewed to see whether better performances were possible from the use of high-performance LED light fittings. Working with a specialist supplier, it was identified that improvements in energy use could be possible within a reasonable payback period for the capital cost. A review of all operational assets was completed, and approval given for installation as a test to verify the assumptions on two assets. The two assets chosen were:

Liverpool – The Lantern

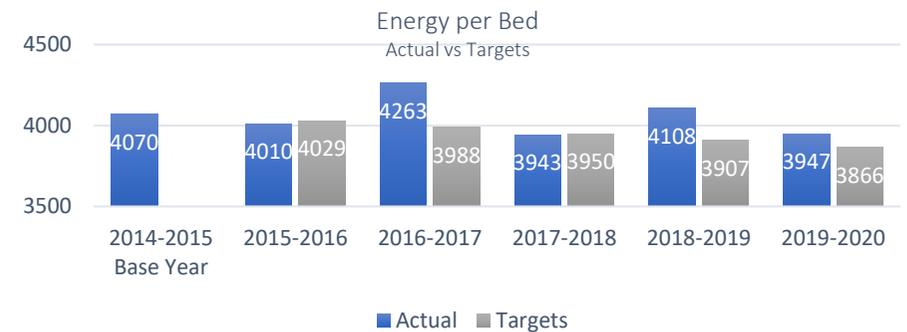
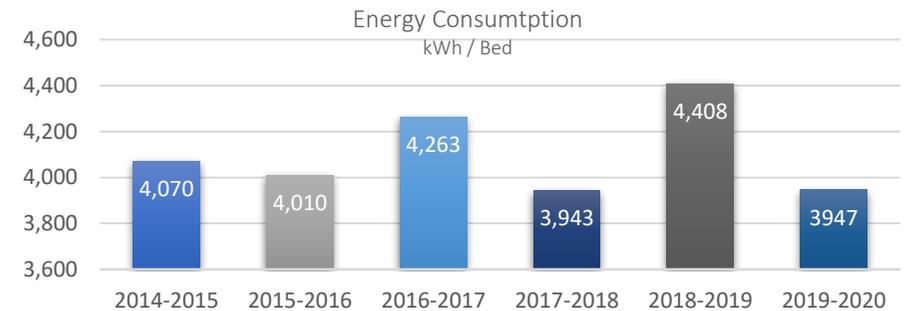
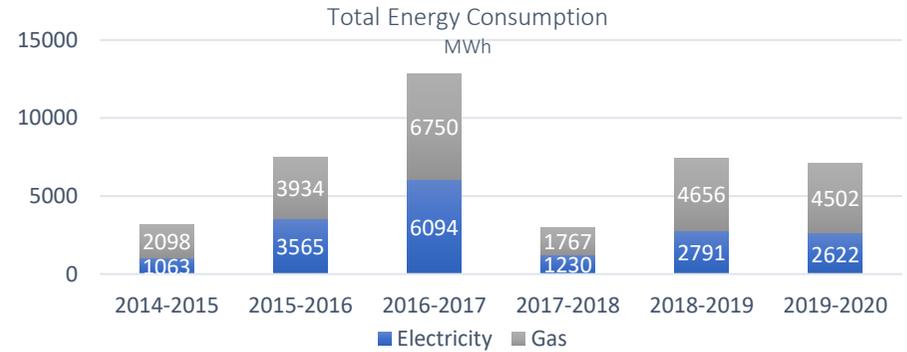
Glasgow – Bridge House

The assumptions for each asset are:

Asset	No Fittings	Wattage Saving (KWh/PA)	Carbon Saving	Capital Cost	Estimated Payback
The Lantern	3,985	826,912	489 T	£63,534	1 year
Bridge House	1,236	92,616	54.9 T	£34,793	2 years

The new fittings have been installed in August 2020 and we will be reporting on progress in our next sustainability report. If the results prove to be on par with the model, we will be rolling out the new lighting system throughout the CST I portfolio and it will become standard for all future assets.

CST I Consumption



GHG inventory

This greenhouse gases emission (GHG) Inventory aims to improve Curlew’s sustainability by providing an accurate evaluation of the GHG emissions related to our operations and activities. This inventory helps to identify the main GHG sources and work efficiently toward their reduction.

Our targets for GHG reduction follow our 2020 targets for energy efficiency, water consumption and waste stream – That is a 10% reduction on emissions per bed from our 2015 base year.

SCOPE 1	DATA SOURCE / METHOD
Natural Gas consumption	Meter readings & invoices - World Resources Institute (2008). GHG Protocol tool for stationary combustion. Version 4.0
Curlew Head Office (Serviced office)	Surface Area Method (0.12tCO ₂ e/m ² /annum)
SCOPE 2	DATA SOURCE / METHOD
Electricity Consumption	Meter readings (Smart) & invoices – DEFRA emission Factors & methodology. Updated emission factors 2020. T&D emissions added to SCOPE 3 emissions
SCOPE 3	DATA SOURCE / METHOD
Curlew Employee Commute	Survey - World Resources Institute (2015). GHG Protocol tool for mobile combustion. Version 2.6.
Curlew Business Travel	Survey - World Resources Institute (2015). GHG Protocol tool for mobile combustion. Version 2.6.
Waste (from buildings)	Calculations where made based on the following assumptions: Bin fill % based on annual survey, emissions at 21kgCO ₂ e/t. There is a certain amount of uncertainty (50%) regarding waste figures and we are looking at improving our waste data.
FSL building staff commute	Survey - World Resources Institute (2015). GHG Protocol tool for mobile combustion. Version 2.6.
Water Consumption & Waste Water Treatment	Average emission/bed over 4-year period / DEFRA emission factors & Methodology The uncertainty level is quite high on water figures – 50%

Our Scope 3 emissions are comprised of:

- Waste generated from operations
- Business travel
- Building staff commute
- Head office staff commute
- Water consumption & Wastewater treatment
- Transport & Distribution of electricity

We are currently excluding from reporting:

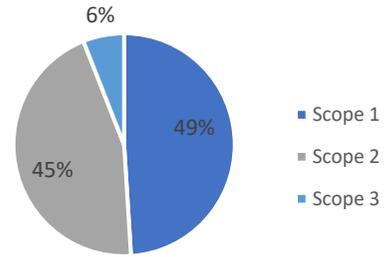
- Capital Goods – Relevant but not yet included – Inclusion will be considered for future reporting
- Construction / Major Refurbishments - Relevant but not yet included – Inclusion will be considered for future reporting
- Downstream Leased assets: A small number of commercial units are leased to third parties on the ground floor of some of our buildings – We do not yet collect usage data from these, but inclusion will be considered for future reporting and will be included in our scope 3 emissions.
- HVAC emissions: Relevant but not included – only small units are used, and emissions would be negligible compared to the total emissions.

2020 Results

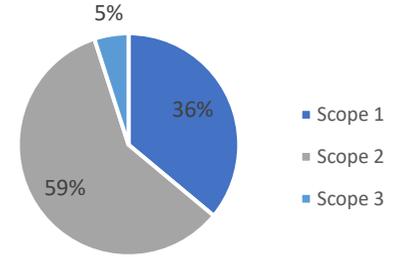
	DETAILS	tCO ₂ e
SCOPE 1	Gas Consumption	828
	Curlew Office	3
	TOTAL SCOPE 1	831
SCOPE 2	Purchased Electricity	642
	TOTAL SCOPE 2	642
SCOPE 3	Waste	25
	Water & waste water treatment	64
	Business Travel	8
	Curlew Team Commute	5
	Fresh site employee commute	20
	Transport & Distribution of electricity	90
	TOTAL SCOPE 3	212
TOTAL EMISSIONS CST tCO₂e		1685



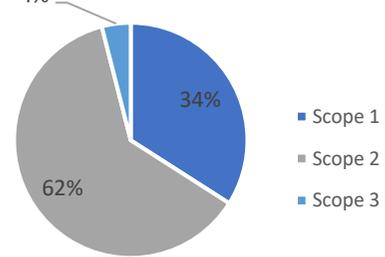
Emissions per scope
2014-2015



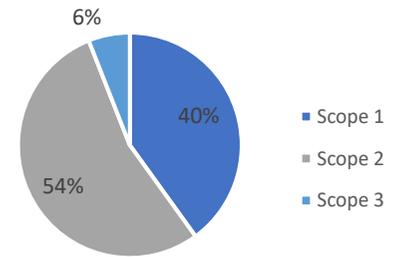
Emissions per scope
2015-2016



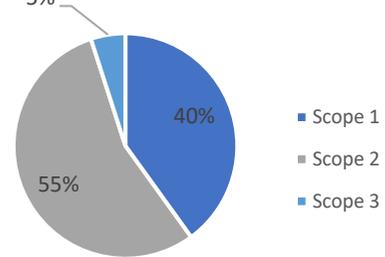
Emissions per scope
2016-2017



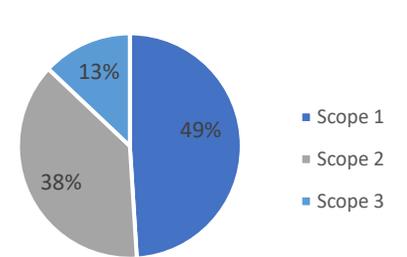
Emissions per scope
2017-2018

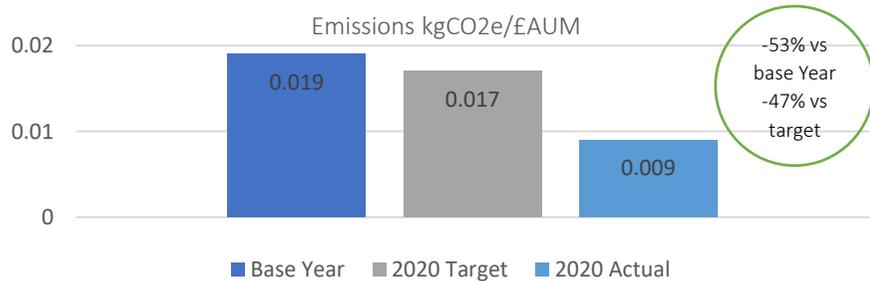
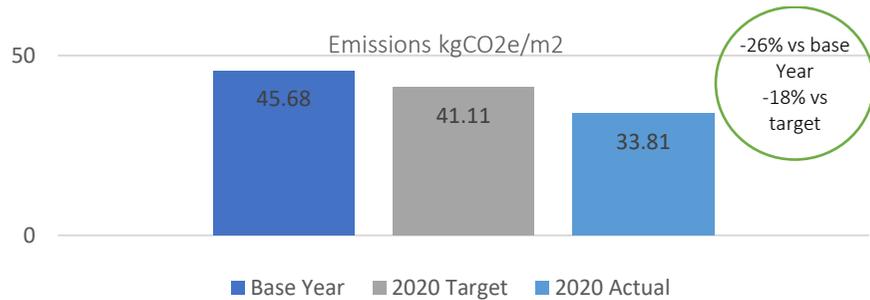
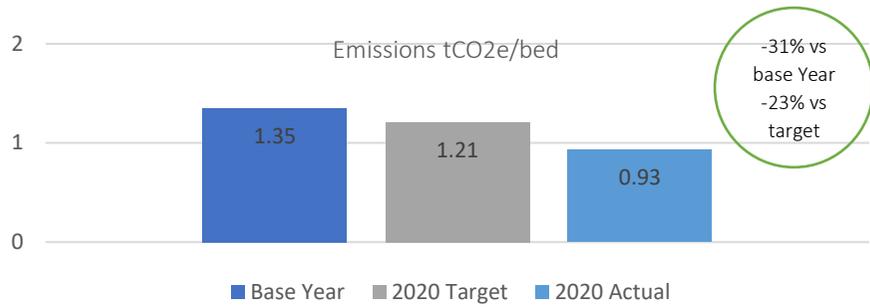


Emissions per scope
2018-2019



Emissions per scope
2019-2020





We have massively reduced our emissions from our 2015 base year, and although some of it has been achieved through our work and because of a slight decrease in consumption in 2019-2020 (due to lower occupancy during the Covid period), the vast majority is due to new electricity emission factors from DEFRA.

Our base year is from the September 2014 to Aug 2015. As we are in the process of implementing Science Based Targets (SBT), we will be changing our base year from 2015 to 2018 in line with SBT requirements.

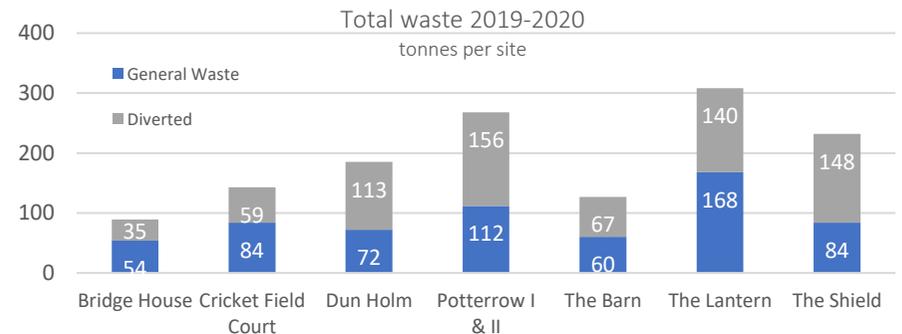
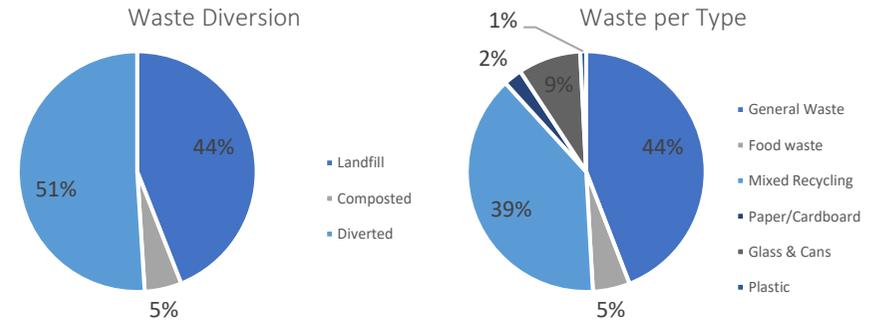
Waste

In 2020, our assets produced 634 tonnes of general waste (landfill) and 718 tonnes of recycled waste which amount to 0.8 tonnes / bed pa (based on pre-covid occupation figures)

We have now implemented a new system to measure the waste produced in our buildings. A survey was conducted to effectively monitor the waste over a 6-week period to ensure that we had better and more accurate data. The survey will also help us to improve the waste facilities in our buildings by having the right type and right number of bins in each building.

We also provide ongoing tenant education about correct waste and recycling disposal through our “Tenant’s sustainability Guide” and in-site signage. Most of our cluster flats and studios are equipped with recycling bins to facilitate disposal.

Across our portfolio, our average waste diversion rate is approximately 56%. Although better than the UK’s average, we are doing our best to improve our diversion rate. We are, however, still very dependent on local council recycling policies.

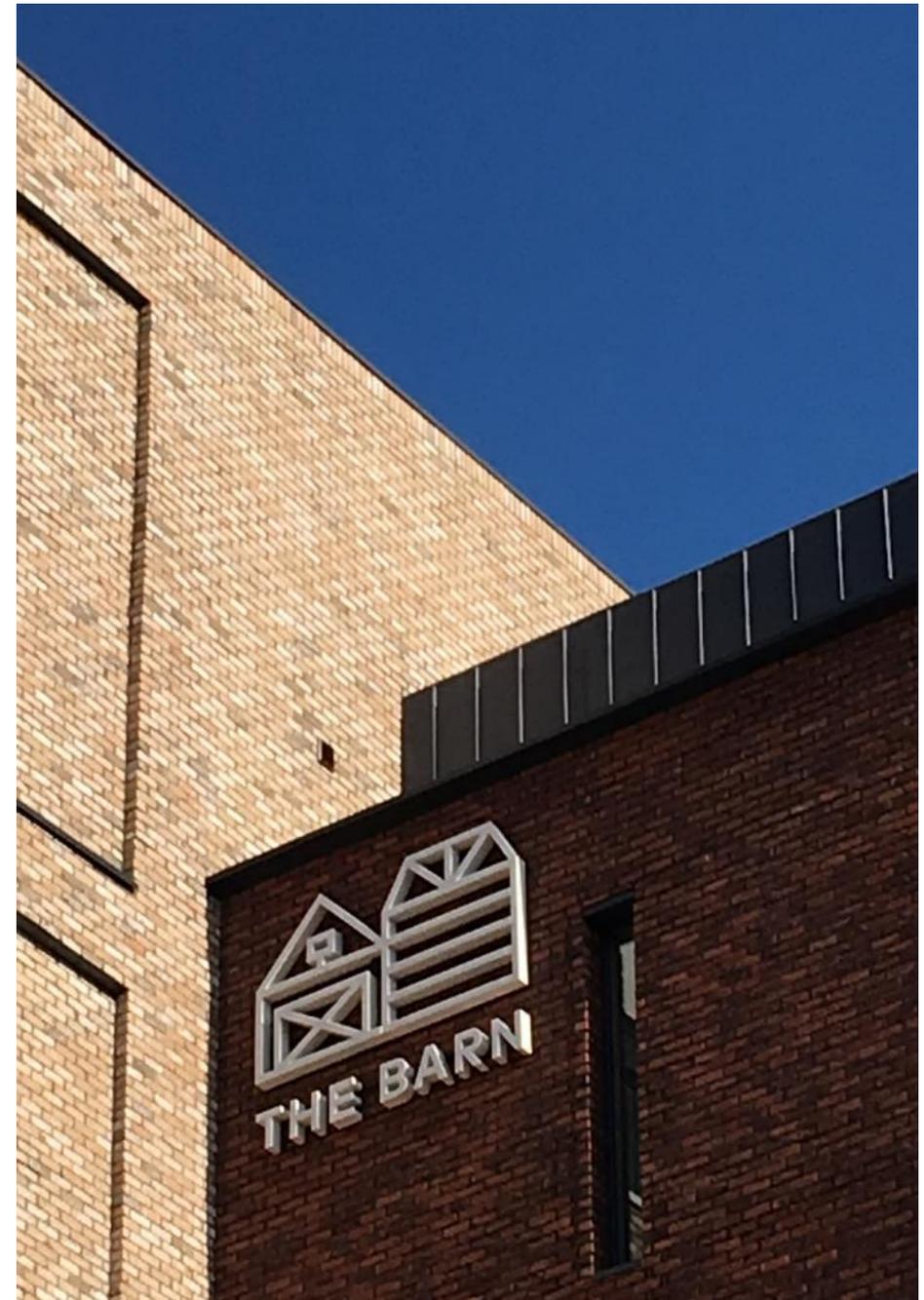
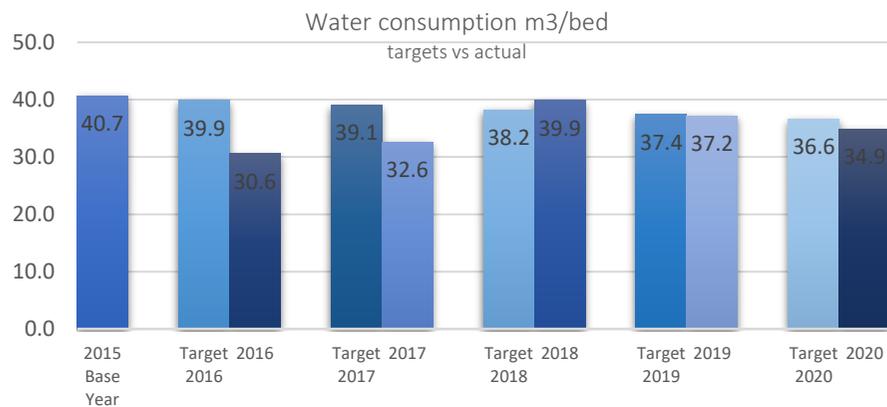
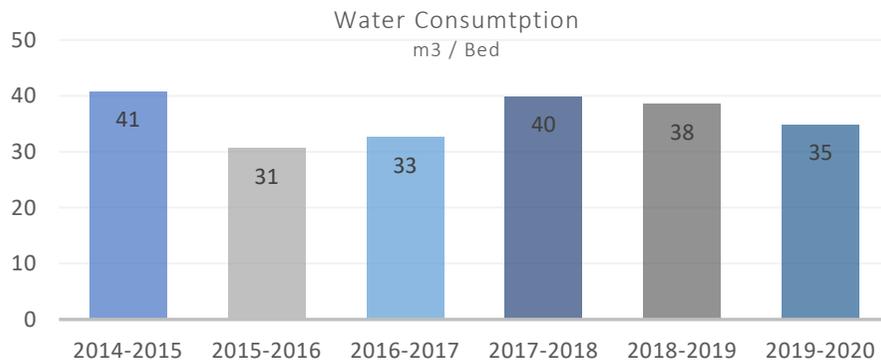


Water

Our portfolio is comprised of either new developments or properties recently refurbished to the highest standards, and they are generally very efficient in terms of water consumption. Nevertheless, we are doing our utmost to reduce our buildings consumption.

We are currently in the process of installing smart water-meters in all our sites and smart meters have become mandatory for all future assets.

During this period, we have had quite a few metering issues and some assumptions have been made to be able to provide figures for the entire portfolio. Where data was found to be either inaccurate or missing, we used an average water consumption per bed weighted over the past 5 years. This represents about 15% of the total water consumption data.

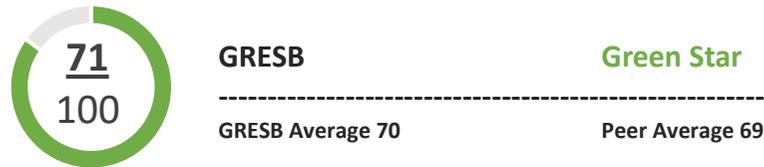


GRESB Assessment

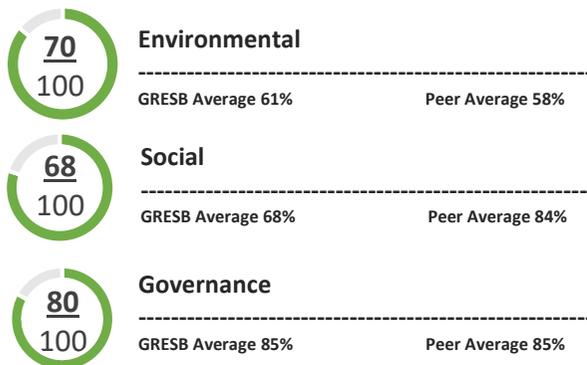
CST I

The 2020 GRESB Assessment structure fundamentally changed, establishing a new baseline for measuring Performance. Most participants experienced score shifts ranging +/- 4 points. (-2pts for CST1). 2020 Theoretical Score bases on the 2019 assessment would have been 75% (+2 compared to 2019)

In 2020, CST I is outperforming both the GRESB average as well as the Peer Group average.



Year on Year GRESB score

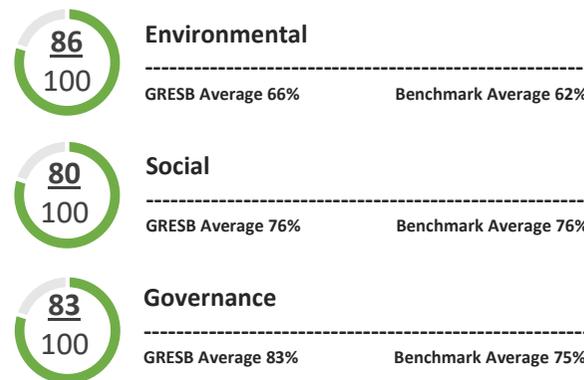
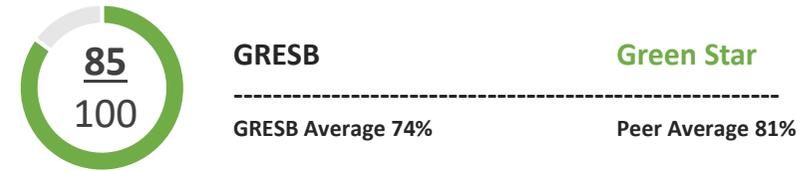


11pts improvement YoY on social aspect show we are in the right direction. Still some work to do to catch up with the peer group average, mainly on training, health & wellbeing and HR indicators.

Governance was our biggest improvement over the past 5 years (37% in 2015). As we implement more processes and policies, our score will catch up on both GRESB and Peers scores.

CST II

CST II submitted the GRESB survey for the first time in 2020, and we are pleased to see it granted a 4 Green Star rating on its first assessment.



Like CST I, Environment is our strongest indicator, but we still have room for improvement, especially in terms of water and energy monitoring, material selection.

Regarding the social aspect, improvement in stakeholder engagement (ESG training, health & well-being engagement program) will help in closing the gap with the peer group.

The improvement necessary for CST I in the governance section will cover CST II as well.

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