

# Matter Real Estate LLP

---

Environmental, Social and Governance Policy

**matter**  
Real Estate

## Contents

1. Introduction.....	3
2. Objectives.....	3
3. Our approach.....	4
4. Embedding ESG across the investment cycle .....	6
5. Policy Statement.....	9
6. Appendix: document control & history .....	10

## Glossary

ESG – Environmental, Social and Governance

GHG – Greenhouse Gas

GRESB –Global Real Estate Sustainability Framework.

GRI – Global Reporting Initiative

UN PRI – United Nations Principles of Responsible Investment

## 1. Introduction

At Matter Real Estate, impact and sustainability are at the core of our approach. We believe that investing in real estate which meets multiple social and/ or societal needs, reducing our environmental impact wherever possible and operating with good governance, leads to better outcomes for all our stakeholders. We take the view that:

- Improved ESG compliance drives better due diligence and therefore better financial performance – for both our investors and investees.
- As investors, we have the ability – and therefore the responsibility – to allocate capital in a way that protects people and the planet for the long term.
- By demonstrating our own ESG performance, we will both encourage others to do the same, and increase opportunities in raising further capital to invest in business where social and/or societal capital drives demand.
- As an organisation driven to address social and/or societal needs, we believe we should not only manage our ESG risk across all ESG areas but also contribute to solutions through the delivery of impact objectives targeting areas where we will be taking measures to increase our impact.

In this document, we outline our approach to Environmental, Social, and Governance (“ESG”) considerations, as well as how and where we will go beyond our ESG considerations to actively manage our impact. We describe how we will work with our key stakeholders and how we will monitor and manage relevant ESG and impact factors.

In developing our approach, we have worked with external ESG and social impact specialists to identify key sustainability and impact metrics. Going forward, we have committed to monitoring, managing, and reporting on the impact created through our investments.

This policy will be reviewed on an ongoing basis with the ambition of driving continuous improvement and performance, and to position Matter Real Estate as a leader in delivering ESG aligned value and impact.

## 2. Objectives

Our objectives in developing this policy are to:

- Outline how we will integrate ESG considerations across the investment lifecycle.
- Identify areas where we will aim to increase our impact by defining and measuring impact objectives and outcomes that contribute to solutions.
- Detail how we as a company will deliver on our ESG and impact objectives.
- Explain how we will build improving ESG performance into all aspects of our investment cycle.

We will work with our investors and investees to develop and baseline a key set of metrics. These will be reported on a regular basis to our investors and more widely where appropriate.

### 3. Our approach

Our approach to ESG performance is informed by the following:

- Our commitment to align with the UN Principles of Responsible Investment.<sup>1</sup> We became a signatory in 2022.
- The GRESB framework<sup>2</sup>, elements of which we have incorporated to measure our performance against relevant indicators.
- The defining of impact objectives, outcomes and measurement metrics that will drive increased impact across selected ESG considerations.

#### UN Principles of Responsible Investment

- **Principle 1:** We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3:** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4:** We will promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5:** We will work together to enhance our effectiveness in implementing the Principles.
- **Principle 6:** We will each report on our activities and progress towards implementing the Principles.

GRESB is an internationally recognised organisation which provides a consistent framework to measure the ESG performance of individual real estate assets and portfolios.

The framework is based on a set of ESG indicators across Management, Performance and Development components. The approach is aligned with a number of internationally recognised standards including the UN Principles for Responsible Investment (PRI), the Paris Climate Agreement, and the Global Reporting Initiative (GRI).

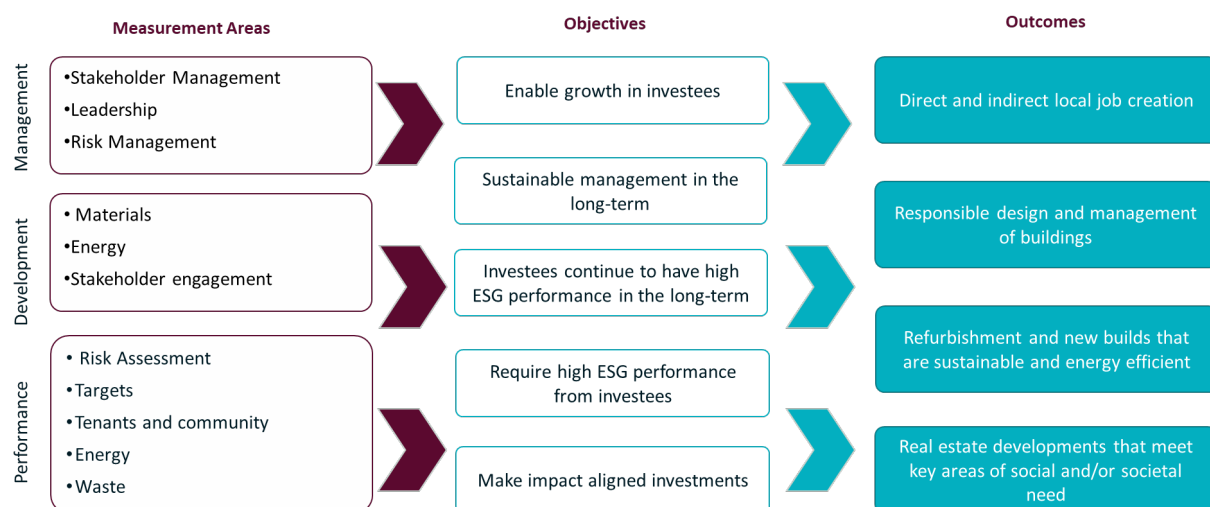
To further increase our understanding of, and control over, our ESG performance we have created an ESG and Impact Measurement and Management System. This outlines our impact objectives and intended outcomes, which are areas where we intend to contribute to solutions to an identified social and/or societal need.

To manage our ESG risks we use bespoke metrics assessing performance against the impact objectives and outcomes. Areas of assessment are outlined below.

<sup>1</sup> See: <https://www.unpri.org/pri/about-the-pri>; see also <https://www.unpri.org/download?ac=10287> with a focus on real estate

<sup>2</sup> See: <https://gresb.com/nl-en/>

Figure 1: ESG measurement areas and impact objectives and outcome



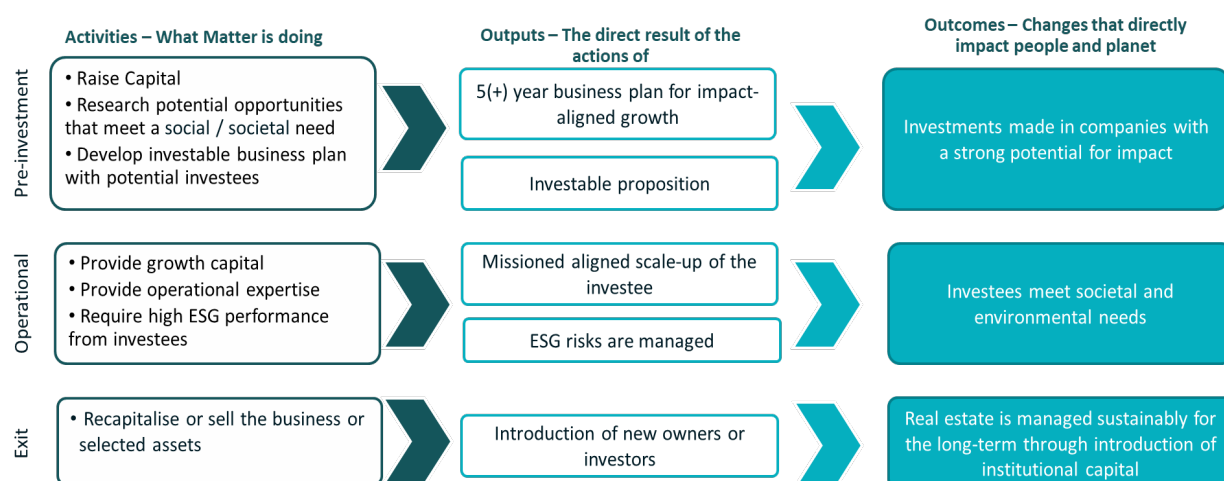
We recognise that our approach to sustainability and impact can only be successful if we work in partnership with our investee management teams. It is important that our approach is fit for purpose and not unduly burdensome. We also ensure we do not limit the scope of potential investments based on ESG maturity. Instead, ESG considerations are embedded in our approach to supporting real estate businesses through the provision of capital and expertise to enable them to grow their portfolios.

Although less applicable for real estate investment firms, our approach to ESG also ensures an absolute avoidance of investing in alcohol, tobacco, gambling, adult entertainment, military weapons, fossil fuels and nuclear energy alongside PRI negative screening principals.

## 4. Embedding ESG across the investment cycle

For high ESG compliance it is important to embed ESG across all the stages of our investment cycle – pre-investment, operational, and exit. Below is our Theory of Change outlining how impact will be created during each stage.

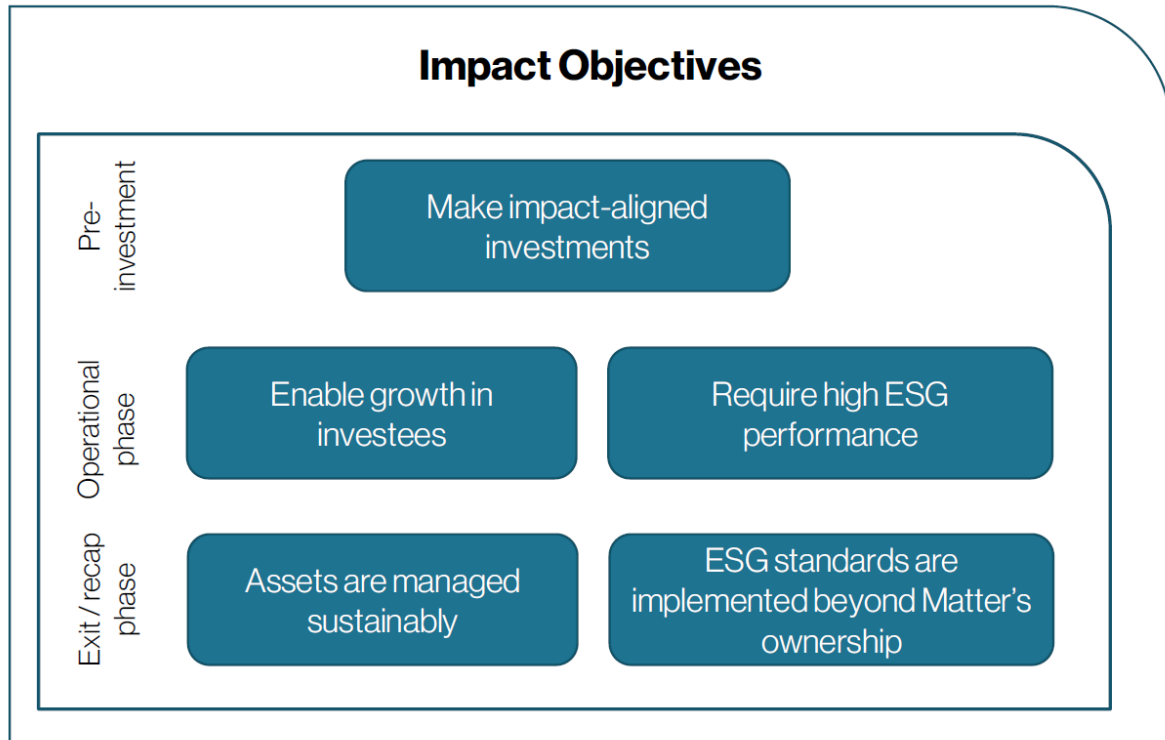
Figure 2: Matter RE Theory of Change



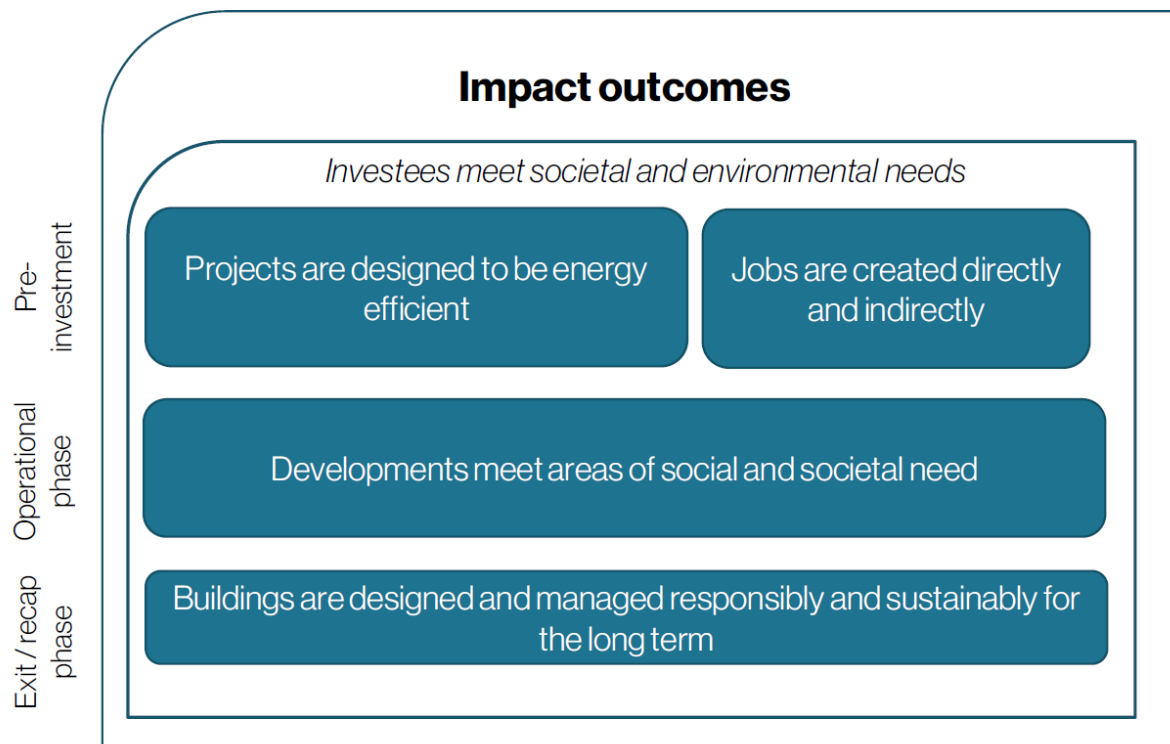
We work in partnership with our investees to have high levels of ESG performance throughout the investment cycle. This is underpinned by the development of specific ESG targets and metrics with an agreed plan of action for each. At the pre-investment phase, we review business plans with potential investees and consider how core ESG considerations align with the opportunity for investment and support. Each investee business plan must contain a statement on ESG objectives and outcomes.

Matter’s own objectives and outcomes are set out below.

**Objectives**



**Outcomes**



Where we do pursue investments, investees are asked to report on a quarterly basis on agreed and relevant ESG metrics. They are also asked to provide an annual report which captures progress across the year and provide a broader view of ESG risk management, performance and impact.

Similarly, during the exit phase of the investment cycle potential investors and buyers will have their ESG performance assessed as part of the selection process



## 5. Policy Statement

Matter Real Estate is committed to continually strengthening and improving ESG integration. This policy is under continuous review by the leadership team.

Signed

A handwritten signature in black ink, appearing to read 'D Christie', with a stylized flourish at the end.

David Christie

Chief Executive Officer, Matter Real Estate LLP

24 March 2023

## 6. Appendix: Document Control & History

### Document Control

Owner	David Christie	Chief Executive Officer
Author	Richard Hunt	Designated Member
Review Period	Annually	
Issue Date	16 <sup>th</sup> September 2022	
Document Name	ESG Policy	
Document Version	1.2	

### Document History

Version	Author	Notes	Date
1.0	Richard Hunt	Initial document creation	November
1.1	Richard Hunt	Annual review with minor updates	September
1.2	Jane Harrison	Updated	March 2023