LONDONMETRIC PROPERTY PLC

Responsible Business & ESG Report 2022

Inside this report

Responsible business and ESG Report

"Our Responsible Business activities are embedded into our investment, asset management, development and corporate activities and aim to deliver on our ESG targets. We work with all our stakeholders to bring benefits to society more widely.

Martin McGann
Finance Director & Responsible Business Board representative

Our Net Zero Carbon ('NZC') ambitions

#1 Our operations will be net zero by 2023.

#2 We will continue to reduce emissions from developments which will be fully net zero by 2030.

#3 We will work with our occupiers to ensure our buildings are net zero by 2035.

Occupiers

"Our occupier relationships are crucial to the success of LondonMetric. We work closely with our occupiers to understand their requirements and our ambition is to be their real estate partner of choice.

Mark Stirling
Asset Director at LondonMetric

Governance, compliance & TCFD

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.

Our performance in the year against our Responsible Business Targets.

JLL's external evaluation of LondonMetric's performance.

Our sustainability performance

Responsible Business and ESG review

Our Responsible Business activities aim to address the material ESG risks and opportunities that impact our business.

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 assets based on environmental attributes.

Our Responsible Business framework guides us in mitigating climate change 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 with a policy in place and ESG targets set every year.

Progress against targets is monitored at Working Group meetings held several times a year and attended by key business representatives, a Board member and our external sustainability advisor.

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.

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.

Key progress in 2022

- Material improvement in portfolio's EPC rating and a number of environmental initiatives implemented
- Carbon offset strategy formalised and climate risk assessment undertaken
- 100% of main developments BREEAM Very Good/Excellent
- Significant reduction in embodied carbon seen on developments

Read more on pages 3 to 9

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.

Key progress in 2022

- Green debt financing completed post year end and reporting obligations met
- Strong occupier feedback from survey
- Continued high staff satisfaction levels from employee survey
- Continued charitable and local community focus

Read more on pages 10 to 17

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.

Key progress in 2022

- Full TCFD compliance and climate risk governance gap analysis undertaken
- 100% compliance by contractors with our contractor development checklist
- Health and safety audits undertaken on projects
- Annual contractor compliance audit

Read more on pages 18 to 22

Our sustainability performance

Responsible Business and ESG review

Our sustainability benchmarking, targets and financing

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

External benchmarking

GRESB

Maintained our Green Star

Achieved a score of 65% in the 2021 Global Real Estate Sustainability Benchmark survey, maintaining our Green Star status. This score is up from 34% in 2014 and unchanged on the prior year.

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 and continue to be included in the index.

MSCI

BBB rating

In the latest assessment we continued to be rated BBB, which is in line with the sector average.

EPRA sBPR GOLD

Maintained our Gold

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

ISS

Improved our score

We continued to respond and improve our score over the year from D to C-, above the peer group average.

ESG targets

Targets achieved in 2022

81%

with the remainder partially achieved or in progress

Our 16 Responsible Business targets in the year focused on:

- Further reducing our energy usage, environmental improvements to our buildings and greater scrutiny on physical climate and transition risks;
- Formalising a carbon offset strategy as part of our net zero carbon framework;
- Working in partnership with occupiers to reduce their energy consumption and improve their occupational satisfaction;
- Ensuring developments are built to a high environmental standard and our supply chain acts in accordance with our procedures and policies;
- Developing community and other stakeholder relationships; and
- Climate change risks and opportunities assessment undertaken.

We made good progress against these targets with 81% achieved and the remainder partially achieved or in progress.

A full review of performance against our 2022 targets are detailed on pages 23 to 24. Many of the targets remain relevant for next year and will be rolled forward with modifications to further align with our Net Zero Carbon framework. Once set, these updated targets will be available on our website.

Green financing

Sustainability linked refinancing

£450m

Over the year, we completed significant debt refinancings across our debt facilities.

£50 million of Green Notes

As part of a £380 million private debt placement with UK and US investors, a £50 million green tranche was put in place with a 15 year term maturity. This tranche is subject to a green framework under which spend has been allocated to buildings which have high sustainability standards.

The green notes were priced two basis points inside the equivalent non green 15 year tranche.

£400 million of new revolving credit facilities completed with a green framework

Simultaneously with the completion of the private placement, we completed two new revolving credit facilities totalling £400 million.

These facilities have a green framework 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 focus on:

- Improvements in EPC ratings;
- Renewable installations; and
- Developments meeting a minimum BREEAM Very Good standard.

The pricing of the facilities is subject to a two basis point adjustment for compliance/non compliance with the Targets which is tested 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 charity giving.

We continue to look at further green financing facilities.

Environmental

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.

Net Zero Carbon

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 the previous year, we formalised our Net Zero Carbon Framework through internal workshops and adviser input. Net Zero Carbon is a rapidly evolving area and, during this year, as well as preparing to be fully Net Zero from our operations in 2023, we also analysed the Net Zero potential across several assets.

Climate risk

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

Net Zero Carbon ('NZC') ambitions:

1 Our operations will be net zero by 2023*

2 We will continue to reduce emissions from developments which will be fully net zero by 2030**

3 We will work with our occupiers to ensure our buildings are net zero by 2035***

* Encompasses Scope 1,2 and 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

Climate risk assessment

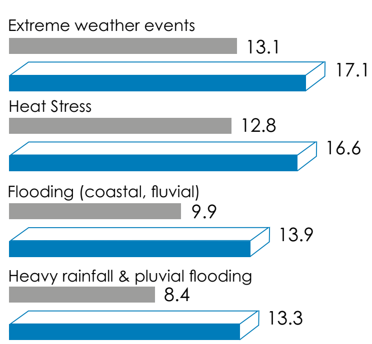
As covered in more detail on pages 20 to 21, we undertook an assessment of our climate-related risks, assessing our resilience to these risks at the portfolio and asset level.

For the portfolio, 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.

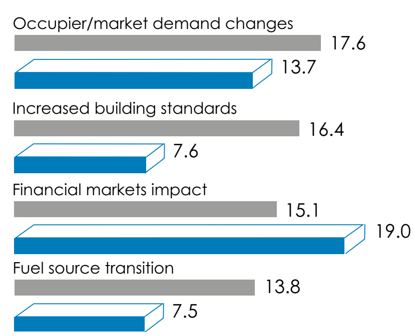
The table below shows that under the less extreme scenario (RCP4.5), transition risks are the most significant, whereas under the more extreme scenario (RCP8.5), physical risks are the most prevalent.

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.

Physical risks (risk scoring on key risks)



Transition risks* (risk scoring on key risks)



IPCC RCP4.5 global emissions scenario (1.7-3.2°C of warming by 2100)
IPCC RCP8.5 global emissions scenario (3.2-5.4°C of warming by 2100)

* 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

Our sustainability performance

Responsible Business and ESG review

Environmental

1

Our operations will be net zero by 2023*

Our operations will be NZC by 2023, with all residual carbon offset.

Our environmental performance

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 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, along with 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 726 MWh despite the portfolio's area increasing by nearly 60% over that period. In the year, consumption fell by 33% from 1,081 MWh to 726 MWh.

Excluding void assets, consumption fell by 10% over the year from 664 MWh to 599 MWh and, on a like for like basis, consumption was 8% lower.

The high level of green tariff supplies now in place have seen our GHG emissions remain low at 1tCO_2e per £million net income or 5tCO_2e per million sq ft.

With only a small proportion of the portfolio now 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 operational Net Zero in 2023, we put in place a carbon offset strategy as described below.

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

NZC – Progress to date

- **92% reduction** in absolute energy consumption since 2015.
- **100% of our landlord supplies** from renewable sources.
- **Significant like for like energy reductions,** mainly from external LED lighting replacement programmes.
- **Nearly eliminated** landlord water, waste and gas consumption.

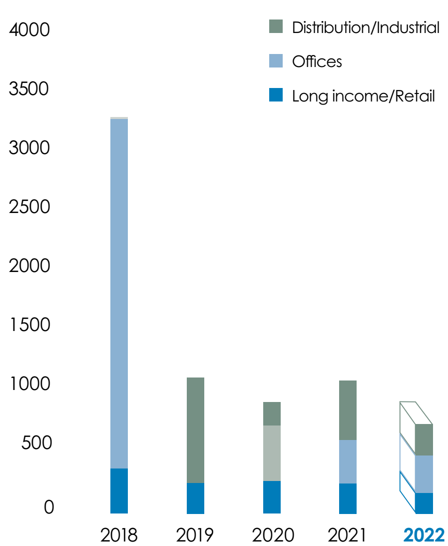
NZC – Future actions

- **Extract further energy efficiencies** across our estate where there is landlord consumption, extending smart metering coverage.
- **Ensure energy supplies are from renewable sources** (including for void assets) aligned to industry procurement best practice.
- **Look to install solar PVs** to meet our direct electricity consumption and explore PPA opportunities.
- **Offset all residual carbon** through recognised offset schemes.

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		●

Energy consumption (MWh)



Carbon offset strategy

During the year, we considered the best way to offset residual carbon that cannot be mitigated. We looked at both our near term and medium term needs and concluded that we should adopt a carbon removal scheme with long lived storage that is in line with the Oxford Principles for Net Zero Aligned Carbon Offsetting, achieving the Gold Standard accreditation.

Looking forward, there is a risk that the price of carbon credits will rise and so we recognise that we should fully consider insetting schemes where we take active control of carbon credits as opposed to an 'off the shelf' package.

Therefore, in addition to looking at commercial opportunities, we will review the International Carbon Reduction & Offsetting Alliance (ICROA).

Environmental performance highlights for 2022

Energy consumption

-8%

Over the year on a like for like basis

Energy consumption fell 8% to 171MWh on assets that were owned during both the 2020/21 and 2021/22 periods. The reductions can be attributed to the ongoing asset upgrades to incorporate energy efficiency measures. Absolute energy consumption across the whole portfolio decreased by 33%.

Greenhouse gas (GHG) emissions

-16%

Over the year on a like for like basis

Emissions fell by 16% on assets that were owned during both the 2020/21 and 2021/22 periods. All of these assets have a renewable energy tariff and so market based emissions is $0tCO_2e$.

Absolute emissions have decreased overall from $47tCO_2e$ to $40tCO_2e$.

Sources of greenhouse gas emissions[3]		2021/22		2020/21	
		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	**16**	**16**	12	12
Void Energy	Void asset gas	**5**	**5**	31	31
Fugitive emissions	Refrigerant emissions	**De minimis**	**De minimis**	De minimis	De minimis
Scope 2					
Energy	Landlord-controlled electricity	**34**	**15**	62	20
Void Energy	Void asset electricity	**36**	**23**	70	42
Scope 3					
Energy	Transmission and distribution losses	**11**	**0**	17	0
Tenant Energy	Landlord-obtained energy sub-metered to tenants	**60**	**0**	66	0
Travel	Emissions from employee business travel for which the company does not own or control	**4**	**4**	3	3
Total		**166**	**63**	260	108
Total (Ex voids)		**131**	**40**	190	66
Intensity (Scope 1 & 2)					
tCO2e/£m net income after administration costs		**0.79**	**0.51**	1.66	1.00

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 were used

2 For the 'market-based' method, the Company's contractual instruments for the purchase of certified renewable electricity were accounted for, resulting in a significant reduction in the Company's carbon footprint in practice

3 Disclosed emissions are 100% UK based

Data qualifying notes

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

Data for the year to 31 March 2020/21 has been restated, including associated intensity metrics, as additional energy consumption data has been obtained since the previous report was published.

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 were used.

For the 'market-based' method, the Company's contractual instruments for the purchase of certified renewable electricity were accounted for, resulting in a significant reduction in the Company's carbon footprint in practice.

Emissions from employee business travel (by vehicle) have been calculated and reported under Scope 3 emissions for the second time. 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.

Our sustainability performance

Responsible Business and ESG review

Environmental

2

We will continue to reduce emissions from developments which will be fully net zero by 2030*
We will reduce emissions from developments and offset residual carbon to ensure developments are fully NZC by 2030.

Percentage of developments completed that were BREEAM Excellent
100%

Our development performance

Our development activity continues to focus on building highly efficient buildings. All of our main/large direct completed developments in the year were certified as BREEAM Excellent.

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. At Bedford Link, we have seen progressive reductions in embodied carbon over each of the development phases. We applied learning from the initial phase of construction to the second and third phase of the project which totalled 0.5 million sq ft.

* 1 Offset through recognised offset schemes
2 Initiatives across LondonMetric's portfolio that reduce either landlord or occupier operational carbon

This resulted in a 27% reduction in carbon across the final phase compared to the first phase.

As part of our letting of the second and third phase, we have installed 450 kWp of solar PV capacity as part of tenant incentive arrangements. This is beneficial in enabling the unit to achieve EPC A+ as well as NZC in operations. Across the completed units at Bedford, we have installed energy monitoring systems to allow us to monitor energy performance post construction and are reviewing performance.

In the year, and in line with our shadow pricing initiative, the carbon offset cost associated with the second and third phase at Bedford Link has been re-invested into green initiatives on the portfolio.

NZC – Progress to date

Measuring embodied carbon, with significant reductions seen since 2019 on our phased Bedford Link project.

Encouraging refurbishment instead of redevelopment.

Challenging supply chains to minimise waste and select low carbon materials.

Minimum BREEAM Very Good target and, where possible, looking to demonstrate operational NZC ready buildings.

NZC – Current and future action

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 such that carbon is either offset or an equivalent value is reinvested into green initiatives.

Carbon reduction at Bedford Link

Through on-site reduction measures and material specification amendments to more carbon friendly methods, we have achieved a 27% reduction in carbon across the last phase of our Bedford Link development. Carbon reductions have been achieved mainly from better selection of steel and plasterboard supplies.

The percentage of recycled materials has increased across the phases. The first phase saw c.15% of recycled materials used and this has increased to 23% on the last phase.

Similarly, whereas we achieved a c.15% improvement on Building Emission Rates against Building Regulations on the first phase, on the last phase we achieved a 25% improvement.

Pre-let development in Huntingdon

The 300,000 sq ft development was acquired during the year and represents a £53.4 million total investment for LondonMetric. It is located at Alconbury Weald, Huntingdon, on the A1(M), with the nearby A14 interchange providing a direct link to Felixstowe port.

The building is pre-let on a 25 year lease to AM Fresh, an international agri-tech company that supplies the majority of UK supermarkets. The rent is £2.0 million p.a. and has CPI+1 linked rent reviews.

Development is expected to complete in December 2022.

Development

300,000 sq ft

Pre-let lease

25 years

Building overview

- Occupies a 13 acre site with 46% site coverage. The building will have a minimum 12.5m eaves height
- Highly specified cold storage, production and logistics warehouse used to supply fresh fruit to UK food retailers and wholesalers
- Fitted out with market leading automation, including an innovation centre and incubator for agri-tech R&D

Building features

- Temperature controlled storage
- Laboratory for R+D
- 25 dock level doors
- 6 level access doors

Environmental features

- BREEAM Very Good
- Energy-efficient lighting, space and water heating
- Roof designed to accommodate significant solar PVs
- Water saving devices
- 10 charging spaces for electric vehicles
- Whole life carbon assessment undertaken
- 18% reduction in carbon emissions rate against notional target emissions

Responsible Business and ESG review

Environmental

3

We will work with our occupiers to ensure our buildings are net zero by 2035*

We will assist our occupiers to help them meet their NZC targets and focus on providing NZC ready buildings. From 2035, we will aim to offset occupier residual carbon.

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 EV charging points all of which we consider as part of leasing and regears to enhance our properties, extend their economic life, increase occupier contentment and ultimately allow 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 questions, 82% of those that responded reported that they have now installed LED lighting in their buildings, compared to 73% in last year's survey. Our own analysis suggests that occupier energy consumption can be reduced by up to 40% and EPC ratings improved from an E to as high as a B just as a result of LED lighting upgrades. We will use the survey results to help our continual efforts to engage with our occupiers on environmental improvements.

EPC rating of portfolio

We are conscious of the regulatory changes to EPCs and are actively targeting a minimum C rating on assets.

85% of assets had an EPC rating of A-C, which is up materially from 59% in 2015 and 74% in 2021. A-B rated assets represented 47% of the portfolio.

The increase in the year reflects the benefit from our investment activity, where we have acquired or developed higher rated assets and disposed of 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.

BREEAM rating and solar PV

The proportion of assets built to a BREEAM Very Good or Excellent standard is currently 26%, which is up from 10% in 2015 and unchanged on last year. This is expected to increase further to over 29% once current developments are complete. In the year, 0.9MWp of solar PV was added which increased our built solar capacity across the portfolio to 3.4MWp.

Net Zero Carbon in operation

As part of progressing our NZC targets, we are increasingly focused on understanding how we can increase the number of NZC ready buildings that we own. In the year, we undertook NZC assessments on several assets.

An important part of this focus is measuring emissions from all of our occupiers and, in the year, we increased occupier energy data coverage from 43% to 59%. It is encouraging to see a much greater interest and willingness to engage from occupiers on how we can help them to become NZC in operation.

EPC	2022	2021
A	29.5%	23.3%
B	17.6%	28.5%
C	37.7%	22.2%
D	9.7%	10.5%
E	2.7%	2.6%
Below E	0.0%	0.0%
Unknown/Expired	1.1%	12.9%

NZC – Progress to date

Upgrading quality of our assets through investment and development activity, owning more energy efficient buildings.

Improving buildings' energy efficiency through refurbishment and better internal fit out such as LED lighting and sensors.

Engaging with occupiers to understand their energy usage in our buildings and how we can assist in reducing their carbon footprint.

Implementing solar PV installations and EV charge point opportunities.

NZC – Future actions

Measure emissions across all of the portfolio by increasing occupier data coverage (where possible through green leases) and estimating where data is unavailable.

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.

Continue to progress renewable, EV and battery storage opportunities with occupiers.

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

Improving the quality of our assets

With a portfolio aligned to distribution, our assets have a much lower carbon intensity than other real estate such as offices, residential and shopping centres. As we have significantly increased our urban logistics exposure, our asset base has moved away from larger and newer big box logistics to well located but typically older urban 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 completely redeveloping the asset, which also reduces LondonMetric's embodied carbon emissions.

We also see investment activity as a key way of upgrading our assets. Through our acquisition process and disposals analysis we factor in environmental considerations.

Solar PV installations

In the year, 0.9MWp capacity of solar PV was installed across four assets taking our total portfolio solar capacity to 3.4MWp. A third of this added capacity related to a 300kWp installation in Milton Keynes which we funded and where, under the arrangement with the occupier, LondonMetric will receive an income strip for the remainder of the lease.

We are looking at further solar opportunities at several of our current developments as well as across our existing estate.

Improving energy efficiency at Bicester

We continue to improve buildings through accretive expenditure. At our 30,000 sq ft asset in Bicester (opposite), following the occupier vacating, we refurbished the warehouse to an enhanced specification, including removal of gas heating, installation of electrical mechanical ventilation cooling and heating, air source heat pump and improvements to roofing and office space. As a result, the EPC rating improved from a C to an A. Installation of a solar PV system would allow the building to be Net Zero.

EV car charging

As we recognise the growing importance of EV charging, we signed an EV partnership deal with Motor Fuel Group which will see a programme of Ultra-Rapid 150kWh charging hubs installed across a number of our assets.

In addition, we continue to install EV charging points on new developments and properties where we are undertaking significant asset management activities.

BREEAM Very Good/ Excellent standard

29%

of portfolio (including developments underway) up from 10% in 2015

Occupier Energy Data collected on

59%

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 to 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.

Fluvial/coastal flood risk level	% of assets by value
High risk	1%
Medium risk	15%
Low risk	84%

Responsible Business and ESG review

Social

Building and nurturing relationships with our stakeholders is integral to our business model and the way we work.

1
Occupiers
We work closely with our occupiers to create high occupational contentment

2
People
Our team of 35 employees is critical to our success and delivering on our strategy

3
Contractors and Advisers
We rely on the support of a diverse group of contractors and advisers

4
Investors
Strong relationships with our investors are critical to us accessing capital efficiently

5
Communities
Supporting local communities and charitable causes is highly important to us

1 Occupiers

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. Following surveys in 2018, 2019 and 2021, we undertook a further survey in March 2022.

Responses were received from occupiers representing 42% of our income and the feedback continued to be strong with an average score of 8.5 out of 10.0 for whether our occupiers would recommend LondonMetric as a landlord.

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

> // Our occupier relationships are crucial to the success of LondonMetric. We work closely with our occupiers to understand their requirements and our ambition is to be their real estate partner of choice. //

Mark Stirling
Asset Director at LondonMetric

Occupier survey (March 2022)

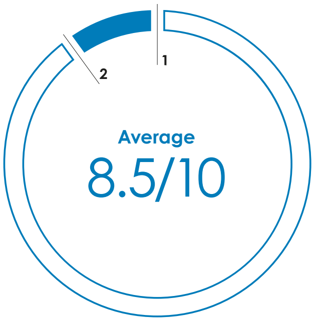
138 of our occupiers were surveyed, representing 81% of rent. Responses were received from 55 occupiers representing 42% of rent.

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 asked specific environmental questions and for some occupiers we asked enhanced environmental questions that went into greater detail about their property.

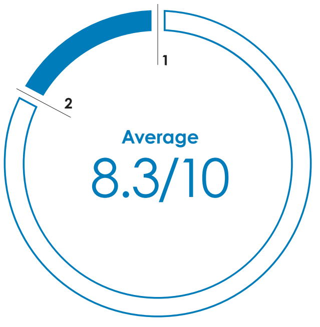
As for the previous year's survey, we will address the results of the survey and any specific feedback through our ongoing occupier engagement.

Recommend LondonMetric as a landlord



We scored an average of 8.5 out of 10.0 for whether our occupiers would recommend LondonMetric as a landlord. For our top 10 occupiers, the average was higher at 9.1, which is in line with our 2021 score.

Satisfaction with our properties



We scored an average of 8.3 out of 10.0 for satisfaction with our properties. This score was in line with the 2021 result.

Responsible Business and ESG review

Social

2 People

Our people are critical to the success of the Company

The Company is highly focused with 35 employees and seven Non Executive Directors. Since merger in 2013, employee and Director 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.

How we continue to improve our approach to our people

Inclusion and communication
We have a flat management structure with clear responsibilities. We strongly encourage input on decision making from all staff and wide participation in committee meetings. There is strong collaboration across teams which enables good sharing of information and ideas. Regular strategy and performance updates are provided to employees from the Executive Directors.

Working practices
We have implemented more flexible working arrangements covering dress code, holiday buy back, improved systems to enable home working and a core hours policy.

Fair remuneration
Employee remuneration is aligned to personal and Company performance with longer term incentivisation plans in place that replicate arrangements for Executive Directors. All employees receive a pension contribution of 10% of salary, medical insurance with access to childcare and cycle to work vouchers.
In the year, we put in place a company car scheme with Tusker which allows employees to access electric and hybrid vehicles.

Diversity and equal opportunity
We promote diversity across knowledge, experience, gender, age and ethnicity with a published diversity and inclusion policy in place. Whilst overall female employee representation is good, we recognised that we needed to specifically promote greater gender diversity. Our female Board representation is now 33% and, in the year, we made several female appointments in our property team including a recent graduate who we are now supporting as she gains her relevant real estate qualifications. Recognising the significant diversity imbalance in the real estate sector, we continue to support the Real Estate Balance group to further promotion of diversity both internally and externally.

Employee development and training
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.

Health and safety
In 2016, we formalised a policy to provide and maintain safe and healthy working conditions for all employees, providing appropriate equipment, workplace assessments, operational processes and safe systems of work.
See page 18 for further details on health and safety.

Wellbeing and employee satisfaction
Over recent years, we have significantly reduced our office space, undertaken a major office refurbishment and modernisation, as well as carried out a wellbeing review of our office and employees.

The results of our 2022 employee survey are shown on the next page and reflect continued high levels of employee satisfaction. Andrew Livingston, the Company's designated workforce Non Executive Director, continues to be closely involved in monitoring employee satisfaction.

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:

Overview of satisfaction survey

In February 2022, we undertook our fifth annual employee survey to track changes in staff satisfaction.

In total, we asked 40 questions receiving responses from all employees on an anonymous basis. The survey focused on three key areas being: the company; the working environment and the individual. In total we had 30 responses across the organisation with an engagement of 94%.

Results of survey

Overall the survey was very positive with 100% of employees responding that they continue to enjoy working at LondonMetric.

Employees remain highly supportive of the Company as a whole and, in the year, we saw the highest scores in:

- They have confidence in the decisions made by the senior management team (score of 93%); and
- They feel informed on relevant business activity to do their job (score of 90%).

In terms of home working, the office continues to be seen as a desirable place of work with the office environment getting 83% positive feedback. 100% of respondents confirmed they valued flexible working.

The company has been very successful in getting everyone back into the office and have enjoyed the benefits this brings. Overall, we believe we are stronger together, but people are empowered to work from home where it is good for the business.

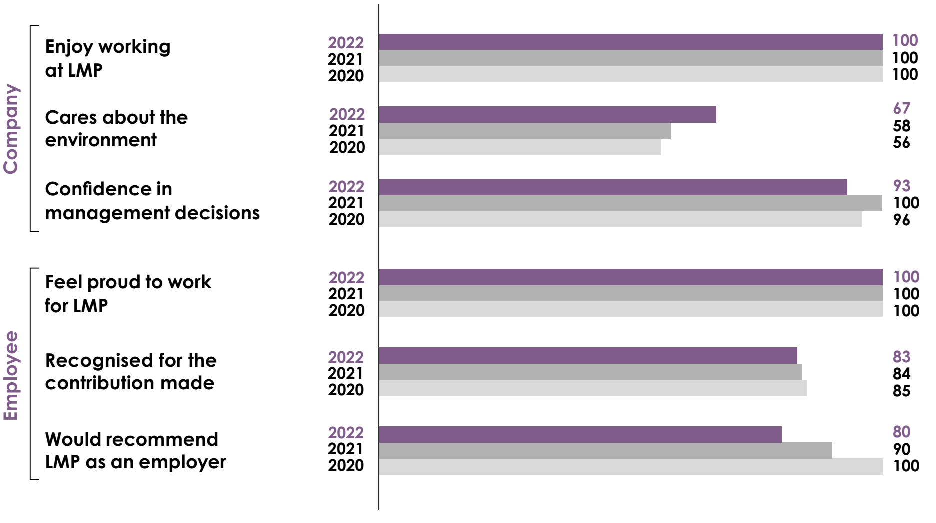
Board consideration

Andrew Livingston is the designated workforce Non Executive Director.

In the year, he considered the survey results and held an informal session with a select number of employees from different areas of the Company to discuss the survey feedback and wider employee thoughts in more depth.

Andrew updated the Board on the survey results and feedback from the session.

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



Responsible Business and ESG review

Social

3 Contractors

Contractor compliance

100%

with our Responsible Development Requirements checklist

Our Responsible Procurement Policy

This 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.

Managing Agents and other suppliers

Managing Agents are an important part of the supply chain on our assets where there are multiple occupiers in place. We select a few and 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.

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.

We also rely on many other adviser relationships as part of our activities.

Responsible development at Weymouth

As part of our responsible development at Weymouth where we are building out the second phase totalling 51,000 sq ft of NNN Retail space, our development teams and contractors have incorporated a number of ecological initiatives into the development.

A specialist ecology team visited the site 67 times during the summer of 2021, during which a total of 368 slow worms, 11 common lizards and 4 grass snakes were captured and relocated by hand to a receptor area. This also included the construction of hibernacula to provide a reptile suitable environment and the creation of a meadow mix and tussocky grass. A small number of mammals including shrews, voles and wood mice were also relocated.

Where trees were removed, the timber has been retained on site in the ecological areas to create habitats with replacement trees planted. Further biodiversity enhancement works undertaken during the development of the site include the installation of bird and bat boxes, insect nesting boxes and hedgehog domes with log piles and compost heaps to enhance the natural environment for wildlife.

Surface water is now channelled into swales and a new open pond that was formed in discussions with the local authority to enhance the ecological environment but also to provide resilience to flooding and climate change.

4
Investors

Equity investors met during the year

c.250

shareholders, analysts and potential investors

Equity Investors

We value our good relationships with our shareholders.

Over the year, we met with c.250 equity investors through individual and group virtual meetings. Feedback remains very supportive of our strategy and there has been an increasing focus from equity investors on ESG matters.

As Covid-19 restrictions have now been fully lifted, this is allowing us to undertake more face to face meetings, conferences and site visits.

In addition to our regular investor contact during our half and full year reporting periods, we undertook extensive pre-marketing ahead of our £175 million equity placing in November 2021.

The fundraising was very well received and supported which allowed the placing to be priced at a tight discount with a strong aftermarket following completion of the raise.

Investor ESG survey

As shareholder expectations on corporate governance and sustainability increase, we continue to engage with our investors on ESG matters.

In the previous year, we undertook our second ESG survey of investors, following on from our previous survey in 2018. In the 2021 survey, we engaged with our top ten investors representing nearly 40% of our shareholder register and shared our Net Zero Carbon framework with them. Feedback was very positive with our ESG performance to date seen as either good or very good and our disclosure in line with expectations. We will undertake our next survey at the start of 2023.

Following on from feedback from the last survey and subsequent follow up discussions, we have reviewed our approach to non-participation in the CDP assessment and provided a summary on page [xx] of where information required by CDP is disclosed. This is also available on the website and we will continue to review our approach.

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.

In the year, we completed a £780 million debt financing which involved five banks and 11 other debt investors. The refinancing added six new lending or debt investor relationships with most of our existing lending base actively involved. As set out in more detail on page 2, for the first time, we incorporated a green framework in respect of £450 million out of the £780 million refinanced. We have complied with reporting requirements under the green framework and will complete our compliance reporting over the coming months.

In addition, we completed a further £150 million short term debt facility, which was drawn immediately, to fund acquisitions. We also continue to engage on further green financing opportunities.

North Circular, Brent Cross, investor site visit (2022)

As part of a conference organised by one of our brokers, we recently undertook an investor site visit for c.15 investors to an asset that we had recently purchased near Brent Cross, London.

The 18,000 sq ft warehouse visited is let to Jacuna and will accommodate up to 37 dark kitchens once operational. In addition to a walk round the unit, an update was provided on LondonMetric's urban acquisition and redevelopment strategy, with Jacuna also presenting their strategy and business.

The visit was very well received with good feedback on Jacuna, the dark kitchens concept and LondonMetric's innovative approach to accessing this market.

As part of the conference, LondonMetric's CEO also hosted a discussion on listed property companies with a panel of fund managers, all of whom are shareholders.

Responsible Business and ESG review

Social

5

Communities

We recognise the importance of supporting our local communities and engaging with all local stakeholders. Our published Communities 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. LondonMetric aims to allocate £100,000 per year for charitable giving.

At the start of the year, we set out a four pillar plan to allocate that money, which consisted of a budget for:

- Employees to either support a charitable cause of their choice or receive funds to match their own charitable activity;
- Development linked giving, supporting causes near our development activity;
- Occupier or asset related giving, supporting causes in conjunction with occupiers or near our local assets; and
- Specific causes identified at a corporate level.

Over the year, we spent £66,766 on charitable and local community initiatives. Further donations in respect of our 2022 charitable allocation are in process.

Highlight charitable activity in the year

Forest of Marston Vale	As part of our development at Bedford Link, we contributed £12,000 to the Forest of Marston Vale, a community forest between Bedford and Milton Keynes. Along with our development contractor, we funded various works to improve footpaths, signage and seating on Marston Vale land that adjoins our development.
LandAid	We continue to support LandAid and contributed £10,000 to LandAid in the year. Our participation in various LandAid initiatives allowed us to become a Foundation Partner. Most notably, 85% of our employees participated in LandAid's Steptober event, taking 5.1 million steps for the challenge. We also were active in LandAid's 'Live and Work' Village project (see below).
Speakers for Schools	As part of our focus on youth and inclusion, five employees from different areas of our business hosted an online teach in for senior school pupils. The event was organised by Speakers for Schools and we had a number of children from different schools join the event to better understand what property companies do, what LondonMetric's focus is and how they can start a career in the property industry.
foodbank	Throughout the year we donated £6,000 to food banks in communities local to our assets and people including in Kingston, Tyseley, Weymouth and Dagenham. As the cost of living challenge grows, we will continue to support a number of foodbanks.
Goods for Good	In support of the Ukraine humanitarian crisis, we donated £15,000 including to the Goods for Goods charity which set up a UK Humanitarian Aid Hub at one of our occupier's warehouses in Northampton.
	We continue to support employee chosen charitable causes, including Macmillan Cancer Support and football kits for young teams.
Turnover	This year, we commenced support for Project Turn-Over, a charity that supports 'at risk' youth groups via three month programmes combining rugby, sports and life skills. They help children return to school full time as well as young adults access job opportunities.

St Basils 'Live and Work' Scheme

St Basils works with valuable support from LandAid to prevent youth homelessness. It offer apprenticeships and affordable rents to young people in the West Midlands area.

Our asset manager local to the area has had close contact with the organisation and recently visited their West Bromwich facility. St Basils are currently raising funds to develop phase two of the scheme, which LondonMetric are supporting and consists of a Young Workers' Village across three further buildings on St Basils' existing site.

The refurbishment works complete in 12 months' time and will be capable of providing entirely self-contained accommodation and support for a further 54 young people.

ESG case study – Bedford Link

Total lettings

715,000 sq ft

Income

£5.5m p.a.

BEDFORD LINK LOGISTICS PARK

A high quality sustainable logistics park, let to strong and growing businesses

The high quality development was certified BREEAM Very Good or Excellent and consists of five buildings totalling 715,000 sq ft and ranging in size from 30,000 sq ft up to 355,000 sq ft.

The final stage of the phased development completed in December 2022 and, in the year, we let the two largest buildings totalling 527,000 sq ft.

This is LondonMetric's flagship asset and was built at a total cost of £68 million. It generates £5.5 million of rent per annum, which reflects a yield on cost of 7.4%, and has been let with an average lease length of 20 years to high quality occupiers.

Four of the occupiers are now operational, with Carlton Packaging the latest occupier to commence operations in April 2022 at its 172,000 sq ft warehouse (as pictured).

Environmental considerations

- 100% certified BREEAM Very Good or Excellent and rated EPC A
- 450kWp of solar PV installed on two units with further potential
- 27% reduction in embodied carbon on last phase compared to first phase
- 30 EV charging points installed
- Building design facilitated Net Zero Carbon in operation
- High quality landscaping

Social considerations

- Creation of a softer and contemporary logistics park, respectful of local residents in layout and landscaping
- c.450 permanent jobs created locally with a strong focus on employee wellbeing: high quality staffing areas, green surroundings, enhanced cycle routes and footpaths
- High scoring of contractor on its local community activities
- Regular liaison with the local authority as well as various community and charity initiatives throughout the development

Responsible Business and ESG review

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.

For wider corporate governance reporting, see the 2022 Report & Accounts, available on our website.

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. In the year, we appointed RP&P to undertake Covid-19 risk assessments at our offices and implemented a policy accordingly which is reviewed regularly.

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 2022

- Quarterly internal meetings
- Half yearly project audits at Weymouth and Derby
- Two reportable incidents on projects
- Zero accident rate for employees
- No health and safety prosecutions or enforcements
- Health and safety policy updated and published

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 2022, as part of our annual contractor compliance audit, we reviewed Mildren Construction, one of our key contractors in the South, to ensure that they were adhering to our requirements. A particular emphasis was placed on their compliance with our supply chain standards, including matters related to modern slavery and anti-bribery.

Our sustainability performance

TCFD Recommendation and Alignment

In our previous year's Annual Report, we stated that we would aim to ensure full TCFD alignment in our 2022 disclosure. This year, we are able to confirm that our TCFD Statement, provided below, is consistent with the TCFD Recommendations and Recommended Disclosures.

*Refer to our 2022 Report & Accounts which can be found at www.londonmetric.com/investors

Governance	
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 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 feeds back on climate-related issues facilitating proactive climate-related risk management. During Board meetings, risks are considered at a strategic level, including via a high-level dashboard which ensures that new and emerging risks, inclusive of those which are climate-related, are identified and appropriate action is taken to remove or reduce their likelihood and impact. For wider corporate governance reporting see page 88*
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 risks are monitored and managed, including those which are climate-related. 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 meets once a month and is responsible for ongoing risk identification, as well as the design, implementation and maintenance of internal controls to mitigate identified risks. The Working Group supports the Senior Team in identifying climate-related risks by escalating potential risks. 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 during the year in alignment with the TCFD recommendations. This analysis, undertaken by JLL, will help us ensure that proper governance structures are in place to manage and oversee climate-related risks across the business into the future. For more information on the Audit Committee see page 124*

Strategy

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

As part of the comprehensive climate risk assessment, we have identified the potential climate risks and opportunities facing our business. The table below outlines the key physical and transition risks we have identified over the short term (2022-2023), medium term (2023-2030) and long term (>2035). Our heightened understanding of our climate-related risks will enable us to robustly manage them and address their potential impact. We will be working to further improve our risk management processes in line with these findings.

Timescale	Risk	Description
Short term (2022-2023)	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.
	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.
Medium term (2023-2030)	Financial market impacts	As markets shift in favour of low-carbon solutions and climate resilience, failure to adapt could create competitive risk. Climate events could also harm market conditions.
	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.
	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.
Long term (2035 and beyond)	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.
	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.

Transition risks   Physical risks

Key opportunities have been identified as: securing premium tenants, 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. 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 and subsequently securing our long-term sustainability.

TCFD Recommendation and Alignment

	Strategy continued
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 in conducting these activities. A key aspect of LondonMetric's asset management strategy is sustainability performance improvement. We improve existing assets to make them more resilient to climate change through maintenance, energy efficiency upgrades and the provision of renewable energy, which help to mitigate both physical and transition risks material to LondonMetric, as outlined above. During our investment process we assess flood risk, along with building fabric and the energy efficiency of assets to understand the climate and carbon related risks and costs involved in mitigating those risks. Furthermore, as we implement our Net Zero Carbon strategy, the robustness of this approach in mitigating climate-related risks will improve as we implement further efficiency upgrades, ensure energy sources are from certified renewable sources or generated renewably on-site and offset remaining consumption. As part of this strategy, we are collaborating with occupiers to assist them in mitigating their own exposure to climate-risks, through measures such as greater encouragement towards green lease agreements and improved awareness of their own practices at our assets. Whilst development is only a small part of our activities, we are focusing on enhancing the sustainability features of our developments as part of our Net Zero Carbon strategy, which will see us undertake whole life embodied carbon assessments, minimise embodied carbon and offset remaining emissions. 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, commanding higher rents and enhancing the value of our assets. Having conducted a comprehensive climate risk assessment in the year, we are well-positioned 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 begin implementing further climate resilience planning and continue with our Net Zero Carbon 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 3
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Our strategy is to be agile in response to shifting market conditions. This approach is conducive to improving our climate resilience as the prominence of climate-related issues grow. 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 has upscaled the quality of our portfolio. Where we have acquired lower energy efficiency assets, 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. The detailed climate risk assessment we undertook in the year has resulted in a thorough understanding of our material climate-related risk and provided us with awareness of the mitigation measures required to reduce our vulnerability and exposure to these risks, which will enable us to proactively manage them. Additionally, a number of climate-related risks (transition climate risks as well as heat stress) will be mitigated as we implement our Net Zero Carbon strategy, in which we aim to reach zero carbon in operation by 2023, in development by 2030 and in tenant emissions by 2035.
	Risk management
Describe the organisation's processes for identifying and assessing climate-related risks	In the year, we undertook two climate-related risk exercises, carried out by JLL, applying two key IPCC RCP scenarios. 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 (2022-2023), medium (2023-2030) and long term (2035 and beyond). 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. 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. Both exercises were then used to identify robust risk management recommendations.

Risk management continued	
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 incoming tightening of EPC requirements as outlined in the Minimum Energy Efficiency Standards (MEES), we continue to proactively undertake EPC reviews across our portfolio, to ensure that the business is well prepared for the new standards. Our Net Zero Carbon 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. The climate risk assessment we have undertaken, as described above, has informed detailed risk management recommendations that we will assess over the year and look 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 70*
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	The inclusion of physical climate change and transition risk 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. Over the forthcoming year, we will be looking to integrate the outputs of the climate risk assessments into our risk management framework. For responsible business risks see page 78*
Metrics & targets	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	We report in line with EPRA Best Practice Recommendations on Sustainability Reporting and issue our EPRA tables on our website: www.londonmetric.com/sustainability. We inform our stakeholders about climate-related performance by reporting on energy, carbon, water, EPC and BREEAM ratings as follows: Energy consumption - Absolute (MWh and % change) and like-for-like (% change); Scope 1, 2 and 3 GHG emissions - Absolute (tCO_2e and % change) and like-for-like (tCO_2e and % change); Water consumption - Absolute (m^3) and like-for-like (m^3); EPC - % A-C; BREEAM - % Very Good/ Excellent. Although not publicly reported, we additionally seek to maximise tenant energy (absolute MWh), water (absolute m3) and waste (tonnes) data collection to assess climate-related risks and opportunities. For EPC table see page 8
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	We disclose Scope 1, 2 and 3 greenhouse gas emissions on page 54. Emissions are compared against 20/21 to allow for comparison with the year prior and assess progress. 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. For GHG emissions table see page 5
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	16 ESG related targets were set in the year and these can be found at www.londonmetric.com/sustainability/policies-documentsreporting. Eight 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); 2) increasing renewable energy tariffs to cover 100% of landlord controlled electricity consumption; 3) putting in place a carbon offset strategy 4) tracking and upgrading environmental performance of assets including increasing the percentage of the portfolio with an EPC rating of C or above, and better understanding the potential for our occupiers to become operationally Net Zero; 5) continuing to explore renewable energy installations with occupiers; 6) increasing occupier engagement more widely, collecting more of their energy data (Scope 3); 7) Demonstrating sustainability considerations on developments, including matters relating to climate change adaptation, energy efficiency and use of low carbon material; and 8) applying higher development standards, including the targeting of a minimum BREEAM Very Good/Excellent certification on newly built assets. For target reporting see pages 23-24

Performance against 2021–22 targets

Environment			Status	See page(s) for further information
Achieve operational Net Zero Carbon by 2023	1	Minimise landlord consumption (Scope 1&2) a) Continue to monitor all landlord consumption b) Continue to ensure energy consumption is minimised	Achieved	See pages 4-5
	2	Ensure electricity supplies are renewable a) Aim to procure 100% renewable energy for all landlord electricity supplies b) Where assets become void, switch to renewable electricity supplies c) Look at installing further solar PV to meet our direct energy requirements	Achieved	See pages 4-5
	3	Implement carbon offset strategy Put in place a carbon offset strategy to offset residual carbon emissions and meet LondonMetric's wider Net Zero Carbon ambitions	Achieved	See page 4
Improve sustainability of portfolio & assist occupiers in their NZC ambitions	4	Track & upgrade environmental performance of assets a) Increase percentage of portfolio with EPC 'A-C' rating b) Better understand the portfolio's potential to become operationally NZC c) Comply with sustainability checklist for both acquisitions and asset management to review and monitor potential environmental improvements	Partially achieved	See pages 8-9
	5	Add renewables/green supply a) Progress minimum of 2 Solar PV systems b) Progress installation of EV chargers c) Encourage occupiers to source renewable energy	Achieved	See page 9
	6	Occupier engagement a) Increase occupier energy data collection and look to estimate for remainder b) Continue to undertake and track occupier sustainability engagement	Achieved	See pages 9 & 11
Development activity	7	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	Achieved	See pages 6, 7, 14-17
	8	Apply higher standards on large direct developments a) Achieve minimum BREEAM Very Good/Excellent b) Track embodied carbon from development activity c) Embed NZC aligned operational performance targets in design, as well as monitoring asset performance post construction d) Shadow carbon price on flagship development, either offsetting or re-investing equivalent £ value in green initiatives e) Undertake whole life carbon assessmentwhere practicable	Achieved	See page 6

Performance against 2021–22 targets

Social & Governance			Status	See page(s) for further information
Social	9	**Employee Wellbeing** a) Continue to monitor employee satisfaction & wellbeing b) Track absence and undertake health & safety checks annually	Achieved	See pages 12-13
	10	**Sustainability training / objectives** a) 3hrs ESG training for relevant employees and 10 hrs for Responsible Business Working Group b) Track progress of all employees against ESG personal objectives	In progress	See pages 12-13
	11	**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	Achieved	See page 11
	12	**Community** a) Continue to focus on implementing local community initiatives. In particular, through Communities Committee meetings and charitable giving programme b) Implement 2 community initiatives	Achieved	See page 16
Governance	13	**ESG Benchmarks** a) Optimise GRESB, EPRA & FTSE4Good scores and provide summary of alignment with CDP reporting guidance	Achieved	See page 2
	14	**Policies & Documents** a) Update Responsible Business Policy, Procurement policy and other RB documents as applicable	In progress	See page 18
	15	**100% contractor compliance** a) Monitor contractor compliance with our Responsible Development Requirements (RDR) checklist, demonstrating compliance in year b) Audit one project with focus on Health & Safety, Modern Slavery and Minimum Wage	Achieved	See pages 14-18
	16	**TCFD / climate resilience** a) Full alignment to TCFD including greater assessment of portfolio resilience, capital at risk and scenarios analysis	Achieved	See pages 19-22

Advisor’s statement

JLL has been commissioned by LondonMetric over the past eight years to support in developing and implementing its Responsible Business Strategy.

This Advisor’s statement 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 and achieving 81% of the targets set for the FY 2021/22 period.

We would like to highlight the following initiatives as evidence of good practice and ongoing improvement during the financial year ended 31 March 2022:

- LondonMetric has conducted a robust climate risk assessment which evaluated material climate risks under IPCC RCP4.5 and RCP8.5 warming scenarios, as well as looking at the resilience of key assets to climate risks.
- Fully aligned reporting to TCFD climate risk requirements.
- LondonMetric has made further progress towards its Net Zero Carbon ambitions, which are to be: Net Zero in its operations by 2023, Net Zero for developments by 2030, and Net Zero for all buildings by 2035 through collaboration with its occupiers.
- LondonMetric has introduced shadow carbon pricing on select direct flagship developments such that carbon is either offset or an equivalent value is reinvested into green initiatives.
- LondonMetric has maintained the percentage of energy consumption derived from renewable energy tariffs at 100% for landlord supplies.
- LondonMetric has continued to monitor the health and wellbeing of its employees with a wellbeing and satisfaction survey.
- LondonMetric has seen a reduction in landlord-controlled energy consumption of 8% on a like for like basis. The reduction can be attributed to previous asset upgrades to incorporate energy efficiency measures in respect of managed supplies.
- LondonMetric has continued to run its occupier survey to gain a greater understanding of occupier needs. This year saw the Company maintain its high satisfaction score of 8.3.
- LondonMetric continues to support communities and has donated £66,766 on charitable and community giving in the year, across 32 different causes.

The strength of LondonMetric’s customer-focused and responsible business approach has been further attested to through external ratings. LondonMetric continues to report to the Global Real Estate Sustainability Benchmark (GRESB), obtaining a score of 65% in the 2021 survey. The Company also achieved the EPRA sBPR Gold Award for its sustainability reporting for the seventh consecutive year. In addition, LondonMetric has been included in the FTSE4Good Index for the fourth year running.

JLL is 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.

Vivienne Thomson
Director, Upstream Sustainability Services, JLL

> LondonMetric has maintained its strong sustainability performance. In particular, it has further progressed its Net Zero Carbon ambitions, extensively reviewed climate related risks, introduced shadow carbon pricing and successfully engaged with stakeholders.

Vivienne Thomson
Director, Upstream Sustainability Services, JLL

EPRA sBRP performance measurement

Table 1: Total portfolio environmental performance

EPRA Sustainability Performance Measures					Absolute measure (Abs)			Like for like measure (LfL)		
Impact Area	**Units of measure**			**EPRA Code**	**2020/21**	**2021/22**		**2020/21**	**2021/22**	**% change**
Energy	MWh	Elec-Abs, Elec-LfL	Electricity	*for landlord shared services*	566	603		186	171	-8.0%
				(sub)metered exclusively to tenants	281	9				
				Total landlord-obtained electricity	**847**	**612**		**186**	**171**	**-8.0%**
		Fuels-Abs, Fuels-LfL	Fuels	*for landlord shared services*	234	114		0	0	
				Total landlord-obtained fuel consumption	**234**	**114**				
	Number of applicable properties			Energy and associated GHG disclosure coverage	**46 of 46**	**47 of 47**		**14 of 14**	**14 of 14**	**N/A**
	%			Proportion of energy and associated GHG estimated	**14.39%**	**15.71%**		**0.00%**	**6.86%**	**N/A**
Greenhouse gas emissions	Tonnes CO_2e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Location Based**	43	21	-51.5%	0	0	
		GHG-Indir-Abs,	Indirect	**Scope 2 - Location Based**	132	128	-2.9%	43	36	-16.2%
		GHG-Indir-LfL	Indirect	**Scope 3 - Location Based**	82	13	-83.8%	4	3	-13.7%
		Total		Scopes 1 + 2 Location Based (only)	175	149	-15%	43	36	-16.2%
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Market Based**	43	21	-51.5%	0	0	0%
		GHG-Indir-Abs,	Indirect	**Scope 2 - Market Based**	62	38	-38.3%	0	0	0%
		GHG-Indir-LfL	Indirect	**Scope 3 - Market Based**	5	3	-37.1%	0	0	0%
		Total		Scopes 1 + 2 Market Based (only)	105	59	-44%	0	0	0%
Water	cubic metres (m^3)	Water-Abs, Water LfL	Water	*for landlord shared services*	7,875	6,258		N/A		N/A
				Total landlord-obtained water consumption	**7,875**	**6,258**		**N/A**		N/A
	Number of applicable properties			Water disclosure coverage	3 of 3	4 of 4				N/A
	%			Proportion of water estimated	94%	96%				N/A
Waste (landlord-handled)	metric tonnes	Waste-Abs, Waste-LfL	Waste	**Total weight of waste**	0			N/A		N/A
				Recycling (%)		-		N/A		N/A
				Incineration with energy recovery (%)		-		N/A		N/A
	Number of applicable properties			Waste disclosure coverage	0 of 0	0 of 0				N/A
Development	%	Cert-Tot	Certifications	**% of Development portfolio certified by floor area (sq ft)**	100% BREEAM Very Good or Excellent	100% BREEAM Very Good or Excellent		N/A		N/A
	Number of applicable properties			BREEAM disclosure coverage				N/A		N/A

Table 2: Office portfolio environmental performance

EPRA Sustainability Performance Measures					Absolute measure (Abs)		
Impact Area	**Units of measure**			**EPRA Code**	**2020/21**	**2021/22**	**% change**
Energy	MWh	Elec-Abs	Electricity	*for landlord shared services*	9	208	2324%
				(sub)metered exclusively to tenants	281	9	-97%
				Total landlord-obtained electricity	**290**	**217**	-25%
		Fuels-Abs	Fuels	*for landlord shared services*	63	87	40%
				Total landlord-obtained fuel consumption	**63**	**87**	40%
	Number of applicable properties			Energy and associated GHG disclosure coverage	3 of 3	3 of 3	
	%			Proportion of energy and associated GHG estimated	8%	15%	
Greenhouse gas emissions	Tonnes CO_2e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Location Based**	12	16	
		GHG-Indir-Abs,	Indirect	**Scope 2 - Location Based**	2	44	
		GHG-Indir-LfL	Indirect	**Scope 3 - Location Based**	71	6	
		Total		Scopes 1 + 2 Location Based (only)	14	60	
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Market Based**	12	16	39%
		GHG-Indir-Abs,	Indirect	**Scope 2 - Market Based**	0	0	
		GHG-Indir-LfL	Indirect	**Scope 3 - Market Based**	0	0	
		Total		Scopes 1 + 2 Market Based (only)	12	16	39%
Water	cubic metres (m^3)	Water-Abs	Water	*for landlord shared services*	*7,705*	*6,191*	-20%
				Total landlord-obtained water consumption	**7,705**	**6,191**	-20%
	Number of applicable properties			Water disclosure coverage	2 of 2	2 of 2	-
	%			Proportion of water estimated	96%	97%	-
Waste (landlord-handled)	metric tonnes	Waste-Abs	Waste	**Total weight of waste**	N/A	N/A	-
				Recycling (%)	N/A	N/A	-
				Incineration with energy recovery (%)	N/A	N/A	-
	Number of applicable properties			Waste disclosure coverage	0 of 0	1 of 0	-

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**	**2020/21**	**2021/22**		**2020/21**	**2021/22**	**% change**
Energy	MWh	Elec-Abs, Elec-LfL	Electricity	*for landlord shared services*	*244*	*167*		*167*	*149*	*-11%*
				Total landlord-obtained electricity	**244**	**167**		**167**	**149**	**-11%**
		Fuels-Abs, Fuels-LfL	Fuels	*for landlord shared services*						-
				Total landlord-obtained fuel consumption						-
	Number of applicable properties			Energy and associated GHG disclosure coverage	14 of 14	14 of 14		13 of 13	13 of 13	N/A
	%			Proportion of energy and associated GHG estimated	3%	9%		0%	0%	N/A
Greenhouse gas emissions	Tonnes CO_2e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Location Based**	0	0		0	0	
		GHG-Indir-Abs,	Indirect	**Scope 2 - Location Based**	57	35	-37.6%	39	32	-18.7%
		GHG-Indir-LfL	Indirect	**Scope 3 - Location Based**	5	3	-35.8%	3	3	-16.3%
		Total		Scopes 1 + 2 Location Based (only)	57	35	-38%	39	32	-18.7%
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Market Based**	0	0				-
		GHG-Indir-Abs,	Indirect	**Scope 2 - Market Based**		0		0	0	
		GHG-Indir-LfL	Indirect	**Scope 3 - Market Based**		0		0	0	
		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*	N/A	N/A				-
				Total landlord-obtained water consumption	N/A	N/A				-
	Number of applicable properties			Water disclosure coverage	0 of 0	0 of 0				
	%			Proportion of water estimated						-
Waste (landlord-handled)	metric tonnes	Waste-Abs	Waste	**Total weight of waste**	N/A	N/A				-
				Recycling (%)	N/A	N/A				-
				Incineration with energy recovery (%)	N/A	N/A				-
	Number of applicable properties			Waste disclosure coverage	0 of 0	0 of 0				-

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			2020/21	2021/22		2020/21	2021/22	% change
Energy	MWh	Elec-Abs,	Electricity	*for landlord shared services*	*236*	*159*		*20*	*23*	*15%*
		Elec-LfL		**Total landlord-obtained electricity**	**236**	**159**		**20**	**23**	**15%**
		Fuels-Abs,	Fuels	*for landlord shared services*	171	26				-
		Fuels-LfL		**Total landlord-obtained fuel consumption**	**171**	**26**				-
	Number of applicable properties			Energy and associated GHG disclosure coverage	15 of 15	15 of 15		1 of 1	1 of 1	N/A
	%			Proportion of energy and associated GHG estimated	26%	25%		0%	0%	N/A
Greenhouse gas emissions	Tonnes CO_2e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Location Based**	31	5	-84.6%	0.00	0.00	
		GHG-Indir-Abs,	Indirect	**Scope 2 - Location Based**	55	34	-38.4%	4.60	4.83	
		GHG-Indir-LfL	Indirect	**Scope 3 - Location Based**	5	3	-36.6%	0.40	0.43	
		Total		Scopes 1 + 2 Location Based (only)	86	39	-55%	4.60	4.83	
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Market Based**	31	5	-84.6%			-
		GHG-Indir-Abs,	Indirect	**Scope 2 - Market Based**	61	38	-37.7%	0	0	
		GHG-Indir-LfL	Indirect	**Scope 3 - Market Based**	5	3	-36.6%	0	0	
		Total		Scopes 1 + 2 Market Based (only)	**92**	**43**	-54%		**0**	**0%**
Water	cubic metres (m^3)	Water-Abs,	Water	*for landlord shared services*	171	68				-
		Water LfL		**Total landlord-obtained water consumption**	**171**	**68**				-
	Number of applicable properties			Water disclosure coverage	7 of 7	7 of 7				
	%			Proportion of water estimated	0%	12%				-
Waste (landlord-handled)	metric tonnes	Waste-Abs	Waste	**Total weight of waste**	N/A	N/A				-
				Recycling (%)	N/A	N/A				-
				Incineration with energy recovery (%)	N/A	N/A				-
	Number of applicable properties			Waste disclosure coverage	0 of 0	0 of 0				-

Table 5: Residential portfolio environmental performance

EPRA Sustainability Performance Measures					Absolute measure (Abs)		
Impact Area	Units of measure	EPRA Code			2020/21	2021/22	% change
Energy	MWh	Elec-Abs,	Electricity	*for landlord shared services*	*4*	*1*	*66%*
		Elec-LfL		**Total landlord-obtained electricity**	**4**	**1**	**66%**
		Fuels-Abs,	Fuels	*for landlord shared services*			-
		Fuels-LfL		**Total landlord-obtained fuel consumption**			-
	Number of applicable properties			Energy and associated GHG disclosure coverage	1 of 1	1 of 1	N/A
	%			Proportion of energy and associated GHG estimated	0%	0%	N/A
Greenhouse gas emissions	Tonnes CO_2e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Location Based**	0	0	
		GHG-Indir-Abs,	Indirect	**Scope 2 - Location Based**	0.9	0.3	69%
		GHG-Indir-LfL	Indirect	**Scope 3 - Location Based**	0.1	0.0	68%
		Total		Scopes 1 + 2 Location Based (only)	0.9	0.3	69%
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Market Based**			-
		GHG-Indir-Abs,	Indirect	**Scope 2 - Market Based**	1.3	0.4	66%
		GHG-Indir-LfL	Indirect	**Scope 3 - Market Based**	0.1	0.0	68%
		Total		Scopes 1 + 2 Market Based (only)	1.3	0.4	66%
Water	cubic metres (m^3)	Water-Abs,	Water	*for landlord shared services*	N/A	N/A	-
		Water LfL		**Total landlord-obtained water consumption**	N/A	N/A	-
	Number of applicable properties			Water disclosure coverage	0 of 0	0 of 0	-
	%			Proportion of water estimated			-
Waste (landlord-handled)	metric tonnes	Waste-Abs	Waste	**Total weight of waste**	N/A	N/A	-
	Number of applicable properties			Waste disclosure coverage	0 of 10	0 of 10	-

Table 6: Industrial Park portfolio environmental performance

EPRA Sustainability Performance Measures					Absolute measure (Abs)		
Impact Area	Units of measure	EPRA Code			2020/21	2021/22	% change
Energy	MWh	Elec-Abs,	Electricity	*for landlord shared services*	*74*	*68*	-
		Elec-LfL		**Total landlord-obtained electricity**	**74**	**68**	**-**
		Fuels-Abs,	Fuels	*for landlord shared services*	0	0	-
		Fuels-LfL		**Total landlord-obtained fuel consumption**	**0**	**0**	-
	Number of applicable properties			Energy and associated GHG disclosure coverage	13 of 13	13 of 13	N/A
	%			Proportion of energy and associated GHG estimated	4%	8%	N/A
Greenhouse gas emissions	Tonnes CO_2e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Location Based**	-	-	
		GHG-Indir-Abs,	Indirect	**Scope 2 - Location Based**	17	14	-16.9%
		GHG-Indir-LfL	Indirect	**Scope 3 - Location Based**	1.5	1.3	-14.5%
		Total		Scopes 1 + 2 Location Based (only)	19	16	-17%
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Market Based**	-	-	-
		GHG-Indir-Abs,	Indirect	**Scope 2 - Market Based**	0	0	-
		GHG-Indir-LfL	Indirect	**Scope 3 - Market Based**	0	0	-
		Total		Scopes 1 + 2 Market Based (only)	0	0	-
Water	cubic metres (m^3)	Water-Abs,	Water	*for landlord shared services*	N/A	N/A	-
		Water LfL		**Total landlord-obtained water consumption**	N/A	N/A	-
	Number of applicable properties			Water disclosure coverage	0 of 0	0 of 0	-
	%			Proportion of water estimated			-
Waste (landlord-handled)	metric tonnes	Waste-Abs	Waste	**Total weight of waste**	N/A	N/A	-
	Number of applicable properties			Waste disclosure coverage	0 of 10	0 of 10	-

EPRA sBRP performance measurement

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			2020/21	2021/22	% change	2020/21	2021/22	% change
Energy	MWh	Elec-Abs, Elec-LfL	Electricity	*for landlord shared services*	54	69	28%	54	69	28%
				Total landlord-obtained electricity	**54**	**69**	28%	**54**	**69**	**28%**
		Fuels-Abs, Fuels-LfL	Fuels	*for landlord shared services*	N/A	N/A				-
				Total landlord-obtained fuel consumption	**N/A**	**N/A**				-
	Number of applicable properties			Energy and associated GHG disclosure coverage	1 of 1	1 of 1	N/A	1 of 1	1 of 1	N/A
	%			Proportion of energy and associated GHG estimated	25%	25%	N/A	0%	25%	N/A
Greenhouse gas emissions	Tonnes CO_2e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Location Based**	0	0		0	0	
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	**Scope 2 - Location Based**	13	15	16%	13	15	16%
			Indirect	**Scope 3 - Location Based**	1.08	1.30	20%	1.1	1.3	-24%
				Scopes 1 + 2 Location Based (only)	**13**	**15**	**16%**	**13**	**15**	**-25%**
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	**Scope 1 - Market Based**	0	0		0	0	-
		GHG-Indir-Abs,	Indirect	**Scope 2 - Market Based**	18.80	23.98	28%	0	0	
		GHG-Indir-LfL	Indirect	**Scope 3 - Market Based**	1.08	1.30	20%	0	0	
		Total		Scopes 1 + 2 Market Based (only)	**19**	**24**	**28%**			**0%**
Water	cubic metres (m^3)	Water-Abs, Water LfL	Water	*for landlord shared services*	N/A	N/A				-
				Total landlord-obtained water consumption	N/A	N/A				-
	Number of applicable properties			Water disclosure coverage	0 of 1	0 of 1	-			
	%			Proportion of water estimated			-			-
Waste (landlord-handled)	metric tonnes	Waste-Abs	Waste	**Total weight of waste**	145	145	N/A			-
				Recycling (%)	54%	54%	N/A			-
				Incineration with energy recovery (%)	46%	46%	N/A			-
	Number of applicable properties			Waste disclosure coverage	1 of 1	1 of 1	-			-

Table 8: Total portfolio intensity performance measure

Impact Area	EPRA Sustainability Performance Measures		Intensity Indicator	2020/21	2021/22	% change
Retail Warehouse						
Energy	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh/car park spaces/year	75	51	-32%
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	17.48	10.90	-38%
			Car Park Spaces	3252	3252	N/A
			Number of applicable properties	13 of 13	13 of 13	-19%
Office						
Energy	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh/sqft/year	5	4	-14%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO_2e/ft^2/year	0.182	0.810	345%
			Net Lettable Area (sqft)	74304	74304	N/A
			Number of applicable properties	3 of 3	3 of 3	N/A
Water	Water-Int	Building water intensity [GRI-CRESS: CRE2]	m^3 /sqft /year	0.14	0.11	-
			Net Lettable Area (sqft)	55698	55698	-
			Number of applicable properties	2 of 2	2 of 2	-

Table 9- Certified Assets

Impact Area	EPRA Sustainability Performance Measures	Intensity Indicator	2020/21	2021/22
EPC Certification	Cert-Tot	Energy efficiency level A	18.40%	23.33%
		Energy efficiency level B	24.30%	28.44%
		Energy efficiency level C	28.60%	22.22%
		Energy efficiency level D	13.30%	10.53%
		Energy efficiency level E	9.50%	2.56%
		Energy efficiency below E	0.30%	0.01%
		Energy efficiency unknown	5.60%	12.91%

Table 10: Social

Company-wide			
Impact Area	**EPRA Sustainability Performance Measures**		**Reference in Annual Report (2022) / Response**
Employee gender diversity	Diversity-Emp	% of males and female employees	**p. 120**
Training and Development	Emp-Training	Average number of hours	160 hours/35 employees = 5 hours per employee
Emplyee performance appraisals	Emp-Dev	Percentage of total workforce	**p. 60** 100% of employees
Employee turnover and retention	Emp-Turnover	Total number & rate of new employee hires and turnover	**p. 60** 6% turnover
Employee health and safety	H&S-Emp	Injury rate & , lost day rate (contractors on development & refurbishment sites), absentee rate & work related fatalities	injury rate = 1.2 lost day rate = 70.5 absentee rate = 0.5 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** 0 incidents
Community engagement, impact assessments and development programmes	Comty-Eng	% of Development assets	**p62** 100%

Table 11: Governance

Company-wide			
Impact Area	**EPRA Sustainability Performance Measures**		**Reference in Annual Report (2022)**
Composition of the highest governance body	Gov-Board	Total numbers	p. 99
Nominating and selecting the highest governance body	Gov-Select	Narrative description	p. 116-123
Process for managing conflicts of interest	Gov-Col	Narrative description	p. 123

Data qualifying notes

- 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. We have chosen to report greenhouse gas emissions under our operational control.
- Data for the year to 31 March 2021 has been restated, including associated intensity metrics, as additional energy consumption data has been obtained since the previous report was published.
- For the period 1st January 2022 to 31st March 2022, 2021 emissions factors have been used as 2022 figures have not yet been provided by the UK Government (DEFRA).
- Scope 1 data does not include refrigerant emissions as these have been determined to not be material (represent <2% of total emissions); owned fleet does not apply.
- Scope 2 displays both location and market-based emissions factors 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, taken from the latest Association of issuing bodies (AIB) for company reporting (2022).
- Scope 3 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.
- In this disclosure estimation refers to filling invoice gaps, not to whether invoices are based on estimated or actual readings.
- No District heating and cooling is used within this portfolio and therefore is considered N/A.
- As all assets are FRI leases, only consumption for Landlord shared services is being reported.
- 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 31/03/2022.
- Our residential asset, Moore House, has been excluded from the whole portfolio like-for-like electricity performance and greenhouse gas emissions (Elec-LfL, Fuels-LfL, GHG-Dir-LfL, GHG-Indir-LfL) as it covers consumption over vacant periods which differ from year to year so are not deemed comparable on a like-for-like basis.
- 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).Gas (Gas-Abs), Water (Water-Abs) and Waste (Waste-Abs) are all covered through the service change and so obtaining the data is not easily possible. When obtained, data is shown.
- 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
- Due to the nature of the portfolio, assets are not under LM's operational control and therefore any community engagement is performed by the tenants, Comty-Eng is therefore only applicable for development projects which are not forward funded.

Terms

Dir: Direct

Indir: Indirect

Abs: Absolute

Lfl: Like-for-like

Int: Intensity

Cert: Certification

CDP reporting alignment

LondonMetric does not formally respond to CDP as it focuses on real estate specific sustainability benchmarks of EPRA and GRESB. However, the below table is designed to assist investors in understanding where they can find the relevant information required by CDP and which areas are not formally cover off. This table is available on the company's website www.londonmetric.com/sustainability/policies-documents-reporting

CDP Question	Specifics	Covered (Yes/No)	Reference
C1 Governance	Board oversight	Y	AnnualReport 2022 - Page 65
	Management Responsibility	Y	AnnualReport 2022 - Page 65
	Employee Incentives	Y	AnnualReport 2022 - Page 140
C2 Risks & Opportunities	Management processes	Y	AnnualReport 2022 - Pages 66-69
	Risk disclosure	Y	AnnualReport 2022 - Pages 66-69
	Opportunity disclosure	Y	AnnualReport 2022 - Pages 66-69
C3 Business Strategy	Business strategy	y	AnnualReport 2022 - Pages 66-69
C4 Targets & performance	Targets	Y	ResponsibleBusinessReport 2022 - Pages 23-24
	Other climate-related targets	Y	ResponsibleBusinessReport 2022 - Pages 23-24
	Emissions reduction initiatives	Y	ResponsibleBusinessReport 2022 - Pages 23-24
	Low-carbon products	Y	ResponsibleBusinessReport 2022 - Pages 23-24
C5 Emissions methodology	Base year emissions	Y	ResponsibleBusinessReport 2022 - Pages 26 to end
	Emissions methodology	Y	ResponsibleBusinessReport 2022 - Pages 26 to end
C6 Emissions data	Scope 1 emissions data	Y	ResponsibleBusinessReport 2022 - Pages 26 to end
	Scope 2 emissions reporting	Y	ResponsibleBusinessReport 2022 - Pages 26 to end
	Scope 2 emissions data	Y	ResponsibleBusinessReport 2022 - Pages 26 to end
	Exclusions	Y	ResponsibleBusinessReport 2022 - Pages 26 to end
	Scope 3 emissions data	Y	ResponsibleBusinessReport 2022 - Pages 26 to end
	Life cycle emissions assessment: buildings	Partly	AnnualReport 2022 - Pages 41 & 55 - For developments only
	Biogenic carbon data	N	
	Emissions intensities	Y	ResponsibleBusinessReport 2022 - Page 53
C7 Emissions breakdown	Scope 1 breakdown: GHGs	Partly	Partly covered but not fully as most types of GHGs are not relevant
	Scope 1 breakdown: country/region	Y	ResponsibleBusinessReport 2022 - Page 56
	Scope 1 breakdown: business breakdown	Y	AnnualReport 2022 - Page 56
	Scope 2 breakdown: country/region	Y	AnnualReport 2022 - Page 56
	Scope 2 breakdown: business breakdown	Y	AnnualReport 2022 - Page 56
	Emissions performance	Y	ResponsibleBusinessReport 2022 - Pages 26 to end
C8 Energy	Energy spend	N	
	Energy-related activities	Partly	AnnualReport 2022 - Pages 55-56 (covers energy consumption and market-based emissions)
C9 Additional Metrics	Other climate-related metrics	Y	ResponsibleBusinessReport 2022 - Pages 26 to end
	Low-carbon investments	N	n/a
	Net zero carbon buildings	Y	AnnualReport 2022 - Page 55
C10 Verification	Verification	N	
	Other verified data	N	
C11 Carbon pricing	Carbon pricing systems	N	
	Project-based carbon credits	N	
	Internal price on carbon	Y	AnnualReport 2022 - Page 53
C12 Engagement	Value chain engagement	Y	AnnualReport 2022 - Pages 58-64
	Public policy engagement	N	
	Communication	Y	AnnualReport 2022 - Pages 52-57

LondonMetric Property Plc

One Curzon Street
London W1J 5HB
United Kingdom

Telephone +44 (0) 20 7484 9000
Fax +44 (0) 20 7484 9001

Find us online

www.londonmetric.com