

2024

SUSTAINABILITY REPORT

Patron Fund VII



PATRON



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“At Patron, sustainability is more than a goal, it is a fundamental commitment that informs the decisions we make and drives us to create a lasting positive impact on the environment and communities we serve.”

Keith Breslauer
Managing Director & Senior Partner
Patron Capital

It is with great pride that I share Patron Capital 2024 Sustainability Report. Over the past 25 years, our mission has been to redefine real estate investment by transforming underutilised buildings and creating developments that embody sustainability, resilience, and positive community impact.

The challenges we face today; climate change, resource scarcity, significant income disparity, and the need for inclusive communities require bold, forward-thinking solutions. At Patron, we see these challenges as opportunities. By refurbishing non-performing buildings, we not only extend their lifespan and bring the buildings to the highest standards, we significantly reduce the environmental footprint associated with demolition and new development. Similarly, our residential projects are designed to meet and exceed higher standards for sustainability, incorporating renewable energy systems, advanced construction practices, and environmental certifications.

Equally important to us is the social impact and value we create. As relevant, our developments are designed to enhance the communities we serve, offering affordable housing, access to green spaces, and opportunities for local engagement. By listening to and collaborating with our stakeholders, we ensure our work reflects their needs and aspirations.

Strong governance underpins our work. Through our ESG framework, rigorous reporting, and transparent practices, we ensure our investment process contributes to measurable, and lasting impact. We continue to evolve our approach, including tracking all the key relevant metrics, environmental and social to continue to help and improve our society. We will continue to accelerate our refurbishment efforts, push sustainable design, and strengthen the partnerships that make our work possible.

Thank you to our investors, partners, and employees for your trust and dedication.

History and Growth

Founded in 1999, Patron has spent over 25 years driving value through strategic investments and asset management. Patron has raised nine funds totalling approximately €5.3 billion. Patron has a diversified strategy with an emphasis on environmentally non-performing buildings, distressed and complex opportunities as well as new developments. By enhancing assets through meticulous management and environmental improvements, Patron stabilises and sells them within domestic markets to maximise returns.

Investment Strategy

Patron's approach is defined by:

Identifying Distressed Opportunities: Targeting undervalued, environmentally non-performing, or financially distressed assets with potential for value creation.

Value Addition: Enhancing assets via hands-on management, environmental upgrades, and strategic execution.

New Development: Building new buildings that comply with high environmental standards and building certifications.

Local Partnerships: Collaborating with local partners in an owner-operator model, supported by Patron's active involvement to ensure alignment and success.

Patron upholds a firm commitment to responsible investing, aligning with relevant ESG guidelines and reporting standards. This ethos is a core part of the company's operations and partnerships, driving both ethical practices and sustainability goals. Working with partners who embrace ESG principles ensures a collaborative path toward a sustainable future.



Cala, Fund VII

Environmental



Carbon Emissions



Improve Existing Buildings



Energy Performance



Building Certifications



Building Innovation



Resource Efficiency

Social



Healthy Buildings



Community Engagement



Health, Safety and Wellbeing



Diversity and Inclusion



Charitable Initiatives

Governance



Business Ethics and Compliance



Reporting and Transparency



Data Management & ESG Monitoring



Integration into the Investment Process



Stewardship & Stakeholder Engagement



Policies

Disclosure and Reporting



At Patron we firmly believe that ESG considerations are not just a compliance exercise but a strategic imperative for long-term value creation. Our focus on ESG aligns with our commitment to delivering returns for our investors while making a positive impact on the communities in which we operate.

Our focus on ESG goes beyond moral obligation and is a sound business decision. By considering ESG factors, we can improve our operational efficiency, attract high-quality tenants and investors, and ultimately create long-term value for our stakeholders. Our commitment to ESG is a fundamental part of our investment strategy and a reflection of our dedication to sustainable real estate development.

Social Responsibility and Ethics

Patron’s commitment to social responsibility and ethics is evident in:

- **Team Culture:** Embedding ethics and social responsibility into core values.
- **Partnerships:** Building relationships with a focus on ethical practices and social impact.
- **Community Engagement:** Supporting sustainable, responsible development in broader society.

Why ESG Matters

Legal Compliance and Regulatory Landscape

As the European ESG regulatory landscape continues to evolve, driven by efforts to implement standardisation and the latest omnibus proposal, significant changes remain underway. Amidst this, Patron proactively adapts to meet both current and future regulatory challenges, ensuring it maintains a competitive edge

Attracting Institutional Tenants

Many institutional tenants have stringent ESG requirements that influence their space choices. By incorporating ESG principles into our real estate development and management practices, we seek to attract high-quality tenants and secure long-term leases.

Access to Green Financing

While green loans may not yet have a significant economic impact, they can offer competitive financing terms and enhance our reputation as a responsible investor. Our commitment to ESG can improve our access to green financing options and seek to reduce our overall cost of capital.

Competitive Advantage and Operational Efficiency

A strong focus on environmental and social aspects can create competitive advantages and streamline our operations. For example, fostering positive relationships with local communities and planners can expedite development processes and reduce project risks, thus saving additional expenditure.

Attracting Institutional Investors and Partners

ESG considerations are increasingly important to institutional investors and strategic partners. By demonstrating our commitment to ESG, we can attract like-minded investors and partners who share our vision for sustainable real estate development.

Preserving and Enhancing Asset Value

Our primary goal is to create high-quality assets for institutional long-term holders, primarily within the EU. These institutions have ambitious ESG targets for their portfolios. By integrating ESG into our investment strategy, we seek to not only preserve asset value but also enhance exit options and potential pricing.

Fund VII is classified as an Article 8 fund under the Sustainable Finance Disclosure Regulation (SFDR) framework. As part of our unwavering commitment to sustainability, Fund VII adopted the following principles:

- 1. Promotion of Environmental and Social Characteristics:** Fund VII will actively promote environmental and social characteristics through our investment strategy, ensuring that our portfolio aligns with sustainable practices and contributes positively to the environment and society. The Fund’s investment strategy largely follows that of its predecessor funds which traditionally invested mainly in the following four asset categories:
 - Direct investment into ground-up real estate development of new buildings;
 - Direct investment into real estate assets that require material refurbishment or redevelopment; and
 - Direct investment into existing operational real estate assets without intended substantial capital expenditure.
- 2. Commitment to Sustainable Investments:** We are dedicated to ensuring that at least 50% of our investments are classified as ‘sustainable investments’* over the lifecycle of the fund. This is in accordance with the SFDR requirements defined using our in-house ESG screening and due diligence process. Where feasible, Patron will strive to make investments in Taxonomy-aligned activities this contributing to the 50% sustainable investment threshold. This commitment underscores our focus on investing in projects that have the potential to deliver measurable environmental benefits and adhere to rigorous sustainability criteria. We aspire to increase the percentage of sustainable investments above the 50% threshold over the lifecycle of the fund.
- 3. Embodied Carbon Reduction:** We prioritise reducing embodied carbon across our ground-up development investments by promoting the use of low-carbon materials, identifying efficient construction practices, and innovative building technologies. Our aim is to minimise the carbon footprint of our assets throughout their life cycle.

- 4. Signatory of PRI and GRESB:** As a signatory of the PRI and GRESB, Patron commits to upholding the high standards of ESG performance. These affiliations reflect our dedication to integrating responsible investment principles and sustainability benchmarks into our operations.
- 5. Transparency and Reporting:** We are committed to transparent reporting of our sustainability practices and performance. This includes regular disclosure of our progress in achieving our ESG objectives, in line with SFDR requirements and the reporting standards of PRI and GRESB.
- 6. Stakeholder Engagement:** Where possible we engage with stakeholders, including investors, tenants, and the communities where we operate, to ensure that our sustainability initiatives align with their values and expectations. Our aim is to foster collaboration and drive collective progress towards a sustainable future.
- 7. Continuous Improvement:** Recognising that sustainability is an evolving field, we commit to continuously improving our practices and staying abreast of the latest developments in sustainability. This includes regularly reviewing and updating our strategies to ensure they remain effective and impactful.



Livingston, Fund VII

*Patron SFDR Pre-contractual disclosure provides further detail surrounding how Patron has sought to define a sustainable investment in the context of Fund VII.

Fund VII is an Article 8 fund under the SFDR framework. Under SFDR Article 8, Patron submitted as part of pre-contractual disclosure the considerations of environmental and social characteristics that are promoted and has committed to 50% sustainable investments.

Additionally, Patron is a signatory of GRESB as it relates to Fund VI and Fund VII. In our 2024 GRESB report, Patron Fund VII achieved an 89/100 rating in its first year of reporting. Fund VI scored 91 points, a significant increase from its 2023 score of 84. This is the third consecutive year of improvement for Fund VI, which has risen by 28% from a score of 71.

Patron is a signatory of UN PRI, in Patron's first year of receiving a score (2023) from the UN PRI we were ranked significantly above peer averages across all categories, in the top 10 percentile for 'direct real estate' and scored 100% on our 'confidence building measures'. Further, Patron are members of the Energy & Environment Alliance and adhere to the standards specified by the UN Global Compact.

Patron focuses on transforming underutilised and inefficient buildings into high-quality, sustainable assets. By refurbishing these properties, we extend their lifespan and reduce the environmental impact of demolition and new construction. Our latest residential developments meet strict environmental standards, and we collaborate with the International Building Institute in a WELL Pilot program to enhance the sustainability and social impact of all projects.

Certifications

ESG Certifications and Labels

ESG certifications are designed to encourage sustainable construction practices, reduce carbon footprints, improve energy efficiency, promote healthier living environments, and reduce the negative environmental & social impacts of real estate properties. Some of the most recognised green building certifications are LEED, Energy Star, BREEAM, GRESB and WELL.

Patron is committed to identify which assets are working towards such environmental standards and directly supports local partners in acquiring these certificates, be it local or regional certificates. These certifications provide labelling schemes that demonstrate excellence in specific aspects, such as landscape design, easy access to infrastructure for tenants, consideration of noise levels and a myriad of other factors. Upon every investment project, Patron seeks to understand if the local partners has already acquired a certification or labels. Where this is not the case, Patron provides targeted support, guidance and incentives to encourage local partners in acquiring such credentials.

Beyond environmental and responsible design certificates, health and safety standards are also captured to ensure that construction workers and residential stakeholders’ health, wellbeing and comfort in their workspace and place of residence is promoted and protected. The BREEAM certificate for instance captures elements pertaining specifically to health and wellbeing factors.

ISO Standards

The International Standardisation Organisation (ISO) are globally recognised methodology frameworks that categorise and oversee international environmental and energy management best practice. The best-known standard is ISO 14001 that sets out criteria for an environmental management system (EMS), where Patron evaluates with its local partners as part of its due diligence process whether projects conduct their operations in compliance with this ISO standard.



Sustainability and ESG considerations have been robustly integrated into Patron's investment management process to enable the firm to better manage holistic investment risks, which aim to positively impact the (risk-adjusted) returns of the Patron Funds.



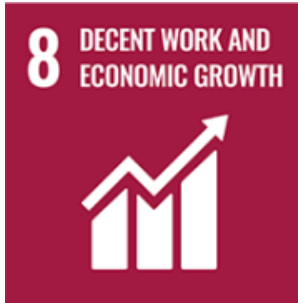
SDG 7 – Affordable and Clean Energy

Why? Integrating energy efficiency, green building certifications, or renewable energy in Patron assets contributes to the transition toward clean energy use in real estate and infrastructure.



SDG 11 – Sustainable Cities and Communities

Why? Patron Capital invests in real estate and urban development, often revitalising distressed assets, which contributes to sustainable and inclusive urban environments. Our investments in residential, commercial, and mixed-use developments can help improve city infrastructure, housing quality, and urban resilience.



SDG 8 – Decent Work and Economic Growth

Why? Real estate investment and development drive economic activity, create jobs, and support the revitalisation of communities. Patron's focus on ethical labour practices and responsible redevelopment.



SDG 12 – Responsible Consumption and Production

Why? Sustainable building practices, circular economy principles (such as repurposing existing structures instead of new builds), and resource-efficient asset management contribute to responsible consumption in the real estate sector.



SDG 9 – Industry, Innovation, and Infrastructure

Why? By investing in real estate and infrastructure projects, particularly those requiring redevelopment or repositioning, Patron contributes to building resilient infrastructure and upgrading industry-related assets.



SDG 13 – Climate Action

Why? Real estate is a major contributor to carbon emissions. Patron is involved in refurbishing energy-inefficient buildings, implementing low-carbon building practices and decarbonizing our portfolio.

Sustainability is a core element of Fund VII’s investment strategy. Our ESG strategy is centered on two key pillars:

- 1. We prioritise sustainable building practices and operational sustainability. We strive to achieve appropriate certifications for all our developments.
- 2. We ensure that our operational sustainability can be monitored for long-term hold buyers.

A fundamental aspect of our strategy is to continuously monitor to stay ahead of updates to European Environmental Regulations. This proactive approach enables us to anticipate changes, ensuring that we are consistently prepared and compliant. Adhering to both European regulations and international standards provides the basis for developing an exemplary sustainability strategy. A key point to achieve the Paris objectives is to reduce the carbon footprint of existing buildings.

We focus on identifying underperforming existing assets and refurbishing them to meet stringent environmental standards, while our new developments are designed and built with rigorous environmental requirements in mind. To achieve consistency across our investments, we employ a comprehensive sustainability strategy aligned with the ISO 14001:2015 standard, leveraging its Plan-Do-Check-Act cycle to drive continuous environmental improvement across our portfolio.

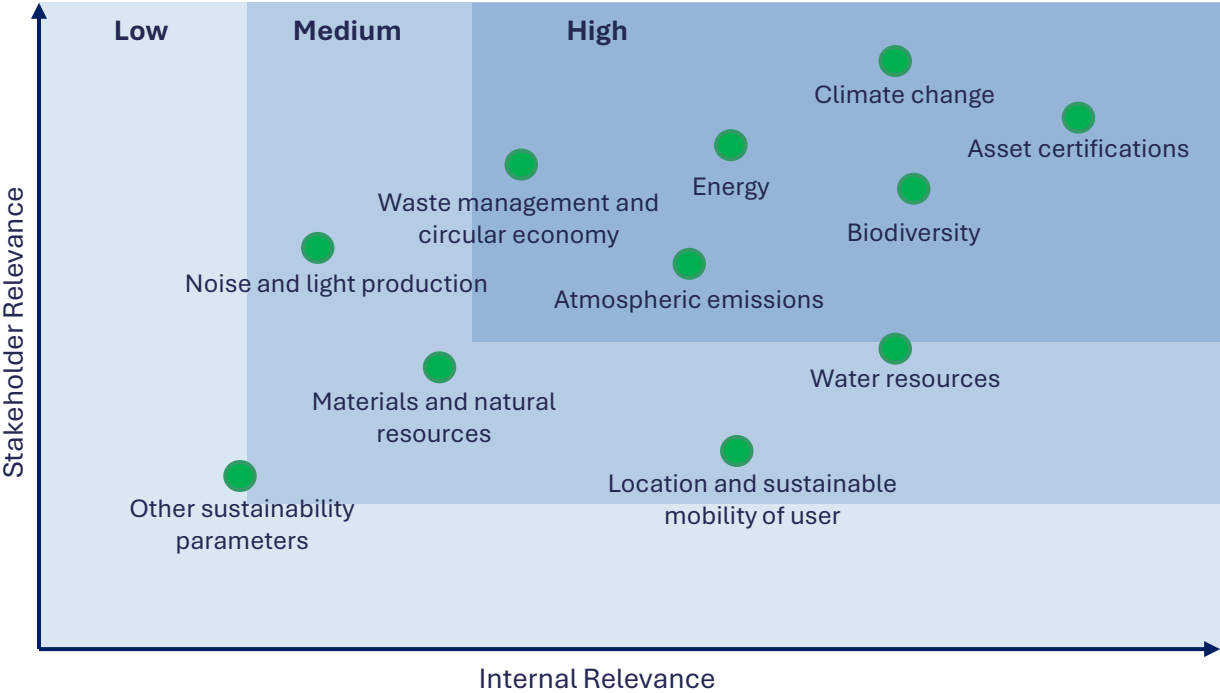
Aligned with the ISO 14001:2015 standard: Plan/ Do/ Check & Act cycle

| | |
|-------------------------------|--|
| Global Trends | We identify key sustainability issues in real estate by analysing current and emerging trends in regulations and sustainability concerns specific to our geographical areas. Collaborating with local partners, we pinpoint trends relevant to different locations and asset classes. Participation in forums and organisations such as the Global Real Estate Sustainability Benchmark (GRESB), Principles of Responsible Investment (PRI), and Energy & Environment Alliance (EEA) helps us gather this information. |
| Strategic Plan (Plan) | Our guiding principles are articulated in our Responsible Investment Policy and regularly updated based on findings from Global Trends and project feedback. This policy outlines our process and informs our policies and procedures. Key documents such as the Environmental Management System (EMS), the Due Diligence (DD) processes and Investment Committee (IC) assessments define project risks, opportunities, and strategic ESG plans, for each individual project. |
| Development (Do) | The strategic plan is executed during the development stage. We are not long-term holders of buildings nevertheless, our involvement significantly impacts design and construction, up until the asset is handed over to the end users or the next owner. The development plan begins with identifying potential investments through conducting intensive due diligence and ends with efforts to improve the sustainability conditions of our refurbishment and/or new construction projects. The sustainability team collaborates with the development team, investment directors, local partners, and selected consultants to implement the sustainability plan for each asset. A comprehensive training process is in place via the RIO platform and targeted meetings to support the teams involved. |
| Lessons Learned (Check & Act) | Wherever possible, we seek to collect feedback from our projects through the Rio platform, shared with our partners, to gather insights from project outcomes. External reviews by GRESB and PRI monitor our processes and results, aiding in our continuous improvement. We adapt our approach to address new challenges and enhance alignment with our ESG objectives and commitments. |

Fund VII integrates commitments to combat climate change and foster sustainable real estate development, balancing financial performance with positive environmental and social outcomes. This document outlines key environmental impacts, risks, and objectives to prioritise and address these effectively. **Environmental aspects are evaluated on a scale:**

- Low:** Minimal relevance to stakeholders; existing measures suffice.
- Medium:** Some importance to stakeholders; enhanced communication and trend monitoring advised.
- High:** Critical stakeholder concern; prioritised communication and management optimisation required.

Patron will update this matrix to reflect shifts in social phenomena or legislation affecting stakeholders' perceptions. This ensures alignment with stakeholders' evolving priorities when setting objectives, thus instilling principles of the concept; 'dynamic materiality'. By focusing on these key ESG issues and implementing effective measurement and mitigation strategies, we can strengthen our commitment to sustainability, enhance our reputation, and contribute to a more resilient and sustainable future.



- To better understand and address these issues, we aim to explore and implement the following strategies:
- Atmospheric Emissions**
 - **Measurement:** Track greenhouse gas emissions from our assets using standardised methodologies such as the Greenhouse Gas Protocol.
 - **Reduction:** Implement energy-efficient upgrades, invest in renewable energy sources, and explore carbon offsetting opportunities.
 - Water Resources**
 - **Measurement:** Monitor water consumption and wastewater discharge at our assets.
 - **Conservation:** Implement water-saving technologies, reduce water waste through landscaping practices, and support local water conservation initiatives.
 - Biodiversity**
 - **Assessment:** Conduct biodiversity assessments to identify sensitive habitats and species on our assets.
 - **Preservation:** Develop and implement biodiversity management plans, avoid harmful land use practices, and support habitat restoration efforts.
 - Climate Change**
 - **Risk Assessment:** Evaluate the potential risks of climate change on our assets, such as extreme weather events and rising sea levels.
 - **Adaptation:** Develop climate change adaptation plans, invest in resilient infrastructure, and explore insurance options to mitigate risks.
 - Asset Certifications**
 - **Pursuit:** Strive to achieve recognised sustainability certifications for our assets, such as (but not limited to) LEED, BREEAM, or WELL.
 - **Continuous Improvement:** Regularly review and update our certification standards to ensure ongoing compliance and alignment with industry best practices.
 - Energy**
 - **Efficiency:** Implement energy-efficient upgrades in our buildings, optimise energy consumption, and explore renewable energy options.
 - **Monitoring:** Track energy usage and performance to identify areas for improvement and inform decision-making.

At the firm level, Patron have set a target to reduce carbon emissions by 50% by 2030 and be net zero carbon by 2040. Patron measure scope 1, 2 and 3 greenhouse gas emissions across our offices using the Rio platform in line with the internationally accepted Greenhouse Gas Protocol (GHGP) standard.

At the fund level we have started a process to measure and disclose emissions of our investments and have engaged Rio as our ESG Consultant who will seek to improve data collection and consolidation of asset level insights through leveraging the Rio platform. Patron is working to measure and minimise embodied carbon during construction and refurbishment processes. Patron’s investment strategy focuses on Value Add / Opportunistic real estate asset investments. By the nature of Patron’s investment strategy, we do not hold assets for the long term; we buy mainly non-performing assets that we refurbish and update with the objective of exiting such assets with an enhanced ESG profile and net zero carbon pathway. In a number of our new constructions, we are committing to the use of renewable energy sources and minimising consumption, in line with our Net Zero Carbon objectives.

Patron tailor ESG objectives to the different assets in which we invest and work closely with our local teams to reach the objectives set for each project. Where possible, we also work to implement green leases in our commercial assets, working together with tenants / users to find solutions to minimise consumption. In some cases (e.g., when we do not hold the asset long enough to implement our Net Zero Strategy) we create a transition plan to be implemented by the next owners of the asset. We have set the following objectives:

- Seek to reduce the operational carbon footprint of existing assets purchased by 50% in the usual three to five years holding period.¹
- Seek to measure and reduce the embodied carbon emissions for ground-up new developments and renovation projects through direct engagement with local development partners.

For the assets we have invested in 2023 we aim to have reduced their operational carbon footprint by at least 50% by 2028 and prepare a plan to further reduce their carbon footprint to be net zero carbon by 2040.

Targets are set on a whole-building in-use operational emissions approach, accounting for common spaces and tenant spaces. Patron engages directly with its tenants to improve data collection and energy consumption. Where tenants face challenges in collecting and reducing their consumption data, Patron will act as an advisor to identify ways for tenants to improve their sustainability profile.

Where possible, Patron is committed to enact green lease clauses across its real estate assets, requiring tenants to undergo engagement, collaboration, procure renewable energy, sharing energy consumption data, improve climate resilience of buildings and appoint a sustainability contact. Through green leases, Patron invites tenants to co-operate on its net zero policies and objectives. Patron favours encouragement and flexibility rather than enforcement provisions with penalties for tenants that fail to comply.

Steps to achieving Net-Zero

For the purpose of our Net Zero approach, Patron have used the principles that follow.

To achieve operational Net Zero, assets must:

- meet certain thresholds of energy use to be considered highly energy-efficient this measured by official EPC ratings outlining primary energy demand (PED);
- be powered by renewable energy – either on-site through appliance installations or through renewable energy tariffs where this is possible;
- align with net zero targets having a CRREM pathway analysis outlining a decarbonisation trajectory to 2050.

To achieve Net Zero embodied carbon, assets must:

- undertake life-cycle carbon assessments with local partners for all new construction projects;
- measure embodied carbon impacts from products and materials used in the construction stage;
- design new buildings and perform refurbishments that target net zero operational energy consumptions upon project completion.

¹ Our approach and definitions will continue to evolve alongside industry standards, this encompassing the International Investor Group on Climate Change (IIGCC), UK Green Buildings Council (GBC), Science-based Target Initiative (SBTi) and Partnership for Carbon Accounting and Financials (PCAF).

Driven by regulatory frameworks such as the TCFD, ISSB, SFDR and EU Taxonomy Regulation, climate risk vulnerability assessments are increasingly requiring financial market participants to consider additional matters in investment decision-making. Patron seeks to integrate these considerations into its investments processes and will continue to strive towards more holistic risk management that accounts for climate risk vulnerability across operations and investments. By implementing a comprehensive risk management strategy tailored to address physical and transition risks, Patron can safeguard investments, enhance resilience, and capitalise on opportunities in an evolving and dynamic real estate landscape, all while staying true to its commitment to sustainability and responsible investment practices

| Risk Management Pillars | |
|---|---|
| Transition Risks | Physical Risks |
| Risk Management Actions | |
| 1. Risk Identification and Assessment Physical Risks: <i>Climate Vulnerability Analysis:</i> Conduct climate risk assessments to understand the exposure of properties within the portfolio to climate-related hazards, such as flooding, extreme weather events, and rising sea levels. <i>Property Condition Surveys:</i> Regularly assess the physical condition of properties to identify potential vulnerabilities and prioritise necessary resilience measures, considering factors like building integrity and geographic location. Transition Risks: <i>Regulatory Analysis:</i> Stay abreast of regulatory changes and policy developments related to sustainability, energy efficiency, and carbon emissions, working with third-parties to conduct scenario analysis to assess the potential impact on the fund's investments. <i>Market Trends Evaluation:</i> Monitor market dynamics and investor preferences regarding sustainable investments, analysing emerging trends and technological advancements that may influence the transition to a low-carbon economy. | 2. Risk Mitigation Strategies Physical Risks: <i>Resilience Investments:</i> Work directly with specialised third-party contractors to identify resilience measures that can mitigate identified physical risks, leading to capex plans for property upgrades that can improve resilience measures to mitigate physical risks, such as property upgrades to improve flood resilience, installation of green infrastructure to manage stormwater runoff, and implementation of energy-efficient building retrofits. <i>Insurance Coverage Enhancement:</i> Enhance insurance coverage to mitigate financial losses resulting from climate-related events, ensuring that properties are adequately insured against physical risks. Transition Risks: <i>Diversification Strategies:</i> Diversify the fund's portfolio to reduce exposure to specific transition risks, including investments in sectors and regions less susceptible to regulatory changes or market disruptions. <i>Engagement with Stakeholders:</i> Engage with policymakers, industry stakeholders, and tenants to advocate for policies and practices that support a smooth transition to a low-carbon economy, while also ensuring alignment with the fund's investment objectives. |
| 3. Monitoring and Reporting <i>Continuous Risk Monitoring:</i> Implement robust monitoring systems to track changes in physical and transition risks, utilising climate data, market intelligence, and regulatory updates to inform decision-making. | 4. Integration with ESG and Sustainability Strategy <i>Alignment with ESG Goals:</i> Integrate risk management efforts with the firm's broader ESG and sustainability strategy, ensuring that risk assessments consider environmental, social, and governance factors alongside financial considerations. |

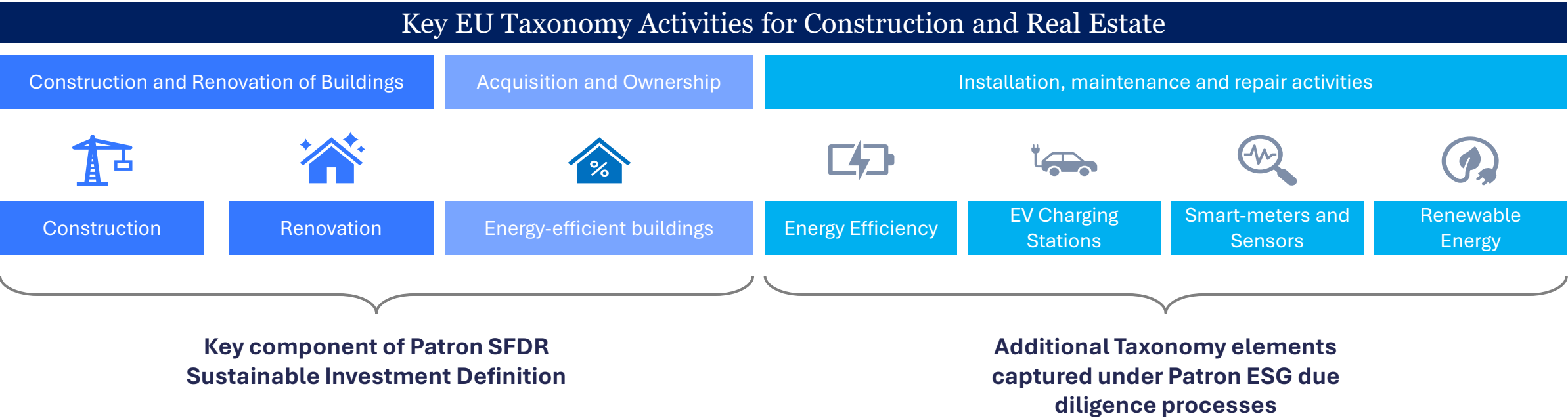
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| Refurbishment of Existing Assets | <i>Objective:</i> Refurbish existing stranded or low-performing assets to avoid demolition and reduce embodied carbon. | <i>Actions:</i> Reuse Existing Structures: Prioritise the retention and adaptive reuse of existing building structures to minimise the need for new materials and reduce embodied carbon. | <i>Energy Efficiency Upgrades:</i> Implement energy-efficient retrofits, including improved insulation, high-performance glazing, and energy-efficient HVAC systems. | <i>Sustainable Materials:</i> Use sustainable and low-carbon materials in refurbishment projects to further reduce the environmental impact. |
| Carbon Reduction in New Constructions | <i>Objective:</i> Investigate and implement ways to reduce carbon emissions throughout the asset life cycle for new constructions. | <i>Actions:</i> Life Cycle Assessment (LCA): Conduct comprehensive LCAs to understand and minimise the carbon footprint at each stage of the building's life cycle, from material extraction to end-of- life disposal. | <i>Low-Carbon Materials:</i> Source and utilise low-carbon materials, such as recycled steel, low- carbon concrete, and sustainably sourced timber. | <i>Energy-Efficient Design:</i> Design new buildings to achieve high energy performance standards, incorporating passive design strategies, renewable energy systems, and smart building technologies. |
| Collaboration with Local Partners | <i>Objective:</i> Work alongside our local partners to identify sustainability opportunities and implement best practices. | <i>Actions:</i> Local Partnerships: Establish strong relationships with local governments, non-profits, and industry groups to identify and capitalise on sustainability opportunities. | <i>Community Engagement:</i> Where possible, engage with local communities to ensure that our projects meet local sustainability needs and gain community support. | <i>Knowledge Sharing:</i> Where appropriate, facilitate the exchange of knowledge and best practices between different countries and asset classes where Patron invests through workshops, seminars, and collaborative platforms. |
| Innovation in Construction Processes and Materials | <i>Objective:</i> Identify and adopt innovative construction processes and materials to reduce environmental impact. | <i>Actions:</i> Reuse Existing Structures: Prioritise the retention and adaptive reuse of existing building structures to minimise the need for new materials and reduce embodied carbon. | <i>Sustainable Supply Chain:</i> Start to develop a more sustainable supply chain by partnering with suppliers who adhere to high environmental standards. | <i>Pilot Projects:</i> Implement pilot projects when possible, to test and refine new materials and construction techniques before broader application. |
| Clear Design Parameters | <i>Objective:</i> Establish and communicate clear design parameters to local partners to ensure consistency and alignment with our net zero goals. | <i>Actions:</i> Design Guidelines: Develop comprehensive design guidelines that incorporate sustainability principles and performance targets. | <i>Training and Workshops:</i> Conduct regular training sessions and workshops for designers, architects, and contractors to ensure understanding and compliance with our design parameters. | <i>Monitoring and Evaluation:</i> Seek to implement robust monitoring and evaluation systems to track progress and ensure adherence to design standards. |
| Knowledge Sharing and Continuous Improvement | <i>Objective:</i> Share knowledge across different countries and asset classes and continuously improve our net zero strategy. | <i>Actions:</i> Global Knowledge Network: Create a global network to share insights, case studies, and lessons learned from different projects and regions. | <i>Feedback Mechanisms:</i> Establish feedback mechanisms to gather input from stakeholders and incorporate their insights into our strategy. | <i>Regular Review:</i> Conduct regular reviews of our net zero strategy to incorporate the latest industry developments and ensure ongoing relevance and effectiveness. |

EU Taxonomy-lead Due Diligence Process

- Patron published its SFDR Article 8-aligned periodic disclosure in 2024 where it notably achieved its 50% sustainable investment commitment in Fund VII. To achieve this commitment, Patron has measured whether its assets are in compliance with EU Taxonomy indicators.
- Patron assesses whether investment projects comply with the EU Taxonomy indicators relevant to real estate Taxonomy-eligible activities. These indicators pertain to Energy Performance Certificates (EPCs) ratings and Primary Energy Demand (PED) of real estate assets. Upon collecting this information during due diligence, Patron assesses whether the assets are in compliance with the thresholds set under the EU Taxonomy (please refer to page 17 for further clarification on what constitutes these Taxonomy thresholds).
- To further substantiate this analysis, CRREM pathway analysis is collected from local partners to demonstrate how projects plan to transition their assets to net zero by 2040/2050 following a credible decarbonisation pathway.

CRREM tool

- The Carbon Risk Real Estate Monitor (CRREM) is a research and innovation project that defines science-based decarbonisation pathways for the commercial and residential real estate sectors to estimate carbon and stranding risks associated with premature obsolescence and write-downs due to changing market expectations and legal regulations
- Patron utilises the CRREM tool to identify, measure, and manage transition risks in real estate.
- Emphasis on mitigating risks due to increasing energy efficiency regulations and carbon pricing schemes.
- Commitment to global climate goals by aiming to limit temperature rise to 1.5°C and achieving net-zero GHG emissions by 2050.
- Focus on retrofitting, highlighting financial viability and environmental impact.
- Strategy prioritises 'refurbish and reuse' over 'demolish and rebuild.'
- Advocacy for on-site renewable energy sources such as solar, wind power, and heat pumps.
- CRREM insights elucidate the relationship between physical and transition risks.
- Comprehensive risk management approach to address climate crisis risks and opportunities in the real estate sector.



For Fund VII, Patron have committed to investing 50% of the value of the fund in 'Sustainable Investments' in our SFDR disclosure. To meet this target, Patron have set out a series of positive characteristics and some minimum safeguards that the asset must feature. The other 50% of assets in the fund must still display some ESG characteristics. For the 2023 periodic disclosure under the following definition 52% of the investments met the defined environmental objectives.

The sustainable investment objective of the Fund is to provide investors with a superior risk-adjusted return through investment in a variety of real estate, secured asset investments, mortgage portfolios, mortgage and property backed operating businesses with the aim that certain of those investments will become sustainable investments during the period that they are held by the Fund by means of measurable long-term contributions that those investments make to environmental objectives such as energy efficiency.

To determine if an investment can be considered a sustainable investment, the fund applies three tests in the form of 'gates'. The investment must pass Gate 1, Gate 2 and Gate 3 to qualify as a sustainable investment.



Blackpool Shopping Centre, Cork, Fund VII

2023 SFDR Alignment

52% sustainable investments in 2023
periodic disclosure



Patron has established a robust framework to define what qualifies as a sustainable investment under SFDR requirements. This framework follows a structured ‘gating’ system, ensuring that each investment meets rigorous sustainability criteria before being classified as a sustainable investment.

Gate1: Good governance

Every project is screened on topics relating to:

- Board governance
- Remuneration of staff
- Compliance with local tax laws
- Health and Safety policies
- Adherence with Paton’s Responsible Investment Policy

Gate 2: Principle Adverse Indicators (PAIs)

Each project is screened against Principle Adverse Indicators (PAIs) as outlined in the SFDR Regulation.

Each real estate asset is screened against two mandatory PAIs:

- Exposure to fossil fuels real estate assets
- Exposure to energy-inefficient real estate assets

Where feasible Rio and Patron will collect data on voluntary PAIs for:

- GHG Emissions
- Land artificialisation
- Energy consumption intensity
- Waste production
- Raw materials consumption

Gate 3: Environmental Contribution

Investments must contribute to at least one of the following:

Gate3.1: Contribution to one of the environmental objectives

- Climate change mitigation is achieved through lower embodied carbon
- Climate change adaptation is achieved through retrofits
- Waste reduction and circularity is achieved.

Gate 3.2: Alignment with the EU Taxonomy Regulation

- For new developments, the primary energy demand (PED) of the building is 10% lower than the local nearly-zero energy building (NZEB) thresholds
- For building being renovated, the renovation leads to a 30% reduction of PED.
- Existing buildings built before 2020 must have an EPC of A or have a PED that sits within the top 15% of the local building stock.

Gate 3.3: Attaining green building certifications

- If the investment aims to acquire or renew a recognised sustainability building certification (such as BREEAM) it will pass this gate.

Evidence of policies and implementation should be provided to pass this gate

None of the investments can negatively harm the two mandatory PAIs to pass this gate





The Principles for Responsible Investment (PRI) are a global standard for responsible investing. They guide investors in incorporating environmental, social, and governance (ESG) factors into their investment decisions and active ownership. The PRI’s mission is to create an economically efficient, sustainable global financial system that rewards responsible investment and benefits both the environment and society.

PATRON AS UN PRI SIGNATORY

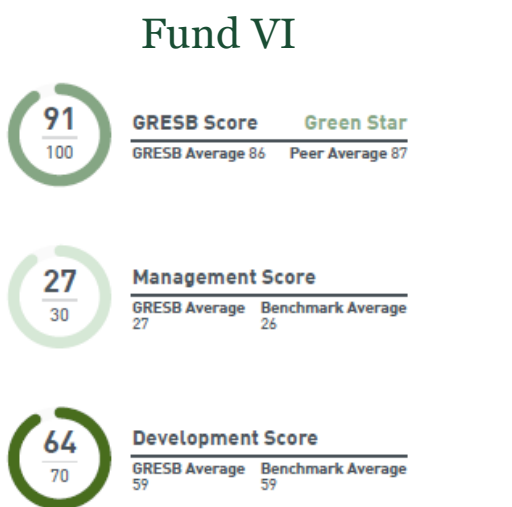
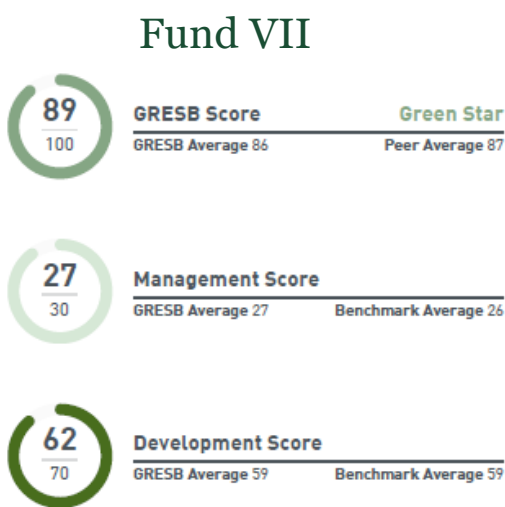
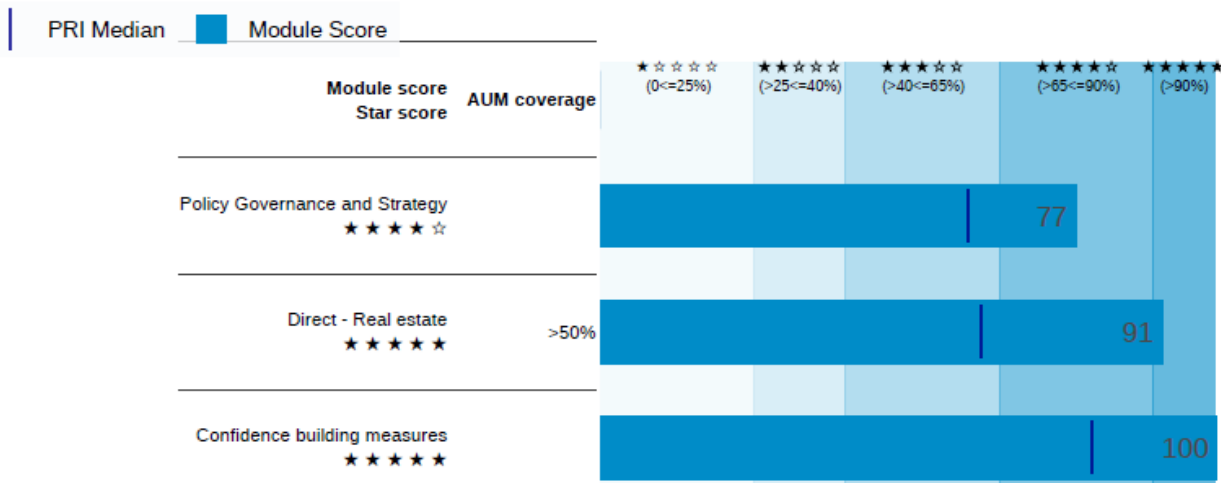
Patron is a member of the UN PRI and joined in 2020. In Patron's first year of receiving a score (2023) from the UN PRI we were ranked significantly above peer averages across all categories, in the top 10 percentile for 'direct real estate' and scored 100% on our 'confidence building measures'. Patron reporting is voluntary for 2024 as our report from 2023 met the requirements for investor membership this year.



GRESB (Global Real Estate Sustainability Benchmark) is an industry-driven organisation that evaluates and benchmarks the environmental, social, and governance (ESG) performance of real assets, including both real estate and infrastructure.

PATRON AS GRESB SIGNATORY

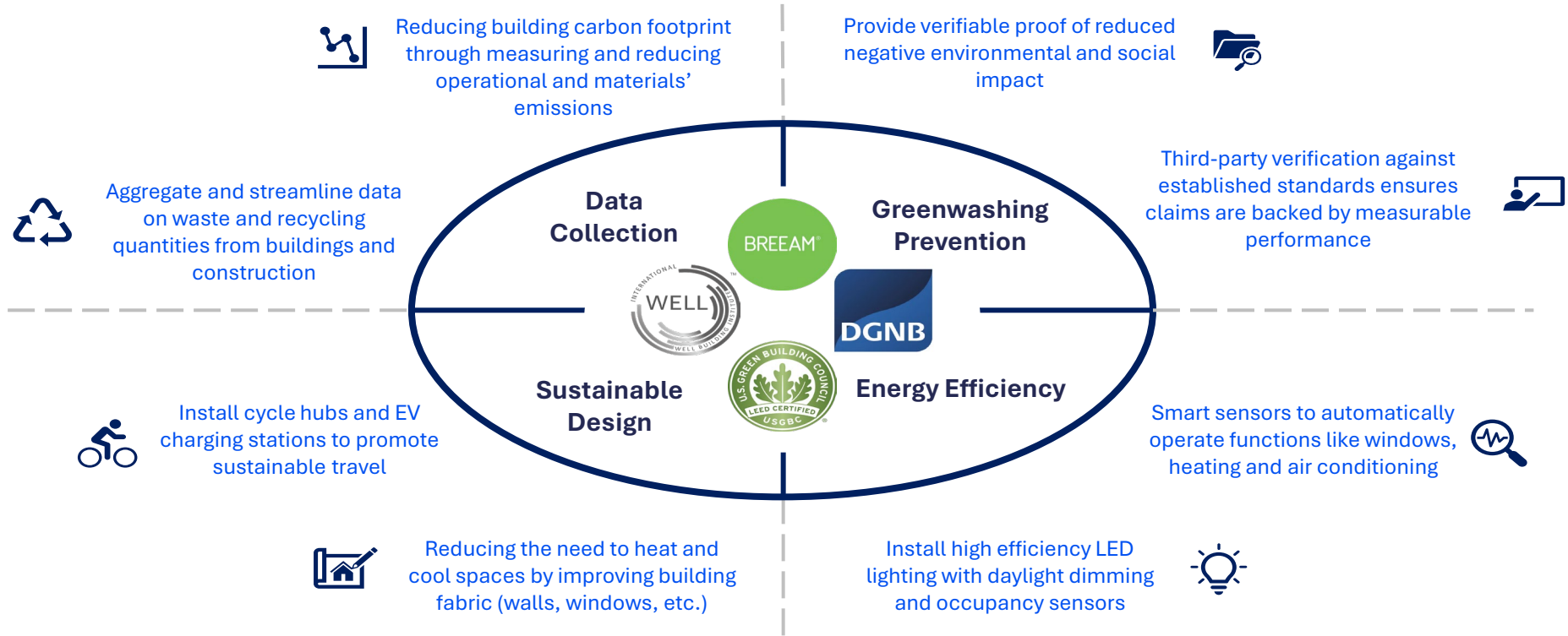
In our 2024 GRESB report, Patron Fund VII achieved an 89/100 rating in its first year of reporting. Fund VI scored 91 points, a significant increase from its 2023 score of 84. This is the third consecutive year of improvement for Fund VI, which has risen by 28% from a score of 71.



For each investment project, Patron collaborates with local partners to evaluate whether assets have obtained or are in the process of obtaining green building certifications that reflect a genuine commitment to sustainability. These widely recognized independent certifications help ensure credibility and prevent greenwashing, with their application tailored to the specific country and sector

- **LEED:** originating from the US, it is one of the most widely used certifications in-use on real estate buildings, this certification seeks to confirm a building's environmental sustainability profile through a points-based system, verifying its reduced environmental impact.
- **BREEAM:** another recognised certification in the real estate sector, BREEAM is widely used and provides independent, science-based assessments and verified certification, ensuring buildings meet comprehensive sustainability standards. Upon every single investment project, Patron assesses whether the local partner and project will seek to acquire a BREEAM Very Good & Excellent certifications.
- **Local ESG green building labels:** specific certifications that are relevant for local jurisdictions applicable to specific countries are DGNB (Germany), Effinergie (France), and BREEAM/Nabers being used prominently in the UK.

Systematically Acquiring Green Building Certifications Brings Numerous Benefits



Through Patron Fund VII, we are committed to integrating sustainability into both refurbishments and new developments. Guided by our Environmental Management System (EMS), our projects adhere to stringent policies and procedures to ensure high-quality design and integration into local communities. By embedding these principles, Fund VII ensures that refurbishments and new constructions not only meet current sustainability standards but also contribute to long-term, resilient communities.

Comprehensive Approach to Refurbishments and New Constructions

Policy-Driven Development:

Quality Design: Our projects seek to prioritise high-quality design that enhances the aesthetic and functional value of buildings, ensuring they meet contemporary standards while respecting local heritage.

Community Integration: We work closely with local communities to ensure our developments are culturally sensitive and contribute positively to the local environment.

Early Implementation of ESG Strategy

Sustainable Design and Impact:

Early Stage ESG Integration: From the outset of each project, we implement our Environmental, Social, and Governance (ESG) strategy, incorporating sustainability considerations into the design and development processes.

Data-Driven Development: We establish processes from the early stages to gather and manage the necessary information, ensuring our projects align with our sustainability objectives.

Enhancing Tenant and Resident Experience

Commitment to Quality Living:

Commercial Buildings: We strive to create a superior tenant experience in our commercial buildings by integrating sustainable features and ensuring high standards of comfort and efficiency.

Residential Investments: Our habitational solutions focus on providing affordable and quality living environments, addressing the needs of residents while promoting sustainability characteristics.

Local Partnership and Compliance

Close Monitoring and Collaboration:

Local Partnerships: All our projects are closely monitored by our local partners and development team, ensuring that each development complies with our ESG objectives.

Ongoing Compliance: Continuous oversight is critical in our attempt for projects to meet or exceed the sustainability targets set out in our Net Zero Strategy.

“We are committed to staying ahead of evolving regulations and leading by example in sustainable real estate investment. A key pillar of our strategy is the measurement and reduction of embodied carbon in our construction projects. By prioritising the refurbishment of existing buildings, we actively reduce the carbon footprint of aging European real estate—avoiding the emissions and landfill waste associated with demolition.

This approach not only minimizes transition risks but also aligns with the EU Taxonomy, reinforcing our dedication to responsible investment. Our progress would not be possible without the commitment of Patron’s investment teams and local partners, whose collaboration is essential in delivering meaningful and lasting environmental impact”



Emilio Cereijo
Senior Partner
Sustainability & DEI,
Development
Director

Acquired: Cala Homes in November 2024

Assets: 60 sites across the UK

Investment and Achievements:

Patron Acquired Cala in November 2024. Cala will achieve net-zero operational greenhouse gas emissions across the business by 2030. Aligned with this, they will ensure that all new Cala homes are net-zero carbon enabled by 2030.

Cala have also set a wider target of net-zero total greenhouse gas emissions across the business by 2045. In addition to the operational emissions, this includes the embodied carbon of construction, and the ongoing life-cycle emissions of homes.

In 2021 Cala carried out an extensive benchmarking exercise to establish our baseline carbon footprint, so they could hone the targets and refine the plans. This has also allowed Cala to establish thorough, extensive measurement of progress when it comes to sustainability, so they can accurately report on progress.

Sustainability goes beyond carbon emissions and their strategy has been carefully planned to initially focus on the things that will make the biggest difference. Cala are doing this through their homes and developments, the way they run their business, their people and communities, and their employees are empowered to own this as part of their culture. Cala will be a business that leaves a positive, lasting legacy for both people and the planet.

More details on the Cala Homes Website: [Sustainability](#) | [Cala Homes](#)

Achievements in 2024:

100%

waste diversion from landfill

10%

reduction in Embodied Carbon

10%

reduction in Construction
Waste Intensity



Cala, Fund VII

Acquired: First assets acquired October 2023

Assets: 7 Assets across the Netherlands

Investment and Achievements:

Acquisition of Non-Performing Assets: Our light industrial program has acquired existing non-performing assets in the Netherlands with the goal of transforming them into more sustainable, energy-efficient properties.

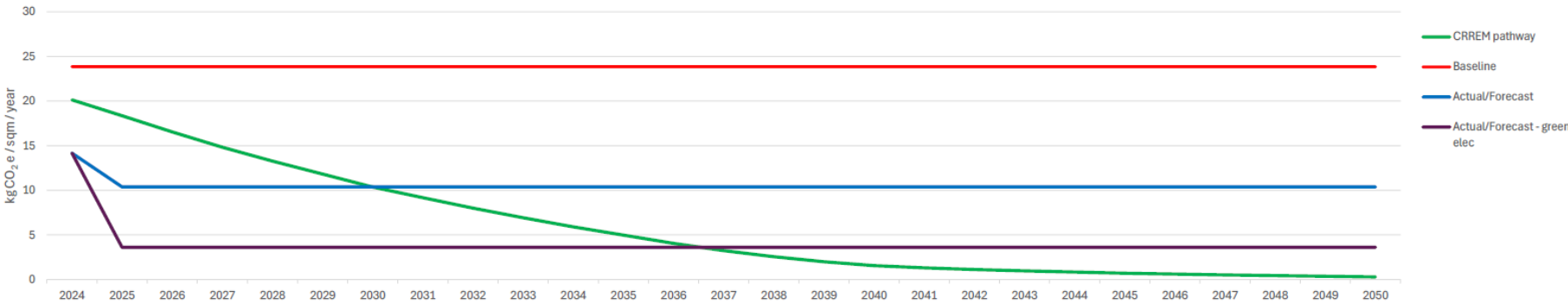
Sustainable Energy Sources: We are seeking to implement a number of sustainable energy sources, such as solar panels and energy-efficient HVAC systems and improved isolation to reduce the carbon footprint of these industrial properties.

Energy Performance Improvements: Through retrofitting and upgrades, we aim to improve the energy performance of these assets, aligning them with our net zero objectives.

Find more details in our JV partners sustainability reporting: [Base Investments B.V.](#)



CRREM – Full Portfolio



Achievements in 2024:

0.5m

Kilograms of Co2 saved

7

properties with BREEAM certification in progress

100%

of properties with a CRREM pathway

100%

of buildings equipped with smart meters

CRREM pathway: the CRREM pathway to net zero in 2050, based on the 1.5C scenario. The pathways are weighted on the unit type (office, warehouse and warehouse cold)

- Baseline: calculated by using the 12 months before acquisition if available (otherwise the first 12 months)
- Actual/forecast: GHGe emissions based on the information we have now
- Actual/forecast – green elec.: GHGe emissions in the scenario where green (renewable) electricity is procured.
- The Beuningen asset is the first net-zero asset in the portfolio

Acquired: November 2023

Assets: Hotel in Sintra, Portugal

Investment and Achievements:

Building Certification: Our investment in a hotel project in Sintra aims to achieve BREEAM Excellent certification, highlighting our dedication to sustainable building practices.

EU Taxonomy Alignment: The project will be aligned with several objectives of the EU taxonomy such as contributing to climate change mitigation and adaptation, protecting water resources, and having a positive impact on the local biosphere.

Historical Building Recovery: We are committed to preserving and revitalising historical buildings in the area, blending heritage conservation with modern sustainability standards. We have designed a hotel with minimum impact to recover abandoned buildings and give new life to existing buildings in Sintra.

Reducing Fire Forest Risk: Through careful planning and sustainable land management practices, we are minimising fire forest risk, protecting local ecosystems, and promoting biodiversity.

Sustainable Design: We are implementing a design that integrates local materials and leverages the expertise of local providers, ensuring cultural and environmental sustainability.

Biodiversity: We will remove invasive vegetation species and recover the local flora, planting local species.



Quinta do Mar Site, Fund VII



Quinta do Mar Design, Fund VII



Level, Fund VII



Quest, Fund VII

Acquired: first assets acquired July 2024

Assets: Spain wide program with 4 different JV partners

Investment and Achievements:

EPC A Ratings: We aim to obtain ‘A’ EPC ratings in all our residential developments, working to maximise isolation, install low energy equipment and renewable energy production.

Nearly Zero Energy Buildings (NZEB’s) : These projects feature near net zero designs, maximising energy efficiency and incorporating renewable energy sources to minimise carbon footprints. Aligned with Patrons carbon footprint objectives.

Healthily Buildings for tenants: Our designs align with the recommendations of the WELL Building Institute, incorporating features that enhance well-being and social interaction. We create shared spaces such as padel courts, swimming pools, and communal cooking areas to foster connections and build a sense of community. By integrating residential areas with bike lanes, we promote sustainable transportation, reducing car dependency and encouraging healthier lifestyles. Additionally, all our projects are equipped with electric vehicle charging points and pre-installed infrastructure for future EV charging expansion.

Resource Efficiency: We are conducting Life Cycle Assessment's (LCA) across all our residential projects, with a particular focus on embodied carbon. Our goal is to identify strategies—ranging from material selection to construction processes—that help reduce the overall carbon footprint. Additionally, all our projects incorporate efficient water use systems to enhance sustainability.

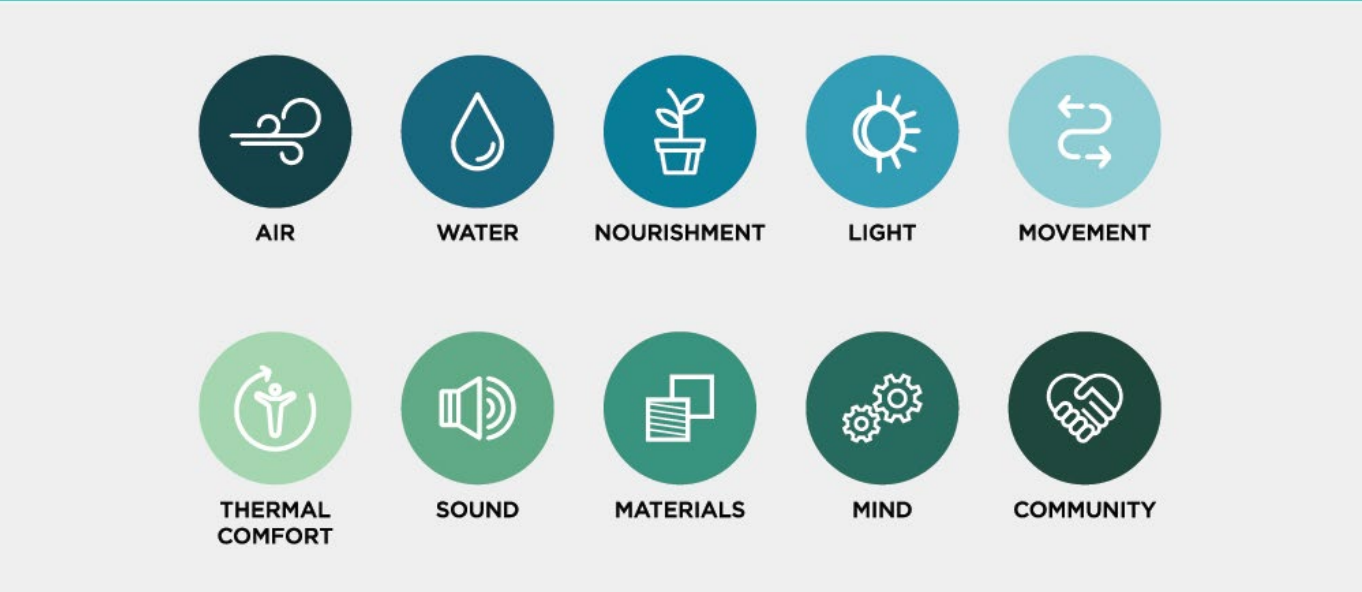
At Patron, we are committed to the well-being of the tenants and buyers of our Living Programs. As part of our focus on designing better buildings and living solutions, we have entered a pilot program with the International Well Building Institute to improve how buildings are designed.

The program is an evidence-based, third-party verified framework we are implementing with our local partners and design teams, starting with the Cotown program, intending to transform how homes are designed, built and maintained to support health and well-being. From addressing air and water quality to selecting safer materials, the program includes more than 100 impactful strategies that apply to new and existing and for-sale and for-rent residences, including single-family homes, single-family home developments and multifamily residential buildings.

This program helps to create a set of standards that we pass to design teams and a third-party verification to ensure the measures are properly implemented.



There are 10 concepts of well-being in which the WELL Building Standard is categorized.



Patron is committed to being a responsible and considerate neighbour throughout the development and construction process. Our Community Engagement Policy ensures that we proactively communicate with local communities, mitigate potential disruptions, and contribute positively to the areas in which we operate.

- **Early and Transparent Communication** – We engage with communities from the outset, providing clear information about project timelines, potential impacts, and mitigation measures. Regular updates and accessible communication channels allow residents to voice concerns and stay informed.
- **Minimising Disruption** – We take active steps to reduce noise, dust, and traffic disturbances during construction, implementing strict site management protocols to lessen the impact on local residents.
- **Prioritising Health & Safety** – Our developments adhere to high safety standards, including well-planned evacuation routes, emergency lighting, and fire protection measures. We also work with local authorities and stakeholders to ensure compliance with all safety regulations.
- **Building Positive Relationships** – We collaborate with local organisations, charities, and councils to integrate developments into the community, ensuring they provide long-term benefits. Where possible, we create shared spaces, promote local employment, and support community initiatives.
- **Grievance Mechanisms & Continuous Engagement** – We provide clear channels for feedback, including a dedicated contact for community concerns, allowing issues to be addressed promptly. Our ongoing engagement ensures we remain accountable and responsive to community needs.

By embedding community engagement into our investment approach, Patron ensures that our projects enhance neighbourhoods, foster positive relationships, and support long-term social and economic development.

Daedalus Consultation



At Patron, we are dedicated to fostering a workplace culture that prioritises Diversity, Equity, and Inclusion (DEI). Our DEI policies are designed to ensure the well-being, growth, and respect of all employees, creating an environment where everyone can thrive. Here’s how we put our DEI commitments into action:

1. Promoting Well-being Employee Support Programs:

Mental Health and Wellness: We provide comprehensive mental health resources and wellness programs to support the emotional and physical well-being of our employees. This includes access to counselling services, wellness workshops, and fitness initiatives.

Work-Life Balance: Flexible working arrangements, such as remote work options and flexible hours, help employees maintain a healthy work-life balance, reducing stress and enhancing overall well-being.

2. Facilitating Growth and Development Professional Development Opportunities:

Training and Education: We invest in our employees' continuous learning by offering regular training sessions, educational programs, and professional development workshops. This empowers them to advance their skills and careers.

Mentorship Programs: Our mentorship programs pair employees with experienced leaders who provide guidance, support, and career advice, fostering personal and professional growth.

3. Ensuring Respect and Inclusion Inclusive Workplace Culture:

Zero Tolerance for Discrimination: We enforce a strict zero-tolerance policy against discrimination, harassment, and any form of workplace bias. This ensures that all employees feel safe, respected, and valued.

Celebrating Diversity: We actively celebrate diversity through various initiatives, such as cultural events, awareness campaigns, and DEI training, promoting a deeper understanding and appreciation of different backgrounds and perspectives.

4. Equity in Opportunities and Practices Fair and Equitable Practices:

Equal Opportunities: We are committed to providing equal opportunities for all employees, regardless of their race, gender, age, sexual orientation, religion, or disability. This includes equitable hiring practices, promotions, and pay equity.

5. Open and Transparent Communication:

Regular Updates: We maintain open lines of communication with employees through regular updates, newsletters, and company-wide meetings, ensuring everyone is informed and engaged.

Two-Way Feedback: Encouraging two-way feedback through surveys and one-on-one meetings allows us to listen to employees’ concerns, suggestions, and ideas, fostering a culture of continuous improvement.

Collaborative Platforms: Utilising collaborative platforms and tools enhances communication across teams and locations, promoting a connected and cohesive work environment.

6. Continuous Improvement and Accountability Ongoing Evaluation and Feedback:

DEI Metrics and Reporting: We regularly evaluate our DEI efforts through metrics. This helps us track progress, identify areas for improvement, and make data-driven decisions.

Employee Feedback: We encourage open dialogue and regularly seek feedback from employees through surveys and one-on-one meetings. This feedback is crucial in refining our DEI policies and initiatives.

Recruitment and Retention

Talent Acquisition and Retention Strategies:

Inclusive Recruitment: We attract top talent by implementing inclusive recruitment practices that focus on diverse candidate pools and fair evaluation processes.

Competitive Benefits: Offering competitive salaries, comprehensive benefits packages, and performance-based incentives helps us retain high-quality talent.

Career Advancement: Clear career progression paths and opportunities for advancement within the company encourage long-term commitment from our employees.



Training and Development

Diversity and Inclusion Training:

Patron offers ongoing training programs to raise awareness and understanding of diversity and inclusion issues.

These programs promote a respectful workplace that values differences and ensures equality for all employees.

The Patron Staff Handbook explicitly outlines equal opportunities for all staff members.

DEI Training for All Employees:

Regular training sessions cover topics such as unconscious bias, cultural competence, and inclusive leadership.

By addressing biases and fostering understanding, Patron ensures a more inclusive work environment.

Professional Development Opportunities:

Patron focuses on advancing the careers of underrepresented groups.

They offer targeted professional development opportunities to support growth and progression.

Patron’s commitment to training and development contributes to a more inclusive and equitable workplace.

Employee Health, Safety and Well-being

Occupational Risk Prevention Policy:

Patron rigorously applies its Occupational Risk Prevention Policy to ensure a safe working environment.

This policy identifies and addresses the main risks related to occupational health and safety.

Occupational Health and Safety Plan:

Patron has a comprehensive Occupational Health and Safety Plan in place.

The plan outlines preventive measures to mitigate risks and promote employee well-being.

Manuals and Implementation:

Manuals corresponding to these policies guide employees on safety practices.

Patron ensures correct application of these policies across its offices.

By prioritising health and safety, Patron fosters a workplace where employees can thrive.

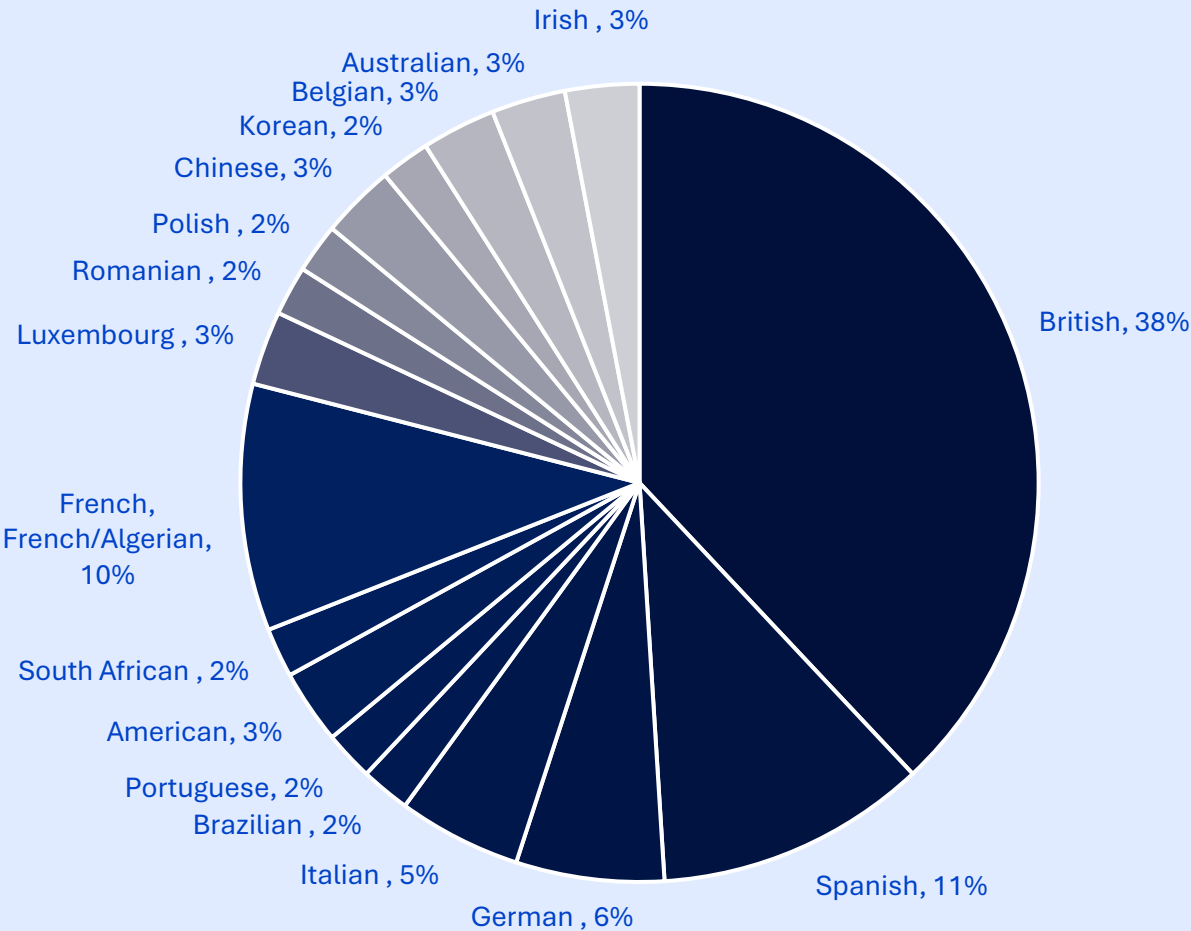
Patron is dedicated to creating a culture that embraces and promotes diversity and inclusion in all aspects of our business operations, including but not limited to recruitment, hiring, retention, professional development, and investment decisions. We are committed to providing equal opportunities for all employees, partners and stakeholders, regardless of race, colour, religion, gender, gender identity or expression, sexual orientation, national origin, genetics, disability, age, or veteran status.

Patron Capital is committed to fostering a workplace and investment environment where diversity and inclusion are valued. We recognize the importance of diverse perspectives, experiences, and backgrounds in driving innovation and achieving business excellence. Within the Patron team, we have built the business with the aim of having a diversified team both from a gender and culture perspective (18 different cultures / nationalities across the team and 37% of the full Patron team are female).



Employee Nationalities

Patron Team comprises 18 different nationalities





PATRON
ARMED FORCES INITIATIVE

The Patron Armed Forces Initiative supports active and retired members of the British Armed Forces who have defended our freedoms and now face challenges due to their service. By providing mental health support, financial assistance, and career transition guidance, the initiative addresses the unique difficulties military personnel encounter.



£6.5 million+
Raised for the RMA-Royal Marines Charity since 2010.


954
Members of the Armed forces and Emergency services supported by Patron through partnership with Rock2Recovery since 2018.

274
Mental health sessions by Rock2Recovery hosted at Patron's London office from October 2023 – June 2024.



PATRON
EDUCATION INITIATIVE

Promoting global access to education across all age groups, while advancing professional development programs that enhance job prospects, practical work experience, and lifelong learning. By offering comprehensive teaching, training, and mentoring opportunities, we empower individuals to reach their full potential, thrive in their careers, and drive positive change in their communities.



2m
UK state school students have benefitted from improved education standards

4,500+
Teachers benefit annually from The PTI teaching programs with Patron Capital's support

48,000
Young people benefit from Young Enterprise programs each year supported by Patron



PATRON
INCLUSIVE SOCIETY

Patron's Inclusive Society Initiative is a holistic program dedicated to empowering individuals and strengthening essential societal frameworks. This initiative is designed to address critical social needs by improving and preserving the physical environment, providing rapid emergency assistance, and offering sustained support to vulnerable populations.



£29 million+
Raised for Women in Safe Homes Fund, the world's first gender-lens Fund, as well as numerous community programs

380
At risk women and children housed as of September 2024

4,000+
Children benefitted with new schools, teaching facilities and education in rural Nepal since 2007

Working Hard to Change the World!

Patron’s sustainability committee ensures that its funds adhere to sustainability objectives, particularly regulatory mandates like the Sustainable Finance Disclosure Regulation (SFDR). Led by Emilio Cereijo, Daniel Cohn, and Florence Goldring, the committee meets regularly with senior management, investment, development, asset management, and sustainability experts to provide strategic oversight.

Its key responsibilities include developing and updating sustainability policies, setting measurable targets aligned with SFDR—such as reducing carbon emissions and improving energy efficiency—and monitoring performance through key indicators and benchmarks.

The committee also oversees the implementation of sustainability initiatives across the portfolio, ensuring compliance with established criteria.

Additionally, the committee manages data collection and reporting, producing annual sustainability reports to ensure transparency and accountability. It facilitates stakeholder engagement with investors, tenants, communities, and regulators, integrating their perspectives into sustainability planning.

A commitment to continuous improvement keeps the funds at the forefront of industry best practices, with regular strategy reviews and adaptation to new challenges and regulations. The committee also promotes sustainability training across the organisation, embedding responsible practices into core operations.

Through these efforts, Patron’s sustainability committee drives environmental stewardship, social responsibility, and long-term economic success.

In summary, the Patron sustainability committee is responsible for developing policies, setting targets, monitoring performance, managing data, engaging stakeholders, driving continuous improvement, and providing employee training. These functions ensure that the firm not only meets regulatory requirements but also advances broader sustainability objectives, contributing to environmental stewardship, social responsibility, and long-term economic success.



Emilio Cereijo
Senior Partner
Sustainability & DEI,
Development Director



Daniel Cohn
Senior Adviser



Florence Goldring
ESG & Investor
Relations Analyst

As an independent asset manager, Patron is firmly committed to upholding its fiduciary responsibility through the responsible management of capital. Patron integrates its social responsibility as a company and responsible manager into its economic and financial objectives, recognising the importance of long-term sustainable and ethical investment practices. Operating under a well-defined and stringent governance framework, Patron ensures that ESG principles and practices are integrated into its decision-making processes as an asset manager.

Since 2020, Patron has been a signatory of the Principle for Responsible Investment (PRI) and a member of the Global Real Estate Sustainability Benchmark (GRESB).

In 2024, Patron has begun reporting its Fund VII metrics on selected Principle Adverse Indicators (PAIs) across its investment projects. Patron reaffirmed its commitment to sustainability by developing a comprehensive and holistic sustainable investment definition through a gating system to help define what constitutes a sustainable investment under SFDR. This sustainable investment definition is aligned to the principles of the EU Taxonomy Regulation, also incorporating green building certifications to define what can be considered a sustainable real estate activity.

Using this approach, Patron staff review all investment projects for negative adverse impacts on these PAIs. Local partners are required to collect and provide the required evidence and documentation to demonstrate no adverse impacts and a substantial contribution to the Patron sustainable investment thresholds.

To further strengthen this approach, Patron has begun work on quantifying its financed emissions in accordance with the PCAF methodology. Working directly with local partners, Patron staff are starting to quantify its Fund VII emissions baseline, across operational in-use assets and embodied carbon for buildings in construction or undergoing major refurbishments and renovations. It is expected that this workstream will further strengthen the establishment of a net zero decarbonisation pathway strategy, identifying key levers and actions to reduce emissions hotspots across Fund VII. Financed & embodied carbon emissions still remains in infancy but is expected to mature year-on-year to strengthen Patron’s approach to sustainability and its reporting.

In line with these principles, Patron implements the following measures to foster sustainable long-term investment:

1. Integration of ESG Criteria
Patron incorporates ESG criteria into its investment analysis and decision-making processes, ensuring that environmental, social, and governance factors are thoroughly evaluated.

2. Engagement and Collaboration
Patron actively engages with stakeholders, including investors, tenants, and local communities, to promote sustainability initiatives and address ESG-related concerns.

3. Continuous Monitoring and Reporting
Patron regularly monitors and reports on the ESG performance of its investments, tracking progress towards sustainability goals and disclosing relevant information to stakeholders.

4. Risk Management and Mitigation
Patron implements robust risk management practices to identify, assess, and mitigate ESG-related risks, safeguarding the long-term value of its investments.

At Patron, our mission is to analyse data transparently, tracking consumption patterns and optimising our processes in terms of sustainability. Since the year 2021 we have been collaborating with two key partners: Deepki and Rio.



Patron & Rio: Strengthening Sustainability Through Data-Driven Insights

Patron leverages Rio to enhance sustainability strategy, ensuring robust data collection, measurement, monitoring, and reporting across its portfolio. With audit-grade controls, Patron improves transparency, compliance, and decision-making in line with ESG objectives.

How Patron Uses Rio

- **Accurate Footprint Calculations:** Measures carbon, energy, water, and waste footprints, ensuring audit-ready data.
- **Integrated ESG Metrics:** Provides a holistic view of sustainability performance across operations and supply chains.
- **Benchmarking & Cost Savings:** Compares performance against industry standards, uncovering efficiency opportunities.
- **Automated Reporting & Audit Controls:** Ensures data integrity with automated controls and audit trails.

SFDR Compliance & Due Diligence

- Patron uses Rio to conduct detailed due diligence throughout the investment lifecycle (OM, IC, and periodic data collection), ensuring efficient SFDR disclosure and sustainability assessments.

By integrating Rio, Patron streamlines ESG reporting, enhances data accuracy, and reinforces its long-term sustainability commitments.



DEEPMI: Precise Consumption Monitoring

DEEPMI provides a comprehensive solution for efficiently tracking the consumption of our assets.

It offers the CRREM assessment to evaluate energy performance.

DEEPMI generates detailed reports based on verifiable data, ensuring transparency with our various stakeholders.

Thanks to DEEPMI, we gain insights into consumption dynamics and can implement solutions for optimisation.



Patron take a comprehensive responsible investment approach, embedding ESG considerations into our due diligence, management, and exit processes throughout the lifecycle of each investment. As a direct real estate fund manager, we invest as the majority partner, holding controlling stakes in real estate assets, real estate-related corporates, and credit investments. This enables us to maintain effective control and take an active ownership approach to ESG integration, ensuring we drive sustainable outcomes across our portfolio.

1. Screening & Due Diligence:

Inherent and Potential ESG Considerations: Patron screens for ESG-related risks and opportunities during origination and due diligence.
Exclusion Criteria: Immediate exclusion if products/services violate legal, human rights, tax, or regulatory requirements or have the potential to cause significant environmental/social harm with consideration given to any preventative/mitigative measures implemented and the irremediable character of the impact.
Risk Mitigation: Reviews investments for ESG risks, aiming for responsible ownership and positive impact.
Reporting: ESG factors reported to Investment Committee in Origination Memorandum and Investment Committee Memorandum.
Lifecycle Review: ESG issues continuously reviewed throughout investment lifecycle.

3. Investment Monitoring:

ESG issues reported by Investment Directors as part of internal oversight. Regular monitoring for ESG-related outcomes in business plans. Conflict of interest reported to Chief Operating Officer and Managing Director. Investment Committee or General Partner Board may address material issues. Local partners implementation of agreed strategy.
ESG Risk Assessment: Patron assesses ESG risks and opportunities for prospective investments.
Methodology and Guidelines: Developed with a specialist ESG advisory firm.
Frameworks Considered: SFDR, GRESB, SASB
Relevance and Comparability: Ensures collected ESG data is valuable and comparable.
PAI Indicators: Integrated into assessment methodology. Focus on EU Taxonomy implementation.

2. Ownership & Management System:

Governance: Ensures governance procedures at fund and asset level.
In-House Coordinators: Investment coordinators monitor adherence to governance requirements.
Third-Party Consultants: Appointed to assess environmental and social aspects.
Environmental Standards: Leadership in Energy and Environmental Design (LEED) or Building Research Establishment Environmental Assessment Methodology (BREEAM) or similar certifications used for building projects.
Social Impact Assessment: Measures social improvement (e.g., WELL certification).
Sustainability Software: Collects and analyses pre-investment asset ESG data, ensuring transparency and best-practice reporting.

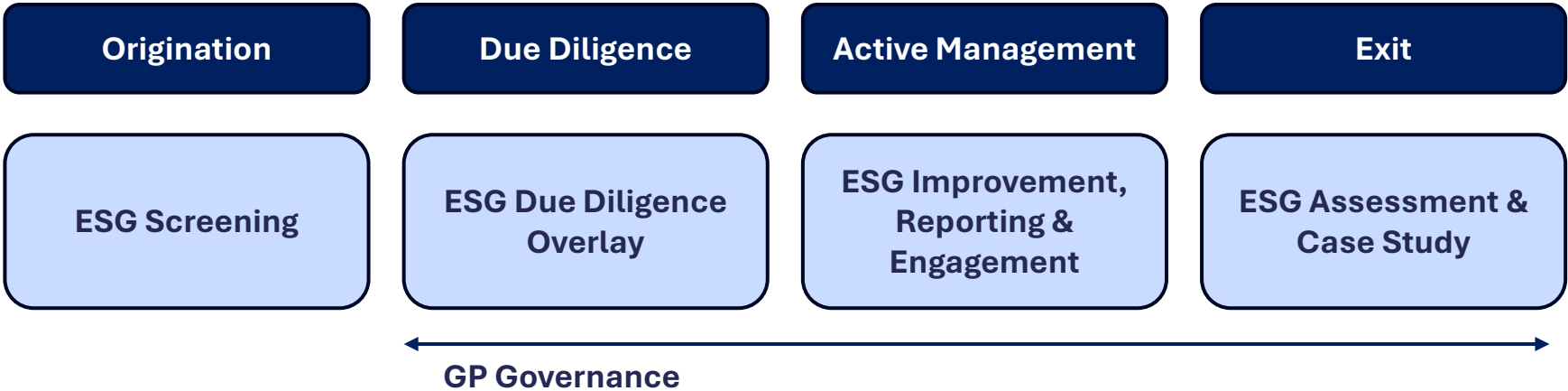
4. Engagement & Training:

- Actively engages stakeholders on ESG matters.
- Collaborates with external bodies.
- Utilises ESG software for reporting and training via the Rio platform.
- Strong ethics and social impact focus.
- Training program for Patron team and local partners

Analysis and consideration of ESG factors is an integral part of Patron’s approach to investing. Patron’s approach to responsible investing is based on the following principles:

- Sustainability principles and ESG risks are taken into consideration by Patron when sourcing, executing and managing investments, including identification and monitoring of related risks.
- As an active owner, Patron aims to incorporate best practices in areas of compliance, corporate governance and, where appropriate, development of company policies and procedures, in compliance with relevant laws and regulations.
- Patron seeks to avoid investments in companies or assets that negatively impact society and the environment.

- Patron seeks to achieve improvements in ESG matters, in the firm’s investment and ownership processes, through effective and collaborative investment partnerships, with oversight and engagement from all local partners and/or portfolio companies, and by assuming overall responsibility for the operation of investments.
- Patron ensures that it maintains transparency and accountability to investors and relevant regulatory or legal bodies across all its funds, investments and related entities within the Patron Group.
- Patron actively reviews developing market practices and tools available across ESG implementation, compliance and measurement to continue improving its practices, policies and procedures. Patron will consider additional reporting metrics and/or benchmarks applicable to the markets and sectors in which Patron invests and the best interests of investors and key stakeholders.





German Light Industrial Program, Fund VII

Stakeholder Relations:

Patron has excelled in fostering strong, transparent relationships with its stakeholders. These relationships are built on mutual trust and consistent, open communication, ensuring stakeholders always have accessible channels for interaction. Key communication methods include reports, telephone, email, and face-to-face or virtual meetings. Through these robust relationships, Patron identifies and addresses critical aspects of its business, encompassing both economic and financial matters and sustainability issues.

In July 2023, we added a stewardship section to the policy to formalise how we approach this aspect of governance. This was updated in conjunction with Rio providing guidance on industry standards / best practice. Our full approach to engagement and stewardship is made publicly available on the Patron website as it forms part of the Responsible Investment Policy. The core approaches are as follows;

- **Facilitating ESG and Sustainability Round Tables:** We take the lead in initiating, organising, and moderating regular ESG and Sustainability round tables. These discussions bring together prominent real estate private equity funds, legal advisors, property developers, and other industry stakeholders. The objective is to collectively adopt ESG principles and pioneer new industry approaches that accelerate progress toward achieving the industry's Net Zero targets.
- **Empowering Third-Party Contractors:** Recognising the crucial role of our third-party contractors in our ESG journey, we go beyond formal requirements. We proactively initiate and organize ESG strategic sessions with our contractors, offering them expert support to improve their ESG performance. Through the adoption of best-in-class ESG practices and the design of Net Zero Roadmaps, we collectively contribute to overall ESG improvement in the real estate sector.
- **Promoting ESG Education:** We take the initiative to implement ESG education activities for our partners, empowering them to embrace ESG principles. By establishing effective working mechanisms for ESG improvement, we foster a culture of sustainability and responsible business practices among our collaborators.

One of our key engagement initiatives over the past year was our annual local partner conference in September 2024. Hosted in London, this event brings together our JV partners to exchange best practices and strengthen collaboration. We use this platform to influence and support our partners in enhancing their ESG policies and procedures.

In September, over 60 partners participated, with ESG as a major focus of discussion. Beyond the conference, Emilio Cereijo, alongside relevant investment directors and our ESG consultant (Rio), maintains ongoing engagement with JV partners to assess their ESG processes and identify areas for improvement. Where our partners demonstrate ESG leadership, we also take the opportunity to learn from their practices and refine our own approach.

Patron places strong emphasis on ethics and regulatory compliance, which form the bedrock of its business model and guide interactions with stakeholders. Since its inception, the Fund has prioritised internal control measures and regulatory adherence to ensure the integrity of its professionals and compliance with relevant regulations and internal protocols. These guidelines define the actions for all professionals representing the Fund. Notably, due to these rigorous procedures, Patron has maintained a clean record without receiving fines or sanctions related to environmental, social, or governance matters.

| Policies and Handbooks | Goal |
|--|---|
| Responsible Investment Policy | To integrate Environmental, Social, and Governance (ESG) considerations into investment decision-making and ownership practices, ensuring long-term value creation for investors while promoting sustainability, ethical business conduct, and social impact. |
| Code of Ethics | To uphold honesty, integrity, and fairness in all dealings with clients, investors, partners, and employees. |
| Staff Handbook | To guide employees on company policies, procedures, and expectations. |
| Compliance Manual | Provide comprehensive guidance on regulatory compliance. |
| Transition Risk & Physical Risk Policy | Proactively manage real estate transition risks related to decarbonisation. Assess and manage physical risks in invested projects. |
| Environmental Management Systems (EMS) | Implement robust systems to identify, assess, and mitigate risks. |
| Climate Change Policy | Establish strategies to mitigate climate risks and reduce the organisation’s carbon footprint. |
| Community Policy | Foster positive relationships with local communities and contribute to social and economic development. |
| Human Rights Policy | Promote respect for human rights within the organisation. |
| Diversity and Inclusion Policy | Promote an inclusive workplace that values diversity and equal opportunities for all employees. |
| Health and Safety Policy | Ensure a safe and healthy working environment by implementing best practices and compliance measures. |
| Employee Wellbeing Policy | Support employee wellbeing through initiatives that promote mental, physical, and financial health. |