

OBJECTIVES

PATRON CAPITAL ADVISERS LLP
GLOBAL AMBIT – VERSION 2.0
PR/EMS/4



PATRON
CAPITAL PARTNERS

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PURPOSE

The purpose of this procedure is to outline the methodology that PATRON CAPITAL ADVISERS LLP will use to establish and monitor environmental objectives as part of its Environmental Management System.

SCOPE

This procedure applies to the real estate assets in which PCA invests and operates

DEFINITION OF OBJECTIVES

The company has identified the primary environmental impacts of its activities in document PR/EMS/6. However, the environmental objectives must extend beyond merely mitigating risks. One of the strategic goals of PATRON CAPITAL ADVISERS LLP is to become a leader in generating sustainable value within the Real Estate sector. The following variables should be considered when defining objectives and daily activities:

- **Energy:** Reduce energy consumption and use of renewable energy sources
- **Water Resources:** Minimize use of water and promote recovery and reuse.
- **Materials and Natural Resources:** Use of environmentally friendly materials consider the impact of material manufacturing, use of materials with traceability and sustainability certificates.
- **Waste Management and Circular Economy:** Consider waste generation in all asset life cycle, foment reusing and recycling and identify processes to reduce waste.
- **Atmospheric Emissions:** Minimize emissions of polluting gases and set processes to measure the impact of PCA activities.
- **Noise and Light Pollution:** Minimise noise and light pollution in all project stages.
- **Biodiversity:** Respect for local biodiversity, conservation of natural areas, foment the proper use of the territory when possible and minimise the impact of landscape and gardens.
- **Sustainable Mobility:** Foment access to sustainable and public transport options.
- **Climate Change Adaptation:** Resilience and adaptation to climate change, minimization of emissions during the asset lifecycle, promotion of net-zero or carbon-neutral assets, and consider sustainability certifications for developed assets.
- **Other Sustainability Parameters:** Extension of sustainability practices to the company's value chain and suppliers.

PCA ACTIVITIES CONSIDERED WHEN DEFINING ENVIRONMENTAL OBJECTIVES.

To identify various environmental aspects, we analyse the Company's activities, determining their responsibility and the specific areas where they occur:

OPERATION OF ASSET UNDER PAC OR PARTNERS MANAGEMENT

This activity encompasses the potential environmental impacts arising from properties within the scope of the Environmental Management System

OPERATION OF PCA OFFICES.

This activity encompasses the potential environmental impacts (excluding employee travel) arising from the offices where PATRON CAPITAL ADVISERS LLP conducts its operations.

TRAVEL

In this case, those trips organized by the Company, for the development of the activity of its employees, will be taken into account.

INDIRECT IMPACTS

When establishing environmental objectives, we take into account the indirect impacts from partners or construction companies associated with the Company. These impacts include carbon embedded in construction materials, asset life cycles, and the use of sustainable materials with recyclability, health-consciousness, and local origin wherever feasible. Historically, the focus has been on reducing operational carbon emissions (from heating, cooling, and lighting), but addressing the embodied carbon emissions from material design, production, and deployment is equally crucial for a sustainable built environment. [Strategies to decarbonize building materials include avoiding unnecessary extraction and production, shifting to regenerative materials, and improving the decarbonization of conventional materials](#)

OBJECTIVES

PCA environmental objectives are based on the **Sustainable Development Goals (SDGs)** and explained below:

BIODIVERSITY

As PCA projects are mainly in an urban environment, its impact on biodiversity is minimal. However, it is essential for the Company to adhere to existing legislation related to biodiversity and land use. To further promote biodiversity, PCA has implemented measures such as creating landscaped areas, establishing urban gardens on asset rooftops, and integrating vertical gardens where feasible. These initiatives contribute to enhancing biodiversity within the urban context. In case of projects in protected spaces PCA will perform an Environmental Impact Assessment.

ENERGY CONSUMPTION

ELECTRICITY

PCA objectives are:

- Improve isolation in existing buildings and build new buildings with isolation levels to achieve an A EPC ratio.
- Install low consumption equipment as heat pumps and connect to city cool and hot water networks when possible. Aiming to A EPC ratios in residential projects and BREEAM excellent or similar in commercial buildings.
- Installation of LED lighting equipment.
- Implementation of renewable energy sources as photovoltaic panels, geothermal or other when possible.

GAS

- Avoid installing gas system in new projects and replace existing gas systems for renewable energy sources in refurbishment projects when possible.

GASOIL

- Gradual replacement of diesel-consuming equipment with more environmentally friendly alternatives.
- Design and promotion of new buildings without gas oil facilities, exceeding the requirements stipulated by current regulations (including generator sets)

RENEWABLE ENERGY

- Installation of renewable energy sources (solar, geothermal or photothermal) in new developments to be carried out by PCA.

WATER

WATER CONSUMPTION

The objectives will be aligned with the taxonomy objectives in terms of water use. Aiming to minimise water use during construction and asset operation.

DISCHARGE MANAGEMENT

In each of PCA projects we will aim to reuse as much water as possible minimizing the water discharged in the network. All PCA projects will be connected to a separate network.

MATERIALS AND NATURAL RESOURCES

PCA is actively pursuing sustainable objectives and aligning with the EU taxonomy. Here are the key actions PCA plans to take regarding material management:

1. **Promoting Recycling:**

- PCA encourages recycling practices across its developments.
- This includes segregating waste materials and ensuring proper recycling processes.

2. **Use of Proximity Materials:**

- PCA prioritizes locally sourced materials to reduce transportation-related environmental impact.
- Using materials from nearby sources minimizes energy consumption and emissions.

3. **Life Cycle Assessment (LCA) Assessment:**

- PCA will conduct LCAs for all development projects.
- LCAs evaluate the environmental impact of materials throughout their life cycle, from production to disposal.

4. **Minimum Thresholds for Waste Recycling:**

- PCA will set specific recycling targets for construction sites.

- These thresholds ensure responsible waste management during project execution.

5. **Responsible use.**

- PCA will encourage responsible use of materials (like paper) in PCA offices.

WASTE MANAGEMENT AND CIRCULAR ECONOMY

DANGEROUS RESIDUES

PCA will, through its local partners, make sure that waste is properly treated, as an example:

Batteries: The Company will install specific containers for the selective collection of batteries and discarded batteries within the assets covered by this EMS. These installations will comply with current regulations and be tailored to the location of each asset.

Fluorescent Bulbs and Tubes: The Company will also provide containers for the selective collection of discarded fluorescent light bulbs and tubes in the relevant assets. Again, these installations will align with current regulations and location-specific requirements.

Contaminated Packaging: Containers considered contaminated include those used during cleaning activities (which may have come into contact with chemical products), containers possibly contaminated with oils from maintenance areas, and containers for phytosanitary products used in lawn and garden maintenance. The Company will ensure the installation of specific containers for the selective collection of contaminated packaging within the assets covered by this EMS, adjusting to local regulations and asset-specific needs.

REUSABLE WASTE

As part of the commitment to foster Circular Economy PCA will encourage reuse of materials and will provide the necessary means to do so:

- Installing spaces for recycling containers in the residential buildings.
- Fostering recycling of different elements in commercial buildings (toners, paper, containers, electric equipment, etc).
- Reviewing recycling activity from our new constructions and refurbishing projects and ensuring the objectives are achieved.
- Fomenting recycling and responsible use in PCA's offices.

POLLUTION PREVENTION AND CONTROL

Following the commitment to be an Article 8 company and comply with principle 5 of the taxonomy PCA will work to:

- Reduce atmospheric emissions linked to PCA's team travels.
- PCA will ensure connection to public transport net works and facilitate the use of bicycles and electric vehicles.
- Reduce noise and light pollution during construction and during assets life cycle.
- Manage site pollution and land contamination setting cleaning procedures in accordance with existing regulations.

CLIMATE CHANGE ADAPTATION

Climate change adaptation is a top priority for PCA. To effectively address this, it is essential to implement physical and transition risk policy recommendations when developing new projects.

This ensures the construction of resilient buildings that can withstand climate change risks, such as extreme weather events, rising sea levels, and temperature fluctuations.

By adhering to these risk policies, PCA aims to create buildings that are not only durable but also contribute to long-term sustainability. This involves integrating advanced materials and technologies that enhance energy efficiency, water conservation, and overall environmental performance. For example, buildings will be designed with robust insulation, efficient HVAC systems, and renewable energy sources like solar panels and wind turbines.

Furthermore, PCA's approach to climate change adaptation includes rigorous site assessments to identify potential vulnerabilities and implement appropriate mitigation strategies. This may involve elevating structures in flood-prone areas, using drought-resistant landscaping, and incorporating green roofs to reduce heat island effects and manage stormwater runoff.

In addition to physical resilience, PCA is committed to the transition to a low-carbon economy. This involves reducing greenhouse gas emissions from our buildings and operations, promoting the use of sustainable materials, and minimizing waste through circular economy practices. By doing so, PCA not only meets regulatory requirements but also sets a benchmark for sustainability in the real estate sector.

Our climate change adaptation strategy aligns with PCA's net-zero commitment, aiming to achieve carbon neutrality across our portfolio. This includes setting measurable targets for energy consumption, emissions reductions, and renewable energy adoption. Regular monitoring and reporting ensure transparency and accountability, allowing us to track progress and make necessary adjustments.

In conclusion, PCA's commitment to climate change adaptation is integral to our overall sustainability strategy. By building resilient structures and adopting comprehensive risk policies, we not only protect our investments but also contribute to a sustainable future. This proactive approach ensures that PCA remains a leader in sustainable real estate development, continually advancing towards our net-zero goals.

OTHER SUSTAINABILITY PARAMETERS

PCA advocates being a driver of sustainability, which is why one of its primary objectives is the extension of its principles to its partners and suppliers. This will be done through training, promotion and agreements of carrying out good practices, in all areas of activity.

Training and Education

The Company will develop comprehensive training programs to educate partners and suppliers on the importance of sustainability and how to integrate these principles into their operations. These programs will cover various topics such as energy efficiency, waste management, resource conservation, and the use of environmentally friendly materials. By increasing awareness and understanding, the Company aims to equip its partners and suppliers with the knowledge and skills necessary to implement sustainable practices effectively.

Promotion of Best Practices

PCA will actively promote best practices through regular communication and collaboration with its partners and suppliers. This includes sharing case studies, success stories, and innovative solutions that highlight the benefits of sustainable practices. PCA will also organize workshops to facilitate knowledge exchange and foster a culture of sustainability within its associates.

Partnerships

To reinforce its commitment to sustainability, PCA will add ESG clauses to the agreements with partners and suppliers. These agreements will outline specific sustainability goals and expectations, ensuring that all parties are aligned in their efforts to reduce environmental impact. PCA will also work closely with partners and suppliers to develop joint initiatives and projects that promote sustainability, such as co-investing in renewable energy sources or implementing circular economy principles.

Continuous Improvement and Monitoring

PCA will monitor and track the progress of its sustainability initiatives with partners and suppliers. Regular assessments and audits will be conducted to ensure compliance with agreed-upon standards and identify areas for improvement. Feedback loops will be established to continuously refine and enhance sustainability practices based on the latest research, technological advancements, and industry trends.

Collaborative Innovation

PCA will foster a spirit of collaborative innovation by encouraging partners and suppliers to work together on sustainability challenges. This includes supporting research and development efforts, piloting new technologies, and scaling successful solutions. By leveraging the collective expertise and resources of its network, the Company can accelerate the adoption of sustainable practices and drive systemic change within the industry.

PCA's commits to be a driver of sustainability, focusing on the education, promotion, and collaboration with its partners and suppliers. Through comprehensive training, strategic agreements, continuous monitoring, and collaborative innovation, PCA aims to embed sustainability deeply into its supply chain, ultimately contributing to a more sustainable future for all.

QUANTIFICATION OF THE OBJECTIVES

PLANNING

Once significant environmental aspects have been identified and evaluated, and all necessary Environmental Management System documentation has been established, the next step is to set environmental objectives and goals to ensure the effective implementation of the Environmental Management System.

An environmental objective is a measurable goal inspired by the organization's environmental policy, which it aims to achieve within a specific time frame. Environmental goals consist of quantifiable requirements derived from these objectives, with established deadlines for their fulfillment.

This planning will be documented in PR/EMS/4/A1.

MONITORING OF ENVIRONMENTAL ASPECTS

The implementation of the Environmental Management System requires monitoring all environmental aspects. To this end, the provisions of the **PR/EMS/4/A1** procedure will be followed, which establishes the environmental aspects to be monitored and the indicators to be used for their accurate measurement and monitoring (**PR/EMS/7**).

ENVIRONMENTAL OBJECTIVES AND TARGETS

The environmental objectives and goals have been established based on the environmental priorities defined by the company at the beginning of each document. Compliance with the requirements set by the company will be determined after reevaluating these environmental aspects at the end of the designated period and assessing whether the objectives have been met.

If the established objectives and goals are not met, Improvement Plans and Corrective Actions will be developed to address the impacts generated. The details of these objectives and goals, including responsible parties, deadlines, and necessary resources, will be documented accordingly.

PR/EMS/4/A1 - REGISTRATION AND MONITORING OF ENVIRONMENTAL OBJECTIVES.

Environmental aspect	Goal	Indicator	Metas	Responsible	Term (years)	Actions
Biodiversity	Development of active landscaped areas/urban gardens	% of assets with urban gardens, landscaped areas or vertical gardens	50% of those developed in the 2022-2032 period	Environmental manager	10	Inclusion of green areas in the design and reform of real estate
Energy	A/B energy certificate	% of assets with A or B certification	80% of the assets developed in the period 2022-2027	Environmental manager	5	Use of materials, design criteria and high-efficiency equipment
Climate change	Development of renewable energy facilities	% of assets with renewable energy facilities	80% that are developed in the period 2022-2027	Environmental manager	10	Design of assets with renewable energy sources
Climate change	Energy with certificate of renewable origin	% of the energy consumed in the Company's offices with an energy certificate of renewable origin	80% of the energy consumed in 2027	Environmental manager	5	Purchase of energy certificates of renewable origin
Water resources	Installation devices use water reuse	% of real estate developments carried out in the 2022-2027 period with water reuse measures	50% of real estate developments	Environmental manager	5	Construction or reform of assets to include appropriate water reuse measures
Consumption of materials and natural resources	Paper consumption with certification of sustainable or recycled origin	% of paper consumption in the offices where the Company carries out its activity	70% of the paper consumed will be of recycled or sustainable origin	Environmental manager	5	Purchase paper of recycled or sustainable origin
Climate change/Consumption of materials and natural resources	Measurement of carbon embedded in new promotions	Development of a measurement methodology that allows measuring the carbon embedded in the development of	Development of the coherent and applicable methodology until 2024	Environmental manager	2	Development of a methodology for measuring the carbon generated in the development of new assets

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		new projects from 2025				
Materials and natural resources/Waste management and circular economy/Other sustainability parameters	Development of awareness programs and contractual clauses that promote material sustainability	Inclusion of clauses and manuals of good practices in 100% of the companies that carry out construction activities contracted by the Company	100% in 2025	Environmental manager	3	Preparation of clauses and manuals of good practices that allow maximizing the sustainability of the origin and the reuse of the materials used in the Company's real estate developments
Climate change	Measurement of greenhouse gas emissions generated by the Company and analysis of the same to reduce them by 20% compared to 2019 (scope 1 and 2)	Development of a methodology for measuring greenhouse gas emissions generated by the Company (scope 1 and 2) and % reduction in greenhouse gas emissions generated by the Company, compared to 2020	25%	Environmental manager	3	Development of a methodology for measuring, monitoring and recording the emissions generated (scope 1 and 2) Execution of emission compensation programs Purchase of renewable energy Analysis of measures to reduce the carbon footprint
Climate change	Building certifications Breeam/Leed	Percentage of buildings developed in the 2022-2026 period with sustainability certification (LEED/BREEAM)	40%	Environmental manager	4	Development of building certification
Climate change	Development of Net Zero or Carbon Neutral assets	Number of assets developed with any of these methodologies during the 2022-2030 period	3	Environmental manager	8	Design assets with these guidelines
Climate change	Development of a methodology that integrates the risks and the impact on assets derived from climate change	Existence and implementation of the model	2025	Environmental manager	8	Development of a methodology that integrates the risks and the impact on assets derived from climate change

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Atmospheric emissions	Conducting awareness campaigns among employees to minimize the use of private vehicles when commuting to work	Design and implementation of employee awareness campaigns	2024	Environmental manager	2	Carrying out awareness campaigns among employees to minimize the use of private vehicles on work trips (promotion of public transport, use of shared vehicles...)
Location and sustainable mobility of users	Development of charging points for electric vehicles in the new buildings developed by the Company from 2022	% of real estate developments carried out between 2022 and 2026 with electric vehicle charging points	60%	Environmental manager	4	Design and reform of assets for the inclusion of electric vehicle recharging points