



PUBLIC TRANSPARENCY REPORT **2025**

Hearthstone Investments Limited

Generated 24-11-2025

About this report

PRI reporting is the largest global reporting project on responsible investment.

It was developed with investors, for investors. PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders. This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2025 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2025 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Hearthstone Investments Ltd. is a specialist investment manager investing on behalf of its clients in UK residential real estate assets. Our objective is to build well-diversified and well-managed portfolios of investment properties to satisfy our clients' investment objectives, while providing attractive, comfortable and safe homes for residents. Hearthstone believes that sustainable and responsible practices are not only beneficial for the environment and society, but also contribute to the long-term success and value of our clients' investments.

Environmental, social and corporate governance (ESG) factors affect the appeal of our funds to investors, the attractiveness of the homes we offer, our relationships with suppliers, assets' investment performance and the effects of Hearthstone's own activities on the wider community. We recognise that property ownership has an impact on the environment and society.

Furthermore, responsible ownership requires the identification and mitigation of potential negative impacts. Consequently, these issues are fundamental considerations in the selection and ongoing management of our investments. There is a continuing focus on the scope for cost-effective improvements in sustainability through asset management initiatives. Accordingly, ESG principles are fundamental to our investment philosophy. The key elements are summarised below:

1. Risk Control - we manage risk at all stages in the investment process, including diversification by location, property type and resident profile

2. Fundamentals - we assess rental demand and pricing against our investment objectives and look for schemes offering a high quality of life

3. Income - we avoid expensive low yielding locations and strive for high occupancy with rents affordable to people on average incomes in each location

4. Quality - we offer a sustainable, institutional quality product, and set high standards of maintenance and customer service

5. Sustainability - we buy energy efficient properties in sustainable locations and seek to make improvements through active management

Hearthstone is committed to a 2050 net zero target for our portfolios, to be achieved in the context of the following sustainability goals:

- Reducing the environmental impact of our clients' real estate holdings through the selection of sustainable homes, targeted improvements using new technology, and resident engagement to influence behaviour
 - Collaborating with clients, developers, residents and service providers to provide sustainable homes and neighbourhood for the long term, and to promote sustainable living
 - Promoting biodiversity across the portfolio
 - Reducing the environmental impact of our business
 - Protecting portfolios against the risk of stranded assets caused by regulatory changes or climate change
- These commitments are embedded in our investment process, from the setting of stock selection criteria, through the due diligence stage, our ongoing asset management activities, maintenance and improvement projects and client reporting.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

During the reporting year, we have made significant progress on our responsible investment strategy. ESG policy is a key focus of Hearthstone's business, under the direction of our ESG steering committee, chaired by the CEO. The CIO and COO are also members of the committee. The committee sets clear ESG related objectives at the beginning of the year, which are delegated to the team. During the year, we submitted public responses for our third UNPRI reporting period, and were shortlisted for Pensions for Purpose's 'Best Place-Based Impact' award. We also hosted the inaugural Hearthstone Investments Conference, providing clients, governing bodies, and key stakeholders with insights on the role of placemaking, the use of sustainability data in investment decision-making, and perspectives from both housebuilders and renters.

In addition, we continued our partnership with our chosen housing charity, LATCH. We seek to promote our values and ambitions across the industry, at both corporate and individual level. Members of the team actively participate in a number of industry organisations and steering groups to ensure we are at the forefront of industry debates on good governance, transparency and improvements in building quality, fund structuring and investment research. Across our three institutional funds we have rolled out a service that captures our Scope 3 operational carbon emissions. As a result, we can now measure and analyse energy consumption and emissions much more accurately, helping to compensate for the inadequacies of publicly available data derived from Energy Performance Certificates. Accurate data remains a foundation for our sustainability and impact strategy. We have also continued to invest in greener homes by adding to our portfolio of innovative eco-homes, which enables us to gather valuable data for a less carbon intensive future. We have also made progress on our social objectives during the year.

The Fund's target residents are families, young professionals and key workers. Assets are selected, priced and specified to have broad and enduring appeal as a place to live, and are planned to be affordable to residents on median incomes in each local catchment. The resident profile is regularly monitored, and continues to reflect these aims. We have developed and introduced new site quality indicators, which are used both to profile existing portfolios and to assess and benchmark new acquisitions. We have also agreed a survey process to assess residents' broader wellbeing, and the first round of what we expect to become an annual survey will be conducted imminently. Combined with our existing periodic resident satisfaction surveys, this will provide us with invaluable insights and allow us to improve further our service levels and investment strategy. With a portfolio of over 1,800 homes in diversified clusters across the UK, Hearthstone Investments' strategy delivers a social impact through local employment opportunities for housebuilders, portfolio managers, contractors, agents, solicitors and many others operating in the residential property sector. Managing the impact of the cost of living crisis remained a significant focus during the reporting year. Higher inflation added significant pressure to both residents' finances and rents for new homes, and whilst relets are typically set at market rates. Hearthstone worked closely with existing residents to ensure their homes remained affordable when rents were reviewed.

For hardship cases, we sought collaborative solutions to alleviate hardship and allow residents to continue living in their home, while protecting the investors' interests. Often, payment plans are agreed to give residents the flexibility they need. While this is the right thing to do, it also aligns the interests of investors and residents who can stay in their homes for longer, reducing voids and arrears. We have achieved "green" ratings on a RAG (red, amber, green) basis from both our independent and AIFM and Depositary reports for our institutional closed ended funds, indicating they were satisfied with their testing and there were no unresolved issues or exceptions to note. We have engaged with MSCI in the development of their expanded UK Residential Property Index, to measure, benchmark and analyse investment performance.

The composition of the expanded index now better reflects the kind of stock that falls within Hearthstone's investment mandates, and we have contributed data for all our funds, and enhanced our reporting framework to incorporate the results. In addition, we participated in MSCI's consultation on benchmarking residential operational costs and led efforts to establish a methodology for accurately incorporating forward funding transactions within the index.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Hearthstone is committed to the following sustainability goals which will shape the specific steps to advance our commitment to responsible investment over the next two years:

- Reducing the environmental impact of our clients' real estate holdings through the selection of sustainable homes, targeted improvements using new technology, and resident engagement to influence behaviour
- Collaborating with clients, developers, residents and service providers to provide sustainable homes for the long term
- Protecting portfolios against the risk of stranded assets caused by regulatory changes or climate change. These commitments are embedded in our investment process, from the setting of stock selection criteria, through the due diligence stage, ongoing asset management, maintenance and improvement projects and client reporting.

Public awareness of environmental issues is increasingly shaping demand, affecting rental levels and the pricing of investment assets as some properties appear more attractive than others. We will seek to ensure assets and portfolios are positioned to limit stranding risks.

Accordingly, Hearthstone will specifically look to advance our commitment to responsible investment in the next two years through the following areas: Resident engagement. We continue to look for innovative ways to improve residents' experience – for example, by trialling new technology that helps to promote a greater sense of community, and to provide advice and feedback on more sustainable living for lower energy bills and a reduced environmental impact. Furthermore, we are exploring effective ways to engage with residents to encourage more sustainable living, including information and advice, and exploring appropriate uses of supporting technology. Carbon footprint reduction. We seek to reduce GHG emissions across our property portfolio, tracking and reporting on progress.

This will be managed in the context of each fund's investment objectives. It will be achieved through a combination of initiatives, including upgrading, electrification, the acquisition of new low carbon or zero carbon (in operation) homes, and, where practicable, implementing green energy supply contracts. We are also committed to reducing the environmental impact of our business. In particular, we are exploring ways to do this in the context of the GHG Protocol. Energy efficiency. We strive to improve the energy efficiency of our properties through measures like energy-efficient appliances, heat pumps, LED lighting, insulation upgrades, and the installation of renewable energy sources if it can be achieved cost-effectively. We will continue to explore the benefits and risks of modern methods of construction for the delivery of new homes, and seek to take advantage of new opportunities that we expect to come as capacity in this area increases. Reporting. While there are practical difficulties in obtaining live data on energy and water consumption for residential portfolios, new technology is starting to make inroads in this area.

Following a successful trial, we have adopted new systems across our portfolios to capture and report on energy and carbon performance data. Environmental benchmarking services are available, but currently under-developed for UK residential assets, and particularly for single family homes. We are keen to see progress in this area, and are actively engaged with organisations seeking to develop more suitable tools. Collaboration and engagement. We will continue to collaborate with our corporate charity partner LATCH – raising awareness of the valuable social impact they make and supporting their journey. We will engage with housebuilders in relation to more energy efficient housing supply and improved sustainability reporting – for example, in relation to embedded carbon.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Cedric Bucher

Position

Chief Executive Officer

Organisation's Name

Hearthstone Investments Limited

● A

This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

o B

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS (ORO)

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 1	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which international or regional ESG-related legislation(s) and/or regulation(s) did your organisation report?

- ☐ (A) Corporate Sustainability Reporting Directive (CSRD) [European Union]
- ☐ (B) Directive on AIFM (2011/61/EU) [European Union]
- ☐ (C) Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers (PS21/24) [United Kingdom]
- ☐ (D) EU Taxonomy Regulation [European Union]
- ☐ (E) Improving shareholder engagement and increasing transparency around stewardship (PS19/13) [United Kingdom]
- ☐ (F) IORP II (Directive 2016/2341) [European Union]
- ☐ (G) Law on Energy and Climate (Article 29) [France]
- ☐ (H) MiFID II (2017/565) [European Union]
- ☐ (I) Modern Slavery Act [United Kingdom]
- ☐ (J) PEPP Regulation (2019/1238) [European Union]
- ☐ (K) PRIIPS Regulation (2016/2340 and 2014/286) [European Union]
- ☐ (L) Regulation on the Integration of Sustainability Risks in the Governance of Insurance and Reinsurance Undertakings (2021/1256) [European Union]
- ☐ (M) SFDR Regulation (2019/2088) [European Union]
- ☐ (N) SRD II (Directive 2017/828) [European Union]
- ☐ (O) The Occupational Pension Schemes Regulation on Climate Change Governance and Reporting [United Kingdom]
- ☐ (P) Climate Risk Management (Guideline B-15) [Canada]
- ☐ (Q) Continuous Disclosure Obligations (National Instrument 51-102) [Canada]
- ☐ (R) Disposiciones de Carácter General Aplicables a los Fondos de Inversión y a las Personas que les Prestan Servicios (SIEFORE) [Mexico]
- ☐ (S) Instrucciones para la Integración de Datores ASG en Los Mecanismos de Revelación de Información para FIC (External Circular 005, updated) [Colombia]
- ☐ (T) Provides for the creation, operation, and disclosure of information of investment funds, as well as the provision of services for the funds, and revokes the regulations that specifies (CVM Resolution No. 175) [Brazil]
- ☐ (U) SEC Expansion of the Names Rule [United States of America]
- ☐ (V) SEC Pay Ratio Disclosure Rule [United States of America]
- ☐ (W) ASIC RG65 Section 1013DA Disclosure Guidelines [Australia]
- ☐ (X) Circular to Licensed Corporations: Management and Disclosure of Climate-related Risks by Fund Managers [Hong Kong SAR]
- ☐ (Y) Financial Investment Services and Capital Markets Act (FSCMA) [Republic of Korea]
- ☐ (Z) Financial Instruments and Exchange Act (FIEA) [Japan]
- ☐ (AA) Financial Markets Conduct Act [New Zealand]
- ☐ (AB) Guiding Opinions on Regulating the Asset Management Business of Financial Institutions [China]
- ☐ (AC) Guidelines on Environmental Risk Management for Asset Managers [Singapore]
- ☐ (AD) Guidelines on Sustainable and Responsible Investment Funds [Malaysia]
- ☐ (AE) Modern Slavery Act (2018) [Australia]

- ☐ (AF) Stewardship Code for all Mutual Funds and All Categories of AIFs [India]
- ☐ (AG) ADGM Sustainable Finance Regulatory Framework [United Arab Emirates]
- ☐ (AH) JSE Limited Listings Requirements [South Africa]
- ☐ (AI) Other
- ☐ (AJ) Other
- ☐ (AK) Other
- ☐ (AL) Other
- ☐ (AM) Other

● (AN) Not applicable; our organisation did not report to any ESG-related legislation and/or regulation during the reporting year.

Provide context:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 2	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which voluntary responsible investment/ESG frameworks did your organisation report?

- ☐ (A) Asset Owners Stewardship Code [Australia]
- ☐ (B) Código Brasileiro de Stewardship [Brazil]
- ☐ (C) New Zealand Stewardship Code
- ☐ (D) Principles for Responsible Institutional Investors (Stewardship Code) [Japan]
- ☐ (E) Stewardship Code [United Kingdom]
- ☐ (F) Stewardship Framework for Institutional Investors [United States of America]
- ☐ (G) CFA Institute ESG Disclosure Standards for Investment Products [Global]
- ☐ (H) Guidelines on Funds' Names using ESG or Sustainability-related Terms [European Union]
- ☐ (I) Luxflag ESG Label [Luxembourg]
- ☐ (J) RIAA Responsible Investment Certification Program [Australia]
- ☐ (K) SRI Label [France]
- ☐ (L) ANBIMA Code of Regulation and Best Practices of Investment Funds [Brazil]
- ☐ (M) Code for Institutional Investors 2022 [Malaysia]
- ☐ (N) Code for Responsible Investing in South Africa (CRISA 2) [South Africa]
- ☐ (O) Corporate Governance Guidelines [Canada]
- ☐ (P) Defined Contribution Code of Practice [United Kingdom]
- ☐ (Q) European Association for Investors in Non-Listed Real Estate Vehicles (INREV) Guidelines [Global]
- ☐ (R) Global ESG Benchmark for Real Assets (GRESB) [Global]
- ☐ (S) Global Impact Investing Network (GIIN) Impact Reporting and Investment Standards (IRIS+) [Global]
- ☐ (T) OECD Guidelines for MNEs - Responsible Business Conduct for Institutional Investors [Global]
- ☐ (U) UN Guiding Principles (UNGP) on Business and Human Rights [Global]
- ☐ (V) Net Zero Asset Managers (NZAM) Initiative [Global]
- ☐ (W) Net-Zero Asset Owner Alliance (NZAOA) [Global]
- ☐ (X) Recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD) [Global]
- ☐ (Y) The Net Zero Investment Framework (NZIF) 2.0 [Global]
- ☐ (Z) Recommendations of the Taskforce for Nature-related Financial Disclosure (TNFD) [Global]
- ☐ (AA) Global Reporting Initiative (GRI) Standards [Global]
- ☐ (AB) IFC Performance Standard [Global]
- ☐ (AC) International Sustainability Standards Board (ISSB) Standards [Global]
- ☐ (AD) Sustainability Accounting Standards Board (SASB) Standards [Global]
- ☐ (AE) Other
- ☐ (AF) Other
- ☐ (AG) Other
- ☐ (AH) Other
- ☐ (AI) Other

● (AJ) Not applicable; our organisation did not report to any voluntary responsible investment/ESG frameworks during the reporting year.

Provide context:

ORGANISATIONAL OVERVIEW (OO)

ORGANISATIONAL INFORMATION

REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	30	06	2025

SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- ☒ (A) Yes
☐ (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2.1	CORE	OO 2	OO 2.2	PUBLIC	Subsidiary information	GENERAL

Are any of your organisation's subsidiaries PRI signatories in their own right?

- ☐ (A) Yes
☒ (B) No

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries not part of row (B), and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 554,268,000.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	0%	0%
(B) Fixed income	0%	0%
(C) Private equity	0%	0%
(D) Real estate	100%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

ASSET BREAKDOWN: INTERNALLY MANAGED REAL ESTATE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 RE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed real estate	GENERAL

Provide a further breakdown of your internally managed real estate AUM.

(A) Retail	0%
(B) Office	0%
(C) Industrial	0%
(D) Residential	100%
(E) Hotel	0%
(F) Lodging, leisure and recreation	0%
(G) Education	0%
(H) Technology or science	0%
(I) Healthcare	0%
(J) Mixed use	0%
(K) Other	0%

GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

AUM in Emerging Markets and Developing Economies

(G) Real estate

(1) 0%

STEWARDSHIP

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

(6) Real estate

(A) Yes, through internal staff

☒

(B) Yes, through service providers

☐

(C) Yes, through external managers

☐

(D) We do not conduct stewardship

☐

ESG INCORPORATION

INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(J) Real estate



ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

- ☐ (A) Yes, we market products and/or funds as ESG and/or sustainable
- ☒ (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- ☐ (C) Not applicable; we do not offer products or funds

Additional context to your response(s): (Voluntary)

We launched an Article 8 fund which is yet to complete a first close.

SUMMARY OF REPORTING REQUIREMENTS

SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(J) Real estate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

OTHER ASSET BREAKDOWNS

REAL ESTATE: BUILDING TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 24	CORE	OO 21	RE 1, RE 9 - 10	PUBLIC	Real estate: Building type	GENERAL

What is the building type of your physical real estate assets?

- ☒ (A) Standing investments
- ☐ (B) New construction
- ☐ (C) Major renovation

REAL ESTATE: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 25	CORE	OO 21	N/A	PUBLIC	Real estate: Ownership level	GENERAL

What is the percentage breakdown of your physical real estate assets by the level of ownership?

- ☒ (A) A majority stake (more than 50%)
 Select from the list:
- ☐ (1) >0 to 10%
 - ☐ (2) >10 to 50%
 - ☐ (3) >50 to 75%
 - ☒ (4) >75%
- ☐ (B) A significant minority stake (between 10–50%)
☐ (C) A limited minority stake (less than 10%)

REAL ESTATE: MANAGEMENT TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 26	CORE	OO 21	RE 1, RE 6–8, RE 13	PUBLIC	Real estate: Management type	GENERAL

Who manages your physical real estate assets?

- ☐ (A) Direct management by our organisation
☒ (B) Third-party property managers that our organisation appoints
☐ (C) Other investors or their third-party property managers
☐ (D) Tenant(s) with operational control

SUBMISSION INFORMATION

REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- ☒ (A) Publish as absolute numbers
☐ (B) Publish as ranges

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- ☒ (A) Overall approach to responsible investment
- ☒ (B) Guidelines on environmental factors
- ☒ (C) Guidelines on social factors
- ☒ (D) Guidelines on governance factors
- ☒ (E) Guidelines on sustainability outcomes
- ☒ (F) Guidelines tailored to the specific asset class(es) we hold
- ☒ (G) Guidelines on exclusions
- ☒ (H) Guidelines on managing conflicts of interest related to responsible investment
- ☒ (I) Stewardship: Guidelines on engagement with investees
- ☒ (J) Stewardship: Guidelines on overall political engagement
- ☒ (K) Stewardship: Guidelines on engagement with other key stakeholders
- ☐ (M) Other responsible investment elements not listed here
 - (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- ☒ (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- ☒ (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- ☒ (C) Specific guidelines on other systematic sustainability issues

Specify:

Flood risk and Biodiversity
- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

Which elements of your formal responsible investment policy(ies) are publicly available?

☒ **(A) Overall approach to responsible investment**

Add link:

https://cdn.prod.website-files.com/624dcbf9afeb722b83841ee2/67a5dcb5da341f8e05accd17_Hearthstone-Investments%E2%80%93Impact-Report-2024.pdf

☒ **(B) Guidelines on environmental factors**

Add link:

https://cdn.prod.website-files.com/624dcbf9afeb722b83841ee2/67a5dcb5da341f8e05accd17_Hearthstone-Investments%E2%80%93Impact-Report-2024.pdf

☒ **(C) Guidelines on social factors**

Add link:

https://cdn.prod.website-files.com/624dcbf9afeb722b83841ee2/67a5dcb5da341f8e05accd17_Hearthstone-Investments%E2%80%93Impact-Report-2024.pdf

☒ **(D) Guidelines on governance factors**

Add link:

https://cdn.prod.website-files.com/624dcbf9afeb722b83841ee2/67a5dcb5da341f8e05accd17_Hearthstone-Investments%E2%80%93Impact-Report-2024.pdf

☒ **(E) Guidelines on sustainability outcomes**

Add link:

https://cdn.prod.website-files.com/624dcbf9afeb722b83841ee2/67a5dcb5da341f8e05accd17_Hearthstone-Investments%E2%80%93Impact-Report-2024.pdf

☐ (F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

☐ (G) Specific guidelines on human rights (may be part of guidelines on social factors)

☐ (H) Specific guidelines on other systematic sustainability issues

☒ **(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

https://cdn.prod.website-files.com/624dcbf9afeb722b83841ee2/67a5dcb5da341f8e05accd17_Hearthstone-Investments%E2%80%93Impact-Report-2024.pdf

☒ **(J) Guidelines on exclusions**

Add link:

https://cdn.prod.website-files.com/624dcbf9afeb722b83841ee2/67a5dcb5da341f8e05accd17_Hearthstone-Investments%E2%80%93Impact-Report-2024.pdf

☐ (K) Guidelines on managing conflicts of interest related to responsible investment

☒ **(L) Stewardship: Guidelines on engagement with investees**

Add link:

https://cdn.prod.website-files.com/624dcbf9afeb722b83841ee2/67a5dcb5da341f8e05accd17_Hearthstone-Investments%E2%80%93Impact-Report-2024.pdf

☒ **(M) Stewardship: Guidelines on overall political engagement**

Add link:

https://cdn.prod.website-files.com/624dcbf9afeb722b83841ee2/67a5dcb5da341f8e05accd17_Hearthstone-Investments%E2%80%93Impact-Report-2024.pdf

☒ **(N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

https://cdn.prod.website-files.com/624dcbf9afeb722b83841ee2/67a5dcb5da341f8e05accd17_Hearthstone-Investments%E2%80%93Impact-Report-2024.pdf

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?

☒ **(A) Yes**

Elaborate:

Hearthstone's fiduciary obligations to our clients are paramount, and we will strive to obtain the highest level of investment performance consistent with clients' investment guidelines and risk/return objectives. ESG initiatives should be designed to be transparent, and to improve the performance of the assets we manage. ESG performance is incorporated into our reporting regime, providing transparent information on relevant ESG metrics, performance and initiatives to Hearthstone's Board, fund investors, investment committees and other stakeholders.

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

☒ **(A) Overall stewardship objectives**

☒ **(B) Prioritisation of specific ESG factors to be advanced via stewardship activities**

☐ (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts

☒ **(D) How different stewardship tools and activities are used across the organisation**

☐ (E) Approach to escalation in stewardship

☐ (F) Approach to collaboration in stewardship

☒ **(G) Conflicts of interest related to stewardship**

☒ **(H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa**

☐ (I) Other

- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment						
(B) Guidelines on environmental factors					(7) 100%	
(C) Guidelines on social factors						
(D) Guidelines on governance factors						

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

AUM coverage

(A) Specific guidelines on climate change				(1) for all of our AUM		
(B) Specific guidelines on human rights				(1) for all of our AUM		
(C) Specific guidelines on other systematic sustainability issues				(1) for all of our AUM		

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

- ☒ **(D) Real estate**
- (1) Percentage of AUM covered
- ☐ (1) >0% to 10%
 - ☐ (2) >10% to 20%
 - ☐ (3) >20% to 30%
 - ☐ (4) >30% to 40%
 - ☐ (5) >40% to 50%
 - ☐ (6) >50% to 60%
 - ☐ (7) >60% to 70%
 - ☐ (8) >70% to 80%
 - ☐ (9) >80% to 90%
 - ☐ (10) >90% to <100%
 - ☒ **(11) 100%**

GOVERNANCE

ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- ☒ **(A) Board members, trustees, or equivalent**
- ☒ **(B) Senior executive-level staff, or equivalent**
- Specify:

To ensure effective implementation and continuous improvement of its responsible investment strategy, Hearstone ensures the responsibility for overseeing the company's initiatives remains with dedicated senior-level resources. Responsibility for the company's ESG strategy, and its ongoing monitoring and management, lies with the ESG Committee, whose members include the CEO, CIO, Investment Director, Research and Strategy Manager and Head of Business Operations.

- ☒ **(C) Investment committee, or equivalent**
- Specify:

Investment Committee review includes consideration of responsible investment criteria for all investment transactions.

- ☐ (D) Head of department, or equivalent
- ☐ (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Stewardship: Guidelines on overall political engagement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(L) Stewardship: Guidelines on engagement with other key stakeholders



(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?

☒ (A) Yes

Describe how you do this:

We take our commitment to the principles of the Principles for Responsible Investment (PRI) seriously. We have established robust governance processes and structures to ensure that our political engagement aligns with these principles. This includes oversight of any political engagement conducted by third parties on our behalf. We continuously review and assess our practices to uphold our commitment to responsible investment and transparency. We engage with stakeholders that touch our operations, mainly investors, housebuilders, portfolio managers, valuers and conveyancers, and industry colleagues including our Alternative Investment Fund Managers (AIFMs). We seek to promote our values and ambitions across the industry, at both corporate and individual level. Hearstone Investments is an active member of a number of industry organisations to ensure we are at the forefront of industry debates and developments, and to make our voice heard. We engage with industry bodies, working groups and regulators including Homes England, The Association for Rental Living (ARL) Single Family Housing Committee, INREV, AREF, IPF and MSCI. We also comply with the The Local Government Pension Scheme Advisory Board's Code of Transparency. This year, we actively contributed to the UK Government's consultations on the Renters (Reform) Bill and Energy Performance Certificates. In addition, we participated in the Scottish Government's consultation on the Housing (Scotland) Bill and have continued to engage in industry discussions on the development of the Reserved Investor Fund structure and its tax treatment in England, Scotland and Wales. We ensure that any political engagement activities are responsible by adhering to the letter and spirit of regulations and best practice. Hearstone does not take a party political position, or make political donations. In addition, we conduct such activity with business principles that ensure integrity and lead to well informed, inclusive and effective public policy decisions that contribute to a sustainable economic system. We believe such activities and our level of political engagement will therefore inspire trust on account of being grounded in robust governance and transparency.

☐ (B) No

☐ (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

☒ (A) Internal role(s)

Specify:

Implementation of Hearthstone's responsible investment objectives and policies are allocated to relevant team members across investment and operation teams as part of their annual objectives and progress against these is monitored by the ESG committee whose members include the CEO, CIO, Investment Director, Research and Strategy Manager and Head of Business Operations. ESG performance is a standing board meeting agenda item.

- ☐ (B) External investment managers, service providers, or other external partners or suppliers
- ☐ (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?

- ☒ (A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Describe: (Voluntary)

Our organisation uses some responsible investment KPIs to evaluate the performance our Board members. Specifically, we monitor Board Diversity (mainly gender), Independence and Attendance. We also minute the Boards' oversight (quarterly) of the company's responsible investing strategy and quarterly KPIs and progress on initiatives.

- ☐ (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

- ☒ (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

- ☒ (1) KPIs are linked to compensation
- ☐ (2) KPIs are not linked to compensation as these roles do not have variable compensation
- ☐ (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

All senior executive-level staff are members of the ESG Committee, and take an active role in the pursuit of ESG initiatives. The CEO agrees annual targets for the company with the Board. These targets include a range of categories, including ESG objectives. The ESG objectives are then broken down to specific initiatives, with named team members responsible to deliver these initiatives. This year, examples include: to reduce the carbon emissions of acquisitions, rolling out data collection software, biodiversity initiatives and the development of a net zero strategy. On a quarterly basis, progress against these initiatives is reviewed by the ESG Committee, and reported to the Board. This is reported alongside a range of environmental indicators (such as carbon intensity, % of homes with PV) and social KPIs (such as affordability, resident satisfaction). The discretionary bonus for each team member is assessed against the objectives set, which include ESG targets/responsibilities as outlined above.

- ☐ (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- ☒ (A) Any changes in policies related to responsible investment
- ☒ (B) Any changes in governance or oversight related to responsible investment
- ☐ (C) Stewardship-related commitments
- ☐ (D) Progress towards stewardship-related commitments
- ☒ (E) Climate-related commitments
- ☒ (F) Progress towards climate-related commitments
- ☒ (G) Human rights-related commitments
- ☒ (H) Progress towards human rights-related commitments
- ☒ (I) Commitments to other systematic sustainability issues
- ☐ (J) Progress towards commitments on other systematic sustainability issues
- ☐ (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- ☐ (A) Yes, including governance-related recommended disclosures
 - ☐ (B) Yes, including strategy-related recommended disclosures
 - ☐ (C) Yes, including risk management-related recommended disclosures
 - ☐ (D) Yes, including applicable metrics and targets-related recommended disclosures
 - ☒ (E) None of the above
- Explain why: (Voluntary)

We are looking to develop an approach on how best to make such disclosures.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

- (A) Yes, we publicly disclosed all of our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

https://cdn.prod.website-files.com/624dcbf9afeb722b83841ee2/67a5dcb5da341f8e05accd17_Hearthstone-Investments%E2%80%93Impact-Report-2024.pdf

- (B) Yes, we publicly disclosed some of our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (D) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

STRATEGY

CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- ☒ (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- ☐ (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- ☐ (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- ☒ (D) Exclusions based on our organisation's climate change commitments
- ☐ (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

- ☒ (A) We incorporate ESG factors into our assessment of expected asset class risks and returns

Select from dropdown list:

- ☒ (1) for all of our AUM subject to strategic asset allocation
- ☐ (2) for a majority of our AUM subject to strategic asset allocation
- ☐ (3) for a minority of our AUM subject to strategic asset allocation

☒ (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns

Select from dropdown list:

- ☒ (1) for all of our AUM subject to strategic asset allocation
- ☐ (2) for a majority of our AUM subject to strategic asset allocation
- ☐ (3) for a minority of our AUM subject to strategic asset allocation

☒ (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns

Select from dropdown list:

- ☒ (1) for all of our AUM subject to strategic asset allocation
- ☐ (2) for a majority of our AUM subject to strategic asset allocation
- ☐ (3) for a minority of our AUM subject to strategic asset allocation

☐ (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns

- ☐ (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- ☐ (F) Not applicable; we do not have a strategic asset allocation process

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

(4) Real estate

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

☒ (A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff

Select from the list:

☒ 1

☒ (B) External investment managers, third-party operators and/or external property managers, if applicable

Select from the list:

☒ 2

☒ (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers

Select from the list:

☒ 5

☒ (D) Informal or unstructured collaborations with investors or other entities

Select from the list:

☒ 3

☒ (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar

Select from the list:

☒ 4

☐ (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

If relevant, provide any further details on your organisation's overall stewardship strategy.

We engage with stakeholders that touch our operations, mainly investors, housebuilders, portfolio managers, valuers and conveyancers, and industry colleagues including our Alternative Investment Fund Managers (AIFMs). We seek to promote our values and ambitions across the industry, at both corporate and individual level. Hearthstone Investments is an active member of a number of industry organisations to ensure we are at the forefront of industry debates and developments, and to make our voice heard.

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

☒ (A) Yes, we engaged with policy makers directly

☒ (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI

☒ (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI

☐ (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

☐ (A) We participated in 'sign-on' letters

☒ (B) We responded to policy consultations

☒ (C) We provided technical input via government- or regulator-backed working groups

Describe:

Hearthstone has actively engaged with industry working groups in relation to the development of the Reserved Investor Fund. Furthermore, we have been able to utilise our technical input in relation to industry backed working groups in discussions around how to benchmark and collate improved ESG data, and on better ways to capture residential operational costs. We also led efforts to establish an improved methodology for incorporating forward funding transactions within the MSCI index.

☒ **(D) We engaged policy makers on our own initiative**

Describe:

Hearthstone seeks to promote its values and ambitions across the industry, at both corporate and individual level. Hearthstone Investments is an active member of a number of industry organisations. We engage public sector bodies, such as Homes England, on our own initiative where we believe this can improve policy making.

☐ (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

☐ (A) We publicly disclosed all our policy positions

☒ **(B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

<https://www.parliament.scot/-/media/files/committees/local-gov/correspondence/2024/housingbillssummary.pdf>
<https://www.scottishparliament.tv/meeting/local-government-housing-and-planning-committee-june-18-2024>
<https://www.scottishparliament.tv/meeting/local-government-housing-and-planning-committee-january-28-2025>

☐ (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

☒ **(A) Yes, within our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

According to the British Property Federation, the UK's housing sector contributes an estimated 15% of the country's total GHG emissions. The government has set a statutory target to achieve net zero emissions by 2050. Given that 80% of the projected 2050 housing stock houses has already been built, and most are far from net zero in operation, significant investments in improved energy efficiency, electrification and green energy production will be needed if this goal is to be achieved. Hearthstone's environmental and sustainability initiatives are driven through our in-house asset management team, drawing on selected specialist advisors where appropriate. The team seeks to make continuous, incremental improvements in the sustainability profile of the assets under management. Hearthstone addresses environmental sustainability through its efforts to reduce energy consumption, carbon emissions, water usage, waste management and the promotion and adoption of financially responsible strategies to encourage progress in these areas.

The benefits of this approach include improved letting potential, reduced obsolescence and lower running costs, all of which strengthen investment performance. At the same time, it represents good corporate citizenship.

Hearthstone is committed to the following sustainability goals:

- Reducing the environmental impact of our business
 - Reducing the environmental impact of our clients' real estate holdings through the selection of sustainable homes, targeted improvements using new technology, and resident engagement to influence behaviour
 - Collaborating with clients, developers, residents and service providers to provide sustainable homes for the long term
 - Protecting portfolios against the risk of stranded assets caused by regulatory changes or climate change
- These commitments are embedded in our investment process, from the setting of stock selection criteria, through the due diligence stage, ongoing asset management, maintenance and improvement projects and client reporting.

We will target energy-efficient assets, capable of achieving EPC ratings of A and B.

C-rated units may be acceptable if they are capable of cost-effective upgrading to A or B ratings. We will incorporate environmental assessments in our screening and due diligence processes for potential investment properties, considering factors such as energy efficiency, waste management, water supply and sanitation, carbon emissions, sustainability of drainage systems, climate resilience and risks from flooding, coastal erosion, land contamination and mining activities.

Other factors included in the review include:

- Building construction materials and processes, and embedded carbon (where available)
 - Use of hydrocarbons
 - Rainwater recycling
 - Energy supply for space and water heating
 - Recycling provision
 - Cycle storage provision
 - EV charging provision
 - Retrofitting potential
 - Biodiversity provisions
- Energy efficiency We will strive to improve the energy efficiency of our properties through measures like energy-efficient appliances, heat pumps, LED lighting, insulation upgrades, and the installation of renewable energy sources if it can be achieved cost-effectively.

We will continue to explore the benefits and risks of modern methods of construction for the delivery of new homes, and seek to take advantage of new opportunities that we expect to come as capacity in this area increases.

We will seek to reduce GHG emissions across our property portfolio, tracking and reporting on progress.

This will be managed in the context of each fund's investment objectives. It will be achieved through a combination of initiatives, including upgrading, electrification, the acquisition of new low carbon or zero carbon (in operation) homes, and, where practicable, implementing green energy supply contracts. We will also seek to influence residents to reduce their carbon emissions through direct engagement, the use of new technology and the installation of electric vehicle charging facilities. We will also work with developers to identify embedded carbon and collaborate in industry initiatives to decarbonise the housing supply chain. We will seek to reduce GHG emissions across our property portfolio, tracking and reporting on progress. This will be managed in the context of each fund's investment objectives. It will be achieved through a combination of initiatives, including upgrading, electrification, the acquisition of new low carbon or zero carbon (in operation) homes, and, where practicable, implementing green energy supply contracts.

- ☐ (B) Yes, beyond our standard planning horizon
- ☐ (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

- ☒ (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

A range of environmental and social performance metrics are monitored and reported on a quarterly basis, to give a regular indication of our portfolios' exposure to risks, and progress in delivering sustainability objectives. This ensures a continuing focus on buying sustainable assets and on delivering improvements, to the extent that this can be achieved in ways compatible with the fund's investment objectives. It also means that potential stranded asset risks (for example, from regulatory changes or climate change) can be identified and addressed. Risks are considered under a number of headings, at the due diligence stage with new acquisitions, and monitored where applicable in the ongoing management of the portfolio. Some examples are as follows:

Site risks

- Contamination
- Unstable ground conditions
- Flooding
- Coastal erosion
- Building risks
- Deleterious materials
- Failure to meet technical or regulatory standards

Regulatory risks

- Obsolescence through an inability or failure to adapt to changing standards
- Opportunities to add value may arise through sustainability improvements (for example, better installation or the installation of EV charging points) that bring investment benefits – for example through improved lettable, higher rents or an increase in capital value.

ESG data and risks are also reviewed with the funds' valuers and insurers as appropriate, as they may affect asset values and insurance cover.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

- ☐ (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- ☐ (B) Yes, using the One Earth Climate Model scenario
- ☐ (C) Yes, using the International Energy Agency (IEA) Net Zero scenario

☒ **(D) Yes, using other scenarios**

Specify:

We have assessed our portfolios' exposure to risks from sea level rise under temperature increases of 2C and 1.5C.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

☒ **(A) Yes, we have a process to identify and assess climate-related risks**

(1) Describe your process

As a manager of residential real estate assets, Hearthstone Investments recognises that property ownership has an impact on the environment and society. Furthermore, responsible ownership requires a process to identify, assess, and manage the climate-related risks (potentially) affecting these investments. A range of environmental and social performance metrics are monitored and reported on a quarterly basis, to give a regular indication of our portfolios' exposure to risks and progress in delivering sustainability objectives. This ensures a continuing focus on buying sustainable assets and on delivering improvements, to the extent that this can be achieved in ways compatible with the fund's investment objectives.

It also means that potential stranded asset risks (for example, from regulatory changes or climate change) can be identified and addressed. Potential acquisitions are screened using the same framework. Risks are considered under a number of headings, at the due diligence stage with new acquisitions, and monitored where applicable in the ongoing management of the portfolio. Some examples are as follows:

Site risks

- Contamination
- Unstable ground conditions
- Flooding
- Coastal erosion
- Building risks
- Deleterious materials
- Failure to meet technical or regulatory standards

Regulatory risks

Obsolescence through an inability or failure to adapt to changing standards. Opportunities to add value may arise through sustainability improvements (for example, better installation or the installation of EV charging points) that bring investment benefits – for example through improved lettable, higher rents or an increase in capital value.

ESG data and risks are also reviewed with the fund's valuer and insurer as appropriate, as they may affect asset values and insurance cover.

(2) Describe how this process is integrated into your overall risk management

Our ESG commitments are embedded in our investment and risk process, from the setting of stock selection criteria, through the due diligence stage, ongoing asset management, maintenance and improvement projects and client reporting. We expect that increasing public awareness of environmental issues will shape demand, affecting rental levels and the pricing of investment assets as some properties appear more attractive than others. We will seek to ensure assets and portfolios are positioned to limit "stranding" risks. Stock selection Our funds target energy-efficient assets, capable of achieving EPC ratings of A and B. C-rated units may be acceptable if they are capable of cost-effective upgrading to an A or B rating.

We incorporate environmental assessments in our screening and due diligence processes for potential investment properties, considering factors such as energy efficiency, waste management, water supply and sanitation, carbon emissions, sustainability of drainage systems, climate resilience and risks from flooding, coastal erosion, land contamination and mining activities.

Other factors included in the review include:

- Building construction materials and processes, and embedded carbon (where available)
- Use of hydrocarbons
- Rainwater recycling
- Energy supply for space and water heating
- Recycling provision
- Cycle storage provision
- EV charging provision
- Retrofitting potential

Biodiversity provisions Asset management Our asset management activities can directly influence the environmental impact of our portfolio.

Some key initiatives are identified below. We strive to improve the energy efficiency of our properties through measures like energy-efficient appliances, heat pumps, LED lighting, insulation upgrades, and the installation of renewable energy sources if it can be achieved cost-effectively. We will continue to explore the benefits and risks of modern methods of construction for the delivery of new homes, and seek to take advantage of new opportunities that we expect to come as capacity in this area increases. Energy efficiency Carbon footprint reduction We seek to reduce GHG emissions across our property portfolio, tracking and reporting on progress. This will be managed in the context of each fund's investment objectives.

It will be achieved through a combination of initiatives, including upgrading, electrification, the acquisition of new low carbon or zero carbon (in operation) homes, and, where practicable, implementing green energy supply contracts. We seek to influence residents to reduce their carbon emissions through direct engagement, the use of new technology and the installation of electric vehicle charging facilities. We also work with developers to identify embedded carbon and collaborate in industry initiatives to decarbonise the housing supply chain. Water conservation We encourage water-saving initiatives and promote responsible water usage in our managed properties, including promoting the installation of water-efficient fixtures and the implementation of leak detection systems Waste management We encourage waste reduction, recycling, and responsible waste management practices within our properties, promoting recycling and engaging with residents to increase awareness. Resident engagement We are exploring effective ways to engage with residents to encourage more sustainable living, including information and advice, and exploring appropriate uses of supporting technology. Reporting The measurement and monitoring of environmental performance is essential to track progress and assess risks.

☒ (B) Yes, we have a process to manage climate-related risks

(1) Describe your process

Please see (A)(1) above.

(2) Describe how this process is integrated into your overall risk management

Please see (A)(2) above.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?

☐ (A) Exposure to physical risk

☒ **(B) Exposure to transition risk**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

○ (1) Metric or variable used

● **(2) Metric or variable used and disclosed**

○ (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

https://cdn.prod.website-files.com/624dcbf9afeb722b83841ee2/67a5dcb5da341f8e05accd17_Hearthstone-Investments%E2%80%93Impact-Report-2024.pdf

☐ (C) Internal carbon price

☒ **(D) Total carbon emissions**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

○ (1) Metric or variable used

● **(2) Metric or variable used and disclosed**

○ (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

https://cdn.prod.website-files.com/624dcbf9afeb722b83841ee2/67a5dcb5da341f8e05accd17_Hearthstone-Investments%E2%80%93Impact-Report-2024.pdf

☒ **(E) Weighted average carbon intensity**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

○ (1) Metric or variable used

● **(2) Metric or variable used and disclosed**

○ (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

https://cdn.prod.website-files.com/624dcbf9afeb722b83841ee2/67a5dcb5da341f8e05accd17_Hearthstone-Investments%E2%80%93Impact-Report-2024.pdf

☐ (F) Avoided emissions

☐ (G) Implied Temperature Rise (ITR)

☐ (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

☐ (I) Proportion of assets or other business activities aligned with climate-related opportunities

☐ (J) Other metrics or variables

○ (K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

- ☐ (A) Scope 1 emissions
- ☐ (B) Scope 2 emissions
- ☐ (C) Scope 3 emissions (including financed emissions)
- ☒ (D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

- ☒ (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

- ☒ (A) The UN Sustainable Development Goals (SDGs) and targets
- ☐ (B) The UNFCCC Paris Agreement
- ☐ (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☐ (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (E) The EU Taxonomy
- ☐ (F) Other relevant taxonomies
- ☐ (G) The International Bill of Human Rights
- ☐ (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (I) The Convention on Biological Diversity
- ☐ (J) Other international framework(s)
- ☐ (K) Other regional framework(s)
- ☐ (L) Other sectoral/issue-specific framework(s)
- ☐ (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- ☒ (A) Identify sustainability outcomes that are closely linked to our core investment activities
- ☒ (B) Consult with key clients and/or beneficiaries to align with their priorities
- ☒ (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- ☒ (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- ☐ (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- ☐ (F) Understand the geographical relevance of specific sustainability outcome objectives
- ☐ (G) Other method
- ☐ (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- ☒ (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?

- ☒ (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- ☐ (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- ☒ (C) We have been requested to do so by our clients and/or beneficiaries
- ☒ (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- ☐ (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- ☐ (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- ☒ (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- ☐ (H) Other

HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

During the reporting year, what steps did your organisation take to identify and take action on the actual and potential negative outcomes for people connected to your investment activities?

- ☐ (A) We assessed the country level context of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes
- ☐ (B) We assessed the sector context of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes
- ☐ (C) We assessed the human rights performance of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes
- ☐ (D) We monitored severe and emerging human rights controversies to understand how this could connect our organisation to negative human rights outcomes
- ☒ (E) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities

Specify:

Development of a Principal Adverse Impact Policy.

Explain how these activities were conducted:

We take steps to pro-actively assess and manage the actual and potential negative outcomes for people connected to our investment activities. For example, we support hardship cases where we assess if there is a collaborative solution that allows residents to continue living in their homes in a sustainable way. Often, payment plans are agreed to give residents the breathing space and flexibility they need. While this is the just and reasonable thing to do, it also aligns the interests of investors and residents who can stay in their homes for longer, reducing voids and arrears.

- ☐ (F) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potential negative outcomes for people connected to your investment activities?

- ☐ (A) Workers
 - ☒ (B) Communities
- Sector(s) for which each stakeholder group was included
- ☐ (1) Energy
 - ☐ (2) Materials
 - ☐ (3) Industrials
 - ☐ (4) Consumer discretionary
 - ☐ (5) Consumer staples
 - ☐ (6) Healthcare
 - ☐ (7) Finance
 - ☐ (8) Information technology
 - ☐ (9) Communication services

- ☐ (10) Utilities
- ☒ (11) Real estate
- ☒ (C) Customers and end-users
 - Sector(s) for which each stakeholder group was included
 - ☐ (1) Energy
 - ☐ (2) Materials
 - ☐ (3) Industrials
 - ☐ (4) Consumer discretionary
 - ☐ (5) Consumer staples
 - ☐ (6) Healthcare
 - ☐ (7) Finance
 - ☐ (8) Information technology
 - ☐ (9) Communication services
 - ☐ (10) Utilities
 - ☒ (11) Real estate
- ☐ (D) Other stakeholder groups

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?

- ☒ (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities

Describe:

We ensure security and stability for renters by being pragmatic when reviewing rents. When difficulties arise, our conversation starts with "How can we help you?" We assess if there is a collaborative solution that allows residents to continue living in their homes in a sustainable way. Often, payment plans are agreed to give residents the breathing space and flexibility they need. While this is the just and reasonable thing to do, it also aligns the interests of investors and residents who can stay in their homes for longer, reducing voids and arrears.

- ☐ (B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities
 - ☐ (C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

REAL ESTATE (RE)

POLICY

INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 1	CORE	OO 21, OO 24, OO 26	N/A	PUBLIC	Investment guidelines	1 to 6

What real estate-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- ☒ (A) Guidelines on our ESG approach to real estate depending on use (e.g. retail and education) and geography
- ☒ (D) Guidelines on our ESG approach to standing real estate investments
- ☒ (E) Guidelines on pre-investment screening
- ☐ (F) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- ☒ (G) Guidelines on our approach to ESG integration into long-term value creation efforts
- ☒ (H) Guidelines on our approach to ESG reporting
- ☒ (I) Guidelines on our engagement approach related to third-party property managers
- ☒ (J) Guidelines on our engagement approach related to tenants
- ☐ (K) Guidelines on our engagement approach related to construction contractors
- ☐ (L) Our responsible investment policy(ies) does not cover real estate-specific ESG guidelines

FUNDRAISING

COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters, or other constitutive fund documents?

- ☒ (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- ☐ (B) We added responsible investment commitments in LPAs (or equivalent) upon a client's request
- ☐ (C) We added responsible investment commitments in side letters upon a client's request
- ☐ (D) We did not make any formal responsible investment commitments for the relevant reporting year
- ☐ (E) Not applicable; we have not raised funds in the last five years

PRE-INVESTMENT

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 3	CORE	OO 21	RE 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential real estate investments?

☒ (A) We assessed ESG materiality for each property, as each case is unique

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
 - ☐ (2) for a majority of our potential real estate investments
 - ☐ (3) for a minority of our potential real estate investments
- ☐ (B) We performed a mix of property level and property type or category level ESG materiality analysis
- ☐ (C) We assessed ESG materiality at the property type or category level only
- ☐ (D) We did not conduct ESG materiality analysis for our potential real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 3.1	CORE	RE 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential real estate investments?

- ☐ (A) We used GRI standards to inform our real estate ESG materiality analysis
- ☐ (B) We used SASB standards to inform our real estate ESG materiality analysis
- ☒ (C) We used the UN Sustainable Development Goals (SDGs) to inform our real estate ESG materiality analysis
- ☐ (D) We used GRESB Materiality Assessment (RC7) or similar to inform our real estate ESG materiality analysis
- ☐ (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our real estate ESG materiality analysis
- ☒ (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our real estate ESG materiality analysis
- ☒ (G) We used geopolitical and macro-economic considerations in our real estate ESG materiality analysis
- ☐ (H) We used green building certifications to inform our real estate ESG materiality analysis
- ☒ (I) We engaged with the existing owners and/or managers (or developers for new properties) to inform our real estate ESG materiality analysis
- ☐ (J) Other

DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

During the reporting year, how did material ESG factors influence your selection of real estate investments?

☒ (A) Material ESG factors were used to identify risks

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
- ☐ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☒ (B) Material ESG factors were discussed by the investment committee (or equivalent)

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
- ☐ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☐ (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)

☒ (D) Material ESG factors were used to identify opportunities for value creation

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
- ☐ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☒ (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
- ☐ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☒ (F) Material ESG factors impacted investments in terms of the price offered and/or paid

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
- ☐ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☐ (G) Material ESG factors did not influence the selection of our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential real estate investments?

☒ (A) We conduct a high-level or desktop review against an ESG checklist for initial red flags

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
- ☐ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☒ (B) We send detailed ESG questionnaires to target properties

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments

- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments
- ☒ **(C) We hire third-party consultants to do technical due diligence on specific material ESG factors**
Select from dropdown list:
 - (1) for all of our potential real estate investments
 - (2) for a majority of our potential real estate investments
 - **(3) for a minority of our potential real estate investments**
- ☒ **(D) We conduct site visits**
Select from dropdown list:
 - **(1) for all of our potential real estate investments**
 - (2) for a majority of our potential real estate investments
 - (3) for a minority of our potential real estate investments
- ☒ **(E) We conduct in-depth interviews with management and/or personnel**
Select from dropdown list:
 - (1) for all of our potential real estate investments
 - (2) for a majority of our potential real estate investments
 - **(3) for a minority of our potential real estate investments**
- ☒ **(F) We conduct detailed external stakeholder analysis and/or engagement**
Select from dropdown list:
 - (1) for all of our potential real estate investments
 - (2) for a majority of our potential real estate investments
 - **(3) for a minority of our potential real estate investments**
- ☒ **(G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence, e.g. commercial, accounting and legal**
Select from dropdown list:
 - **(1) for all of our potential real estate investments**
 - (2) for a majority of our potential real estate investments
 - (3) for a minority of our potential real estate investments
- ☒ **(H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting and legal**
Select from dropdown list:
 - **(1) for all of our potential real estate investments**
 - (2) for a majority of our potential real estate investments
 - (3) for a minority of our potential real estate investments
- ☐ (I) Other
- ☐ (J) We do not conduct due diligence on material ESG factors for potential real estate investments

SELECTION, APPOINTMENT AND MONITORING OF THIRD-PARTY PROPERTY MANAGERS

SELECTION PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 6	CORE	OO 26	N/A	PUBLIC	Selection process of third-party property managers	1, 4

During the reporting year, how did you include material ESG factors in all of your selections of third-party property managers?

- ☒ **(A) We requested information from potential third-party property managers on their overall approach to material ESG factors**
- ☒ **(B) We requested track records and examples from potential third-party property managers on their management of material ESG factors**

- ☒ (C) We requested information from potential third-party property managers on their engagement process(es) with stakeholders
- ☒ (D) We requested documentation from potential third-party property managers on their responsible procurement practices, including responsibilities, approach and incentives
- ☐ (E) We requested the assessment of current and planned availability and aggregation of metering data from potential third-party property managers
- ☐ (F) Other
- ☐ (G) We did not include material ESG factors in our selection of third-party property managers

APPOINTMENT PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 7	CORE	OO 26	N/A	PUBLIC	Appointment process of third-party property managers	1, 4

How did you include material ESG factors when appointing your current third-party property managers?

- ☐ (A) We set dedicated ESG procedures in all relevant property management phases
- ☒ (B) We set clear ESG reporting requirements
 - Select from dropdown list:
 - ☒ (1) for all of our third-party property managers
 - ☐ (2) for a majority of our third-party property managers
 - ☐ (3) for a minority of our third-party property managers
- ☒ (C) We set clear targets on material ESG factors
 - Select from dropdown list:
 - ☒ (1) for all of our third-party property managers
 - ☐ (2) for a majority of our third-party property managers
 - ☐ (3) for a minority of our third-party property managers
- ☒ (D) We set incentives related to targets on material ESG factors
 - Select from dropdown list:
 - ☒ (1) for all of our third-party property managers
 - ☐ (2) for a majority of our third-party property managers
 - ☐ (3) for a minority of our third-party property managers
- ☒ (E) We included responsible investment clauses in property management contracts
 - Select from dropdown list:
 - ☒ (1) for all of our third-party property managers
 - ☐ (2) for a majority of our third-party property managers
 - ☐ (3) for a minority of our third-party property managers
- ☐ (F) Other
- ☐ (G) We did not include material ESG factors in the appointment of third-party property managers

MONITORING PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 8	CORE	OO 26	N/A	PUBLIC	Monitoring process of third-party property managers	1, 4

How do you include material ESG factors when monitoring current third-party property managers?

- ☒ **(A) We monitor the performance of quantitative and/or qualitative targets on material environmental factors**
Select from dropdown list:
 - ☒ **(1) for all of our third-party property managers**
 - ☐ (2) for a majority of our third-party property managers
 - ☐ (3) for a minority of our third-party property managers
- ☒ **(B) We monitor the performance of quantitative and/or qualitative targets on material social factors**
Select from dropdown list:
 - ☒ **(1) for all of our third-party property managers**
 - ☐ (2) for a majority of our third-party property managers
 - ☐ (3) for a minority of our third-party property managers
- ☒ **(C) We monitor the performance of quantitative and/or qualitative targets on material governance factors**
Select from dropdown list:
 - ☒ **(1) for all of our third-party property managers**
 - ☐ (2) for a majority of our third-party property managers
 - ☐ (3) for a minority of our third-party property managers
- ☒ **(D) We monitor progress reports on engagement with tenants**
Select from dropdown list:
 - ☒ **(1) for all of our third-party property managers**
 - ☐ (2) for a majority of our third-party property managers
 - ☐ (3) for a minority of our third-party property managers
- ☒ **(E) We require formal reporting at least yearly**
Select from dropdown list:
 - ☒ **(1) for all of our third-party property managers**
 - ☐ (2) for a majority of our third-party property managers
 - ☐ (3) for a minority of our third-party property managers
- ☒ **(F) We have discussions about material ESG factors with all relevant stakeholders at least yearly**
Select from dropdown list:
 - ☒ **(1) for all of our third-party property managers**
 - ☐ (2) for a majority of our third-party property managers
 - ☐ (3) for a minority of our third-party property managers
- ☒ **(G) We conduct a performance review of third-party property managers against targets on material ESG factors and/or a financial incentive structure linked to material ESG factors**
Select from dropdown list:
 - ☒ **(1) for all of our third-party property managers**
 - ☐ (2) for a majority of our third-party property managers
 - ☐ (3) for a minority of our third-party property managers
- ☒ **(H) We have internal or external parties conduct site visits at least yearly**
Select from dropdown list:
 - ☒ **(1) for all of our third-party property managers**
 - ☐ (2) for a majority of our third-party property managers
 - ☐ (3) for a minority of our third-party property managers
- ☐ (I) Other
 - ☐ (J) We do not include material ESG factors in the monitoring of third-party property managers

POST-INVESTMENT

MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 11	CORE	OO 21	RE 11.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your real estate investments?

☒ (A) Yes, we tracked KPIs on environmental factors

Percentage of real estate assets this applies to:

- ☐ (1) >0 to 10%
- ☐ (2) >10 to 50%
- ☐ (3) >50 to 75%
- ☐ (4) >75 to 95%
- ☒ (5) >95%

☒ (B) Yes, we tracked KPIs on social factors

Percentage of real estate assets this applies to:

- ☐ (1) >0 to 10%
- ☐ (2) >10 to 50%
- ☐ (3) >50 to 75%
- ☐ (4) >75 to 95%
- ☒ (5) >95%

☒ (C) Yes, we tracked KPIs on governance factors

Percentage of real estate assets this applies to:

- ☐ (1) >0 to 10%
- ☐ (2) >10 to 50%
- ☐ (3) >50 to 75%
- ☐ (4) >75 to 95%
- ☒ (5) >95%

- ☐ (D) We did not track KPIs on material ESG factors across our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 11.1	PLUS	RE 11	N/A	PUBLIC	Monitoring	1

Provide examples of KPIs on material ESG factors you tracked across your real estate investments during the reporting year.

(A) ESG KPI #1

Carbon footprint (CO2 tonnes p.a.)

(B) ESG KPI #2

Carbon intensity (CO2 kg/sq m p.a.)

(C) ESG KPI #3

Energy intensity (kWh/sq m p.a.)

(D) ESG KPI #4

Flood risk

(E) ESG KPI #5

Incidence of sustainability features (e.g. solar panels, heat pumps, EV chargers, cycle storage facilities)

(F) ESG KPI #6

Site history (greenfield/brownfield)

(G) ESG KPI #7

Access to local services

(H) ESG KPI #8

Accessibility profile by public transport

(I) ESG KPI #9

Affordability (rent as a % of household income)

(J) ESG KPI #10

Key worker residents as % of all adult residents

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 12	CORE	OO 21	N/A	PUBLIC	Monitoring	1

During the reporting year, what ESG building performance data did you collect for your real estate assets?

☒ (A) Energy consumption

Select from dropdown list:

- ☒ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☐ (3) for a minority of our real estate assets

☒ (B) Water consumption

Select from dropdown list:

- ☐ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☒ (3) for a minority of our real estate assets

☐ (C) Waste production

☒ (D) Other

Specify:

Carbon Intensity is collected for all our real estate assets.

Select from dropdown list:

- ☒ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☐ (3) for a minority of our real estate assets
- ☐ (E) We did not collect ESG building performance data for our real estate assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 13	CORE	OO 21, OO 26	RE 13.1	PUBLIC	Monitoring	1, 2

What processes do you have in place to support meeting your targets on material ESG factors for your real estate investments?

☒ (A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance

Select from dropdown list:

- ☒ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☐ (3) for a minority of our real estate assets

☐ (B) We implement certified environmental and social management systems across our portfolio

☒ (C) We make sufficient budget available to ensure that the systems and procedures needed are established

Select from dropdown list:

- ☒ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☐ (3) for a minority of our real estate assets

☒ (D) We hire external verification services to audit performance, systems, and procedures

Select from dropdown list:

- ☒ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☐ (3) for a minority of our real estate assets

☒ (E) We collaborate and engage with our third-party property managers and/or tenants to develop action plans

Select from dropdown list:

- ☒ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☐ (3) for a minority of our real estate assets

☒ (F) We develop minimum health and safety standards

Select from dropdown list:

- ☒ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☐ (3) for a minority of our real estate assets

☒ (G) We conduct ongoing engagement with all key stakeholders, e.g. local communities, NGOs, governments, and end-users

Select from dropdown list:

- ☒ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☐ (3) for a minority of our real estate assets

☐ (H) Other

☐ (I) We do not have processes in place to help meet our targets on material ESG factors for our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 13.1	PLUS	RE 13	N/A	PUBLIC	Monitoring	1, 2

Describe up to two processes you put in place during the reporting year to support meeting your targets on material ESG factors.

(A) Process one

During the reporting year, we launched a targeted biodiversity improvement programme across several residential blocks where we retain ownership and management responsibility for shared external areas. This process was developed in collaboration with our appointed gardeners and property management teams, with the objective of enhancing the ecological value and environmental quality of communal green spaces. Key actions include:

- Installing bird boxes and bird feeders
 - Introducing pollinator-friendly and native planting schemes
 - Sowing wildflowers in suitable grassed areas
 - Placing insect houses and other microhabitats
 - Phasing out the use of harmful weed control products in favour of non-toxic alternatives
- This process is being introduced into our ongoing management practices, alongside inspections and photographic monitoring. By taking a proactive approach to managing these landlord-controlled green areas, we aim to promote biodiversity, support urban ecosystems, and improve the quality of outdoor spaces for residents.

(B) Process two

To better support our climate-related targets and risk management, we initiated a new partnership with a specialist ESG data provider during the reporting year. This collaboration has significantly enhanced our ability to assess and manage material environmental risks at the asset level across our residential portfolio. Through this process, we are now able to:

- Access location-based CO2 emissions data across Scope 1, 2, and 3 categories
 - Analyse consumption patterns and emissions pathways over time
 - Identify potentially stranded assets based on regulatory and market transition risk
 - Understand individual asset-level climate exposure and risk profiles
- This more comprehensive dataset enables us to prioritise decarbonisation efforts more effectively, identify high-risk or underperforming assets, and track progress toward our net zero targets. It also supports improved reporting to stakeholders and alignment with emerging regulatory and investor expectations around climate risk and sustainability disclosures.

By embedding these enhanced ESG insights into investment decision-making and ongoing asset management, we are strengthening our approach to climate resilience and long-term value protection.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 14	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period?

☒ **(A) We develop property-specific ESG action plans based on pre-investment research, due diligence and materiality findings**

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments
- ☒ **(3) for a minority of our real estate investments**

☒ **(B) We review our ESG action plans based on performance monitoring findings at least yearly**

Select from dropdown list:

- ☒ **(1) for all of our real estate investments**
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

☒ **(C) We, or the external advisors that we hire, support our real estate investments with specific ESG value-creation opportunities**

Select from dropdown list:

- ☒ **(1) for all of our real estate investments**
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

☐ **(D) Other**

- (E) We do not manage material ESG risks and opportunities post-investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 15	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

Describe how you ensure that material ESG risks are adequately addressed in the real estate investments where you hold a minority stake.

These are relatively few assets as we mainly own freeholds on single-family houses and on unbroken blocks. For the few leaseholds we own in broken blocks, regular site visits are carried out by our in-house staff as well as external asset managers and valuers. We also conduct regular resident satisfaction surveys. These help us to identify potential risks and we will engage with block managers and residents' management companies to ensure issues are resolved. Ultimately, our ESG policy and practice applies equally across all assets.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 16	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

Describe how your ESG action plans are currently defined, implemented and monitored throughout the investment period.

ESG metrics are recorded and tracked on an ongoing basis, with most measures updated quarterly. Some, such as resident income and occupation profiling, and resident satisfaction surveys, are conducted less often, but in each case at least once a year. Results are reported to investors on a quarterly basis, with further scrutiny by the Advisory Committee and Investment Committee where applicable. Metrics are also reported as part of the corporate board reporting regime, and reviewed by Hearstone's ESG Committee. Key indicators are also incorporated into Investment Committee proposals for all new investments.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 17	CORE	OO 21	N/A	PUBLIC	Monitoring	1

What proportion of your real estate assets has obtained a green or sustainable building certification?

- ☐ (A) All of our real estate assets have obtained a green or sustainable building certification
- ☐ (B) A majority of our real estate assets have obtained a green or sustainable building certification
- ☐ (C) A minority of our real estate assets have obtained a green or sustainable building certification
- ☒ (D) None of our real estate assets have obtained a green or sustainable building certification

STAKEHOLDER ENGAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 18	CORE	OO 21	N/A	PUBLIC	Stakeholder engagement	1, 2

How does your third-party property manager(s) engage with tenants?

- ☒ (A) They engage with real estate tenants on energy, water consumption and/or waste production
 - Select from dropdown list:
 - ☐ (1) for all of our buildings or properties
 - ☐ (2) for a majority of our buildings or properties
 - ☒ (3) for a minority of our buildings or properties
- ☐ (B) They engage with real estate tenants by organising tenant events focused on increasing sustainability awareness, ESG training and guidance
- ☐ (C) They engage with real estate tenants by offering green leases
- ☒ (D) They engage with real estate tenants by identifying collaboration opportunities that support targets related to material ESG factors
 - Select from dropdown list:
 - ☒ (1) for all of our buildings or properties
 - ☐ (2) for a majority of our buildings or properties
 - ☐ (3) for a minority of our buildings or properties
- ☐ (E) They engage with real estate tenants by offering shared financial benefits from equipment upgrades
- ☒ (F) Other

Specify:

We take a hands on approach, with frequent site visits and direct contact, working with our property managers. Resident satisfaction and wellbeing surveys generate useful feedback and identifies follow-up actions, helping to show how property managers perform, ensuring they maintain high standards of service. We have implanted the use of new technology across all portfolios to measure, monitor and influence energy performance and emissions.

Select from dropdown list:

- ☒ (1) for all of our buildings or properties
- ☐ (2) for a majority of our buildings or properties
- ☐ (3) for a minority of our buildings or properties
- ☐ (G) Our third-party property manager(s) do not engage with tenants

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 19	PLUS	OO 21	N/A	PUBLIC	Stakeholder engagement	1, 2

During the reporting year, how did you or the organisations operating on your behalf engage with the local community above and beyond what is required by relevant regulations for asset design, use and/or repurposing?

During the reporting year, Hearthstone went beyond regulatory requirements to engage meaningfully with the local community in support of both social and environmental objectives. For the second consecutive year, we partnered with LATCH (Leeds Action to Create Homes), a local charity that provides supported housing for individuals experiencing homelessness or housing insecurity. LATCH transforms derelict properties in the Chapeltown, Harehills, and Burley areas of Leeds into safe, high-quality homes.

This year, Hearthstone contributed to the redevelopment of a property that had been vacant for over two decades. We raised more than £3,000 to fund the refurbishment of the kitchen, a key part of making the home functional and welcoming for future tenants. Fundraising was undertaken through our participation in a sponsored volunteer day, during which our team cleared bracken in the Ashdown Forest Special Protection Area—an ecologically significant heathland habitat home to many rare and threatened species, with a 7km zone of influence for planning purposes.

This initiative demonstrates Hearthstone's commitment to supporting local housing needs while actively contributing to environmental stewardship, thereby aligning with our broader responsible investment strategy.

EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 20	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

During the reporting year, what responsible investment information was shared with potential buyers of real estate investments?

- ☐ (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory
- ☐ (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD or GRESB
- ☐ (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)
- ☒ (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)

Select from dropdown list:

- ☒ (1) for all of our real estate investments
 - ☐ (2) for a majority of our real estate investments
 - ☐ (3) for a minority of our real estate investments
- ☐ (E) The outcome of our latest ESG risk assessment of the property(s)
- ☒ (F) Key ESG performance data on the property(s) being sold

Select from dropdown list:

- ☒ (1) for all of our real estate investments
 - ☐ (2) for a majority of our real estate investments
 - ☐ (3) for a minority of our real estate investments

- ☐ (G) Other
- ☐ (H) No responsible investment information was shared with potential buyers of real estate investments during the reporting year
- ☐ (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 21	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report on your targets on material ESG factors and related data to your investors?

- ☒ (A) We reported through a publicly disclosed sustainability report
- ☒ (B) We reported in aggregate through formal reporting to investors
- ☐ (C) We reported at the property level through formal reporting to investors
- ☒ (D) We reported through a limited partners advisory committee (or equivalent)
- ☒ (E) We reported at digital or physical events or meetings with investors
- ☒ (F) We had a process in place to ensure that serious ESG incidents were reported
- ☒ (G) Other

Specify:

We undertook property level analysis of the relationship between ESG and investment performance, and reported aggregate results to investors.

- ☐ (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

SUSTAINABILITY OUTCOMES (SO)

SETTING TARGETS AND TRACKING PROGRESS

SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

☒ **(A) Sustainability outcome #1**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

☒ **(1) The UN Sustainable Development Goals (SDGs) and targets**

☐ (2) The UNFCCC Paris Agreement

☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

☐ (5) The EU Taxonomy

☐ (6) Other relevant taxonomies

☐ (7) The International Bill of Human Rights

☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

☐ (9) The Convention on Biological Diversity

☒ **(10) Other international, regional, sector-based or issue-specific framework(s)**

(2) Classification of sustainability outcome

☒ **(1) Environmental**

☒ **(2) Social**

☒ **(3) Governance-related**

☐ (4) Other

(3) Sustainability outcome name

Ensure every unit in the portfolio achieves at least a "C" Energy Performance Certificate rating.

(4) Number of targets set for this outcome

☐ (1) No target

☒ **(2) One target**

☐ (3) Two or more targets

☒ **(B) Sustainability outcome #2**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

☒ **(1) The UN Sustainable Development Goals (SDGs) and targets**

☐ (2) The UNFCCC Paris Agreement

☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

☐ (5) The EU Taxonomy

☐ (6) Other relevant taxonomies

☐ (7) The International Bill of Human Rights

☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

☐ (9) The Convention on Biological Diversity

☒ **(10) Other international, regional, sector-based or issue-specific framework(s)**

- (2) Classification of sustainability outcome
- ☒ (1) **Environmental**
 - ☒ (2) **Social**
 - ☒ (3) **Governance-related**
 - ☐ (4) Other
- (3) Sustainability outcome name
- Switching to green energy tariffs on all new acquisitions and between tenancies for existing assets.
- (4) Number of targets set for this outcome
- ☐ (1) No target
 - ☒ (2) **One target**
 - ☐ (3) Two or more targets
- ☒ **(C) Sustainability outcome #3**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- ☒ (1) **The UN Sustainable Development Goals (SDGs) and targets**
 - ☐ (2) The UNFCCC Paris Agreement
 - ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
 - ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
 - ☐ (5) The EU Taxonomy
 - ☐ (6) Other relevant taxonomies
 - ☐ (7) The International Bill of Human Rights
 - ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - ☒ (9) **The Convention on Biological Diversity**
 - ☐ (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- ☒ (1) **Environmental**
 - ☐ (2) Social
 - ☐ (3) Governance-related
 - ☐ (4) Other
- (3) Sustainability outcome name
- Improving biodiversity across portfolio assets.
- (4) Number of targets set for this outcome
- ☒ (1) **No target**
 - ☐ (2) One target
 - ☐ (3) Two or more targets
- ☒ **(D) Sustainability outcome #4**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
 - ☒ (2) **The UNFCCC Paris Agreement**
 - ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
 - ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
 - ☐ (5) The EU Taxonomy
 - ☐ (6) Other relevant taxonomies
 - ☐ (7) The International Bill of Human Rights
 - ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - ☐ (9) The Convention on Biological Diversity
 - ☐ (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- ☒ (1) **Environmental**
 - ☒ (2) **Social**
 - ☒ (3) **Governance-related**
 - ☐ (4) Other

(3) Sustainability outcome name

Positioning of portfolio towards achieving net-zero CO2 in operation by 2050.

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

☑ (E) Sustainability outcome #5

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- ☑ (1) The UN Sustainable Development Goals (SDGs) and targets
- ☑ (2) The UNFCCC Paris Agreement
- ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (9) The Convention on Biological Diversity
- ☑ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- ☑ (1) Environmental
- ☑ (2) Social
- ☐ (3) Governance-related
- ☐ (4) Other

(3) Sustainability outcome name

Supporting Installation of EV charging points.

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

☑ (F) Sustainability outcome #6

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- ☑ (1) The UN Sustainable Development Goals (SDGs) and targets
- ☐ (2) The UNFCCC Paris Agreement
- ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☑ (9) The Convention on Biological Diversity
- ☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- ☑ (1) Environmental
- ☑ (2) Social
- ☐ (3) Governance-related
- ☐ (4) Other

(3) Sustainability outcome name

Improve biodiversity

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

- ☐ (G) Sustainability outcome #7
- ☐ (H) Sustainability outcome #8
- ☐ (I) Sustainability outcome #9
- ☐ (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

(A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1: Ensure every unit in the portfolio achieves at least a "C" Energy Performance Certificate rating.

(1) Target name EPC target

(2) Baseline year 2021

(3) Target to be met by 2025

(4) Methodology Improvement or disposal

(5) Metric used (if relevant) Number of units

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting 100%

(10) Do you also have a longer-term target for this? (2) No

(B1) Sustainability Outcome #2: Target details

(B1) Sustainability Outcome #2:	Switching to green energy tariffs on all new acquisitions and between tenancies for existing assets.	
(1) Target name	Green energy	
(2) Baseline year	2022	
(3) Target to be met by		
(4) Methodology	Ongoing process to switch new and vacant units not currently on green tariffs.	
(5) Metric used (if relevant)	Number of units	
(6) Absolute or intensity-based (if relevant)		
(7) Baseline level or amount (if relevant):		
(8) Target level or amount (if relevant)	Every new or vacant unit to be switched.	
(9) Percentage of total AUM covered in your baseline year for target setting	100%	
(10) Do you also have a longer-term target for this?	(1) Yes	

(D1) Sustainability Outcome #4: Target details

(D1) Sustainability Outcome #4:	Positioning of portfolio towards achieving net-zero CO2 in operation by 2050.	
(1) Target name	Net Zero	
(2) Baseline year	2023	
(3) Target to be met by		

(4) Methodology

According to the British Property Federation, the UK's housing sector contributes an estimated 15% of the country's total GHG emissions. The government has set a statutory target to achieve net zero emissions by 2050. Given that 80% of the projected 2050 housing stock houses has already been built, and most are far from net zero in operation, significant investments in improved energy efficiency, electrification and green energy production will be needed if this goal is to be achieved.

Hearthstone's environmental and sustainability initiatives are driven through our in-house asset management team, drawing on selected specialist advisors where appropriate. The team seeks to make continuous, incremental improvements in the sustainability profile of the assets under management.

Hearthstone addresses environmental sustainability through its efforts to reduce energy consumption, carbon emissions, water usage, waste management and the promotion and adoption of financially responsible strategies to encourage progress in these areas. The benefits of this approach include improved letting potential, reduced obsolescence and lower running costs, all of which strengthen investment performance. At the same time, it represents good corporate citizenship.

Hearthstone is committed to the following sustainability goals:

- Reducing the environmental impact of our business
- Reducing the environmental impact of our clients' real estate holdings through the selection of sustainable homes, targeted improvements using new technology, and resident engagement to influence behaviour
- Collaborating with clients, developers, residents and service providers to provide sustainable homes for the long term
- Protecting portfolios against the risk of stranded assets caused by regulatory changes or climate change These commitments are embedded in our investment process, from the setting of stock selection criteria, through the due diligence stage, ongoing asset management, maintenance and improvement projects and client reporting.

To achieve the government's 2050 net zero target will require substantial changes to the UK's housing stock, including new construction methods and standards, energy efficiency improvements, electrification and green energy supply. Offsetting may also have a role to play, but does not tackle the underlying issues. As a responsible property owner, we understand our responsibility to contribute to the transition.

The GHG Protocol is the global framework most often used to understand emissions across a company's value chain. Emissions are classified as Scope 1, 2 or 3 as follows:

Scope 1 Direct emissions i.e. those caused directly by Hearthstone's own activities

- Avoid unnecessary travel, and where possible use "greener" travel options
 - Advance green procurement
 - Implement a system to monitor energy consumption and emissions, set reduction targets, and monitor progress over time
- Scope 2 Indirect emissions e.g. emissions caused in the production of supplied energy consumed by the company
- Use energy efficiently in the office and while home working
 - Engage with our office provider on energy use (including green power purchasing) and waste management
 - Choose energy-efficient office equipment
 - Encourage staff to consider sustainability in their work, and to adopt energy-saving behaviours
- Scope 3 Indirect (value chain) emissions. Those out of Hearthstone's direct control, but linked to the company's activities, e.g. caused by residents' energy consumption, or by Hearthstone's suppliers
- Engage with house builders and service providers in encouraging them to adopt sustainable practices and to reduce their emissions
 - Choose partners that prioritise renewable energy sources and operate environmentally aware businesses
 - Seek ways to improve the sustainability and energy efficiency of the homes we provide
 - Encourage residents to adopt energy-saving behaviours
 - Engage with industry associations and other private and public sector organisations that promote sustainability, and collaborate with peers to learn from and share best practice
 - Regularly track and report emissions to measure progress and identify progress and areas for improvement
- We will seek to reduce GHG emissions across our property portfolio, tracking and reporting on progress. This will be managed in the context of each fund's investment objectives. It will be achieved through a combination of initiatives, including upgrading, electrification, the acquisition of new low carbon or zero carbon (in operation) homes, and, where practicable, implementing green energy supply contracts. We will also seek to influence residents to reduce their carbon emissions through direct engagement, the use of new technology and the installation of electric vehicle (EV) charging facilities. We will also work with developers to identify embedded carbon and collaborate in industry initiatives to decarbonise the housing supply chain.

(5) Metric used (if relevant)

We will seek to reduce GHG emissions across our property portfolio, tracking and reporting on progress. This will be managed in the context of each fund's investment objectives. It will be achieved through a combination of initiatives, including upgrading, electrification, the acquisition of new low carbon or zero carbon (in operation) homes, and, where practicable, implementing green energy supply contracts. Each of these initiatives will have their own specific metrics.

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting 100%

(10) Do you also have a longer-term target for this? (1) Yes

(E1) Sustainability Outcome #5: Target details

(E1) Sustainability Outcome #5: Supporting Installation of EV charging points.

(1) Target name EV Charging Points

(2) Baseline year 2023

(3) Target to be met by

(4) Methodology
Hearthstone will also seek to influence residents to reduce their carbon emissions through direct engagement, the use of new technology and the installation of electric vehicle (EV) charging facilities. Specifically, we will provide all new residents with a tenant pack with details pertaining to EV charging points and how Hearthstone, as a responsible landlord can support the installation of these.

(5) Metric used (if relevant) Number of properties

(6) Absolute or intensity-based (if relevant) (1) Absolute

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting 100%

(10) Do you also have a longer-term target for this?

(2) No

(F1) Sustainability Outcome #6: Target details

(F1) Sustainability Outcome #6: Improve biodiversity

(1) Target name Biodiversity

(2) Baseline year 2024

(3) Target to be met by

(4) Methodology

Across the residential blocks we own, we have initiated a biodiversity improvement programme focused on enhancing the ecological value of shared green spaces. Working closely with our gardeners and property management teams, we are introducing nature-positive features and maintenance practices designed to improve biodiversity by encouraging a broader range of species and habitats. Measures include:

- Installation of bird boxes and bird feeders
 - Planting of pollinator-friendly and native species
 - Introduction of wildflower areas
 - Use of non-toxic, environmentally friendly weed control methods
 - Placement of insect houses and other microhabitats
- The aim is to deliver meaningful environmental and social benefits.

Biodiversity in residential environments supports ecosystem resilience, contributes to urban cooling, and improves air and soil quality. It also has social value: access to biodiverse, nature-rich environments has been shown to enhance residents' wellbeing, reduce stress, and foster a stronger sense of community. Through this initiative, we are not only improving ecological outcomes but also creating more attractive and healthier living environments for our residents. We will assess progress through regular site inspections, feedback from grounds teams, and photographic monitoring of planting schemes and habitat use.

(5) Metric used (if relevant)

Number and percentage of sites with biodiversity interventions (e.g. bird boxes, pollinator plants, wildflowers, insect houses) installed; qualitative assessment through annual site inspections; photographic monitoring of habitat features; resident feedback on green space quality.

(6) Absolute or intensity-based (if relevant)

(1) Absolute

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting 9%

(10) Do you also have a longer-term target for this?

(2) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(B1) Sustainability Outcome #2: Switching to green energy tariffs on all new acquisitions and between tenancies for existing assets.	Green energy		Ongoing objective.
(D1) Sustainability Outcome #4: Positioning of portfolio towards achieving net-zero CO2 in operation by 2050.	Net Zero	2050	Portfolio generates net-zero CO2 in operation by 2050.

TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

Does your organisation track progress against your nearest-term sustainability outcomes targets?

(A1) Sustainability outcome #1:

(A1) Sustainability outcome #1:	Ensure every unit in the portfolio achieves at least a "C" Energy Performance Certificate rating.
Target name:	EPC target
Does your organisation track progress against your nearest-term sustainability outcome targets?	(1) Yes

(B1) Sustainability outcome #2:

(B1) Sustainability outcome #2: Switching to green energy tariffs on all new acquisitions and between tenancies for existing assets.

Target name: Green energy

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(D1) Sustainability outcome #4:

(D1) Sustainability outcome #4: Positioning of portfolio towards achieving net-zero CO2 in operation by 2050.

Target name: Net Zero

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(E1) Sustainability outcome #5:

(E1) Sustainability outcome #5: Supporting Installation of EV charging points.

Target name: EV Charging Points

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(F1) Sustainability outcome #6:

(F1) Sustainability outcome #6: Improve biodiversity

Target name: Biodiversity

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?

(A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1:	Ensure every unit in the portfolio achieves at least a "C" Energy Performance Certificate rating.
(1) Target name	EPC target
(2) Target to be met by	2025
(3) Metric used (if relevant)	Number of units
(4) Current level or amount (if relevant)	All non-compliant units have now been upgraded or sold.
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	Proprietary database

(B1) Sustainability Outcome #2: Target details

(B1) Sustainability Outcome #2:	Switching to green energy tariffs on all new acquisitions and between tenancies for existing assets.
(1) Target name	Green energy
(2) Target to be met by	
(3) Metric used (if relevant)	Number of units
(4) Current level or amount (if relevant)	Process currently being implemented with property managers.
(5) Other qualitative or quantitative progress	

(6) Methodology for tracking progress

Property manager monthly reporting.

(D1) Sustainability Outcome #4: Target details

(D1) Sustainability Outcome #4: Positioning of portfolio towards achieving net-zero CO2 in operation by 2050.

(1) Target name Net Zero

(2) Target to be met by

(3) Metric used (if relevant)

We will seek to reduce GHG emissions across our property portfolio, tracking and reporting on progress. This will be managed in the context of each fund's investment objectives. It will be achieved through a combination of initiatives, including upgrading, electrification, the acquisition of new low carbon or zero carbon (in operation) homes, and, where practicable, implementing green energy supply contracts. Each of these initiatives will have their own specific metrics.

(4) Current level or amount (if relevant)

(5) Other qualitative or quantitative progress

(6) Methodology for tracking progress

Property Manager compliance reporting.

(E1) Sustainability Outcome #5: Target details

(E1) Sustainability Outcome #5: Supporting Installation of EV charging points.

(1) Target name EV Charging Points

(2) Target to be met by

(3) Metric used (if relevant) Number of properties

(4) Current level or amount (if relevant)

(5) Other qualitative or quantitative progress

(6) Methodology for tracking progress

Proprietary database

(F1) Sustainability Outcome #6: Target details

(F1) Sustainability Outcome #6:	Improve biodiversity
(1) Target name	Biodiversity
(2) Target to be met by	
(3) Metric used (if relevant)	Number and percentage of sites with biodiversity interventions (e.g. bird boxes, pollinator plants, wildflowers, insect houses) installed; qualitative assessment through annual site inspections; photographic monitoring of habitat features; resident feedback on green space quality.
(4) Current level or amount (if relevant)	Process currently being implemented with our appointed gardeners.
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	Property manager routine inspections, and photographic monitoring.

INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- ☒ (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets
Select from drop down list:
 - ☒ (1) Individually
 - ☐ (2) With other investors or stakeholders
- ☒ (B) Stewardship: engagement with external investment managers
Select from drop down list:
 - ☒ (1) Individually
 - ☒ (2) With other investors or stakeholders
- ☒ (C) Stewardship: engagement with policy makers
Select from drop down list:
 - ☒ (1) Individually
 - ☒ (2) With other investors or stakeholders
- ☒ (D) Stewardship: engagement with other key stakeholders
Select from drop down list:

- ☒ (1) Individually
- ☐ (2) With other investors or stakeholders
- ☒ (E) Capital allocation
 - o (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6	PLUS	SO 5	N/A	PUBLIC	Capital allocation	1

During the reporting year, how did your organisation use capital allocation to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Capital allocation activities used	(1) Asset class allocation (2) Sector allocation (4) Divestment from assets or sectors
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(2) Explain through an example	Capital allocation is used to take action on sustainability outcomes through ensuring alignment with both our investment and sustainability strategies. We select assets in good locations with robust sustainability credentials including minimum EPC ratings. This robust selection ensures that we mitigate potential negative outcomes.
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(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	Ensure every unit in the portfolio achieves at least a "C" Energy Performance Certificate rating.
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(1) Capital allocation activities used

(2) Explain through an example

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2:	Switching to green energy tariffs on all new acquisitions and between tenancies for existing assets.
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(1) Capital allocation activities used

(2) Explain through an example

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: Improving biodiversity across portfolio assets.

(1) Capital allocation activities used

(2) Explain through an example

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4: Positioning of portfolio towards achieving net-zero CO2 in operation by 2050.

(1) Capital allocation activities used

(2) Explain through an example

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5: Supporting Installation of EV charging points.

(1) Capital allocation activities used

(2) Explain through an example

(G) Sustainability Outcome #6:

(G) Sustainability Outcome #6: Improve biodiversity

(1) Capital allocation activities used

(2) Explain through an example

STEWARDSHIP WITH INVESTEEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Describe your approach	Hearthstone engages with stakeholders that touch our operations, mainly investors, housebuilders, portfolio managers, property managers, valuers and conveyancers, and industry colleagues including our Alternative Investment Fund Managers (AIFMs). We seek to promote our values and ambitions across the industry, at both corporate and individual level. Hearthstone Investments is an active member of a number of industry organisations to ensure we are at the forefront of industry debates and developments, and to make our voice heard.
(2) Stewardship tools or activities used	(1) Engagement (7) Working directly with portfolio companies and/or real asset management teams
(3) Example	We will foster positive relationships with residents, including regular satisfaction surveys, direct contact on-site, promoting open communication channels to address their concerns, monitoring our property managers' service levels and interactions with residents, and provide opportunities for community engagement and collaboration. Furthermore, we are implementing appropriate technology to engage with residents and to improve their experience.

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	Ensure every unit in the portfolio achieves at least a "C" Energy Performance Certificate rating.
(1) Describe your approach	
(2) Stewardship tools or activities used	
(3) Example	

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2: Switching to green energy tariffs on all new acquisitions and between tenancies for existing assets.

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: Improving biodiversity across portfolio assets.

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4: Positioning of portfolio towards achieving net-zero CO2 in operation by 2050.

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5: Supporting Installation of EV charging points.

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

(G) Sustainability Outcome #6:

(G) Sustainability Outcome #6: Improve biodiversity

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

- ☐ (A) We prioritise the most strategically important companies in our portfolio.
- ☐ (B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.
- ☐ (C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.

☒ **(D) Other**

Describe:

Hearthstone is committed to collaborating with clients, developers, residents and service providers to provide sustainable homes for the long term. These commitments are embedded in our investment process, from the setting of stock selection criteria, through the due diligence stage, ongoing asset management, maintenance and improvement projects and client reporting. We will also seek to influence residents to reduce their carbon emissions through direct engagement, the use of new technology and the installation of electric vehicle charging facilities. We will also work with developers to identify embedded carbon and collaborate in industry initiatives to decarbonise the housing supply chain. We will encourage water-saving initiatives and promote responsible water usage in our managed properties, including promoting the installation of water-efficient fixtures and the implementation of leak detection systems. We will encourage waste reduction, recycling, and responsible waste management practices within our properties, promoting recycling and engaging with residents to increase awareness. We will explore effective ways to engage with residents to encourage more sustainable living, including information and advice, and exploring appropriate uses of supporting technology.

Select from the list:

- ☒ 1
- ☐ 2
- ☐ 3
- ☐ 4

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Describe your approach	We engage with stakeholders that touch our operations, mainly investors, housebuilders, portfolio managers, valuers and conveyancers, and industry colleagues including our Alternative Investment Fund Managers. Furthermore, we seek to promote our values and ambitions across the industry, at both corporate and individual level. Hearthstone Investments is an active member of a number of industry organisations to ensure we are at the forefront of industry debates and developments, and to make our voice heard. For example, our membership of INREV and completion of INREV sustainability governance modules demonstrates our commitment to best practice with respect to engagement with policy makers.
(2) Engagement tools or activities used	(2) We responded to policy consultations (3) We provided technical input via government- or regulator-backed working groups (4) We engaged policy makers on our own initiative
(3) Example(s) of policies engaged on	We have recently engaged with the Scottish government on their proposed housing bill and the impacts on the private rented sector. In addition, we have worked with other external investment managers to set out a comprehensive Single Family Home report with the valuers Savills. Furthermore, we are proactive with steering policy as evidenced by our membership of a number of organisations including the ARL.

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	Ensure every unit in the portfolio achieves at least a "C" Energy Performance Certificate rating.
(1) Describe your approach	
(2) Engagement tools or activities used	
(3) Example(s) of policies engaged on	

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2: Switching to green energy tariffs on all new acquisitions and between tenancies for existing assets.

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: Improving biodiversity across portfolio assets.

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4: Positioning of portfolio towards achieving net-zero CO2 in operation by 2050.

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5: Supporting Installation of EV charging points.

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

(G) Sustainability Outcome #6:

(G) Sustainability Outcome #6: Improve biodiversity

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?

(A) Across all sustainability outcomes

(1) Key stakeholders engaged	<p>(1) Standard setters</p> <p>(6) External service providers (e.g. proxy advisers, investment consultants, data providers)</p> <p>(9) Other key stakeholders</p>
(2) Provide further detail on your engagement	<p>We seek to promote our values and ambitions across the industry, at both corporate and individual level. Hearthstone Investments is an active member of a number of industry organisations to ensure we are at the forefront of industry debates and developments, and to make our voice heard. Specifically, during the year we have contributed and actively engaged with the following other key stakeholders:</p> <ol style="list-style-type: none"> 1. MSCI - we have contributed to an initiative to improve transparency in cost reporting, and have worked with MSCI on an improved approach to measure the investment performance of forward funded residential developments. 2. Industry and sector reports - we have taken a leading role in the development of a new residential investment expectations survey, run independently by the Investment Property Forum under its research programme, to create a new industry monitor, improving transparency in this area. 3. Technology - we have engaged with technology companies to further and more accurately understand energy consumption data within our homes

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	Ensure every unit in the portfolio achieves at least a "C" Energy Performance Certificate rating.
(1) Key stakeholders engaged	
(2) Provide further detail on your engagement	

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2: Switching to green energy tariffs on all new acquisitions and between tenancies for existing assets.

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: Improving biodiversity across portfolio assets.

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4: Positioning of portfolio towards achieving net-zero CO2 in operation by 2050.

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5: Supporting Installation of EV charging points.

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

(G) Sustainability Outcome #6:

(G) Sustainability Outcome #6: Improve biodiversity

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Initiative #1

(1) Name of the initiative	Housing (Scotland) Bill Call for Views
(2) Indicate how your organisation contributed to this collaborative initiative	<p>(C) We publicly endorsed the initiative (D) We provided pro bono advice, research or training (F) We provided financial support (G) We were part of an advisory committee or similar (H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)</p>
(3) Provide further detail on your participation in this collaborative initiative	<p>Hearthstone engaged with the Scottish government and provided responses to their Housing (Scotland) Bill Stage 2 amendments. A brief summary is set out below in addition to further detail on the link: Please see link: https://www.scottishparliament.tv/meeting/local-government-housing-and-planning-committee-january-28-2025 Many potential investors are likely to be comparing investment opportunities in Scotland with alternatives south of the border. The existing rent control regime, coupled with relatively high LBTT surcharge on purchases are already a significant deterrent. The Housing Bill proposals make Scotland's competitive position significantly worse.</p>

(B) Initiative #2

(1) Name of the initiative	Hearthstone's Inaugural Conference
(2) Indicate how your organisation contributed to this collaborative initiative	<p>(C) We publicly endorsed the initiative (E) We supported the coordination of the initiative (e.g. facilitating group meetings) or provided other administrative support (F) We provided financial support (H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)</p>

(3) Provide further detail on your participation in this collaborative initiative	We hosted the inaugural Hearthstone Investments Conference in November 2024, bringing together housebuilders, bodies, and industry experts to explore key themes such as placemaking, the integration of sustainability data into decision-making, housing affordability, and the role of institutional capital in delivering long-term housing solutions. / outcome of the conference, we engaged with representatives of the Tuath Housing Association board to provide data materials. This support aimed to enhance their use of sustainability data in driving improved resident outcomes and level decision-making. Findings from the conference were also made public here: https://cdn.prod.website-files.com/625836642b7ee34596201e7b/67459abc23059d72d3853a82_Hearthstone%20Investments%20Conference%20Highlights%20.pdf
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(C) Initiative #3

(1) Name of the initiative	Charity Partner
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(2) Indicate how your organisation contributed to this collaborative initiative	(A) We were a lead investor in one or more focus entities (e.g. investee companies) (C) We publicly endorsed the initiative (F) We provided financial support (I) Other
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(3) Provide further detail on your participation in this collaborative initiative	During the year, Hearthstone Investments continued to partner with Leeds Action to Create Homes (LATCH) as its charity partner. LATCH is a unique charitable organisation that refurbishes derelict and run-down houses in the Chapeltown, Harehills and Burley areas of Leeds. Once the houses have been fully modernised and furnished, they provide housing for people who are homeless or in housing need. This year, Hearthstone contributed to the redevelopment of a property that had been vacant for over two decades. We raised more than £3,000 to fund the refurbishment of the kitchen, a key part of making the home functional and welcoming for future tenants. Fundraising was undertaken through our participation in a sponsored volunteer day, during which our team cleared bracken in Ashdown Forest—an ecologically significant heathland habitat home to many rare and threatened species.
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(D) Initiative #4

(1) Name of the initiative	
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(2) Indicate how your organisation contributed to this collaborative initiative	
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(3) Provide further detail on your participation in this collaborative initiative	
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CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- ☐ (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- ☐ (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- ☐ (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- ☒ (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- ☒ (E) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- ☐ (F) We did not verify the information submitted in our PRI report this reporting year

INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

Who in your organisation reviewed the responses submitted in your PRI report this year?

- ☐ (A) Board, trustees, or equivalent
- ☒ (B) Senior executive-level staff, investment committee, head of department, or equivalent
 - Sections of PRI report reviewed
 - ☒ (1) the entire report
 - ☐ (2) selected sections of the report
 - ☐ (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year