

# ESG REPORT 2022

PRESENT  
MADE

APACHE  CAPITAL



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## INTRODUCTION

Our 2022 ESG (Environmental Social Governance) Corporate Report monitors performance against our ESG Corporate Strategy. The report goes on to discuss where the business will increase focus over the coming 1 – 3 years in terms of ESG.

Investing in the long-term has been Apache's strategy since being founded in 2008. We believe in combining prudent capital governance with a reputation for innovation, whilst providing social value and sound environmental stewardship.

Apache formalised our sustainable strategy in Q2 of this year by launching The Apache ESG Corporate strategy. The strategy sets out the business' approach, themes and commitments in terms of ESG.

Throughout this report we refer to the themes identified in the strategy document and split the performance according to our Corporate Operations, Multifamily and Single-Family Investment Platforms.

We continue to align our investment and development activities with the United Nations Sustainability Goals identified in the strategy document:

Good Health & Wellbeing

Industry, Innovation & Infrastructure

Sustainable Cities & Communities

Climate Action



## BUSINESS UPDATE 2022

Apache celebrated achievements throughout the business in 2022.

Three assets in the Apache / Moda Joint Venture (JV) achieved practical completion during 2022. The assets located in Birmingham, Edinburgh and Leeds solidifies Apache's presence as a leading BTR investment manager in the U.K. The Apache team and stakeholders have enjoyed seeing the assets in use and residents' thriving in their new homes.

Apache's direct subsidiary company, Present Made, achieved planning on its first Single Family Housing (SFH) scheme, Eddington in Cambridge and continues to explore partnerships and sites that align with the SFH strategy.

The Apache and Present Made team has grown with new hires in the Investment, Finance, Development and Asset Management teams. We are focused on ensuring our team culture remains positive and inclusive as the team grows to attract new and retain existing talent in the business.



## HIGHLIGHTS - CORPORATE OPERATIONS & INVESTMENT PLATFORMS 2022



### CORPORATE OPERATIONS

83% Net Promoter Score, employee survey

ESG materiality assessment complete

6 work experience students

Planet Mark certified carbon neutral business

Executive Committee formed

Mind mental health training for all Team Leaders

Four & three star GRESB results



### MULTIFAMILY – MODA JV

12 sites

9 cities

2,500 operational homes

437 resident events

4.7/5 Homeviews rating

Two x 3 Star Fitwel certifications

Zero RIDDOR incidents



### SINGLE FAMILY - PRESENT MADE

Planning achieved on first site, Q3

Investment partner secured

Head office team placed

Initial partners and pipeline identified



## ACHIEVEMENTS – CORPORATE OPERATIONS

### GOOD GOVERNANCE

The business' governance structure is managed by clear individual and collective responsibilities with a transparent reporting process to the Apache Board who sit at the top of this structure.

The Apache Senior Executives report to the Executive Chairman and Chief Executive Officer. These individuals sit on the Apache Board and are the link between the business and Board level decision making.

The Apache Investment Committee (IC) is responsible for overseeing investment transactions and meet at each stage of a transaction to review due diligence and sign off at the appropriate stage. The IC is composed of Apache Board members and the Finance Director.

The Apache Executive Committee is responsible for delivering the strategy, strategic thinking and reporting to the Senior Executives & Apache Board. The Executive Director in each respective business line sits on the committee and meet weekly.

The ESG Committee is composed of the Executive Chairman, Executive Directors for Asset Management, Development & Family Housing, alongside a representative from the analyst team. The Committee is chaired by ESG & Operations, Senior Associate Director. The Committee, as a collective, are responsible for the delivery, monitoring and evolution of the ESG Strategy.

We have further committees including Health & Safety Committee, Risk Committee and Remuneration Committee.

### ESG GOVERNANCE

Apache's ESG Corporate Strategy document launched in Q2 2022 and details our principles and commitments in terms of ESG. A Management Review of the strategy is held annually in Q4 with the Executive Committee. Those responsible for ESG report compliance, progress on commitments and new areas of focus for review by the Executive Committee.

A materiality assessment was conducted in Q2 2022 to ensure alignment with our stakeholder on ESG issues. The outcome of the management review & materiality assessment inform the business' next steps for ESG, which are discussed at the end of this document.

Contained within ESG Apache Strategy is a set of commitments according to Apache Corporate, Asset Management and Development.

### POLICIES AND COMPLIANCE

Policies to address governance issues, including but not limited to, Data Protection, Equal Opportunities, Whistleblowing, Anti Slavery Human Trafficking & Forced Labour Policy are held in the Apache Staff Handbook. MJHudson are appointed as regulatory consultant for Apache Corporate who arrange and monitor adherence to governance processes through employee training and registers.

### INVESTMENT DUE DILIGENCE

Acting as investment manager on behalf of our investor's it is paramount that we conduct a robust due diligence process. Due diligence at Apache sits within the Investment Committee process and is signed off by the IC members at when entering the proposed legal documentation for the transaction. The IC sign off spans across legal, tax, financial, environmental and technical reports.



## ACHIEVEMENTS – CORPORATE OPERATIONS

### ESG MATERIALITY ASSESSMENT

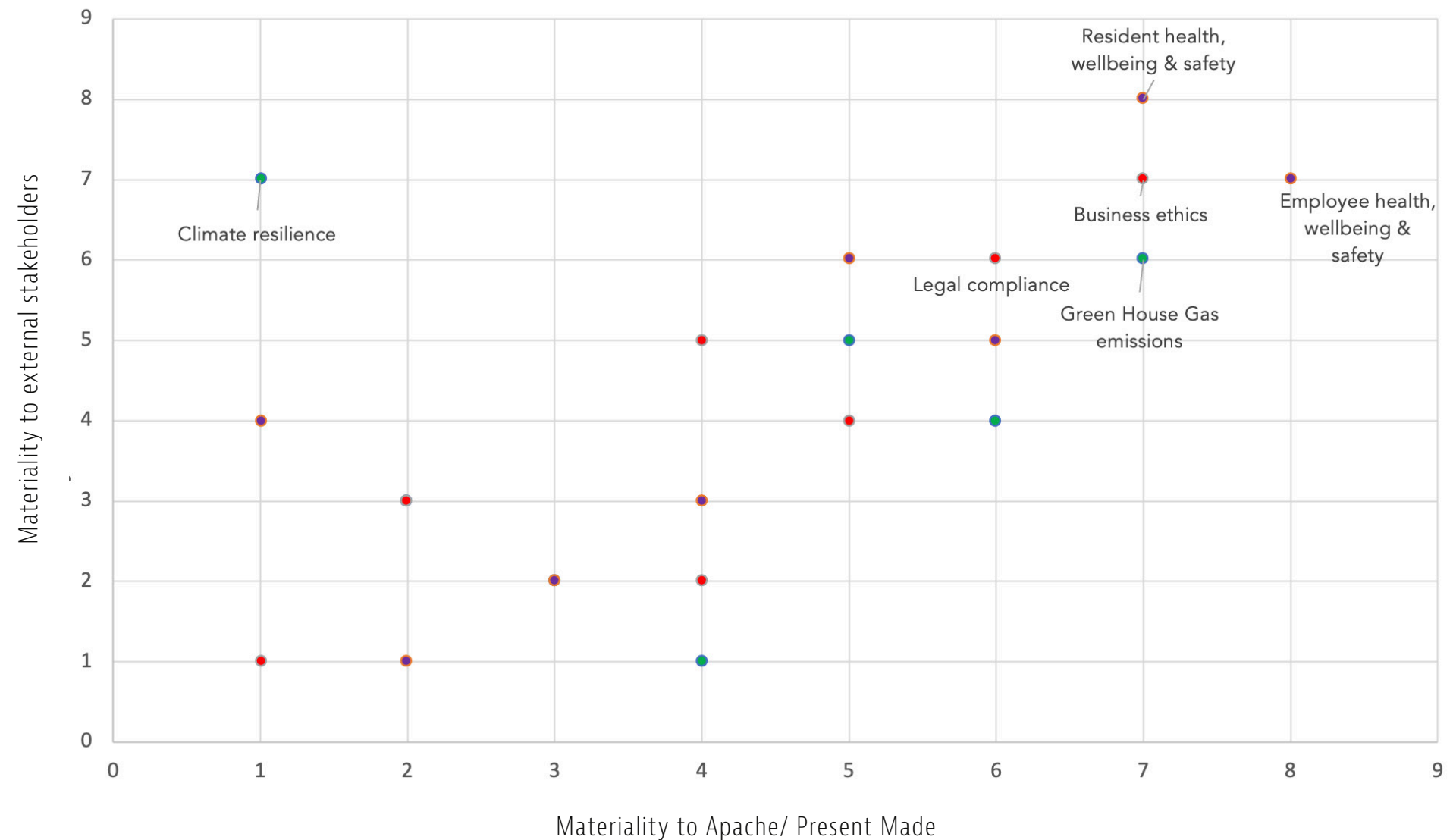
In line with our ESG strategy, the business undertook its first ESG Materiality assessment in Q2 2022. The business regularly engages on an informal basis with our stakeholders on investment requirements, including ESG, to understand their concerns and priorities. This year we completed our first formal materiality assessment to understand the key ESG issues as perceived by our investors, partners, clients and lenders. The results of which will help inform our strategy over the short to medium term.

The methodology applied followed the guidelines set out in the Global Reporting Initiatives Standards. A long list of potential material issues were consolidated to 22 items split into the Environmental, Social or Governance categories. The consolidated list reflects the key issues according to the business' industry and sector.

Stakeholders were asked, anonymously, to rate the Environmental, Social & Governance risks in order of importance from their business' perspective, with seven being the most significant issue. The Apache & Present Made team completed the same exercise, rating according to the materiality of the issue to the business.

The results revealed that Climate Resilience, Greenhouse Gas emissions, Health & wellbeing and Business Ethics were all rated as key materiality issues. We highlight our ongoing work in these areas throughout this report and comment on next steps in response to these findings. The key risks identified align with the UN SDGs which are overarching themes in the Apache ESG Strategy.

Further reference to these results are included in this report and future actions are discussed at the end of the document.



- = Environmental issues
- = Social issues
- = Governance issues



## ACHIEVEMENTS – CORPORATE OPERATIONS

### TEAM WELLNESS

As a business, Apache has a responsibility to ensure our employees' health and wellness is maximized throughout their careers with us. The Apache Employee Health & Wellbeing Policy sets out the initiatives we take to support the team. Details of support provided in year 2022 are set out below:



Following an annual review of the Private Medical Insurance policy available to all employees, the business extended the mental health and hospital cover provided. The policy continues to provide 24hour GP service and Employee Assistance Programme.



This year the business provided £6,675 of credit across 26 employees on their Heka Happy account. Heka is a health, wellbeing and lifestyle, benefit that allows the team to use their monthly credit towards a range of services including physical fitness classes, meditation classes & food subscriptions. Heka remains a valuable benefit to employees with 115 bookings made over the course of 2022.



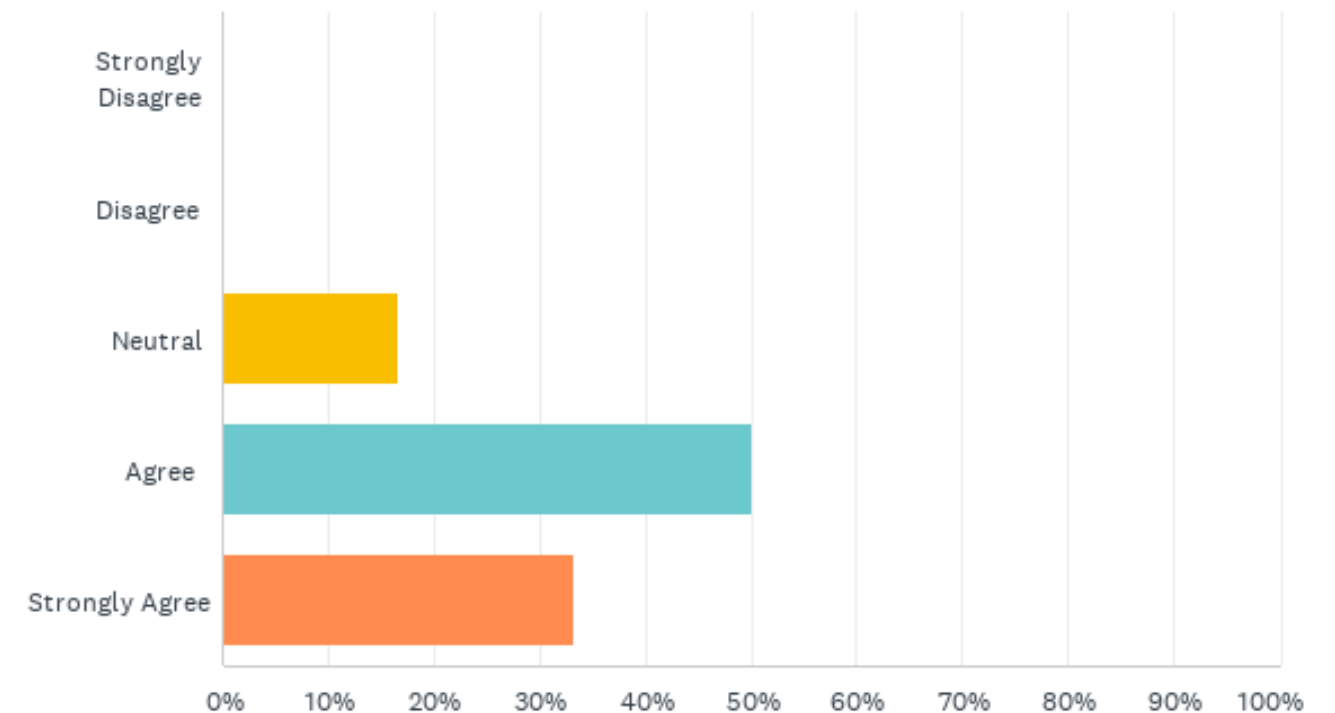
There are processes in place across the business to support work life balance and wellness. These measures include remote working, clear roles and responsibilities and a supportive management style. In response to the wellness issues brought to light by the Covid Pandemic, the business took a further step to enhance awareness of wellness, in particular, mental health, by partnering with Mind Mental health charity to provide training to Team Leaders in Q2 2022.

The half day training "Managing Mental Health at Work" covered:

- > Raising awareness of mental health and how it can vary
- > How the managerial role can build a positive and supportive culture
- > Mental health and performance

The session was engaging, informative and well received by the participants.

### HEALTH AND WELLBEING OF ALL STAKEHOLDERS IS IMPORTANT TO APACHE / PRESENT MADE



2022 employee survey results: 89% of employees Agreed or Strongly agreed with above statement.



## ACHIEVEMENTS – CORPORATE OPERATIONS

### EMPLOYEE ENGAGEMENT

Apache promotes a supportive, trusting and sociable culture amongst employees. This messaging starts at the top where Senior Directors communicate effectively and respectfully with staff and encourage a similar approach amongst the team members, their peers and external clients.

Apache conducted our second annual employee engagement survey in 2022. The survey provides an insight into team engagement by covering several areas that indicate employee engagement including career development, pay, workload, communication and culture.

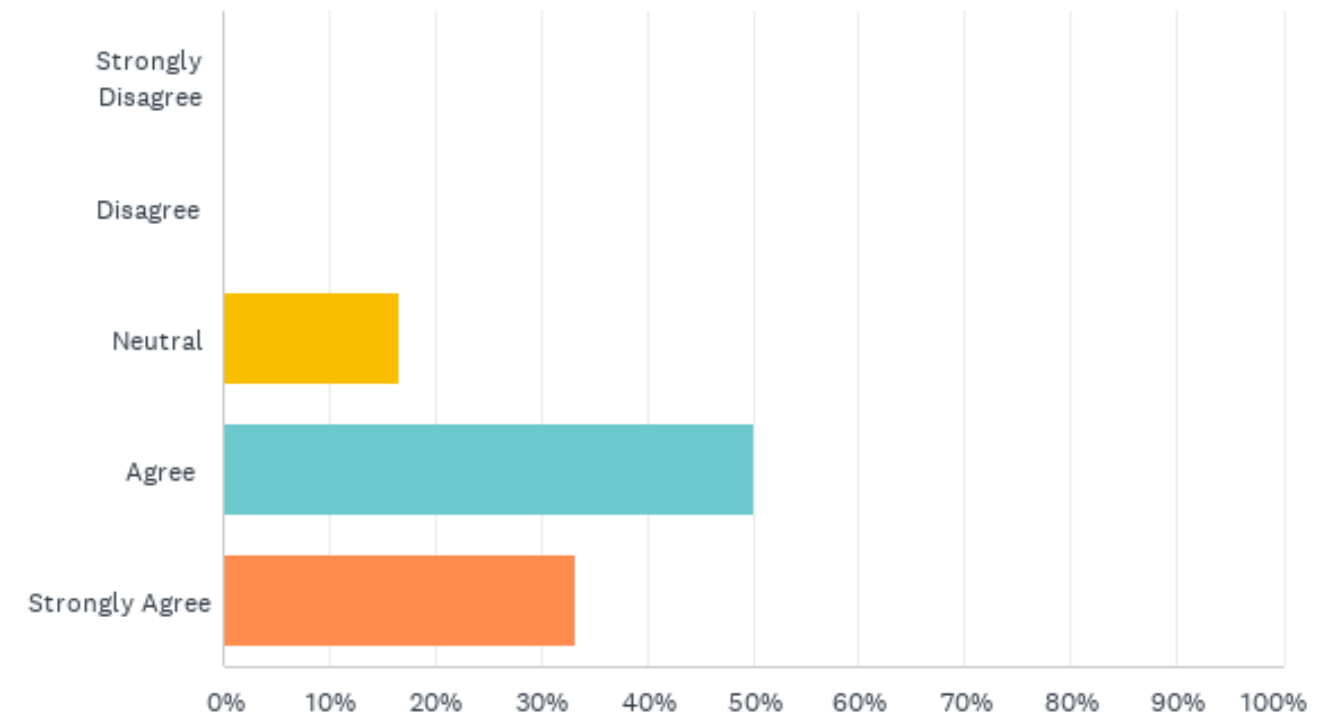
Apache celebrated a positive set of results, achieving 83% on a Net Promoter score.

### WORK EXPERIENCE

For several years, Apache has hosted students over the summer months offering a one-week work experience programme. The programme introduces the student to the Build to Rent real estate sector through introductory sessions with each team, shadowing employees and attending a site visit.

During summer 2022 the business supported six students over three separate weeks, one of whom was a participant of the Reading Real Estate Foundation Access Internship Scheme, supporting students from underrepresented groups overcome the obstacles which may prevent them from undertaking the work experience.

### OVERALL, I WOULD RECOMMEND APACHE/PRESENT MADE TO A JOB APPLICANT



2022 employee survey results: 83% of employees Agreed or Strongly agreed with above statement.

*"My recent internship at Apache was both a rewarding and enjoyable experience as not only did I gain greater insight into Apache's exciting innovative strategies in the living real estate sector, I also spent time with experienced, diverse and welcoming professionals, enriching my learning journey by spending time with them in their day-to-day roles".*

Zeyn Peel, Reading Real Estate Foundation Student, Access Internship.

*"I'm a Geography University student looking to get into the property industry for my career and was fortunate enough to get work experience at Apache. I got a fantastic insight across the business, the chance to meet and chat with lots of the team from different departments and even a site visit to Cambridge. The time has really helped me refine my career choices and I feel lucky to have had the opportunity to explore this."*

Jodie Lonergan





## ACHIEVEMENTS – CORPORATE OPERATIONS

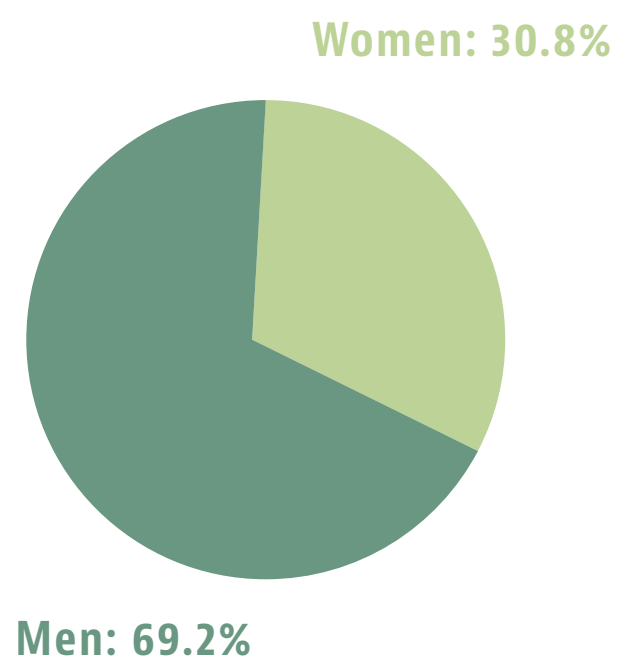
### DIVERSITY, EQUITY & INCLUSION (DEI)

Apache's internal diversity metrics are tracked maintained by the ESG & Operations, Senior Associate Director. Diversity metrics are reported in line with GRESB requirements for direct employees & Board members.

Metrics are reported to the Board on an annual basis for review and a set of initiatives are agreed to further support diversity & inclusion. During 2022 the business:

- > Celebrated a DEI calendar of events throughout the year including International Women's Day & Mental Health Awareness week.
- > Enhanced family friendly policies
- > Executive sign off on a DEI, in person, training session for the whole team in Q1 2023.

Q4 2022 direct employee diversity metrics:



7.2% increase in female employees in the business over a 3-year period.





## ACHIEVEMENTS – CORPORATE OPERATIONS

### HEAD OFFICE OPERATIONS

Apache understands that small changes can build to create a big difference, and these changes start at 'home'. The passion and vision we apply to our development & operations, is replicated in how we operate individually and as a business. We have reviewed our internal processes, procedures and operations to ensure we at head office are doing our bit to working towards a better future.

### PLANET MARK – CERTIFICATION

We're proud to announce that we have achieved the Planet Mark Business Certification for years 2021 and 2022, furthering our commitment to reduce our impact on society. The Planet Mark Business Certification is an internationally recognised sustainability certification for all organisations acknowledging continuous progress, encouraging action and building an empowered community of like-minded individuals.

In order to achieve this sustainability certification, we've followed a robust three-step process: Measuring our impact, engaging everyone in the business and communicating our progress. We have measured our own carbon footprint and will continue to take responsibility of our carbon emissions to have a positive impact on planet and society.

### CARBON NEUTRAL

We're proud to announce that in 2022 we took this a step further by achieving a Carbon Neutral Business Certification.

In line with internationally recognised PAS 2060 specifications, achieving a Carbon Neutral status demonstrates our ongoing commitment to reducing our impact on the planet and society. This is done through continuous carbon reduction and investment in accredited carbon offset programmes to mitigate our carbon footprint. This is an incredible achievement involving the entire business.



*Materiality assessment – GHG emissions*



## GRESB (THE GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK)

For a second year running Apache submitted two multifamily entities to the GRESB assessment. GRESB is a widely recognised ESG assessment that assesses both corporate operations through the Management Component, as well as platform performance through the Performance and / or Development Component.

We are pleased to achieve a three-star score for our standing investment, Angel Gardens and a four-star score for our development investments, Platform 1 Multifamily.

The GRESB assessment provides a robust framework for ESG performance, the business has reviewed our results and identified items for improvement. Working internally and with our JV partners we seek continuous improvement with our results.

### ANGEL GARDENS - MANCHESTER

#### GRESB Rating



**GRESB Score**

GRESB Average 73

**Green Star**

Peer Average 65

### BTR - MULTI-FAMILY - PLATFORM 1

#### GRESB Rating



**GRESB Score**

GRESB Average 81

**Green Star**

Peer Average 78







## ACHIEVEMENTS - DEVELOPMENT MULTIFAMILY

### GREEN BUILDING CERTIFICATION

Third party certification provides a robust approach to demonstrate our commitment to developing Green buildings.

In accordance with our Development & New Construction Policy, the platform assets have been designed and developed to Green building standards. Fitwel, New Construction certification is a leading certification that is committed to developing and designing buildings that promote the health and well-being of its residents. We believe that focusing on the health and wellbeing offering, improves happiness, resident satisfaction and general wellbeing.



Three-star Fitwel scores achieved at the Mercian and New York Square during 2022

The platform assets comprise predominantly residential space, with an allocation for commercial space, usually located on the ground floor, for external occupiers to lease from the landlord. Apache/ Moda are committed to ensuring these spaces are designed to green building standards and such these commercial spaces are targeting BREEAM New Construction certification.

Apache started to explore BRE (Building Research Establishment) blanket certification process in 2022.

### ENERGY PERFORMANCE CERTIFICATES (EPC)

In line with UK regulation, we are committed to ensuring all our assets are certified under Energy Performance Certificate (EPC). The EPC certification will give an early indication as to operational performance, all assets that achieved Practical Completion in 2022 have an average EPC rating of level B in apartments.

### RENEWABLE ENERGY

Decarbonising electricity and heat is a vital step to meet operational targets in line with Paris Agreement and Net Zero Carbon objectives. In line with our Construction & New Development Policy we have explored avenues for renewable energy generation during the development and design phase. This has resulted in three assets (Angel Gardens, Holland Park, Sackville Road) being designed with photovoltaic (PV) cells located on the roof top to generate energy that will serve the building during the operational phase.

We will be tracking the energy generated at these locations through utilities provider Amber Energy.

### ONSITE SAFETY

Apache are committed to keeping our stakeholders and employees safe and always prevent harm. Apache hold a monthly Health & Safety Committee meeting which has representation from the head office, the development, and the operational side of the business. Director of Projects is responsible for reporting accidents and near misses on development sides to the Apache Health & Safety Committee, this information is compiled through weekly safety reports from contractors on site.

The Apache/ Moda platform adopts the RIDDOR approach to safety metrics, there was Zero RIDDOR incidents reported in 2022.





# ACHIEVEMENTS – ASSET MANAGEMENT MULTIFAMILY

## RESIDENT ENGAGEMENT

The assets in the Apache / Moda Joint Venture, are operated by Moda Life Management Limited (MLML), a business owned by Apache and Moda.

Apache & Moda are not only working to develop sustainable homes with environmental design considerations, but we are also equally focused on developing healthy buildings with residents and community in mind. Residents at MLML assets benefit from an extensive annual events calendar with a wide range of events.

Over the course of 2022 MLML hosted 437 events ranging from wine tasting, to yoga, to cooking classes. These events not only bring our residents together, creating a sense of community and combating loneliness.

Approximately 30% of events in reporting year with an ESG theme such as physical exercise, wellness, or sustainability.

## HOMEVIEWS

Our residents’ feedback informs the business on resident satisfaction. HomeViews, a third-party residential property review platform, has been appointed to carry out independent resident satisfaction surveys on the MLML assets.

The 2022 HomeViews report celebrated a strong year of results, 90% of residents would recommend their experiences living in a MLML development to their friends and family. MLML were winners in the HomeViews awards, achieving Top 5 BTR Management Company, 2022.

Moda Living



4.70 (49 reviews)



Facilities



Design



Location

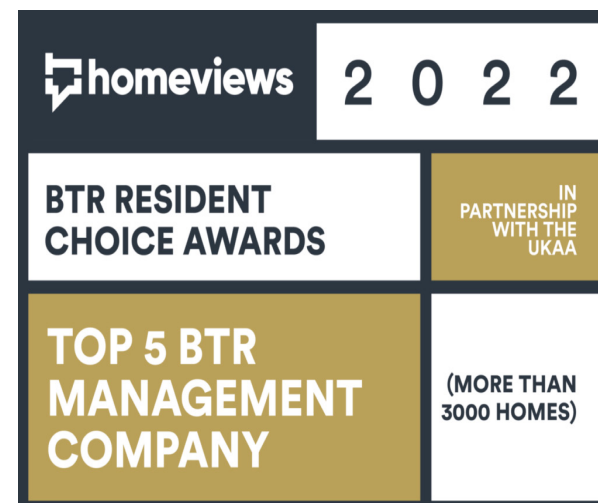


Value



Management

Filtered by All Developers Moda Living Date Range 01/01/2022 - 17/05/2022  
Resident Type All Age Range All

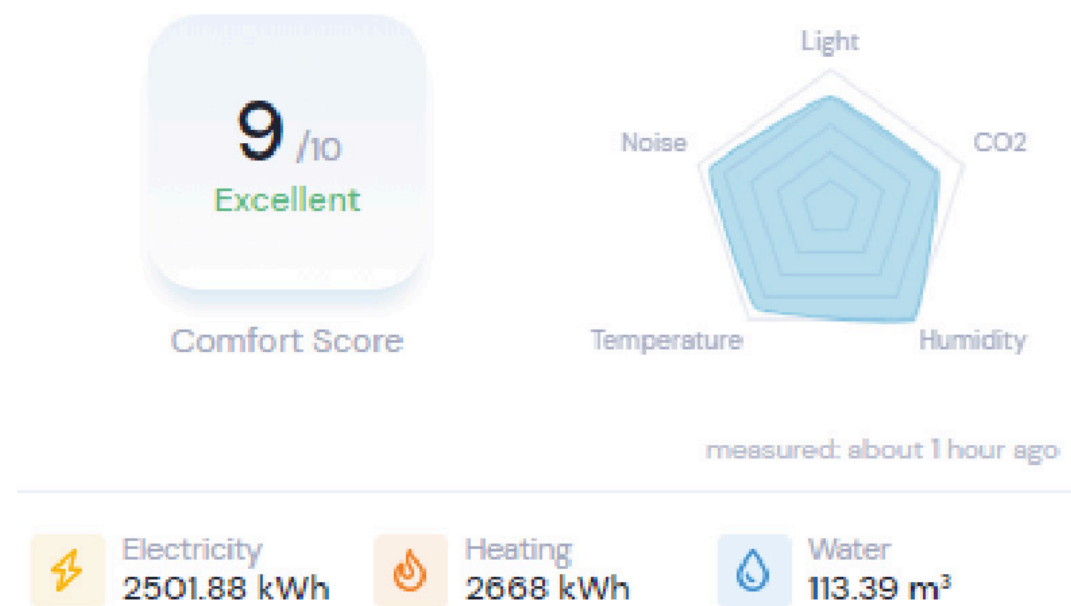


Materiality assessment – Resident Health, Wellbeing & Safety



## SMART TECH - UTOPI

Through the installation of Utopi smart tech sensors in all amenity spaces, we are enhancing the data coverage of the multifamily assets. These multisensors monitor indoor environmental conditions such as humidity, temperature, light, noise. These conditions can be combined to determine a “comfort” score which support our ESG reporting as well as the operational team manage the asset at optimal performance & satisfaction for residents.



Utopi dashboard of indoor environmental conditions at The Lexington, Liverpool.

Furthermore, Utopi has been appointed to support on granular utilities data for the multifamily assets. The Utopi dashboard provides real time, granular insights into utility consumption and environmental conditions.



Utopi platform used for monitoring month-on-month utilities performance.



Materiality assessment – GHG emissions







## ACHIEVEMENTS – PRESENT MADE

Present Made, our Single-Family Housing platform, continues to evolve and pursue sustainable strategies and partnerships across the board. The business' focus during 2022 was to build a head office team and finalise funding partnership with investment partner, both of which were completed.

In terms of ESG, the Present Made team have finalised a robust set of strategies in order to deliver the platform, whilst maintaining the environmental and social principles at its core. These workstreams are discussed below according to Environmental, Social, Governance:

### ENVIRONMENTAL

#### Procurement & development

Case Study: Eddington, Cambridge. Present Made achieved planning at Eddington during the year 2022, the sites' sustainable credentials are as follows:

- > Maximized renewable onsite energy with photovoltaic (PV) cells designed to all housing units. The energy generated from these onsite renewable sources will serve the specific units on which they are positioned, meaning our residents will see the benefit themselves from reduced energy costs.
- > The site is designed to green building standard, Code of Sustainable Homes Level 5 compliant.
- > Water conservation measures including rainwater harvesting and grey water recycling.
- > The site is designed around a Combined Heat and Power (CHP) system offering improved energy efficiency.
- > Landscape-led design. An emphasis on landscape, gardens and greenery provide the opportunity for our residents to grow their own fruit and vegetables through access to living streets and allotments.





## ACHIEVEMENTS – PRESENT MADE

### SOCIAL

#### Diversity, Equity & Inclusion (DEI) Plan

Togetherness is the founding principle of Present Made. Our purpose is to enable people to lead more fulfilling lives, together. To do that we must create workplaces and communities where everyone feels welcome, valued and respected. During 2022 Present Made finalised our DEI Plan setting out a commitment to DEI in relation to our team, our neighbours and our residents.

#### Residents event strategy

The resident events are an integral way of building the community of Present Made communities, by engaging and enhancing the lives of our residents. Appropriate amenity spaces will host a calendar of events, changing weekly. Events are curated to our residents' interests as well as introduce them to new experiences. This events schedule will always have an event from each of our Event Pillars: Community, Wellness, Sustainability, Family, Culture & Diversity.

#### Customer service & satisfaction policy

We are committed to providing exceptional client service and set clear standards for customer care. Present Made's customer service & satisfaction policy sets out the principles that benefit our clients, partners and staff: work collaboratively; embrace challenge; innovate every day; create cutting edge solutions, be a partner of choice; and work smarter.





## ACHIEVEMENTS – PRESENT MADE

### GOVERNANCE

#### Major Incident Management (MIM) plan

Present Made Management Limited has prepared a Major Incident Management procedure to outline how we will respond to Major Incidents that significantly disrupt our building operations. The plan is fluid and is to be used to guide the planning for the impact of spontaneous disasters and disruptions.

#### Supply chain

The Present Made business is supported by a selected group of partnerships and consultants. It is important these partnerships share and align with the environmental and social standards held at Present Made. We have finalised a Code of Conduct to ensure robust supply chain management from the outset.

In addition, a Request For Proposals (RFP) setting out the business' selection criteria through the tendering process has been finalised. Present Made is committed to working with local businesses whenever possible.

#### Internal governance

Present Made has reviewed reporting lines and internal governance structure between the two businesses. Present Made reports monthly to the Apache Executive Committee at Management meetings. Regarding committee groups, Present Made has representation on both the ESG and Health & Safety Committee at Apache Capital, the agendas cover Present Made in isolation to ensure adequate time is allocated to the Present Made platform.

Present Made head office employees are encompassed under Apache Capital's Human Resources policies and programmes such as the appraisal process, health & wellbeing programme & engagement survey.





## NEXT STEPS – APACHE GROUP ESG

In response to the results from the materiality assessment and considering informal feedback with stakeholders, Apache has identified three key areas of focus for the short to medium term (1 – 5 years) for Apache Group ESG.

### Climate resilience

The impacts of climate change are more notable than ever. The U.K. has released regulation and targets for all industries to support the decarbonization of portfolios and move to a lower carbon economy. As a real estate business investing in the longer term, Apache is approaching climate resilience from the TCFD framework and adopting a forward-looking scenario analysis approach. Apache's immediate action is to carry out a gap analysis working from the TCFD framework and set out action plans & responsibilities under each pillar.

### Social

Social impact enhanced through charitable endeavors promoted at a corporate level by implementing the short-term strategy proposed by Charity Committee, including:

- > Establish Give As Your Earn opportunity for all employees
- > Establish a series of fundraising events and select chosen charity for year 2023
- > Evolve the work experience programme to reach a diverse student base

### Governance

Strategic acquisition and development brief for ESG:

Apache to finalise a strategic acquisition and development brief that will sit along side the Apache Investment Committee process. The brief will set out the ESG requirements for Apache, as asset manager, at each stage of investment to be signed off by the IC.



*Materiality assessment – GHG emissions*  
*Materiality assessment – Climate resilience*