

RESPONSIBLE INVESTMENT REPORT 2024











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All figures in this report are correct as at 1st June 2024 unless otherwise stated.

Introduction

We are delighted to share Atrato's inaugural Responsible Investment Report 2024.

At Atrato we focus on asset classes that deliver broader societal returns. We believe we have a duty to uphold responsible investment practices and act in the long-term interests of all of our stakeholders. This belief is reflected in our purpose statement:

Identify and support responsible investment opportunities creating long-term value and contributing to a sustainable future.

We are proud to be signatories of both the Principles for Responsible Investment and the Net Zero Asset Managers initiative. This year we have supported a range of new ESG initiatives across our strategies and refreshed our own approach to ESG at Atrato. We are pleased to share an overview of our approach and actions, aligned with our responsible investment commitments, within this report.

We continue to seek out differentiated investment opportunities that contribute to a sustainable future and we look forward to keeping you updated on our progress.

Atrato Principals

Ben Green Steve Windsor Ben Green

Steve Windsor



About Atrato

Our purpose, our values, our strategies.

OUR PURPOSE

At Atrato we have targeted sustainable investment strategies since our inception, aiming to stand apart from the crowd through not just through our values, but our actions towards individuals, society and the environment.

IDENTIFY AND SUPPORT RESPONSIBLE INVESTMENT OPPORTUNITIES CREATING LONG-TERM VALUE AND CONTRIBUTING TO A SUSTAINABLE FUTURE.

Our Purpose statement









Our CORE values

Our values define our standards, behaviours and beliefs and are key to building our business. We strive to make Atrato a great place to work and to deliver best in class service to our clients and partners.

Collaborative

Working across teams and towards a common goal

Respecting each other

Making Atrato a great place to work and an employer to be proud of Open

Being approachable, having integrity and honesty

Being open to diversity in all its forms

Being open to new ideas and different approaches

Creating an accessible environment for employees

Resourceful

Being proactive

Looking for solutions, not problems

Being adaptable and having a can do attitude

Creating a friendly and helpful atmosphere

Entrepreneurial

Striving for improvement, individually and as a firm

Going above and beyond

Providing exceptional client service

Being proactive and initiating new ideas

Our Strategies

Our strategies target assets that support sustainable development and provide essential societal services.

COMMERCIAL REAL ESTATE

Supermarkets

SUPERMARKET INCOME REIT

- Advised by Atrato Capital Limited.
- Dedicated to investing in supermarket property forming a key part of the future model of grocery.

ENERGY TRANSITION

Renewables

ATRATO ONSITE ENERGY

- Advised by Atrato Partners Limited.
- Invests in solar PV systems and associated infrastructure.
- Awarded London Stock Exchange's Green Economy Mark.

LIVING

Social Housing

- Providing housing for vulnerable adults.
- Working to address the shortfall of fit for purpose supported housing in the UK.
- Focused on delivering a transparent, sustainable product for all stakeholders.

Atrato is always looking at ways to expand on our differentiated investment strategies. We are particularly interested in complementary asset backed income strategies that follow our philosophy of delivering market leading economic, environmental and social returns over the long term.







Our Responsible Investment Journey

Atrato Foundation

Launched

Atrato Group Founded 2016

Atrato appoints first Head of Sustainability

Atrato Capital and Atrato Partners become signatories of the UN PRI

Partnership with Women in Banking and Finance 2023

> Livina Wage

Living Wage

Accredited 2024

ROOF

ATRATO ONSITE ENERGY

Launched with specific identified ESG targets

SUSTAINABLE SUPR 000 SUPERMARKET INCOME REIT

Atrato publishes first ESG Policy aligned to Launched **UN SDGs** 2022

The Net Zero Asset Managers initiative

Atrato Capital and Atrato Partners become signatories of the NZAM Full GHG Inventory prepared in line with Greenhouse Gas

GREENHOUSE GAS PROTOCOL

Protocol 2023

United Nations Global Compact

Atrato becomes a member of the UN Global Compact

Our ESG Highlights

hours

volunteering completed by the Atrato team in 2023 80+_{GWh}

clean energy generated through our renewables strategy since ROOF IPO 30K+

equivalent homes powered by clean energy p.a through our renewables strategy (1)

charities

to be supported through the Atrato Foundation in 2024 charitable funding

committed by our supermarkets strategy to the Atrato Foundation

4 (fema

representation on our leadership team

(1) Based on Ofgem UK household average annual electricity usage of 2,700kWh (medium household and energy use)

Principles for Responsible Investment (PRI)

Both Atrato Partners and Atrato Capital have been signatories to the Principles for Responsible Investment ("PRI") since May 2022. This reflects our commitment to promoting environmental and social responsibility investment.

As PRI signatories, we committed to adopting the six Principles for **Responsible Investment in our business:**

- We will incorporate ESG issues into investment analysis and decision-making
- 3 We will seek appropriate disclosure on ESG issues by the entities in which we
- We will work together to enhance our effectiveness in implementing the Principles.
- We will be active owners and incorporate ESG issues into our ownership policies and practices.
- We will promote acceptance and implementation of the Principles within the investment industry.
- We will each report on our activities and progress towards implementing the Principles

We believe that through adopting the six Principles and incorporating ESG issues into investment practices, we can enhance returns and better manage risks.



PRI Mission

"We believe that an economically efficient, sustainable global financial system is a necessity for long-term value creation. Such a system will reward long-term, responsible investment and benefit the environment and society as a whole.

The PRI will work to achieve this sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation; by fostering good governance, integrity and accountability; and by addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation."

Net Zero Asset Managers (NZAM)

The Net Zero Asset Managers initiative ("NZAM") launched in December 2020 and aims to galvanise the asset management industry to commit to a goal of net zero emissions in order to mitigate financial risk and to maximise long-term value of assets.

Both Atrato Partners and Atrato Capital have been signatories to the NZAM initiative since March 2023.

The Net Zero Asset Managers initiative

UN Global Compact (UN GC)

We are proud to be participants of the world's largest responsible business initiative, the United Nations Global Compact (UN GC). We aim to conduct our business in line with the Ten Principles of the UN Global Compact, to meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. We are committed to maintaining a culture of integrity and upholding our basic responsibilities to people and planet, to support long-term value creation.



Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals ("SDGs") call for concerted efforts towards building an inclusive, sustainable and resilient future for people and planet.

We believe that governments, civil society and businesses have a responsibility to work together to support the ambition of the SDGs and their achievement. Our approach to sustainability aims to support the most material SDGs to our business. We have also supported our funds to align their sustainability strategies with those SDGs that are most relevant.



Sustainable Development Goals Mission

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs." - United Nations Brundtland Commission

Aligning to the SDGs





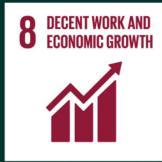
































ESG Pillars

As a long-term investor, Atrato is committed to delivering returns in a sustainable manner.

This is underpinned by our belief that we have a responsibility to limit the environmental impact of our advice and client strategies and to add value to society through more than just financial deliverables.

Environment



Reducing our emissions and mitigating the environmental impact of our business.

Social



Acting in accordance with our purpose and values, respecting human rights and delivering broader value to all our stakeholders.

Governance



Strengthening oversight and accountability of sustainability performance across the business and upholding responsible business practices.

Environment

Emissions profile

Last year we partnered with external ESG consultancy, Anthesis, to measure our Greenhouse Gas Emissions ("GHG") and prepare a full GHG Inventory across Scope 1, 2 and 3 emissions. Atrato's carbon footprint for FY23 was 260 tCO2e.

Purchased goods and services (PG&S) contribute the largest proportion of emissions with 222 tCO2e - 85% of Atrato's footprint. 97% of emissions were based on actual data.

*Reason for YoY changes: FY22 estimated using benchmarks, whilst FY23 had consumption data (extrapolated from whole building) and office size increased sixfold in January 2022. Business travel and commuting activities in FY22 affected by COVID.

Scope	Scope Category	Activity	FY23* (tCO2e)	FY23 (% of total)	FY22 (tCO2e)
1/3	N/A	Natural Gas	3	1.24%	1
1	N/A	Refrigerants	1	0.53%	0/1/
2	N/A	Electricity (Location-based)	18		4
2	N/A	Electricity (Market-based)	0	0%	6
otal Scope 1&2 Emissions (Market-Based)			4	1.77%	7
3	1. Purchased Goods and Services		222	85.19%	41/1
3	3. Fuel and Energy-related Activities (FERA)		7	2.72%	2
3	5. Waste		0//	0.02%	0
3	6. Business Travel		777	2.69%	7/1//
3	7. Employee Commuting		20	7.62%	9//
otal Scope 3 Emissions			256	98.23%	53
otal Scope 1, 2 & 3 Emissions (Market -Based)			260	100%	60

Image: Atrato Onsite Energy's 50,000 panel solar site in Northamptonshire, powering up to 75% of soft drinks manufacturer Britvic's Great Britain operations "We are continuing to seek out differentiated investment opportunities that contribute to a sustainable future."

~ Atrato Principals



Image: Atrato's new office at 10 Bishops Square has biodiverse roof terraces.



TCFD Reporting

We are proud to publicly support the Task Force on Climate-Related Financial Disclosures (TCFD), and the Paris Agreement.

We have supported our listed funds to report in line with the TCFD recommendations, within their Annual Reports, to improve and increase reporting of climaterelated financial information. We have also identified TCFD reporting as a sustainability priority for Atrato. As such, we have committed to voluntarily report against the TCFD recommendations in our next Responsible Investment Report in 2025.



An organisation's governance around relevant climate-related risks and opportunities.

> Actual/potential impacts of climate change related risks and opportunities on business strategy and financial planning.

Details of how an organisation identifies, assesses and manages climate-related risks.

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.





UN PRI: Spring – nature stewardship initiative

We recognise that society, business, and finance depend on nature's assets and the services they provide. Both Atrato Capital and Atrato Partners, in their capacity as PRI signatories, signed up to endorse "Spring" – a PRI stewardship initiative for nature.

Spring has been established by PRI to convene investors to use their influence to halt and reverse global biodiversity loss by 2030. Spring aims to address the systemic risk of nature loss to societies and long-term portfolio value creation by enhancing corporate practices on forest loss and land degradation.

We support the aim of the Taskforce on Nature-related Financial Disclosures (TNFD) to provide a framework for organisations to report and act on evolving nature-related risks. We are committed to further understanding and evaluating the nature-related dependencies, impacts, risks and opportunities (including in relation to biodiversity) relevant to our company and look forward to reporting on this in due course.



Social



Image: Atrato volunteers taking part in an IntoUniversity workshop, supporting 21 Year 9 students participating in a corporate simulation.

Foundation and Charitable Partnerships

In 2023, Atrato launched the Atrato Foundation as a registered UK charity. The Foundation will make grants to organisations and other voluntary organisations operating in England and Wales. Thereby providing additional financial help to nominated charities or organisations so that they can further their charitable purposes.

Atrato staff were given the opportunity to vote for which charities they would like to be supported through the foundation from a list which aligns with our CORE values. The final list of charities, including those chosen separately to align to our strategies, will impact areas such as poverty, education, conservation and homelessness.



Workplace

Benefits:

Employees at Atrato are supported through a diverse range of training and benefits, including life insurance, pension payments, employee share scheme and generous parental leave. Our enhanced Parental Leave Policy offers pay over the statutory minimum for any employee welcoming a new life into their family, irrespective of the entitlement of their partner. Along with the Flexible Working Policy, this supports our objective of creating an inclusive workplace culture.

Health and Wellbeing:

We are committed to supporting the health and wellbeing of our employees and promoting a healthy work-life balance. All Atrato staff are offered comprehensive private health insurance, including Lifestage Health, which facilitates treatment pathways for a range of conditions for everyone regardless of their gender identity. These include preventative health screening, fertility treatment and support for the menopause. We have two trained mental health first aiders at Atrato. We promote more sustainable journeys to work to employees through our electric vehicle scheme and participation in the UK Government's bike to work scheme.



Living wage:

We are proud to be a Living Wage Employer recognising our commitment to paying a wage based on the cost of living to all staff.



Employee engagement:

"Open" is one of our core values. We are always looking for ways to engage employees in the growth and success of Atrato. We run an annual employee survey through an independent external provider, to gather feedback from all employees across the business. This helps us to continue to identify areas for improvement to make Atrato an even better place to work. In addition, we run social events throughout the year to promote team building and foster a positive work culture.



Workplace

Engagement and feedback:

Staff engagement is measured as part of the appraisal process. Performance Reviews identify individual training needs and aspirations. This ensures employees have the training and skills required to discharge their current role and identifies learning and development opportunities to support the long-term progression and retention of employees.

Training:

All new joiners are supported by a structured probation review process, ensuring they are quickly embedded, including identifying any training needs. This feeds into bi-annual performance and development appraisal process, which includes the identification of continued learning opportunities.

All employees are enrolled into a quarterly online internal training programme, fulfilling our regulatory and compliance training obligations, as well as delivering health & safety training, and modules supporting our D&I strategy. Examples are unconscious bias and respect in the workplace training.

The e-learning system also provides on-line training to support the Sustainability Strategy and culture of the company.

We support employees in achieving external qualifications and to fulfil their professional CPD requirements, to ensure the development of their talent and potential, and we actively support the delivery of a robust internal talent pipeline.



Diversity, Equity and Inclusion (DE&I):

Atrato exists because of its people. We are committed to fostering a culture of diversity, equity and inclusion, and empowering all Atrato employees to do their best work.

Recruitment: When hiring, we require our recruiters to provide diverse candidate shortlists where possible. We also engaged with educational charities STEM and IntoUniversity to educate under-represented diverse groups about roles in our industry, and create a potential talent pipeline.

Although we do collect diversity information, we can only offer statistics in very general categories, such as the percentage breakdown by gender and the percentage of employees identifying as ethnically diverse. Providing more detailed data may allow individuals to be identified due to the small size of our organisation's workforce.

Our Building:

In March 2024, we moved office premises to 10 Bishops Square London in the heart of the vibrant Spitalfields Market. The sustainability features of our new office building include:

- Electricity procured is 100% renewable.
- Solar panels on the roof of the building for on-site renewable electricity generation that feeds into the building.
- Extensive biodiverse planting on external terraces.
- Located close to a range of public transportation options including Liverpool Street, Aldgate, Aldgate East and Shoreditch High Street stations.
- On site secure indoor bike storage and shower facilities to support active commuters.



Workplace

Partnerships:

We are proud partners of Women and Banking in Finance, offering women at Atrato access to a membership network that has championed women in financial services for over 40 years.



Volunteering:

In 2024, we launched a formal Volunteer Policy, allowing all employees to take a paid day off to volunteer in the community. In addition, we match our employees' fundraising for charity by up to £500 each year.





Images: Left; The Atrato team at a charity 'Office Chair Grand Prix. Right; Members of the Supermarket's team volunteering at a Tesco store foodbank.

Governance

Image: Supermarket Income REIT store, Sainsbury's in Melksham.

ESG Governance structure:

Strengthening our ESG performance means upholding responsible business practices, including strong governance processes.

The Atrato Board has oversight of ESG-related risks and opportunities, and ESG is a standing agenda item at quarterly Board meetings. In accordance with our PRI commitments, ESG issues are incorporated into the investment analysis and decision-making processes.

Atrato is committed to:



ngagement with



Ongoing training on ESG issues



Transparency of approach



Integrating ESG into day-to-day operations through alignment with Atrato's CORE values



Adherence to a robust governance framework that includes the consideration of ESG risks and opportunities



Implementation of ESG objectives in the performance plans of key individuals.



Reflecting on the importance of the ESG agenda at Atrato, and to ensure its effective delivery, we have appointed one of our Principals, Steve Windsor, as Sustainability Champion.

Steve is supported by Atrato's Managing Director, ESG, who is responsible for operational delivery of Atrato's sustainability strategy and provision of sustainability advice to the business. Our Managing Director, ESG, is also responsible for the delivery of our Funds' sustainability strategies and is a standing attendee at Investment Committee meetings. Atrato engages third party advisers to support specific aspects of Atrato's sustainability activities including the preparation of Atrato's GHG inventory. Our Managing Director, ESG, works closely with our Fund Managers and investment teams, to assess and manage sustainability-related risks and opportunities relevant to the Funds.

Board Sustainability ESG Lead The Sund managers & other stakeholders

As ESG touches on every aspect of the business, we have rolled out training on ESG fundamentals across all our staff. This training is supplemented with training on specific ESG topics relevant to the Funds such as climate risks and TCFD reporting.

Disclosures and reporting:

We assist our funds to report in line with regulatory requirements as well as with best practice approaches.

2024

This year marks the first year that Atrato has published a responsible investment report.

Supermarkets

Atrato Capital is the Investment Adviser to Supermarket Income REIT ("SUPR"), a London Stock Exchange ("LSE") listed company, dedicated to investing in supermarket property forming a key part of the future model of grocery.

SUPR's Sustainability Strategy is focused on three key pillars:



Climate & **Environment**



Tenant & Community **Engagement**



Responsible Business

Supermarket Income REIT ESG Highlights:



Standalone Sustainability Report published annually alongside the Annual Report.



Board-level ESG Committee Chaired by Frances Davies.



Anthesis appointed to prepare full GHG Inventory (Scope 1, 2 and 3 emissions) annually.



Transition Plan currently under development, due to be published end of 2024.



TCFD and Streamlined Energy and Carbon Reporting (SECR) report included within Annual Report.



Quantitative TCFD scenario analysis being conducted for 2024 TCFD Report, utilising MSCI's Climate Value at Risk (VaR) methodology to assess the portfolio exposure to climate risks.



TCFD and Climate Risk training delivered to all Investment Adviser staff and Board members.



Biodiversity enhancement activities underway at selected pilot project sites.



Science-based emissions reduction targets approved by the Science Based Target initiative (SBTi).



Charitable donation made through Atrato Foundation.

Science Based Targets Overview

Commitment to reach net-zero by

2050

As part of this, SUPR commits to:

Reduce scope 1 & 2 emissions

42%

by 2030 from a 2022 base year

Reduce scope 1, 2 and 3 emissions

90%

by 2050 from a 2022 base year



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Case study; Tesco Thetford

In 2023, an installation of over 1,000 solar panels was completed on the rooftop of SUPR's store in Thetford, which is occupied by Tesco.

Around 370KWp of energy is set to be generated by the panels and provided directly to the store under a 20-year Power Purchase Agreement with Atrato Onsite Energy.

In the UK, >30% of our portfolio supermarkets have EV Charging facilities, and 20% have rooftop solar panels installed.*

*EV charging and solar installation percentages calculated by UK asset number as at 1 June 2024.





Images above: Supermarket Income REIT store; Tesco, with solar panel installation, in Thetford.

Renewables

Atrato Partners is the Investment Adviser to Atrato Onsite Energy Plc ("ROOF"), a LSE listed company, which invests in renewable energy infrastructure in the United Kingdom.



In order to focus the ROOF's ESG activities and maximise the value delivered by its investment objectives, four ESG principles have been identified, linked to the UN SDGs most relevant to its activities.

The four principles are:

Support the attainment of the UK emissions targets through the creation of new sustainable energy resource.

Facilitate the efficient and considered use of finite resources.

Bring value to the communities in which we are active.

soft drinks manufacturer Britvic's operations

Deliver the Company's investment objective through a robust governance framework that recognises its responsibilities to all stakeholders.

"OUR PURPOSE IS TO BUILD A CLEAN ENERGY PORTFOLIO THAT GENERATES SUSTAINABLE RETURNS AND CONTRIBUTES TO OUR NET ZERO FUTURE".

Atrato Onsite Energy's Purpose statement

Atrato Onsite Energy ESG Highlights:



Anthesis appointed to prepare full GHG Inventory (Scope 1, 2 and 3 emissions) annually.



Green Economy Mark.



Commitment to provide 100% of electricity generation finance for only renewable electricity through 2030.



Dedicated Module Procurement Policy.



TCFD report included within Annual Report.



Proud member of UK Solar Energy and the Solar Stewardship Initiative.

Solar Stewardship Initiative (SSI)

The SSI was set in motion by SolarPower Europe and Solar Energy UK with the aim to drive a more responsible, transparent, and sustainable solar value chain. The SSI is developing a Supply Chain Traceability Standard to develop further confidence in how, where, and by whom solar products are manufactured.

ROOF recognises the important role of industry collaboration in tackling many of the pressing ESG issues facing the global solar industry and is proud to be a member of the SSI.



Green Economy Mark

The London Stock Exchange's Green **Economy Mark identifies listed** companies and funds contributing to the global green economy by addressing key environmental objectives such as climate mitigation and adaptation, waste and pollution reduction, and transitioning to a circular economy.

ROOF has retained the LSE Green Economy Mark since IPO in 2021.



Case study; London Road, Northampton

In February 2024, an installation of c.48,600 solar panels was completed on the site of an old quarry.

Now operational, the site is expected to generate c.33 GWh of electricity annually for customer Britvic, a major soft drinks manufacturer. This energy is enough to power 75% of Britvic's current operations in Great Britain, including its Beckton and Leeds factories.

The energy is sold to Britvic through an innovative Power Purchase Agreement, making renewable energy accessible for the manufacturer on a pay as you generate basis.

Atrato Onsite Energy now owns 47 sites, as well as two portfolios of residential rooftop solar assets.





Social Housing

Atrato Social Housing aims to address the UKwide shortage of social housing by investing in fit for purpose properties, let on fair terms, to carefully selected housing providers.

Social housing provides accommodation alongside support, supervision or care to help people live as independently as possible in the community.

Atrato Social Housing focuses on three key areas:



Specialised Supported Housing (SSH)



Extra Care



Homeless

Atrato Social Housing intends to provide housing to society's most vulnerable people including but not limited to:

- · People with learning difficulties and mental health problems
- · People with physical disabilities
- · Older people who require a level of care
- · People who are or would otherwise be homeless
- · Victims of domestic abuse

The investment strategy's overarching aim is to:

- · Lease appropriately designed properties to carefully selected housing providers
- · Address the structural undersupply of social housing in the UK
- · Deliver genuine and measurable positive social and environmental impact.

Next Steps

Our priorities for the next 12 months:



Environment

Reducing our emissions and mitigating the environmental impact of our business.

Recent Highlights

First full GHG Inventory for Atrato completed, providing basis for future target setting and/or offsetting

Atrato Capital and Atrato Partners, in their capacity as PRI signatories, signed up to endorse "Spring" - a PRI stewardship initiative for nature

Upcoming Focus

Exploring available emissions reduction levers

Engaging with our suppliers on reducing their emissions



Acting in accordance with our purpose and values, and delivering broader value to all our stakeholders.

Recent Highlights

Establishment of the Atrato Foundation

External provider engaged to enhance Employee Survey

Partnership with Women in Banking and Finance

Upcoming Focus

Formalising and strengthening relationships with charitable partners

Responding to employee feedback

Launching our volunteering policy



Governance

Strengthening our ESG performance and upholding responsible business practices.

Recent Highlights

First UN PRI Responsible Investment Reports submitted for Atrato Capital and Atrato Partners

Introductory ESG training completed by 100% of Atrato employees

Sustainability onboarding session organised for all new joiners

Upcoming Focus

Publishing our inaugural Responsible Investment Report

Expanding our employee ESG training offering

% Atrato

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