LONDONMETRIC
PROPERTY PLC

Responsible Business & ESG Report

2023

Our sustainability performance

Responsible Business and ESG review

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Our framework

The Company recognises the need to consider and address all environmental, social and governance matters relevant to its business.

As well as meeting legislation, environmental improvements are starting to translate into real asset value enhancement as occupiers value these improvements more highly than before, and valuers begin to differentiate between assets based on environmental attributes.

Our Responsible Business framework guides us in mitigating climate-related risks, identifying and progressing environmental and stakeholder related opportunities as well as ensuring a high standard of corporate governance.

Responsible Business is embedded across all of corporate, investment, asset management and development activities. We have shifted our approach away from 'top down' analysis to a more 'bottom up' one.

We have a policy in place and ESG targets are set every year with progress against those targets monitored at Working Group meetings held monthly and attended by key business representatives and a Board member.

ESG performance is reported to the Board at regular intervals with the Audit Committee responsible for overseeing ESG progress.

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

Regular ESG training for our property team is undertaken throughout the year.

Our ESG objectives

UN's SDGs

Environmental

Through our activities 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.

Read more on page 3

7 AFFORDABLE AND CLEAN ENERGY
11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION

- Reducing portfolio's carbon intensity & embodied carbon from our activities
- Addressing climate change through our Net Zero Carbon ambition
- Helping cities to develop sustainable infrastructure

Social

Our actions consider the long term interests of all our stakeholders including those of our employees, suppliers, customers and local communities as well as ensuring that we maintain a high standard of business conduct.

Read more on page 11

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

- Enhancing and supporting local communities and wellbeing of stakeholders
- Improving the natural environment
- Promoting good working conditions and equality for all

Governance

The Board is committed to upholding high standards of corporate governance. In particular, it ensures that appropriate health and safety procedures and supply chains are in place.

Read more on page 23

> "LondonMetric supports the UN's 17 Sustainable Development Goals ('SDGs'). The goals shown above represent those that we feel are the most relevant to our business.
>
> **Martin McGann**
> Finance Director

Overview and progress

We have maintained our ratings in external benchmarks, made good progress against our internal ESG targets and put in place further green financing solutions.

External benchmarking

GRESB

Maintained our Green Star

Achieved a score of 64% in the 2022 Global Real Estate Sustainability Benchmark survey, maintaining our Green Star status.

FTSE4Good

Continued inclusion in the FTSE4Good Index

In the latest assessment, we achieved a score of 3.4 out of 5.0 compared to 2.6 for the peer group.

MSCI

'A' rating

In the latest assessment we were rated an 'A', which is above the sector average.

EPRA sBPR GOLD

Maintained our Gold Award

In EPRA's last review, we maintained our Gold Award in their Sustainability assessment.

Other benchmarks

In the latest ISS review, we maintained our 'C-' score, which remains above the peer group average. In addition, in 2023/24, we will respond to CDP for the first time.

Sustainability linked refinancing

Over the last year, we have completed a new revolving credit facility totalling £275 million.

This facility is sustainability linked and structured in accordance with the Loan Market Association's Sustainability Linked Loan Principles.

Sustainability performance targets ('Targets') were set and are aligned to LondonMetric's corporate ESG targets. The Targets are similar to those set for our £400 million sustainability linked refinancing in 2022 and focus on:

- Improvements in EPC ratings;
- Adding renewable installations; and
- Developments meeting a minimum BREEAM Very Good standard or, where not applicable, an alternative minimum standard.

The margin on these facilities is subject to a two basis point adjustment for compliance with the Targets, which are tested in each year of the facility.

Where targets are met, the margin paid will be reduced and LondonMetric will use this saving to add to its funds allocated for charitable giving.

During the year, all targets for the 2022 £400 million sustainability linked loans were achieved. The two basis point reduction in the margin resulted in a saving of £43,000 with these funds allocated to charitable giving.

The new facility this year has increased the value of our debt facilities that are sustainability linked to £675 million.

ESG progress in the year

We have made good progress against our 12 corporate ESG targets that were set for 2022/23 and that are available on our website.

The below sets out outcomes for some of our main ESG targets and further detail on our progress is detailed on the following pages.

Many of the targets remain relevant for next year and will be rolled forward with updated targets again made available on our website.

-3%
like for like reduction in energy consumption over the last year

90%
of portfolio EPC rated 'A'-'C'

68%
of occupier energy data captured

8.7/10
landlord recommendation score

94%
of employees are proud to work for LondonMetric

Our sustainability performance

Responsible Business and ESG review
continued

Environmental

Net Zero Carbon ('NZC') ambitions		
1 Our operations will be net zero by the end of 2023	**2** We will reduce emissions from developments which will be fully net zero by 2030	**3** We will work with our occupiers to ensure that our buildings are net zero by 2035
Encompasses Scope 1, 2 and some of Scope 3 emissions. Includes landlord-controlled energy, water, waste, refrigerants and purchased goods and services at our assets, along with energy, waste, refrigerants and business travel relating to corporate activity and offsetting residual carbon to achieve net zero	Encompasses Scope 3 emissions, includes embodied carbon, supply chain emissions and offsetting residual carbon to achieve net zero	Encompasses Scope 3 emissions, includes emissions from occupier-controlled energy use at our asset and offsetting residual carbon to achieve net zero

Overview

Through our activities we look to minimise the environmental impact of our business, maximise building efficiency opportunities whilst improving business and asset resilience to climate change and the impact of transitioning to a low carbon economy.

We understand the importance of addressing climate change and the significant impact that reducing emissions from real estate can have on the UK's 2050 Net Zero Carbon target.

LondonMetric recognises that it can have a material impact by reducing its emissions as well as supporting its occupiers in reducing theirs. In 2021, we formalised our Net Zero Carbon Framework.

During 2022/23, as well as preparing to be fully Net Zero from our operations by the end of 2023, we also continued to analyse the Net Zero potential across our portfolio through several NZC assessments.

Over the next year, we intend to map out our NZC pathway and extend our NZC analysis across a greater number of properties. As part of this, we will consider setting Science Based Targets for the Company, assessing stranding asset risk and carbon value at risk using the CRREM methodology.

Environmental

1 Operations (Scope 1 & 2)

Our operations will be net zero by the end of 2023, with all residual carbon offset*.

*1 Offsetting excludes renewably sourced electricity consumed and non landlord occupier activities
2 Through recognised offset schemes

Outcomes

-92%
reduction in absolute energy consumption since 2015

-3%
like for like reduction in energy consumption over the last year

77%
of landlord electricity supplies from renewable sources

Our energy consumption and greenhouse gas emissions have fallen significantly over recent years.

This reduction has, in part, been due to the Company's strategic shift away from offices and operational retail parks into distribution warehousing and long income assets that are typically single tenanted.

Consequently, together with our portfolio actions, the operational intensity of our portfolio and our carbon footprint where there is landlord supply has fallen significantly.

Since 2015, our absolute energy consumption has fallen by 92% from 9,056 MWh to 752 MWh. Over a 12 month period to 31 December 2022, consumption fell by 10% from 833 MWh. Excluding void assets, consumption fell by 5% from 674 MWh to 640 MWh and, on a like for like basis, consumption was 3% lower.

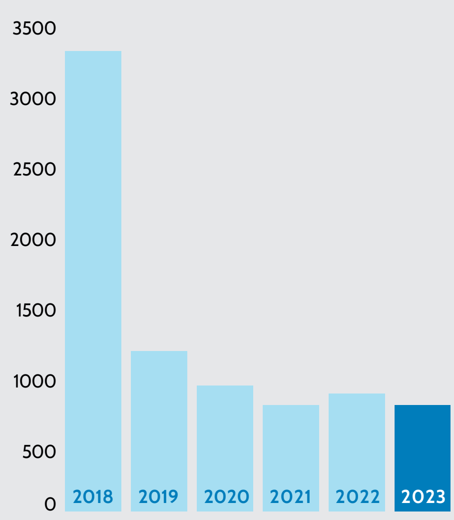
The high level of green tariff supplies now in place have seen our GHG emissions intensity (market based) remain low at 0.5 tCO_2e per £million net income or 4.0 tCO_2e per million sq ft.

Operational NZC Scope

	LondonMetric assets where it has control and management	Corporate (including head office)
Energy (electricity, fuels & heat)	●	●
Water	●	
Waste generated	●	●
Refrigerants	●	●
Purchaser of goods and services	●	
Business travel		●

Read more GHG Emissions on page 9

Energy consumption (MWh)[1]



1 Graph shows data according to reporting year. During the year, we changed our energy collection period to enable a longer timeframe between the year end and reporting date for processing of data. Data for 2018-2021 is based on financial years ended 31 March 2018, 2019, 2020 and 2021, whereas data for 2022 and 2023 is based on calendar years ended 31 December 2021 and 2022.

Current & future actions

With only a small proportion of the portfolio with landlord controlled energy supply, this limits our ability to further reduce our energy consumption. However, we continue to look to further mitigate our consumption where possible by identifying energy efficiency improvements.

As we prepare to become Operationally Net Zero Carbon by the end of 2023, we will look to implement our carbon offset strategy over the first half of FY 2023/24. Our carbon strategy was formalised in the prior year and concluded that we would adopt a carbon removal scheme with long lived storage that is in line with the Oxford Principles for Net Zero Aligned Carbon Offsetting, aiming to achieve the Gold Standard accreditation.

Our sustainability performance

Responsible Business and ESG review
continued

Environmental

2 Development

We will continue to reduce emissions from developments which will be fully net zero by 2030, with residual carbon offset thereafter.*

*1 Offset through recognised offset schemes

Outcomes

97%
percentage of developments BREEAM Very Good across 0.7 million sq ft

Our development performance

Whilst our development activity has reduced as we focus more on regenerating older urban warehousing, we continue to focus on building highly efficient buildings.

97% of our completed developments in the year, totalling 0.7 million sq ft, were certified BREEAM Very Good. BREEAM Very Good is minimum standard that we apply to our large direct developments and 100% of these developments achieved the Very Good standard.

As part of our efforts to reduce emissions, we are measuring embodied carbon and challenging our supply chains to minimise waste and select low carbon materials. Over recent years, we have seen progressive reductions in embodied carbon across our projects and have applied learning on future developments.

We continue to look at ways of achieving EPC A+ as well as NZC in operations and are integrating solar PVs into our developments, either at the time of construction or post completion.

In addition, we are trialling energy monitoring systems to allow us to monitor energy performance post construction and continue to review energy performance on previous developments.

In line with our shadow pricing initiative that we implemented in the previous year on large flagship developments, we are typically offsetting the carbon cost associated with our development activity through re-investment into green initiatives on the wider portfolio.

Current & future actions

- Benchmark embodied carbon on developments
- Undertake whole life carbon assessments where possible
- Align developments to supply chains that target minimising embodied carbon and selection of low-carbon materials
- Embed NZC aligned operational performance targets in design, monitoring asset performance post construction
- Shadow carbon pricing on select flagship developments
- Look to expand remote energy monitoring

FDS, Ipswich development

Completion of our 296,000 sq ft development occurred in June 2022.

It was pre-let to an ecommerce company on a 20 year lease and is located on a site that serves the newly created Free Port East Zone.

The development was BREEAM Very Good certified and EPC 'A' rated. Solar PV was installed that will supply c.10% of the building's energy, with further potential capacity. Ten EV chargers were installed with capacity for an additional ten.

The building achieved a 50% reduction in Carbon Emissions rate against Notional Target Emissions.

The development achieved a net biodiversity gain.

Biodiversity initiatives

- 60,000 new trees planted
- Artificial bat cave
- Four new ponds for a population of Great Crested Newts
- Two new badger setts

Environmental

3 Occupiers (Scope 3)

We will work with our occupiers to ensure our buildings are net zero by 2035*, assisting our occupiers to help them meet their NZC targets and focus on providing NZC ready buildings.

*1 Excludes renewably sourced electricity consumed
2 Where occupier hasn't offset its operational carbon from our building (excludes occupier's wider operational activity unrelated to the building), we will offset through recognised offset schemes
3 Does not apply to leases signed before 2024 and where that lease hasn't expired by 2035

Outcomes

90%
of portfolio EPC 'A'-'C' rated

31%
of portfolio BREEAM Very Good

68%
of occupier energy data captured

Overview

As part of our drive to upgrade the quality of our assets, we continue to explore and progress energy reduction and clean energy initiatives across our portfolio.

These include solar PV installations, LED lighting upgrades, building improvement works, removal of gas and installation of EV charging points.

These initiatives are mainly considered as part of new lettings and regears and help to enhance our properties, extend their economic life, increase occupier contentment and ultimately enable our occupiers to become NZC in operation.

LED lighting upgrades and occupier survey

In our recent occupier survey where we asked a number of environmental related questions, 80% of those that responded reported that they now have LED lighting as standard in the buildings that they lease from us.

Our own analysis suggests that occupier energy consumption can be reduced by up to 40% and EPC ratings improved materially as a result of LED lighting upgrades.

BREEAM rating across portfolio

Whilst BREEAM 'in construction' certification is not a specific target for us, the proportion of assets built to a BREEAM Very Good or Excellent standard is currently 31%, which is up from 10% in 2015 and 26% last year.

Occupier energy data collection

We have again increased the proportion of our occupiers' energy data (Scope 3) collected across our portfolio, collecting 68% of data by floor area compared to 59% last year and 43% in 2021. This data has been included in our EPRA tables on page 32.

We are using this data to better understand the carbon emissions across our portfolio and which assets need prioritising for energy improvement plans. In the year, we also sent out an ESG guide to our occupiers.

Green leases

In the year, we formalised our green lease clauses and incorporate this wording on new lettings and regears where possible. On some recent lettings, we are requiring the occupiers to achieve higher EPC standards as part of their fit out works.

In the year, 31% of our lettings included green lease clauses, with over 40% achieved for the second half of the year.

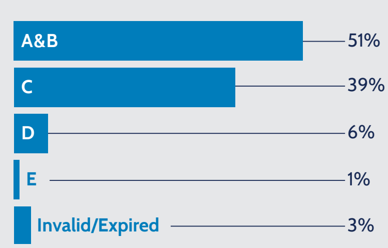
EPC rating of portfolio

We are conscious of the regulatory changes to EPCs and are actively targeting a minimum 'C' rating on all assets before 2027. 90% of our assets now have an EPC rating of 'A'-'C', which is up from 85% last year and materially up from 59% in 2015 and 74% in 2021.

The increase in the year reflects the benefit from our investment activity, where we have acquired or developed higher rated assets and disposed of some poorer quality buildings. It also reflects environmental improvements at our buildings and subsequently refreshing of EPCs. In addition, our development activity continues to upscale the portfolio's quality.

In the year, we undertook a substantial number of EPC reviews along with c.30 more in-depth MEES reviews that allow us to have a better understanding of where improvements can be made.

We recognise that better EPC ratings are the first step towards achieving NZC and so we are also undertaking NZC assessments on certain assets, particularly ahead of refurbishment works.



Over the year:

- A-Bs increased from 47% to 51%
- A-Cs increased from 85% to 90%

Our sustainability performance

Responsible Business and ESG review
continued

Environmental

Improving the quality of our assets

With a portfolio aligned to distribution, our assets have a much lower carbon intensity than sectors such as offices, residential and shopping centres. As we have significantly increased our urban logistics exposure, we have moved away from larger and newer logistics to well located but typically older buildings.

This provides significant scope for us to make relatively cost-effective improvements that can materially improve the building's energy efficiency and extend its life instead of redevelopment.

We also see investment activity as a key way of improving our assets and our acquisition process and disposals analysis is increasingly conscious of environmental considerations.

Solar PV installations

In the year, 125 kWp of solar PV was installed, taking our total portfolio solar capacity to 3.6 MWp. These were relatively small scale installations but we expect to materially add to our solar capacity following the recent increase in occupier interest; in our occupier survey, 55% of occupiers said they were looking at installing solar PVs. We are in discussion on a number of near term projects and see the potential to add 4.5 MWp of solar based on current activity and occupier discussions.

Improving energy efficiency at Amber Way

At our 62,000 sq ft warehouse let to Skate Hut in Birmingham, we facilitated the occupier's move from several smaller units and, as part of our upgrade work, new LED lighting was installed, refurbishment was undertaken of the office and warehouse and EV charging was installed. The EPC has improved from an 'E' rating to 'B' with further improvements identified.

EV car charging

As we recognise the growing importance of EV charging, we have now signed two EV partnership deals with Motor Fuel Group and, most recently, Instavolt, to install EV charging across a number of our long income sites. The recently signed partnership with Instavolt will see the installation of c.30 EV chargers across an initial nine sites which will generate c.£0.1 million of annual income. The real benefit will come from reducing carbon emissions and attracting visitors at our properties.

Outcomes

125 kWp
Solar PV installed in year[1]

55%
of occupiers looking to install Solar PVs

Current & future actions

- Measure emissions across all of the portfolio by increasing occupier data coverage
- Continued inclusion of green leases on letting events
- Continue programme of energy assessments and develop energy reduction plans with occupiers
- Measure and monitor improvements/ progress at our buildings against NZC targets
- Increase number of NZC ready buildings
- Progress renewable, EV charging and battery storage opportunities with occupiers

1 Comprising 50 kWp at Ipswich, 44 kWp at our Weymouth development across several units, and 32 kWp at Ashford

Distribution asset management – London

Four London refurbishment/asset management initiatives were undertaken during the year, and a further four are planned

+£1.2m
Rental uplift from four lettings

11 years
WAULT

1 Kings Langley

In the year, we acquired a 12,000 sq ft urban warehouse with vacant possession, which we upgraded and improved to an EPC 'B' through the removal of gas, installation of LED lighting as well as new electric heaters and an electric boiler. Further works were identified that could improve the rating to an EPC A+/ Net Zero. The building was let on a 15 year lease at a rent 25% ahead of our acquisition underwrite.

2 Tottenham

At our 22,000 sq ft urban warehouse, we reconfigured the unit to create an open warehouse, upgraded the roof, added LED lighting and rooflights, installed a new heating and cooling system and removed the gas. EV charging was also installed. The building's EPC improved to a 'B' with the potential to achieve 'A' with solar PVs. It was let to an international fine art business for a nine year term at a rent 20% ahead of our acquisition underwrite.

3 Stratford

In the year, we acquired an 11,000 sq ft urban warehouse in Stratford with vacant possession and the intention to refurbish the unit.

Following acquisition, we let the unit on a 11 year lease to Gentlemen Baristas, a roastery and coffee house for a new state of the art roastery facility. As part of the letting, the occupier has undertaken certain identified works to improve the EPC from an 'E' to a 'B' rating.

4 Norbury

In the year, we let the final unit at our 20,000 sq ft urban logistics scheme to Deliveroo. The property is let for a further 13 years at an average rent of £26 psf, with other occupiers comprising Jacuna and Screwfix. The building has undergone a comprehensive refurbishment and upgrade, which increased the EPCs from 'D/E' to 'B/C' with further potential for improvements.

Current opportunities: 5 Colliers Wood 6 Stockwell 7 Hackney 8 Dulwich

Our sustainability performance

Responsible Business and ESG review
continued

Environmental

Energy consumption

-3%
Over the year on a like for like basis

Energy consumption fell 3% to 396MWh on assets that were owned during both 2021 and 2022 (calendar years). The reduction can be attributed to the ongoing asset upgrades to incorporate energy efficiency measures. Absolute energy consumption across the whole portfolio decreased by 10%.

Greenhouse gas (GHG) emissions

-4%
Over the year on a like for like basis (location based)

Emissions fell by 4% on assets that were owned during both the 2021 and 2022 periods.

Absolute emissions have decreased overall from 199tCO_2e to 162tCO_2e.

Sources of greenhouse gas emissions[3]		Year to 31 December 2022		Year to 31 December 2021	
		Tonnes of CO_2e (location-based calculation)[1]	Tonnes of CO_2e (market-based calculation)[2]	Tonnes of CO_2e (location-based calculation)[1]	Tonnes of CO_2e (market-based calculation)[2]
Scope 1 Energy	Landlord-controlled gas	15	15	24	24
Void Energy	Void asset gas	8	8	7	7
Fugitive emissions	Refrigerant emissions	De minimis	De minimis	De minimis	De minimis
Scope 2 Energy	Landlord-controlled electricity	88	31	125	21
Void Energy	Void asset electricity	13	12	26	24
Scope 3 Energy	Transmission and distribution losses	9	9	13	13
Tenant Energy	Landlord-obtained energy sub-metered to tenants	18	18	0	0
Travel	Emissions from employee business travel for which the company does not own or control	9	9	4	4
Total		162	103	199	95
Total (Ex voids)		141	84	167	63
Intensity (Scope 1 & 2) tCO_2e/£m net income after administration costs		0.96	0.51	1.57	0.66

1 For the 'location-based' method of emissions calculations, standard emissions factors from the UK Government Emissions Conversion Factors for Greenhouse Gas Company Reporting 2021 and 2022 were used
2 For the 'market-based' method, the Company's contractual instruments for the purchase of certified renewable electricity were accounted for
3 Disclosed emissions are 100% UK based

Data qualifying notes

This is the Company's tenth year of disclosure under the Mandatory Greenhouse Gas Emissions Reporting regulations and third under the recently introduced Streamlined Energy and Carbon Reporting regulations.

During the year, the Company changed its reporting period for Greenhouse Gas Emissions such that the reporting period (current and historic) is the year to 31 December and not the year to 31 March as previously reported.

This statement has been prepared in line with the main requirements of the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1:2006.

Within Scope 1 emissions, refrigerant-related emissions for the period were de minimis.

Scope 2 dual reporting is undertaken, which discloses one Scope 2 emission figure according to a location-based method and another according to a market-based method.

For the 'location-based' method of emissions calculations, standard emissions factors from the UK Government Emissions Conversion Factors for Greenhouse Gas Company Reporting 2021 and 2022 were used.

For the 'market-based' method, the Company's contractual instruments for the purchase of certified renewable electricity were accounted for. For the remainder of electricity which is not Rego backed, UK's residual mix factor was used to calculate the associated emissions.

Emissions from employee business travel (by vehicle) have been calculated and reported under Scope 3 emissions. Emissions have been calculated on a distance travelled basis, where the relevant vehicle emissions factor has been applied to expensed mileage.

Scope 3 Landlord-obtained energy sub-metered to tenants, is calculated through submeter recharge. These emissions are not included under Scope 2 to prevent double counting, however a Scope 2 conversion factor is applied to calculations.

An operational control consolidation approach has been adopted.

Additional information has been provided through the breakdown of void asset emissions in both Scope 1 and Scope 2. This is to clearly demonstrate where LondonMetric have operational control throughout the year, and how void data impacts the overall total emissions.

Environmental

Climate risk

Our ESG focus has increasingly turned to understanding the climate risks of our portfolio.

In the previous year, we undertook a significant assessment of our business and asset resilience against climate-related risks. The third party assessment concluded that our sustainability strategy is well-positioned to manage climate-related risks and opportunities.

For the portfolio assessment, two climate change scenarios were used to test a range of outcomes and identify material climate-related risks over the short, medium and long term with likelihood and impact scores assigned to each risk.

The table opposite shows that under the less extreme scenario (RCP4.5), transition risks are the most significant for our business, whereas under the more extreme scenario (RCP8.5), physical risks are the most prevalent and will have a greater impact.

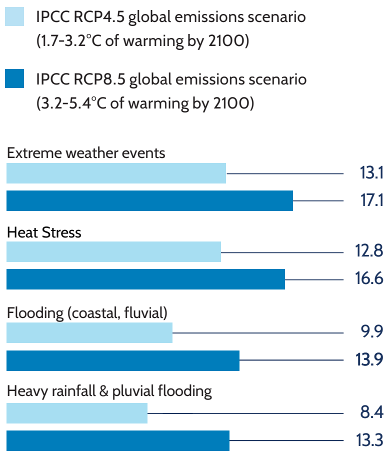
At the asset level, an in-depth review was undertaken on representative assets, assessing their resilience to physical and transition risks. Again, transition risks were higher for the assets we assessed.

We continue to embed climate risk analysis in our acquisitions as well as our portfolio management and challenge our advisers and the team to build in greater assessment of climate risk.

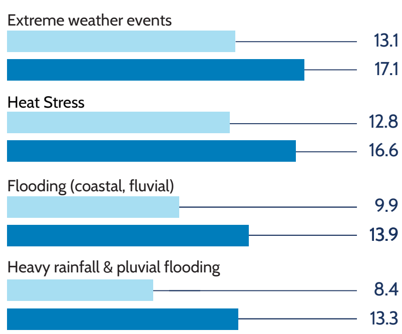
In the forthcoming year, we will:

- Extend our risk analysis of the portfolio based on asset locations;
- Extend the transition risk analysis based on energy performance and occupier carbon emissions data;
- Work with our environmental experts to further include climate risk analysis in our procedures; and
- Build on our short, medium and long term targets

Physical risks (risk scoring on key risks)



Transition risks[1] (risk scoring on key risks)



1 Risks shown in graphs are top risks for IPCC RCP 4.5. Under RCP 8.5, risks from insurance challenges and increased energy demand and cost would have been included as top four transition risk with scores of 14.0 and 13.0

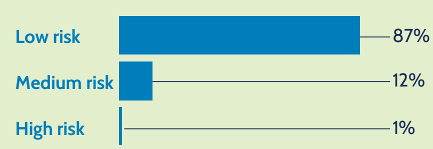
See pages 26 to 27 for further detail on climate change scenarios

Portfolio Flood Risk

We continue to increase our assessment of the potential impact of physical changes on our portfolio, such as extreme weather and longer term shifts in climate pattern.

During the year, we continued to manage and mitigate our portfolio flood risk assessment. We sold one asset that was most at risk of flooding and undertook further analysis on the other high risk assets.

We believe that, in most instances, proper flood mapping or better consideration of building levels would lower the risk profile further, both across our 'high' risk assets but also our 'medium' risk assets. We continue to look at risk reduction actions.



- Only 1% of properties rated high risk
- Full portfolio reviews every three years with ongoing monitoring on higher risk assets
- Detailed flood reviews undertaken on acquisitions

Our sustainability performance

Responsible Business and ESG review
continued

Social

Occupiers

Why they are important to us

- Drivers of income and capital growth
- Lie at the heart of our business purpose

What is important to them

- Fit for purpose real estate
- Lease terms that suit their business model
- Well designed and sustainable buildings
- Approachable and trustworthy landlord

Outcomes

99.1%
portfolio occupancy

8.7/10.0
landlord recommendation score

99.8%
of rent collected

167
occupier transactions

Occupier survey results page 15

Strong customer focus

We recognise that when our occupiers' businesses thrive, our business also thrives. We treat our occupiers as customers and put them at the centre of our decision making.

Our occupier-led approach provides us with market knowledge to better understand future trends and make informed decisions. Our high occupancy rate, rent collection and customer satisfaction scores demonstrate the strength of these relationships.

Extending existing relationships and developing new contacts continue to be a key focus for us.

Develop trusted relationships

Our strong occupier relationships reflect our differentiated proposition where we:

- Are approachable and actively engage with our occupiers;
- Strive to listen, fully understand occupier requirements and create solutions that are mutually beneficial; and
- Make quick decisions, act swiftly and deliver on our promises.

Customer satisfaction

We undertake regular surveys across our key occupiers and undertook our fifth occupier survey in March 2023.

Responses were received from occupiers representing 46% of our income and the feedback continued to be strong with an average score of 8.7 out of 10.0 for whether our occupiers would recommend LondonMetric as a landlord.

The survey continued to provide very helpful information for us to follow up on and include in our wider decision making.

> "We aim to be a real estate partner of choice for our occupiers.
>
> **Mark Stirling**
> Asset Director

How we engage with our occupiers

- Annual occupier surveys
- Leasing and regear activity
- Regular site visits and inspections
- Energy saving discussions
- Wider property needs discussions

Board Engagement

- Board provided with detailed analysis of occupier transactional activity on a regular basis
- Executive Directors feedback results of rent collection to the Board
- Results of the annual occupier survey presented to Audit Committee each year
- Site visits provide an opportunity for the Board to engage with customers

Social

Occupiers

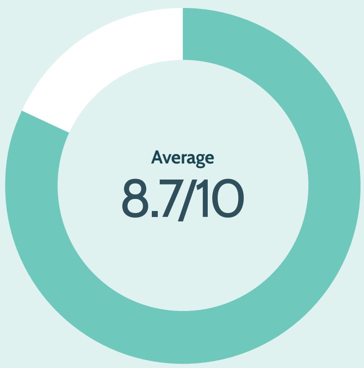
Occupier survey (March 2023)

211 of our occupiers were surveyed, representing 88% of rent. Responses were received from 71 occupiers representing 46% of rent.

Questions were asked about occupiers' satisfaction with our properties and their locations, how satisfied they were with LondonMetric and whether they would recommend us as a landlord. We also asked specific environmental questions.

As for the previous year's survey, we will address the results of the survey and any specific feedback through our ongoing occupier engagement.

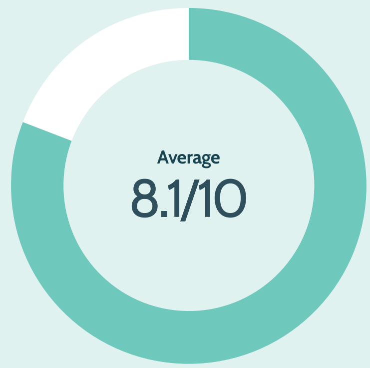
Encouragingly, wider sentiment from our occupiers was upbeat, with 35% saying that they are looking to increase their UK property footprint. A further 58% said that they expect their footprint to stay the same, whilst those looking to reduce space was only 7%.



Recommend LondonMetric as a landlord

We scored an average of 8.7 out of 10.0 for whether our occupiers would recommend LondonMetric as a landlord. This compares with the 2022 result of 8.5.

For our top ten occupiers, the average was higher at 9.2, up from 9.1 in 2022.



Satisfaction with our properties

We scored an average of 8.1 out of 10.0 for satisfaction with our properties. This compares with the 2022 result of 8.3.

For our top ten occupiers, the average was higher at 8.2.

Site visit at Eddie Stobart, Dagenham

Eddie Stobart has been a customer of ours for a number of years and, in 2018, we facilitated a major redevelopment and reconfiguration of their 454,000 sq ft of logistics warehousing in East London. We continue to remain close to them and they kindly helped us to host a large investor visit at their site recently.

“

Extremely hands on and outside the box thinkers. Importantly, they are a pleasure to work with and I just wish every landlord had the same approach.

Feedback from Eddie Stobart as part of the occupier survey

Responsible Business and ESG review
continued

Social

People

Why they are important to us

Build relationships with our occupiers and the property industry

Allow us to execute on investment, asset management and development strategies

Responsibility for their wellbeing

What is important to them

Flexibility and wellbeing

Progression and career development

Reward and recognition

Fairness and equality

Outcomes

6%
staff turnover since merger in 2013

94%
of staff feel proud to work for the Company

Employee survey results page 15

Overview

The Company is highly focused with 35 employees and nine Non Executive Directors. Since merger in 2013, employee numbers have fallen despite a significant increase in assets managed. This reflects improved efficiencies and the lower operational requirements of our portfolio.

Culture and approach

We have successfully attracted and retained a talented and loyal team.

This is reflected in our low annual voluntary staff turnover rate which has averaged 6% since merger. We believe this reflects our:

- Culture of empowerment, inclusion, openness and teamwork;
- Fair and performance based remuneration; and
- Small number of staff, which allows a flexible and individual approach.

We also have a flat management structure with clear responsibilities and decision making processes.

How we engage with our employees

- Annual employee surveys
- Annual appraisals
- Training
- Committee meetings
- Regular business updates

Board Engagement

- Clear communication and regular updates from the Chief Executive
- Direct interaction between the Board and employees on an informal and also formal basis at specific meetings
- Site visits for Non Executive Directors facilitated and attended by key employees
- Liaison with workforce Non Executive Director through employee events

> "We continue to ensure that our employees are properly supported and incentivised.
>
> **Martin McGann**
> Finance Director

Social

People

How we address employee needs

Flexibility, wellbeing, satisfaction & safety

Our 2023 employee survey reflects ongoing high levels of satisfaction. We have implemented more flexible working arrangements over recent years covering dress code, holiday buy back, improved systems to enable home working and a core hours policy. We have also significantly reduced office space, undertaken a major office refurbishment and modernisation, as well as carried out a wellbeing review. Recognising that employees are no longer working from home on a regular basis, we intend to upgrade our working space further over the next year. Health & Safety is a key priority for us and our policy provides for appropriate equipment, workplace assessments, operational processes and safe systems of work.

Progression & career development

An annual appraisal process is undertaken where training needs and performance are discussed.

We actively encourage training and we continue to monitor our staff training each year.

We continue to undertake ESG training across our employees, encourage participation in Young Property Professionals' groups and offer secondment and work placement opportunities.

Reward & recognition

Remuneration is aligned to personal and Company performance with LTIPs that replicate arrangements for Executive Directors.

All employees receive a pension contribution of 10% of salary and medical insurance with access to childcare, cycle to work vouchers and a company car scheme, which allows employees to access electric and hybrid vehicles.

In the year, and in response to the cost of living crisis, we made one off payments to some of our employees.

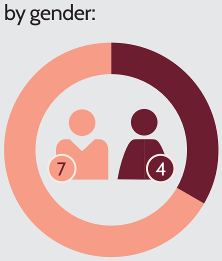
Inclusion, fairness & equality

We strongly encourage input on decision making from all staff, wide participation in Committee meetings and collaboration across teams. Regular business updates are provided by Executive Directors.

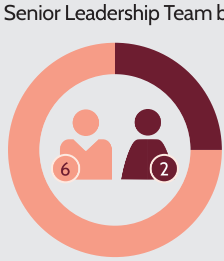
We promote diversity across knowledge, experience, gender, age and ethnicity with a published diversity and inclusion policy in place and support of the Real Estate Balance group. Whilst overall female employee representation is good, we recognised that we needed to specifically promote greater gender diversity. We continue to increase female representation in our property team, supporting a recent graduate joiner as she gains her relevant real estate qualifications.

Employee gender diversity

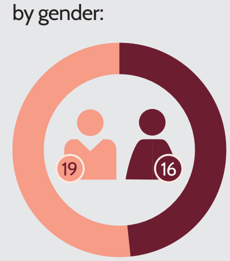
Directors
The number of Directors by gender:



Senior Leadership Team
The number of members of the Senior Leadership Team by gender:



All employees
The number of employees by gender:



Females
Males

Our sustainability performance

Responsible Business and ESG review
continued

Social

People

2023 Staff survey

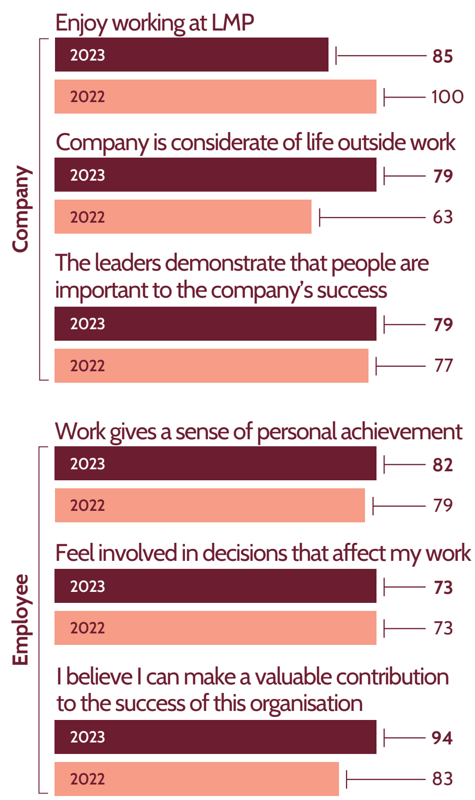
97%
staff survey engagement level

94%
are proud to work for LondonMetric

88%
agree the Company supports and promotes social responsibility

85%
agree there is a strong culture of teamwork and collaboration at the Company

Survey breakdown of scores (percentage of employees that responded with agree or strongly agree)



Overview of satisfaction survey

In February 2023, we undertook our sixth annual employee survey to track changes in staff satisfaction.

In total, we asked 55 questions, focusing on the Company, the working environment, and the individual. Overall responses were received from 33 staff members, with an engagement of 97% compared to 94% in 2022.

Survey Findings

Overall the survey is positive with 94% of employees feeling proud to work at LondonMetric. Employees remain highly supportive of the Company and working environment. It was noted that overall scores were down from previous highs in some areas, likely reflecting the wider macro environment together with the challenges and dislocation experienced across real estate investment markets during the year and real estate pricing recalibrated in response to interest rate changes. The highest scores were achieved as follows:

- Work gives the employee a sense of personal achievement
- Employees enjoy working at LondonMetric
- The Company supports and promotes social responsibility in its operations
- Employees feel they have access to the technology and tools needed to do the job well
- Employees know what they need to do to be successful in their role

Whilst the office continues to be a desirable place to work, the survey sought feedback on improvements that could be made. Following this feedback, plans are being considered to further improve the office environment. The Company does not operate a formal work from home policy recognising the benefits of being together to learn, collaborate and problem solve when all together and driving a strong entrepreneurial spirit.

On the question on a scale of 1-10 how likely are you to recommend LondonMetric to a friend, a score of 8 was achieved. This was the same as last year and confirms that we are still a friendly and positive employer.

Andrew Livingston is our designated workforce Non Executive Director and will keep providing feedback from this survey and informal meetings and discussions with staff in the coming year.

Social

People

The work of the designated workforce Non Executive Director

Andrew Livingston was appointed as designated workforce Non Executive Director by the Board in 2019.

Andrew Livingston
Appointed as designated workforce Non Executive Director in 2019

How does the designated workforce NED consult with the wider workforce?

- Consults directly with members of the Senior Leadership Team
- Holds own meetings with small diverse group of employees
- Reviews results of staff surveys
- Staff liaison at Board and Committee meetings
- Attends site visits alongside staff members

His role was set out by the Board to include the following:

- Attend all staff presentations and other events to give staff the opportunity to get to know and liaise with him
- Monitor the results of employee engagement surveys and any actions arising
- Feedback to the Board at meetings any staff concerns and the results of surveys and other liaison at least annually

As Chief Executive of Howden Joinery Group Plc, Andrew has experience of managing and motivating a large team of employees. His work as designated workforce NED ensures that the Board has access to the views of the workforce, regardless of their role or position, and provides meaningful information that can be used by the Board when considering the potential impact of key decisions on employees.

Each year since his appointment, Andrew has hosted an informal off site session for a select group of employees. The Remuneration Committee Chair attended the meeting to welcome any questions from staff on executive pay.

The meeting was an opportunity for people to speak freely and openly and ask about topics discussed in the Boardroom and share their day to day working experiences. Topics discussed included the positives of being in the office full time, work life balance, personal growth and celebrations. Non attributable feedback was relayed to the Board at its next meeting.

As a result of this feedback and subsequent discussion, alongside the results of the annual staff survey which Andrew also fed back, the Board will focus on the following action points to drive the right behaviour and support the wellbeing of employees:

- Provide training and development opportunities for staff, both professionally and personally
- Retain a flexible working arrangement where it is good for the business
- Ensure employees remain informed of relevant business activities on an ongoing basis

Our sustainability performance

Responsible Business and ESG review
continued

Social

Contractors and Advisors

Why they are important to us

Being a small team we are dependent on a diverse group of key suppliers including professional advisors and contractors

What is important to them

- Fair payment terms and prompt settlement
- Good, effective and stable working relationship
- Long term partnerships

Outcomes

13 days
Average payment

100%
compliance with our Responsible Development Requirements checklist

Our Responsible Procurement Policy

Our policy outlines our approach to implementing supply chain and procurement standards on developments and our existing estate through our contractors and suppliers. It focuses on areas such as labour, human rights, health and safety, resource, pollution risk and community.

Contractors

Our contractor relationships are highly important in allowing us to deliver on our developments and refurbishments. In conjunction with our external project managers, our development team ensures that we select high quality and robust contractors with a proven track record. We regularly review the financial robustness of our contractors and work closely with them throughout projects.

Our development team monitors progress and tracks all elements of our projects including sub-contracted works. We stay in close contact with our contractors and arrange regular visits and detailed reviews and checks of their systems and processes.

Our Responsible Development Requirements checklist is used on all projects and sets minimum requirements for contractors. Compliance with this checklist is mandatory for all projects and sets minimum standards that our contractors must meet. The checklist covers environmental, responsible supply chain and H&S standards. We also specify compliance by contractors with the Considerate Constructors Scheme on most of our projects where we deem it appropriate.

At project meetings, we challenge all of our contractors to consider the environment, biodiversity, local community involvement and local sourcing.

How we engage with our contractors & suppliers

- Regular project meetings
- Annual reviews and audits on projects
- Regular meetings with property and managing agents
- Sharing of learning between different suppliers

Board Engagement

The Board or its Committees receive regular presentations and reports from its advisors who also regularly attend Committee meetings.

We continue to advocate the Prompt Payment Code and promote responsible development standards.

The Board regularly visit development sites with the Development team.

> We value contractors that we can trust and develop long term partnerships with.

Nick Heath
Head of Development

Social

Contractors and Advisors

Managing Agents

Managing Agents are an important part of the supply chain on our assets where there are multiple occupiers in place. We select a few highly competent companies to deliver our managing agent services.

Whilst our spend on these services is relatively small, we continue to monitor their compliance against our Managing Agents' policies and ensure that their sub-contractors are properly appointed and compliant with our standards, including responsible supply chain/anti-slavery and human trafficking.

Over recent years, we have undertaken a number of reviews of material sub-contractors employed by our key Managing Agents with a specific focus on sustainability, community, legislation and employment.

Other Suppliers

We also rely on many other adviser relationships as part of our activities. These include investment agents, external auditors, valuers, remuneration consultants, tax advisors, environmental experts and legal advisors.

c.50
Properties managed by five managing agents

Deeley Construction at our new Starbucks drive-thru development

LondonMetric has a longstanding relationship with Midlands based contractor Deeley, having worked together on retail and industrial projects for c.12 years. We continue to enjoy working with Deeley, as we share similar values on areas such as responsible development and procurement, and Deeley understand our requirements. They were recently appointed to build our new 1,840 sq ft Starbucks drive-thru in Birmingham, which is being constructed on land next to a Sofology store that we own and that was successfully completed by them in 2021. Works are well underway with opening expected later in 2023.

Mildren Construction at our Weymouth development

Mildren has successfully worked as contractor on Phases 1 and 2 of our Weymouth long income development totalling c.70,000 sq ft of new-build pre-let retail space. Mildren were invited to tender for the scheme due to their geographical location, expertise in similar construction projects and their strong working relationship with LondonMetric.

Mildren has also been appointed on a new-build 41,000 sq ft pre-let development in Uckfield, a development scheme that LondonMetric are forward funding, which is due to complete in summer 2023.

Our sustainability performance

Responsible Business and ESG review
continued

Social

Investors

Why they are important to us

- Continued investment and support
- Feedback and direction

What is important to them

- Financial performance and progression
- Well covered and growing dividend
- Clear strategy, execution and reporting
- ESG fully considered

Outcomes in the year

241
investor meetings

£675 million
debt facilities arranged or extended

2.7%
dividend progression

Equity Investors

We value our good relationships with our shareholders. Understanding their views continues to be a top priority for the Board and vital to the Company's strategic direction.

The Company's principal representatives continue to be the Chief Executive and Finance Director who, along with the Head of Investor Relations and Sustainability, hold meetings throughout the year and particularly following results announcements.

Over the year, we met with c.240 equity investors through one to one and group meetings. Unsurprisingly, with greater uncertainty and a recalibration of the real estate sector over the year, we saw a significant increase in investor questioning and interaction over the second half of the year.

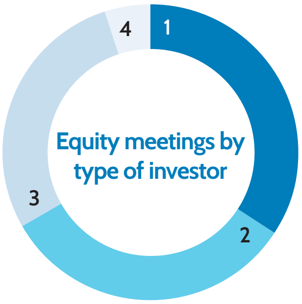
A breakdown of meetings by type of investor is shown in the chart opposite and key investor activities are shown on the next page. The Company continues to place great importance on and engage with its private wealth shareholders, who represented a third of all shareholder meetings in the year. We continue to enjoy strong analyst coverage and interaction with 13 brokers, which is unchanged on the prior year.

Feedback remains very supportive and, as would be expected, we continue to see a strong focus on ESG matters, which are discussed in nearly every meeting. Feedback on our ESG performance remains very positive.

Following further investor requests, we have decided to respond to CDP (a global disclosure system for investors and corporates on environmental issues) in their upcoming annual assessment.

How we engage with our investors

- Investor roadshows & conferences
- Results presentations to analysts
- Annual General Meeting
- Senior Independent Director meetings
- Debt refinancing activity
- Site visits



1	Sector specialists	36%
2	Private Wealth	34%
3	Generalists	25%
4	Brokers	5%

Board Engagement

- Investor feedback provided regularly to the Board by the Chief Executive
- Senior Independent Director participates in half yearly roadshows, attending six investor meetings during the year
- Board attended the Annual General Meeting
- Board consulted with shareholders on the Company's Remuneration Policy proposals

Social

Investors

Our investor relations framework

The framework is set around our half yearly results, and at other times in response to ad hoc requests and where we undertake UK regional and overseas roadshows and investor conferences. Meetings and roadshows keep investors informed of the Company's performance and plans and allows them to ask questions. Specific topics discussed during the year included development and implementation of strategy, financial and operational performance, the property market, the strength of our occupiers and rent collection, our debt structure and ESG considerations.

Shareholders are kept informed through results statements and other regulatory announcements. These are published on our website, affording all shareholders full access to material information.

The website also includes an investor relations section containing all RNS announcements, share price data, investor presentations, factsheets and Annual Reports.

A live and on demand webcast of results and a CEO interview is posted twice a year on our website. Individual shareholders can also raise questions directly at any time through a facility on the website. We complied with the European Single Electronic Format ('ESEF') regulations for filing our Annual Report.

We continue to offer a scrip dividend alternative to shareholders, which enables them to opt for shares rather than cash with no dealing costs or stamp duty. This scheme was renewed for a further three years in 2022 and we continue to have good levels of take up.

JP Morgan Asset Management – investor site visit (November 2022)

As part of the launch of JP Morgan's sustainable infrastructure SICAV (a thematic fund focusing on sustainable, mission critical assets), we organised a site visit for c.60 people consisting of senior employees from across JP Morgan's global offices as well as some of their clients.

The two hour presentation and visit to our facility in Dagenham was led by LondonMetric's CEO, Head of Development and Head of Investor Relations and Sustainability, in conjunction with key personnel from the occupier.

Debt investors and joint ventures

We continue to enjoy good relationships across the debt capital markets and continue to broaden our base of debt providers. In addition, we continue to enjoy strong relationships with our remaining joint venture partners.

Further information on our financing activity in the year is set out on page 2 including details on our sustainability-linked debt arrangements. We continued to organise site visits for our debt investors and, in September 2022, we arranged a day of site tours of assets in Bedford and Brent Cross.

Key investor activity in year

Q1

- Site visit for c.20 investors in North London
- Full year results announcement/roadshow
- Private wealth meetings (Birmingham)
- US roadshow (New York & Boston)

Q2

- Site visit for debt investors
- Analysts ad hoc meetings

Q3

- Private wealth meetings (Manchester)
- Half year results announcement/roadshow
- Holland roadshow
- UBS investor conference (London)

Q4

- Barclays investor conference (London)
- Bank of America conference (London)
- Private wealth meetings (Liverpool)

Our sustainability performance

Responsible Business and ESG review
continued

Social

Communities

Why they are important to us

Considering communities local to our activities is an important part of our Responsible Business approach to doing business and delivering our strategy.

What is important to them

- Environmental and social impact of our activities
- Employment opportunities
- Investment into local infrastructure

Outcomes

£104k
Charitable giving in year

51
Charitable causes supported in year

We recognise the importance of supporting our local communities and engaging with all local stakeholders. Our published Community Policy outlines our approach and we aim to maximise the local benefits of our activities through:

- Investing in local infrastructure through regeneration and creation of fit for purpose buildings;
- Creating jobs during development and refurbishment, typically using local contractors and employment;
- Bringing in long term occupiers who create significant local employment;
- Partnering with local authorities and councils;
- Engaging with local residents and communities, particularly during and post developments to ensure that they are fully involved; and
- Ongoing involvement in areas local to our properties by funding of local events and facilities and engaging with schools.

Our Charity and Communities Working Group implements charity giving and co-ordinates community involvement. We aim to allocate a minimum of £100,000 per year for charitable giving across four key areas:

- Specific causes identified at a corporate level;
- Charitable causes identified by employees with all employees able to nominate charities of their choice or allocate funds to match their own charitable activity;
- Development linked giving, supporting causes near our development activity; and
- Occupier or asset related giving, supporting causes in conjunction with occupiers or near our local assets.

This year, under our banking arrangements an extra £43,000 is available and has been earmarked for charity giving as a result of us hitting our banking related ESG targets.

How we engage with our communities

- Supporting local charities
- Encouraging local sourcing on projects
- Planning consultations
- Resident updates on projects
- Engagement with local authorities
- Supporting local occupier initiatives

1	Corporate giving	59%
2	Employee giving	21%
3	Asset Management Development giving	20%

Board Engagement

- Participation in charitable events organised by LondonMetric
- Updates on charitable work
- Understanding of development related community matters through project updates

Social

Communities

Highlight charitable activity in the year

Employee matching

Over the year the Company supported its employees charitable giving initiatives donating £21,889 across a wide range of charities including localised community initiatives.

Employee charitable giving included cycling 337 miles to Amsterdam over four days for Keframa charity which supports building schools in Uganda.

During the year, employees also spent their own time volunteering at local foodbanks in their local communities. In addition, the Company has also supported its employees local communities with small donations to local community sport clubs.

Investing in local communities

During the year, we continued to support local communities where we have large investment exposure. In total we donated £58,149 to charities including foodbanks, the National Energy Action and defibrillators.

As the cost of living continues to put pressure on families, during the year we increased our contribution to foodbanks to £15,000 in communities local to our assets and people including in Kingston, Tyseley, Weymouth, Bedford and Dagenham.

In conjunction with the British Heart Foundation, we have agreed to install 12 defibrillators across 12 assets at a total cost of £60,000.

Real estate sector led giving

We continue to support LandAid, the property industry charity and contributed £10,000 to LandAid in the year, some of which related to employee giving. Our participation in various LandAid initiatives means that we remain a Foundation Partner.

LandAid runs a step challenge for two weeks each year raising money to prevent youth homelessness. 94% of our employees participated in the Steptober event, taking 6.3 million steps for the challenge, over two weeks which is an increase of 20% on the previous year.

Wider charitable initiatives

Through employee voice, the Company supported local charities as well as global charities, in particular supporting causes related to Ukraine, Turkey & Syria.

During the year, we gave £5,000 to Médecins sans Frontières to support their activities in this part of the world. We continued to support the Ukraine humanitarian crisis through a donation of £5,000. Through an employee contact, we sponsored The Convoy of Hope who drove ambulances full of medical supplies to Ukraine.

Opentrail/Burlish Bike Park

As part of the A&J Mucklow acquisition in 2019, we acquired 16 acres of woodland in Worcestershire as part of the transaction.

For the last three years, we have engaged with Opentrail, a local charity, to transfer the woodland to them at no cost to create a community bike park facility comprising seven bike trails, a clubhouse, toilets and car parking.

Over that time, we have assisted them on wider planning, construction and legal advice.

Opentrail has received over £200,000 of contributions and grants, including £135,000 from Sports England and, following the transfer of the woodland, is now on site constructing the facility with completion expected in summer 2023.

Further details of the bike park can be found at opentrail.co.uk/burlish-bike-park/

Responsible Business and ESG review
continued

Governance

Governance and compliance
The Board is committed to upholding the high standards of corporate governance and Responsible Business is an important part of ensuring that we deliver on those high standards.

Overview
Board representation for Responsible Business
Martin McGann, Finance Director, represents the Board at Responsible Business Working Group meetings and his remuneration is linked to the Company achieving certain Responsible Business related objectives.

Policies and statements
The Company's overall Responsible Business policy is available on its website along with other related documents including:

- The Responsible Business Working Group's terms of reference;
- Responsible Business targets;
- Full Responsible Business reports;
- Our approach to health and safety;
- Compliance and anti-corruption procedures;
- Responsible Procurement Policy;
- Community Policy; and
- Modern Slavery Act Statement.

Confirmations
The Company confirms that no human rights concerns have arisen within its direct operations or supply chains and that it has not incurred any fines, penalties or settlements in relation to corruption.

The Company continually reviews and updates all of these documents as required.

Health and safety in focus
Responsibility and procedures
The Board is responsible for ensuring that appropriate health and safety procedures are in place. Mark Stirling, Asset Director, is responsible for overseeing implementation of our procedures and reporting back to the Board. RP&P Management Ltd ('RP&P') acts as our Corporate Health and Safety Advisor.

H&S risks assessment and training
Where risks need to be assessed under a specific duty or regulation, we ensure that an assessment is carried out and that all necessary actions are implemented. Health and safety training is carried out for employees and additional training is considered on a case by case basis.

Health and safety policy
Our policy is regularly reviewed and addresses three key areas of:

I. Employment – The policy ensures our employees are offered a safe and healthy working environment.

II. Construction – Procedures and processes have been developed to ensure we comply with current legislation with a Project Manager, Principal Designer and Principal Contractor appointed on all projects to oversee, manage and monitor health and safety.

III. Managed properties – The majority of our assets are let on full repairing and insuring leases. For single occupier assets, the occupier is responsible for managing health and safety matters at the property and the wider estate.

Where there are multiple occupiers on the same estate, we appoint a Managing Agent to manage health and safety matters relating to common parts. The Managing Agent is responsible for ensuring health and safety assessments are completed and regularly reported back to us.

Health and safety in 2023
- Quarterly internal meetings
- Half yearly project audits on two sites
- Zero reportable incidents on projects
- Zero accident rate for employees
- No prosecutions or enforcements
- Health and safety policy updated

Our contractor requirements
We have implemented robust processes to ensure that our contractors uphold our high standards and minimise the environmental impact from developments.

All of our contractors adhere to our Responsible Development Requirements checklist, which sets minimum requirements for our main developments on areas including:

- Health and safety;
- BREEAM Very Good or better standard (where appropriate);
- Considerate Constructors Scheme compliance;
- Environmental impact monitoring;
- Management and reporting of progress;
- Promoting local employment opportunities; and
- Fair remuneration for workers.

We continue to monitor compliance and look at ways of improving our contractors' performance. During 2023, as part of our annual Contractor compliance audit, we met with Redwood Contractors Ltd, who are one of our smaller contractors we use for refurbishment work in the South. Their systems and processes were found to be robust, including policies on human trafficking and anti-slavery.

TCFD Recommendation and Alignment

Page numbers refer to our 2023 Report & Accounts which can be found at www.londonmetric.com/investors

LondonMetric has complied with the requirements of LR 9.8.6R by including our Task force on Climate-Related Financial Disclosures ('TCFD') Statement below, which is consistent with the TCFD recommendations and recommended disclosures, save for our continued work on financial quantification (Strategy B) and (Strategy C) and ongoing efforts to improve the measurement and coverage of Scope 3 emissions generated by our tenants (Metrics & Targets B). To date financial quantification has focused on areas provisionally identified as potentially having the most impact. Over the coming year, LondonMetric intends to expand financial quantification to other climate-related risks and opportunities currently not yet quantified. Similarly, Scope 3 emissions are material for LondonMetric and we are rapidly working on increasing tenant data coverage and aim to report in full compliance in due course.

Governance

A - Describe the Board's oversight of climate-related risks and opportunities

The Board provides oversight of the Company's Environmental, Social and Governance (ESG) matters and has overall responsibility for the Company's risk management framework, in which climate-related risks and opportunities are integrated. All principal risks, including those which are climate-related, are contained within the Company's risk register which is updated and reviewed at least annually.

The Audit Committee assists the Board by reviewing the register and providing assurance on the robustness of the systems in place for the identification, assessment and mitigation of the principal risks facing the Company.

As part of this function, the Audit Committee monitors and oversees progress against objectives and targets for addressing climate-related issues, ensuring that climate-related matters are escalated to the Board as necessary. The Audit Committee is informed by members from the Company's Responsible Business Working Group ('Working Group'), which provides feedback on climate-related issues, facilitates proactive climate-related risk management and is a sub-committee of the Finance Committee.

During Board meetings, which are held quarterly, risks are considered at a strategic level, which ensures that new and emerging risks, including those climate-related, are identified and appropriate action is taken to remove or reduce their likelihood and impact. The Board receives quarterly board papers with updates on ESG matters and a specific ESG update is presented to the Board at least annually by the Working Group to ensure that the Board can monitor progress against climate-related goals and targets. Further ESG related information is provided over the course of the year on specific matters where appropriate including all investments, developments and disposals over a certain value threshold where environmental and climate-related risks are addressed, particularly around flooding risks, EPCs and costs to upgrade assets, where required.

For wider corporate governance reporting see page 102

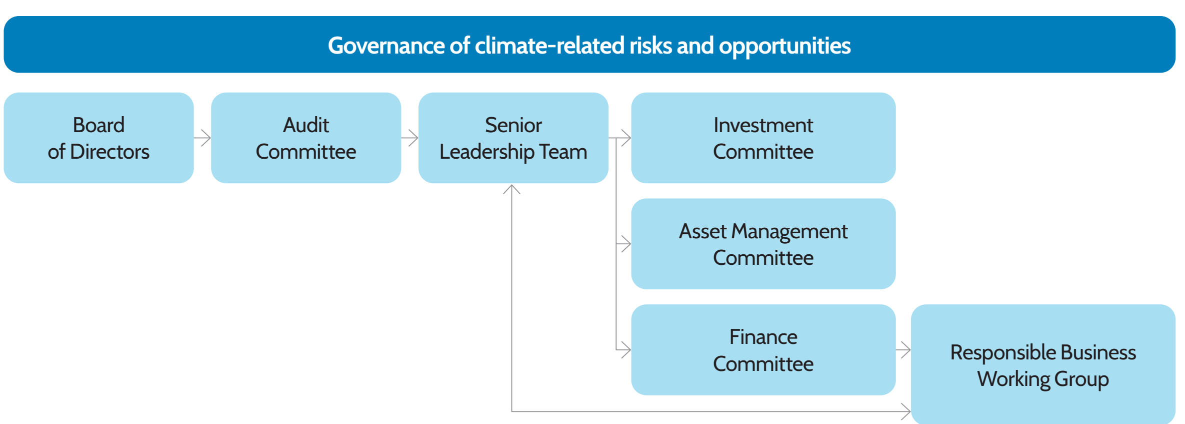
B - Describe management's role in assessing and managing risks and opportunities

The Working Group and the Senior Leadership Team ('Senior Team') work closely to ensure climate-related risks and opportunities are monitored and managed. This collaboration is led by the Head of Investor Relations and Sustainability and the Finance Director, who are members of both and are ultimately responsible for implementing Responsible Business matters.

Senior Team members report directly to the Board and Audit Committee. The Senior Team is responsible for ongoing risk identification, as well as the design, implementation and maintenance of internal controls to mitigate identified risks. Certain members of the Senior Team attend the Investment, Asset Management and Finance sub-committees to ensure that climate-related issues are monitored and escalated where appropriate as well as to ensure that opportunities are considered and captured.

The Senior Team and the Working Group track key risk metrics and opportunities on an ongoing basis. The Working Group supports the Senior Team in identifying wider climate-related risks by escalating potential risks as well as ensuring the business is properly considering opportunities. The Audit Committee is responsible for monitoring progress on Responsible Business initiatives as well as the effectiveness of risk management systems, internal controls and viability.

As part of our climate risk assessment, a detailed climate risk governance gap analysis was undertaken by JLL in 2022 in alignment with the TCFD recommendations. This analysis is helping us to ensure that proper governance structures are in place to manage and oversee climate-related risks across the business.



Our sustainability performance

TCFD Recommendation and Alignment
continued

Strategy
A - Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term

As part of the climate risk assessment carried out in 2022 by JLL, we identified our potential climate risks and opportunities. The assessment tested a range of outcomes at the portfolio level, under the RCP4.5 (low emissions) and RCP8.5 (high emissions) climate scenarios up until 2100 to identify material risks. Each risk was assigned a score based on an over likelihood score using four sub-factors including likelihood, frequency, duration and velocity and an overall impact score based on impact, ease and cost of mitigation and financial impact. Transition risks are more prominent in the near-term under the low emission RCP4.5 scenario, while physical risks materialize in the largest severity over the longer term under the high emission RCP8.5 scenario.

The table below outlines the key physical and transition risks we identified over the short term (1 -2 years), medium term (3 - 9 years) and long term (10 years+). In selecting time horizons, we considered the fact that climate-related issues often manifest themselves over the medium and longer terms. The time horizons are based on the profile of risks associated with real estate asset lifecycles, in line with the Climate Change Act. Climate transition opportunities are the most prevalent under the RCP4.5 scenario, while for physical climate we only see risk mitigation under both RCP4.5 and 8.5 scenarios. This has been reflected in the opportunities section which is covered off further below this table.

Timescale	Risk	Description
Short term	Occupier/market demand	Occupier and market demand is shifting from unsustainable products to low or net zero carbon assets with embedded on-site climate resilience. Demand may also shift away from certain geographies or sectors, while changing consumer preferences could create occupier risk. As a result, occupiers could move away from less sustainable buildings and/or suffer business failure resulting in lower occupancy levels across our assets.
	Increased building standards/regulation	Increasing policy mandates in the built environment that improve energy and resource efficiency and on-site climate resilience, may potentially result in significant capex costs to meet the new standards. Failure to meet the regulations could result in reduced asset value, known as a 'brown discount', tenancy default risk and loss of income. The main such risk concerns meeting Minimum Energy Efficiency Standards ('MEES').
Medium term	Financial market impacts/access to capital	Market shifts in favour of low-carbon solutions and climate resilience as well as climate events impacting our portfolio could create a competitive risk, particularly with respect to meeting stakeholder expectations and the potential risk from reduced access to the equity and debt markets.
	Increased energy demand/costs	Changes to seasonal patterns, temperature extremes and carbon taxation each could increase the operational costs of buildings and impact the rental value of inefficient assets as occupiers seek lower operational costs and in-built energy resilience.
	Supply chain & resources	Physical impacts may cause widespread disruption to production within supply chains and resources, potentially resulting in business disruption and tenant default risk, generating loss of income from our portfolio.
	Exposure to litigation	Increased policy and legislation requirements to meet the transition requirements of a low carbon economy could create additional risks of legal action for breaches of compliance. In particular, further tightening of legislation on MEES or new legislation that aims to help the UK meet its Net Zero targets could add to the risk.
Long term	Insurance challenges	Physical climate events or risks may cause the insurance industry to reassess premiums and cover whereby premiums could rise significantly or become difficult to secure.
	Flooding (coastal, fluvial)	Rising sea levels threaten coastal regions with flooding, erosion, salinisation and permanent land loss; excessive rainfall or snow melt may cause rivers to exceed their capacity, triggering high capex costs to install resilience measures and potentially significant repair costs to damaged assets which experience flooding. Only 1% of our assets have a high flooding risk and, through our portfolio management, we believe that we are able to mitigate our high and medium flood risks over the short to medium term.
	Heavy rainfall & pluvial flooding	There are increases in annual mean rainfall, where typically wet periods of the year see a further increase in daily rainfall. Heavy rainfall or rainfall over a prolonged period may lead to more regular pluvial flooding (surface water flooding) events, potentially causing business disruption and reduced asset values.
	Heat stress	Rising mean temperatures and extreme temperature highs put pressure on both people and infrastructure. Significant cost may be incurred to install cooling systems while poorly ventilated/cooled assets may see a downward pressure on value and demand.
	Extreme weather events	Storms, heavy winds, heavy precipitation, drought and snow are more frequent and severe, potentially leading to significant clean-up and repair costs, capex costs for installing resilience measures and stranded asset risk for at-risk assets.

Strategy (continued)

Opportunities

As part of our climate risk assessment and our ongoing work, key opportunities have been identified as: securing a diverse range of premium tenants that have Net Zero Carbon ambitions, enhancing LondonMetric's reputation and increasing asset values by investing further in renewable energy, utilising low carbon technology and further improving the energy efficiency of buildings. This includes the opportunities we expect to realise as we implement our Net Zero Carbon Framework. As strong stewards of underinvested assets with the expertise and capital to improve buildings, we continue to see opportunities to acquire poorer quality assets from less sophisticated property managers where we can make material improvements and increase the income and value of those assets. Additionally, these opportunities include further improving asset and business strategy climate resilience by proactively assessing and managing identified climate-related risks; gaining a competitive advantage (both in terms of the attractiveness of our buildings to occupiers but also maintaining an attractive cost of capital) and subsequently securing our long-term sustainability.

The Company expects to capture some of these opportunities in the short to medium term through enhanced specification on refurbishment and development activities across our portfolio, as well as joint collaboration with occupiers. However, it may take longer to capture these opportunities on assets with longer term leases where we have no operational control and where the occupier is less willing to engage on opportunities.

B - Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning

Business strategy and financial planning are overseen by the Board, which recognises the importance of climate-related considerations across all activities. A key aspect of LondonMetric's asset management strategy is sustainability performance improvement. As well as reducing the carbon emissions from the small number of assets where we have ongoing control, we are helping to improve assets that the occupier has control over to make them more resilient to climate change through maintenance, energy efficiency upgrades and the provision of renewable energy, which help to mitigate physical and transition risks. During our investment process, and on an ongoing basis, we assess flood risk, along with the building fabric and the energy efficiency of assets to understand the climate and carbon related risks and costs involved in mitigating those risks. In terms of MEES, we estimate the cost of bringing all of our assets to an EPC rating of 'B' is c.£25 million. However, we do not expect this to have a material business impact as the upgrade costs would, in most instances, either be offset through higher rents or paid for through normal occupier incentive arrangements.

As we implement our Net Zero Carbon ('NZC') strategy, in which we aim to reach Net Zero Carbon in operation (Scope 1 & 2 emissions) by the end of 2023, in development by 2030 and in tenant emissions (Scope 3 emissions) by 2035, the robustness of our approach in mitigating climate-related risks will improve. As we expect to achieve Net Zero for Scope 1 & 2 by the end of 2023, our plans for transitioning to our near term goals are nearing completion. We are therefore prioritising our longer term Scope 3 emissions targets and aim to drive progress in the near term by further enhancing data coverage and developing asset level transition plans.

Over the coming year, LondonMetric will analyse the portfolio against the CRREM 1.5°C pathway to determine asset-level stranding risk and potential exposure to write-downs. Supported by NZC energy audits, LondonMetric will be in a position to understand the technical interventions and the capital investment required to align stranded assets. This includes the installation of Solar PV, where occupiers are increasingly installing their own systems or we are installing and receiving additional income. Here, however, we are conscious that roofs of buildings need to be structurally strong enough to support solar PVs and this is increasingly being factored into our assessments.

As part of our strategy, we are collaborating with occupiers to assist them in mitigating their own exposure to climate-risks, through measures such as greater adoption of green lease agreements and encouragement to improve the green credentials of buildings they lease from us. Whilst development is only a small part of our activities, we are focusing on enhancing the sustainability features of our developments, which is seeing us undertake whole life embodied carbon assessments, build to high standards, and minimise embodied carbon and offset remaining emissions. In addition, where we acquire assets with future redevelopment potential, we factor in a potential cost for offsetting embodied carbon. These actions will help to future proof our buildings and allow us to take advantage of opportunities from the shift to a low carbon economy by improving occupier contentment, rental values and the value of our assets.

Following our climate risk assessment in the prior year, we are working to further embed strong sustainability performance into our overall strategy. As part of this assessment, we conducted climate scenario analysis to model our climate-related risks in two likely scenarios. We chose the Intergovernmental Panel on Climate Change ('IPCC') Representative Concentration Pathways (Pathways) (IPCC RCPs) which model distinct and plausible pathways for greenhouse gas emissions and average global temperatures over the coming years and is in alignment with best practice. These scenarios are outlined in the section below. We will continue to build on our climate resilience planning and continue with our NZC approach, which will further assist in future-proofing our strategy and financial planning in light of climate-related risks and opportunities.

For our NZC strategy see page 56

C - Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Our investment strategy is to be agile in response to shifting market conditions. The Company's shift out of multi-let retail parks and offices into distribution assets that have lower energy requirements means that the overall carbon footprint of our buildings is significantly lower today. Furthermore, our significant investment and disposal activity over recent years along with our ongoing upgrade work to buildings has upscaled the environmental quality of our portfolio. Where we have acquired assets over recent years, principally in urban logistics, our approach has ensured that asset improvement is embedded in our business case and/or there is a high intrinsic value of the land which makes highly sustainable redevelopment or repurposing commercially attractive.

Our detailed climate risk assessment, as summarised on the next page and in which one of the scenario ranges of 1.7-3.2°C was considered, has resulted in a better understanding of our material climate-related risks and provided us with awareness of the mitigation measures to reduce our vulnerability and exposure to these risks, which will enable us to proactively manage them. Additionally, as we implement our NZC strategy, this will help to mitigate a number of climate-related risks (transition climate risks as well as heat stress). We recognise, however, that in order to fully assess resilience against different climate scenarios, LondonMetric first needs to quantify the impact of all climate related risks and opportunities on our business, strategy and financial planning. Our plans to quantify stranding risk across our assets through CRREM analysis will help us to better describe resilience across our portfolio.

TCFD Recommendation and Alignment
continued

Risk management

A - Describe the organisation's processes for identifying and assessing climate-related risks

LondonMetric's overall risk management process is centred around the Senior Team, whose members are closely involved in day-to-day matters and have a breadth of operational experience. They support the process of identifying all emerging risks and consider emerging climate-related risks that have the potential to adversely impact the business and stakeholders. These climate related risks are then evaluated and monitored along with the other risk categories through Senior Team and Working Group meetings. Any significant emerging risks are raised and discussed at Board level.

In addition our two climate-related risk exercises applied two key IPCC RCP scenarios to get a detailed understanding of exposure to risks. One exercise was conducted at portfolio level to assess its resilience to these climate-related risks whilst the second parallel exercise looked at the resilience of certain representative portfolio assets. The portfolio exercise used the IPCC RCP4.5 and RCP8.5 scenarios, which represent a lower global emissions scenario (1.7-3.2°C of warming by 2100) and a higher emissions scenario (3.2-5.4°C of warming by 2100), respectively. The scenarios were selected to test a range of likely outcomes and identify material climate-related risks over the short, medium and long term.

This assessment involved in-depth analysis of up-to-date, peer-reviewed scientific literature and was used to determine the frequency, duration, velocity and financial impacts of a range of potential climate-related risks and an overall likelihood and impact score was assigned to our business' principal climate risks. A summary of our scoring on key risks under the different scenarios is covered on page 61.

The second exercise involved an in-depth review of representative assets' characteristics and geographic location to determine resilience to physical and transition risks, identifying where those assets are most at risk. Transition risks were the most prevalent at the asset level. In particular changing consumer preferences on occupier/market demand and increased building standards from an expansion and strengthening of the regulations featured highly. An example of a regulatory risk, that LondonMetric assesses on an ongoing basis, is exposure to the more stringent MEES requirements. This is regularly monitored and assessed at an asset level. by reviewing EPCs for new acquisitions; renewing expiring EPCs and instructing EPC improvement plans for assets.

Both exercises have helped to identify robust risk management recommendations and these exercises will be refreshed at regular intervals.

B - Describe the organisation's processes for managing climate-related risks

As outlined in the Governance section above, climate-related risks are managed collaboratively between the Board, Audit Committee, Senior Team and Working Group. The risk register is updated at least annually and is used to monitor identified principal risks, along with corresponding mitigation measures. Risks are evaluated on the basis of likelihood and impact, which allows evaluation of an overall measure of each risk which is communicated to relevant levels across the business.

Acquisition surveys undertaken as part of our due diligence process for new investments evaluate climate-related risks, such as flood risk and energy efficiency. They enable us to avoid purchasing assets with an elevated risk and no viable mitigating measures to protect the portfolio from heightened climate-related risk. We use third party professionals to provide regular updates and advice associated with regulatory changes to minimise non-compliance risk. In response to the upcoming tightening of EPC requirements as outlined in MEES, we continue to proactively undertake EPC reviews on potential investments and across our portfolio, along with more detailed MEES reviews where appropriate, to ensure that the business is well prepared for the new standards.

Our NZC strategy will allow us to mitigate several climate-related risks, for example increased cost of energy and carbon taxation, shifts in market demand and heat stress. To enhance our ability to manage climate-related risks in tenant-controlled spaces, we seek to incorporate green lease clauses on lettings and are engaging with occupiers around their operational behaviour, energy efficiency and data sharing. As part of our risk mitigation, we continue to dispose of assets where we feel that there are potential climate-related risks and where the market is not properly assessing these risks in their offer pricing analysis.

Going forward, LondonMetric will undertake CRREM analysis for the portfolio and undertake Net Zero energy audits for potentially stranded assets. These findings will then be incorporated into acquisition decisions, asset level business plans, planned refurbishments and asset disposal programmes to address transition risks. Additionally, the climate risk assessment we have undertaken, as described above, has informed risk management recommendations that we look to continue to implement to further improve our management of climate risks. These recommendations outline key actions that will allow us to prudently manage climate risks material to LondonMetric.

For overall risk management see page 82

C - Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

The identification, assessment and management of LondonMetric's climate-related risks is embedded into its overall risk management process. This is centred around the Senior Team, whose members are closely involved in day-to-day matters and have a breadth of operational experience.

The inclusion of physical climate change and transition risks into our risk register reflects the integration of these risks into our overall risk management strategy, as outlined in the Governance and Risk Management sections above. In the year, we began to integrate the outputs of the climate risk assessments into our risk management framework. The updated climate-related risks were finalised by the Working Group and reviewed by Audit Committee at the end of the year.

For responsible business risks see page 92

Metrics & targets

A - Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

Based on our climate risks and opportunities and having reviewed both the TCFD all sector and sector specific guidance, we believe that the following metrics included below are material and relevant.

As reported on pages 56-62 of this report, we inform our stakeholders about our key climate-related metrics for the portfolio by providing information on our energy consumption and carbon emissions, EPC and BREEAM Very Good/Excellent ratings, flooding risk analysis, solar PV capacity installed (as well as near term potential to install), proportion of leases signed with green lease clauses and the percentage of the portfolio that we have collected occupier (Scope 3) energy data on.

Energy consumption data provided includes- Absolute (MWh and % change) and like-for-like (% change); Scope 1, 2 and, to the extent procured by LondonMetric, Scope 3 GHG emissions - Absolute (tCO_2e and % change) and like-for-like (tCO_2e and % change).

We believe that these metrics are the most appropriate for the Company at the current time but continue to review them to ensure they are consistent with sector-wide disclosure. At present, we don't have an internal carbon price, but are looking at this as part of our activities for the forthcoming year. Under the Directors' remuneration, for 2024 ,and as set out on page 157, 10% of annual bonus is linked to achieving ESG objectives. ESG objectives relevant to the year are set out on page 165 and include climate-related targets on solar PV installations, BREEAM ratings and EPC ratings.

B - Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

We disclose Scope 1, 2 and, to the extent procured by LondonMetric in service charge assets, Scope 3 greenhouse gas emissions on page 62.

As Scope 3 emissions, from landlord-controlled service charge assets and single let Full, Repairing and Insuring ('FRI') assets, account for more than 40% of our total emissions, this is material to LondonMetric. The vast majority comes from downstream tenant energy consumption. Through enhanced data collection methods recently, we have improved tenant data coverage considerably to 68% and are working to increase this further. But at this time, we are only in a position to disclose part of Scope 3 emissions and are therefore not compliant on this disclosure but aim to be in the near future.

Emissions are compared against calendar year 2021 to allow for comparison with the prior year.

GHG intensity metrics are reported as tCO_2e/£m and tCO_2e/sq ft. We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1:2006.

Although we are not required to do so, we have provided our occupier's energy data (Scope 3) in the EPRA tables contained in our separate Responsible Business Report.

For GHG emissions table see page 62

C - Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

12 ESG related targets were set in the year and these can be found at www.londonmetric.com/sustainability/policies-documents-reporting. Six of these targets are directly related to the environment, including climate risk assessments, as well as targets that contribute towards improving LondonMetric's climate resilience. They comprise:

1) minimising energy consumption on supplies that we as landlord are responsible for (Scope 1 &2) and targeting like for like reductions on a year by year basis;
2) increasing renewable energy tariffs to cover 100% of landlord controlled electricity consumption by the end of 2023 (as part of us achieving operational NZC by the end of 2023).
3) tracking and upgrading environmental performance of assets including: a) year on year increases in the percentage of the portfolio with an EPC rating of 'C' or above; and b) on all regears, lettings and vacancies, actively consider initiatives to improve the asset's green credentials, including adding in green lease clauses where possible and aiming to increase the proportion of new leases signed (year on year) that have green lease clauses.
4) helping to reduce occupier energy emissions through: a) increasing occupier energy data (Scope 3) collection levels (on a sq ft basis) year on year; b) encouraging occupiers to source renewable energy & work with us to implement energy savings initiatives; c) targeting the addition of Solar PV systems p.a. to the portfolio;
5) Demonstrating sustainability considerations on developments, including matters relating to climate change adaptation, energy efficiency and use of low carbon material; and
6) Applying higher development standards, including the targeting of a minimum BREEAM Very Good certification on all large direct developments.

For progress against these targets, see pages 56-62

Performance against 2022–23 targets

Environment			See page(s) for further information
Achieve operational Net Zero Carbon by 2023 & procure renewable supply	1	Minimise landlord consumption (Scope 1&2) a) Continue to monitor all landlord consumption b) Continue to ensure energy consumption is minimised, targeting LFL reductions	See pages 4 and 9
	2	Ensure electricity supplies are renewable a) Aim to procure 100% renewable energy for all landlord electricity supplies by end of 2023 (ex voids) b) Look to roll out EV charging across select assets where we have operational control	See pages 4 and 7
Improve sustainability of portfolio & assist occupiers in their NZC ambitions	3	Upgrade portfolio's green credentials a) Increase percentage of portfolio with EPC 'A-C' rating, targeting 100% by 2027 b) On all regears, lettings and vacancies, actively consider initiatives to improve assets' green credentials, including green lease clauses c) Better understand the portfolio's potential to become operationally NZC	See pages 5 to 8
	4	a) Further increase occupier energy data collection (2022: 59%) and look to include occupier data in scope 3 reporting b) Encourage occupiers to source renewable energy and work with us to implement energy savings initiatives, including an ESG guide c) Target the addition of 3 solar PV systems p.a.	See pages 5 to 8 and 32
Development activity	5	Demonstrate sustainability consideration on all direct development a) Energy efficiency b) Renewables & EV charging c) Climate change adaptation d) Biodiversity e) Low carbon materials & minimise waste f) Local community involvement	See pages 5 and 17
	6	Apply higher standards on large direct developments a) Achieve minimum BREEAM Very Good b) Track embodied carbon from development activity c) Embed NZC aligned operational performance targets in design d) Shadow carbon price on flagship development, either offsetting or re-investing equivalent £ value in green initiatives e) Undertake whole life carbon assessment where practicable	See page 5

Social & Governance

			See page(s) for further information
Social	7	Employee Wellbeing a) Continue to monitor employee satisfaction & wellbeing b) Track absence and undertake health & safety checks annually c) Ensure ESG training undertaken for all relevant employees d) Track individual ESG performance in appraisals / as part of bonus awards, including non-financial ESG related awards to staff	See pages 13 to 16
	8	Occupier satisfaction a) Continue to monitor across the portfolio, in particular through the annual customer satisfaction survey, and follow up on results of the previous survey	See pages 11 to 12
	9	Community a) Continue to focus on implementing local community initiatives. In particular, through Communities Committee meetings and charitable giving programme	See pages 21 to 22
Governance	10	ESG Benchmarks a) Optimise GRESB, EPRA, ISS, MSCI & FTSE4Good scores and commence CDP reporting	See page 2
	11	100% contractor compliance on projects a) Monitor contractor compliance with our Responsible Development Requirements (RDR) checklist, demonstrating compliance on projects completed in year b) Audit one project with focus on Health & Safety, Modern Slavery and Minimum Wage	See page 23
	12	TCFD / climate resilience a) Ensure full alignment to TCFD reporting b) Continually improve understanding and monitoring of portfolio's key climate related risks, both physical and transitional	See pages 24 to 28

External Perspective

JLL are a leading global professional services company specialising in real estate, with the largest specialist sustainability advisory unit in the property industry, Upstream. We give cutting edge sustainability advice to the users and owners of real estate.

JLL has been commissioned by LondonMetric to provide support with their annual reporting on their environmental data and performance. This provides an external evaluation of LondonMetric's reported performance but does not constitute fully independent assurance or verification.

JLL is pleased to find that LondonMetric has continued to make progress in improving its sustainability performance in all focus areas, including reducing the environmental impact of its assets under management.

We would like to highlight the following initiatives as evidence of good practice and ongoing improvement during the financial year ended 31 March 2023:

- Fully aligned reporting to TCFD climate risk requirements.
- LondonMetric has continued to progress its Net Zero Carbon ambitions to be: Net Zero in their operations by 2023, Net Zero for developments by 2030, and Net Zero for all buildings by 2035 through collaboration with their occupiers.
- LondonMetric has seen 97% of developments certified BREEAM Very Good across 0.7 million sq. ft.
- LondonMetric has installed 125 kWp of solar PV taking their total portfolio solar capacity to 3.6 MWp. They are currently in discussion on a number of near-term projects and see the potential to add 4.5MWp of solar based on current activity and occupier discussions.
- LondonMetric has signed two EV partnership deals with Motor Fuel Group and Instavolt to install EV charging across a number of their long income sites.
- LondonMetric has maintained a high percentage of electricity consumption derived from renewable energy tariffs to 77% for landlord supplies.
- LondonMetric has continued to monitor the health and wellbeing of its employees with an employee survey.
- LondonMetric has seen a reduction in energy consumption of 3% on a like for like basis. The reduction can be attributed partly to ongoing asset upgrades to incorporate energy efficiency measures.
- LondonMetric has increased energy data captured on its occupiers to 68% by portfolio area.
- LondonMetric has increased percentage of assets rated EPC 'A'-'C' to 90%.
- LondonMetric has continued to run their occupier survey to gain a greater understanding of occupier needs. This year saw the Company maintain their high satisfaction score of 8.7.
- LondonMetric continues to support communities and has spent £104,000 on charitable and community giving in year, across 51 different causes.

The strength of LondonMetric's customer-focused and responsible business approach have been further attested to through external ratings. LondonMetric continues to report to the Global Real Estate Sustainability Benchmark (GRESB), obtaining a score of 64% in the 2022 survey. The Company also achieved the EPRA sBPR Gold Award for its sustainability reporting. In addition, LondonMetric has continued to be included in the FTSE4Good Index for the fourth year running.

Chiara Essig
Director, Upstream Sustainability Services, JLL

EPRA sBRP performance measurement

Calendar years 2021 and 2022

Table 1: Total portfolio environmental performance

Impact Area	Units of measure	EPRA Sustainability Performance Measures		EPRA Code	Absolute measure (Abs) 2021	Absolute measure (Abs) 2022	Abs % change	Like for like measure (LfL) 2021	Like for like measure (LfL) 2022	LfL % change
Energy	MWh	Elec-Abs, Elec-LfL	Electricity	*for landlord shared services*	641	455	-29%	275	254	-7%
				(sub)metered exclusively to tenants						
				Total landlord-obtained electricity	**641**	**455**	-29%	**275**	**254**	-7%
				Total tenant-obtained electricity consumption		**125,737**				
		Fuels-Abs, Fuels-LfL	Fuels	*for landlord shared services*	163	242	48%	86	85	-2%
				Total landlord-obtained fuel consumption	**163**	**242**	48%	**86**	**85**	-2%
				Total tenant-obtained fuel consumption		**48,438**				
	Number of applicable properties			Energy and associated GHG disclosure coverage	69 of 69	63 of 63		25 of 25	25 of 25	
	%			Proportion of energy and associated GHG estimated	16%	0.8%		7%	26%	
Greenhouse gas emissions	Tonnes CO_2e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Location Based**	23	23	3%	16	15	-2%
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	**Scope 2 - Location Based**	136	88	-35%	54	47	-14%
			Indirect	**Scope 3 - Location Based (Transmission & Distribution losses)**	12	8	-33%	5	4	-11%
			Indirect	**Scope 3 - Location Based (Tenant-obtained)**	35721	33157	-7%			
		Total		Scopes 1 + 2 Location Based (only)	159	111	-30%	70	62	-11%
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Market Based**	23	23	3%	16	15	-2%
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	**Scope 2 - Market Based**	24	18	-26%	0	0	0%
			Indirect	**Scope 3 - Market Based (Transmission & Distribution losses)**	12	8	-33%	5	4	-11%
			Indirect	**Scope 3 - Market Based (Tenant-obtained)**	35,733	37,584	5%			
		Total		Scopes 1 + 2 Market Based (only)	47	41	-12%	16	15	-2%
Water	cubic metres (m^3)	Water-Abs, Water LfL	Water	*for landlord shared services*	5,685	714	-87%			
				Total landlord-obtained water consumption	**5,685**	**714**	-87%			
				Total tenant-obtained water consumption		**209,315**				
	Number of applicable properties			Water disclosure coverage (landlord-obtained)	3 of 3	2 of 2		0 of 0	0 of 0	
	%			Proportion of water estimated	96%	0%				
Waste (landlord-handled)	metric tonnes	Waste-Abs, Waste-LfL	Waste	**Total weight of waste**						
				Recycling (%)						
				Incineration with energy recovery (%)						
				Landfill (%)						
				Other (%)						
	Number of applicable properties			Waste disclosure coverage	0 of 0	0 of 0		0 of 0	0 of 0	
Development	%	Cert-Tot	Certifications	**% of Development portfolio certified by floor area (sq ft)**	100% BREEAM Very Good or Excellent	97% BREEAM Very Good				
	Number of applicable properties			BREEAM disclosure coverage						

EPRA sBRP performance measurement
Calendar years 2021 and 2022

Table 2: Office portfolio environmental performance

EPRA Sustainability Performance Measures					Absolute measure (Abs)			Like for like measure (LfL)		
Impact Area	Units of measure	EPRA Code			2021	2022	% change	2021	2022	% change
	MWh	Elec-Abs	Electricity	*for landlord shared services*	268	105	-61%	82	68	-17%
				(sub)metered exclusively to tenants						
				Total landlord-obtained electricity	**268**	**105**	-61%	**82**	**68**	-17%
		Fuels-Abs	Fuels	*for landlord shared services*	125	198	59%	86	85	-2%
				Total landlord-obtained fuel consumption	**125**	**198**	59%	**86**	**85**	-2%
	Number of applicable properties			Energy and associated GHG disclosure coverage	3 of 3	6 of 6		1 of 1	1 of 1	
	%			Proportion of energy and associated GHG estimated		2%			38%	
Greenhouse gas emissions	Tonnes CO_2e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Location Based**	16	15	-2%	16	15	-2%
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	**Scope 2 - Location Based**	57	20	-64%	17	13	-25%
			Indirect	**Scope 3 - Location Based (Transmission & Distribution losses)**	5	2	-63%	2	1	-22%
		Total		Scopes 1 + 2 Location Based (only)	73	36	-51%	33	29	-14%
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Market Based**	16	15	-2%	16	15	-2%
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	**Scope 2 - Market Based**	0	6		0	0	
			Indirect	**Scope 3 - Market Based (Transmission & Distribution losses)**	5	2	-63%	2	1	-22%
		Total		Scopes 1 + 2 Market Based (only)	16	22	38%	16	15	-2%
Water	cubic metres (m^3)	Water-Abs	Water	*for landlord shared services*	5,652	9	-100%			
				Total landlord-obtained water consumption	**5,652**	**9**	-100%			
	Number of applicable properties			Water disclosure coverage	2 of 2	1 of 1		0 of 0	0 of 0	
	%			Proportion of water estimated		0%				
Waste (landlord-handled)	metric tonnes	Waste-Abs	Waste	**Total weight of waste**						
				Recycling (%)						
				Incineration with energy recovery (%)						
				Landfill (%)						
				Other (%)						
	Number of applicable properties			Waste disclosure coverage	0 of 0	0 of 0		0 of 0	0 of 0	

EPRA sBRP performance measurement

Calendar years 2021 and 2022

Table 3: Retail warehouse portfolio environmental performance

EPRA Sustainability Performance Measures					Absolute measure (Abs)			Like for like measure (LfL)		
Impact Area	Units of measure	EPRA Code			2021	2022	% change	2021	2022	% change
Energy	MWh	Elec-Abs, Elec-LfL	Electricity	*for landlord shared services*	163	201	23%	114	110	-4%
				Total landlord-obtained electricity	**163**	**201**	23%	**114**	**110**	-4%
		Fuels-Abs, Fuels-LfL	Fuels	*for landlord shared services*						
				Total landlord-obtained fuel consumption						
	Number of applicable properties			Energy and associated GHG disclosure coverage	16 of 16	20 of 20		11 of 11	11 of 11	
	%			Proportion of energy and associated GHG estimated		0%			0%	
Greenhouse gas emissions	Tonnes CO_2e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Location Based**						
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	**Scope 2 - Location Based**	35	39	12%	24	21	-13%
			Indirect	**Scope 3 - Location Based (Transmission & Distribution losses)**	3	4	16%	2	2	-10%
		Total		Scopes 1 + 2 Location Based (only)	35	39	12%	24	21	-12.7%
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Market Based**						
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	**Scope 2 - Market Based**		0.2				
			Indirect	**Scope 3 - Market Based (Transmission & Distribution losses)**	3	4	16%	2	2	-10%
		Total		Scopes 1 + 2 Market Based (only)	0.0	0.2		0.0	0.0	
Water	cubic metres (m^3)	Water-Abs, Water LfL	Water	*for landlord shared services*						
				Total landlord-obtained water consumption						
	Number of applicable properties			Water disclosure coverage	0 of 0	0 of 0		0 of 0	0 of 0	
	%			Proportion of water estimated		0%				
Waste (landlord-handled)	metric tonnes	Waste-Abs	Waste	**Total weight of waste**						
				Recycling (%)						
				Incineration with energy recovery (%)						
				Landfill (%)						
				Other (%)						
	Number of applicable properties			Waste disclosure coverage	0 of 0	0 of 0		0 of 0	0 of 0	

EPRA sBRP performance measurement

Calendar years 2021 and 2022

Table 4: Distribution warehouse portfolio environmental performance

EPRA Sustainability Performance Measures					Absolute measure (Abs)			Like for like measure (LfL)		
Impact Area	Units of measure	EPRA Code			2021	2022	% change	2021	2022	% change
Energy	MWh	Elec-Abs, Elec-LfL	Electricity	*for landlord shared services*	139	86	-38%	9	13	45%
				Total landlord-obtained electricity	**139**	**86**	-38%	**9**	**13**	45%
		Fuels-Abs, Fuels-LfL	Fuels	*for landlord shared services*	39	44	13%			
				Total landlord-obtained fuel consumption	**39**	**44**	13%			
	Number of applicable properties			Energy and associated GHG disclosure coverage	33 of 33	22 of 22		2 of 2	2 of 2	
	%			Proportion of energy and associated GHG estimated		0%			0%	
Greenhouse gas emissions	Tonnes CO_2e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Location Based**	7	8	13%			
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	**Scope 2 - Location Based**	30	17	-44%	2	3	32%
			Indirect	**Scope 3 - Location Based (Transmission & Distribution losses)**	3	2	-42%	0.2	0.2	36%
		Total		Scopes 1 + 2 Location Based (only)	37	25	-33%	2	3	32%
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Market Based**	7	8	13%			
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	**Scope 2 - Market Based**	24	12	-51%			
			Indirect	**Scope 3 - Market Based (Transmission & Distribution losses)**	3	2	-42%	0.2	0.2	36%
		Total		Scopes 1 + 2 Market Based (only)	31	20	-37%	0	0	
Water	cubic metres (m^3)	Water-Abs, Water LfL	Water	*for landlord shared services*	33	705	2025%			
				Total landlord-obtained water consumption	**33**	**705**	2025%			
	Number of applicable properties			Water disclosure coverage	1 of 1	1 of 1		0 of 0	0 of 0	
	%			Proportion of water estimated		0%				
Waste (landlord-handled)	metric tonnes	Waste-Abs	Waste	**Total weight of waste**						
				Recycling (%)						
				Incineration with energy recovery (%)						
				Landfill (%)						
				Other (%)						
	Number of applicable properties			Waste disclosure coverage	0 of 0	0 of 0		0 of 0	0 of 0	

EPRA sBRP performance measurement
Calendar years 2021 and 2022

Table 5: Residential portfolio environmental performance

		EPRA Sustainability Performance Measures			Absolute measure (Abs)			Like for like measure (LfL)		
Impact Area	**Units of measure**	**EPRA Code**			**2021**	**2022**	**% change**	**2021**	**2022**	**% change**
Energy	**MWh**	**Elec-Abs, Elec-LfL**	**Electricity**	*for landlord shared services*	2		-100%			
				Total landlord-obtained electricity	**2**		-100%			
		Fuels-Abs, Fuels-LfL	**Fuels**	*for landlord shared services*						
				Total landlord-obtained fuel consumption						
	Number of applicable properties			Energy and associated GHG disclosure coverage	3 of 3	0 of 0		0 of 0	0 of 0	
	%			Proportion of energy and associated GHG estimated		0%				
Greenhouse gas emissions	**Tonnes CO_2e**	**GHG-Dir-Abs, GHG-Dir-LfL**	**Direct**	**Scope 1 - Location Based**						
		GHG-Indir-Abs, GHG-Indir-LfL	**Indirect**	**Scope 2 - Location Based**	0		-100%			
			Indirect	**Scope 3 - Location Based (Transmission & Distribution losses)**	0		-100%			
		Total		Scopes 1 + 2 Location Based (only)	0	0	-100%	0	0	
		GHG-Dir-Abs, GHG-Dir-LfL	**Direct**	**Scope 1 - Market Based**						
		GHG-Indir-Abs, GHG-Indir-LfL	**Indirect**	**Scope 2 - Market Based**	1		-100%			
			Indirect	**Scope 3 - Market Based (Transmission & Distribution losses)**	0		-100%			
		Total		Scopes 1 + 2 Market Based (only)	1	0	-100%	0	0	
Water	**cubic metres (m^3)**	**Water-Abs, Water LfL**	**Water**	*for landlord shared services*						
				Total landlord-obtained water consumption						
	Number of applicable properties			Water disclosure coverage	0 of 0	0 of 0		0 of 0	0 of 0	
	%			Proportion of water estimated		0.00%				
Waste (landlord-handled)	**metric tonnes**	**Waste-Abs**	**Waste**	**Total weight of waste**						
				Recycling (%)						
				Incineration with energy recovery (%)						
				Landfill (%)						
				Other (%)						
	Number of applicable properties			Waste disclosure coverage	0 of 0	0 of 0		0 of 0	0 of 0	

EPRA sBRP performance measurement
Calendar years 2021 and 2022

Table 6: Industrial Park portfolio environmental performance

EPRA Sustainability Performance Measures					Absolute measure (Abs)			Like for like measure (LfL)		
Impact Area	Units of measure	EPRA Code			2021	2022	% change	2021	2022	% change
Energy	MWh	Elec-Abs, Elec-LfL	Electricity	*for landlord shared services*	69	64	9%	69	64	9%
				Total landlord-obtained electricity	**69**	**64**	9%	**69**	**64**	9%
		Fuels-Abs, Fuels-LfL	Fuels	*for landlord shared services*						
				Total landlord-obtained fuel consumption						
	Number of applicable properties			Energy and associated GHG disclosure coverage	13 of 13	13 of 13		10 of 10	10 of 10	
	%			Proportion of energy and associated GHG estimated		0%				
Greenhouse gas emissions	Tonnes CO_2e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Location Based**						
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	**Scope 2 - Location Based**	15	12	20%	11	10	10%
			Indirect	**Scope 3 - Location Based (Transmission & Distribution losses)**	1.3	1.1	16%	1	1	6%
		Total		Scopes 1 + 2 Location Based (only)	15	12	-16%	11	10	-9%
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Market Based**						
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	**Scope 2 - Market Based**						
			Indirect	**Scope 3 - Market Based (Transmission & Distribution losses)**	1	1	16%	1	1	6%
		Total		Scopes 1 + 2 Market Based (only)	0	0		0	0	
Water	cubic metres (m^3)	Water-Abs, Water LfL	Water	*for landlord shared services*						
				Total landlord-obtained water consumption						
	Number of applicable properties			Water disclosure coverage	0 of 0	0 of 0		0 of 0	0 of 0	
	%			Proportion of water estimated		0%				
Waste (landlord-handled)	metric tonnes	Waste-Abs	Waste	**Total weight of waste**						
				Recycling (%)						
				Incineration with energy recovery (%)						
				Landfill (%)						
				Other (%)						
	Number of applicable properties			Waste disclosure coverage	0 of 0	0 of 0		0 of 0	0 of 0	

EPRA sBRP performance measurement
Calendar years 2021 and 2022

Table 7: Corporate office environmental performance

EPRA Sustainability Performance Measures					Absolute measure (Abs)			Like for like measure (LfL)		
Impact Area	Units of measure	EPRA Code			2021	2022	% change	2021	2022	% change
Energy	MWh	Elec-Abs, Elec-LfL	Electricity	*for landlord shared services*	68	70	-3%	68	70	-3%
				Total landlord-obtained electricity	**68**	**70**	-3%	**68**	**70**	-3%
		Fuels-Abs, Fuels-LfL	Fuels	*for landlord shared services*						
				Total landlord-obtained fuel consumption						
	Number of applicable properties			Energy and associated GHG disclosure coverage	1 of 1	1 of 1		1 of 1	1 of 1	
	%			Proportion of energy and associated GHG estimated	0%	0%		0%	0%	
Greenhouse gas emissions	Tonnes CO_2e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Location Based**						
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	**Scope 2 - Location Based**	14	14	7%	14	14	7%
			Indirect	**Scope 3 - Location Based (Transmission & Distribution losses)**	1	1	3%	1	1	3%
				Scopes 1 + 2 Location Based (only)	**14**	**14**	-6%	**14**	**14**	-6%
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Market Based**						
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	**Scope 2 - Market Based**	14	14	7%	14	14	7%
			Indirect	**Scope 3 - Market Based (Transmission & Distribution losses)**	1	1	3%	1	1	3%
		Total		Scopes 1 + 2 Market Based (only)	**14**	**14**	**7%**	**14**	**14**	**7%**
Water	cubic metres (m^3)	Water-Abs, Water LfL	Water	*for landlord shared services*						
				Total landlord-obtained water consumption						
	Number of applicable properties			Water disclosure coverage	0 of 0	0 of 0		0 of 0	0 of 0	
	%			Proportion of water estimated						
Waste (landlord-handled)	metric tonnes	Waste-Abs	Waste	**Total weight of waste**		307				
				Recycling (%)		61%				
				Incineration with energy recovery (%)						
				Landfill (%)						
				Other (%)						
	Number of applicable properties			Waste disclosure coverage	0 of 0	0 of 0		0 of 0	0 of 0	

EPRA sBRP performance measurement
Calendar years 2021 and 2022

Table 8: Total portfolio intensity performance measure

Impact Area	EPRA Sustainability Performance Measures		Intensity Indicator	2021	2022	% change
			Retail Warehouse			
Energy	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh/car park spaces/year	42	51	23%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO_2e/car park space/year	8.83	9.93	12%
			Car Park Spaces	3914	3914	n/a
			Number of applicable properties	14 of 14	17 of 17	n/a
			Office			
Energy	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh/sqft/year	6	2	-61%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO_2e/ft^2/year	1.163	0.301	-74%
			Net Lettable Area (sqft)	62445	118599	n/a
			Number of applicable properties	3 of 3	6 of 6	n/a
Water	Water-Int	Building water intensity [GRI-CRESS: CRE2]	m^3 /sqft /year	0.13	0.0003	-100%
			Net Lettable Area (sqft)	43839	34839	n/a
			Number of applicable properties	2 of 2	1 of 1	n/a

Table 9: Certified Assets

Impact Area	EPRA Sustainability Performance Measures	Intensity Indicator	2021/22	2022/23
EPC Certification	Cert-Tot	Energy efficiency level A	23.3%	34.0%
		Energy efficiency level B	28.4%	17.0%
		Energy efficiency level C	22.2%	39.0%
		Energy efficiency level D	10.5%	6.0%
		Energy efficiency level E	2.6%	1.0%
		Energy efficiency below E	0.0%	0.0%
		Energy efficiency unknown	12.9%	3.0%

EPRA sBRP performance measurement
Calendar years 2021 and 2022

Table 10: Social

Company-wide			
Impact Area	**EPRA Sustainability Performance Measures**		**Reference in Annual Report and Accounts (2023) / Response**
Employee gender diversity	Diversity-Emp	% of males and female employees	**p. 128**
Training and Development	Emp-Training	Average number of hours	305 hours/35 employees = 8.7 hours per employee
Emplyee performance appraisals	Emp-Dev	Percentage of total workforce	**p. 66** 100% of employees
Employee turnover and retention	Emp-Turnover	Total number & rate of new employee hires and turnover	**p. 66** 9% turnover
Employee health and safety	H&S-Emp	Injury rate, lost day rate and work related fatalities (contractors on development & refurbishment sites), absentee rate (direct LondonMetric employees)	injury rate = 3 lost day rate = 2.3 absentee rate = 0.007 Work related fatalities = 0
Asset health and safety assessments	H&S-Asset	Percentage of assets	**p. 65** 100% of all managed assets
Asset health and safety compliance	H&S-Comp	Number of incidents	**p. 65** 2 reportable incidents
Community engagement, impact assessments and development programmes	Comty-Eng	% of Development assets	**p. 70** 100%

Table 11: Governance

Company-wide			
Impact Area	**EPRA Sustainability Performance Measures**		**Reference in Annual Report and Accounts (2023)**
Composition of the highest governance body	Gov-Board	Total numbers	p. 120
Nominating and selecting the highest governance body	Gov-Select	Narrative description	p. 126-131
Process for managing conflicts of interest	Gov-Col	Narrative description	p. 131

Data qualifying notes

Data periods

- For all energy, water and waste, the data is reported on a calendar year for the first time. 2021 and 2022 figures cover usage between January and December for 2021, and respectively 2022.

GHG emissions

- We have reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.
- We have used the main requirements of ISO14064 Part 1 and the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition) for our methodology, using energy consumption data from our owned and occupied properties. This year we were able to expand our reporting boundary to include tenant obtained data in addition to landlord controlled. These emissions have been accounted in our Scope 3, alongside any emissions associated with Transmission and Distribution losses.
- Scope 1 emissions cover our natural gas emissions; it does not include refrigerant emissions as these have been determined to not be material (represent <2% of total emissions); Own fleet does not apply.
- Scope 2 emissions are reported in both location and market-based emissions due to the high number of assets energy supply coming from renewable sources. For assets without a renewable energy supply for market-based emissions, a residual mix factor was applied instead,as published by the Association of Issuing Bodies (AIB).
- Scope 3 emissions includes all transmission and distribution losses and tenant-obtained energy where applicable and tenant provides data.
- Emissions from employee business travel (by vehicle) have been calculated and reported under Scope 3 emissions and can be found within the Annual Report and Sustainability Report on our website. Emissions have been calculated on a distance travelled basis, where the relevant vehicle emissions factor has been applied to expensed mileage.

Energy, water and waste consumption data

- Tenant-obtained data is included for the first time this year, so data is unavailable for previous year (2021). Tenant-obtained data is only available at total portfolio level (a breakdown of tenant-obtained data by sector e.g. offices, distribution warehouse, etc. is not available), and captures 68% of total portfolio (by area) so does not provide 100% data coverage.
- In this disclosure, estimation refers to filling invoice gaps, not to whether invoices are based on estimated or actual readings.
- Landlord-handled waste data is not available.
- No District heating and cooling is used within this portfolio and therefore is reported n/a.
- As all assets are FRI leases, only consumption for landlord-shared services is being reported.
- For our Industrial Warehouse assets, data is only collected when the assets are void and hence only included in Absolute calculations.
- For our Corporate Head Office, only electricity consumption is metered (Elec-Abs) and waste data is sourced (Waste-Abs). Gas (Gas-Abs), Water (Water-Abs) are covered through the service charge and so obtaining the data is not easily possible. When obtained, data is shown.

Certifications

- The BREEAM Very Good properties are properties which have been under development within the year. The floor area is of the entire development portfolio as of 31/12/2022.
- Table 9 Certified Assets data covers 12 month period ending 31 March 2022 and 31 March 2023 respectively, as an exception from how energy, water and waste data is now being reported on a calendar year basis.

Social and Governance indicators

- Direct staff injury rate under H&S-Emp is 0, however as only contractors are used on site for transparency, this injury rate has been included. This is calculated by (number of injuries/ hours worked on site) x 200,000 as per GRI recommendations. Absentee rate was calculated by taking the (number of absence days divided by (the total number of employees x number of work days a year).
- Due to the nature of the portfolio, assets are not under LondonMetric's operational control and therefore any community engagement is performed by the tenants. Indicator Comty-Eng is therefore only applicable for development projects which are not forward funded.
- Page numbers refer to Annual Report and Accounts 2023 (https://www.londonmetric.com/sites/london-metric/files/report-presentation/2023/london-metric-annual-report-2023.pdf)"

Terms:

Dir: Direct

Indir: Indirect

Abs: Absolute

Lfl: Like-for-like

Int: Intensity

Cert: Certification

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