



# Sustainability Report 2025

FOR THE YEAR ENDED 31 DECEMBER 2025

# Sustainability Report

## Massy Larizadeh

Independent Non - Executive Director



In 2025, we are proud to have made significant progress on key sustainability performance indicators. The GRESB rating increased to 76 points (73 in 2024), earning two Green Stars and reflecting the hard work of the Investment Adviser team, resulting in ongoing improvements in our sustainability efforts.

2025 also saw the rollout of on-site energy generation in the form of solar panels, helping reduce carbon emissions and reliance on fossil fuels.

The Environmental, Social, and Governance (“ESG”) Working Party remained focused on enhancing the Company’s European Public Real Estate Association sustainability accreditation, GRESB and Energy Performance Certificate (“EPC”) ratings, with 84.5% of the portfolio now rated C or higher. The weighted average EPC score also improved to C 58 (from C 59 in 2024).

The Investment Adviser played a key role in driving these advancements, ensuring the Company remains on track to meet 2030 regulatory requirements. Recognising climate change as a major long-term challenge for the commercial real estate sector, the Company has committed substantial resources to reducing carbon emissions well ahead of the 2050 net-zero target.

ESG principles continue to be integrated into both transactional and operational activities, reinforcing the portfolio’s resilience and long-term sustainability. As part of this commitment, the CAPEX program totalled £11.8 million in 2025 (compared to £8.2 million in 2024), prioritising sustainable materials and energy-efficient equipment to enhance EPC ratings while maintaining a responsible level of investment. The year ahead will continue to see a focus on value enhancing CAPEX projects across a select number of assets.”

# Year in Focus

Throughout 2025, the Company continued integrating sustainable practices to drive positive environmental and social impact while balancing the evolving needs of stakeholders, tenants and occupiers.

## Highlights from the year are as follows:

01

The ESG Working Party which comprises of an independent Non-Executive Board Director and members from the Investment Adviser met 4 times in 2025.

02

Improved performance against the Company's sustainability key performance indicators ("KPIs").

03

Development of a sustainability action plan at property level.

04

ESG criteria continued to be integrated within due diligence procedures; setting out how the Company assesses and manages the performance of its assets and prospective investments; and which suppliers / third party suppliers are chosen to engage and work with.

05

Continued to engage CBRE as the lead advisor to the Group on ESG strategy.

06

Continued to engage with our occupiers by promoting sustainable practices and also in the obligations they commit to; for example, by including green lease clauses within the contractual terms for all new leases issued for agreement.

07

Submitted the company's fourth Global Real Estate Sustainability Benchmark ("GRESB") assessment resulting in an increased score to 76 from 73.

08

Submitted the third submission to the European Public Real Estate Association ("EPRA") sustainability performance report maintaining the silver award.

09

Successful installation of Smart Technology in a controlled test sample of properties, aimed at reducing energy intensity.

10

Successful installation of solar arrays with over 1,215 kWp generating 106,430 kWh with 40,335 self-consumption. 60,095 kWp exported to grid and over 13,219 kg of CO2 emissions avoided.

11

Continued training of appropriate Investment Adviser's team members to ensure the Investment Adviser's best practice refurbishment and capital expenditure guides are adhered to.

## Year Ahead

The Company's programme of work for the coming year will continue to be in line with the regulatory landscape, with a continued focus upon embedding ESG best practices across the Group. The constant evolution of embedding processes will also enable the Group to adapt promptly to meet new challenges as they arise.

Some examples of the programme of work for the year ahead are:

- Continued review of the portfolio's EPC ratings, followed by the appropriate action to improve and align the ratings with the Minimum Energy Efficiency Standard ("MEES").
- Tackle areas highlighted for improvement from the 2025 GRESB and EPRA respective assessment, with the aim of continuing to improve our accreditation performance and other benchmarks.
- Continue to embed ESG criteria in acquisitions and asset management processes, ensuring sustainability is at the forefront of the management of an asset's life-cycle.
- Sustainability action plans will be developed at the individual asset level ensuring focus on property specific improvements.
- Continue to have ESG criteria front and centre for due diligence enquiries and the obligations the Company requires from suppliers and associates.
- Continue to support occupiers and suppliers to adopt a more sustainable means of travel by installing electric vehicle charging points and priority on-site bicycle lanes and bicycle storage/changing facilities.
- Through the Investment Adviser's fit-out guide and asset specifications, the Company promotes greater circularity, encouraging recycling and reuse, promotes responsible sourcing, the use of low carbon embodied materials, limiting resource use, avoiding virgin raw material use, and eliminating waste to land fill or incineration where possible.
- Transition standard lease terms on renewals and new leases to green leases which include cooperation and reporting obligations on parties to share environmental performance data; allow landlord access to verify environmental performance; impose sustainability criteria on fit-outs, repairs, maintenance and dilapidations; and encourage reductions in resource use.
- Continue with the Investment Advisers' work in the community through the charities supported and served, while ensuring they remain the best and most closely aligned to the Company's ESG objectives and outcomes.
- Utilise the data captured from the buildings Smart Technology to further understand building usage with the aim to improve efficiencies to further reduce energy intensity.
- Work with CBRE to measure the impact the smart technology on the carbon baseline to develop strategic pathway to net zero.
- Continue to maintain 100% renewable electricity to the portfolio; installation of on-site renewable energy; upgrade to energy efficient plant and machinery during refurbishment and fit-out.
- Continue to engage with occupiers, where applicable to adopt their own energy efficient mitigations.
- Continue to keep up with industry developments to reduce consumption and support a low carbon portfolio.
- Continue the rollout of on-site energy generation by installing Solar Panels to an additional 14 properties.

## ESG Working Party Report

The ESG Working Party met 4 times during 2025. The membership of the Working Party is made up of an independent Non-Executive Director and members of the Investment Adviser. The Working Party updates the Board on its progress. The external ESG consultants, CBRE, and energy providers are invited to attend and support the ESG Working Party by undertaking specific pieces of work and as required providing updates on any possible regulatory changes.

The Board has delegated its authorities to the ESG Working Party to:

- Assist the Board in defining and regularly reviewing the Company's strategy relating to ESG and in setting relevant key performance indicators.
- Develop and regularly review the policies, procedures, practices and initiatives relating to ESG matters and ensure they remain effective, relevant and consistent with industry best practice.
- Have oversight of the management of ESG matters and compliance with relevant statutory, regulatory and legal requirements and applicable ESG rules, industry standards and guidelines.
- Have oversight of responses to investor requests on ESG matters.
- Report on these matters to the Board and, where appropriate, make recommendations to them.

In undertaking this role, the ESG Working Party duties include assessing effectiveness in identifying, managing, mitigating or eliminating ESG risks and ensuring compliance with relevant statutory, regulatory and legal requirements as well as applicable ESG rules, industry standards and guidelines.

In 2025 the ESG Working Party continued to focus upon the processes and steps necessary for embedding ESG across the Company and its subsidiaries and the role of the Company in its ESG stewardship through its investments, external relationships and interactions.

EPC ratings remains a focus for the working party. CBRE continue as the Company's ESG strategy adviser; the improvement in both GRESB and EPRA sustainability accreditation during the year; the Task Force on Climate-Related Financial Disclosures (TCFD) (See pages 91 to 95) in improving reporting of climate-related financial information; and the Company's sustainability policy and relevant KPIs.

## Net Zero Carbon

Harnessing the power of smart technology, we are creating intelligent, connected solutions that drive efficiency that will reduce emissions and accelerate our journey to Net Zero Carbon. The installation of solar panels further assists the journey to the portfolios 1.5 degree.

In 2026, we will prioritise expanding occupier data collection to strengthen the coverage, accuracy, and granularity of energy and carbon performance data across the portfolio. This enhanced dataset will be supported by the deployment of smart technologies that enable real time monitoring of energy consumption, optimisation of building performance, and improved identification of reduction opportunities. In parallel, we will continue accelerating the integration of on site solar solutions to increase renewable energy generation, reduce reliance on grid electricity, and support progress toward our long term carbon reduction targets.

The Investment Adviser, ESR Europe Private Markets Ltd., is part of the ESR Group, Asia-Pacific's largest real asset manager with approximately US\$150 billion AUM, and the largest sponsor and manager of REITs in the region with a total AUM of approximately US\$45 billion. ESR are signatories to the internationally recognised Principles for Responsible Investment (UN PRI), and places it at the heart of a global community seeking to build a more sustainable financial system.

## Sustainability Report Continued

### United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals are comprised of 17 interlinked global goals that provide a blueprint for a sustainable future. The Board recognise its role in supporting the global transition to sustainable living as envisioned by the goals. The Board is kept apprised of the ESG by the ESG Working Party and discusses ESG issues at its regular board meetings. The Board has taken the decision to align the Company with four goals where the Company believes it can make the biggest impact.

These are:



Set out below is a summary of the Company's progress against the goals which are particularly significant to the Company.

<p><b>8. Decent Work and Economic Growth</b></p>	<p>The Company provides and manages facilities that generate opportunities for enterprises to grow and support job creation. Through the Company's acquisitions and refurbishments, it promotes sustainable resource consumption, reuse and recycling, and in its engagements with others, it protects the labour rights of those engaged to work for the Company in safe working environments.</p>
<p><b>11. Sustainable Cities and Communities</b></p>	<p>The Company invests in and manages property and real estate assets across identified growth cities and centres across the regions of the UK outside of the M25 motorway. Its investment and management strategy is to ensure that they are sustainable and, through the facilities and opportunity offered, make a beneficial contribution to the communities the Company is part of and serves.</p>
<p><b>13. Climate Action</b></p>	<p>The Company is taking action across its portfolio to mitigate the harmful effects of climate change. Energy audits, such as the EPC review are continually being undertaken of all assets implementing energy efficiency strategies to support a low carbon portfolio.</p>
<p><b>3. Good health and well-being</b></p>	<p>The Company promotes good health and well-being via its services and interactions with its occupiers, suppliers and the communities within which it operates. The Investment Adviser continues to fit out bicycle storage and repair stations and associated shower rooms across the estate encouraging both wellness and lower carbon emissions.</p> <p>Through the Investment Adviser Occupier Fit-out Guide recommendations and guidance are provided on steps that can be taken for the health and well-being of building users and how they can be achieved.</p> <p>Automated External Defibrillators (AEDs) were installed across the multi-let estate. Their location will be registered on Defib finder <a href="https://www.defibfinder.uk/">https://www.defibfinder.uk/</a> allowing accessibility to the local community.</p>

## Sustainability in Action

### Sustainability in Action 1

#### At a Glance

Working with our partners installation of solar panels began in a number of properties within the portfolio. This delivers substantial environmental and operational benefits, helping to reduce Scope 2 emissions by generating clean, renewable electricity on-site and lowering reliance on grid energy. By utilising existing roof or land space to produce low carbon energy, we aim to strengthen the portfolios overall environmental performance, support our net zero, ESG targets and stakeholder expectations on climate action.

#### Key Focus



#### Benefits

- 1 Electricity consumption reduced by 8% kWh across 4 properties**
- 2 Gas consumption reduced by 54%**
- 3 Saving 109 Tonnes of Co2 Emissions**

### Sustainability in Action 2

#### At a Glance

In collaboration with our contractor we implemented a tailored sensor package designed to uncover opportunities for optimising the performance of their properties. Following a detailed desktop audit of asset registers and floor plans, we developed a bespoke solution for each site—enabling the creation of a digital twin focused on key analytics. These included plant operation, indoor temperature tracking, light level monitoring, and basic occupancy and footfall measurement.

#### Key Focus

- Climate change mitigation / Decarbonisation
- Energy Management and Efficiency
- Resource efficiency and circularity
- Net Zero and ESG targets

#### Solutions

Using the data collected from the sensors, we were able to clearly demonstrate how each property is used and how effectively the plan systems align with actual occupancy and usage patterns. This insight revealed several opportunities to refine setpoints and schedules, leading to measurable improvements in efficiency.

- Reducing emissions
- Lowering Carbon Footprint
- Improving Energy resilience
- Enhancing resource efficiency



## Sustainability Report Continued

### Investment Due Diligence

The Company has broadened its investment due diligence to include sustainability criteria which feed into its decision making. This includes:

<p><b>Environmental:</b></p>	<p>The position insofar as the environmental footprint of an investment is concerned. Current usages and impacts; the maturity of systems and mitigations in place to eliminate or reduce those impacts; environmental risks and their severity; and the prospects and opportunities for change.</p>
<p><b>Social:</b></p>	<p>The social impacts and opportunities of an investment, Health and wellness criteria; air quality and its monitoring; physical attributes such as access to daylight, low noise pollution and social space. The availability of local amenities, close public transport and energy efficient means of travel, electric vehicle charging and parking.</p>
<p><b>Governance:</b></p>	<p>The assessment and mitigation of risks, for example environmental and biodiversity risks; physical, natural and social economic risks. Sustainability framework and strategies in place for the investment and their relative performance. Financial, legal and operational obligations and impacts. Environmental classifications and certifications.</p>



## Working with the Community

During the year, the Company continued to support and work with a number of charities and not for profit organisations that are making an impact in the communities and the regional locations where the Company operates.

We design community initiatives that focus on making a supportive, welcoming and safe community environment to ensure occupiers can share hard-to-discuss topics and feelings with the aim to host at least 1 monthly event that supports and encourages discussion.

### Quarterly Local Connection socials

Bringing together partnering local service providers, hospitality and makers to network and share their businesses and deals with our occupiers.

This enables us as a management team to stay connected to the wider business community in Glasgow



Monthly Coffee Clubs



Valentines Market



Afternoon Tea



World Mental Health Day

**Promoting, Education and Upskilling** - March saw the women of the Investment Adviser take part in a weeklong virtual summit by the Women Leaders Association on key topics that support women's professional and personal growth.



**Strengthening Social Resilience, Health and Wellbeing** - June had teams from London, Leeds, Manchester, Glasgow and Edinburgh put on their walking boots and hit the hills taking on the 7 Hills of Edinburgh (15 miles); The Ilkley Skyline (24 miles) and the Thames 16 Bridges (15 miles). These challenges were tied to a fundraising effort in support of our nominated charity, Youth Sport Trust, whose mission is to empower young people through sports and physical activity.



## Working with the Community Continued



**Strengthening Social Resilience, Health and Wellbeing**  
- June saw us join the CBRE Cycle for Alzheimer's Society and raised £3,500 as a company.

**Strengthening Social Resilience, Health and Wellbeing**  
- In July a team from the Investment Adviser utilised the 8 hours volunteering allowance helping St Michaels and All Angels School in Halifax. Their efforts focused on redecorating two classrooms, creating a brand-new sensory room, and refreshing two outdoor gazebos—helping to enhance the school's environment ahead of the September term.

This charitable work was supported by one of our service partners who matched our volunteer hours with their skilled engineers maximising impact for both the students and staff!



**December** saw us bring the Christmas cheer to the office, with the Christmas Jumper day in aid of Save the Children and raised £216!

**December** also saw the Investment Adviser and the building communities come together to donate to the Christmas Giving Tree initiative. The charitable activity supported 12 charities, Gifts for Kids, The Salvation Army Toy Appeal, Christmas Toy Bank. With over 800 gifts kindly donated along with donations for The Shannon Bradshaw Trust in Warrington which helped support 5 unwell children and their 13 siblings.



We are working in the wider community and have worked with Bonus Pastor Catholic College and Hyndland Secondary School.

**Hyndland Secondary School** - Colleagues visited Hyndland Secondary School to take part in their careers evening for S4-S6 students, sharing insights on everything from how to make your CV or application stand out to careers in finance, property management and ESG. Along with mock interviews this brings our ESG and DEI goals to life. Helping open up access to careers in our industry, supporting diverse pathways into the world of work, and strengthening our partnerships within the communities where we operate



## Sustainability Report Continued

### Data Performance

#### A. Key Performance Indicators (“KPIs”)

During the year, the ESG Working Party recommended the following KPIs.

#### Boundary KPIs

##### Whole Portfolio Boundary

1. To reduce total portfolio absolute emissions to net zero by 2050 in accordance with the Paris climate agreement and to strive to achieve this in a shorter timescale.
2. To achieve a Minimum Energy Efficiency Standard (‘MEES’) target of EPC B by 2030.  
  
The EPC performance data was as follows:

Remote access metering continued to be installed across the multi-let portfolio allowing for detailed energy data capture. The Company in party with the Company’s ESG advisors, CBRE, is establishing a carbon footprint, which will provide the base of the net zero carbon pathway.

Rating	31 December 2024	31 December 2025	Movement
B Plus and Exempt	57.7%	60.0%	2.3 ppts
C	25.0%	24.5%	(0.5 ppts)
D	11.0%	11.5%	(0.5 ppts)
E and below	6.3%	11.5%	(2.2 ppts)

## Landlord Controlled Boundary

KPI	2023 Performance	2024 Performance	2025 Performance	Improvements in 2026
All properties to be serviced by renewable energy sources.	100% of all electricity consumption was derived from green sources	The Company will continue to reduce the portfolio's reliance on energy sourced from fossil fuels; taking the opportunity to convert properties to green energy sources during refurbishment programmes.	100% of all electricity consumption was derived from green sources.  The Company continued to reduce the portfolio's reliance on energy sourced from fossil fuel.	Deliver 100% renewable electricity.  Expand self generation through solar installations.
Install electric vehicle charging points across the portfolio or as requested by occupiers.		Site surveys and conversations continue with providers and occupiers to accelerate the programme of installations.	Continuing surveys	Continue to work with tenants needs for electric vehicle charging.
Eliminate waste to landfill	Where the data was available a total of 1,261 tonnes of non-hazardous waste was generated with 623 tonnes being recycled.  The balance 522.9 was sent for energy recovery for refuse derived fuel or at an anaerobic digestion facility.	Continue to increase data collection for the remaining sites and increase the proportion recycled.  Achieve 100% zero to landfill and will continue to work only with providers that will fulfil our commitment.	Continue to work with tenants to increase data collection for the remaining sites.  Achieve 100% zero to landfill and continue to work only with providers that will fulfil our commitment.	Achieve 100% zero to landfill and continue to work only with providers that will fulfil our commitment.
Reduce water consumption	Agreements are in place with the multiple water providers and metering roll out will commence during 2024.	Water meter installation programme is being rolled out to provide accurate water consumption rates for the portfolio, current coverage is 49.3%. Engaging with our tenants to share data.	Continue with the water meter installation to provide accurate water consumption rates across the portfolio.	Working with our tenants to expand water data capture. Utilise LOA and PropTech to further enhance the data capture.
Energy use data coverage	Metering installation has continued throughout 2023 with 319 meters now installed for electrical and gas supplies.	Continue to increase the metering programme, where possible at a unit level to allow greater monitoring and corrective action as applicable.	Continue to work with tenants to increase data coverage for FRI sites.	Continue to work with tenants through LOAs to further enhance data coverage for FRI sites.
Global Real Estate Sustainability Benchmark (“GRESB”)	With the appointment of CBRE the GRESB submission improved to 66.	GRESB submission improved to 73.	Continue with the progress and improve the GRESB accreditation. Focus remains with the increase in data collection to enhance decision making.	Continue with the progress and improve the GRESB accreditation and maintain the 'A' public Disclosure rating. Focus remains with the increase in data collection to enhance decision making.

**Occupier Boundary**

KPI	2023 Performance	2024 Performance	2025 Performance	Improvements in 2026
Engage with occupiers during lease negotiations to incorporate green clauses into new leases	Company Leases continue to be updated at all available points. Engaging with tenants around the importance of the data sharing ensures a collaborative approach that benefits the tenant, the Company, and environmental reporting.	Continue to develop the green lease clauses to ensure they meet the changing sustainability requirements for reporting. Engage with existing occupiers to share the benefits of working together.	Continue to ensure green lease clauses are issued.  Continue to monitor changes in legislation and reporting requirements and adapt the leases as needed.  Communication through the Investment Adviser, Property Managers and Facilities Manager and existing occupiers to build on the relationship and data sharing.	Continue to ensure green lease clauses are issued and utilised for data sharing purposes.  Continue to monitor changes in legislation and reporting requirements and adapt the leases as needed.  Communication through the Investment Adviser, Property Managers and Facilities Manager and existing occupiers to build on the relationship and data sharing.
Engage with all occupiers annually on ESG issues	The Company continues to engage with the occupiers through property managers and facilities managers who have discussed their ESG needs and initiatives important to them. This provided the Company with continual feedback allowing us to implement initiatives.	Continue to develop in person relationships and look to carry out an engagement survey.	The Company will maintain the contact with the occupiers through face to face discussions and engagement surveys.  Implementation of a sustainability action plan for each property to enable property managers and facilities managers to continue the dialogue and collaboration creating a united ESG approach.	The Company will maintain the contact with the occupiers through face to face discussions and engagement surveys.  Implementation of a sustainability action plan for each property to enable property managers and facilities managers to continue the dialogue and collaboration creating a united ESG approach.



**B. Task Force for Climate-related Financial Disclosures**

Despite no requirement to report against the Task Force for Climate Related Disclosures (“TCFD”), the Company has voluntarily joined with many other organisations around the world, by becoming a supporter of TCFD and reporting against the four recommendations.

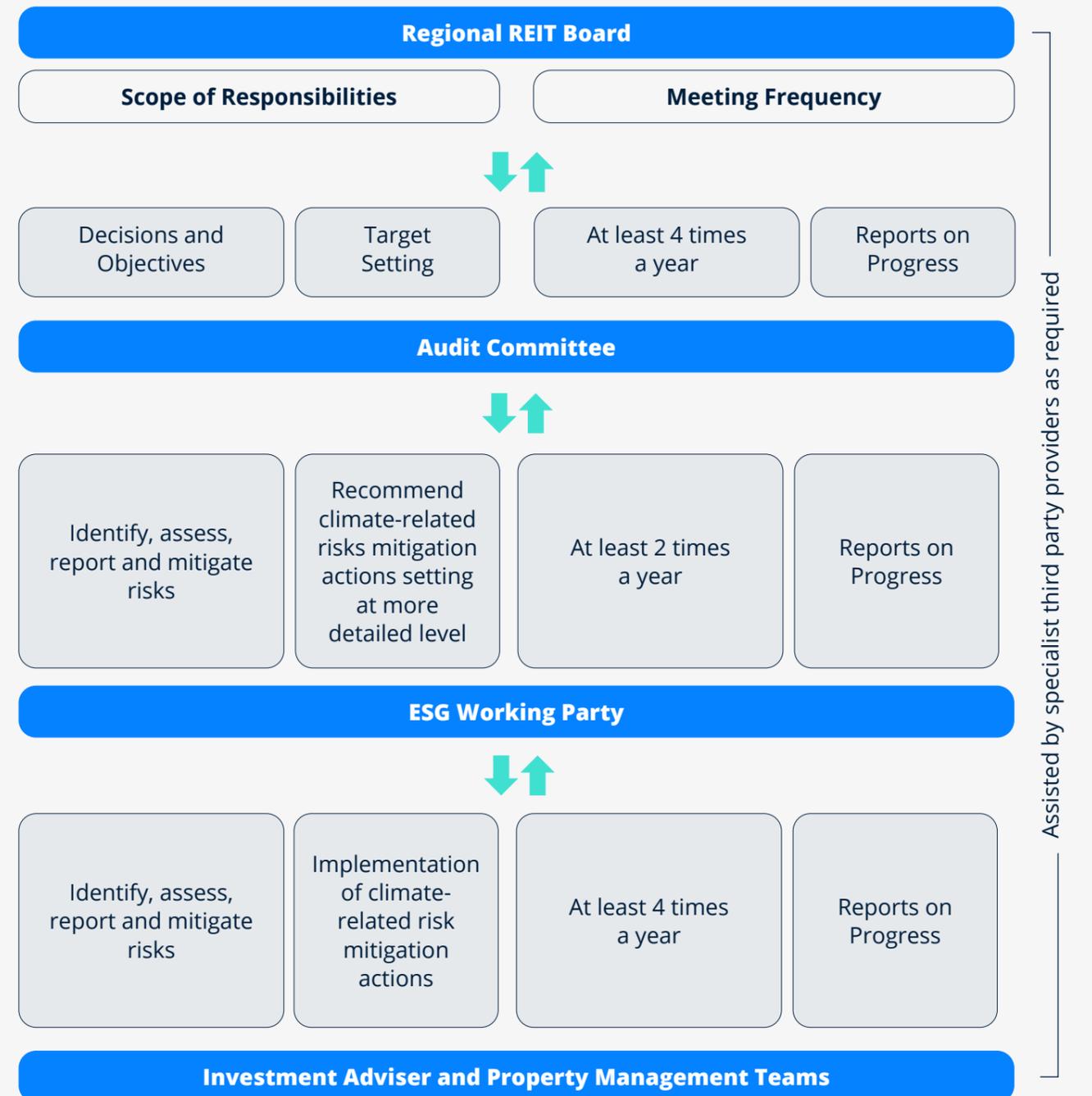
As with other sustainability disclosures, the Company expects the required disclosures to evolve in accordance with increased understanding around climate change risks.

Pillar	Recommended Disclosure
Governance	Board oversight
	Management Role
	Identified climate – related risks and opportunities
Strategy	Impact of climate – related risks and opportunities
	Resilience of the Group’s strategy
	Integrate processes for identifying, assessing, and managing climate-related risks into the Company’s overall risk management.
Risk Management	
Metrics and targets	Climate-related metrics
	Scope 1,2, and 3 GHG emissions
	Climate-related targets

**Governance**

Recommendation	Commentary
<p>The Board's oversight of climate-related risks and opportunities</p>	<p>The Board holds ultimate responsibility for overseeing the Company's risks and opportunities, including climate-related ones. It receives updates on these matters at each quarterly Board meeting.</p> <p>To carry out its duties, the Board has delegated authority for identifying climate-related risks to the Audit Committee. Meeting at least twice a year, the Audit Committee oversees the Group's Risk Register, which includes climate-related risks detailed in the Principal Risks and Uncertainties section on pages 58 to 71. After each meeting, the Committee reports its findings to the Board.</p> <p>Additionally, the Audit Committee has delegated other climate-related risk and opportunity responsibilities to the ESG Working Party. This group includes Non-Executive Director Massy Larizadeh, the Investment Adviser, and external advisors as needed.</p> <p>The ESG Working Party met 4 times in 2025 and as required provided updates and recommendations to the Audit Committee and the Board.</p> <p>The full risk management approach is set out on page 60.</p>
<p>Board's role in assessing and managing climate-related risks and opportunities</p>	<p>The Board holds ultimate responsibility for overseeing and managing climate-related risks and opportunities. The Investment Adviser, and Property Management teams support the Board and Audit Committee by identifying and assessing principal risks and uncertainties, including climate-related risks, within the risk appetite set by the Board. Risk assessment involves profiling and scoring risks before and after mitigation to determine if they are improving, worsening, or stable, and to evaluate the effectiveness of existing mitigation strategies.</p> <p>The Board receives quarterly reports on progress toward climate-related goals and targets.</p> <p>The Asset and Property Management teams handle daily operations, including implementing the Board-defined risk management strategy. The Property Manager is responsible for collecting and reporting environmental data, such as energy use and GHG emissions, allowing the ESG Working Party, Audit Committee, and Board to monitor progress against Board targets and take necessary actions.</p> <p>The Board, along with the Asset, Investment, and Property Management teams, receives ESG training annually and as needed.</p>

Detailed overview of the governance structure and risk management oversight is set out below.



**Strategy**

Recommendation	Commentary
Climate-related risks and opportunities identified over the short, medium and long term.	<p>Recognising that climate-related risks and opportunities materialise over differing time horizons the portfolio was considered over the short, medium and long term as set out below.</p> <p><b>Short term (0-5 years):</b></p> <ul style="list-style-type: none"> <li>Increasing ESG legislation and compliance, including the costs for compliance, as well as the costs arising from the breach of legislation</li> <li>Impact on property values and/or rents if climate-related mitigation actions are not undertaken</li> <li>Integration of ESG into business model</li> <li>Implementation of new Minimum Energy Efficiency Standards</li> <li>Portfolio climate adaption, retrofitting and refurbishment</li> <li>Increasing cost of supplies and or disruption to supplies for maintenance and refurbishment</li> <li>Increasing costs of utilities</li> </ul> <p><b>Medium term (5-10 years):</b></p> <ul style="list-style-type: none"> <li>Portfolio occupier demand for buildings with higher levels of efficiency, climate resilience, and lower carbon footprints</li> <li>Increased legislation requiring adherence</li> <li>Inability to access “green” funding</li> </ul> <p><b>Long term (10+ years):</b></p> <ul style="list-style-type: none"> <li>Continued legislation requirements</li> <li>Climate change which may impact the portfolio</li> </ul>
Identify impact of climate-related risks and opportunities upon the Company’s strategy, operations and financial planning.	<p>The Board has identified that climate-related risks could impact the Company by:</p> <ul style="list-style-type: none"> <li>Properties becoming unfit for purpose and asset stranding</li> <li>Income and expenditure impacts arising from climate-related mitigation strategies</li> <li>Lessened or improved desirability of its properties</li> <li>Pricing of properties</li> <li>Ability to access funds</li> <li>Cost of capital</li> <li>Reputation in the context of climate-related aspects</li> </ul> <p>The Company seeks to embed a sustainable ethos throughout a property’s lifecycle. This includes mitigating climate risks at the time of purchase through environmental assessments and working to extend the life of portfolio assets. The ongoing capital expenditure and refurbishment program focuses on improving existing buildings, enhancing energy efficiency, increasing EPC ratings, and reducing carbon emissions and waste.</p>
Resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°c or lower scenario.	<p>The resilience of the organisation’s strategy is assessed by considering various climate-related scenarios, including a 2-degree Celsius or lower scenario. The climate-related strategy focuses on reducing energy consumption, improving energy efficiency, sourcing renewable energy, supporting a low-carbon portfolio, installing on-site renewables, and enhancing efficiencies through retrofitting, refurbishment, and fit-outs. Where carbon emissions cannot be eliminated, the Company explores verified carbon offsetting strategies. The Board evaluates the resilience of its strategies through regular performance updates and makes adjustments as needed.</p>

**Risk Management**

Recommendation	Commentary
Integrate processes for identifying, assessing, and managing climate-related risks into the Company’s overall risk management.	<p>Effective risk management underpins the execution of the Company’s strategy.</p> <p>The Board is supported by the Audit Committee, which via the Company risk register aims to capture the principal risks and uncertainties, including climate related risk. Climate-related risks are included within Principal Risks and Uncertainties on pages 58 to 71.</p> <p>Any identified climate-related risks and identified emerging risks are included with the Risk Register and managed appropriately by the Board in the future as the need arises.</p> <p>Board meetings are held at least quarterly and Audit Committee meetings at least bi-annually, with ad hoc meetings called as circumstances demand.</p> <p>The respective Company oversight bodies are kept apprised of the changing climate-related landscape by its appointed external advisers. Allowing ample time for the required actions to be put in place. An overview of the risk management process is set out in the above organogram on page 93.</p>

**Metrics and Targets**

Recommendation	Commentary
Metrics used by the Company to assess climate-related risks and opportunities are in line with its strategy and risk management process.	<p>The Company reports in line with:</p> <ul style="list-style-type: none"> <li>The GRESB Standing Investments Benchmark; and</li> <li>EPRA Sustainability Best Practices Recommendations for sustainability reporting. EPRA performance tables are detailed later in this Sustainability Report.</li> </ul>
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>The Company reports Scope 1 and Scope 2 emissions in accordance with EPRA recommendations and as set out for the years 2023 and 2024 separately in this Report.</p>
Targets used by the Company to manage climate-related risks and opportunities and performance against targets.	<p>Through the ESG Working Party, the Company has established key performance indicators and targets as set out elsewhere in this report. The ESG Working Party measures performance against the targets and will report its findings to the Board.</p>

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