

Impact Report 2024

MITHERIDGE

Certified



Corporation

Contents

About Mitheridge	03
A note from our founder	04
Environment	05
Customers & Community	11
Governance	16
Workers	18



About Mitheridge

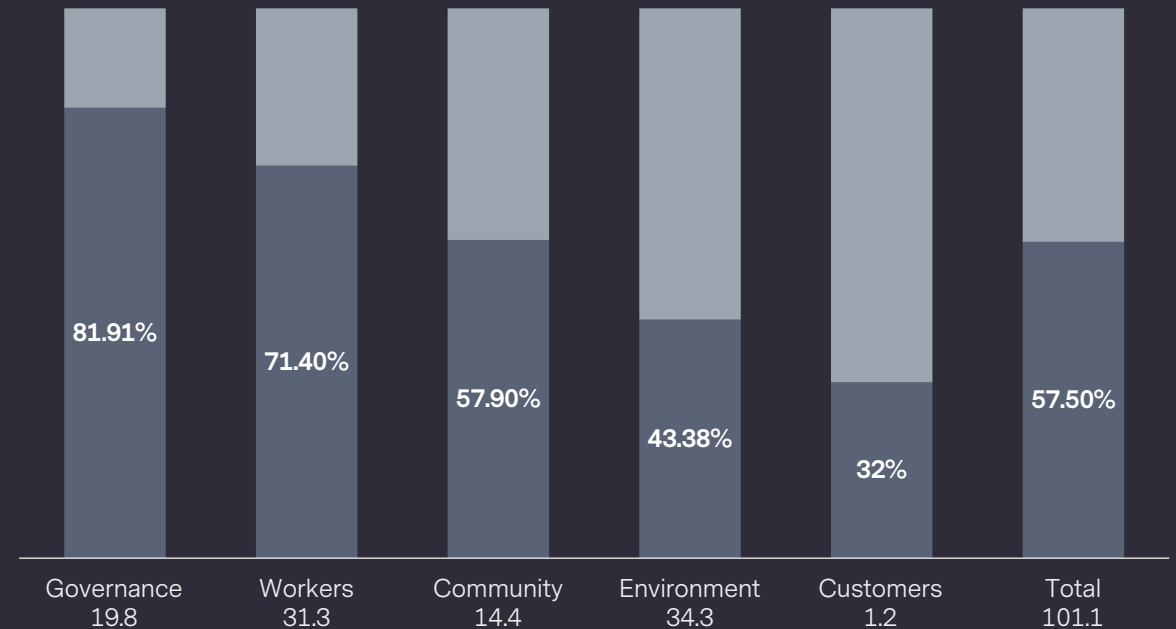
At Mitheridge, environmental sustainability, social benefit, and good corporate citizenship are integral to how we do business.

Our investment strategies focus on the repurposing of brownfield sites, by developing much-needed new homes. We believe that the integration of sustainability factors across all our investments enhances returns.

Mitheridge is a real estate investment firm, with an in-house planning and development team. This blend of expertise gives us an advantage. Throughout our investment, design, planning and development process, we consider sustainability factors. We aim to develop assets that will have a positive social impact, and in turn increase the appeal of our schemes to local authorities and communities, and to end-occupiers and purchasers. These measures enhance exit options and protect the long-term value of our schemes.

Our business is built on this premise. Our team is united in striving for the highest sustainability standards while generating superior risk-adjusted returns, designed to create maximum value for all stakeholders.

B-Corp Certification Scores for 2023



A Note from Our Founder

There was genuine excitement last year when we became a Certified B Corp. It was an important mark in Mitheridge's journey.

While we had a number of good sustainability initiatives as a firm, the process of B Corp assessment and verification acted as a pull to bring everything together into a comprehensive programme.

It allowed us to state and get behind a vision for the firm that is in tune with how we approach investing. The Mitheridge team have each played their part in setting the sustainability agenda. There is a desire to do more and do better.

Becoming a B Corp has attracted positive feedback from investors, too. Several firms we work with have expressed interest in what we are doing and have decided to embark on their own B Corp certification process.

This galvanising effect is in an industry where the impact of positive change can make a huge difference. The opportunity in residential real estate in the UK, the living sector, is huge. The UK has some of the oldest housing stock in Europe. Housing supply is at an acute shortage. There is no large-scale institutional ownership.

The need for well-designed and delivered residential real estate, which generates long-term value for our investors while addressing society's needs, is a challenge we embrace. Through our collective experience and understanding of land acquisition and planning, structuring, construction, and operational management, we can create innovative solutions that capture the opportunities presented by a changing world.

At Mitheridge, we believe that a socially informed investment approach is key to unlocking value and successful opportunities, bringing benefits to investors and communities alike, and balancing profit, people and planet.

This report provides an overview of our activities as a B Corp. From detailed sustainability project plans per asset, engagement with local communities, family-friendly policies, health and wellness initiatives, to actively supporting the Mitheridge Foundation. I hope you find it interesting.

William Yerburgh



William Yerburgh
Managing Partner

Environment: Net Zero

Real estate has one of the **highest carbon footprints** of any sector, producing around 30% of global annual emissions and consuming almost 40% of the world's energy. We recognise the value real estate can contribute to society, but also its environmental impact.

Mitheridge has committed for all its projects to be **Net-Zero Carbon on an operational basis by 2030**. Each of our developments is designed at pre-construction stage, meaning we can design buildings with operational Net Zero in mind.

We also consider the **impact of construction** itself - embodied carbon - and how to mitigate its effects. We re-use existing structures where possible, and always consider the most sustainable construction materials.

Mitheridge's Development team has been working to design a **comprehensive sustainability dashboard** for each asset. Although no one project is the same, we intend to set minimum standards and requirements for all new projects. We will work with our contractors and sub-contractors to realise our ambitions.



Net Zero: Designing for a Low Carbon Future

By 2030, all new buildings must operate at Net Zero to meet our climate change targets. This means that by 2025, all new buildings will need to be designed to meet these targets. This page sets out the approach to operational carbon that will be necessary to deliver Net Zero operational carbon buildings.

Low energy use

- 1 Total Energy Use Intensity (EUI) – Energy use measured at the meter should be equal to or less than: **35 kWh/m²/yr** (GIA) for residential.

For non-domestic buildings a minimum DEC (40) rating should be achieved and/or an EUI equal or less than: **65 kWh/m²/yr** (GIA) for schools; **70 kWh/m²/yr** (NLA) or **55 kWh/m²/yr** (GIA) for commercial offices.
- 2 Building fabric is very important, therefore space heating demand should be less than **15 kWh/m²/yr** for all building types.

Measurement and verification

- 3 Annual energy use and renewable energy generation on-site must be reported and independently verified in-use each year for the first five years. This can be done on an aggregated and anonymised basis for residential buildings.

Reducing construction impacts

- 4 Embodied carbon should be assessed, reduced and verified post-construction.



Low-carbon energy supply

- 5 Heating and hot water should not be generated using fossil fuels.
- 6 The average annual carbon content of the heat supplied (gCO₂/kWh) should be reported.
- 7 On-site renewable electricity should be maximised.
- 8 Energy demand response and storage measures should be incorporated, and the building annual peak energy demand should be reported.

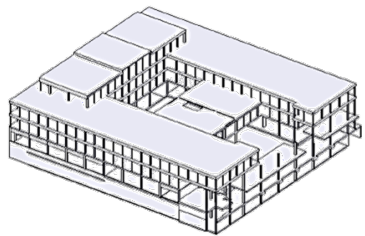
Zero carbon balance

- 9 A carbon balance calculation (on an annual basis) should be undertaken, and it should be demonstrated that the building achieves a Net-Zero Carbon balance.
- 10 Any energy use not met by on-site renewables should be met by an investment into additional renewable energy capacity off-site OR a minimum 15-year renewable energy power purchase agreement (PPA). A green tariff is not robust enough and does not provide 'additional' renewables.

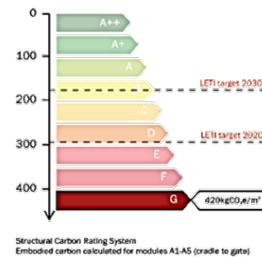
Net Zero – Project Zodiac Example: Embodied Carbon

This is a comparison between the existing structure and the proposed scheme. It demonstrates the merits of completing the embodied carbon analysis when deciding what approach to adopt with existing structures.

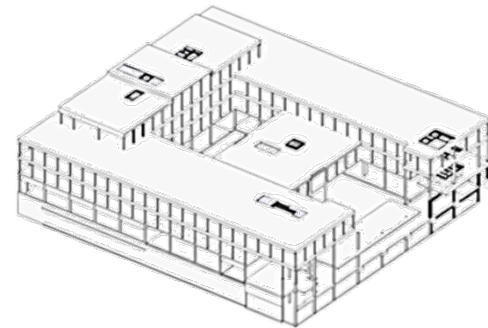
Existing building:*



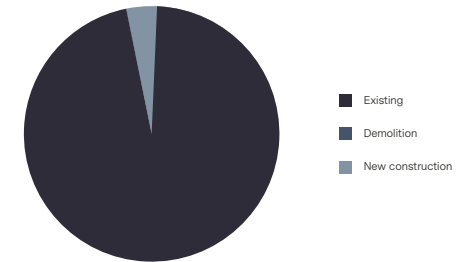
SCORS



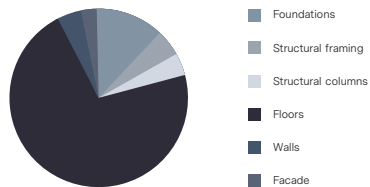
Proposed scheme:



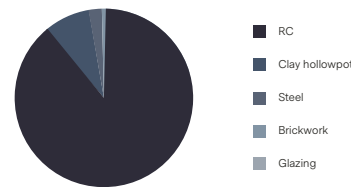
By Phase:



By Structural Element:



By Material:

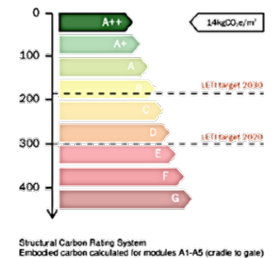


By choosing to refurbish the existing building, **30 tonnesCO₂e** have been saved in demolition and an estimated **2624 tonnesCO₂e** for the consequential reconstruction.

This is equivalent to **>£160 000** in carbon tax**, planting **120 000** trees or **1 600** London to New York return flights.

SCORS

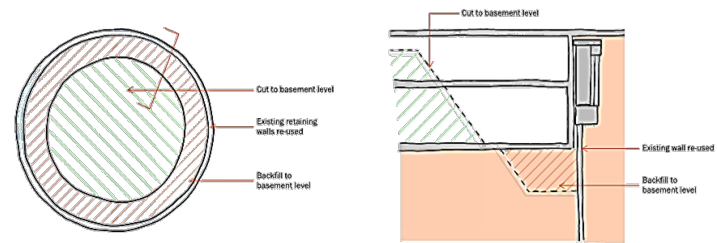
The SCORS rating including the proposed scheme is **470 kgCO₂e/m²**. This increases by a total of **116 tonnesCO₂e** – a fraction of its current embodied carbon.



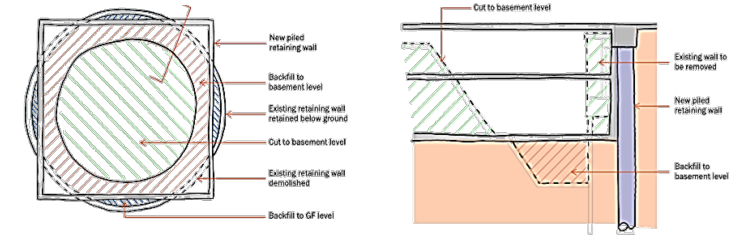
Net Zero – Project Noble Example: Whole Life Carbon



Option 1: Re-use existing retaining walls



Option 2: Build new basement



Option 1 vs option 2

Mitheridge has decided to proceed with Option 1 and to retain and re-use the existing structure. This is a significantly lower overall use of carbon, which is the equivalent to building 106 new homes.

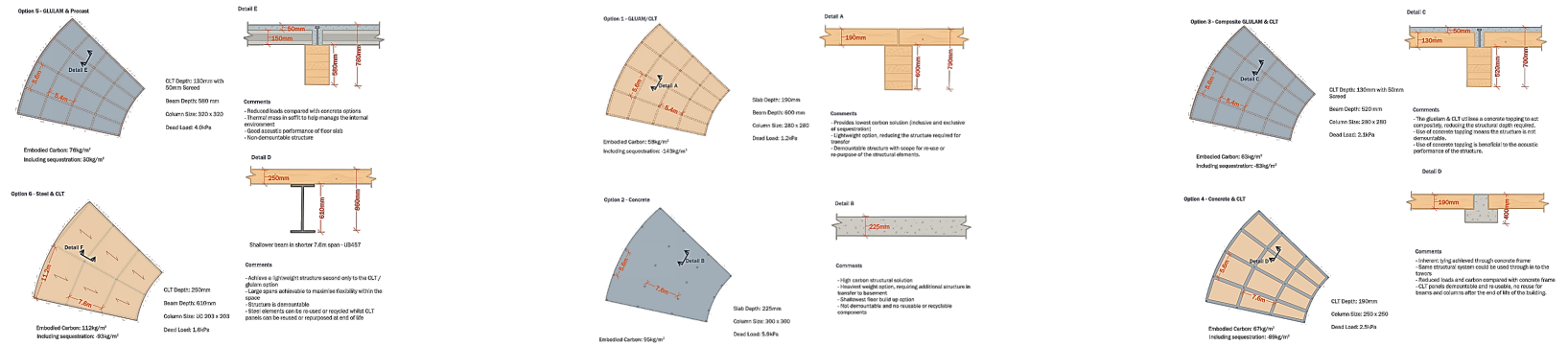
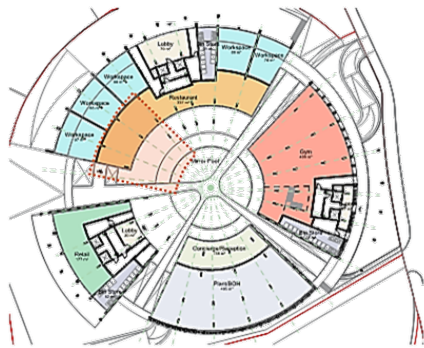
Option 2

Item	ECO ₂ (TONNES)
New Piled Wall	3,610
New Capping Beam	162
New Liner Wall	238
Total	4,010



Net Zero – Project Noble Example: Whole Life Carbon

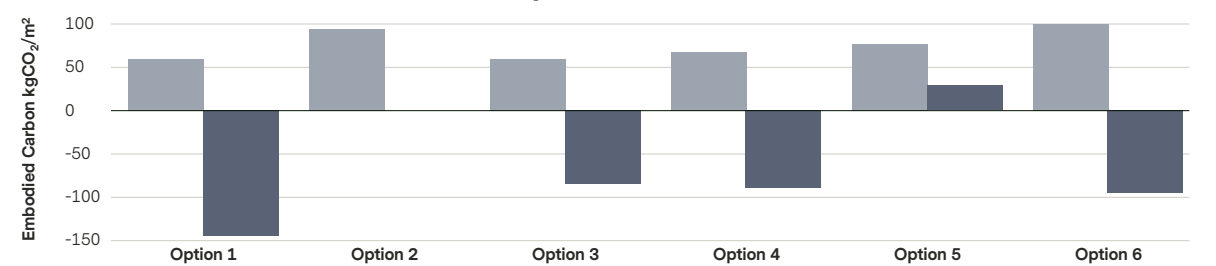
Material selection:



- Option 1 – GLULAM/CLT
- Option 2 – RC SLAB
- Option 3 – COMPOSITE GLULAM/CLT

- Option 4 – CONCRETE/CLT
- Option 5 – GLULAM/PRECAST
- Option 6 – STEEL/CLT

Embodied Carbon of Structural Options



Hackney Wick – Dashboard

Stage: Submitted for planning

339 units

High quality co-living

Flexible employment space

Vibrant public spaces

Low Carbon design

Adding social value through community investment



Members of: Creative Wick

An independent non-profit Community Interest Company established to help preserve Hackney Wick and Fish Island as a permanent, sustainable creative cluster.



Providing space for: Loop Project

Helping help circular economy businesses scale their operations in the area by connecting them with like-minded peers and helping them trial new processes and undertake R&D activities locally



Ambition to support: Yard Theatre

engaging local young people within the Yard Young Artists programme and supporting artists to expand the potential of theatre.



Collaborating with: HWFI Community Development Trust

preserving the rich cultural life of Hackney Wick and Fish Island by securing buildings for it to flourish in the long term.

100% Electric Fossil Fuel Free



47,836

Kwh/annum

Generated by on-site photovoltaic panels

Circular economy

Prioritising opportunities to recycle & reuse, avoiding landfill where possible.



14.2%

Re-used materials



53.5%

Of materials designed for re-use



0.33

Urban Greening Factor



+2,225%

Biodiversity Net Gain

Low Carbon Design

Achieving industry leading best practice targets

545

kg CO2e/m

Whole Life Embodied Carbon

Quantifies the total carbon emissions associated with the project from cradle to grave.

421

kg CO2e/m

Upfront Embodied Carbon

Refers to the greenhouse gas emissions released during the manufacturing, transportation, and installation phases of the project.



Collaborative public process

A participatory design process engaging members of the community with the project team.



Re-use of Brownfield Site



Sustainable procurement plan

Encouraging the consideration of the environmental, social & economic impacts of a supply chain.



Resilience risk analysis

A strategic study to ensure the asset is resilient to the affects of climate change over its lifetime.



Accessible public transport

2mins walk to Hackney Wick Station, 11mins to Stratford Station, 35mins to Bond Street Station



BREEAM 'Excellent' Sustainable Building Certification



Customers & Community

Social Value

Real estate is by nature long term. It plays a fundamental role in society and provides the framework within which community is built. We understand the broader role we can play in magnifying this impact.

We have undertaken independent social value assessments of our projects, to determine local needs and deliver projects that integrate and benefit the local community. We intend to include social value assessments for all future projects.

Mitheridge Foundation

In 2022 the Mitheridge Foundation partnered with CAYSH (Croydon Association for Young Single Homeless), and it received the Foundation's first grant. Then in 2023, the Mitheridge team raised further funds through a sponsored walk, and in 2024 the Foundation renewed its grant to CAYSH.

In the next year, the Foundation plans to continue its support of CAYSH, by offering volunteering opportunities for the team and by organising another team fundraiser.



Social Value Reporting – Project Seed Example

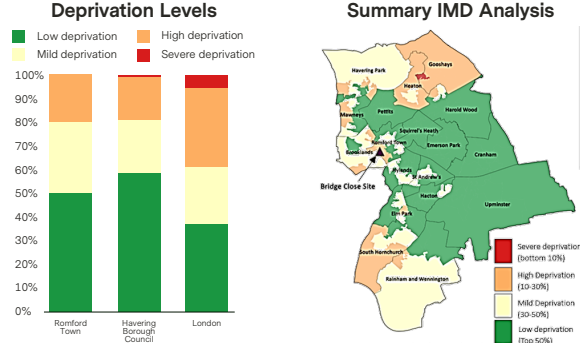
Mitheridge has worked with Social Value Portal to prepare a **Local Needs Analysis** of our investment in Romford, London. Social Value Portal aims to promote better business and community wellbeing through the integration of social value.

Social Value Portal launched the National TOMs Framework in 2017. TOMs stands for Themes, Outcomes and Measures. The adopted framework is a method of reporting and measuring social value to a consistent standard. The TOMs frameworks links directly to the UN’s Sustainable Development Goals.



Deprivation Analysis

- Average levels of deprivation are better than those across London
- There is clear N/S and E/W divide
- There is a single pocket of severe deprivation in Gooshays which sits within a wider pocket of high deprivation corresponding to Heaton and Havering Park
- The South West of the borough experiences similar levels of Mild-High deprivation, covering the wards of Rainham & Wennington and South Hornchurch
- Bridge Close site sits within a neighbourhood of High Deprivation

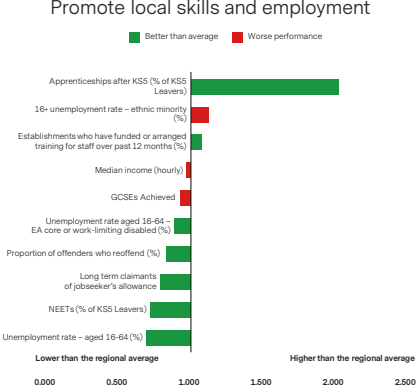


Employment Analysis

Promoting local skills and employment opportunities⁽¹⁾
 Havering Borough Council Recognises that promoting skills development and training opportunities for local people will contribute to sustainable economic development as well as the health, well-being and quality of life residents.

1. Havering performs well in Promoting Local Skills and Employment Opportunities indicators when compared to the London average.
2. Havering performs worse than the London average in three indicators:
 - a) Ethnic Minority Unemployment Rate (16+)
 - b) Median Income (hourly)
 - c) GCSEs Achieved
3. Havering performs significantly better than the London average in the % of KS5 (16y.o.) leavers entering apprenticeships and indicating that there is a high demand for this type of opportunity
4. Havering is below the London average of GCSEs Achieved and indicates that there is a need to target improved skills for young people.

Havering Borough Council: Jobs*



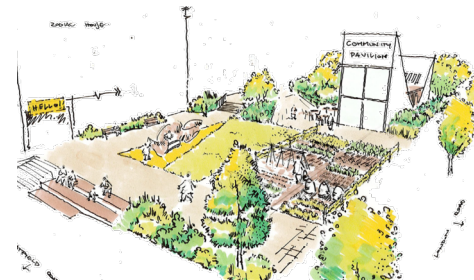
*Havering Borough Council’s performance compared to the London Regional average in Promoting Local Skills and Employment Indicators

Social Value Investment – Project Zodiac Example

As part of our aim to **integrate with and enhance the communities in the locations in which we invest**, Mitheridge is looking to partner with Big Local Broad Green on Project Zodiac in Croydon, London. Big Local Broad Green is a local community group formed in 2016 with funding from the National Lottery, which seeks to strengthen the sense of pride in West Croydon. The organisation has recently undertaken a significant consultation exercise to determine an appropriate legacy project.

Further to various positive discussions with Big Local Broad Green, plans are under way to incorporate a new community pavilion building with associated outside landscaped space into Project Zodiac's scheme proposals.

It is currently envisaged that the pavilion building will be used as a community café and general multi-purpose space for meetings, workshops and other community uses. The revenue will be used to fund the activities of the group and the upkeep of the pavilion and associated landscaping.



The Mitheridge Foundation



Mitheridge passionately believes in a responsible approach to investing, and this permeates throughout every part of the business.

Mitheridge has set up the Mitheridge Foundation, which supports people and smaller charities in the UK, specifically in the communities in which we invest. The Foundation targets homelessness and other housing challenges, such as mental health.

The Foundation has partnered with CAYSH (Croydon Association for Young Single Homeless) in support of its Working My Way Up programme. The programme provides accommodation and assistance for people aged 16 to 25 who face homelessness.



Governance

Governance Framework

As an investment management firm, Mitheridge is regulated by the Financial Conduct Authority. This provides a detailed framework of rules and standards for our activities. Our policies cover a range of important areas – such as our Code of Ethics and Code of Conduct.

Our regulated framework is complemented by our governance set-up. We value independent input into our decision-making process. Our committee structure has non-executive membership in our Management Committee, Conflicts Committee, and Investment Committee.

In the past year we've expanded the advisory members of the Management Committee to include two independent members, with these meetings scheduled quarterly.

Cyber Security

An important area of focus for us has been cyber and data security. We have established a separate investor portal, independent from our company server, for our investors to receive secure documents.

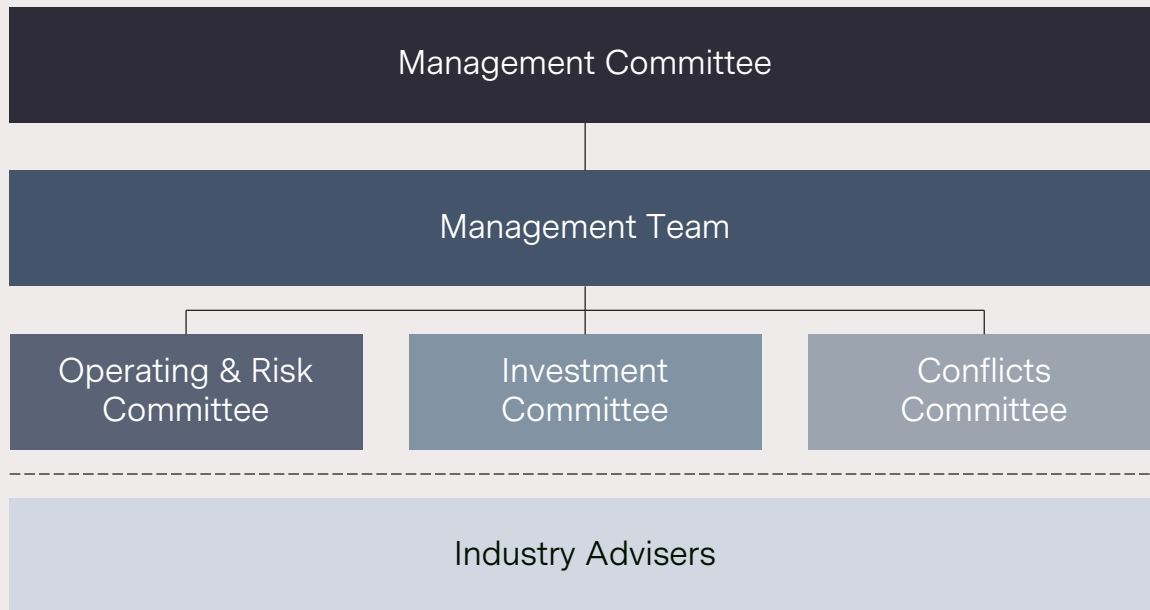
All Partners and employees undertake cyber security training, and we plan to organise third-party phishing training in the next year.

We plan to commission a third party to undertake robust testing of our server in the next year.



Mitheridge Governance

Mitheridge **has 4 Committees** that oversee different areas of the firm. These include non-executive members to ensure good governance.



MCM Committee	Key Features
Management Committee	<ul style="list-style-type: none"> Executive function. Sets strategic direction of MCM. Business targets and performance. Financial forecasts and business plans, including approval of auditors and annual accounts. Evaluates team capabilities and hiring plans. Appointed by Managing Partner of MCM <p>Non-Executive Members</p>
Conflicts Committee	<ul style="list-style-type: none"> Reviews potential conflicts of interest for MCM and its subsidiaries in respect of its role as an Investment Adviser, particularly in relation to the fund vehicles it advises. Ensures conflicts are appropriately disclosed and managed. Reports to Management Committee. <p>Non-Executive Members</p>
Investment Committee	<ul style="list-style-type: none"> Considers investment decisions for fund vehicles and segregated accounts. Oversees financing requirements for those investments. Makes exit recommendations. Reviews investment parameters and strategies for fund vehicles and segregated accounts. <p>Non-Executive Members</p>
Operating & Risk Committee	<ul style="list-style-type: none"> Identifies the nature and extent of significant risks facing MCM and mitigation plans. Oversees: Finance, Risk, Corporate Services, Insurance, Legal, Compliance, HR and Business Continuity. Considers appointment of auditors and the integrity of financial information and audit controls. Reports to Management Committee.



Workers

Mitheridge seeks to provide **best-in-class support for its team**. We hope to create an environment where people feel supported and valued, and with energy and purpose around a shared vision for the future.

Our **family-friendly policies** go above and beyond statutory requirements, with enhanced maternity / paternity and shared parental leave policies.

Team members are offered an independent and confidential health assessment. There are **24-hour mental health services** available to all employees through our extensive private health insurance.

Over the past year we've implemented **several benefits for employees** which include long-term incentives. These are important to us, and all employees receive Carry interest in our Funds.

We have **expanded the training and development opportunities** offered to all Partners and employees, to include third party training courses in person and online, as well as one-to-one mentoring and coaching services with industry specialists.

For the year ahead, we are looking at **how we can improve these policies further**, including looking at increasing annual leave allowance, and further enhancing wellbeing strategies.



The Team



Monetary **bonuses** and **long-term incentives** to all full and part-time staff



25% of employees use the **Cycle to Work Scheme**



2 additional **volunteering days** available per year



Enhanced **family friendly policies**



Complementary **personal training sessions** per year



Monthly **team lunch** & quarterly team **outings**



2 days a week optional **hybrid working**



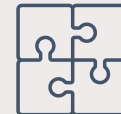
Health benefits – life insurance, health and dental insurance



Third Party mentoring, conferences and other Training & Development opportunities



Salary sacrifice **electric car policy**



Mitheridge Foundation **match giving**



Free health assessment available to all employees



Mitheridge Team Charity Walk

The Mitheridge Team walked **21.3 miles across London** on 29 September 2023 to raise money for CAYSH's Working My Way Up project. Collectively the team raised over £7.5k and it was a great effort from all. The team started at Project Zodiac and finished at Project Stirling.



Project Stirling

Location: Hackney Wick



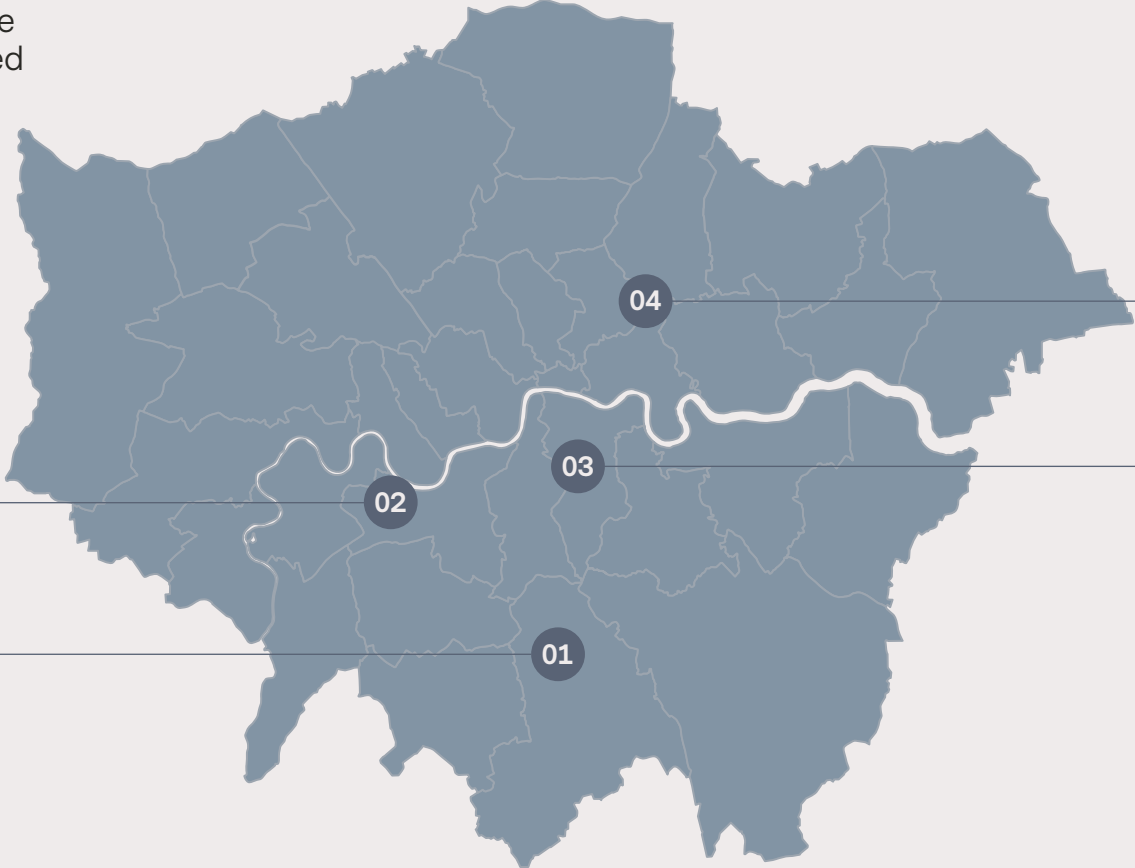
Project Noble

Location: Wandsworth



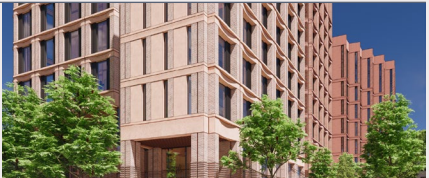
Project Zodiac

Location: Croydon



Project Yard

Location: Loughborough Junction



Our location

Mitheridge Capital
Management LLP

1 Chesterfield Street, London W1J 5JF
+44 (0)20 3588 0500
InvestorRelations@Mitheridge.com
www.mitheridge.com

Certified



Corporation

Registered number: OC392476.
Mitheridge Capital Management LLP is
authorised and regulated by the Financial
Conduct Authority. FRN Number: 749911.

