

ESG Strategy Update

DTZ Investors Co-Living Fund

Spring 2023



COLIV



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The DTZ Investors Co-Living Fund ("COLIV", or, the "Fund") was launched in 2019 as the first unlisted collective investment vehicle for professional investors investing in large scale, purpose-built co-living buildings in London. The COLIV fund consists of three assets in Harrow, Earlsfield and Battersea, the first two becoming operational in 2022 and the later due to open summer 2023. In total the Fund consists of just over 800 co-living units.

The Fund has progressed a number of ESG initiatives across the portfolio over the course of 2022. Despite Harrow (The Palm House) and Earlsfield (Sunday Mills) being in their operational infancy, we have already been able to have a positive impact on both the internal and external community at both sites.

Throughout the year, we have put a lot of focus on bringing about positive social impact. We have recently revised our events strategy to put further emphasis on social experience and building a community as well as promoting health and wellbeing. The events programme has been very well received at both our operational sites. Examples of events include weekly gym rituals with experienced personal trainers, social mixers to create a relaxed environment for residents to meet one another and personal development seminars.

To complement this we also launched our ambassador programme. This is a community initiative that is designed to enrich life in Folk buildings, by empowering our most passionate and community-minded residents to take on official operational and experiential responsibilities and become Ambassadors for the Folk brand. The outcome is to cultivate a bottom-up culture that inspires more residents to participate in events and other initiatives in Folk communities.

Within the external community, the Fund have selected three community investment partners to work closely with in 2023. We have renewed our agreement with Harrow Association of Disabled People (HAD) at The Palm House and agreed partnerships with Share Community and South Thames College at Sunday Mills. These partnerships offer unique opportunities to utilise our asset and operations to help the local community.






We have also launched other community initiatives. We set up a food bank donation point at Harrow and put extra focus on recycling and food waste at The Palm House. Harrow Council is working with the Palm House to trial food waste bin collection, which they plan to roll out across the borough in 2023. The residents have taken to both initiatives extremely well, and it is something we plan to roll out at Sunday Mills.

The COLIV Fund achieved a 5 Star rating GRESB rating in 2022 and was named Global Sector Leader for residential development. The COLIV Fund was set up based on a vision of creating places that deliver a meaningful and tangible social and environmental impact. This recognition by GRESB demonstrates how this vision has been put into practice and implemented across the portfolio. The fund achieved an overall score of 97/100, exceeding the GRESB average of 81 and the peer average of 72.

In this report, we are pleased to share several more highlights from the past year as well as provide an update of the Fund's ESG objectives for 2023.



Key Stakeholders

Role	Role Description	Company Name	Key Contact	Email
Investment Advisor	Responsible for reporting to Investors on ESG matters.	 DTZ INVESTORS	Danielle Wythe	danielle.whythe@dtzinvestors.com
Asset Manager	Overall responsibility for setting the ESG strategy for COLIV and for the implementation of that strategy. To advise on the operating ESG objectives and KPI's to be implemented by the Property Manager. These are reviewed at least quarterly with progress reported to the Investment Advisor and Social Impact Committee. Responsible Community Investment Partner programme, the COLIV community grant, and discounted room partner initiatives at each property.	 DTZ INVESTORS	Rhian Christmas Joshua Mak	rhian.christmas@dtzinvestors.com joshua.mak@dtzinvestors.com
ESG Consultant	Provide consultancy advice to COLIV in relation to ESG matters. This includes advice in terms of benchmarking and advising the Fund on steps that need to be taken in order to become a net zero carbon fund by 2040.	 CUSHMAN & WAKEFIELD	Jamie Wise	jamie.wise@cushwake.com
Property Manager	The on-site team managed by the property manager is responsible for ensuring the day-to-day implementation of ESG operating initiatives. In addition, it is the role of the property manager to provide the necessary metrics required to measure the impact of these initiatives on residents, local community partners and the building environment. This will also include GRESB reporting on operating assets.	 urbanbubble	George Ahye	george.ahye@urbanbubble.co.uk
Development Manager	Working with the on-site main contractor to implement the ESG initiatives that relate to the development phase and report back on metrics required for GRESB submission and on agreed KPI's. Pre-construction the team work with the architect to ensure the design will deliver COLIV's target of BREEAM Excellent.	 halcyon	Harry Manley	hm@halcyondp.com
Social Impact Committee	To approve the ESG strategy put forward by the Investment Advisor and provide feedback as required. The committee will also provide the necessary governance Investors require in relation to use of funds under the COLIV community grant initiative.	Jennifer Linacre (DTZ Investors) Chris Saunders (DTZ Investors) Russ Beresford (Halcyon Development Partners) Ed Thomas (Folk Consultant)		

Progress against 2022 Objectives



2022 Fund ESG Objectives	Progress	Status
Report quarterly to Investors on progress against the Fund's Key Performance Indicators	Quarterly investor reports have been produced and distributed.	Process Embedded
Achieve BREEAM Excellent in design for Sunday Mills (Earlsfield) and Florence Dock (Battersea) developments and achieve BREEAM Excellent in use at The Palm House (Harrow).	The Palm House has achieved a BREEAM excellent accreditation. For Sunday Mills, we completed our post PC submission end on January. We expect to receive the result by Q3 2023. For Florence Dock, we are on track for BREEAM Excellent.	On track
Deliver an events programme at The Palm House that focuses on resident personal development, wellbeing and sustainability, and ensure at least 10% open to the local community	Our portfolio events strategy continues to promote health and wellbeing and sustainable events; including exercise and gym classes, and seminars and talks, all of which is included in our residents' rent. One event per month is open to locals.	Process Embedded
Facilitate Voluntary Community Social Enterprises (VCSE's) use of the building	Our CIP with HAD continue to regularly use The Palm House, most frequently the co-working lounge and our events space.	Process Embedded
Find partner for the five studios offered at discounted rates to people at risk of homelessness	Partnerships have been established with DePaul at The Palm House to provide five studios per site at discounted rates. We are in the process of finding a partner for the five designated studios at Florence Dock.	Process Embedded
Regular tenant satisfaction surveys targeting a 50% response rate	Bi-annual tenant satisfaction surveys are sent out to residents. The latest satisfaction survey were sent in April 2023 and had a 55% response rate at The Palm House, and 33% at Sunday Mills.	Process Embedded
Identifying ways in which disposable plastic use can be minimised across the property and provide evidence via a quarterly waste report	We have commitment from our property manager, Urban Bubble, that single use plastic is not used across the portfolio and we are monitoring compliance. Our F&B and co-working partners have agreed to not use disposable plastic where possible. Due to public waste collection we have not been able to produce a report to verify waste to date.	On Track
Complete Life Cycle Analysis on the Sunday Mills development and use the findings to inform future scheme design, carbon embodiment and operational emissions targets.	An LCA was completed at Sunday Mills in 2022. This identified the largest areas of embodied carbon and have highlighted potential improvements for our next developments.	Complete / process embedded



2022 Fund Objectives	Progress	Status
Undertake a TM54 study at The Palm House in order to understand if energy efficiency of the property perform in-line with design specifications. This will be instructed 6 months post PC at Sunday Mills.	This is yet to be completed.	Ongoing
Submit data to GRESB for the purposes of benchmarking ESG performance, targeting a five star rating.	We completed the submission to GRESB, and the Fund achieved a 5 Star rating (97/100) and was named Global Sector Leader in the 2022 GRESB Real Estate Assessment for Residential Development.	Complete
Ensure 100% of electricity and gas supplies are on renewable energy contracts and evidence through REGO Certification	Renewable energy contracts have been agreed at The Palm House and Sunday Mills, and will be agreed at Florence Dock.	On Track
Establish COLIV's carbon emissions baseline by modelling the energy related carbon emissions using asset-level resident and landlord consumption data	We gathered all energy, water and waste data for 2022 and calculated the associated carbon emissions. This has been included within the DTZI corporate reporting.	On Track
Engage with Harrow Council regarding the road safety, and advocate for improved pedestrian routes to Harrow town centre.	We have contacted the Council to discuss the opportunity to add a zebra crossing by the roundabout which will improve the pedestrian routes for residents. Conversations are on-going.	Ongoing



Social Impact Objectives

We continue to have clear commitments in these four areas and are working hard to embed sustainability across our operations and developments.



Housing

To pioneer a good value housing solution and assist in providing housing to marginalised groups in London.



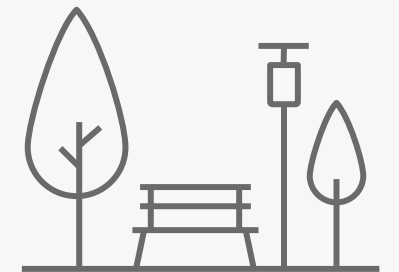
Community

To build strong, diverse and supportive communities in and around our assets by encouraging social engagement, empowerment and economic growth.



Health & Wellbeing

To use innovative building design, community activation and management strategies to promote good health and wellbeing within our communities.



Environment

To develop and operate a portfolio of environmentally conscious and sustainable buildings.



Housing

During 2022, the Fund successfully stabilised two co-living assets in Harrow and Earlsfield consisting of c. 550 co-living units combined. A further 270 units will be coming to the market in June in Battersea.

£1m

£1m saving in annual rent for 109 discounted market rent (DMR) residents at Earlsfield

5

5 studios at Harrow occupied by people at risk of homelessness at 50% discount to market rent

35%

35% of studios at Sunday Mills let to residents on low incomes at discounts of 40-55% to market rent

2

2 studios at Sunday Mills occupied by Ukrainian refugees at a 55% discount to market rent.



The COLIV schemes continue to provide significant contributions toward the provision of affordable housing.

At Sunday Mills 35% (109) of the studios have been let to residents on low incomes at deeply discounted rents. The affordable rents were established at the point of planning permission and now represent discounts of 40-55% of market rents.

The lowest tier benefits from a rent of only £789 pcm, which represents a c.55% discount to the market rent. These rooms have been reserved for applicants earning less than 24k per annum.

The units were initially marketed to the people on the council's housing list which includes key workers, armed forces personnel and other lower income residents living and working in the borough of Wandsworth..

In order to assist with housing needs for marginalised groups in society we have also set aside five studios in each property for this purpose. The studios are offered at a deep discount to market rent, of at least 50%.

At The Palm House, we have partnered with DePaul, a youth homelessness charity helping young people who are at risk of becoming homeless. All 5 studios have been taken up by individuals put forward by the charity.

At Sunday Mills, we have partnered with local social services who have assigned five studios to young adults who are on their journey out of foster care. An additional two studios have been allocated to Ukrainian refugees.

We are already considering what charity to partner with at Florence Dock.

The COLIV Fund is committed to contributing to the provision of affordable housing in the places we develop and operate assets, by either providing a proportion of studios at discounted market rents or making a financial contribution towards the provision off-site affordable housing. Below we have outlined the contributions that we have committed to across our existing assets:

- At The Palm House, a monetary contribution of £1m was provided towards the provision of affordable housing elsewhere in the borough.
- At Sunday Mills and Florence Dock, 30-35% of studios have be licensed at a discounted market rent.
- Five studios at each site are set aside to support marginalised and vulnerable people in need of housing in the local area. These studios will be at a 50% discount to market rate

We have calculated the social value created by these initiatives equates to **c. £1.59m per annum**, when looking at the discounted rates vs market rate saving across all the studios. This represents a capitalised value of **c. £37.4m**.



5 studios set aside to work with local charity groups to help people at risk of homelessness. The charity we have partnered with is DePaul.

c.£2m Section 106 payments including a **£1m off-site affordable housing payment**.



109 studios (35%) licensed at a discounted market rate. Rents and discounts shown below are as at the end of 2022.

Tier	Rooms at discount	Applicants
1	5 studios @ £780pm (53% discount to market rent)	individuals leaving Wandsworth foster care system
2	27 studios @ £789pm (52% discount to market rent)	Individuals with income below £23,928
3	32 studios @ £901pm (45% discount to market rent)	Individuals with an income below £29,928
4	45 studios @ £1,014pm (39% discount to market rent)	Individuals with an income below £35,928



84 studios (31%) will be at a discount to the prevailing market rate.

Tier	Rooms at discount	Applicants
1	5 studios @ £825pm (50% discount to market rent)	individuals from local charity helping homelessness (TBC)
2	17 studios @ £910pm (45% discount to market rent)	Individuals with income below £27,623
3	25 studios @ £1,040 pm (37% discount to market rent)	Individuals with an income below £32,623
4	42 studios @ £1,170 pm (29% discount to market rent)	Individuals with an income below £37,623



Community

The fund remains committed to building strong, diverse and supportive communities in and around our assets by encouraging social engagement, empowerment and economic growth.

3

We have agreements with **three** community investment partners to date

1%

1% of the net income from each operating asset set aside to support the internal and external community



Embedded support for local communities during the development and post completion

LLW

London Living Wage paid to all suppliers



We have continued to build on our relationships with our Community Investment Partners (CIP).

We have renewed our agreement with the Harrow Association of Disabled People (HAD) at Harrow, and signed two new agreements at Sunday Mills with Share and South Thames College. We have provided more detail on these CIP relationships in the following pages.

We have also now launched the Folk Ambassador programme at The Palm House, a community initiative that is designed to enrich life in Folk buildings for all, by empowering our most passionate and community-minded residents to take on official operational and experiential responsibilities and become Ambassadors for the Folk brand. The objective is to cultivate a bottom-up culture that inspires more residents to participate in events and other initiatives in Folk communities. The initiative has been well received by our residents so far. The programme will be launched at Sunday Mills in Q3 2023 and Florence Dock in early next year.

We have also introduced a Fund policy that all our suppliers and employees are paid a minimum of London Living Wage. Paying a Living Wage is a vital step towards lifting more Londoners out of poverty and helping with the cost of living crisis.



Building and supporting our community

We are committed to give back to the local community. This includes investing 1% of the net income from each operating asset to support both the internal and external community. To date we have contributed to the cost of HAD's 50th birthday party and an event celebrating International Day of People with Disabilities. At Sunday Mills, we also contributed to the Trewint Street community party to celebrate the King's Coronation. On Christmas Day we hosted events at both The Palm House and Sunday Mills, which brought people together who would otherwise have spent the day alone. c.40 people attended at each property which was a great turnout. Three charities were invited to Sunday Mills, including Share Community for Young Adults with Autism, Wandsworth Food Bank and St Andrews Church.

A Food Bank donation point has been set up and the Palm House and we have completed three donation drop offs to the Harrow Food Bank this year. Each month we spotlight key items that the food bank desperately need in the resident app and this is supported by our residents. We are in the process of arranging food donation boxes to be installed at Sunday Mills.

Volunteering opportunities have started to be advertised at both The Palm House and Sunday Mills. These opportunities include litter picking, present wrapping, carol signing and Share's befriending service.





Harrow Association of Disabled people



HAD has helped thousands of disabled people access information, advice, and support, providing high-quality services that focus on delivering disabled people equal opportunities and the right to live independently.

Folk have renewed their contract with HAD as our Community Investment Partner at The Palm House and will vow to identify further mentoring opportunities and promote the charity to residents in the building. HAD will continue to have the opportunity to host events for the benefit of its members, use the co-working and meeting room space and have annual gym passes for HAD members.

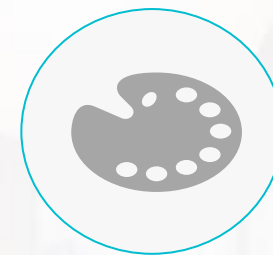
Throughout 2022, HAD frequently used the amenity provisions at The Palm House and hold two regular meetings within our café area each month. In addition to this, we facilitated a range of events including their 50th birthday and had residents volunteer during these events for service of food and beverages.

HAD continues to promote the DDA compliant accommodation at The Palm House to its members and offer residents HAD services through a quarterly workshop at the property. We currently have one wheelchair user as a resident at The Palm House.

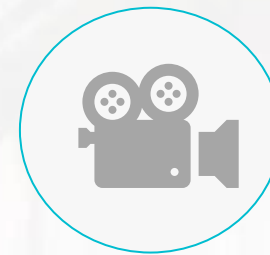


Share Community

Examples of Share x Folk opportunities:



Host community art sessions, which tends to both Share students and Folk residents



Cinema use to host seminars for students and a 'Get Out and About' field trips



Communal Kitchen access to host cooking sessions with students to develop their basic cooking skills



Host events for the benefit of their students to help fundraise, such as a Christmas Craft Fair

Share is a training centre that provides learning and wellbeing support to adults with learning disabilities, autism, physical disabilities, mental health and other support needs. Share's mission is to help people live more independent lives, allowing them to contribute to their community.

In alignment with Folk's community engagement programme, Folk has formed a partnership with Share to support the local charity and its volunteers. Folk are collaborating with Share to allow them to use Sunday Mills amenity spaces for their teaching and events which will help extend their potential reach, whilst also promoting the charity to residents at Sunday Mills and open up volunteering opportunities. Share relies heavily on volunteers for their service, so exposure to Sunday Mills residents creates opportunities for residents to enrol into Share's volunteer scheme.

Subject to prior approval, we will facilitate Share's use of Sunday Mills' communal spaces during the quieter periods (10-4pm) which coincides with Share's working day. Examples of activities include students using unoccupied studios for their independent living classes (i.e. learning to make the bed), cinema seminars and cooking sessions within our communal kitchen.

Fundraising activities will also be possible, with potential pop-up markets by Share to be hosted quarterly, centred around fundraising through items Share students have crafted.



South Thames College is a further education institution operating four colleges in South-West London, with its main campus is Wandsworth. In late May, the college holds an industry day to promote local placement opportunities.

South Thames College's main mission is providing placement opportunities for their students, with Sunday Mills being a great platform for this.

Potential relevant work experience courses are:

- Construction multi-skill (shadowing maintenance)
- Business course – specialising in customer service (shadowing front of house)
- Music and performing arts (shadowing inhouse events)

South Thames College

As part of its community engagement programme, Folk has formed a partnership with **South Thames College** to give its students an opportunity to gain work experience through Folk at Sunday Mills. Folk are collaborating with South Thames College to organise unpaid work experience opportunities for typical age ranges of 16-18 but can be tailored to 18 only to comply with Folk's over-18 internal policy.

Folk Placement Opportunities



Front of House – Skill development areas: Customer service, hospitality, admin, sales

- Shadowing front of house team to welcome residents and build up hospitality experience
- Manage front desk operations e.g. visitors, post, parcel deliveries and contractors
- Support on tours for prospective residents
- Administrative support
- Support preparations for new move ins



Events – Skill development areas: creativity, event programming, event strategy, event delivery

- Shadowing onsite events management team and resident ambassadors
- Supporting the planning of future brand events
- Collaborating with residents to plan their own events
- Assisting with budget management
- Gathering and analysing resident feedback of events



Facilities – Skill development areas: health and safety, planned preventative maintenance, reactive maintenance, new buildings

- Shadowing our maintenance operations and responding to any maintenance requests
- Managing and assisting contractors
- Recording environmental impact of operations, target improvements and implement initiatives
- Assist with stock management for building



Health & Wellbeing

COLIV's Health & Wellbeing objectives are focussed on using innovative building design, community activation and management strategies to promote good health and wellbeing within our communities.



We have recently revised our events strategy to enhance our social experience for residents.



The Fund continues to review a subscription to a resident Wellbeing Platform



Two members of The Palm House team are now Mental Health First Aid Trained



We have made progress on a number of initiatives over the past year focussed on the well-being of our residents.

We have a policy of ensuring that all on –site staff are trained in mental health awareness. Two members of The Palm House team are fully Mental Health First Aid Trained, as well as one member of Sunday Mills, with general mental awareness training having been undertaken by all other members of the team. We hope to have two members of staff MHFA trained per site by end of Q3.

The fund continues to review the possibility of committing a proportion of the COLIV Community budget to the LifeWorks Platform. Lifeworks is a support package offering support for resident's mental, physical, financial, and social wellbeing. The platform will provide residents with 24/7 access to confidential and secure virtual counselling sessions, either through video or telephonic support. The programme also provides users with referrals for face-to-face, in-person counselling sessions. We reviewed the opportunity to partner with other providers offering a similar support package but determined LifeWorks will work best for the residents and the Fund.

The events strategy has been revised to enhance the social experience for residents. The programme will deliver 15 social events and 8 fitness event a month, with a continued focus on promoting health and wellbeing.

ESG Policy Events Criteria
Minimum of 23 events per month per building
At least 2 events per week focusing on health and wellbeing
At least 1 event per quarter that is open to the local community
At least once a quarter, hosting an event focussed on support and advising Voluntary Community Social Enterprises and SME
At least once a year, hosting an Impact event which activates residents to help improve the local environment



Impact

Be a responsible citizen by playing your part to give back to your neighbours and planet and ensuring your home is regenerative.

Move

Activate your body through movement and challenge yourself in new ways.

Wellbeing

Take time to pause and reconnect with yourself and others by exploring 'how we are doing'

Learn

Achieve your personal and professional goals by acquiring new skills, learning about new ideas and expanding your knowledge.

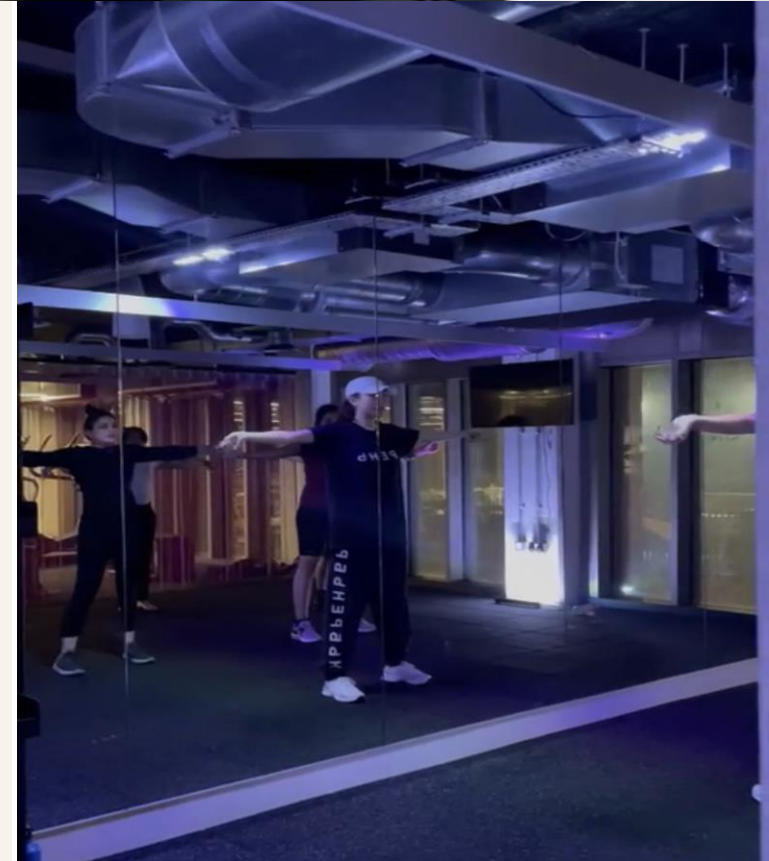
Play

Explore your curiosity by getting creative and playful and open your mind to a world of new possibilities.

Social

Come together with your neighbours and connect with new or old alike.

FOLK.





Customer Satisfaction

Bi-annually we circulate a customer satisfaction survey to get feedback from our residents and ensure we are meeting their expectations. It also indicates which areas of operations need improvement, which further allows us to prove to residents that their voices are being heard. This is essential to the concept of co-living, and to our Folk brand. We target a minimum response rate of 50%.

What is NPS and why do we use it?

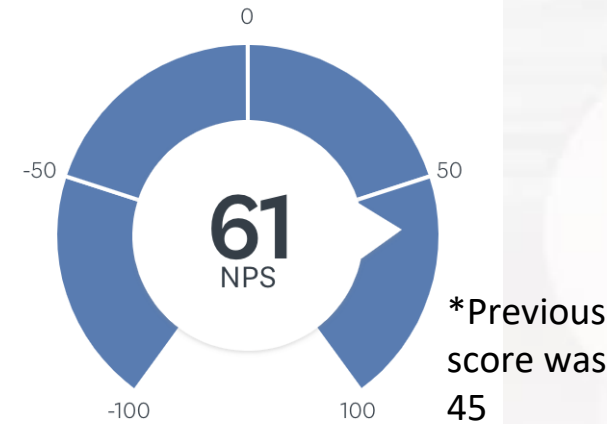
Net Promoter Score (NPS) is a customer loyalty and satisfaction measure. Customers are asked “How likely is it that you would recommend The Palm House to a friend or colleague?” and score on a scale of 0-10. 100 indicates that 100% of our residents will talk positively of us, -100 means that 100% of our resident will talk negatively of us.

There is considerable research that shows a link between NPS and business outcomes - high NPS results in greater WOM, lower churn and reduced marketing spend. The NPS methodology is also widely used, allowing us to benchmark where we sit against other residential operators.

How does our NPS scores compare to other buildings?

The Palm House	Sunday Mills	Blackhorse Mills	West Tower	Collective Old Oak
61	49	25	53	30

NPS Score – The Palm House

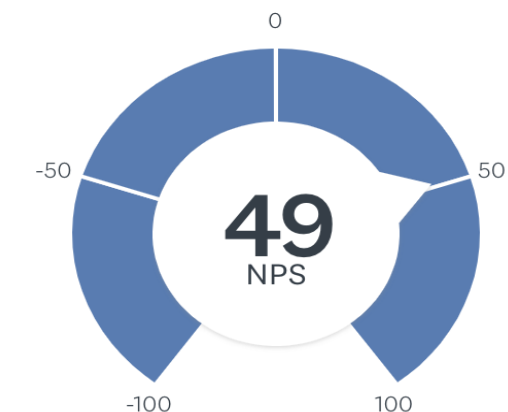


Detractors (0-6)	Passives (7-8)	Promoters (9-10)	Total respondents
7	33	82	122/222
6%	27%	67%	55% response rate

Overview of the period for The Palm House

- 55% response rate compared to the previous 61%, but still a good turnout
- NPS score improved by 16 points since the last survey. 61 is an outstanding score, with 50 considered excellent. The key drivers of NPS improved across the board bar one
- WiFi remains a priority for the upcoming period, since it scored the lowest amongst the satisfaction of operational measures
- The biggest increase of space usage was in the Co-working area and the community kitchen
- More residents have saved money by moving into The Palm House compared to the previous responses, and more feel it is good value for money. This is key, as those who perceive it as good value for money give significantly better NPS scores

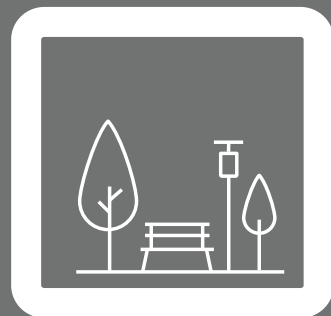
NPS Score – Sunday Mills



Detractors (0-6)	Passives (7-8)	Promoters (9-10)	Total respondents
12	28	62	102/315
12%	27%	61%	32% response

Overview of the period for Sunday Mills

- This was the first bi-annual resident survey. This covered the 6-month period October '22 – March '23.
- While only a 33% response rate was achieved, which is lower than The Palm House, this still represents a strong turnout
- An NPS score of 49 is a strong score, especially given some of the operational issues the team has faced which are out of their hands and impactful on resident's satisfaction (e.g. delayed opening of Louis' and the ongoing works in the co-working area)
- There is lots of opportunity for improvement in operational measures that affect satisfaction, and with the planned improvements already underway, it should positively impact the NPS

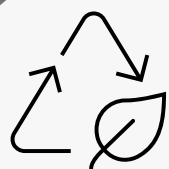


Environment

COLIV's objective is to develop and operate a portfolio of co-living assets in an environmentally conscious way. The Fund has taken steps to align its ESG Strategy with the net zero strategy set out by the investment advisor (DTZ Investors).

BREEAM
EXCELLENT

Targeting BREEAM Excellent across the Portfolio



Completing a review on how we can improve our energy efficiency within the building



The Fund achieved a GRESB 5 Star rating for 2022



The Fund recognises that climate change is a systemic issue, affecting all sectors and geographies, and are working with Cushman and Wakefield to implement a plan for achieving net-zero carbon, in line with the targets set out by the investment advisor (DTZ Investors).

A key step in moving toward Net Zero is to understand the amount of embodied carbon that is currently being produced through both construction and operation. We have already undertaken a Life Cycle Analysis Carbon Embodiment Assessment of the Earlsfield project to identify the key contributors to emissions for construction. This assessment will be used to inform future scheme design.

We are pleased to confirm that we achieved BREEAM Excellent certification for Harrow, and that we remain on track to do likewise at both Earlsfield and Battersea. We are also proud to have achieved a 5-star GRESB rating for 2022, providing us with Regional Leader status in relation to Residential Development.

All three of our sites have PV panels installed on-site to provide renewable electricity. The Fund has also procured 100% REGO (Renewable Energy Guarantees of Origin) backed electricity at both the Palm House and Sunday Mills.

As operating assets, we have full access to the utility data for the buildings, however at the Palm House and Sunday Mills we are not currently able to obtain usage data for each individual studio. Therefore, we are currently looking into installing AMR's in the studios of these buildings. We feel this is crucial in order to completely understand usage across the building and identify areas where we can make efficiency gains. This will be key in achieving the Fund's objective to achieve net zero in operation.



Lifetime Cycle Analysis – Sunday Mills recommendations



- We completed our Lifetime Cycle Analysis (LCA) in July 2022, the findings of which will help inform future scheme design, and provide recommendations on carbon embodiment and operational emissions targets.
- Concrete forms a great portion of the building, but Sunday Mills used concrete replacement techniques to remove virgin materials from the construction, which massively reduces embodied carbon
- The LETI New Construction Best Practice 2020 (A1-A5) has a target of <600 kgCO2/m² carbon value. After the LCA analysis, it was determined that Sunday Mills has an embodied carbon value of 544 kgCO2/m². This is a positive, since it is below the LETI target, but there are still potential areas for improvement:
- Sourcing Local Materials – Transport is unusually high due to large transport distances of some materials
- Reduce Refrigerant Quantity – Current design uses high amount of refrigerant, most likely due to refrigerant heavy system. Replacement hybrid system that uses chilled water for distribution can greatly reduce carbon embodiment
- Lower GWP refrigerant – The main refrigerant is a R410a which has a very high GWP, so replacement with R32 or those with lower GWP, would considerably lower embodied carbon

Recommendation	Embodied carbon	Difficulty in Implementation	Estimated Cost of Implementation	Recommended Next Steps
Current state (A1-C4)	843	-	-	-
Source local materials	733	Medium	Medium	<ul style="list-style-type: none"> • Identify local suppliers for key materials and products such as floor slabs and concrete. • Review cost variation and make decision of sourcing
Reduce refrigerant quantity	700	High	Medium	<ul style="list-style-type: none"> • Review future building design and identify opportunities for replacement of refrigerant system • Utilised a hybrid VRF system or an ASHP with chilled water
Utilise lower GWP refrigerant	649	Low	Low	<ul style="list-style-type: none"> • Review system and confirm compatibility with new refrigerant • Include new refrigerant in new developments

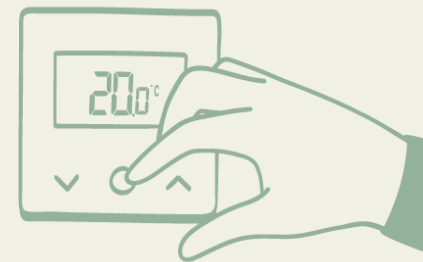
Site ESG fundamentals



		Florence Dock	Sunday Mills	The Palm House
Accreditation	BREAM Excellent	✓	✓	✓
Environment	100% Electric power scheme	✓	✓	✗
	100% low energy lighting throughout	✓	✓	✓
	Heating in all studios to maintain comfortable temperature levels	✓	✓	✗
	Photovoltaic Solar Energy Panels	4,800 kWh per year	6,000 kWh per year	39,193 kWh per year
	Electric Vehicle charge points onsite	1	2	✗
	Cycle spaces	286	380	222
	Hot water provided by Air Source Heat Pumps	✓	✓	✗
	Sustainable drainage system installed in external landscape to mitigate any flooding across site	✓	✓	✓
	CO2 Emissions saving against the Part L benchmark	60%	35%	28.2%
	Automatic Meter Readers installed in each apartment to monitor individual energy use	✓	Proposed installation	Proposed installation
Biodiversity	Accessible terraces with biodiverse planting	5	2	2
	Landscape and roof terrace planting utilise native species to promote biodiversity	✓	✓	✓
	Other	Tree planting within the highway to soften hard landscaping	The Wandle island set aside for ecology enhancements including bat boxes, bird nest, native planting and wildflower meadow and stag beetle logger	Bat boxes
Construction	Construction waste	8,932 tonnes of construction waste, but 1,633 tonnes reused on site	1,023 tonnes	435.35 tonnes
	Diversion of waste % from landfill to recycle centres	99.51%	99.6%	100%
	Waste generated per 100sq.m	4.7 tonnes per 100sq.m	9.2 tonnes per 100sq.m	6.2 tonnes per 100sq.m

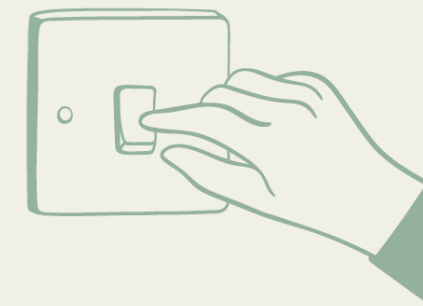
Posters to highlight how to reduce energy in our buildings:

Turn it down when you're not around.



Help us stay as energy efficient as possible by making sure you turn the heating in your studio right down when you're not in there.
Let's be energy efficient kind of folk.

Flicking the switch, it's light work.



Help us do our bit for the environment by switching off lights when you leave your studio or the shared spaces.
Let's be energy efficient kind of folk.

In our efforts to tackle rising utility costs and look at ways we can reduce the energy consumption we have considered several strategies within the Fund.

At Florence Dock, we already have individual automatic meter readers installed in each apartment to monitor individual energy use. This allows us to introduce a 'fair usage energy policy' to the residents' 'all-inclusive' rental package. This has a double benefit as acting as an incentive to keep energy usage down, but allows us to charge for anything above what we consider a fair usage for a typical studio. We have instructed surveys at The Palm House and Sunday Mills to assess automatic meter reader installation options. This comes in an effort to better understand energy consumption across the buildings and to inform our operational efficiency strategy. We continue to review this decision, but it may be something we install throughout 2023.

We have also designed informative posters to highlight how to reduce energy usage within our building. By using catchy slogans like 'Turn it down when you're not around' we hope to grasp the residents attention and make them aware of small changes they can make, to contribute to this saving.

We have also put on more educational events to make residents aware of the impact of the climate crisis, in fun interactive way to enhance engagement from residents. One event included a climate crisis cocktail masterclass whereby different drinks were made to illustrate key environmental issues such rising sea levels and greenhouse gases.

GRESB Results

- We are pleased to share that DTZ Investors Co-Living Fund I has achieved a GRESB 5 Star rating. The GRESB Rating is based on the GRESB Score and the quintile position an entity occupies relative to all entities participating in the GRESB Real Estate Assessment. The GRESB 5 Star rating recognises entities placed in the top 20% of the benchmark
- The fund achieved an overall score of 97/100, exceeding the GRESB average of 81 and the peer average of 72. We received Sector Leader status in the following categories for the 2022 GRESB Real Estate Assessment Development Benchmark:
 - Regional Sector Leader
 - Europe
 - Residential
- Achieving this status positions COLIV alongside huge companies and funds across the globe, with asset managers including Lendlease, British Land, Nuveen, UBS and Federated Hermes.

2022 GRESB Development Benchmark Report

DTZ Investors Co-Living Fund I | DTZ Investors Ltd

GRESB Rating
★★★★★



G R E S B
★★★★★ 2022

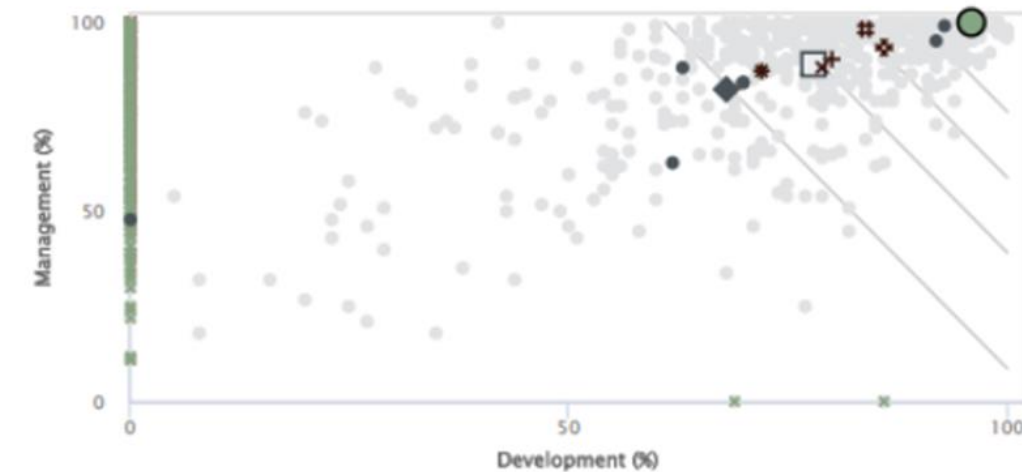
Participation & Score



Peer Comparison



United Kingdom | Residential |
Core



● This Entity ◆ Peer Group Avg. ● Peer Group □ GRESB Average
○ GRESB Universe + Asia × Europe * Americas × Oceania
Globally diversified × Entities with only one component submitted

97
100
GRESB Score **Green Star**
GRESB Average 81 Peer Average 72

30
30
Management Score
GRESB Average 27 Benchmark Average 28

67
70
Development Score
GRESB Average 54 Benchmark Average 48



Housing KPIs

Objective

Delivery of 3,500 quality studios, at a price which is more affordable than a private rented sector studio in the same market.

Deliver contributions towards affordable housing through the provision of affordable housing on or off the site at a representative level of 25% or through a monetary contribution to facilitate the delivery of affordable housing elsewhere in the local area. Commit to exclusively marketing the accommodation first to key workers and people living and working in the local area through the use of Section 106 obligations.

Assist with housing marginalised and vulnerable people who are unable to access traditional housing by providing at least 5 studios per property at a significant discount to market rent.

Target

Target a 20% discount to a PRS alternative, whilst providing a higher quality of accommodation.

Provide affordable housing on or off the site at a representative level of 25% or through a monetary contribution to facilitate the delivery of affordable housing.

To provide subsidised housing for vulnerable people, in particular those at risk of homelessness, abuse or violence, or children leaving the care system.

Metric

1. Studio/room count
2. Rent comparison

Studio/room count.

Number of studios dedicated to housing vulnerable adults at subsidised rates.

Performance to date

Three existing forward funding schemes have delivered c.800 co-living units to date. We monitor rental values within the local community and our competitors monthly to ensure we represent good value. We are currently capital raising to seek further funding which will enable us to invest in additional schemes and work towards our objective of delivering 3,500 studios.

A £1m monetary contribution was paid to Harrow Council towards the provision of affordable housing elsewhere in the borough.

30-35% affordable housing has been provided at both Sunday Mills and Florence Dock. At Sunday Mills, these have all been assigned to residents within the affordable constraints.

Going forward, Council's are more likely to seek a monetary contribution towards the provision of affordable housing elsewhere in the borough.

Both The Palm House and Sunday Mills are now operational.

The Palm House have partnered with DePaul to assign 5 studios for individuals at risk of homelessness.

Sunday Mills is also providing temporary accommodation for young adults leaving foster care within the Wandsworth community. Two studios have also been assigned to Ukrainian refugees.



Community KPIs

Internal
Community
Jobs: Promote Local Skills and Employment

Objective

Target

Metric

Performance to date

Provide more employment opportunities for people living within the locality of the assets

Operation: Advertise operational jobs to local people first.

Number of local people employed during operation.

Currently 43% of staff at The Palm House are from the local area.

At Sunday Mills, 20% of staff are from the local area. We are also opening up placement opportunities for students in the local area through our community investment partners.

Provide more employment opportunities for:

- people from disadvantaged backgrounds
- people with limited education and training
- groups that are marginalised from specific jobs
- young people.

Construction (per site): Work Experience - 2
Work Placement – 10, Members of Women in Construction – 4, Apprenticeships - 2

Operation: Partner with charities that expand the employment opportunities of people from disadvantaged backgrounds.

Number of employees in contract and number of partnerships with charities that support employment opportunities.

Florence Dock has employed members of Women in Construction.

Two apprentices worked at Florence Dock in 2022. Three work placement students have been onboarded during the final phase of development.

Provide seminars and events which help improve skills amongst local people.

Operation: a minimum of 1 event per month is open up to the local community

Operation: Number of educational events/classes held that are open to the local community.

The events strategy states that at least one event per month should be open to the local community.

These events have included a Comedy Nights, Life Drawings, Open Mic Nights and educational seminars on topics such as 'An intro to cryptocurrency', "Personal Development Workshop" and "Korean: Snack & Learn"

Support the growth of new communities and friendships within our buildings.

Hold a minimum of 23 events per month in each building, with 25% of events being focused on development and learning for our members.

Number of events per week.

The events strategy has been launched at both The Palm House and Sunday Mills. "Learn" is a key pillar which must be satisfied through our events programme enforced by the on-site Community Manager. On average we hold 23 events per month, per site.

Growth: Supporting Growth of Responsible Local Business

Charitable Projects

Objective	Target	Metric	Performance
Provide more opportunities for Voluntary Community Social Enterprises (VCSE's).	<p>Provide VCSE's, charities and local community groups with access to space within each building to support their aims for a minimum of 20 hours per month.</p> <p>Hold at least one event per quarter which is focused on supporting and advising VCSEs and SMEs.</p>	<p>Number of hours of building use provided to local VSCEs, with description of engagement/activity and outcome reported. Reported Quarterly.</p> <p>Number of events held, with description of engagement/activity and outcome reported quarterly.</p>	<p>Folk have partnered with HAD and Share to open up the amenity space within our buildings. HAD use typically use the facilities monthly</p> <p>HAD have also held two larger events including their 50th birthday and celebrating the International Day of People with Disabilities. HAD also use the space twice a month to hold their bi-weekly team meetings within our café/co-working area. This has been ongoing for the past 6 months.</p>
Embed social value within our supply chain	<p>Ensure material weighting given to social value as part of tenders and appointment of contractors. Contracts should include a commitment to ethical procurement, including as examples:</p> <ul style="list-style-type: none"> - social value commitments - anti-slavery provisions - real living wage commitments for employees - environmental policies - evidence of responsible procurement of materials. 	Audit random sample of 5 contracts per year to ensure compliance by Property Manager.	<p>Measures are written into the main contract with contractors of our Battersea sites. Requirements are also passed on to sub-contractors.</p> <p>We are also working with our operating partner to ensure they embed social value into their procurement process e.g. introduction of the London Living Wage. An audit of the operator is planned for Q3 2023.</p>
Form a partnership with and support the mission of 1 Community Investment Partner at each asset	Use the space within our buildings and the skills of our tenants to support local charities that focus on: promoting inclusive communities. reducing homelessness, promoting social mobility.	Annual update on charity partner activities and initiatives. Reporting, description, purpose and outcome.	<p>We have already established three CIPs across two sites.</p> <p>At The Palm House, HAD remains our CIP.</p> <p>At Sunday Mills, Share and South Thames College.</p> <p>We are working through our proposed CIPs at Florence Dock and considering other opportunities at our other assets too.</p>
Contribute 1% of Net Operating Income to local community give back causes	Funding will be provided to local projects and charities that focus on: promoting inclusive communities, reducing homelessness, promoting social mobility.	Annual confirmation that income has distributed to local charitable organisations.	<p>The Fund supported HAD's events by contributing to the cost of food, beverage and hosting services.</p> <p>The Fund also supported our Christmas Day give back event hosting individuals from local charities who would have otherwise been alone on Christmas Day.</p> <p>In total, 50% of our projected budget was spent.</p>



Health & Wellbeing KPIs

Objective

Demonstrate a commitment to improving the physical and mental wellbeing of residents and staff.

Provide an events programme that focuses on health and wellbeing.

Monitor the satisfaction of our tenants.

Target

Ensure staff in every building are trained in mental health awareness.

Provide tenants with easy and free access to a support line that can provide advice on mental health and issues causing stress amongst members.

Provide tenants with access to an online GP service.

Hold at least 8 events within each building each month that promote health and wellbeing, including exercise and gym classes and seminars and talks.

Conduct surveys to establish tenant satisfaction and ensure a positive Net Promotor Score is maintained.

Metric

% of staff trained in mental health awareness.

Evidence of subscriptions to support lines for tenants to assist with mental and physical wellbeing.

Reported Annually.

Number of events held.
Reported Quarterly.

50% response rates to surveys.

Performance

All on-site staff members at The Palm House and Sunday Mills have been trained on Mental Health Awareness. Two members of The Palm House team are now also Mental Health First Aid Trained, and one of the Sunday Mills team is MHFA trained, so now we have at least one at each site. LifeWorks is still being reviewed and will be offered to tenants to assist with mental and physical wellbeing.

New 'events pillars' has been established, with 'Wellbeing' representing one of the six pillars. We have partnered with Motivate which offer two gym classes per week, per site. Our community and events managers also organise other health and wellbeing events each month.

Throughout 2022, across both our sites, 107 health and wellbeing events were held.

Survey carried out at The Palm House in October 2022 and April 2023, achieving a 61% and 55% response rate respectively. The NPS score increased from October to April from 45 to 61.

First survey carried out at Sunday Mills in April 2023, achieving only a 33% response rate. Although this is lower than the targeted 50%, it scored a great NPS score of 49 and still represented a good sample size.



Environmental KPIs

Objective

Target

Metric

Performance

Ensure the Fund is building environmentally conscious buildings.

100% of new build assets rated BREEAM Excellent.

Quarterly progress report on meeting BREEAM Excellent. On completion BREEAM evidence pack provided.

The Palm House secured a BREEAM Excellent accreditation with a score of 75.6% at design stage.

We expect the results of Sunday Mills' BREEAM accreditation in Q3 2023 but it was also targeting Excellent (77/100). Florence Dock is targeting and on track to achieve Excellent (83/100).

Use renewable energy sources.

100% of electricity supplies on renewable energy contract demonstrated by REGO certification.

Percentage of supplies on renewable contracts

The fund has secured a 100% renewable electricity and gas contract for The Palm House and Sunday Mills.

Transition all operational assets to be net zero by 2040

Remain on track to achieve net zero by 2040, in line with the net zero pathway set out by the investment advisor.

Report produced annually.

Cushman & Wakefield have undertaken a Life Cycle Analysis at Sunday Mills to improve future developments. In process on establishing operational base line for energy use. This will enable us to set out reduction requirements for achieving net zero.

Ensure sustainability is embedded within our supply chain.

Seek to include sustainability KPI's within supplier contracts where commercially possible.

Operation: Audit random sample of 5 contracts per year to ensure compliance

Sustainability KPI's are already included within UB's contracts, and we have set out ways these can be improved further.

Increase the utilisation of technologies across tenant spaces to allow for automated data retrieval.

Install submeters at each asset and monitor consumption to identify high energy intensity spots and their causation.

Submeters installed and collation of landlord 100% of energy data.

Number of follow up actions taken to improve efficiency in highly energy intensive areas of the asset.

The Fund has installed smart meters in individual units at Florence Dock.

The Fund completed an AMR Survey for The Palm House and Sunday Mills and are reviewing the cost of retrospectively installing individual smart meters at both sites.



Environmental KPIs

Objective

Demonstrate a commitment to recycling.

Hold events dedicated to environmental, sustainability and climate change issues.

Improve operational utility efficiency.

Maximise the biodiversity potential of our operational sites.

Target

Provide infrastructure to encourage the separation of waste in private and communal areas to assist with improving the council's household waste recycling performance.

Hold at least one educational event per quarter, plus one event per annum which activates tenants to help improve the local environment.

Produce a strategy to reduce energy usage in each building, including setting asset targets.

Implement a landscaping and biodiversity plan and implement recommendations.

Metric

Evidence engagement with local councils regarding their recycling rates and adopt recommended strategies for improving waste separation.

Number of events with description of event with purpose and outcome reported quarterly.

Number of initiatives implemented to reduce energy usage.

Number of recommendations implemented.

Performance

The property manager has engaged with Harrow Council regarding recommended strategies to improve waste segregation and to help improve local household waste recycling rates. Feedback from residents and the council has been positive.

The events programme incorporates events dedicated to environmental issues. Example of these events include; energy saving seminar and global warming inspired cocktail masterclass. In 2022, we satisfied our target and held one event per quarter.

We are still in process of establishing the operational base line requires to set targets for each property. In the meantime, we have put up posters around the building to encourage less utility use.

A biodiversity plan for Harrow was produced in 2022 highlighting areas such as bat boxes, bird boxes and our community herb gardens. A biodiversity plan for the Earlsfield and Battersea will be put in place in 2023. This will be completed by Urban Bubble.



2023 Objectives



2023 Fund Objectives
Complete BREEAM Excellent certification for Earlsfield and Battersea
Reduce energy consumption across the portfolio: <ul style="list-style-type: none">• Install AMR metres at Harrow and Earlsfield• Explore voltage optimisation• Find ways to encourage and incentivise residents to save energy
Achieve a Customer Satisfaction NPS score of at least 40bps at both Harrow and Earlsfield, and at least a 50% response rate
Identify Community Investment Partners for Florence Dock, Battersea, and find additional CIP partner for the Palm House, Harrow
Establish work experience and apprenticeship position with South Thames College
Establish COLIV's carbon emissions baseline by modelling the energy related carbon emissions using asset-level tenant and landlord consumption data
Partner with local groups and engage with the council to enhance and improve the Wandle Trail – a cycle and pedestrian pathway running adjacent to Sunday Mills.
Obtain at least a 4 star GRESB rating for operating assets and maintain 5 star development rating
Reach out to local cloth bank charities, across all three properties, to either install a bank donation point for residents and locals on-site or arrange events to encourage clothes donations and upcycling.
Put in place a biodiversity plan for Earlsfield and Harrow
Identify at least one community project at each asset that will have a positive social impact on both residents and the local community: <ul style="list-style-type: none">• Partner with a local charity to carry out a community river clean-up event along the riverbanks of Florence Dock and Sunday Mills.• Explore the installation of urban beehives at Sunday Mills, partnering with the Bumblebee Conservation Trust and local schools to host educational events.• Lobby council to install zebra crossing at roundabout near the Palm House in order to improve road safety.



CHRIS SAUNDERS
Investment Director
T: +44 (0) 203 349 0231
E: chris.saunders@dtzinvestors.com

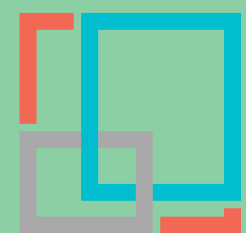


DANIELLE WYTHER
Fund Manager
T: +44(0) 20 3296 0241
E: Danielle.wythe@dtzinvestors.com



RHIAN CHRISTMAS
Asset Manager
T: +44(0) 20 3296 0220
E: Rhian.christmas@dtzinvestors.com

Joshua Mak
Asset Manager Assistant
T: +44(0) 20 3296 2151
E: Joshua.Mak@dtzinvestors.com



COLIV

DTZ Investors
125 Old Broad Street
London
EC2N 1AR

www.dtzinvestors.com