

Carbon Emissions Report

2020/21

Carbon Emissions

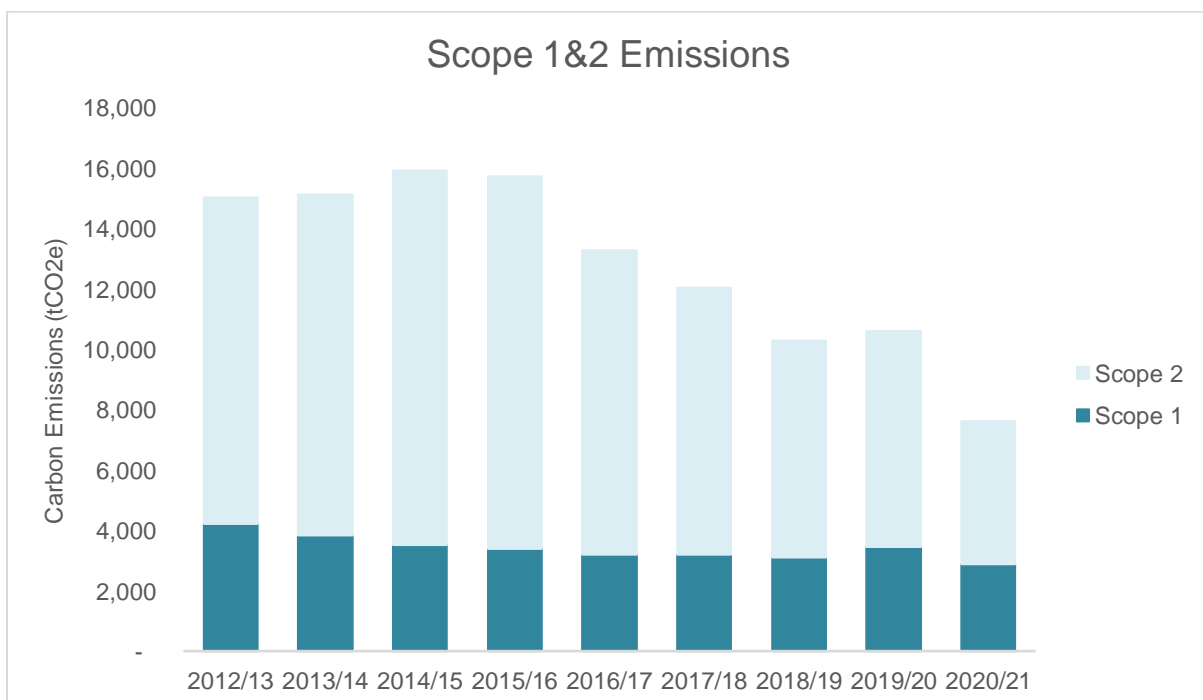
Carbon emissions represent one of our largest environmental impacts and we are actively working to reduce our sources of carbon where possible. The greatest contributor to our carbon emissions are the electricity and gas consumed within our buildings; by improving the energy efficiency of our buildings we aim to reduce our overall carbon footprint.

Total Emissions

The organisational boundary was established following the financial control consolidation approach on a UK basis. The scope includes all emission sources required for disclosure by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 as follows:

Scope 1 Emissions	Scope 2 Emissions	Scope 3 Emissions
<ul style="list-style-type: none"> • Combustion of gaseous fuels in facilities • Combustion of fuel in vehicle fleet • Fugitive refrigerant gases 	<ul style="list-style-type: none"> • Indirect emissions associated with purchased electricity (location & market based) and purchased heat consumed within facilities 	<ul style="list-style-type: none"> • Transmission & distribution of electricity and heat • Water supply & treatment • Waste • Embodied carbon in development projects • Customers' direct energy procurement • Employee commuting • Business travel

Annual Carbon Footprint: Scope 1 & 2



Our operational emissions have decreased significantly this year due to low utilisation across our centres as a result of the pandemic. However, our centres remained open during the year, supporting key workers and customers who couldn't work from home, which is why there was a reasonable amount of consumption, particularly the heating over the winter months as this is often centralised.

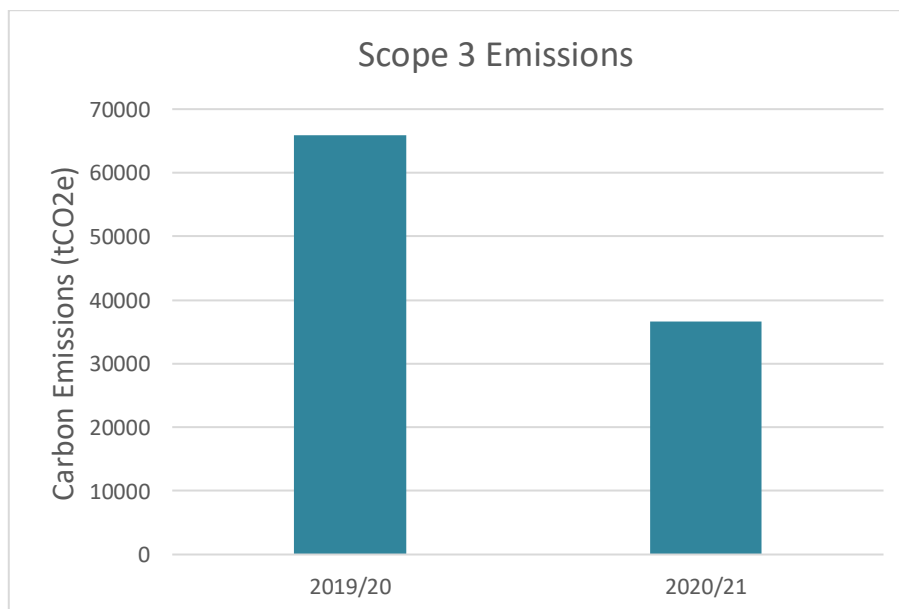
Another contributing factor for Scope 1 emissions reductions is the replacement of several gas central heating systems with air source heat pumps for environmental purposes and because there has been a further increase in demand for air-conditioned space. Our gas consumption has decreased as a result of this and improved data monitoring.

Besides the low occupancy, the reduction in Scope 2 emissions is due to a decrease in the carbon dioxide emission factor for UK electricity generation, which is attributed to a decrease in coal generation and the rapid expansion of renewables. Our market-based electricity figure is zero because all of the electricity we purchase is now on a renewable energy contract backed by Renewable Energy Guarantees of Origin (REGOs).

Scope 3

Our scope 3 emissions data include transmission & distribution of electricity and heat, water supply & treatment and operational waste, as well as employee commuting, business travel, embodied carbon from development projects and customer's direct energy procurement.

Annual Carbon Footprint: Scope 3



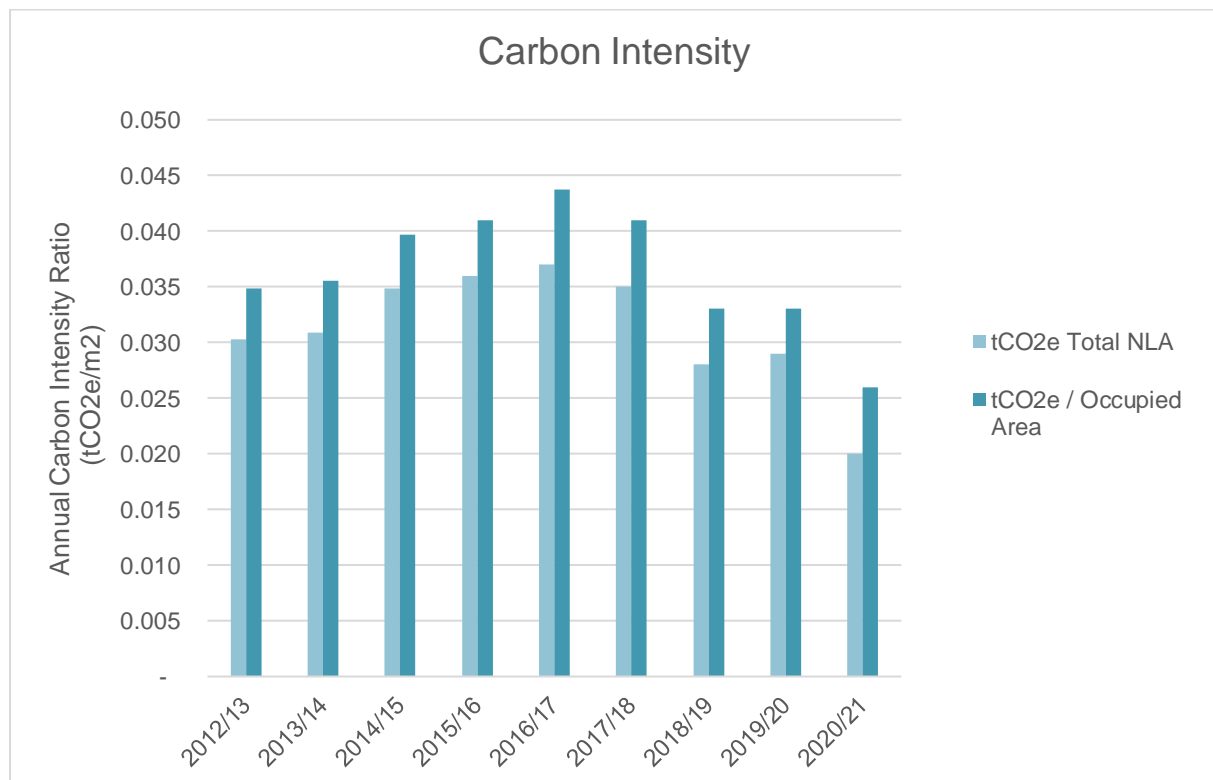
Our Scope 3 emissions have decreased mostly due to the reduced number of construction activities across the portfolio. The emissions associated with waste management decreased by 50% compared to the previous year due to a decrease in occupancy but also an increase in the recycling rate. Our recycling target remains 76% for the coming year.

Carbon Intensity: Scope 1 & 2

We also benchmark our emissions using an intensity ratio to compare our emissions against both net lettable area and occupied area. This allows data to be normalised against changes to our business activities, for example the acquisition or divestment of a building(s) or changes in occupancy levels.

Both intensity ratios have reduced since the baseline year, with a slight year on year increase for the net lettable area intensity.

Annual Carbon Intensity Ratio



Notes:

1. Emissions from vacant units have been omitted from data collection as they are considered to immaterial.
2. Calculations based upon a 5% materiality threshold.
3. DEFRA Environmental Reporting Guidelines and the financial control approach applied.

Looking forward

- Reduce absolute scope 1 GHG emissions by 42% by 2030 from a 2019/20 base year.
- Continue to source 100% renewable electricity
- Reduce scope 3 GHG emissions from purchased goods and services related to development projects by 20% per lettable area by 2030 from a 2019/20 base year.

- Maintain our Scope 1 & Scope 2 Greenhouse Gas Emissions intensity at 0.037 kgCO₂e/NLA (Net Lettable Area) until 2025
- Continue to install Automatic Meter Reads (AMR) for all landlord meters across the portfolio.
- Investigate opportunities to reduce fugitive emissions from building operations
- Engage with our customers on environmental performance topics through events, workshops, newsletters, posters and social media platforms
- Engage with Facilities Managers on improving energy performance of buildings they are responsible for.