



# B Corp Impact Report

## June 2024

**Certified**



---

**Corporation**



# Responsible Investment

- We recognise that real estate assets have an impact beyond financial return and can have material impact on people and the planet.
- We believe that integrating ESG factors throughout Northtree's business culture and asset management strategies will help deliver sustainable financial returns, environmental improvements and social good.



northtree 

- We are proactive and collaborative

*Bespoke ESG business plan for every Northtree asset and regular tenant engagement to set environmental and social KPIs*

- We are a signatory of the UN Principles for Responsible Investment.

*We will positively contribute towards achieving the UN SDGs*

- We are guided by strong governance and a clear investment philosophy.

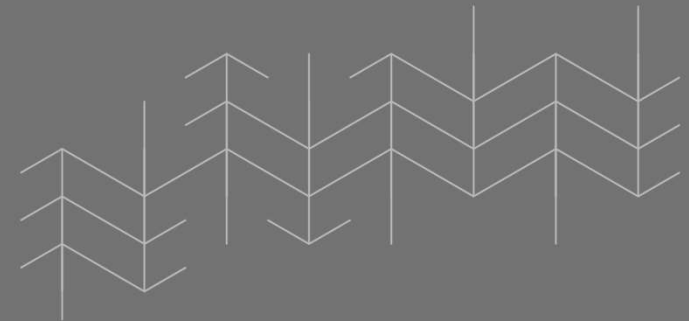
*Signatories to the United Nations Principles for Responsible Investment*

The background of the left half of the slide is a photograph of a building with a corrugated metal roof. Several solar panels are mounted on the roof, angled towards the sun. The sky is a clear, light blue.

# northtree

## Road to Certification

We first demonstrated our commitment by achieving Pending B Corporation status in our first year of operation, completing the B Impact Assessment (BIA) based on future intentions. As a Pending B Corp, we joined a rapidly growing group of companies who are reinventing business by pursuing purpose as well as profit. Utilising the BIA, we focused on creating a baseline to benchmark future performance.



We were certified by B Lab in May 2023 as having met their rigorous social and environmental standards, realising the good intentions set out in our Pending assessment.



# Leadership Update



Northtree is founded on the principle that our asset management strategies can deliver financial returns for our investors while being socially and environmentally responsible. This dual commitment is imperative—by protecting and nurturing social and environmental capital, we ensure the future sustainability of our clients' investments. Certifying as a B Corp early on was essential to establish the right practices and signal our intentions. Our extraordinary score in May 2023 confirmed our dedication to the highest standards of social and environmental performance. These principles will continue to guide us as we grow.

Looking ahead, Northtree is committed to innovating sustainable asset management strategies to meet the evolving needs of our investors, tenants and the planet. We aim to enhance our impact, foster a culture of responsibility, and lead by example in the financial industry. Together, we will build a sustainable and prosperous future for all stakeholders.

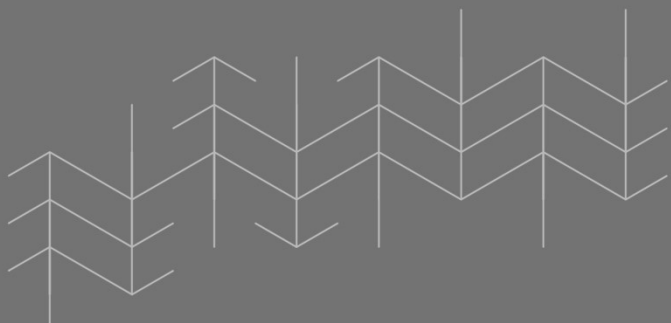


# Our B Impact Score

**Northtree officially became a B Corp in 2023.**

The integration of our Net Zero Pathway in our approach to commercial real estate investment and asset management was a major contributor to our stellar score. We unlocked the Environment Impact Business Model, recognition that our company's business strategy is designed to deliver a specific, material, positive environmental impact.

102.9



northtree 

Median score for ordinary businesses

51

Qualifies for B Corp Certification

80

Our Overall B Impact Score

102.9

# Governance

The Governance Impact Area evaluates your company's overall mission, ethics, accountability and transparency through topics such as integration of social and environmental goals in employees' performance evaluation, impact reporting and transparency, stakeholder engagement, and more.

*Signatory of:*



## What we said we would do

- Incorporate social and environmental impact into decision-making.

## What we did

- Reported through UN Principles of Responsible Investment for the first time in 2023.
- Voluntarily classified Northtree Real Estate Partners LP as an Article 8 Fund under SFDR.

## What we're working on

- Improving our PRI score.
- Integrating sustainability and financial reporting.
- Strengthening our materiality assessment.

# Workers

This section focuses on the company being a good place to work. It covers financial security, health and safety, wellness, career development, and engagement and satisfaction.



*Clockhouse Court, St Albans*



## What we said we would do

- Create a workplace that values our employees' contributions towards environmental and social goals, generating impact beyond financial success to make a meaningful difference.

## What we did

- Introduced a suite of family-friendly policies.
- Incorporated social and environmental targets into performance appraisal process.
- Tied a proportion of variable remuneration to environmental and social targets.

## What we're working on

- Ensuring our hiring practices are diverse and inclusive,
- Improving working environment to support employee health and wellbeing

# Community

This section evaluates how we have engaged with the communities we work with, use as suppliers, and hire and source from. The assessment considers diversity, equity and inclusion, economic impact, civic engagement, charitable giving, and supply chain management.



Director Sandy Wilson volunteers at Castle Canteen, Crossways Christian Centre, Elephant & Castle



## What we said we would do

- Support the delivery of the SDGs through community engagement and sustainable investment.
- Engage with significant suppliers on social and environmental performance.

## What we did

- Gave all employees a minimum 2 days' volunteering time, and then exceeded this target by 50%.
- Supported local and international charities, including The Soup Kitchen London and Toilet Twinning.
- Produced a Supplier Code of Conduct and directly engaged with our top 80% of suppliers by spend on ESG issues

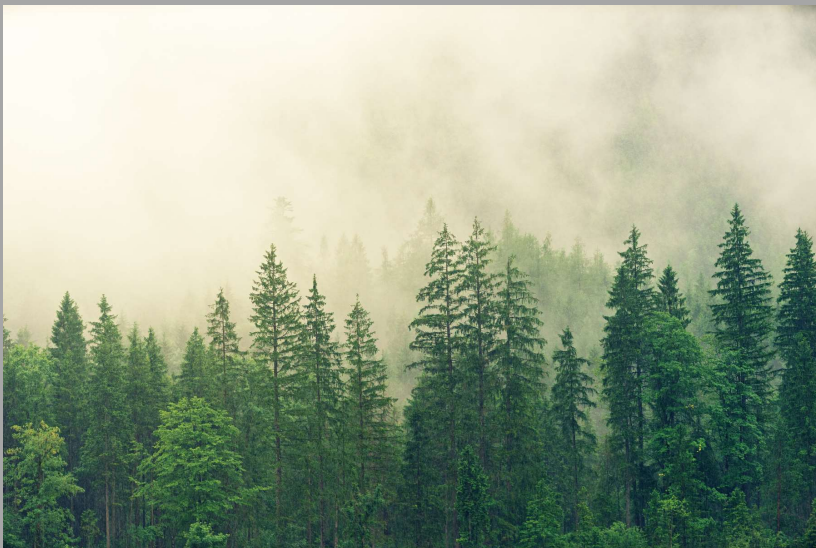
## What we're working on

- Community engagement around our assets.
- Strengthening relationships with charity partners.
- Supply chain engagement.



# Environment

Environment evaluates a company's overall environmental management practices as well as its impact on the air, climate, water, land and biodiversity. This includes the direct impact of a company's operations and its supply chain. This section also recognises companies and those that sell products or services that have a positive environmental impact.



## What we said we would do

- Reduce CO2 emissions in line with a 1.5oC pathway, balancing the need to act in accordance with the science with our fiduciary duty and considering the impact of our actions on society in terms of a just transition.

## What we did

- Inserted green lease clauses into every lease.
- Produced Net Zero Pathways for every asset.
- Installed automated meter reading devices on all electricity and gas meters for every building to provide data for each tenant's net zero pathway.

## What we're working on

- Energy efficiency improvements in all buildings using the AMR data to measure progress along the net zero pathways.

# Aligning with the SDGs

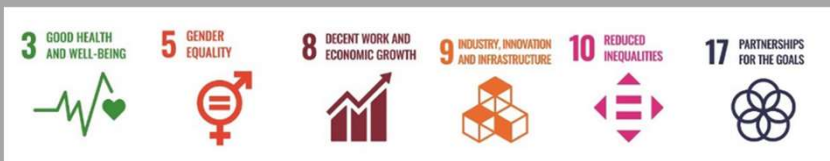
Northtree has mapped its strategy and impact to the United Nations Sustainable Development Goals and have identified the following goals as those where Northtree can make the most impact:



A further three SDGs were identified as priority focus for social impact:



And six more that would be expected to make a positive contribution to some or all of Northtree's investments:



## How the SDGs will be addressed and measured



Renewable energy targets, energy intensity reduction goals, and requiring suppliers to cut energy consumption, with progress measured through green tariffs, energy intensity metrics, and supply chain footprint reductions.



Climate risk and opportunities assessments for every asset, maintaining B Corp certification, with progress measured by carbon footprint reductions, EPC rating improvements, volunteering hours, community contributions, and annual Impact Reports.



Energy consumption will be reduced, waste minimised, circular economy principles promoted, and suppliers evaluated biennially, with progress measured by automated meter reading devices, energy intensity, waste reduction, and landfill diversion rates.



Measure carbon footprint for Scope 1, 2, and 3 emission, set science-based carbon reduction targets, and report in line with the TCFD framework, with progress measured by greenhouse gas intensity, reductions, increased primary activity data in Scope 3, and annual reports.



Introduce water conservation methods, support habitat restoration projects, and create green spaces and wildlife corridors, with progress measured by reduced water consumption, financial contributions to habitat projects, and the area of green space enhanced.