

## Responsible Business Policy

### OVERVIEW

**LondonMetric Property Plc** is a UK listed REIT, that owns one of the UK's leading listed logistics platforms alongside a grocery-led long income portfolio. Our purpose is to:

- own desirable and fit for purpose real estate that meets occupiers' needs;
- manage and enhance our real estate in a responsible way;
- maximise our expertise and relationships to be a partner of choice to our stakeholders; and
- deliver reliable, repetitive and growing income-led total returns.

**This policy** sets out our commitment and approach to Responsible Business, which encompasses the management of our material environmental, social and governance risks and opportunities:

- Environmental - We look to minimise the environmental impact of our business, maximise opportunities to improve the efficiency of our assets and improve the resilience of our assets to climate change and the impact of transitioning to a low carbon economy. We have set a Net Zero Carbon ambition, which is available on our website and targets being Net Zero in our operations from the end of 2023, net zero in development by 2030 and in respect of the buildings our occupiers lease, net zero by 2035.
- Social – Our actions consider the long-term interests of all our stakeholders including those of our employees, suppliers, occupiers and local communities. Building and nurturing relationships with these stakeholders is integral to our business model and the way we work.
- Governance – The Board is committed to upholding high standards of corporate governance and business conduct across the organisation by ensuring proper risk management and procedures.

### OUR APPROACH

Responsible Business is embedded across our investment, asset management, development and corporate activities.

#### Investment

Our customer-focused approach to real estate investment ensures that we invest in properties that have a long-term appeal and that can deliver long term rental growth.

We ensure that material sustainability risks and opportunities are integrated into acquisition and disposal processes, with a specific focus on the:

- i. environmental risks of our buildings, including the acquisition of buildings with a minimum EPC rating of B or a clear pathway to a B rating;
- ii. future ability to improve our buildings and minimise climate change risks, with a growing importance attached to reaching net zero carbon in operation; and
- iii. ESG credentials of occupiers, particularly on properties with longer leases;

- iv. Level of operational management required at the asset such that the occupier is responsible for the day to day running of the asset through full repair and insure leases. This minimises LondonMetric's operational involvement across the portfolio in terms of, inter alia, procuring energy, waste management, maintenance and security.

### **Asset Management**

Our asset management activities aim to promote the long-term sustainability of our assets and strong relationships with local stakeholders. These actions are typically undertaken in conjunction with our occupiers and aim to:

- i. improve occupier satisfaction at our properties;
- ii. increase rental values and the security and longevity of our income;
- iii. explore and implement initiatives that improve the quality of our buildings and reduce the risks from climate change. This includes renewable energy technology, energy reduction solutions, better water and waste management, improved risk analysis, green leases, data sharing and EV charging; and
- iv. where we employ a managing agent, ensure that property management services are of a high standard with sustainability a core consideration including the sourcing of renewable energy and implementing carbon reduction initiatives where LondonMetric is responsible for the supply.

### **Development**

Whilst development is not a material focus for LondonMetric, we ensure that all direct developments consider high sustainability standards with respect to energy efficiency, renewable energy, EV charging, climate change adaptation, biodiversity, use of low carbon materials, minimising waste and the involvement of local community. In addition, we require a minimum EPC B rating and that all contractors adhere to our Responsible Development Requirements checklist.

On larger developments, we also apply higher standards designed to incorporate sustainability. These standards include achieving a minimum of BREEAM Very Good, tracking embodied carbon, undertaking whole life carbon assessments, monitoring asset performance post construction as well as helping to reduce operational water usage.

### **Governance**

The governance and implementation of our Responsible Business framework is overseen by our Senior Leadership Team with Audit Committee ultimately responsible for overseeing progress on Responsible Business and the Head of Responsible Business responsible for day-to-day management of ESG workstreams.

Our ESG Working Group committee meets regularly to ensure progress against ESG targets and is attended by key business representatives, a Board member and, on a less frequent basis, our external sustainability adviser.

Executive Directors and relevant employees are set ESG targets with remuneration linked to achieving those targets.

Our ESG matters and performance are publicly reported on regularly as well as reported to ESG indices and benchmarks. Available on our website ([www.londonmetric.com](http://www.londonmetric.com)) are the following related documents:

- Responsible Business Working Group's terms of reference;
- Responsible Business targets and reports;
- Approach to Health and Safety
- Compliance and anticorruption procedures;
- Responsible Procurement Policy;
- Community Policy
- Diversity and Inclusion Policy; and
- Modern Slavery Act Statement

**Andrew Jones, Chief Executive**

**17 April 2023**