

Barwood.



Impact Report.

2022/23

Welcome.



Danielle Sheppard, FRICS
Head of Sustainability.

All aspects of ESG have remained central to everything we do on the Sustainability Committee with the focus on the impact we can have on society, all our stakeholders and the environment. With this in mind we have recently changed the name to the Impact Committee which we feel better represents what we do. Our focus has really shifted over the last 24 months to one of action over words. We observe a lot of real estate companies making net zero pledges with very little substance behind them or even defining what they really mean by 'net zero'. With no recognised definition it can mean a myriad of different things to different people. At Barwood we have therefore made a conscious decision not to make

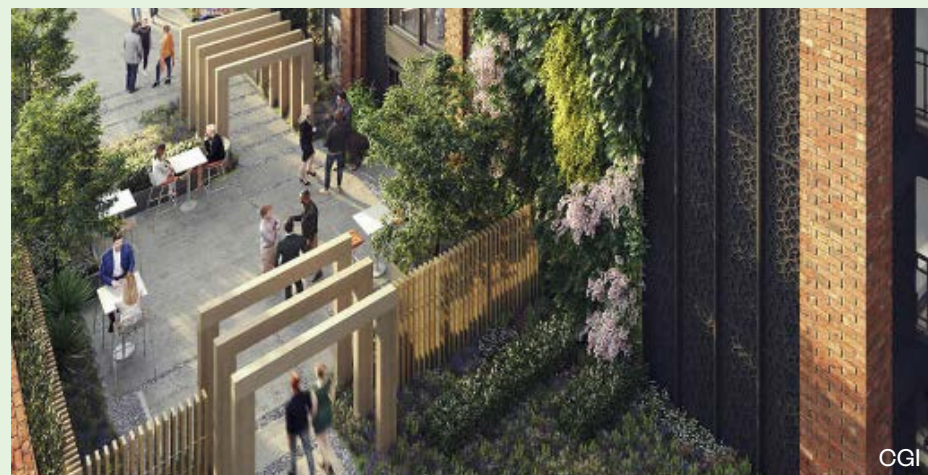
any pledges until we have a credible pathway to net zero that we can stand behind.

The first step towards this is to properly calculate all our greenhouse gas emissions, including scope one (direct emissions such as buying fuel for company cars), scope two (indirect from energy purchases) and scope three (all emissions created by a value chain including our contractors and suppliers). This is a complex task, but we recognise that it is only when we calculate and publish these emissions that we will be able to show how we are making reductions and formulate a credible pathway to net zero.

Barwood's ambition is to be a leader in sustainability in the real estate industry.

To do this, all our staff have to be able to talk with knowledge and enthusiasm about sustainability and all ESG issues. In order to achieve this we are putting in place a series of training sessions for the whole company to learn about core aspects of sustainability to include governance and social impact.

As a team we have achieved a lot this year, we have put in place a training programme for 2023/2024, we have fully adopted the BCL Sustainability Index and finalised our Responsible Investment Policy.



“One of the things that makes me most proud about working at Barwood is the commitment and enthusiasm our staff show to social impact.”

Hugh Elrington,
Managing Director.

Whenever we do a fund-raising event everyone gives it 100%, whether it is an internal walking competition or running the London Marathon to raise money for our charity of the year. This year has been no different when raising money for our charity of the year, The Samaritans.

As we move into the new phase of our sustainability journey we continue to live by our culture of being adventurous, committed and respectful, which helps us stay focused and move forward.

We have a policy that means we rotate every two years, so from the beginning of 2023 we have a refreshed committee who are introduced to you in the next section.



Purpose Statement.

Our purpose is to innovate and unlock value, generating strong and sustainable growth.

We achieve this by:

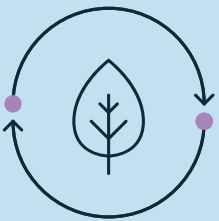
- Investing responsibly in UK Real Estate and combining nimble capital with the talents of our exceptional people and experienced partners.
- Living our Values - Adventurous, Committed and Respectful.

Our Sustainability Framework is directly aligned with our Values and Purpose Statement, and these have been developed and embodied by all employees.

It is based on four guiding principles, or pillars, which have been incorporated into every aspect of our business in order to drive sustainable growth.



Introducing our Impact Committee.



Left to right: Nick Masters, Danielle Sheppard, Saisha Bugde, Cerys Cheesman, Tom Darby, Hitesh Patel.

Danielle Sheppard.

Chair

As well as being Head of Sustainability I am also a Board member and in the Commercial Property team. My core role is managing our multi-let industrial Funds UKRI and Ull. Being Chair of the Impact Committee is a privilege and with the support of a great team I feel excited about the journey ahead.

Hitesh Patel.

I have been in Finance and Compliance for over 15 years. I am a Board Member and recently joined the Impact Committee where I managed the successful launch of Barwood's electric car scheme for our employees. I have learnt a lot, particularly being involved with UNPRI and the annual reporting that it entails. I feel proud and excited about Barwood's ESG journey and look forward to now delivering on our commitments in our quest to become net zero.

Tom Darby.

I am an Investment Analyst in the Residential Property team and my primary responsibility is appraising and analysing new residential opportunities. I also assist with the acquisition of new sites and the ongoing management of our existing projects. I have joined the Impact Committee to represent the Barwood Residential Investment Platform.

Saisha Bugde.

I am an Investment Analyst in the Commercial Property team and my main role involves appraising and evaluating new commercial opportunities. I am part of the transactions team, where I support in acquiring new projects. Additionally, I support the Asset Managers in overseeing our current projects. I feel delighted to be a part of the Impact Committee to provide opportunities for innovation and supporting Barwood on its sustainability journey.

Nick Masters.

I am an Investment Manager in the Commercial Property team, responsible for originating, underwriting and asset managing investment opportunities. I was drawn to the Impact Committee by the opportunity to champion our 'Investing in People' sustainability pillar, which concentrates on adding value to the people and communities in which we work.

Cerys Cheesman.

I am the Office & HR Manager at Barwood, ensuring the office runs smoothly, as well as keeping on top of the HR administration. There is so much more to ESG than just planting trees, and the Impact Committee is committed to educate not only our staff, but the wider audience on how much more there is. I'm passionate about all aspects of ESG, and am proud to be a Committee member.



Achieved in 2022/2023

2022 Q2

Barwood Sustainability Index Adopted

The Barwood Sustainability Index seeks to measure, through a detailed scoring system, all our managed projects against an extensive list of criteria associated with our Four Pillars of Sustainability, using a combination of industry standard practices and our own benchmarking system. The Barwood Sustainability Index allows us to identify from an early stage in any project opportunities to improve the all-round sustainability of every project we manage.

2022 Q2

Electric Vehicle Company Car Scheme Introduced

All staff have the option to participate in a salary sacrifice car scheme to encourage and enable them to make the switch to electric vehicles.

2023 Q1

Responsible Investment Policy Produced

The policy sets out our rationale and processes to which as well as being a requirement of UNPRI also ensures ESG factors are central to all our investment decisions and business ownership.

2023 Q2

Introduce Sustainability Training to Staff

Our ambition is to be a leader in the ESG matters affecting our industry, and to ensure that our staff can talk with confidence and knowledge about the climate emergency and our social impact. We have therefore started a series of in-house training sessions for the whole company which take place every other month.

So far we have delivered Carbon Hero training; impact of carbon on the environment and biodiversity training; highlighting significance of biodiversity to the environment.

Our Sustainability Journey so far.



2019 Q4 – Impact Committee created.

2020 Q1 – UNPRI Signatory.
– Engaged in ‘Good Business’ to development Sustainability Framework.

2020 Q2 – Sustainability Framework agreed.

2020 Q3 – Corporate carbon footprint measured and offset with Gold Standard scheme.

2020 Q4 – Commitment to net zero carbon in construction by 2030.

2021 Q1 – Consultants identified to support on Sustainability Framework.

– Member of UK Green Building council.

– Initial UNPRI reporting requirements fulfilled.

2021 Q3 – Good Business Charter accreditation.

2023 Q4

Delivery of our first net zero carbon in construction and operational logistics development in Nottingham.

2023 Q4

Commission external auditors to calculate scope one, two and three emissions for all live speculative commercial developments and all new residential projects. This will allow us to show credible improvements on our journey to net zero and make credible pledges.

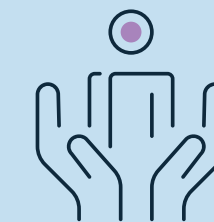
2024 Q1

We have set a target that 80% of all new leases contain data sharing clauses which help us manage the carbon output of our managed estate and encourage energy saving initiatives to minimise the green house gas emissions of our estate.

Going forward 100% of new projects need to be inputted on the Barwood Sustainability Index to ensure that we can make investment decisions based on our four pillars of sustainability.

2024

Launch of roadmap to net zero - The net zero carbon focus group have an eight month plan to develop the Barwood roadmap to net zero. It will ensure that there are defined and achievable steps and goals to get to net zero carbon.



At Barwood,
our people are
our greatest asset.

“It is great to work for a firm that really cares about investing in you as a person. Barwood allow me to really move forward in my career through the training and support I get. I love the fact that I am challenged at Barwood, but also that it is such a fun and supportive place to work .”

Jill Smith,
Finance Manager.

We are proud to have started our ‘Investors in People’ journey, achieving a ‘Silver’ accreditation, which we will look to improve upon over the next three years.

Investors in People

We recently undertook our first Investor in People (IIP) assessment and are so proud that we achieved a Silver accreditation.

IIP is an independent workplace engagement specialist which works with organisations to measure, improve and recognise workplace engagement.

It focusses on ‘making workplaces better’ and work closely with organisations to measure engagement and share insights to improve cultures.

We undertook the eight week assessment which included an employee survey, one-to-one meetings with our IIP practitioner, followed by a report from IIP which looked at all the great things we are currently doing at Barwood, as well as suggestions of how we can build on our current practises to get up to a Gold accreditation over the next three years.

INVESTORS IN PEOPLE
We invest in people Silver



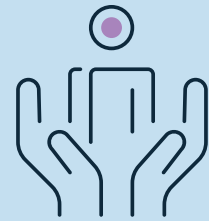
We invest in our staff.

Each staff member has an annual training budget, which they can use to develop or expand skills that relate to their day-to-day jobs. Employees also have the opportunity to study more in-depth courses, such as AAT, CIMA and RICS to progress their professional development. For employees that have been with Barwood for over two years, there is also a non-vocational training budget to develop a skill that is not related to work. This could be learning sign language, a cookery course or pottery!





We are committed to making a positive contribution to society.



Charity of the Year.

In 2022, we worked closely with our joint charities of the year, The Samaritans and The Hygiene Bank. The Samaritans provide emotional support to anyone in emotional distress, struggling to cope or at risk of suicide often through its telephone helpline.

The Hygiene Bank is on a mission to end hygiene poverty. It collects personal hygiene and household products and distributes them to those most in need.



We hosted our first charity walk in aid of The Samaritans in 2022 and were joined by our network of advisors and suppliers for a six mile round trip across the beautiful Northamptonshire countryside. In total we donated over £12,000, to The Samaritans, enabling them to install brand new air conditioning at their Northampton call centre.

For The Hygiene Bank we held a bingo night at our office and were able to donate £2,000 to this worthwhile charity.

At our annual Christmas Breakfast in December, we collected food donations from all the guests on behalf of Towcester Food Bank, helping those people most in need in the local community.

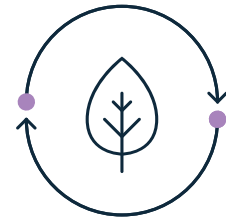


We encourage our staff to donate their time to charity.

We are committed to making a positive social impact and to allow our staff to do this they are entitled to take an additional days leave to volunteer for a charity of their choice.



We are carbon neutral at a corporate level.



We have taken steps to reduce our carbon emissions in parallel with investing in Gold Standard schemes to offset our residual carbon.

It is important to state that our current calculation excludes emissions relating to our projects which will make up the majority of our overall carbon footprint.

- Corporate Carbon Footprint in 2020: 42.97 tCO₂e
- Corporate Carbon Footprint in 2021: 43.56 tCO₂e

This increase was expected due to the lifting of Covid-19 lockdown restrictions throughout the period.

We continue to implement plans to reduce our carbon footprint through a range of measures including partial homeworking, electric car scheme and encouraging staff to opt for public transport.

Corporate Carbon Footprint in 2021:
43.56 tCO₂e.

Corporate Carbon Footprint in 2020:
42.97 tCO₂e.



Gold Standard[®]

Since 2019, Barwood has opted to offset its corporate carbon footprint with Gold Standard initiatives.

Gold Standard is a non-profit organisation established by the WWF and enables the investment into a range of global programmes.

As we did last year, we have invited our staff to vote for their preferred scheme.

To date, we have invested in a number of schemes including The Cleaner and Safer Stoves in Malawi and the Ethiopian Forest Regeneration Cooperation project.

We are equally committed to cutting the carbon emissions of our projects.

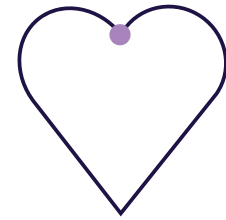
We are in the process of measuring and publishing our scope one, two and three emissions to enable us to work towards

a credible pathway to net zero in line with UN based targets. As such, we have recently instructed external auditors to calculate the carbon footprint of our managed projects.



At Barwood, we understand the importance of creating desirable places that benefit all of our stakeholders.

We create spaces to a standard that meet and where possible, exceed, the health and wellbeing needs of occupiers.



Asset Focus - Xplore, Richmond.

Barwood is creating a transformed environment in the refurbishment of Xplore, in Richmond.

The refurbished office space will feature a new private garden, roof terrace, reception, club room lounge, comprehensive cycle storage and lockers, gym, spin studio and light-filled CAT A floors setting a new standard for Greater London.

The building will include electric car charging points, future provision of Photovoltaic Panels at roof level, all electric heating and cooling HVAC with no fossil fuels on site and net gain in terms of the biodiversity and urban greening.

The building is targeting the following:

- EPC A Rating
- BREEAM excellent
- WiredScore Silver Certification; and
- FitWel v2.1 score of rating 2 stars.

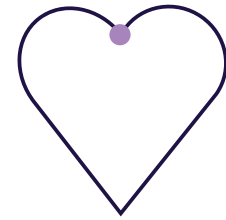


“Our approach on Richmond is to deliver a best-in-class product that will appeal to occupiers as they review their corporate aspirations and re-evaluate their expectations of the office environment.”

Adam Smith,
Asset Management Director.



Sector Focus - Care Homes.



Care home beds for the elderly in the UK contribute to a more compassionate, inclusive and socially cohesive society, facilitating:

An enhanced quality of life by providing daily residential care, meeting specialist healthcare needs and vital social interaction.

Social inclusion through the organisation of communal activities reducing social isolation among the elderly.

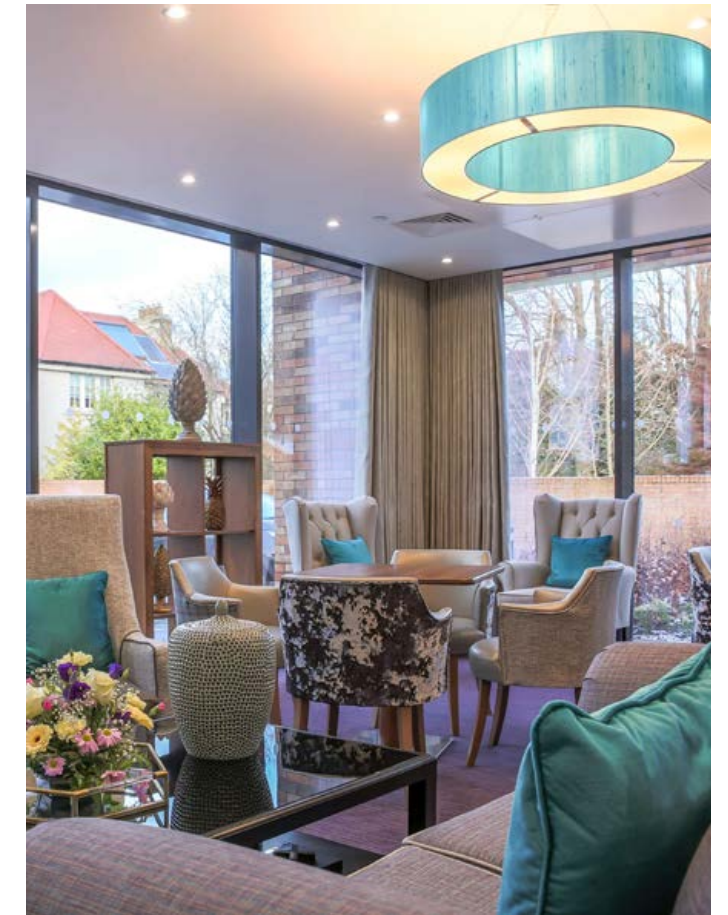
Reduced burden on families due to the level of professional care which might otherwise need to be provided with full time care.

Healthcare for the elderly can lead to early detection of health issues, reducing the overall healthcare burden in the UK.

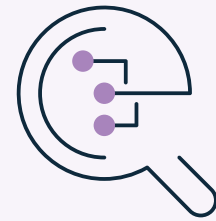
Interconnected generations through encouragement of intergenerational interaction, fostering understanding and empathy between generations.

Factors such as an ageing population, increased life expectancy and varying demand for care services have contributed to a shortage of beds for the elderly in the UK.

Since 2018 Barwood has been investing in elderly care through its partnership with Perseus Land & Developments making a positive social impact.



We pride ourselves on our robust Corporate Governance Framework.



This is predicated on the principles of integrity and fairness, transparency, accountability to our stakeholders and an unwavering commitment to conduct our business in an ethical and sustainable manner.

We strive to be a responsible corporate citizen and to hold ourselves accountable to the highest standards, as evidenced by becoming a UN PRI and UK GBC signatory, and our accreditation under the Good Business Charter.



Commitment to investors

We are committed to continually providing exceptional customer service to our investors and always striving to do better. We do this by being accessible and responding swiftly and accurately to enquiries and queries. Keeping our investors informed and actively seeking feedback in order to improve our service, product offering and communication.



Prompt payment code

We are a signatory of the Prompt Payment Code which commits us to paying our suppliers on time, which is fundamental to bringing about a cultural change in late payments and boosting the economy. The code recommends paying suppliers within 60 days but in practice most of suppliers are paid within 30 days from the date of invoice receipt.



Pay fair taxes

We are transparent in our dealings with HMRC, commit to paying our fair share of taxes and do not engage in tax avoidance. Our company accounts, which are publicly available, show the level of taxes the business pays which are reflective of the profits generated.

Impact Summary.

I am proud of what Barwood has achieved as a company over the last 12 months, across all the pillars of our Sustainability Framework.

We accomplished all the goals we set out to achieve, in particular the Barwood Sustainability Index which is changing the way in which we effectively manage the sustainability of our projects.

We achieved a Silver accreditation from Investors in People which is a great start, but our aspiration is to achieve a Gold and we are already working towards that.

To donate over £14,000 to charity, not to mention all the hours of volunteering and the hundreds of pounds of food donations, is a credit to the Barwood team and our

network of contacts. This is a record for us and we aim to do even more going forward.

Our Carbon Footprint did increase slightly year on year, however we are always striving to reduce our impact on the environment and hope that will show in the results for next year. We will also be taking the big leap to calculate our scope one, two and three emissions which is a massive undertaking but one we feel is essential in order to have a credible route to net zero.

The refurbishment work at Xplore, Richmond is well underway and we look forward to sharing more on this exciting energy efficient office space soon.

The most important thing going forward is that we don't lose focus and that we keep the momentum we have managed over the last two years. It is increasingly important for Barwood that the work we do has a positive impact on the society and environment, as well as being focussed on delivering excellent returns for our investors.



Danielle Sheppard, FRICS
Head of Sustainability.

