

UN Global Compact

Communication on Progress

Crestbridge became a signatory of the UNGC in 2019. Over the last 12 months, we have continued to review and support our commitment to the UNGC, a voluntary framework for businesses to align their operations and strategies with 10 principles covering human rights, labour, the environment and anti-corruption.

Our Communication on Progress report below highlights our achievements so far.



WE SUPPORT

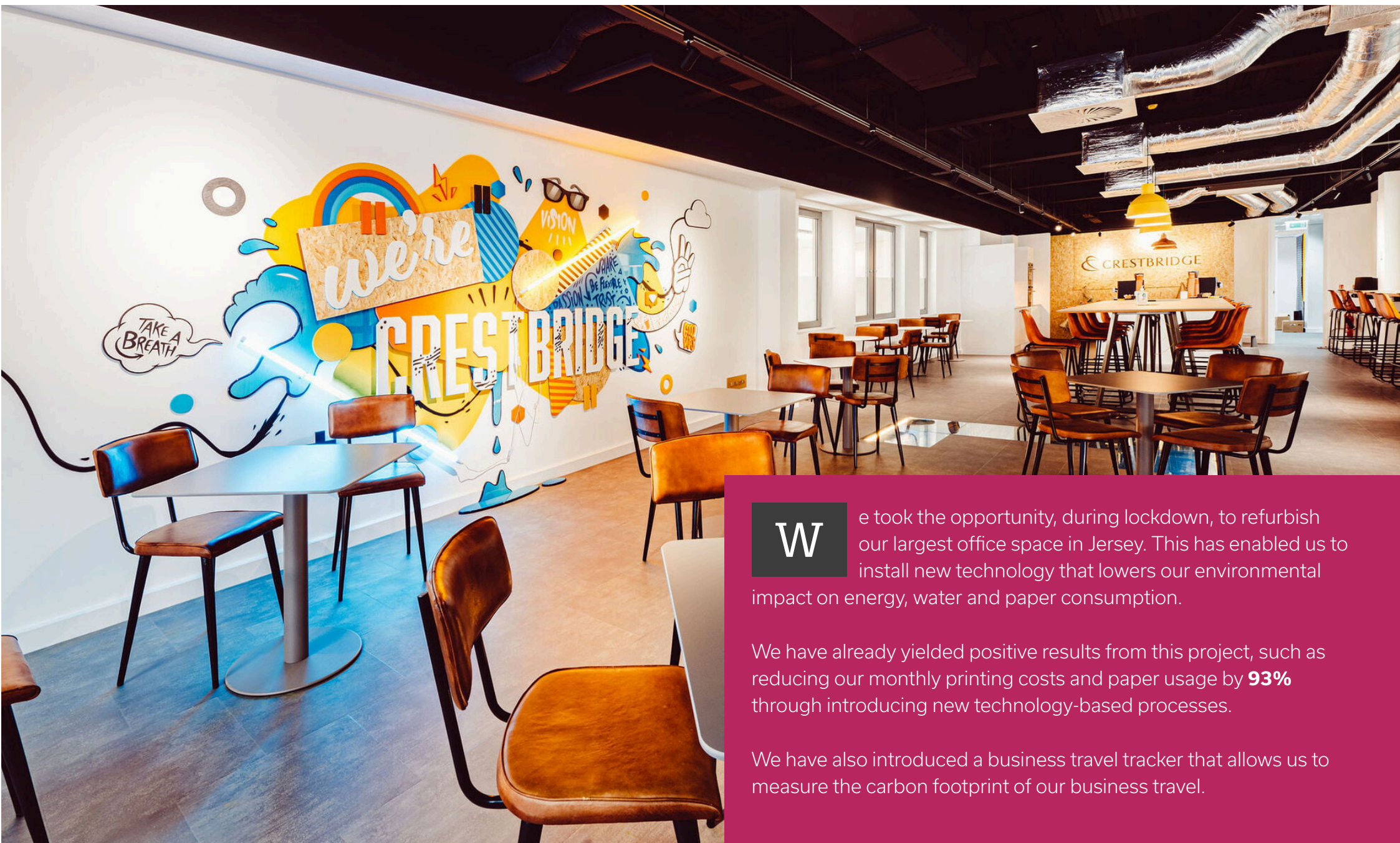


As a signatory to the UNGC, Crestbridge submits a Communication on Progress (COP) to the UNGC on an annual basis. The report highlights select activities in relation to the UNGC's 10 principles, for the reporting period 1 November 2020 to 1 November 2021.

The pandemic has restricted our ability to execute the normal range of sustainability activities, such as charitable fundraising and volunteering. Instead, as a professional services organisation, we have focussed our effort on looking after our employees, offering them an array of wellbeing opportunities as they predominantly worked from home.

"Reflecting on the last 12 months, the Covid-19 pandemic has continued to be the major challenge for Crestbridge, its people and our stakeholders. I am grateful to the resilience, personal commitment and good humour of all our employees who have demonstrated our core values and pulled together as a team to get through this unprecedented challenge."

Dean Hodcroft, CEO



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e took the opportunity, during lockdown, to refurbish our largest office space in Jersey. This has enabled us to install new technology that lowers our environmental impact on energy, water and paper consumption.

We have already yielded positive results from this project, such as reducing our monthly printing costs and paper usage by **93%** through introducing new technology-based processes.

We have also introduced a business travel tracker that allows us to measure the carbon footprint of our business travel.

Our travel initiative supported our donation, earlier in 2020, to Durrell's Atlantic Forest project in Brazil. With several high-profile industry events being rescheduled, as a precautionary measure to mitigate the spread of COVID-19, we decided to make a donation to match the money we would have spent attending the rescheduled events.

This donation supported the project, which links small patches of rainforest by planting tree corridors to connect the Morro do Diabo State Park to isolated forest fragments to the north. The aim of the project is to give threatened populations of black lion tamarin, puma, jaguar, and ocelot a chance to thrive again, as well as neutralising approximately 2,500 tonnes of greenhouse gas emissions.



Our donation helped by:



BIODIVERSITY

3,000 native trees
150 different tree species
1.5 hectares of forest

The planting of 3,000 native trees, from 150 different tree species, to restore forest wildlife corridors and support the recovery of threatened animal species. This is the equivalent to 1.5 hectares of forest (or 3 football fields).



CLIMATE

416 tonnes of CO² absorbed
equivalent to **1,733** return
economy flights

The sequestration of 416 tonnes of CO² equivalent over the trees lifetime (20 years). This is the equivalent to 1,733 return economy flights between Jersey and London City.



COMMUNITY

Vital income

The generation of vital income for local families, in forest restoration and monitoring services.



Case studies

Crestbridge recognises that the strength it can play towards the UN Global Compact and UN Sustainable Development Goals is through partnering with its clients.

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we help support clients who are pioneering sustainable real estate solutions. Therefore we have included two case studies in this communication on progress that demonstrates where we have supported our clients who are leading the sustainability charge. We intend to learn how we can improve our services to help our clients to be their most effective at delivering innovative sustainability solutions.

Case study 1

Our client is a recently incorporated real estate investment manager whose value proposition is aimed at responsible investment and managing environment, social and governance (ESG) risk within their property portfolio. Their mission is, *"To prove that through the implementation of a collaborative, focused strategy, a progressive, open-minded approach to ESG can deliver environmental gain, improved wellbeing, positive social impact and enhanced property returns."*

The business benefits from not holding a legacy portfolio of assets and can apply its responsible investment philosophy to all property acquisitions from the outset. They also intend to achieve B Corp status, further committing themselves to high standards of sustainability governance.

By employing a full time Head of ESG, the business is able to integrate the latest thinking and best practice on sustainability issues. Their Head

of ESG has a deep knowledge of the real estate industry and the risks and opportunities that ESG presents. This knowledge and advice informs the overall business strategy and supports the investment managers in executing the ESG-aligned investment management activities.

To define the standards within which the business operates, a thorough ESG strategy and supporting suite of policies have been documented that set out the approach to acquiring, managing and reporting on its assets and performance. The following key areas of best sustainability practice are highlighted to demonstrate how they intend to implement their approach.

Responsible Investment Principles

As a signatory of the UN PRI, this requires them to operate their business and make their investment decisions within best practice sustainability frameworks.

Putting this into practice results in the business performing environmental and social risk assessments as part of its due diligence for all new investments. The findings from these assessments will feed into the asset management plan that will be administered once the asset has been acquired. Upon acquisition, the business offers all tenants access to its proprietary Net Zero Carbon Toolkit, identifying practical measures that can be implemented to improve the performance of the asset and, where appropriate, making a

contribution towards the costs. On disposal of the asset, our client will provide a comprehensive information pack that details all ESG details of the property to support the purchaser in maintaining these high standards.

Monitoring performance

Our client is developing a bespoke Information Management System to monitor the performance of its assets and manage its data at both asset and portfolio level. Variables such as the energy performance of the buildings, local and market environment, demographic changes and environmental and social data are reported to help construct and adjust management plans using a data-led approach.

Embedding ESG into employee culture

As a method to embed their sustainability strategy and philosophy into the heart of their business, they have documented an extensive employee handbook. This sets out expected behaviours and practices that all employees should abide by. They also incentivise and appraise staff performance using ESG metrics, which further embeds ESG into the practice of the company.

Managing stakeholders

Engaging stakeholders is a key component of the business' ESG approach and the business has developed a policy and strategy to support this practice.



Conclusion

As a new investment manager, our client is able to set the foundations for strong ESG performance from the outset of their business operations and embed ESG considerations into all elements of business process. Their strategy uses a data-led approach that allows them to proactively consider ESG risks and adjust their approach to asset management based on the data they receive. The business has positioned themselves well to be able to flexibly adjust to new ESG risks and opportunities that will inevitably present themselves as new regulation is defined, technology improves and our climate, natural and social systems change over time.

Case study 2

Founded in 2008, Apache is a real estate investment management company based in London, specialising in Build to Rent, both multi-and single-family housing.

Apache takes a truly stakeholder approach to its business practice by acknowledging that their investments must deliver more than only financial returns. Their philosophic approach to delivering on this is reflected in their intention *"to create a best-in-class experience for both our residents and our employees while ensuring fiduciary excellence for our investors."*

The business understands that real estate has a significant role to play in fulfilling many dimensions of positive environment, social and governance (ESG) outcomes. Apache recognises its responsibility to minimise negative impacts on the environment through its business operations and has taken a data-led approach to environmental stewardship and addressing connected risk.

As a provider of homes, Apache understands the importance and responsibility it has to provide safe and healthy environments to its residents. Therefore, Apache places mental health, physical health, wellbeing, and community at the core of its operational strategy, when investing in real estate.



Apache is two years into its journey of integrating ESG into its investment, development, and operational approach. This process has been assisted through the creation of a new role of Head of ESG, charged with this strategy and its implementation.

By leading with ESG, Apache will be able to solidify its value proposition as a sustainable real estate investor. In recognition of its approach, Apache was accorded Planet Mark certification in 2021.

It will also be in a strong position to mitigate key transitional and physical risks that will inevitably arise in the real estate sector on a mitigation pathway to Net Zero, whether driven by market forces or expedited by regulatory interventions. It also enables Apache to anticipate adaptation to more extreme weather events from climate change which are expected toward the middle of this century.

Examples of such initiatives include:

To embed understanding of ESG in its governance, Apache has:

- integrated ESG considerations into the Investment Committee Process
- tabled a standing item on ESG matters at every Board Meeting, including a quarterly written update to board members, to ensure appropriate oversight
- participated in the Global Real Estate Sustainability Benchmark (GRESB) for real estate in financial markets. This permits peer comparison across a number of dimensions, such as management, governance, development, social, environmental and resident engagement

To grant mobilise operations at building and portfolio level toward environmental stewardship, Apache has:

- formed an ESG Committee with representation from all aspects of the business including Asset Management, Operations, Development and Financial Analysis
- ensured optimal data coverage and pipelines at operational assets to monitor environmental impacts, employing sensors to streamline this process and to track against Net Zero Carbon trajectories
- Integrated ESG data in to reports that allow the presentation of ESG performance to be monitored by the business and to feed into reporting obligations
- targeted a Net Zero operational model for its Single-Family Housing platform, Present Made

To promote social value delivery:

- Apache has invested into Action Funder, a Corporate Giving Platform that facilitates larger corporations donating to small scale charity and community groups through their Platform

Supporting our people

LeanIn (www.leanin.org) is an international initiative that supports women to be confident, resilient leaders. It does this by creating spaces for women to come together and learn from each other and provide the support they need to build confidence and grow their leadership skills.

I have been delighted that Crestbridge has supported me in being an active member of the Jersey branch of LeanIn. My role was to establish a webinar programme to support members during lockdown. This opportunity stretched my skillset and allowed me to step outside my comfort zone, learning new leadership skills such as:

- Hosting engaging Zoom meetings and facilitating conversations with members
- Co-ordinating events with other interested organisations
- Engaging inspiring speakers to present to members on an exciting range of topics
- Building my personal network, profile, and influence within Jersey

I took on a range of exciting responsibilities that pushed the diversity and inclusion agenda in Jersey. This included the drafting of a toolkit that would be provided to organisations to raise their diversity and inclusion practices within their workforce.

A highlight for me was the ability to have discussions with a range of individuals hoping to positively influence their approach to diversity





within their organisations. One standout example was discussing diversity and inclusion with the Chair of Jersey's Football Association. It was interesting to hear the challenges that sport faces relating to diversity and measures that can be put in place to overcome them.

Being able to speak to Jersey students was also something that I felt was particularly valuable. I was able to demonstrate to the next generation how diversity and inclusion issues are being overcome and to setup their own LeanIn circles. I hope that by the time this next generation of women join the workforce, they will not face a number of the challenges that have historically existed.



Stephanie Workman, Associate Director

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

 <p>Human Rights</p>	<p>Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights;</p> <p>Principle 2 and make sure that they are not complicit in human rights abuses.</p>	<p>Crestbridge's modern slavery policy sets out the ways Crestbridge mitigates the risk of modern slavery being present in its supply chain. Due diligence is performed when assessing suppliers and we monitor developments in the jurisdictions we operate in using the Global Slavery Index.</p>
 <p>Labour</p>	<p>Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4 the elimination of all forms of forced and compulsory labour;</p> <p>Principle 5 the effective abolition of child labour;</p> <p>Principle 6 and the elimination of discrimination in respect of employment and occupation.</p>	<p>We have a progressive approach to managing our employees and our policy is to ensure we treat all our stakeholders, including prospective employees with respect and dignity. This year we have performed an important milestone to ensure all our employees are paid a living wage.</p> <p>Our human resource and supply chain policy and practice ensures there is no risk of compulsory labour or child labour occurring in our direct employment or supply chain.</p>
 <p>Environment</p>	<p>Principle 7 Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8 undertake initiatives to promote greater environmental responsibility;</p> <p>Principle 9 and encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Our supplier code of conduct is in place with the aim of reducing environmental negative outcomes in our supply chain.</p> <p>Our travel policy has recently been updated to now record and capture carbon emitted from flight travel so that this can be proactively monitored and managed.</p> <p>The renovation of our offices has resulted in savings on printing, paper and energy. We have also created a desirable work environment for our employees and local community to be able to benefit from.</p>
 <p>Anti-Corruption</p>	<p>Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>We have a robust ethics statement in place that all employees are required to perform in line with. We have a clearly documented set of Anti Money Laundering and data privacy procedures to ensure Crestbridge operates within regulatory requirements.</p>

What's next?





The highlights that Crestbridge has delivered over the past 12 months that align with the UN Global Compact and its ten principles, include:

- Ensuring all employees are paid a living wage across all our jurisdictions.
- Reducing our environmental impact of our offices through refurbishment and the introduction of new technologies.
- Continual monitoring of modern slavery developments across our jurisdictions using several resources including the Global Slavery Index.
- Introducing the building blocks to create a more rigorous CSR governance structure to more closely manage our sustainability performance.

Looking ahead to the next 12 months, Crestbridge aims to build sustainability into its core business purpose.

We are at the beginning of a multi-year journey where we will define and shape what we believe the purpose of a professional services firm should be and how it can create impact and shared value. We will do this by continually exploring and learning where we can improve the support, we provide our clients and employees on the most materially important aspects of our business.

In particular, we will look to measure:

- The impact our philanthropic and charitable activities across our communities have; and
- Key KPIs to measure to track our sustainability performance.

Our continued commitment to the UN Global Compact's ten principles is a corner stone of this endeavour. I am pleased to reaffirm our commitment to the Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.



"In this communication we share Crestbridge's progress over the previous year on these four scope areas of the UN Global Compact. This communication is the first step on our journey to being a truly responsibly business and continually challenging ourselves to go further."

Dean Hodcroft, CEO, Crestbridge

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Crestbridge Property Partnerships Limited is authorised and regulated by the Financial Conduct Authority
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