Newcore Capital

Sustainability and impact report

2025–2026



Certified B Corporation


Michael Rosen
SAD BOOK

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CEO introduction



We are pleased to set out our 2025/26 impact report capturing our work across our portfolios and within Newcore Capital.

It seems to me increasingly important to continue to undertake this work logically, resolutely and scientifically, as many capital managers row back on issues around long-term sustainability; and the metaphorical storms arising after the indefensibly long period of quantitative easing now make landfall. These storms are threefold and comprise: rising populism; rising resource-grabbing; and the rise of the machines.

Populism is rearing its ugly head as policymakers' economic options disappear under the waves, with rising inflation and sovereign indebtedness. Cheap money for the period 2010-2022 including a number of handouts funded from UK sovereign debt, has left the UK over-leveraged and less resilient to dealing with the issues of the current economic times. The UK could flourish in the long-term, if we make some tough decisions, now: reduce public spending; stop wasting resources; and improve productivity in the public and private sector. These decisions are unpalatable to the electorate and our politicians may not be brave enough to make the tough decisions that the country needs.

In the light of this, private markets capital managers – who have a fundamental role to play here - need to be well-behaved and public-spirited: improving UK productivity by forming better partnerships with the public sector; using their critical financial and operational skills to assist rather than purely for their own monetary gain; paying their tax on-shore in the UK; and supporting community initiatives of personal interest with some of the profits that they make. We have put some of these partnerships into practice in the last 12 months; and they are working. Our management platform and partners are all onshore and we pay income tax on our performance fees. By mid-2026, Newcore has now raised and given away close to £1m to excellent causes and pro bono support to charities, who are at the proverbial coalface.

Resource security and management is also a major issue: energy, food, water, minerals, defence and shelter – these themes featured

in our very first fund prospectus in 2012 and matter more today as globally we see a rise of resource-grabbing. These are amplified by major migratory trends driven by the overheating of parts of the world such as the Sahel, beyond human habitation. During the low interest rate era, just-in-time supply chains worked, and countries prospered economically, with low tariffs and interest bills, so less inclined to foment war for the most part. That has changed – fighting another country or hijacking a trade route takes the attention off poor results at home and it might secure what you need to survive and thrive. Alternatively, we could all use less energy and waste less food and water. Inflation without wage growth forces consumption down as things are expensive (but fuels populism), but unfortunately on a geo-political scale, stronger countries bully others to achieve the same end. We can't change this of course, but we can invest our capital into the assets that make a more secure, dignified UK society and electrify and reduce consumption in the buildings that we own.

The rise of the machines… Are we mad? UK society (the EU has tried harder) has willingly handed over data and reliance on essential services, to very powerful American companies; and allowing them to control the "commons of the internet" at the same time. An internet given to the world gratis and traditionally maintained gratis by a group of somewhat unusual but very decent-minded engineers is increasingly behind their paywalls. The long period of incredibly cheap capital has been leveraged to create technology far ahead of what humanity can comprehend or put guardrails around. This is empire building in the virtual world.

AI's increasing sophistication, following on from other major industrial revolutions and coinciding with rising interest rates and economic doldrums, whilst delivering incredible benefits for example in healthcare (no more cancer in 10 years' time?) is likely also to cause hardship to the poor and middle classes in particular and significant work and benefits issues.

We can invest our capital into the assets that make a more secure, dignified UK society.

It is hard to counter this in our work – not investing in data centres is probably right, in my view, morally, environmentally (their huge energy demand sustains coal, oil and gas consumption even with renewables coming online) and actually financially (significant herd bubble); but there are managers with £100s of billions already invested, so we can't stop that happening. We can though keep Newcore on track as a human business and try to look after all our stakeholders with care, reason and empathy.

Here's to keeping it real. It is not easy in these times of course but when your 12 year old daughter asks if it is true that AI will destroy humanity in 10 years' time, what else can you do?



Hugo Llewelyn
Founder and CEO

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Executive summary

The UK's social infrastructure is under strain. Ageing schools, unsuitable healthcare premises and underused town centres are holding back essential services. Public budgets are stretched, while many providers lack the capital or property expertise to improve the buildings they need.

Newcore invests in the social infrastructure that communities depend on, using specialist property expertise to create new provision, improve existing buildings, unlock the potential of underused places and regenerating places where the opportunity extends beyond a single property.

Creating value through change

Newcore tackles complex property challenges: navigating planning and change of use, assembling sites, funding technical work, improving buildings and bringing together the operating partners needed to put properties to productive use. These capabilities create financial value at the same time as expanding essential services.

At Bromley-by-Bow, we control a regeneration site with plans for 1,200 homes, alongside a replacement supermarket, health centre and nursery. In Swansea, we are working with a housing association towards planning consent for 55 new social homes above an existing retail property. Across our investment activity, Newcore has an 87 percent planning success rate. This track record demonstrates our ability to unlock complex sites and progress projects towards socially valuable uses.

Demonstrating positive outcomes

Our impact framework assesses both the social purpose of our investments and the contribution Newcore makes through investment and active management. Every acquisition is assessed using the Impact Frontiers Five Dimensions of Impact. Across our institutional funds, 80 percent of assets generate positive outcomes for people and the planet. Newcore's contribution to that impact is medium or high for 73 percent of assets. Of the assets classified as avoiding harm when acquired, 63 percent are now impactful, demonstrating how investment and active ownership increase the social value of assets. Across our four themes (education, healthcare, transport and regeneration), our assets support 4,363 education places, 372,841 patients, 1,300 new homes and created 1,300 new jobs.

80%
of assets generate positive outcomes for people and the planet

Protecting essential services

We work with high quality operator occupiers to support secure, long term sustainable occupation and continuity of service. New leases granted under asset business plans average 23 years. Among our education assets, 96 percent are rated Good or Outstanding by Ofsted, while 95 percent of healthcare assets have a Good CQC rating. At a special educational needs school in Surbiton, sustained engagement during operational difficulties helped preserve uninterrupted education for pupils, demonstrating the importance of active stewardship.

Improving buildings for the future

Our refurbishment-first strategy preserves existing structures while improving energy efficiency, electrification and resilience. Our decarbonisation target is 2040 across scopes 1, 2 and 3, and in 2025 Newcore was 10 percent below its carbon intensity reduction target. Our strategy includes acquiring less efficient buildings, understanding the climate risk and improving performance through our ownership. Portfolio carbon measures fluctuate as assets are acquired, refurbished and sold. Our focus is on measurable improvements, supported by asset-level decarbonisation plans and occupier engagement. 91 percent of assets by value are rated EPC C or above, and ten assets are decarbonised.

Connecting local capital with local needs

Newcore is increasingly partnering with local government pension schemes to invest in the communities they serve. Our partnership with the City and County of Swansea Pension Fund supports investment in healthcare, civic buildings, social housing and regeneration across Swansea, Neath and Port Talbot. It connects long-term pension capital with local priorities while seeking sustainable financial returns. We see significant potential to expand this approach, combining local investment partnerships with our property expertise to create and improve social infrastructure.

Responsible investment and accountability

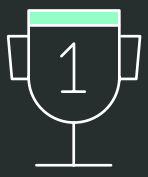
Newcore remains fully management-owned and is committed to prudent leverage, responsible capital structures and UK tax transparency. B Corp and GRESB assessments provide independent scrutiny of our approach and performance. In 2025, we also donated £100,000 to charitable causes and continued to share our experience with the wider investment industry.

Our objective is consistent: to deliver financial performance while creating and protecting future fit places that serve communities over the long term.

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Achievements

Responsible manager

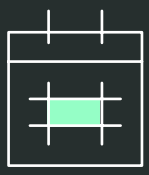


164
B Corp score, the **highest-scoring real estate investment manager in the world** and top 20 globally, as at March 2025



100%
management-owned, with 10 of 19 team members owning the business

23 years
Average lease length on leasing of refurbished buildings



£100k
donated in 2025 (£900k donated since inception)





87%
success rate in achieving planning consents



15
articles published in 2025

Social impact

80%
of assets are impactful

73%
of assets have a medium or high contribution

2,853
new education places created





372,841
patients supported

1,300
new jobs created



Environmental progress

87%
of assets at or below their carbon target





10
operationally net zero assets

560,000
sq ft refurbished or planned for refurbishment





91%
of assets rated EPC C or above (by GAV)

4 Our mission



Newcore's mission

To deliver strong returns through sustainable investment in social infrastructure.

Newcore uses our many years of fund management expertise to invest long-term private capital in the social infrastructure that communities depend on: the surgeries, schools, nurseries, civic buildings, transport hubs and community spaces through which essential services reach people; and on which a fair and dignified society is built.

Newcore believes that capital managers can deliver strong returns for investors and, at the same time, create a positive impact for people and the planet. Since 2011, that belief has shaped everything Newcore does: the assets acquired, the places invested in, how funds are structured and how the business is run.

What we mean by social infrastructure

Social infrastructure comprises services essential to a secure and dignified society and the buildings and places from which these services are delivered. It is the GP surgery where a family is registered, the nursery that lets both parents go to work, the specialist school that means a child no longer travels hours for the right support, and the service station where people and the public sector can refuel. It is also the wider fabric of a place: the town-centre sites and community buildings that, once regenerated, give people somewhere safe and inspiring to live, work and meet.

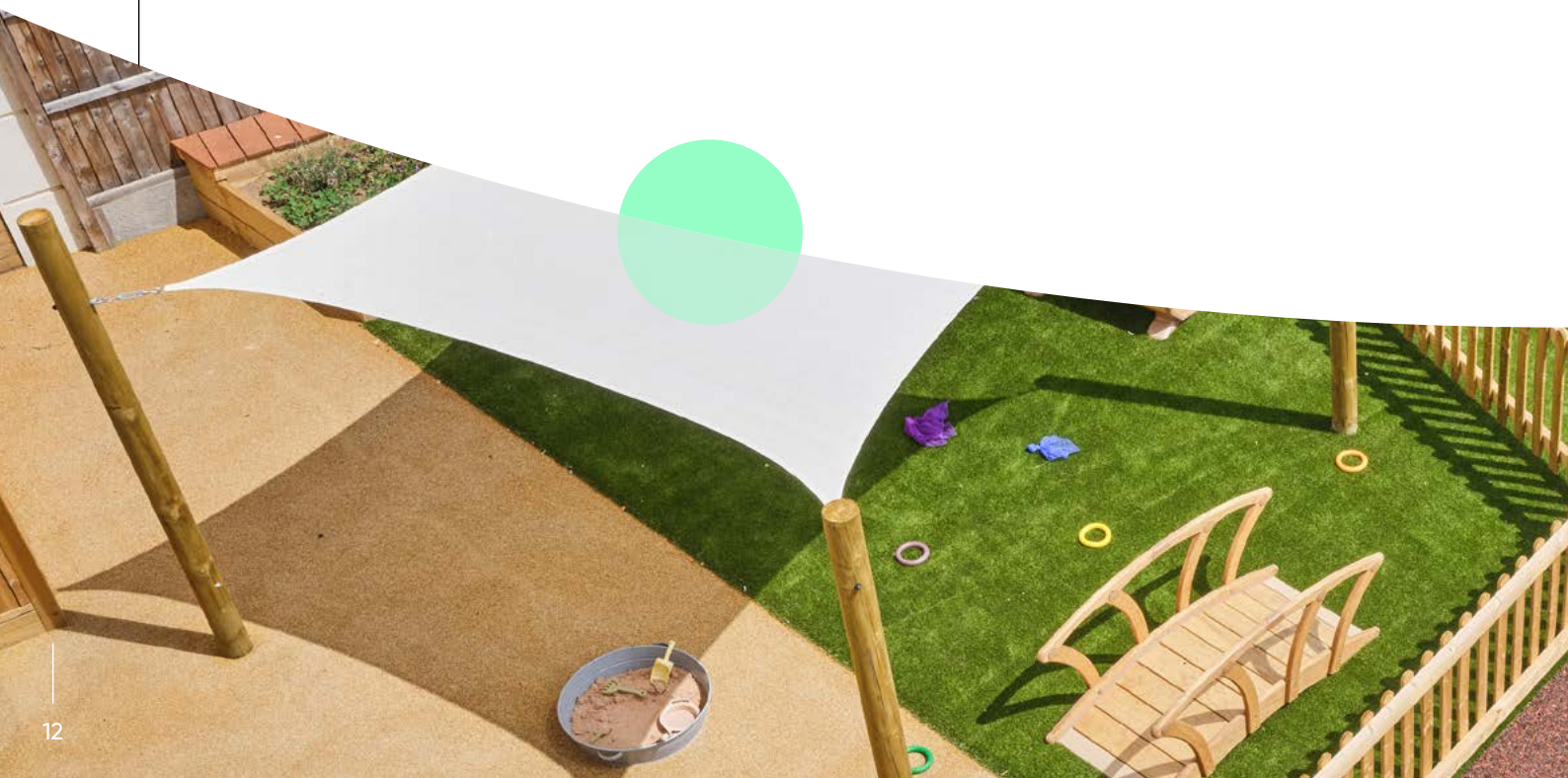
Such buildings provide long-term, efficient space for services that meet essential needs that cannot easily move online. There is limited supply of these fit-for-purpose assets, a growing demand and resilience to technology-driven change, which makes them valuable to communities and resilient investments for long-term capital, through economic cycles.

Why it matters now

Underinvestment has left UK's social infrastructure ageing, ill-suited to modern services and scarce where most needed. Around 1.5 million children study in dilapidated school buildings; two in five GP practice staff say their premises are unfit for purpose; demand for early-years and special educational needs places keeps rising.[i]

Similar pressures affect town centres. Online shopping and de-industrialisation have left empty shops, under-used land and buildings that no longer serve local people, eroding investment and local pride.[ii]

Public budgets are stretched. The organisations delivering essential services, including NHS trusts, GP partnerships, nursery operators and local authorities, often lack the capital or the property expertise to create, expand or modernise the buildings they need, or to take on the planning and site assembly that regeneration requires.

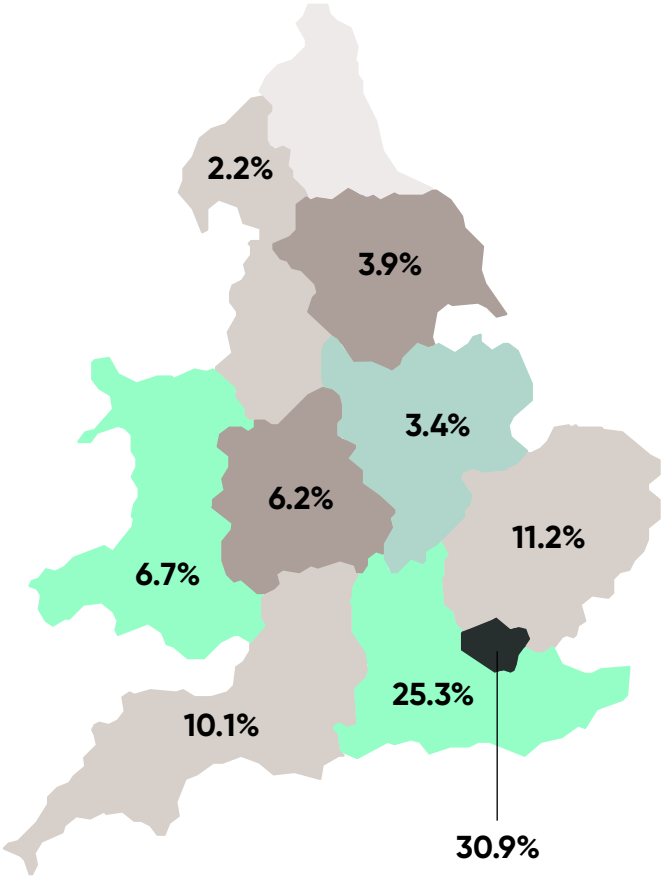


Investing locally, with local partners

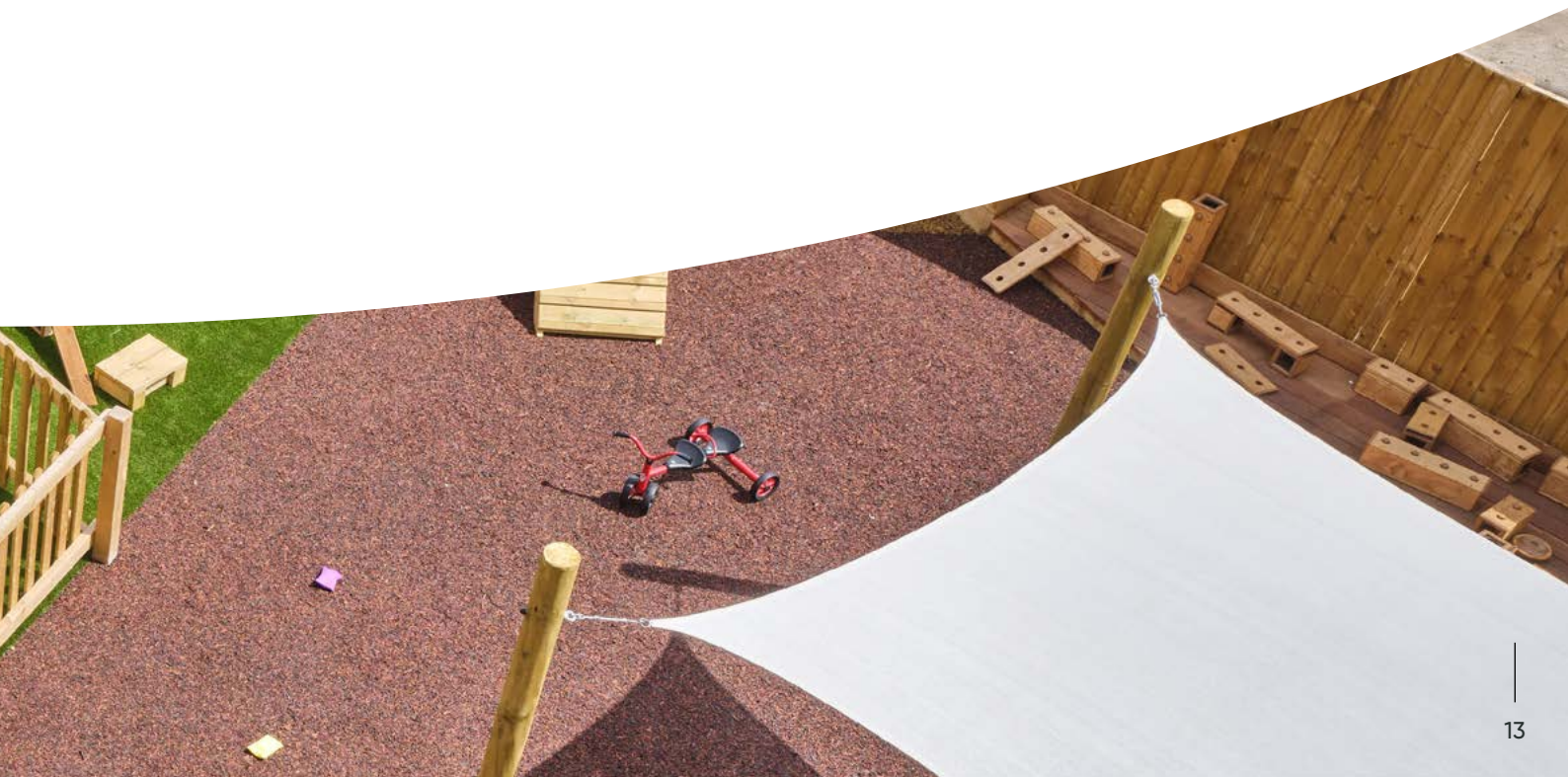
Much of the capital that can meet this need already belongs to local communities, through their pension funds and savings. Newcore helps local authority pension funds invest in the places where their members live, improving services and surroundings while earning the long-term returns their members rely on.

Newcore combines its skills to provide bespoke fund structures and investment in assets that deliver social services to communities – local, regional or national. The partnership formed with the City and County of Swansea Pension Fund is a good example: a local impact fund investing in healthcare, civic buildings, social housing and regeneration across Swansea, Neath and Port Talbot, aligned with the council's own plans and the Well-being of Future Generations (Wales) Act, as well as delivering a sustainable financial return. Newcore also shares what has been learnt with other pension funds and managers who want to replicate place-based investment elsewhere.

Asset distribution by region*



*by number of assets



From buildings to places: how we add value

The aim is not just to own buildings that already do good (though we are happy to add these to portfolios when pricing is attractive), but also to deliver positive outcomes that might not otherwise happen. This is delivered through three connected approaches:

- **Protect and improve**. Newcore buys operational social infrastructure, such as surgeries, courts and job centres, and invest alongside the operators in it: extending leases, upgrading the building and cutting its carbon, so essential services stay where people need them. These assets provide steady, long-term income.
- **Reposition**. Vacant or under-used buildings are bought back into use, securing planning for new social uses and refurbishing them for operators such as nurseries, special schools and clinics.
- **Regenerate**. Where a site's potential extends beyond one building, or the buildings are beyond their economic functionality, Newcore tackles regeneration's earliest, hardest stage: assembling land, funding technical work and securing planning consent. Newcore works with developers, housing associations and public bodies to build and run homes, health centres and public spaces. Newcore prepares difficult sites for delivery. This puts Newcore alongside councils and communities in shaping places, a role we take seriously.

These approaches reinforce each other. Many income-producing buildings sit in regeneration areas, and keeping essential services in town centres contributes to regeneration. Income from existing tenants can support a site while long-term plans develop: in Swansea, a let retail building earns rent while we work with a housing association to secure consent for 55 new social homes above it. And within a local partnership, stable income assets anchor the returns while regeneration creates new provision.

55
new social homes
planned above a retail building in Swansea



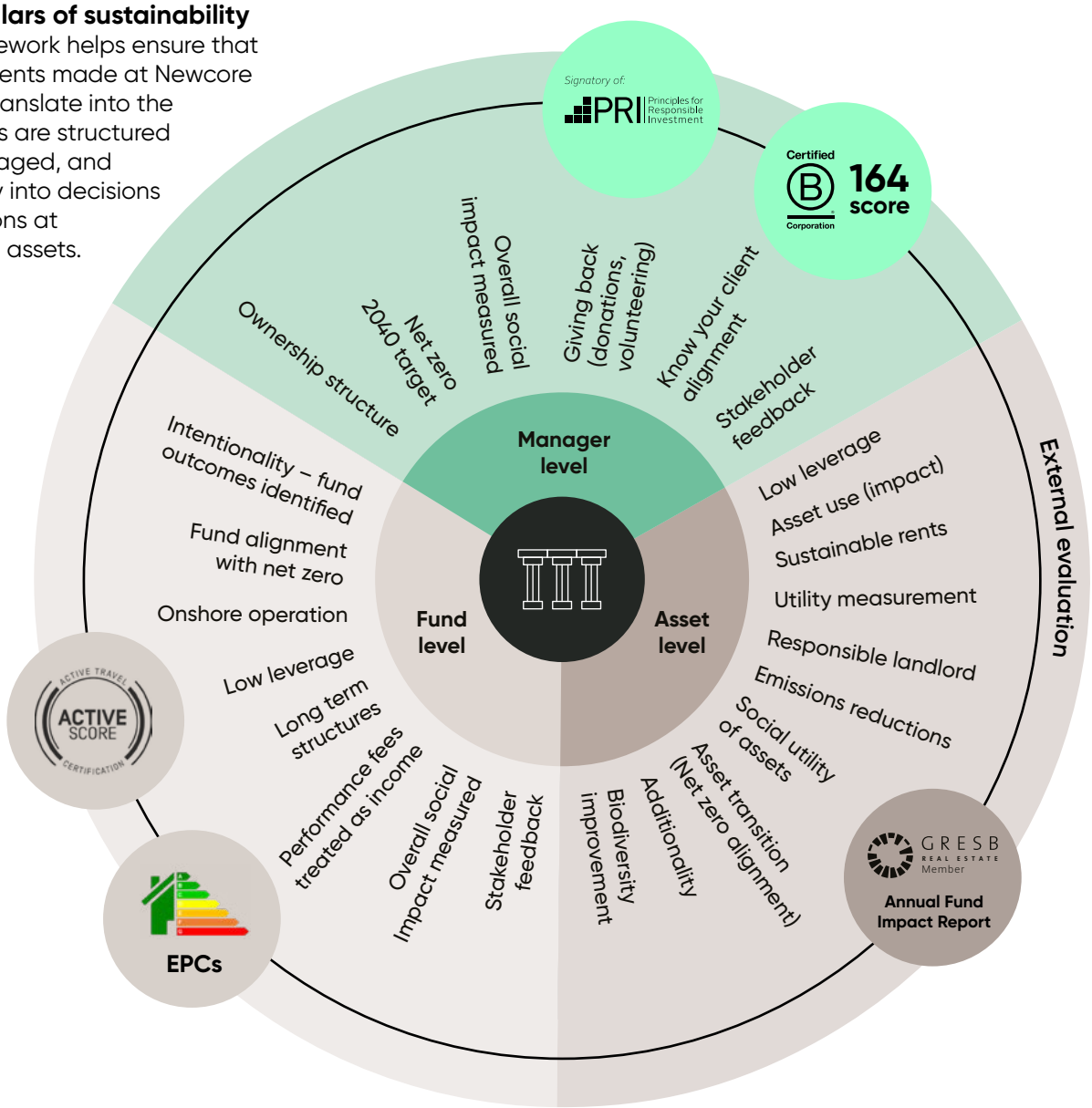
Our approach to sustainable investment

Newcore integrates material environmental, social and governance considerations into investment decisions, ownership and stewardship, rather than treating sustainability as a separate activity. At asset level, buildings that serve their communities better.

At a firm level, Newcore is fully management-owned, a certified B Corporation, pays its full share of UK tax (performance fees are taxed as income) and gives at least 10 percent of its own annual profits to charity. At fund level Newcore employs low, usually fixed-rate leverage, onshore structures where possible and partner investors who share our long-term aims. New school places mean little if the fund is over-leveraged or the manager avoids the fund's or its own tax liabilities. This approach is embedded in Newcore's Responsible Investment Policy.

We invest through value-add funds, which create social infrastructure and take sites through the planning and pre-development process; a core-plus income fund, which owns and improves operational assets for the long term; and local investment partnerships, which bring both together in specific areas.

Three pillars of sustainability
This framework helps ensure that commitments made at Newcore Capital translate into the way funds are structured and managed, and ultimately into decisions and actions at individual assets.



Where possible, Newcore improves existing buildings rather than replacing them. A refurbishment-first approach extends a building's useful life, keeps the carbon already embodied in its structure, and often delivers new capacity faster and at lower cost than building from scratch. Long leases are granted at sustainable rents, so that service providers have security for the long term, and manage planning, leasing, lease restructuring and refurbishment in-house. Newcore leases its assets to both the private and public sector, as well as charities and universities.

Newcore has developed a theory of change for each institutional fund, ensuring impact is deliberate rather than incidental. Each identifies our activities (raising capital from like-minded investors, finding buildings and sites with unmet local need, securing planning, refurbishing and leasing to good operators) to direct results: more and better social infrastructure and fewer empty buildings. These support outcomes for people and the planet: better access to healthcare and education, stronger local economies, more cohesive communities and lower carbon emissions.

Impact is built into every stage of our investment and asset management process. Before acquisition, each asset is assessed using the Five Dimensions of Impact, including what would probably have happened without us and how much difference we can make.

Read more about our impact on page 24



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Exploring our key investment themes



Education

Education infrastructure is facing pressure across every stage of learning. **Over 1.5 million children in the UK study in dilapidated school buildings**[i], while shortages of high-quality early-years provision persist in areas of demand. The expansion of funded childcare from September 2025 has increased demand from working parents of children from nine months old, reinforcing the need for affordable, modern facilities that enable both parents to remain in work. Providing childcare also supports the retention of female representation at senior levels of the UK's workforce (who have historically left the workforce to provide childcare). The limited state provision—often restricted to term time and shorter hours—does not always meet the needs of working families. At the same time, demand for specialist education continues to rise, with insufficient modern SEN provision in some areas resulting in children travelling significant distances or being educated in settings that do not fully meet their needs.

The need extends into further and higher education. Universities face financial pressures alongside ageing and, in some cases, obsolete estates, while further and technical education is becoming increasingly important as the skills required by the economy evolve, including in response to AI and greater demand for vocational and technical roles. The Government under Andy Burnham has recently placed greater emphasis on technical education, including earlier access to vocational pathways, closer links between schools, colleges and employers, and clearer routes into skilled employment.

This creates a growing need for modern, flexible technical and further-education facilities. For Newcore, there is an opportunity to use private capital and its refurbishment-first approach to repurpose underused buildings, modernise existing education estates and help education providers expand where demand is demonstrable.



Across Newcore's Funds

4,363
places supported

2,853
places created

400,000
square feet

42
assets

C / B

Impact classification*
Contribute to solutions or Benefit stakeholders

*See page 24-25 for further information

Healthcare

A growing and ageing population is placing increasing pressure on the NHS and primary care. There are now around **2100 patients for every fully qualified full-time equivalent GP in England, 11 percent more than in 2015**[iii]. At the same time, much of the primary-care estate is struggling to accommodate expanding and increasingly multidisciplinary teams, with two in five GP practice staff reporting that their premises are not fit for purpose and insufficient consulting rooms a particular constraint[iv].

Primary care is at the centre of UK healthcare policy and this pressure is likely to increase as the NHS moves more care out of hospitals and closer to people's homes. The Government's 10 Year Health Plan envisages a network of neighbourhood health centres bringing primary, community and other services together, with **250 centres planned by 2035 and 120 by 2030**[v]. Delivery is expected to include refurbishment and better use of existing estate alongside new facilities, including private financing.



Private capital can therefore play an important role in creating new healthcare facilities, improving existing buildings and providing flexible clinical space for expanding services. This can enable practices to add consultation rooms, accommodate a wider range of healthcare professionals and support the wider NHS objective of delivering more care in community settings while reducing pressure on hospitals.

Primary-care facilities provide essential healthcare services irrespective of patients' ability to pay and can be particularly important in communities experiencing greater health inequality. Maintaining affordable, accessible and fit-for-purpose facilities is therefore central to their long-term social utility.

Environmental performance is also increasingly important. The NHS has committed to net zero by **2040 for emissions it directly controls and 2045 for the wider emissions it can influence**, with an 80 percent reduction ambition for the latter by 2036–39. Private investment can support this through refurbishment, electrification, renewable energy, improved energy efficiency and greater climate resilience.

Across Newcore's Funds

403,841
patients served

11,300
patient places created

350,000
square feet

27
assets

C

Impact classification*
Contribute to solutions

*See page 24-25 for further information

Transport

Public and private transport infrastructure is essential to the UK economy, enabling people, goods and services to move efficiently. Assets such as motorway service areas and bus depots will remain important as transport transitions away from fossil fuels, creating a need for owners willing to invest in the infrastructure that enables the transition.

The transition towards renewable energy is accelerating. **New battery-electric cars registered in the UK increased 24 percent in 2025**[vi], representing almost a quarter of all new car registrations. Registrations of zero-emission HGVs and buses, coaches and minibuses also increased, with zero-emission models representing more than a quarter of new bus, coach and minibus registrations.

Government support, including investment in rapid charging and zero-emission buses, is helping accelerate this transition. At the same time, growth in EVs and changing consumer behaviour is increasing demand for strategically located service areas capable of supporting charging, food-to-go and other uses.

For Newcore, the opportunity is to invest in essential transport infrastructure while helping occupiers adapt assets for a lower-carbon future.

Through the rise of EV sales and food to go offers, there is a surge in demand from the major occupiers for trunk road service areas, capable of supporting hybrid-model forecourts at strategic cross-over locations. The lack of available occupational stock is stimulating growth for both prime and secondary assets. The sector enjoys significant profitability driven by increasing margins and a consolidation of profit centres.



Across Newcore's Funds

137 EV chargers

9 assets

300,000 square feet

A / B

Impact classification*
Avoid harm or Benefit stakeholders

*See page 24-25 for further information

Regeneration

Across the UK, housing shortages, ageing buildings and gaps in essential services sit alongside underused land and town centres struggling to adapt to changing patterns of work and shopping. Regeneration offers an opportunity to bring these places back into productive use, creating homes, improving social infrastructure and supporting local employment, while making buildings and public spaces more resilient to a changing climate.

The places with the greatest potential can be among the hardest to unlock. Fragmented land ownership, complex planning requirements, infrastructure constraints and high construction and financing costs can prevent viable proposals from progressing. Addressing these barriers requires investment, specialist expertise and coordination between owners, occupiers, local authorities and communities.

A central component to regeneration is the creation of new homes. The UK housing crisis is well documented and the failure of the government to reach their annual target of ~300,000 homes a year. The market dynamics to build new homes are constrained as well as challenges to the planning system. The National Planning Policy Framework (NPPF) has pushed for higher density developments in locations well served public transport to support the demand.

Newcore tackles regeneration's earliest, hardest stage: assembling land, funding technical work and securing planning consent. Newcore works with developers, housing associations and public bodies to build and run homes, health centres and public spaces. Newcore prepares difficult sites for delivery.

The assets in Bromley-by-Bow, alongside regeneration opportunities in Swansea, reflects this approach: seeking to connect investment with local needs and create the conditions for lasting improvement. Our contribution is through progressing sites towards redevelopment; ensuring the intended benefits; new homes, healthcare, childcare and improved public spaces, can be delivered.



Across Newcore's Funds

1,300 new homes

8 acres

2 assets

C

Impact classification* **Contribute to solutions**

*See page 24-25 for further information

Case study

Bromley by Bow

Sector	Regeneration
Location	Bromley by Bow
Acres	8.0
Strategy	Development

A > C

Impact classification* **Contribute to solutions**

High

Contribution to impact

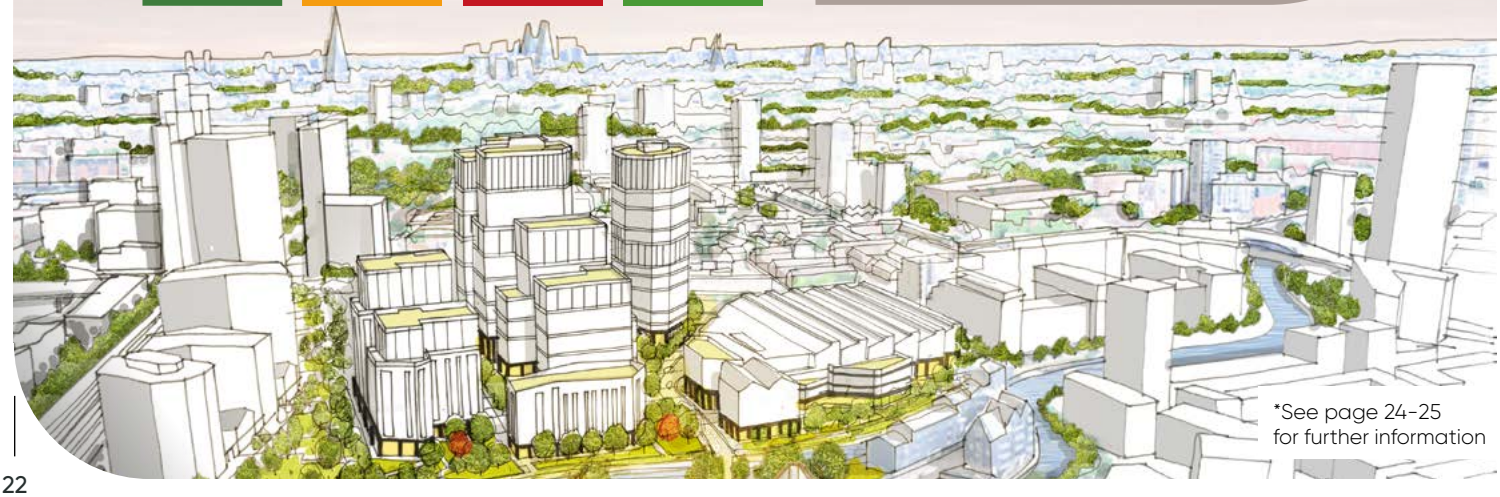
The Fund acquired a short leased large format supermarket, situated on a 6.5-acre site at the centre of the Bromley By Bow designated regeneration area, for a regeneration planning strategy. A further 1.5 acres situated adjacent to the property is in the Fund's control via a site assembly strategy. Working with the supermarket, the fund is currently undertaking a consultation process with LB Tower Hamlets regarding the delivery of c. 1,200 residential units and reprovision of the supermarket, alongside other social infrastructure uses (health centre, nursery, etc.).

With the construction of only 5,500 new homes commenced in London last year[vii], this scheme would make a significant contribution to London's housing challenge.

The site is identified as the neighbourhood district centre of the wider Bromley By Bow regeneration area and the proposed development would, therefore, be central to the creation of place. The Fund is working closely with all key stakeholders, including schools, community groups and harder to reach members of society, to identify the optimum scheme for the wider community.

Regeneration creates:

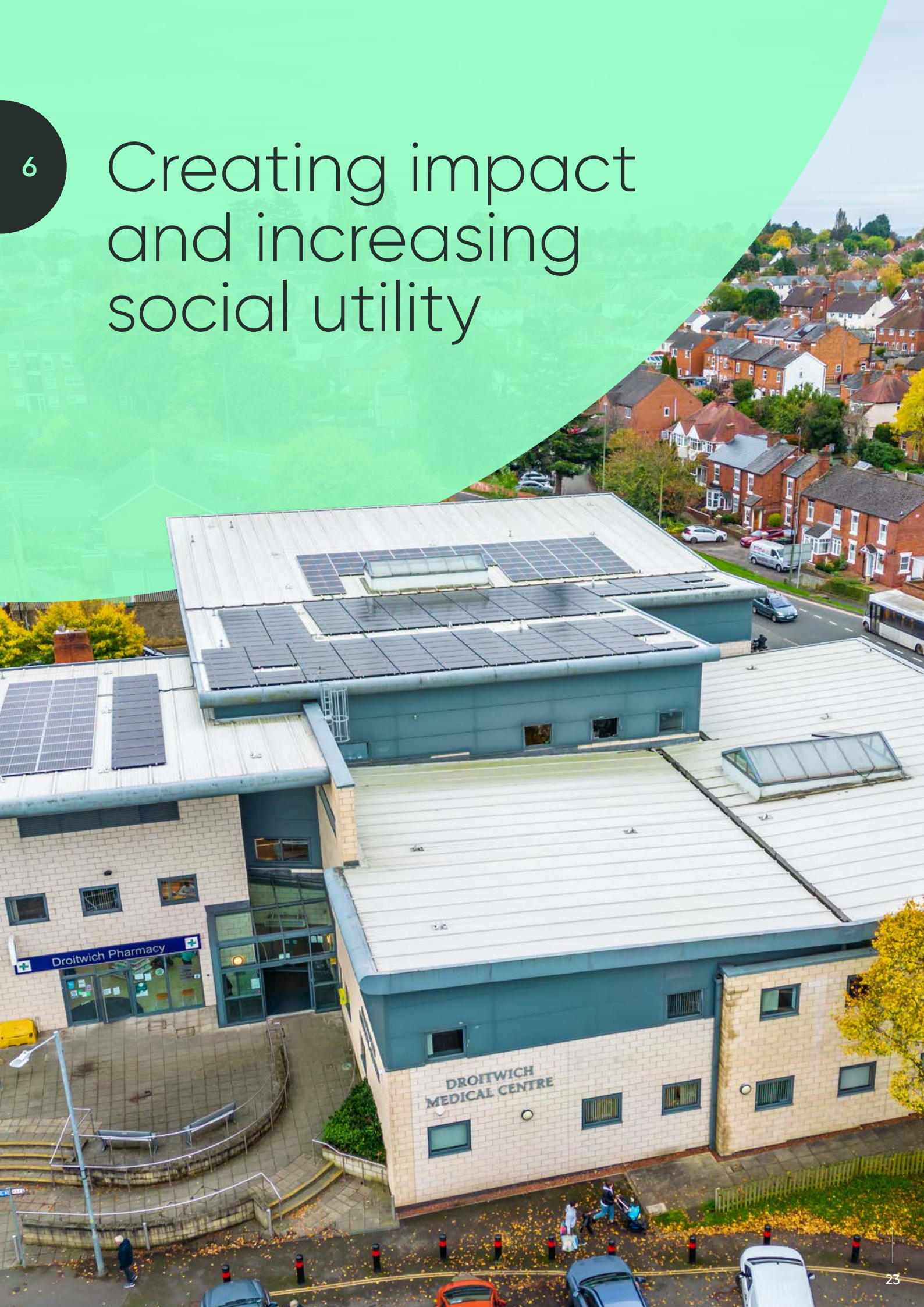
4 – 25 storeys
70,000 sq ft supermarket
1,200 new homes
3,500 habitable rooms



*See page 24-25 for further information

6

Creating impact and increasing social utility



Theory of change

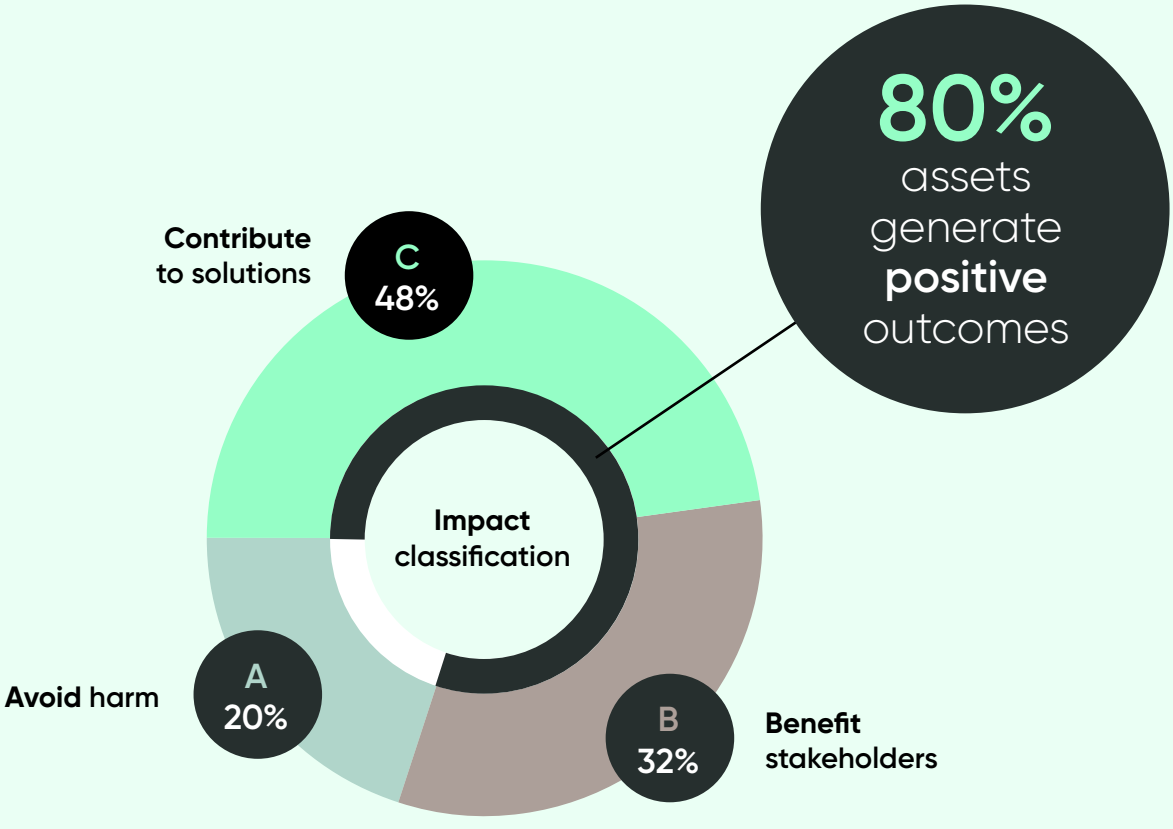
Newcore uses at **theory of change** to connect its investment activity with the outcomes experienced by people, places and the planet. Developed as part of the Fund Impact Measurement and Management framework, it sets out the pathway from **what the Fund does, to the direct outputs created and ultimately the outcomes those activities are intended to support**. See the appendix (page 54) for the theory of change for our value-add funds.

In practice, this means understanding how activities such as acquiring under-used buildings, securing planning, investing in refurbishment, working with occupiers and extending leases can increase the availability, quality and longevity of essential social infrastructure. This broad strategy applies across Newcore's Value Add and Core Plus institutional strategies, although the nature and extent of Newcore's contribution differs according to the investment strategy.

Measuring impact: Impact classification, additionality and counterfactual

Newcore assesses the intended impact of each acquisition using the **Impact Frontiers Five Dimensions of Impact** and classifies assets according to whether they **avoid harm, benefit stakeholders or contribute to solutions**.

The assessment considers not only the social purpose of the asset, but the change Newcore expects to create through its investment and stewardship (additionality). An important element is to understand what would have happened without the investment, understanding the counterfactual.



Impact classification

For every acquisition Newcore classifies the impact of every asset.

C **Contribute to solutions** B **Benefit stakeholders** A **Avoid harm**

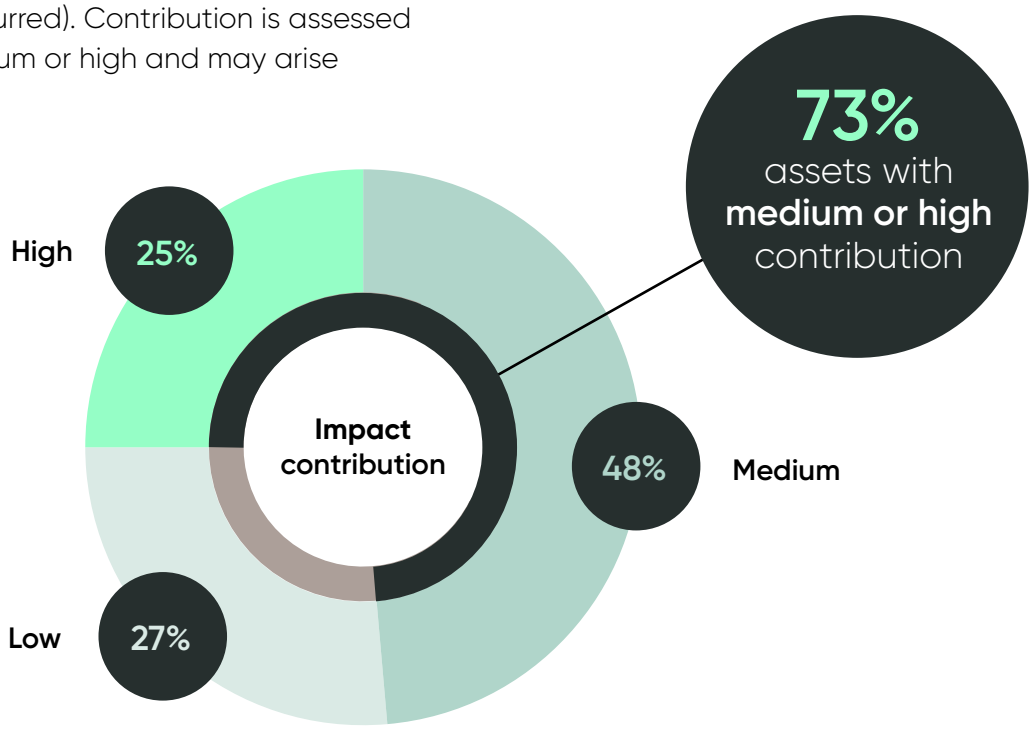
80 percent of assets (by GAV) are impactful and generate positive outcomes for people and planet. Newcore also measures how assets transition under its stewardship, tracking the impact classification prior to acquisition to the delivery of the business plan. 63 percent of assets classified as avoids harm when acquired are now impactful, rated as benefiting stakeholders or contributing to solutions.

63%
assets were avoid harm and are now **impactful**

A > B C

Additionality

A central part of impact measurement is understanding the extent to which the Fund contributed to an outcome (rather than acquiring an asset where the outcome has already occurred). Contribution is assessed as low, medium or high and may arise through activities such as securing a new social use, funding refurbishment, expanding capacity or enabling an occupier to remain or grow.



Counterfactual:
What would have happened anyway?

Newcore also considers **what is likely to have happened without its investment**. This draws on evidence available at acquisition, including previous use, marketing information, alternative bids, conversations with agents and viable alternative uses. This provides important context for assessing whether an outcome can be attributed the Fund's intervention.

Through Newcore's investment, 21 percent of assets have been refurbished and embodied carbon preserved, rather than demolished.

Newcore has been intstrumental in increasing the amount of social infrastructure. 39 percent of all assets were either vacant or in a different use prior to acquisition and have been transformed through planning or refurbishment into a social infrastructure use.

21%
assets likely to have been demolished

39%
assets transformed into a social infrastructure use

> **By investing in vacant and under-used real estate assets and converting or repositioning them for essential service uses, the Fund creates much-needed additional social infrastructure across the UK. The bulk of its portfolio is comprised of medium or high additionality assets anticipated to generate significant positive social utility.**

The Good Economy, NSS V Impact Report 2026

Increasing the social utility of assets

Increasing social utility means creating, protecting or improving the capacity of assets to support essential services. Newcore particularly looks for opportunities where buildings have potential including vacant, underused, no longer fit for their existing purpose or where an occupier needs additional or improved space.

During ownership, social utility may be increased through planning, change of use, refurbishment, extensions, new leases or investment alongside occupiers. Newcore measures both the total social infrastructure supported by its assets and the additional provision created through its intervention.

Acquiring assets in a different use class to the intended business plan is a risk. Newcore takes on planning risk to create new social infrastructure, with an 87 percent success rate across 52 applications.

87%
success rate
for planning applications



Increasing provision

Through investment, Newcore has increased the provision of social infrastructure, creating additional educational places, healthcare capacity and new homes. Long term jobs have been created with the new provision of social infrastructure, providing decent work and economic growth.

New social infrastructure provision*

2,130 nursery places
723 SEN places
7,300 healthcare capacity
560 mortuary capacity
229 elderly care
1,500 residential

Total provision supported

3,070 nursery places
1,293 school
372,841 healthcare patients
1,300 residential

Employment

1,300 new jobs created
2,500 total jobs supported

*Included in total according to business plan.

Case study

Business Centre, Ascot

Sector	Healthcare
Location	Ascot
Sq ft (GIA)	23,000
Date of acquisition	December 2019
Strategy	Planning
EPC Target	A

A > C

Impact classification **Contribute to solutions**

High

Contribution to impact

NSS IV acquired the Silwood Science Park in December 2019. The original business plan was to re-position the 6 R&D buildings and business centre into a modern Laboratory and R&D centre and planning consent was achieved for this use in 2020. When Covid changed the demand, Newcore identified alternative uses for the site.

Newcore is now transforming the business centre into a primary care hub. The NHS are buying the Business Centre for this use with completion due in Q4 2026. The proposal envisages a comprehensive refurbishment of the building to reposition it as a primary care hub, with the ability to accommodate four existing GP surgeries. The remainder of the space will be sold off for workspace for owner occupiers.

13 CLIMATE ACTION

8 DECENT WORK AND ECONOMIC GROWTH

3 GOOD HEALTH AND WELL-BEING

C > A

EPC improvement



7

Decarbonisation, resilience and nature



Decarbonisation

Newcore targets net zero across Scopes 1, 2 and 3 by 2040. Newcore recognises the pivotal role that it plays in all assets under management – the need to decarbonise in line with our public commitments and the needs of the planet. For Newcore, 99 percent of emissions are from investments, so the focus across our funds, is to influence refurbishment.

Our investment approach creates opportunities to improve the environmental performance of essential social infrastructure through energy efficiency measures, electrification, onsite renewable generation and active tenant engagement. Newcore adopts a refurbish first approach which preferences repurposing existing buildings helping to limit embodied carbon while extending their useful life.

1

Developing decarbonisation pathways for each asset and measure impact from point of acquisition to point of disposal.

2

Offering active assistance to prospective occupiers and partners in developing ESG/ decarbonisation knowledge and strategies, including providing relevant guidelines for refurbishments.

3

Directly investing in solutions that will help to transition assets to net zero, e.g. electrification, insulation, installation of PV panels.

Newcore's investment strategy creates a non-linear route to decarbonisation:

- Acquiring brown assets that need significant investment and/or operational disruption to decarbonise
- Limited baseline data due to changing asset use and vacancies
- FRI leases restrict control over operations and improvement works
- Short hold periods in closed-end funds can limit long-term planning
- Investments often fall outside existing decarbonisation frameworks
- Portfolio growth raises emissions, selling assets where refurbishment has reduced or removed emissions and acquiring brown assets.

Newcore's 2025 carbon data[1]

In 2025, market-based emissions totalled 3,412 tonnes of CO_2 for all assets.

Carbon intensity for operational assets 3.0 kg CO_2 per sq ft.

Newcore is below its carbon intensity reduction target by 10 percent.

Newcore is below its carbon intensity target, but the carbon intensity has increased from 2025 due to the disposals of decarbonised or lower-intensity assets, alongside acquisitions of more carbon intensive properties. The inclusion of more intensive properties in our carbon accounting provides new opportunities for decarbonisation.

Asset decarbonisation

Each asset has its own decarbonisation pathway, with annual reduction targets (these are available on request). Newcore aligns with CRREM (Carbon Risk Real Estate Monitor), the leading decarbonisation framework for real estate, whenever a pathway exists.

Twenty-three assets have a predefined Carbon Risk Real Estate Monitor (CRREM) pathway, while 87 percent of assets are at or below their carbon intensity target. Where asset types lack a predefined CRREM pathway, bespoke targets draw on relevant benchmarks and sector guidance to support asset-level planning and monitoring. See appendix for further information on decarbonisation and CRREM alignment.

10%
below carbon intensity target

3.0kg/sq ft
carbon intensity

87% of assets are at or below their carbon intensity target.

10 operationally net zero assets, and **36** assets are electrified.

49% of electricity is from renewable or zero carbon sources.

1. Market based emissions.

Asset decarbonisation continued...

Tenant partnerships are central to decarbonisation. Under full repairing and insuring (FRI) leases, occupiers retain significant control over energy use and building operations. Newcore works with tenants to identify improvements, provide technical and financial support where appropriate, and use refurbishment programmes and lease events to advance decarbonisation within our ownership period. Reliable data supports this approach, Newcore has 100 percent of Fund level data and there is a continued effort to ascertain asset level consent. As part of carbon accounting, Newcore recognises that vacancies, changes of use and operational ramp-up can affect comparisons and excludes assets until they are stabilised in carbon intensity calculations.

Newcore actively monitors tenant carbon emissions and report to our investors.
An annual sustainability report is published for each fund, providing a detailed review of fund level net zero progress.



Refurbishment first approach

Newcore's **"repair not replace"** approach extends the productive life of buildings which may otherwise be left vacant or demolished and ensures the best use is made of the embodied carbon in assets. By acquiring 'brown' assets, Newcore is choosing a more challenging path to decarbonisation. The Funds often invest to improve the environmental performance of an asset and when the business plan is delivered, the asset is sold.[2]

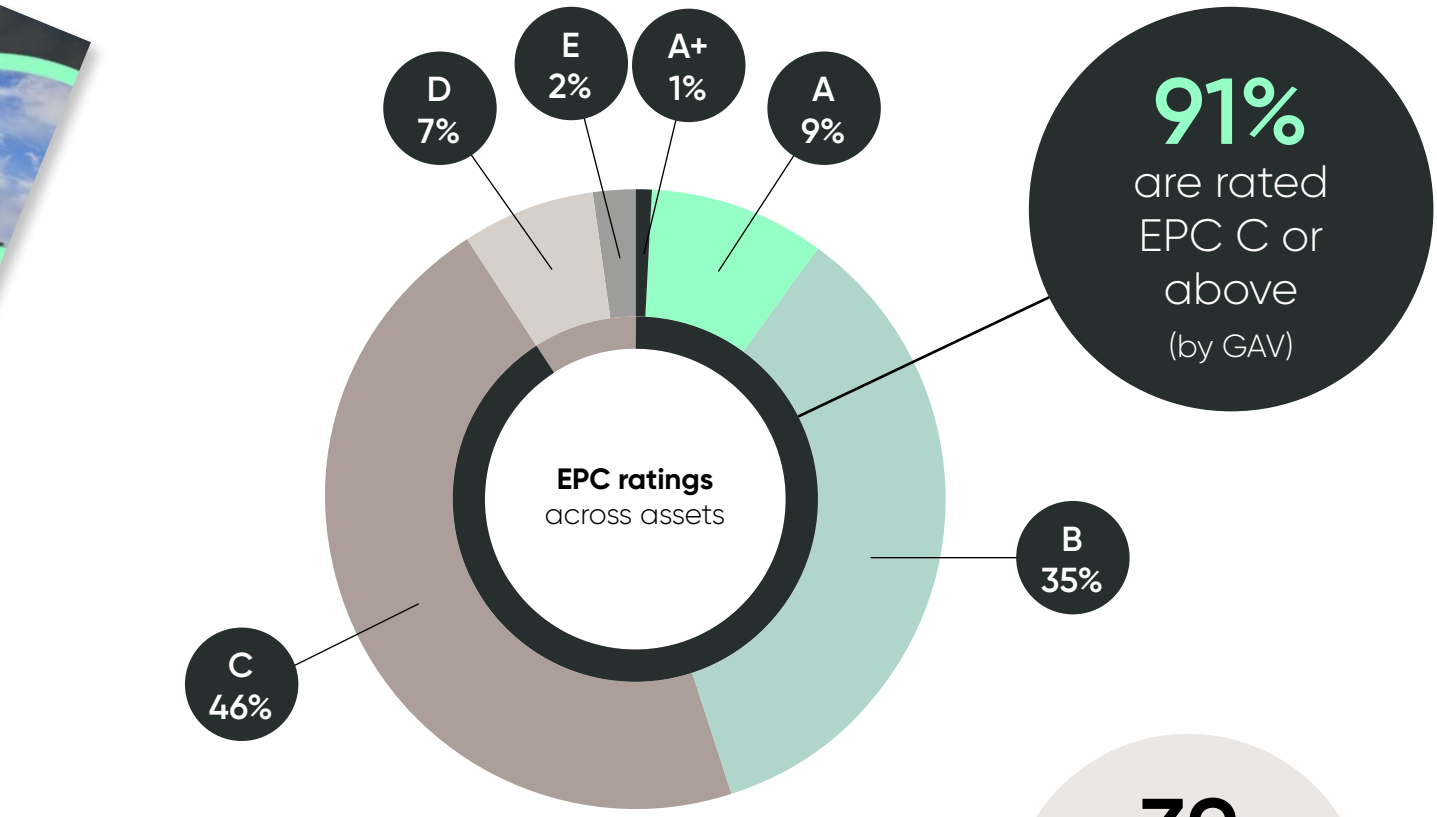
EPCs are a useful indicator of improvement of environmental performance, although imperfect. The recent announcement has provided important clarity on the future of MEES regulations (EPC B by 2031 for assets over 1,000 sq m).

Newcore owns 40 assets over 1,000 sq m, 46 percent are currently rated EPC B or higher (by GAV) and compliant with forthcoming regulations.

43
assets refurbished
or planned refurbishment

560,000 sq ft

2. Selling decarbonised and low carbon intensive assets adds to the non linear path of decarbonisation, impacting the carbon intensity of the fund.



91%
are rated EPC C or above
(by GAV)

39
assets are rated EPC B or higher

75%
of past-year refurbishments achieved an EPC A or B rating



Case study

Children's nursery

Sector	Education
Location	Upminster
Sq ft (GIA)	7,170
Lease expiry	2051
Date of acquisition	February 2026
Strategy	Repurpose

B — Impact classification **Benefit stakeholders**

High — Contribution to impact

A former office building in Upminster had been vacant since 2018. The locally listed EPC E building has been comprehensively refurbished, (preserving the embodied carbon) and fully decarbonised, creating a future fit 109 place children's nursery.

The asset was sourced off-market, with the acquisition and occupational lease agreed subject to planning consent, which was subsequently secured. Long green lease granted preserving the social infrastructure use and locking in outcomes.

Strategy

- Repurposed a vacant office into a new children's nursery, preserving embodied carbon.
- Creating 109 additional childcare places and an estimated 33 local jobs. Secured planning consent to convert the car park into an outdoor play area.
- Newcore provided £0.5m capital contribution and 6 months rent free to support the tenant's significant refurbishment and decarbonisation.

Fully electrified
EPC A operational net zero
(EPC E at acquisition)
109 nursery places created
33 local jobs created





Climate resilience

Climate resilience is integrated throughout Newcore's investment lifecycle, recognising that climate change presents both physical risks to assets and transition risks associated with the move to a low-carbon economy. The purpose of understanding climate resilience is to identify opportunities to improve building performance and resilience whilst protecting long-term asset value.

Newcore uses **MSCI Climate Value at Risk (Climate VaR)** as its primary climate risk assessment tool, complemented by asset-level environmental due diligence and technical surveys. Climate VaR is undertaken before acquisition and reviewed annually to quantify both physical and transition risks at asset and portfolio level. Physical risks are assessed across hazards including coastal, fluvial and pluvial flooding, storm and wind damage, heat stress, wildfire and water scarcity using recognised IPCC and NGFS climate scenarios. Where material risks are identified, further environmental surveys are commissioned and the findings are incorporated into acquisition decisions, capital expenditure plans and asset business plans.

Newcore is not required to publish TCFD reports but has chosen to produce reports for every institutional fund. The reports are available to investors of each fund.

Newcore has created a weighted average across its Funds to provide an overall picture of identified risks. The latest MSCI analysis indicates that transition risk remains the largest quantified climate risk for Newcore.

For the purpose of this report, Newcore has created a weighted average for its institutional funds to provide an insight into the Climate value at risk.

Newcore's weighted average Climate VaR

Overall Climate VaR of **-4.87%**

Transition Climate VaR of **-4.53%**

Physical Climate VaR of **-0.34%**

Implied Temperature Rise of **1.84°C**

Implied Temperature Rise of 1.84°C, placing it within MSCI's "2°C aligned" category; we are working towards 1.5°C.

The portfolio's exposure to climate transition risks used MSCI's Transition Climate Value-at-Risk model under a 1.5°C Net Zero scenario, based on the REMIND climate-economic model. This explores how the policy and technological changes associated with the transition to net zero could affect asset values. The 1.5°C scenario reflects the Paris Agreement's ambition to limit warming and reduce the most severe impacts of climate change, providing a benchmark for assessing the portfolio's resilience to the transition. Transition risks are managed through continual monitoring of regulatory developments, including EPC and MEES requirements, alongside CRREM pathway analysis, internal sector benchmarks and asset-level decarbonisation plans. Assets with higher emissions intensity, weaker EPC ratings or greater transition costs are prioritised for energy efficiency improvements, electrification, renewable energy opportunities and targeted capital investment. This approach helps reduce the risk of future obsolescence, regulatory non-compliance and value erosion while supporting long-term income resilience.

The Funds' exposure to physical climate risks used MSCI's Physical Climate Value-at-Risk model under a 3°C Current Policies scenario, based on the REMIND climate-economic model. The "Aggressive" physical risk setting to explore more severe potential impacts and their implications for asset values. The physical climate risk is currently low for Newcore, no Fund has a Physical climate value at risk above 1.8 percent. The top two physical risks identified across the Funds are flooding and wind / storm damage, no asset has a value at risk over 5 percent.

Climate adaptation measures are implemented where appropriate, including flood resilience, drainage improvements, enhanced building fabric, shading, ventilation and overheating mitigation. These interventions can reduce future maintenance costs, improve operational resilience, support tenant continuity and help protect long-term asset values.

Climate resilience is embedded within acquisition decisions. Every investment undergoes climate screening before acquisition using MSCI Climate VaR and environmental due diligence to identify potential financial implications and resilience opportunities.

For example, the acquisition and redevelopment of a vacant office building into a Special Educational Needs school in Horsham incorporated environmental improvements including solar photovoltaic panels, electric vehicle charging and refurbishment of the existing structure, reducing embodied carbon while creating a more resilient long-term social infrastructure asset. This demonstrates how climate resilience and responsible investment are considered alongside financial performance from the earliest stage of the investment process.

Bring nature closer to people

Our evolving nature strategy focuses on practical improvements that support biodiversity and enrich the experience of people using our assets.

Newcore offers £500 biodiversity grants for suitable properties to improve and enrich spaces. In addition, nature boxes are also sent to relevant assets to encourage nature. The boxes contain bird boxes, bug hotels and wildflower seeds, creating accessible opportunities for occupiers to engage with wildlife.

Newcore has sent **41 nature boxes to assets**, including 18 during its reporting period, with 11 assets having expressed interest in or used the grant.

Our nature programme is giving occupiers practical ways to improve biodiversity and provide a useful tenant engagement opportunity.. As our strategy evolves we will look to support lasting habitat improvements alongside opportunities for learning, enjoyment and wellbeing.



41
nature boxes
sent to
assets

8

Locking in outcomes and quality tenant partnerships



Locking in outcomes

Creating and improving social infrastructure is only part of our objective; Newcore seeks to protect the continued use over the longer term. Providing long leases with good quality operators provides a security of tenure for essential services while supporting resilient investment income.

Through issuing long leases for the asset's business plan, the social infrastructure use and occupier tenure are secured.

Choosing a quality tenant is central to sustaining both essential services and investment performance. An operator's financial resilience, governance and ability to deliver good services influence outcomes for users and the durability of rental income. Where applicable, Care Quality Commission (CQC) rating is used as a proxy. The rating provides an independent assessment of the quality and safety of health and social care services in England (a different system is used in Wales and does not have a comparable ratings system). Ofsted and CQC ratings provide an independent view of service quality, alongside our own due diligence. Newcore often works with the same tenant across multiple assets, building a deeper understanding of their operations and a relationship that supports engagement, accountability and long-term improvements.

23
years average lease length issued by Newcore[3]

96%
of assets are good or outstanding[4]
OFSTED

95%
have a good rating[5]
CQC

3. According to the business plan.
4. The only asset that is not rated good or outstanding is a SEN school in Surbiton, where Newcore have worked to replace the tenant and ensured continuity of school provision for students. (See page 42 for further information). OFSTED rating calculated by number of assets.
5. CQC rating by number of assets.

> The Fund's ownership practices are very strong. It builds strong and collaborative partnerships, using a relationship-led approach with tenants and partners helps to protect the continuity of essential services through operational challenges. This approach supports tenants, reduces disruption for communities, and demonstrates how active asset management can support service continuity.

The Good Economy, NSS V 2026 Impact Report



9

Acting as a responsible owner



Newcore commits to manage funds and its assets responsibly, maintaining the provision of essential services and ensuring social outcomes are locked in through long term security of use.

This is aligned with our B Corp certification and commitment to consider stakeholder interests. Measuring and reporting on progress of being a responsible owner requires the use of proxies to provide an insight into Newcore's fund management, key partnerships with stakeholders, engagement with tenants and consistency of actions.

Responsible capital structures

Newcore believes responsible investment extends beyond what its funds invest in to how capital is raised, structured and managed. The firm seeks to align the interests of investors, occupiers and wider stakeholders by **maintaining transparent and responsible fund structures, avoiding unnecessary financial complexity and adopting a long-term investment approach**.

The business operates through UK onshore, tax-transparent structures and maintains a clear commitment to paying all appropriate UK taxes associated with its investment activities. HMRC is treated as a stakeholder, with Newcore seeking to comply with both the letter and spirit of UK tax law rather than using unnecessarily complex structures primarily to reduce tax obligations. **Since inception, Newcore has treated performance fees as taxable income rather than capital gains**.

Investor alignment

Newcore seeks to work with investors whose objectives are compatible with its investment philosophy and responsible investment approach. Prospective investors are considered not only from a regulatory and financial perspective, but also in terms of alignment with Newcore's investment approach and policies.

Prudent leverage

Leverage is set at levels appropriate to the strategy and risk profile of each fund, with the objective of generating returns primarily through underlying real estate performance and active asset management rather than excessive financial leverage.

Straightforward and transparent structures

Newcore seeks to maintain straightforward and transparent fund structures appropriate to each strategy and its investors. Funds are managed onshore under the UK tax regime, avoiding unnecessary complexity.

Case study

SEN School

Sector	Education
Location	Surbiton
Sq ft (GIA)	49,000
Acres	8.0
Date of acquisition	January 2021
Strategy	Refurbishment and leasing

C

Impact classification **Contribute to solutions**

High

Contribution to impact

Newcore acquired a vacant former school and repositioned it as a SEN day school, supporting an operator struggling to relocate its existing provision. Fund V agreed a 25-year lease, a six-month rent-free period and a £1m contribution towards refurbishment and fit-out, with the tenant taking the property in its existing condition.

Following issues outside Newcore's control, an 'Inadequate' Ofsted rating prevented council placements, restricting income and leaving rent unpaid for two years. Recognising the consequences of closure for children with SEN and the shortage of alternative provision, Newcore prioritised continuity of education. Over two years, Newcore worked with management, governors and the council to sustain operations and secure a replacement, keeping existing pupils in place. It built stakeholder trust with trustees and parents, funded specialist advice and helped resolve tensions.

Sustained engagement and open communication with the council were critical to identifying a viable replacement operator as closure became a real risk. An established SEN school operated by a charitable trust took over the lease, preserving uninterrupted education at the academic year's start. The joint administrator thanked Newcore's "patience and perseverance" and endorsed the acquiring school's ability to secure its future.

50 SEN places created
120 SEN places in total
43 local jobs created



10

Responsible capital and governance



Responsible capital and governance

Strong governance, disciplined capital management and transparent decision-making provide the foundation for delivering sustainable long-term financial returns while creating positive environmental and social outcomes. Sustainability must be present at every level to be credible. Newcore's approach is applied consistently across its three pillars of sustainability: Newcore Capital, the funds it manages and the assets in which those funds invest.

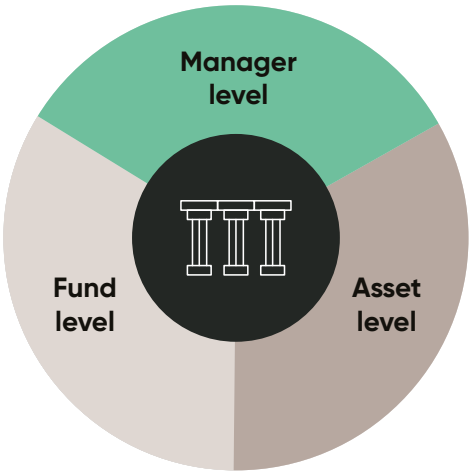
Newcore's commitments:

1. Integrate sustainability across decision-making through all staff and process
2. Report against industry leasing standards
3. Influence investors, stakeholders and industry peers
4. Maintain a transparent and moral approach to tax for management platform and funds
5. Manage capital for investors who share our ethos and focus on good governance
6. Run our business in a progressive way
7. Management platform to minimise and balance operational emissions
8. Donate 10 percent of profits to social and environmental charitable causes

Governance and accountability

Responsibility for sustainability and responsible investment is embedded within Newcore's governance framework. Ultimate oversight rests with the Supervisory Board, supported by the Risk and Sustainability Committee, while the relevant Investment Committees consider material environmental, social and governance factors alongside financial, operational and regulatory considerations in investment decisions.

This creates a clear link across Newcore's three sustainability pillars: issues identified at asset level are considered through fund-level investment and risk processes and, where material, escalated through Newcore Capital's governance structure. Day-to-day implementation is supported by Newcore's sustainability, investment, asset management, finance and operations teams.



Our three pillars of sustainability
See the full framework on page 15.

Responsible business

Responsible investment is supported by responsible business practices across the organisation. Newcore is independently owned by its management and staff, supporting alignment between the people managing the business and its long-term success.

- Newcore continues to be a 100 percent management owned UK LLP
- 10 of the 19 team members own the business, with three designated members and seven employees who also own a stake
- Newcore pays national insurance on employees income when they are partners.

Newcore was one of the first dedicated UK real estate investment managers to become a certified B Corporation and has continued to strengthen its performance through successive recertifications. In 2025, Newcore remained the highest-scoring real estate investment manager globally and ranked among the highest-scoring B Corps worldwide, demonstrating its commitment to balancing commercial success with positive outcomes for people, communities and the environment.

The firm is a signatory to the UN-supported Principles for Responsible Investment (PRI) and integrates the Principles throughout its investment processes, stewardship activities and reporting. In 2025, PRI undertook a significant review of the reporting process.

In 2026, Newcore completed the new PRI Reporting Framework and awaits results.

From a Fund perspective, sustainability performance is independently benchmarked through the annual GRESB Real Estate Assessment, providing transparency to investors and supporting continuous improvement. In 2025, two funds submitted to GRESB, both scoring 29/30 for management. Both funds received 3 stars and a green star. NSS IV scored 82/100, NSS V scored 80/100. Both funds improved from the previous years (NSS IV – 3 points and NSS V – 5 points) and performed above the GRESB and benchmark average.

29/30

GRESB management score achieved by both funds

The business promotes an inclusive and collaborative culture supported by employee ownership, professional development, wellbeing initiatives and regular employee engagement.

Newcore was pleased to announce that Beatrice Holland is joining as Chair from September 2026, replacing Andrew Baum who has chaired Newcore since inception. Beatrice becomes a partner in the business.



As part of our commitment to be an inclusive business we publish core metrics we track and try to improve every year. Newcore's board has 43 percent women and the team (including partners) includes 32 percent women. Within the team, 16 percent are from under-represented ethnicities.

Balancing operational carbon emissions

The carbon emissions from Newcore's operations are calculated annually, including relevant scope 3 emissions related to the management platform's operations. Newcore's emissions reduced by 19 percent in 2025. Employee carbon intensity remains low at 1.73 tonnes per employee. An additional challenge in measuring emissions are the emissions related to services including Microsoft 365 and a complete picture for emissions related to AI.

Newcore balances its carbon emissions through supporting high-quality, nature-based projects. For 2025, Newcore has supported the Delta Blue Carbon Project for the second year running. The largest coastal blue carbon project in the world,

6. Based on B Lab's most recently published scores (2025); B Lab has since moved away from public scoring.

plants and restores mangrove forests, crucial for biodiversity, carbon sequestration, and coastal protection. Mangroves play a vital role in protecting coastal areas from storm surges, floods, and erosion. This project benefits local communities by enhancing coastal resilience, offering protection from climate-related hazards, and restoring a degraded ecosystem that sustains local fishing communities. The employment created through project provides opportunities for women (40 percent of employees) and offering clean drinking water.

19%
reduction in carbon emissions
year-on-year

31.2 tonnes
Newcore's management platform emissions

Market and industry contribution

Newcore actively contributes to the continued development of responsible investment across the real estate sector through participation in recognised industry initiatives, benchmarking and knowledge sharing.

Newcore's recent partnership with Swansea's pension fund, is focused on delivering sustainable financial returns and positive social outcomes, in the Swansea region. Designed in conjunction with the City and County of Swansea Pension Fund, the Fund seeks to improve the quantity and quality of social infrastructure, social housing and social care, areas currently facing acute shortages in the Swansea region. In addition, Newcore is offering support and insights to other managers wanting to replicate similar place based investment strategies.

Beyond formal reporting, Newcore contributes to industry dialogue through thought leadership, engagement with market participants and the development of practical approaches to responsible investment within UK social infrastructure real estate. Newcore has written or significantly contributed to over 15 articles in 2025 and featured on multiple podcasts.



Community Contribution

Newcore recognises that creating positive outcomes extends beyond its investment activities. While the primary impact of the business is delivered through investing in and improving social infrastructure, the firm also contributes to communities through charitable giving and employee volunteering.

Newcore's foundation and charitable giving

Newcore supports a range of charitable organisations and community initiatives aligned with improving the quality of life and wellbeing of communities and protecting repairing our planet. In 2020, Newcore set up a charitable foundation and committed to pay at least 10 percent (before Gift Aid) of its profits each year into the foundation, in addition to its charity partnerships. Employees convene annually and recommend charities to partner with and benefit from the foundation, linked to the ongoing social and environmental infrastructure work of the business. The Newcore Foundation provides financial donations to charitable initiatives, supporting organisations that address social inequality, education, environmental improvement and community resilience.

StMungo's

Newcore's productive two year partnership with St. Mungo's ends in 2026. To date Newcore has enabled £75,000 to be donated through a range of support including a Padel tournament (raising £16,000) and our CEO's attempt to complete the longest ever property inspection on foot in one day.[7] An impressive 75km was covered by Hugo Llewelyn, visiting 14 of Newcore's social infrastructure assets and raising £46k for St. Mungo's.

Employee volunteering

Employees are encouraged to contribute their skills and time to causes that matter to them, up to 10 hours a month. Newcore's paid volunteering opportunities, enable staff to support local charities and community organisations. Newcore continues to explore ways to encourage a wide range of staff to volunteer.

Although charitable giving and volunteering both create positive social outcomes, Newcore distinguishes these activities from the impact generated through its investment strategy. The firm's greatest contribution to society continues to be the long-term stewardship of social infrastructure assets that enable essential services, improve environmental performance and support thriving communities.



In 2025, Newcore supported over **26 charities** and fundraising events totalling **£100,000**.

£900,000 donated to charity since inception.

7. This fundraising event took place outside of the reporting period in August 2026.

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Looking forward



Kate Sandle
Director of Sustainability

This report reinforces our belief that specialist property investment can make a meaningful contribution to the UK's social infrastructure needs.

We will focus on three priorities.

1. Unlocking more social infrastructure

We will use our planning, change-of-use and regeneration expertise to bring underused buildings into productive use and advance projects that respond to local needs. Working with local authorities, communities and specialist partners, we will pursue opportunities combining housing, healthcare, education and other essential services.

2. Expanding place based investment partnerships

Building on our experience in Swansea, we intend to develop further partnerships with local government pension schemes and aligned investors, connecting long-term capital with local priorities and regeneration opportunities.

3. Improving buildings and demonstrating lasting outcomes

We will deliver environmental improvements through refurbishment, electrification, energy efficiency and renewable generation, supported by stronger asset-level decarbonisation plans. We will also improve how we measure the difference our investments make, including new service provision, improved buildings and the protection of existing services. Secure occupation, sustainable rents and strong operator relationships will remain central to our approach.

Our ambition is to demonstrate that specialist real estate investment can deliver strong financial performance and meaningful social impact together, improving buildings, unlocking opportunities and creating places that serve communities for generations.

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Appendix

Sustainability and impact across the investment lifecycle / Investment integration and stewardship

During the reporting year, Newcore continued to integrate sustainability and impact considerations throughout the investment lifecycle:

- Origination
- Sustainability and impact due diligence
- Investment Committee
- Business plan
- Active ownership and stewardship
- Performance monitoring
- Responsible disposal

This approach helps Newcore identify risks that may affect occupier demand, operating costs, regulatory exposure, asset resilience, income security and long-term value. It also helps us understand an asset's potential, what could be improved and what Newcore can contribute during ownership.

Acquisition and investment decision-making

Every acquisition completed during the year was subject to sustainability and impact assessment. This considered whether the asset responded to an evidenced social need, including local undersupply, demographic demand or inadequate existing provision, alongside the material environmental, social and governance risks associated with the investment.

Newcore continued to invest in real estate supporting essential services, including education, healthcare, transport, social care and other forms of operational social infrastructure.

Every acquisition also undergoes impact assessment using the **Impact Frontiers Five Dimensions of Impact** and ABC framework. This considers who is affected, the outcome created, its scale and duration, the risk that it may not occur and Newcore's contribution or additionality. This helps distinguish between the inherent social utility of an asset and outcomes created through Newcore's intervention, such as planning, refurbishment, leasing or capital investment. The assessment

also considers the counterfactual. This is particularly important where Newcore is taking planning risk, bringing a vacant building back into use, improving an operational asset or providing capital that an occupier could not readily secure elsewhere.

Material sustainability and impact findings identified through due diligence are incorporated into the Investment Committee decision alongside the financial case.

These findings can influence:

- pricing;
- capital expenditure;
- lease terms;
- further technical investigations;
- the asset business plan; and
- ultimately, whether Newcore proceeds with an investment.

This is an important aspect of Newcore's approach: sustainability due diligence can influence investment decisions rather than simply record information about an asset.

Managing environmental and climate-related risks

Environmental due diligence undertaken during the year covered the issues considered most material to each asset. These included EPC and MEES exposure, building condition and safety, physical and transition climate risks, transport accessibility, occupier requirements and the potential for environmental improvement. Physical climate exposure was assessed using MSCI Climate Value-at-Risk, environmental surveys and technical due diligence. This process enabled environmental risks and improvement opportunities to be considered alongside the commercial and operational characteristics of each investment.

Investment in environmental improvements

During the year, Newcore made financial support available to occupiers to identify projects that could deliver both environmental and operational benefits. Measures include electrical upgrades, solar photovoltaic installations and other energy-efficiency improvements.

Active stewardship and occupier engagement

Newcore's asset management teams continued to engage occupiers on energy performance, environmental data, capital requirements and operational priorities. Green lease provisions are incorporated into new leases and renewals where possible. Newcore also worked with occupiers to improve the availability and quality of environmental data.

Performance monitoring

Environmental and social performance continued to be monitored at asset and portfolio level.

Assets were assessed against factors including:

- operational carbon;
- energy consumption and carbon intensity;
- EPC performance and MEES exposure;
- physical and transition climate risks;
- CRREM alignment;
- renewable-energy installations;
- asset resilience;
- occupier engagement; and
- the social capacity supported by the property.

Newcore also monitored the contribution made during ownership, including buildings brought back into use, operational capacity created or protected, planning and refurbishment completed, EPC improvements, renewable-energy installations and reductions in vacancy or regulatory risk.

The quality and availability of occupier-controlled data remained an important area of focus. Engagement during the year sought to improve data coverage while ensuring that performance conclusions reflect the data available for each asset.

Decarbonisation

Newcore reports total energy consumption and associated carbon emissions across all assets where data is available.

As part of the value add strategy, assets are often acquired vacant, pre-refurbishment or in an alternative use. Energy consumption and emissions can change significantly during refurbishment and as buildings become occupied and services reach normal operating levels.

Assets are included in operational carbon intensity calculations once a representative full year of operational data is available. For assets undergoing refurbishment or a change of use, this baseline is established after operations have stabilised. Assets that are operational when acquired can establish their baseline during the first full year, provided operations remain representative.

Annual like-for-like (LFL) intensity changes are calculated using two consecutive years of comparable operational data, with consistent reporting boundaries and coverage. This avoids presenting low consumption during vacancy or operational ramp-up as improved environmental performance. Newly acquired or newly operational assets are therefore included in total energy and carbon reporting as data becomes available but enter operational intensity reporting and LFL comparisons only when the relevant data requirements are met.

All assets are assessed against their net-zero ambition from acquisition, allowing decarbonisation opportunities and required interventions to be incorporated into the business plan.



CRREM alignment

CRREM pathways are applied where defined; bespoke CRREM-based targets cover the remaining asset classes. Newcore reports market based emissions, where carbon factors are known but does not have a power purchase agreement.

Metric		Reporting population
Total energy consumption	30,300,000 kWh	All assets with available data
Energy consumption intensity (operational)	33.89 kWh/sq ft	Assets owned and operated for at least 1 year
Total carbon emissions		
Market based	3,412 tCO_2e	All assets with available data
Location based	6,219 tCO_2e	All assets with available data
Carbon emissions intensity		
Market based (Operational)	3.00 kg CO2 / sq ft	Assets owned and operated for at least 1 year
Location based (Operational)	6.66 kg CO2 / sq ft	Assets owned and operated for at least 1 year
Carbon intensity reduction target	3.34 kg CO2 / sq ft	
Difference from carbon intensity target	10%	

References

i **1.5 million children in dilapidated school buildings:** theguardian.com/uk-news/2024/dec/27/revealed-children-in-england-studying-in-unfit-school-buildings-crumbling-infrastructure

700,000 children in schools needing major rebuilding or refurbishment: cic.org.uk/news/700-000-children-in-england-study-in-schools-which-require-major-renovation

ii **Rising demand for SEN places (EHC plans up 12.5% to 718,838 in January 2026): Explore Education Statistics, Department for Education:** explore-education-statistics.service.gov.uk/find-statistics/education-health-and-care-plans/2026

Pupils with an EHC plan up 11.6% to 538,547 (alternative SEN figure): Explore Education Statistics, Department for Education: explore-education-statistics.service.gov.uk/find-statistics/special-educational-needs-in-england

iii **2,100 patients for every fully qualified full-time equivalent GP in England, 11% more than in 2015:** rcgp.org.uk/news/state-of-general-practice-report-2026

iv **Two in five GP practice staff say premises are unfit for purpose: Royal College of GPs (RCGP):** rcgp.org.uk/news/autumn-statement-invest-gp-infrastructure

v **250 centres planned by 2035 and 120 by 2030:** gov.uk/government/publications/neighbourhood-health-framework/neighbourhood-health-framework

vi **New battery-electric cars registered in the UK increased 24% in 2025:** smmt.co.uk/uk-new-car-market-breaches-two-million-as-almost-one-in-four-buyers-go-electric

vii. **Construction of 5,500 new homes commenced in London last year:** bbc.co.uk/news/articles/cy099qv9qjlo

Impact measurement

Example: Value add fund's theory of change

Newcore develops a theory of change based on the Fund strategy, how it invests (activities) and how these actions (outputs) support outcomes aligned with the UN's Sustainable Development Goals.

ACTIVITIES → What Newcore is doing		OUTPUTS → The direct result of Newcore's actions	OUTCOMES → The changes that directly impact on people & planet	
Raise capital from interest-aligned investors	Re-purpose asset to social use tenure through planning	Reduction in underutilised or vacant spaces	Increase employment and strengthened local economy	8 DECENT WORK AND ECONOMIC GROWTH
Use Newcore's network to identify underutilised assets with (heightened) social use profile	Promote asset to higher social use value through planning	Increase (potential) supply of social infrastructure	Enhanced social interaction and community cohesion	11 SUSTAINABLE CITIES AND COMMUNITIES
Identify the social needs of investment locations	Re-let, re-gear or re-purpose asset to social use tenure (with refurbishment if required)	Deliver higher quality social infrastructure	Reduced carbon and increased renewable energy	13 CLIMATE ACTION
Build strong relationships with strategic partners	Sell asset to value-aligned buyer	Maintain the supply of social infrastructure	Increased health and wellbeing	3 GOOD HEALTH AND WELL-BEING
Acquire vacant asset / asset at end of lease life	Act as a responsible landlord	Increase the provision of affordable accommodation	Increased access to education	4 QUALITY EDUCATION

Fund impact objectives

The target outcomes (above) inform the impact objectives (below).



Asset level impact assessment

The assessment of each asset's impact is through the industry wide norms, Five Dimensions of Impact Framework devised by the Impact Management Project, and impact classification (act to avoid harm, benefit stakeholders, contribute to solutions) using the ABC of Enterprise Impact Framework.

Example: Five Dimensions of Impact*

Increased health and wellbeing – NSS V healthcare.

1 **WHAT** Type of impact	• Invest in the continuation and improvement of healthcare facilities across the UK and in doing so, increase the scale and quality of health and wellbeing outcomes experienced by patients at these sites.
2 **WHY** Recipient of impact	• Patients of various ages and health needs, including low-income individuals accessing public-funded healthcare services. • For one asset the patients are primarily individuals with acute health needs.
3 **HOW MUCH** Scale and depth	• The Fund has invested in 16 healthcare facilities including 15 GP surgeries and health centres serving around 190,545 patients, and one dialysis centre providing 17,160 treatments a year. • These facilities have received positive CQC assessments, indicating high-quality services, and the average lease length across all operators is 15+ years, ensuring long-term impact.
4 **CONTRIBUTION** Additional value	• While the health and wellbeing outcomes would likely have occurred without the Fund's involvement (as facilities were already operational and on long-term leases), the Fund is expected to enhance space utilisation and improve the functionality of these sites beyond what operators could achieve alone. These improvements are anticipated to lead to improved service delivery and therefore greater long-term health and wellbeing outcomes once improvement works are completed, although no improvements have yet taken place
5 **RISK** Accepted challenge	• There is a low risk to outcome delivery due to these sites already being operational, the positive assessments of operator quality, the long-term leases in place, and the Fund's commitment to further invest in enhancing the facilities' social longevity and environmental performance.

* Example taken from NSS V's 2025 Impact Report, written by The Good Economy



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