



ORION
CAPITAL
MANAGERS

ESG Report 2023

Environmental, Social, and Governance

Contents

3

About This Report

4

Message From Our Founding Partners

5

About Orion Capital Managers

8

Our Philosophy

9

Our Approach to ESG

11

Our Commitment to ESG

12

Our ESG Strategy

15

Our Environment

23

Our Social

29

Our Governance

32

Our ESG Performance Measures

37

Disclaimer

About This Report

This ESG Report covers the Environmental, Social, and Governance (ESG) activities, achievements and commitments of Orion Capital Managers LLP ('Orion'), headquartered in London, for the **calendar year ending 31 December 2023**.

The purpose of this report is to provide investors and stakeholders with an overview of Orion's ESG strategy, commitments and achievements as it relates to the real estate portfolio and investments, covering the firm's activities.

Orion publishes this annual **ESG Report** aligned with INREV reporting guidelines.

For questions and comments on our sustainability performance, please contact us at info@orioncapman.com



Mellini, Rome, Italy

Message From Our Founding Partners

Welcome to our second ESG Report, highlighting the progress and achievements made throughout the 2023 calendar year and outlining our priorities for 2024 onwards.

This has been an exciting year for Orion-managed funds, marked by the pre-let of our Panorama St Paul's office retrofit in London to a high-profile corporate tenant in one of this decade's largest leasing transactions. Together with the sale of our recently refurbished LEED Gold-certified Mellini Hotel in Rome, at a record-setting price, these projects demonstrate the positive relationship between financial value and responsible stewardship when carefully delivered by a highly experienced team.

Throughout 2023, we progressed in the development of our ESG strategy framework, establishing sustainability targets to enhance our environmental performance, transparency, and accountability. We recognise that this requires an ongoing commitment to address the evolving needs of our stakeholders, and this ESG Report outlines the intended approach so that we can continually assess our progress in an open manner.

Orion also actively prioritised sustainable asset and development management in 2023, placing a strong emphasis on enhancing systems and practices. Going forward, we will continue to endeavour to deeply ingrain sustainability in our decision-making processes across management levels. In addition to addressing environmental concerns, we acknowledge the vital importance of nurturing the human side of our business. We actively foster a culture of equality and inclusion among our employees, tenants, and communities.

This ESG Report celebrates our endeavours to enrich the communities in which we operate, and we extend our appreciation to our people and partners for their collaborative commitment to our shared goals.

Founding Partners
Orion Capital Managers LLP



“The team’s calibre and experience enable speed and flexibility in our investment decisions – and a commitment to consistently add value.”

Aref Lahham, Founding Partner

Orion Founding Partners: Van Stults, Aref Lahham, and Bruce Bossom

About Orion Capital Managers

Founded in 1999, Orion Capital Managers LLP is a **pan-European real estate private equity firm** wholly owned by its Senior Management Team. This includes our three Founding Partners: Aref H. Lahham, Van J. Stults, and Bruce C. Bossom.

As specialists in European commercial real estate investment management, we serve major investors globally. Committed to delivering consistent performance to our long-standing partners, we invest across the full spectrum of European commercial real estate, including direct assets, listed and private companies, as well as real estate debt.

With offices strategically located in London, Madrid, Milan, Luxembourg, and Paris, our firm boasts a **highly experienced team spread across Europe**, with an average employee tenure of more than 11 years. Leveraging our extensive market knowledge and expertise, we access value across real estate asset classes and investment structures.

“Central to Orion is the absolute alignment between the entire team and our investors.”

Van Stults, Founding Partner

90 Investments

6 Funds

Total Capital Raised €5.3 billion

216 Properties

Total Floor Area >5 million sq m

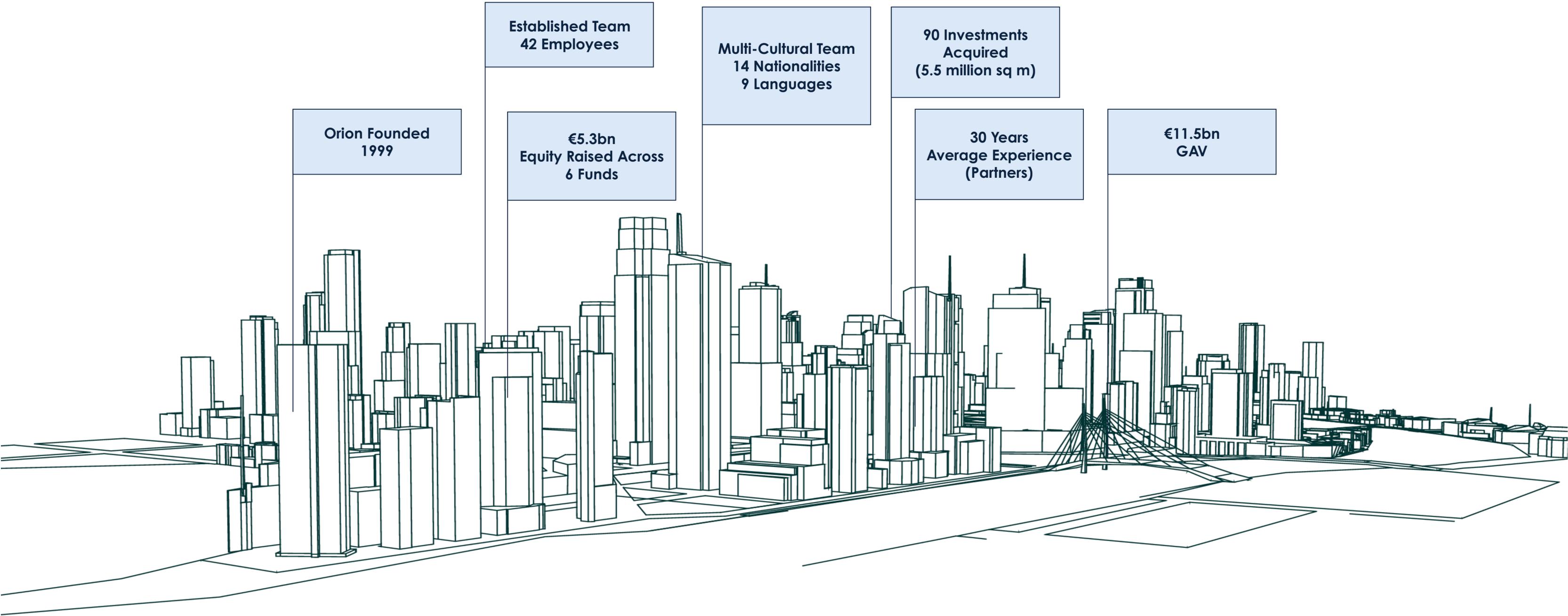
33 Developments

Total Floor Area 1.1 million sq m

Total Gross Asset Value

€11.5 billion

Our Assets



Our Philosophy

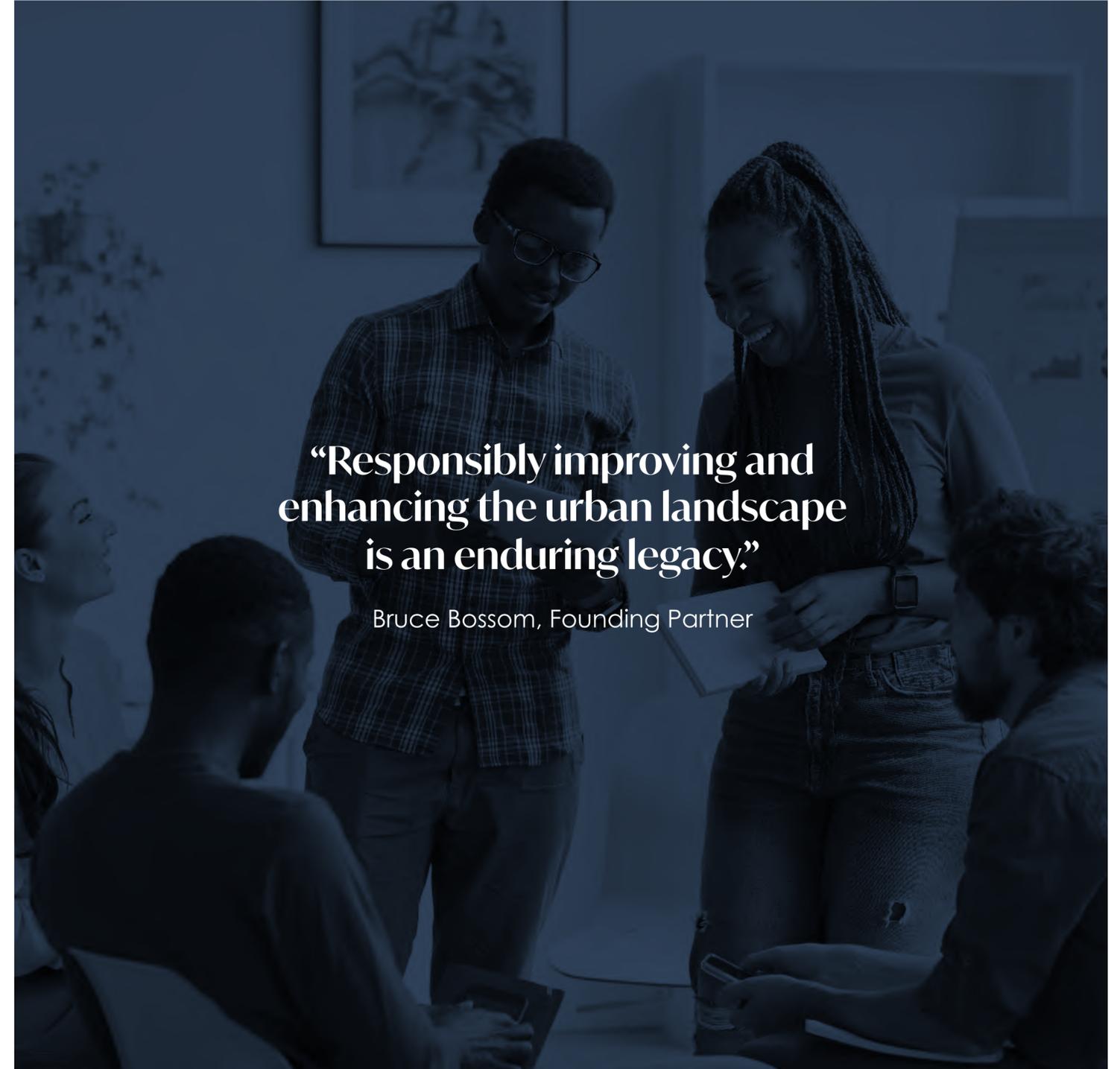
Disciplined and focused, we adopt a collegiate, entrepreneurial approach founded on profound market knowledge and a presence in the principal markets to capture opportunities and optimise value for our investors. At Orion, we embrace **four core tenets**.

A highly motivated and experienced team dedicated to delivering performance

Enriching the urban landscape through our passion for design and the environment

Seizing opportunities by challenging conventions, navigating cycles, and creating value

Upholding the fundamental values of integrity, transparency, and trust in our relationships



“Responsibly improving and enhancing the urban landscape is an enduring legacy.”

Bruce Bossom, Founding Partner

Our Approach to ESG

We firmly believe in understanding and addressing the environmental, social, and governance (ESG) impacts of our business activities. As responsible corporate citizens, we uphold a duty of care to our stakeholders and the environment within which we operate.

Our approach is grounded in our **ESG Strategy**, in tandem with our **ESG Policy**, aimed at fostering growth throughout the business while acknowledging our responsibilities to stakeholders and the environment.

Aligned with our strategic business objectives to create long-term, sustained value, our ESG Strategy revolves around **four core ESG pillars**.



Core ESG Pillars

Deliver long-term sustainable outcomes for our stakeholders

Environment

Invest in smart solutions and materials management to increase efficiencies and reduce our impact

People and Culture

Prioritise the engagement, wellbeing, and development of our people, empowering them to reach their true potential

Tenant and Community

Foster robust value-added partnerships with our stakeholders

Governance and Transparency

Ensure transparency, accountability, fairness, and equity in our business operations and their impact

Our Investment Categories

As an opportunistic pan-European fund manager, we embrace a thoughtful approach to our ESG strategy. This ensures that our methodology is precisely tailored to accommodate the diverse nature of our core underlying **investment categories**.

1. Comprehensive Refurbishments

Our comprehensive refurbishments revitalise brown assets, enriching them with innovative and sustainable design and construction practices to elevate their standards to unmatched excellence. Our approach ensures transformative outcomes, guided by the following **principles**.

Embrace a retrofit-first approach to diminish and offset the environmental impact of our development activities.

Prioritise social wellbeing by incorporating amenities that attract and retain high-quality occupiers.

Collaborate with local authorities to benefit the broader community.

Target BREEAM Outstanding certification where it enhances value.

Upon stabilisation, these projects are typically sold to long-term core investors drawn to their outstanding sustainability credentials and “future-proof” investment profile. Longer-term monitoring of the building’s operational performance and tenant data is generally undertaken by the subsequent owner on a turn-key basis, having been provided with all necessary infrastructure by Orion.

2. Income-Producing Assets

Our income-producing assets comprise properties that currently generate an attractive cash flow stream. This is evident in several of the retail holdings across our funds, thanks to the application of the following **principles**.

Strive to maximise the sustainability credentials of areas under landlord control, and report on Scope 1 and 2 emissions data.

Engage with tenants to promote the adoption of sustainable practices, focusing on water usage and waste management.

Aim to establish a net zero pathway, if feasible, during the holding period.

If the steps necessary to achieve the net zero pathway do not align with the investment horizon outlined in our business plan, Orion is committed to sharing relevant analysis and insights with the next buyer. This commitment reflects our dedication to transparency and stewardship.

3. Corporate Ownership and Structured Transactions

Our corporate ownership and structured transactions encompass the indirect acquisition of real estate through debt or equity investments in private or publicly-listed real estate companies, or through portfolios of real estate loans. This is achieved by adhering to the following **principles**.

The underlying exposure of these portfolio investments is anticipated to align with our ESG strategy. For instance, the approximately 30% ownership stake held by an Orion fund in Spanish residential developer Neinor Homes exemplifies this alignment. Neinor Homes was acknowledged in 2023 by Morningstar’s Sustainalytics as the global listed developer with the lowest ESG risk for the third consecutive year.

Portfolio transactions at times involve acquiring non-strategic assets to access attractive opportunities aligned with the fund’s investment objective. In such cases, conducting a comprehensive ESG due diligence exercise on the entire portfolio may not be feasible due to tight timelines and limited information availability during competitive processes.

However, Orion is committed to identifying subsections of a portfolio that have not undergone comprehensive assessment, with the intention of completing this assessment on best-efforts shortly after closing. Any assets found not to align with our approach will be divested.

While there is a compelling business case for enhancing ESG credentials, our focus remains on executing business plans that maximise risk-adjusted returns for investors. That is why we have decided against incorporating GRESB assessments into the portfolio holdings of our funds, as this process has proven challenging due to the dynamic nature of our investments.

Our Commitment to ESG



Core ESG Commitments

Reduce and mitigate the environmental impact of our development activities, striving to add value through innovative and sustainable design and construction

Actively support and contribute to local initiatives and opportunities within the communities in which we operate, creating shared value

Ensure contractors and suppliers adhere to the highest ethical and sustainable policies of employment, production, and service delivery

Strengthen and support the skills and personal development of our team

Address the fundamental issues of climate change and sustainability by integrating our stewardship into the investments we make

Our ESG Strategy



Orion recognises that ESG factors play a pivotal role in enhancing asset value and retaining investors, as they lead to improved leasing and investment sale prospects. By implementing effective ESG measures, we aim to attract and retain the highest quality tenants, thereby directly enhancing asset value.

Opportunistic capital is integral to **revitalising brown assets** that are no longer fit for purpose. It is also crucial to invest capital in maintaining or regaining best-in-class status. Orion not only possesses an opportunistic mandate but also boasts extensive experience in transforming brown assets into best-in-class green assets.

Our objective is to develop resilient real estate that sustains occupational demand while integrating ESG considerations into the investments. We aim to foster greater community cohesion through the ongoing engagement efforts of Orion's team members, potentially formalising partnerships to amplify our impact. Furthermore, we're committed to setting clear, measurable long-term ESG objectives aligned with the Firm's overarching strategy.



Around 80% of the buildings expected to be occupied by 2050 already exist, making the **decarbonisation of existing stock a top priority**.¹ Currently, buildings account for 39% of global energy-related carbon emissions: 28% from operational activities (such as heating, cooling, and powering) and the remaining 11% from materials and construction.²

To craft informed decisions and customised sustainability strategies for assets, the acquisition of accurate ESG data is crucial. Understanding building performance is key, which is why Orion regularly monitors and analyses the performance data of the investment for which the Firm is responsible.

Acquisition and development checklists collect data and information about our buildings. Analysing this data identifies several readiness stages for implementing transition activities. Orion is committed to accelerating this transition to provide efficient and resilient buildings.

¹ <https://ukgbc.org/our-work/climate-change-mitigation>

² <https://worldgbc.org/article/bringing-embodied-carbon-upfront>

ESG Investment Model

Sustainability is fully integrated into Orion's investment model. We create value for investors by repositioning under-utilised real assets and investments, in addition to implementing environmental, wellbeing, and public realm improvements.

"The responsibility of legacy" at Orion underpins our commitment to providing world-class buildings that create a sense of community value and engagement long after developments are completed.

Our ESG Strategy embodies our ambition to reduce our environmental footprint and to have a positive, sustainable impact wherever we work.



ESG Initiatives

Orion has developed an **Environmental Management System (EMS)**, aligned with the internationally recognised standard ISO-14001, which will facilitate the structured implementation of our sustainability objectives and targets.

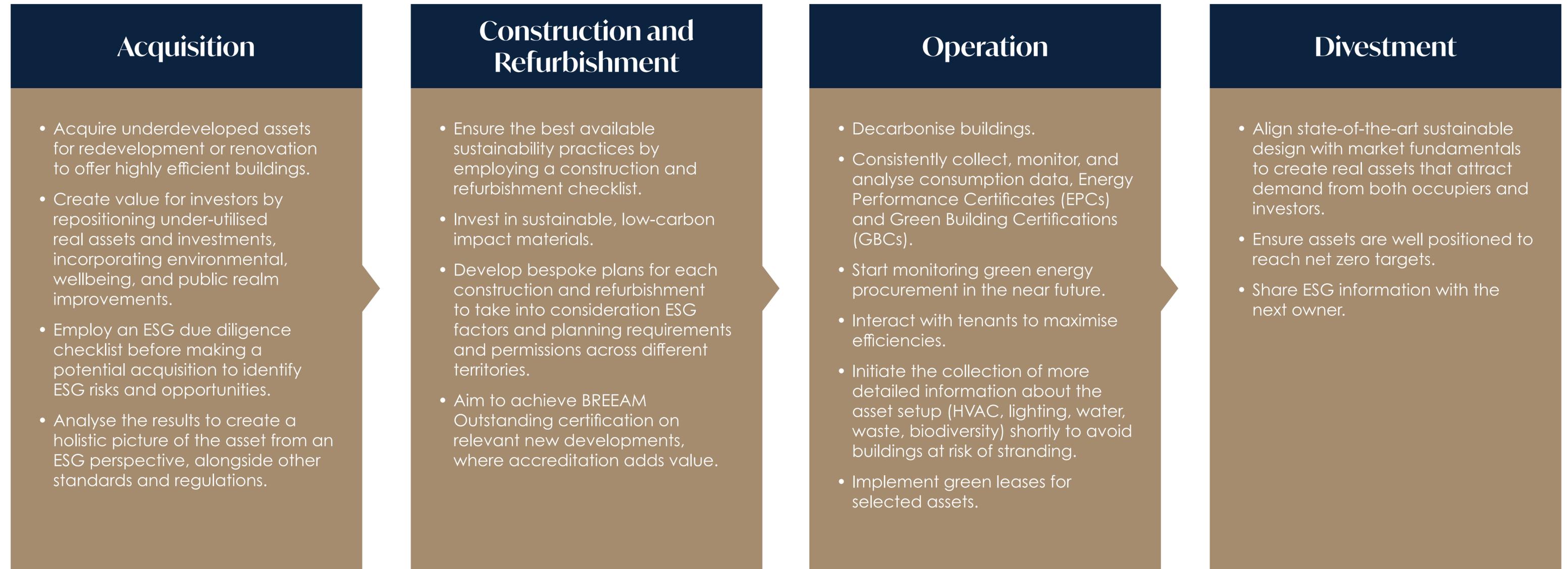
This framework will assist in the development and continual improvement of our environmental performance to benefit our business, stakeholders, and ultimately, society.

ESG encompasses a broad range of issues with direct and indirect material impacts on the risk/return characteristics of real estate investments. Our **Core Pillars** set out four commitments on several ESG issues. This list is by no means exhaustive, and we will be guided by our ESG Strategy to continually improve our ESG processes across material issues.



Investment Life Cycle

Orion will aim to seamlessly integrate ESG principles across the real asset investment life cycle, from acquisition through to divestment.



Our Environment

Orion is committed to building an exceptional, sustainable, and resilient real estate portfolio. We prioritise investments in climate-resilient, energy-efficient properties, aiming to minimise carbon emissions through both operational and embodied means. Embracing renewable energy sources, both on- and off-site, is integral to our ESG Strategy. Moreover, we collaborate across the value chain to accelerate the transition to a low-carbon economy, serving the interests of our investors.

Recognising the reliance of our business on natural resources, we understand the critical importance of their resilience for creating long-term value and delivering financial returns. We acknowledge our responsibility to reduce the environmental impact of our operations, striving for sustainable resource usage and minimising waste and carbon emissions to levels that can be safely absorbed by the environment.

Our commitment extends beyond our direct control; we engage with supply chain partners, contractors, tenants, and the wider community to address climate change, reduce waste, manage water sustainably, and safeguard biodiversity. Together, we're dedicated to creating a more sustainable future (see **Table 1** on page 18).

Environmental sustainability is integrated into the management of our property portfolio and development projects through **several core environmental measures**.

Core Environmental Measures

Invest in new properties, opportunities, and conduct fund management due diligence audits with a focus on environmental considerations

Establish environmental performance baselines and minimum requirements

Set environmental performance targets and minimum standards for developments

Implement ongoing environmental targets, programmes, and plans for asset operations

Communicate with stakeholders, including property managers, tenants, and investors, on performance and best practices

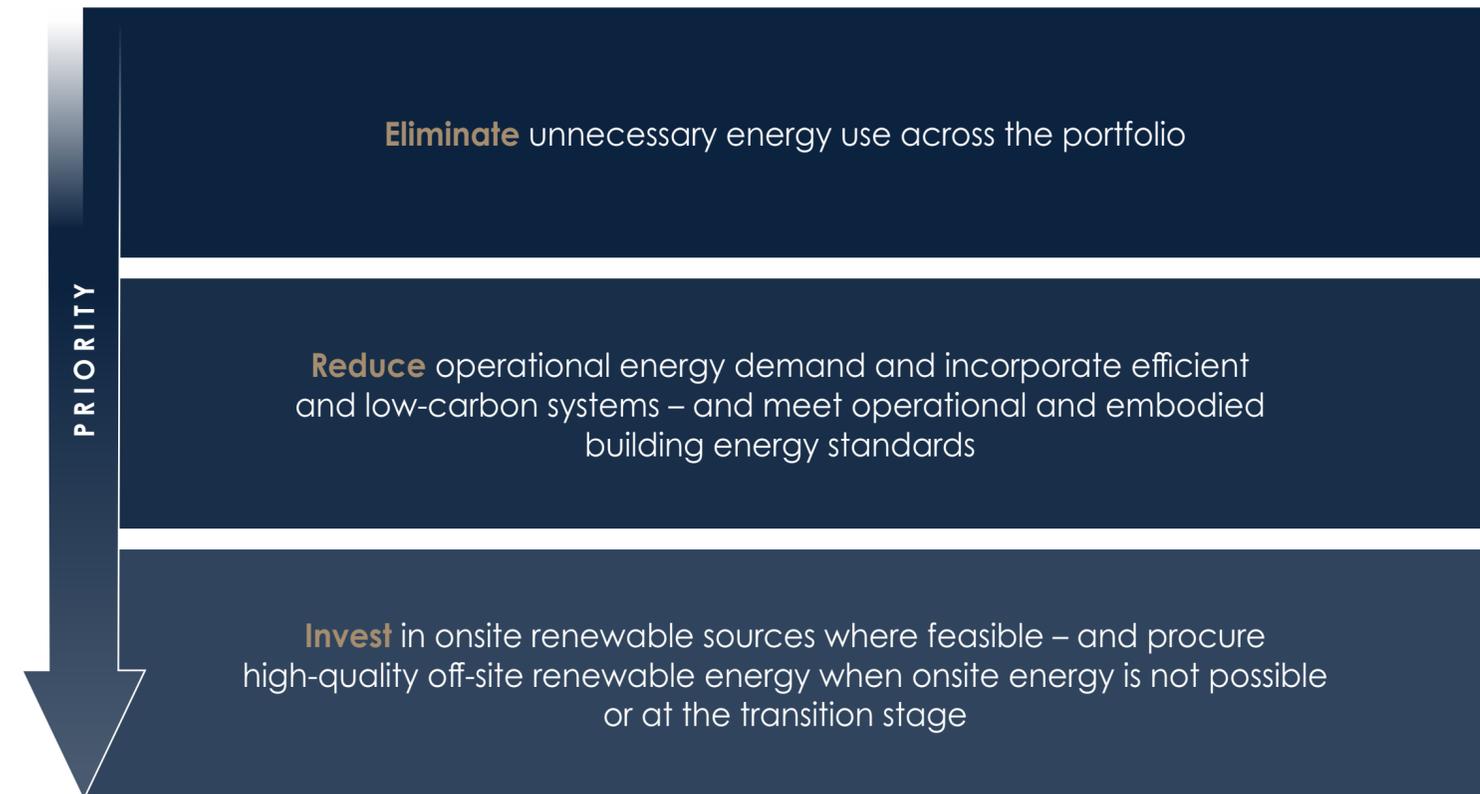
Orion collaborates with key partners and stakeholders across properties and projects to set environmental objectives, develop detailed plans, and implement them effectively, while continuously measuring performance.

We target **BREEAM Outstanding** on relevant new developments, leveraging certification to enhance value. Insights gained from rated projects are disseminated across the portfolio. Presently, several of our development projects are targeting BREEAM certification.

Decrease Energy and Carbon

Orion prioritises decarbonisation and climate resilience through regular monitoring of energy use across assets, investing in energy-efficiency strategies and promoting tenant behavioural changes aimed at energy savings. Our monitoring and targeting programmes aim to decrease energy use in the first instance, reinforced by the subsequent installation of energy-efficient systems and technologies.

Additionally, we identify possibilities for installing onsite renewable energy and encourage the procurement of high-quality off-site renewable energy. Orion fosters collaboration across its value chain to accelerate the transition to a low-carbon economy.



Decarbonise to Net Zero



Conserve Water

Orion collaborates with its partners to enhance water efficiency by minimising wastage and utilising water harvesting or recycling where feasible. We regularly monitor water usage across assets and actively implement water-saving measures, including installing water-efficient showers and taps.

Reduce Waste

Orion collaborates with partners from the outset of each investment, aspiring for solutions that reduce waste through design and construction, applying the waste management hierarchy.

Where this is not possible, our priority is to maximise the value of materials throughout their lifecycle. We educate our tenants about the importance of reducing waste sent to landfill, reusing, and recycling materials to contribute to the transition to a circular economy.

When developing and retrofitting assets, our focus lies in conserving existing materials and selecting suppliers that exclusively source materials from sustainable and ethical sources. Orion acknowledges that reliance on non-renewable new materials should be replaced by investing in renewable, sustainable, and locally sourced materials, which boast a lower carbon footprint.

Enhance Biodiversity

Orion ensures the continued protection of local ecology, including biodiversity and habitats within the investments by preventing pollution and using resources in the most sustainable manner possible.

We acknowledge that the built environment can disrupt the natural environment and biodiversity. Therefore, we aim to conduct biodiversity and habitat surveys and ensure that assets are located outside of protected areas.

We will collaborate with ecologists to develop optimal plans to minimise disruption to the environment and enhance biodiversity. This may involve initiatives such as planting local plants, establishing wildflower meadows, trees, and shrubs, as well as developing green roofs with pollinating and native plants.

Table 1: Our Environment: Now and Next

Area	Objective	Actions	2023 Performance	Next Steps
Energy and Carbon	Reduce energy consumption and carbon footprint	<p>Measure and monitor energy consumption on an ongoing basis.</p> <p>Invest in energy-efficient technologies to transition to a low-carbon economy.</p> <p>Adhere to the energy hierarchy to reduce consumption.</p> <p>Invest in renewable energy.</p> <p>Assess individual asset performance and tailor the sustainability plan.</p>	<p>Measured and monitored energy and carbon data for operational assets.</p> <p>Invested in energy-efficient technologies for new development and renovation projects.</p> <p>Began assessing individual asset performance and tailoring bespoke sustainability plans.</p> <p>Detailed information on our energy and carbon performance can be found in Our Measures (page 33).</p>	<p>Tackle Scope 3 emissions, including tenant utilities and embodied carbon.</p> <p>Set Net Zero Carbon targets.</p>
Water	Reduce water consumption	<p>Measure and monitor water consumption regularly.</p> <p>Invest in water-efficient technologies.</p> <p>Reuse water where possible.</p>	<p>Measured and monitored water data for operational assets.</p> <p>Invested in water-efficient technologies for new development and renovation projects.</p> <p>Detailed information on our water performance can be found in Our Measures (page 33).</p>	<p>Encourage property managers to conduct training sessions on water conservation methods.</p> <p>Encourage tenants to implement water reuse and recycling strategies.</p>
Waste	Apply waste hierarchy to achieve zero waste to landfill	<p>Collaborate with partners to divert 100% of waste from landfill.</p> <p>Invest in circular economy solutions.</p>	<p>Collaborated with partners to ensure the waste hierarchy is applied and sites comply with waste-related regulations and permits.</p>	<p>Regularly collect and monitor waste data.</p>
Biodiversity	Protect natural environment	<p>Enhance local biodiversity. Target minimum 10% of Biodiversity Net Gain at relevant developments.</p>	<p>Discussed biodiversity regulations with architects and ecologists.</p>	<p>Conduct biodiversity and habitat surveys.</p> <p>Incorporate biodiversity enhancements strategies into developments and major refurbishments.</p>
EPCs and GBCs	Comply with EPC regulations and target GBCs	<p>Monitor EPCs and review ratings.</p> <p>Target GBCs (e.g., BREEAM) at relevant assets.</p>	<p>Monitored EPC and GBC coverage. Several development projects have been targeting GBCs.</p>	<p>Target 100% EPC (or equivalent) and GBC coverage.</p>
Materials	Invest in sustainable, high-quality, innovative materials	<p>Select sustainable, high-quality, innovative materials.</p> <p>Select appropriate materials, minimise usage, and repurpose surplus materials to generate value.</p>	<p>Used a construction and refurbishment checklist to select sustainable, high-quality, and innovative materials only.</p>	<p>Prioritise regeneration of existing materials to reduce dependency on new materials.</p>
Climate Risks and Opportunities	Monitor and manage physical and transitional climate risks	<p>Leverage the Environmental Due Diligence checklist to evaluate risks and opportunities pre-acquisition.</p> <p>Assess assets for physical risks (e.g., flooding or heat stress) regularly during operations.</p> <p>Map assets for stranding risk to identify and implement the optimal decarbonisation pathway for each asset.</p>	<p>Completed a climate resilience assessment across RCP4.5 and RCP8.5 scenarios. Started mapping assets against the risk of stranding.</p>	<p>Complete mapping assets against stranding risk.</p> <p>Establish a process to actively manage physical and transition risks.</p>



Waterfront Genoa, Italy

Embrace Sustainable Investment and Risk Management

Orion recognises that climate-related risks and opportunities will inevitably impact its investment strategy and financial planning. That's why we're committed to addressing the fundamental issues of climate change by integrating ESG considerations into our investment decisions. This involves investing in climate-resilient, energy-efficient properties, minimising carbon emissions (embodied and operational), utilising renewable energy sources onsite and off-site, and collaborating across the value chain to accelerate the transition to a low-carbon economy.

Orion assesses and monitors risks and opportunities within a standard planning horizon, conducting physical risk assessments before potential acquisitions to ensure assets are not located in high climate risk areas.

Through continued development and evolution of screening and due diligence practices, Orion continues to improve and refine how it considers investments in the context of likely financial and non-financial risks, recognised social norms, laws and regulations, its purpose, values, and ethical stance, as well as those of its clients and customers.

Identify Transitional and Physical Climate Risks

We will start to track short- and long-term climate-related risks and, where appropriate, respond to them. We will continue to perform physical climate risk assessments for potential assets.

The materiality of different climate challenges is determined by analysis of both transitional and physical climate risks. The most material risks are those likely to have the most severe impact on investments and communities in the short- to long-planning horizon (see **Table 2** on page 21).

Risks and opportunities are reviewed before acquisitions. Information on identified risks and opportunities collected through our due diligence environmental process informs acquisition decisions and feeds into the development of our property sustainability business plans (see **Table 3** on page 21).



Table 2: Transitional Climate Risk: Impact and Actions

Category	Description and Financial Impact	Actions
Policy and Legal	<p>Higher GHG pricing and stricter carbon regulations may raise operating costs due to increased compliance expenses.</p> <p>Legal and policy changes could necessitate write-offs and early asset retirements.</p>	<p>Measure and monitor energy consumption regularly.</p> <p>Invest in energy-efficient technologies to transition to a low-carbon economy.</p> <p>Adhere to the energy hierarchy to reduce consumption.</p> <p>Invest in renewable energy.</p> <p>Assess individual asset performance and tailor the sustainability plan.</p>
Technology	<p>Transitioning to lower emissions technologies may affect returns due to increased costs, stemming from high R&D expenditures in new tech or expenses related to deploying new tech and practices.</p>	<p>Implement a strategy to identify the assets most suitable for low-carbon technologies.</p>
Market	<p>Raw material costs may rise, market signals could become more uncertain, and demand for non-resilient buildings might decrease among customers.</p> <p>Returns could be impacted by unexpected fluctuations in energy costs or the repricing of existing assets, such as changes in land valuations.</p> <p>Tenant demand for non-resilient buildings may decline.</p>	<p>Research opportunities for installing onsite renewable energy to ensure uninterrupted energy supply in the event of future energy disruptions and rising energy costs.</p>
Reputation	<p>A shift in consumer preferences and heightened stakeholder concern about climate risks may lead to reduced revenue due to decreased demand for goods and services.</p> <p>Potentially a decrease in capital availability for non climate-resilient assets.</p>	<p>Regularly and transparently disclose ESG Strategy and actions.</p> <p>Disclose both energy use intensity and carbon intensity to measure asset energy performance against decarbonisation expectations.</p>

Table 3: Physical Climate Risk: Impact and Actions

Category	Description and Financial Impact	Actions
Acute Escalating severity of extreme weather events (such as floods)	<p>Increased capital costs caused by physical damage of assets.</p> <p>Added investment needed to enhance building resilience to physical climate risks (such as safeguarding electrical and mechanical systems).</p> <p>Increased investment necessary to protect communities impacted by physical climate risks (such as constructing floodwalls).</p> <p>Increased insurance premiums and potential decrease in insurance availability for assets in high-risk areas.</p> <p>Decreased revenue stemming from lower production capacity (such as supply chain interruptions).</p> <p>Write-offs of existing assets due to property damage.</p>	<p>Review assets for vulnerability to extreme weather events using Moody's risk assessment – CRREM assessment is integrated to monitor assets against stranding risk.</p> <p>Capital considerations for acquisitions and development include installing infrastructure around buildings to shield them from physical climate risks (such as flooding).</p>
Chronic Changing precipitation patterns, increasing mean temperatures, and rising sea levels		

Environmental Case Study: Mellini Hotel, Rome, Italy

Project Overview

Following thorough negotiations with the previous Italian family owners, Orion successfully acquired the vacant Palazzo Salviati Cesi Mellini, an 18th-century building nestled in the historic core of Rome, just a short walk from the Trevi Fountain.

Acquired in 2019 with existing planning permissions for conversion, the property underwent a transformation into a luxurious hotel.

After conducting a competitive selection process, Orion entered into a management agreement with Six Senses Luxury Hotels to spearhead the conversion project. The result is a new five-star, 97-room hotel, featuring a rooftop terrace, a charming courtyard bar, an impressive Six Senses SPA, and a state-of-the-art fitness centre.

The project achieved **LEED Gold** from the U.S. Green Building Council. **LEED** (Leadership in Energy and Environmental Design) is the foremost global standard for assessing green buildings. It provides a framework for constructing healthy, resource-efficient, and economically viable structures, which contribute to environmental preservation and societal wellbeing. LEED certification serves as a universally acknowledged mark of sustainability excellence, supported by a community of committed industry stakeholders paving the way for environmentally responsible market transformations.



Mellini Hotel, Rome, Italy

Our Social

Orion cultivates a diverse and inclusive business environment, investing in our team by enhancing their skills and knowledge, thereby fostering a passionate, world-class workforce representing diverse segments of society. Our goal is to foster greater cohesion in community engagement and formally establish community partnerships.

Value People and Culture

Our Social Mission

“To be a talented, bold and ambitious workforce working towards a common vision, and to ensure Orion is an attractive and great place to work.”

At Orion, we're committed to fostering an inclusive, value-aligned culture, characterised by strong leadership, diverse talent, positive employee experiences, and offerings that support holistic employee wellbeing (see **Table 4** on page 24). Additionally, as an employee-owned company, we prioritise collective ownership and empowerment among our workforce.

Diverse and Inclusive Workforce

We understand that leveraging the advantages of a diverse workforce leads to increased innovation and quality outcomes for our stakeholders. We believe this enhances employee engagement and business performance. Currently, 45% of our workforce is comprised of women.

Employee Wellbeing

We're steadfast in our commitment to supporting the holistic wellbeing of our employees. We offer continuous support to enable them to take the time they need to recover from illness and manage their overall wellbeing. Our employees receive sick leave as needed, providing ample time to recuperate from illness or injury.

Encouraging an environment of open communication, we value and promote feedback sharing among our team members. Orion also enhances employee productivity, satisfaction, and wellbeing by providing fortnightly massages through WorkSpa at its London office. Established in 2016 with the backing of The Prince's Trust, a charity Orion supports, WorkSpa helps young people in securing employment or launching their own ventures. Moreover, Orion fosters a vibrant culture where employees can enjoy Firm-sponsored gatherings in Europe.

Investing in People

As a learning organisation, we're deeply committed to the professional development of our employees. We've established robust development, talent, and succession planning programmes that foster a culture where employees actively seek learning opportunities. Our employees understand their responsibilities and how their roles contribute to Orion's business strategy, facilitating transparent, open discussions that align with our values and ultimately drive overall business performance.

Table 4: Our Social: Now and Next

Area	Objective	Actions	2023 Performance	Next Steps
Supply Chain	Implement a Supplier Code of Conduct.	Ensure compliance with the Supplier Code of Conduct across suppliers.	Created a Supplier Code of Conduct.	Conduct regular spot checks on selected suppliers to verify compliance with the Supplier Code of Conduct.
Diversity, Equity, and Inclusion	Create a diverse, equitable, and inclusive (DEI) business.	Fully integrate DEI into business operations and collect and disclose DEI data.	Ensured recruitment process fully recognised DEI values. Collected DEI data.	Create a formal DEI Policy and formalise a process to track relevant DEI metrics. Identify areas for improvement.
Employees	Invest in our team by enhancing their skills and knowledge, fostering the development of a passionate, world-class workforce that reflects the diversity of our society.	Guarantee access to training and volunteering opportunities for employees. Track and report on the number of training and volunteering days per employee – and qualifications attained. Ensure fair distribution of training opportunities among employees, regardless of background or position.	Employees received professional training and opportunities to participate in volunteering activities.	Continue to deliver regular employee training and opportunities to participate in volunteering activities. Continue to invest in personal development of employees.
Charities	Support charitable organisations focused on fostering better societies through initiatives targeting young people and education.	Continue providing support to selected charitable organisations.	Supported selected charities in 2023.	Consider more formal engagement with selected charities.

Engage Stakeholders

Orion recognises the importance of ongoing engagement with both internal and external stakeholders in the transition to a sustainable future. We actively collaborate with stakeholders to understand their vision and promote shared ESG priorities (see **Table 5**).

Table 5: Stakeholder Actions

Stakeholders	Actions
Employees	Establish a workplace that prioritises DEI. Maintain high standards of health and safety.
Tenants	Drive tenant engagement to efficiently and sustainably manage assets.
Investors	Enhance investment value while improving environmental and social performance.
Suppliers	Select suppliers who are committed to ethical business practices, respect human rights, and operate sustainably.
Communities	Develop plans to enhance employment opportunities, climate resilience, and the health and wellbeing of local communities.
Governments and Regulators	Monitor and enforce compliance with laws, policies, and regulations.

Empower Local Communities

Orion emphasises that engaging with local communities is an integral aspect of conducting business sustainably. We actively encourage our team to participate in volunteering projects, and we're committed to ensuring that our assets positively impact communities.

Our evaluation of community impact is integrated into our ESG Acquisition Due Diligence process. Throughout the development phase, we collaborate closely with Tier One Contractors who are part of the Considerate Constructors Scheme. This collaboration is aimed at fostering community cohesion by minimising disruption, addressing concerns, and maintaining cleanliness and safety standards within the local community.

Orion's **Panorama St Paul's** asset in London exemplifies our close collaboration with the local community, we're introducing a local arts programme (see **Case Study** on page 26).

Support Charities

Orion demonstrates an unwavering commitment to supporting its team. The Firm and the Partners support charitable organisations focused on building better societies through initiatives benefiting young people and education.

Scholarships

We fund several university scholarships, providing opportunities for young people to pursue secondary education regardless of financial constraints. We also offer financial support to The Prince's Trust and Chickenshed charitable organisations in London, UK.



Prince's Trust

The Prince's Trust

A charity that helps young people find employment or start their own businesses.



MAGGIE'S
Everyone's home of cancer care

Maggie's

An organisation providing free cancer support and information in centres across the UK and online.



Chickenshed

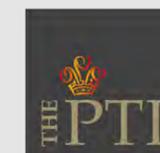
A theatre company that champions diversity and fosters talent to inspire social change.



HERITAGE of LONDON TRUST

Heritage of London Trust

An independent charity that assists in rescuing historic buildings and monuments in London.



Professional Teaching Institute

A charity that provides a wide range of CPD courses for teachers focused on developing specialist subject knowledge.



ULI Urban Institute

An initiative that supports social mobility and fosters success within the property sector by engaging students from diverse backgrounds.

Social Case Study: Panorama St Paul's, London, UK

Project Overview

Panorama St Paul's represents a comprehensive repositioning of the former British Telecom headquarters in the City of London. The building will offer 556,000sq ft of state-of-the-art office space adjacent to St Paul's Cathedral.

The asset will feature extensive amenities, including a gym, a swimming pool, end-of-trip facilities, multiple landscaped terraces, and rooftop gardens.

The project follows a holistic approach to low energy, zero carbon, and human-centric design, ensuring best-in-class environmental credentials. Compared to new construction and considering the whole life carbon of the asset, Orion estimates a projected saving of 282kgCO₂/sq m (equivalent to planting around 120,000 trees) by retaining and reusing 70% of the existing building's structure.

Panorama St Paul's is **targeting NABERS 5***, **BREEAM Outstanding**, **WiredScore Platinum**, and **WELL Platinum** certifications, with practical completion in 2025.



Social Case Study: Panorama St Paul's, London, UK

Creating Greyfriars Square

Orion recognised an opportunity to rethink and transform the St Paul's gyratory – a road system encircling Panorama St Paul's – in order to create the largest new public square in the City of London. The new Greyfriars Square will span more than 3,000sq m and address a specific need within the local community for green space and seating (the area ranks in the bottom decile for access to green space in the Indices of Multiple Deprivation). Notably, it will be the first square created in the area for about a century. The square will also improve air quality and safety for cyclists and pedestrians in alignment with the City of London's 'Vision Zero' targets, while improving accessibility to Panorama St Paul's.

Enhancing St Paul's Cathedral Visibility Accessibility

As part of the project, Orion will make a financial contribution to St Paul's Cathedral to fund new external lighting, enhancing visibility for the public. We will also support the establishment of a new café and restaurant, as well as the implementation of an educational programme. This will facilitate school trips for students from disadvantaged backgrounds, fostering inclusivity and broadening access to the Cathedral's rich heritage.

Unlocking Urban Connectivity and Digital Art to the Public

Orion is creating an internal street to open previously inaccessible space and enhance connectivity, enabling the public to move through the building from east to west. This new internal street will feature an expansive digital art wall throughout.

We've signed Heads of Terms to establish an exclusive partnership with a renowned multi-arts and conference venue. This collaboration aims to curate original content for the digital art wall, enriching the space with a vibrant cultural flair and public access to the arts.



Panorama St Paul's, London, UK

Panorama St Paul's, London, UK



Our Governance

Orion seamlessly integrates ESG factors into every stage of the investment process and business decision-making. Our rigorous governance policies and procedures serve as the framework for sustainability management across the business. We transparently disclose our actions in annual reporting (see **Table 6**).

Table 6: Our Governance: Now and Next

Area	Objective	Actions	2023 Performance	Next Steps
Responsible Investment	Enhance ESG integration across investment processes and business decisions.	Apply ISO-14001 aligned EMS to inform business decisions.	Created ESG Policy, Acquisition, Construction and Refurbishment checklists.	Further develop EMS Policies to drive continual improvement.
Reporting	Measure and disclose ESG performance.	Conduct annual INREV-aligned reporting. Participate in UN PRI.	Participated in UN PRI: Achieved 4 Stars in all categories. Published first INREV-aligned ESG Report.	Continue to participate in UN PRI and aim to at least maintain or increase score. Continue publishing INREV-aligned ESG Reports.



Strengthen Sustainability Management

Strong governance policies and procedures serve as the foundation for sustainability management across our business. We acknowledge risk management, including ESG risks, is the responsibility of the Partnership, ESG Committee, management, and team members. Recognising the importance of strong ESG leadership, we emphasise that leadership from the Partnership down is critical to effectively integrating ESG management and performance into our business.

Corporate governance plays a pivotal role in shaping how our objectives are established and accomplished, how risk is monitored and evaluated, and how performance is optimised. We conduct our operations in a manner that ensures risks are identified, assessed, and managed effectively to instil investor confidence and fulfil stakeholder expectations.

Our EMS targets significant environmental impacts for the development and management of our portfolio, encompassing carbon emissions to air, releases to water, material usage, and waste generation. This system facilitates continuous improvement in the environmental performance of each asset. It includes detailed environmental plans with goals and strategies for process enhancement, fostering innovation and change, and communicating progress. From a social sustainability perspective, we work to identify key focus areas where we believe we can make the most positive impact for the benefit of our stakeholders.



Governance Case Study: UN PRI 2023

Principles for Responsible Investment (UNPRI) is a global network of investors, supported by the United Nations. It promotes transparency and disclosure in investments. Signatories are encouraged to incorporate ESG factors into their decision-making and disclose their ESG performance. Orion has been a signatory since 2013.

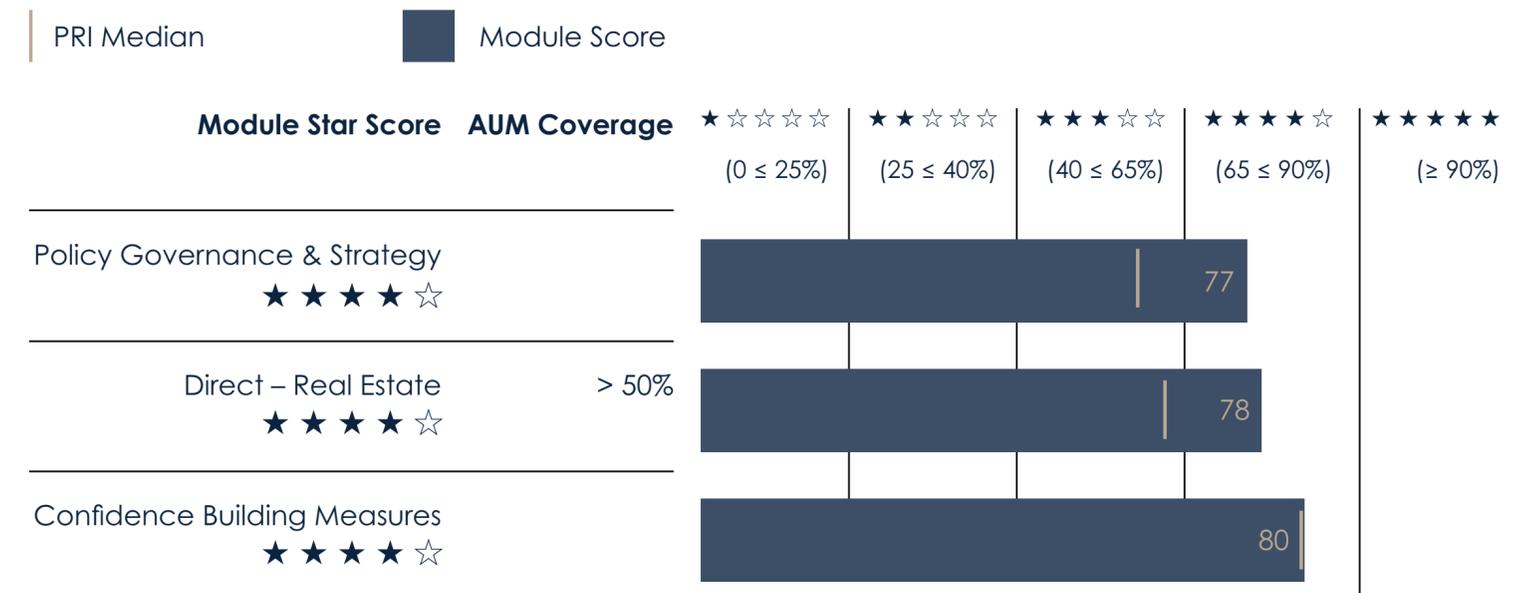
PRI's reporting framework enables investors and property owners to demonstrate their commitment to responsible investment practices and track their progress.

PRI's **6 Guiding Principles** aim to promote a more sustainable global financial system. These flexible, voluntary guidelines enable investors to incorporate ESG challenges into their investment practices to mitigate risks, identify opportunities, and create long-term value for their stakeholders.

Orion is proud to have achieved **4 stars** in **every scored category in 2023**: Policy, Governance & Strategy; Direct – Real Estate; and Confidence Building Measures.

<p>1</p> <p>We will incorporate ESG issues into our investment analysis and decision-making processes</p>	<p>2</p> <p>We will be active owners and incorporate ESG issues into our policies and practices</p>	<p>3</p> <p>We will seek appropriate disclosure on ESG issues by the entities in which we invest</p>
<p>4</p> <p>We will promote acceptance and implementation of the Principles within the investment industry</p>	<p>5</p> <p>We will work together to enhance our effectiveness in implementing the Principles</p>	<p>6</p> <p>We will each report on our activities and progress towards implementing the Principles</p>

Figure 1: Scored Categories



Our ESG Performance Measures

Reporting Boundary Reporting Period

All ESG tables included in this ESG Report detail data for the calendar year from 1 January 2023 to 31 December 2023, accompanied by a comparison against the preceding 12 months. Orion has defined the reporting boundary as Operational Control – and excluded tenant data (Scope 3) from this reporting. Orion will endeavour to obtain tenant data for future reporting.

Methodology

All material ESG sustainability performance measures in this ESG Report use the INREV Reporting Guidelines and country-specific GHG emissions conversion factors for each respective year (2022 and 2023). Data has been collected and analysed for 15 out of 25 assets across three funds as well as for Orion's five offices.

The data has not been collected and analysed for assets in development, undergoing significant refurbishment, or with ownership of less than a 50%. For like-for-like (L4L) measures, all assets not held for the entire two-year reporting period (1 January 2022 to 31 December 2023) are excluded.

Third-Party Validation

This ESG Report has not undergone external assurance by a third party. However, it has been collaboratively prepared with our third-party ESG consultants, **EVORA Global Limited** (see Disclaimer). In the future, Orion will consider obtaining third-party assurance.



Our Offices

Intensity Metrics		Actual		Estimated		Total			
		2022	2023	2022	2023	2022	2023	Change (%)	
Energy	Electricity (KWh)	Landlord procured	112,559	140,406	-	-	112,559	140,406	25%
		Electricity from off-site renewable source (%)	0%	0%	0%	0%	0%	0%	0%
		Electricity from off-site renewable source (%)	0%	0%	0%	0%	0%	0%	0%
	Fuels (KWh)	Landlord procured	32,557	30,283	-	-	32,557	30,283	-7%
		Fuels from off-site renewable source (%)	0%	0%	0%	0%	0%	0%	0%
	Total (KWh)	Landlord procured	145,116	170,690	-	-	145,116	170,690	18%
	Estimated Data (%)	Landlord procured	0%	0%	0%	0%	0%	0%	0%
	Data Coverage (% of total GIA)	Total electricity	100%	100%			100%	100%	0%
Total fuels		100%	100%			100%	100%	0%	
Greenhouse Gas Emissions (GHGs)	tCO2e (Location-based)	Scope 1	6	6	-	-	6	6	-7%
		Scope 2	23	30	0	0	23	30	27%
	Data Coverage (% of total GIA)	Scope 1	100%	100%			100%	100%	0%
		Scope 2	100%	100%			100%	100%	0%
Water	Consumption (m3)	Landlord procured	695	1,260	73	73	768	1,334	74%
		Reused/Recycled (%)	0%	0%	0%	0%	0%	0%	0%
	Estimated Data (%)	Landlord procured	0%	0%	100%	100%	10%	5%	-4%
	Data Coverage (% of total GIA)	Total water	87%	87%	0%	0%	100%	100%	0%

Note on measures: There is no distinction between absolute and like-for-like measures. This is because we held all our own offices for the entire two-year period from 1 January 2022 to 31 December 2023.

Notes on data coverage: For our own offices, the availability of energy and water data was high. Full-year coverage was obtained for all five locations for energy, as well as for four out of five locations for water.

Performance commentary: The decrease in gas consumption at our office locations is due to our London office switching to an electric heating system, which also accounts for the observed increase in electricity use starting in 2022.

Regarding energy, the intensity ratios observed in our 2023 data are lower than typical industry benchmarks. The significant increase in water consumption observed at one of our offices is currently being investigated to determine how efficiency measures can be implemented to improve this next year.

	Intensity Metric	Sector	Total Uplifted		
			2022	2023	Change %
Energy	kWh/m2/year	Office: Other	81	95	18%
Greenhouse Gas Emissions (GHGs)	kgCO2e/m2/year	Office: Other	16	20	21%

Our Investment Portfolio

Performance Metrics		Actual		Estimated		Total			Like For Like			
		2022	2023	2022	2023	2022	2023	Change (%)	2022	2023	Change (%)	
Energy	Electricity (KWh)	Landlord procured	23,717,668	29,096,452	63,506	727,220	23,781,174	29,823,671	25%	21,717,062	23,267,557	7%
		Electricity from off-site renewable source (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
		Electricity from onsite renewable source (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Fuels (KWh)	Landlord procured	2,182,544	2,003,272	67	1,518	2,182,611	2,004,790	-8%	2,174,531	1,977,096	-9%
		Fuels from off-site renewable source (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Total (KWh)	Landlord procured	25,900,212	31,099,724	63,573	728,738	25,963,785	31,828,461	23%	23,891,593	25,244,652	6%
	Estimated data (%)	Landlord procured	0%	0%	100%	100%	0%	2%	2%	0%	0%	0%
	Data coverage (% of total GIA)	Total electricity	98%	98%			100%	100%	0%	87%	87%	0%
Total fuels		93%	93%			100%	100%	0%	95%	95%	0%	
Greenhouse Gas Emissions (GHGs)	tCO2e (location-based)	Scope 1	411	402	0	0	411	402	-2%	410	397	-3%
		Scope 2	7,132	8,670	13	271	7,145	8,941	25%	6,407	6,544	2%
	Data coverage (% of total GIA)	Scope 1	93%	93%			100%	100%	0%	93%	93%	0%
		Scope 2	98%	98%			100%	100%	0%	87%	87%	0%
Water	Consumption (m3)	Landlord procured	547,372	389,451	7,575	7,593	554,947	397,044	-28%	140,377	182,878	30%
		Reused/Recycled (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Estimated data (%)	Landlord procured	0%	0%	100%	100%	1%	2%	1%	0%	0%	0%
	Data coverage (% of total GIA)	Total water	97%	97%	0%	0%	100%	100%	0%	88%	88%	0%

Our Investment Portfolio

	Intensity Metric	Sector	Total Uplifted		
			2022	2023	Change %
Energy	kWh/m2/year	Hotel	27	115	332%
		Lodging, leisure & recreation: indoor arena	-	-	-
		Mixed use: other	30	97	222%
		Office: other	3	1	-69%
		Residential: other	167	144	-14%
		Retail: other	57	52	-10%
Greenhouse Gas Emissions (GHGs)	kgCO2e/m2/year	Hotel	9	40	332%
		Lodging, leisure & recreation: indoor arena	-	-	-
		Mixed use: other	11	36	222%
		Office: other	1	0	-69%
		Residential: other	32	30	-8%
		Retail: other	18	17	-8%

Notes on data coverage: The like-for-like portfolio includes assets with two years of sufficiently complete data for all meters, enabling a like-for-like comparison of their performance. Some estimates were used to fill minor gaps in data availability, enhancing the comparability of the data.

Performance commentary – energy: Consumption has increased by around 23% and 6%, respectively. Some of this increase can be attributed to rising activity and decreasing vacancy at assets in 2023 compared to 2022. However, we will investigate the causes of these increases to better target our energy efficiency efforts going forward. Gas usage has decreased across both the absolute and like-for-like portfolios, which could be due to a transition away from gas heating systems at some of our properties.

Performance commentary – GHG: Overall, Scope 1 emissions have decreased in both the absolute and like-for-like portfolios, in line with the observed decrease in gas consumption.

Our Scope 2 emissions are much higher, as both portfolios primarily depend on electricity. Overall, Scope 2 emissions have increased by around 25% in the absolute portfolio and 2% in the like-for-like portfolio.

Performance commentary – water: The 30% increase in water consumption observed in the like-for-like portfolio is being investigated to determine how efficiency measures can be targeted to improve this next year.

Our Social Metrics

			Total Employees	All Employees (%)	Permanent	Full-Time	Part-Time	Black and Ethnic Minority (%)	
All Employees	Male		24	53%	24	24	0	4%	
	Female		21	47%	21	21	0	19%	
Partners and Above	Male		7	100%	7	7	0	14%	
	Female		0	0%	0	0	0	0%	
Age									
All Employees	< 30 years		4	9%	4	4	0	0%	
	30-50 years		25	55%	25	25	0	9%	
	> 50 years		16	36%	16	16	0	2%	
Partners and Above	< 30 years		0	0%	0	0	0	0%	
	30-50 years		4	57%	4	4	0	0%	
	> 50 years		3	43%	3	3	0	14%	
Region									
UK			26	57%	26	26	0	2%	
France			4	9%	4	4	0	5%	
Spain			3	7%	3	3	0	0%	
Italy			4	9%	4	4	0	0%	
Luxembourg			6	13%	6	6	0	2%	
Tenure			0-4 years	5-9 years	10-19 years	20+ years	Total		
Employees (number)			12	9	15	9	45	2023 Employee Turnover Rate	0%
Employees (%)			27%	20%	33%	20%	100%	2023 New Hires (number)	2
New Hires 2023									
By Age			By Gender				By Region		
< 30 years	0	0%	Male	0	0%	UK	0	0%	
30-50 years	2	100%	Female	2	100%	France	0	0%	
> 50 years	0	0%	Total	2	100%	Spain	0	0%	
Total	2	100%				Italy	2	100%	
						Total	2	100%	

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