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Responsible business and ESG Report

Overview and progress





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

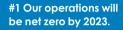
Environmental

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Our Net Zero Carbon ('NZC') ambitions







#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.

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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

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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.

Performance against 2020-21 targets

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Our performance in the year against our Responsible Business Targets.

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JLL's external evaluation of LondonMetric's performance.

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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 issues relevant to its business. It has put in place a Responsible Business framework that, in essence, seeks to mitigate climate change and other sustainability risks, identify and progress environmental and stakeholder related opportunities as well as provide a high standard of corporate governance.

Responsible Business is embedded across all of its corporate, investment,

asset and development activities with a clear policy in place and ESG targets set every year. As well as meeting regulation, 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 criteria.

Progress against our targets is monitored at Working Group meetings held several times a year and attended by key business representatives, one Board member and JLL, our external real estate sustainability advisor. Overall ESG performance is reported to the Board at regular intervals with the Audit Committee responsible for overseeing ESG progress.

Executive Directors and all employees are set individual ESG targets with remuneration partly linked to achieving those targets. We continually review our approach to ESG and look to improve on our disclosure each year.



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 2021

- Net Zero Carbon framework formalised.
- Further like for like reduction in our carbon footprint.
- 100% of main developments BREEAM Very Good/Excellent.
- Significant reduction in embodied carbon seen on developments.
- Portfolio EPC & BREEAM improvements.





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 2021

- Green debt financing put in place.
- Strong occupier and investor ESG feedback from surveys.
- Continued high staff satisfaction levels from recent survey.
- Covid-19 charity fund created with good community involvement.





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 2021

- Employee wide ESG objectives set and ESG corporate workshop held.
- 100% compliance by contractors with our RDR checklist.
- Health and safety audits undertaken on projects, with health and safety policy updated.
- Annual contractor compliance audit.



ESG benchmarking and progress against our targets

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

External benchmarking



Maintained our Green Star

Achieved a score of 65% in the 2020 Global Real Estate Sustainability Benchmark survey. maintaining our Green Star status. This score is up from 34% in 2014 and continues to exceed the peer average of 61%.



FTSF4Good

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.





BBB rating

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



Maintained our Gold

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



Maintained score in line with sector

Our investor Responsible Business survey identified ISS as an important ESG benchmark. We continue to respond and improved our score.

Our ESG targets

Targets achieved in 2021

with the remainder partially achieved or in progress

Our 19 Responsible Business targets in the vear focused on:

- Further reducing our energy usage, environmental improvements to our buildings and greater scrutiny on physical climate and transition risks:
- Formalising a 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
- Setting employee wide ESG objectives.

We made good progress against these targets with 79% achieved, a further 16% partially achieved and 5% in progress. A full review of performance against our 2021 targets is set out at the end of this report.

Many of the targets remain relevant for next year and are being rolled forward with modifications to better alian with our new Net Zero Carbon framework. Once set, these updated targets will be available on our website.

Green financing

Sustainability linked refinancing

across our debt facilities

Over the year, we undertook significant debt refinancinas across over two thirds of 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 agreed on a 15 year term maturity. This tranche is subject to a green framework under which spend will be allocated to buildings which have high sustainability standards.

The green notes were priced two basis points inside the equivalent non green 15 year tranche and represented the first tranche of its kind announced by a UK REIT.

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

Simultaneously with the completion of the private placement, we announced the completion of 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:

- · 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.



Overview

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

Net Zero Carbon framework

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 emissions from its activities as well as the activities of its occupiers.

As part of our long term sustainability strategy, during 2021, we considered our approach to delivering Net Zero Carbon through internal company workshops, adviser input and pushing the agenda with occupiers, suppliers and contractors.

This has prompted us to set a Net Zero Carbon framework as part of our longer term target of becoming net zero well before the UK's published target date.

Net Zero Carbon is a rapidly evolving area and we will refine our strategy regularly in line with latest industry guidance.







#

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 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 where there is landlord supply has fallen significantly along with our carbon footprint.

Since 2015, our absolute energy consumption has fallen by 88% from 9,056 MWh to 1,081 MWh despite the portfolio's area increasing by c.40% over that period. In the year, consumption increased by 20% due to increased energy consumption from void assets

 1 Offsetting excludes renewably sourced electricity consumed and non landlord occupier activities
 2 Through recognised offset schemes However, excluding voids assets, consumption fell by 15% over the year to 664MWh. In addition, on a like for like basis, consumption was down 6.5% reflecting the benefits of energy efficiency measures.

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 $7tCO_2e$ 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 reduce our consumption where possible by identifying energy efficiency improvements, particularly on our Mucklow assets and also assets where they are vacant.

NZC - Progress to date

- **88% reduction** in absolute energy consumption since 2015.
- 100% of our landlord supplies from renewable sources.
- Increase in landlord supplies on smart metering.
- Significant like for like energy reductions, mainly from external LED lighting replacement programmes.
- **Nearly eliminated** landlord water, waste and gas consumption.

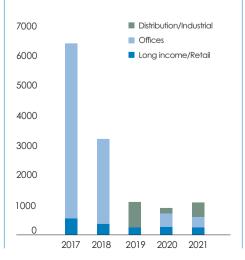
NZC - Future actions

- 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)



LED lighting replacement programme on the Mucklow estate

Since we acquired Mucklow in 2019, a full external LED lighting replacement programme has been undertaken across the multi-let estates with c.90% of the replacement programme complete.

An LED upgrade was completed at one of our larger sites at Stargate which delivered a 63% reduction in energy usage and cost savings to our occupiers along with reduced maintenance costs.

We will continue to implement the remaining upgrades over the next year.

Environmental performance highlights for 2021

Energy consumption

-6.5%

Over the year on a like for like basis

The reductions can be attributed to the previous asset upgrades to incorporate energy efficiency measures in respect of managed supplies. All assets that were included in like for like comparison were owned during both the 2019/20 and 2020/21 periods and do not include void assets. This reduction does not include any Mucklow managed supplies as the Mucklow assets were acquired part way through the 2019/20 year. Therefore, this reduction does not reflect the benefits of energy efficiency measures implemented on those assets.

Greenhouse gas (GHG) emissions

-19%

Over the year on managed supplies

There was a reduction in location based emissions from LondonMetric managed supplies over the year from $192tCO_2e$ to $156tCO_2e$, demonstrating a 19% reduction. All these assets have a renewable energy tariff and so market based emissions would have been $0tCO_2e$. Including voids, absolute emissions overall (location based) increased from $240tCO_2e$ to $261tCO_2e$.

GHG emissions rep	orting	2020	0/21	2019	9/20
		Tonnes of CO ₂ e (location- based calculation)	Tonnes of CO ₂ e (market- based calculation)	Tonnes of CO ₂ e (location- based calculation)	Tonnes of CO ₂ e (market- based calculation)
Scope 1 Energy	Landlord-controlled gas	12	12	20	20
Void Energy	Void asset gas	31	31	6	6
Fugitive emissions	Refrigerant emissions	De minimis	De minimis	De minimis	De minimis
Scope 2 Energy	Landlord-controlled electricity	127	20	105	29
Void Energy	Void asset electricity	70	42	38	12
Scope 3 Energy	Transmission and distribution losses	17	0	17	0
Tenant Energy	Landlord-obtained energy sub-metered to tenants	1	0	51	0
Travel	Emissions from employee business travel for which the company does not own or control	3	3	4	4
Total		261	108	240	71
Total (Ex voids)		159	35	196	53
Intensity (Scope 1 tCO ₂ e/£m net ind administration co	come after	2.29	1.00	1.76	0.70
Energy consumptions Scope 1 & 2 emiss	ion used to calculate sions, kWh	1,080,600		899,000	

Data qualifying notes

This is the Company's eighth 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 2019/20 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 2020 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.

The market-based method uses an emissions factor that is specific to the electricity which has been purchased, or where not available a national 'residual-mix' factor is applied. Market-based emissions factors are taken from the suppliers' fuel mix disclosure or the latest Association of Issuing Bodies European Residual Mixes (2020).

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 Emissions from landlord-obtained electricity sub-metered to tenants are calculated through submeter recharge and, for the first time this year, have been allocated under Scope 3 for accuracy against the GHG Protocol. These emissions are therefore not included under Scope 2 to prevent double counting. However, the relevant sub-metered electricity is included in the total annual landlord-obtained kWh numbers for transparency, as in situations where sub-metering is not possible, emissions from this type of energy would be classified as Scope 2. An operational control consolidation approach has been adopted. Additional information is provided on void asset emissions to show where LondonMetric has operational control and how void data impacts overall emissions.





#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.

Our development performance

Our development activity continues to focus on building highly efficient buildings.

All of our main completed developments in the year were certified as BREEAM Very Good or Excellent and, at our developments currently on site at Bedford Link and Tyseley, we are targeting 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.

* 1 Offset through recognised offset schemes 2 Initiatives across LondonMetric's portfolio that reduce either landlord or occupier operational carbon 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 phase of the project which totals 0.5 million sq ft. This is expected to result in a c.25% reduction in carbon.

As part of our letting of the second phase, we expect to incorporate c750 kW of solar PV capacity in the tenant incentive arrangements. This would potentially achieve an EPC A+ rating and help to facilitate the occupier in achieving net zero carbon in operations.

Across the completed units at Bedford, we have retrospectively installed energy monitoring systems to allow us to monitor energy performance post construction.

Carbon reduction at Bedford Link

Through on-site reduction measures and material specification amendments to more carbon friendly methods, we expect to achieve a c.25% reduction in carbon across the second 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 c.30% on the latest phase.

Similarly, whereas we achieved a c.15% improvement on Building Emission Rates against Building Regulations on the first phase, on the latest phase we are achieving a c.40% improvement.



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 - Future action

- Benchmark embodied carbon, extending to refurbishments as appropriate.
- Undertake whole life carbon assessments.
- 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.
- From 2022, introduce shadow carbon pricing on select flagship developments such that carbon is either offset or an equivalent value is reinvested into green initiatives.

BREEAM certification on main developments

Percentage that were BREEAM Very Good/ Excellent in the year

100%



#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 efficiency initiatives. These include solar PV, LED upgrades, building fabric works and EV charging into leasing and regear opportunities to enhance our properties and extend their economic life.

As shown in the chart opposite, in our recent occupier survey, 73% of occupiers have now upgraded LED lighting installed with a further 17% wanting to look at installing LEDs. The level of installed LEDs is higher than our own data suggested and reflects the quick payback achievable from LEDs, where in some cases energy consumption reduced by up to 40% and EPC ratings improved from an E to a B.

In the survey, we also noted a significant increase in occupiers prioritising environmental considerations compared to previous years. Over half of responses commented that the environment is an 8/10 or greater priority in their property decisions. Nearly half registered an interest in installing solar PV, 65% wanted to look at EV charging and 33% wanted to improve their HVAC systems. Following the survey, and in response to feedback, we are working with one of our larger occupiers to help them upgrade one of their facilities.

Our activity in the year has increased the proportion of assets built to a BREEAM Very Good or Excellent standard to 26%, which is up from 20% last year and 10% in 2015.

- * 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

Furthermore, 1.5 MW of solar PV was added with further sites identified.

As part of progressing our NZC targets, we are increasingly focused on understanding how we can increase the number of NZC ready buildings we own. An important part of this focus is measuring emissions from all of occupiers and, in the year, we increased occupier energy data coverage to 43%. We continue to engage with our occupiers on a variety of improvement opportunities.

EPC rating of portfolio (by area)

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

74% of our assets have an EPC rating of 'A'-'C', which is up from 59% in 2015 and 71% in 2020.

The increase in the year reflects the benefit from our investment activity, where we have acquired higher rated assets and disposed of poorer quality buildings. It also reflects our targeted efforts to improve the rating of our Mucklow assets and subsequently refresh EPCs. In addition, our development activity continues to upscale the portfolio's quality.

With a greater proportion of EPCs classified as unknown or expired, we will look to reduce this number over the next year.

	2021	2020
A	23.3%	18.4%
В	28.5%	24.3%
С	22.2%	28.6%
D	10.5%	13.3%
E	2.6%	9.5%
Below E	0.0%	0.3%
Unknown/Expired	12.9%	5.6%

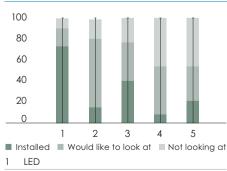
NZC - Progress to date

- 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.
- **Reviewing solar PV installations** and EV charge point opportunities.

NZC - Future actions

- Measure emissions across all of 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 and pilot a BREEAM In Use study.
- Increase number of NZC ready buildings.
- Continue to progress renewable, EV and battery storage opportunities with occupiers.

Occupier survey environmental improvements (%)



1 LED
2 EV charging
3 Smart metering
4 Solar PV or other renewables
5 HVAC upgrades



Improving the quality of our assets

With a portfolio aligned to distribution, our assets have a much lower carbon intensity than other forms of 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, 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.

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, 1.5MW capacity of solar PV was installed at our facility in Warrington, taking our total portfolio solar capacity to 2.5MW.

There are further solar opportunities at our Bedford Link and Tyseley developments which could total 0.9 MW. Furthermore, we undertook a full portfolio analysis in the year which identified a high priority list of five to ten assets to carry out solar PV feasibility studies and we will work to engage with our occupiers on these.



Building works and internal LED lighting

We continue to improve buildings through accretive expenditure to improve occupier appeal and lease terms. In particular, in the year, we focused on some of the Mucklow assets where we undertook:

- Roof upgrade works;
- A number of internal LED lighting upgrades on units that became vacant; and
- New UPVC windows and entrances.



Upgrading through investment activity

As part of our portfolio refinement, we continuously analyse all of our assets and assess their environmental characteristics. In the year, we disposed of several assets where we felt that we would not achieve a suitable return on the expenditure required to modernise the building.

We also acquired a number of high quality and well located assets such as the BREEAM Very Good certified warehouse in Oldbury (picture opposite).

Building certification

BREEAM Very Good/Excellent standard

26%

of portfolio (by area, including developments) up from 10% in 2015

Internal LED lighting

Installed on

73%

of buildings according to responses from occupier survey

Climate resilience

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 progressed our portfolio flood risk assessment, our highest identified climate related risk. Further analysis was carried out on the desktop flood analysis that was undertaken in the prior year, with more detailed site specific analysis instructed on assets that had been identified as higher risk.

Following this manual review, we identified just five assets that were at high risk and further analysis is being undertaken on these assets as we believe that, in most instances, proper flood mapping or better consideration of building levels would lower the risk profile. We are also manually reviewing medium risk assets and expect to show a material reduction in the number of assets identified in this risk category.

Fluvial/coastal flood risk level	% of assets by value
High risk	3%
Medium risk	15%
Low risk	82%



Building on the success of Phase 1

Following the completion of Phase 1 in 2019, where 188,000 sq ft of urban warehousing was built and let, we started construction of a further 0.5 million sq ft.

At the start of the year, despite Covid-19, along with our development partner Graftongate, we commenced speculative construction of Unit 2, totalling 172,000 sq ft. In taking that decision, we took confidence from the strength of the occupational market and the very low availability of comparable warehousing nearby. At the same time, we commenced enabling works for the final and larger Unit 1.

As occupational demand increased further over the year, we decided to speculatively develop Unit 1 as well, which totals c.350,000 sq ft of warehousing and completes construction in Q4 2021.

Construction of Unit 2 completed in February and is under offer to an ecommerce packaging company on a long lease and we expect to conclude that letting shortly.

Delivering a high quality logistics park

Once complete, this will be one of our flagship assets totalling 0.7 million sq ft of five high quality BREEAM Very Good or Excellent buildings. It is expected to generate £5.2 million per annum of rent and deliver a yield on cost of 7.5%.

Throughout, our contractor Winvic, along with the wider project team, have performed to very high standards with excellent community engagement. They have also helped us to advance our Responsible Business credentials, with a c.25% expected reduction in carbon from the development of Unit 1 and Unit 2, the planned installation of solar PVs and electric vehicle charging. This should facilitate our occupiers to deliver net zero carbon at the building.









$\stackrel{>}{>}$ **Social** (all page numbers on this page refer to our 2021 Report & Accounts)

Companies Act 2006 Section 172 statement

Our responsibility to stakeholders, together with consideration of the long term consequences of our decisions and maintaining high standards of business conduct, is integral to the way the Board operates.

The Board of Directors, both individually and collectively, is aware of its duty under Section 172 of the Companies Act 2006 to act in the way it considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to:

- The likely consequences of decisions in the long term;
- The interests of its employees;
- The Company's relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The Company's reputation and maintaining high standards of business conduct; and
- The need to act fairly as between members of the Company.

Identifying the relevant issues and stakeholders

Throughout this report we set out our key stakeholders as our people, our occupiers, our contractors and suppliers, our investors and our communities. Building and nurturing relationships with our stakeholders, as described on pages 1 to 9, continues to be a strategic priority and is integral to our business model and the way we work.

We believe that in order to generate value and long term sustainable returns we need to understand the views and take account of what is important to our key stakeholders. We do this through effective and proactive engagement.

Methods of engagement

On pages 90 to 92 we explain why each stakeholder group is important to us and how we engage with them. Engagement is both at Board level and through dedicated management teams and includes one to one meetings and roadshows, regular liaison, formal employee appraisals and customer, investor and employee surveys. Our engagement this year with our stakeholder groups is summarised in our Governance report on pages 90 to 96 and is supplemented on pages 57 to 61.

Impact on decisions made in the year

We have outlined in the table on pages 90 to 92 how we have considered the interests of each of our stakeholder groups when making important decisions, which this year was dominated by the Covid-19 pandemic.

Some examples of how the Board considered and responded to stakeholder needs through the pandemic are as follows:

- Provided assistance to customers that were most affected and in need, including monthly payment plans, short term deferral arrangements and rent concessions in return for asset management initiatives.
- 2. 20% Board salaries and fees waived for three months, providing additional dedicated Covid-19 funding of £121,000 for local and national charities, including donations to foodbanks and NHS Trusts as well as providing rent free accommodation.
- Upgraded our IT systems to Microsoft 365 following a review of home working arrangements and office reopening plans.
- 4. The decision to speculatively develop at Bedford, providing employment opportunities, long term income growth for investors and at least BREEAM Very Good buildings.
- 5. Approved £120 million equity raise for investment opportunities.
- Increased investor engagement and trading updates providing rent collection information.

Last year the Board considered how to incorporate stakeholder interests more

Responding to stakeholders during Covid-19

🚹 Read more on page 19

Employee engagement and monitoring of culture

Read more on page 93

Shareholder engagement

Read more on page 95

Our speculative development in Bedford

Read more on page 39

formally into its decision making processes and amended standard briefing papers and appraisals to document stakeholder interests and views

Board and Committee minutes record the consideration of stakeholders in the decision making process where relevant, and an explanation of Directors' duties under \$172 is provided on induction for all newly appointed Directors.

After due consideration, we believe that the Board has taken into account the views, interests and impact on key stakeholders in its decisions made during the year.



Read more

Consequences of decisions in the long term Chief Executive's review page 15 Promoting long term success page 96

Interests of its employees Our people pages 58 to 59 Employee engagement and culture pages 93 to 94

Relationships with stakeholders Our stakeholders pages 90 to 96 Social considerations pages 57 to 61

Impact on community and environment Environment pages 50 to 55 Community page 61 TCFD page 63

Reputation, high standards Monitoring of culture pages 93 to 94

Act fairly between members Shareholder engagement pages 95 to 96



We recognise that when our occupiers' businesses thrive, so our business also thrives. We treat our occupiers as customers and put them at the centre of our decision making. Our occupierled 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 and 2019, we undertook a further survey in March 2021.

We received responses from occupiers representing over half of our income and the feedback was very strong and scoring was in line with previous years.

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

Impact of Covid-19

In response to the pandemic, we provided appropriate and proportionate assistance to a small minority of our customers that were materially affected and most in need of short term cash flow help. This assistance took the form of monthly rather than quarterly rental payments, short term rental deferrals and rental concessions in return for asset management initiatives.

Whilst we had very few vacancies across our portfolio we were also able to offer short term and rent free accommodation to assist occupiers that were fulfilling contracts to help in the fight against the pandemic.



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 2021)

We surveyed c90 of our top occupiers representing 82% of rent, with responses from 52 representing 55% 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 half of occupiers that responded answered an enhanced survey that went into greater detail about their property.

Despite the pressures of the pandemic, it was pleasing to see no decline in occupier contentment with our average landlord satisfaction score of 8.9/10.0 almost identical to the 9.0/10.0 that we scored in 2019.

Recommend LondonMetric as a landlord



We scored an average of 9.0 out of 10.0 for whether our occupiers would recommend LondonMetric as a landlord. For our top 15 occupiers, the score average was higher at 9.3

Satisfaction with our properties



We scored an average of 8.3 out of 10.0 for satisfaction with our properties. This score was higher than both the 2019 score of 8.2 and 2018 score of 7.8





Our people

Our people are critical to the success of the Company

The Company is highly focused with 31 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.

Impact of Covid-19 on our people

Our initial focus was on keeping our people safe and transitioning to remote working. We looked to regularly engage with all employees throughout the pandemic and were highly productive despite the challenges. As we return to the office, we will look at more flexible working for staff.

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.

Modern 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. Clearly, during the pandemic, a number of these arrangements did not apply and we will look to adapt our working practices to reflect the impact of the pandemic.

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, childcare and cycle to work vouchers.

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. Over the year, we increased female Board representation to 33%. Recognising the significant diversity imbalance in the real estate sector, we continue to support the Real Estate Balance group to further our 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 16 for further details on health and safety.

Wellbeing and employee satisfaction In 2019, we significantly reduced our office space and undertook a major refurbishment and modernisation of the office. We also undertook a wellbeing review of the space and carried out a wider employee and office wellbeing survey to gauge overall employee satisfaction, which was reported on in 2019. We have continued to see further improvements in overall employee satisfaction.

The results of our 2021 employee survey are shown on the next page and reflect further improvements against previous years. 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 persons of each sex who were Directors:



Senior Leadership

The number of persons of each sex who were members of the Senior Leadership Team (other than identified as Directors):



All employees

The number of persons of each sex who were employees:



Overview of satisfaction survey

In February 2021, we undertook our fourth annual employee survey to track changes in staff satisfaction.

In total, we asked 40 questions receiving responses from all employees on an anonymous basis. This year, we focused on two key areas being the Company and the individual employee. Due to enforced working from home we adapted our usual office environment questions to focus on home working conditions.

Results of survey

Overall the survey was very positive with the vast majority of the responses ahead of or in line with the 2020 results and 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 further increases in the proportion of employees that feel:

- They are treated fairly (score of 97%); and
- The organisation prioritises the long term over the short term (score of 74%).

In terms of home working, 85% agreed that the systems and processes at LondonMetric work effectively whilst 87% agreed that their home working set up was suitable.

The main areas for consideration arising from the survey were future working from home arrangements and flexible working, training and staff feedback.

Board consideration

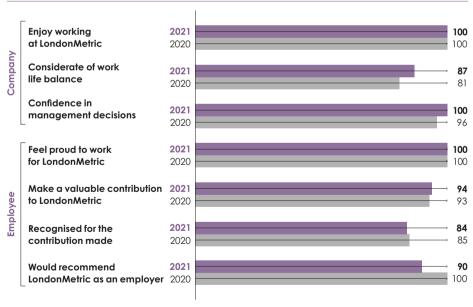
Andrew Livingston is the designated workforce Non Executive Director.

In the year, he considered the survey results and held a virtual call 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 employee call.



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







Contractor compliance

100%

with our Responsible Development Requirements

Our Responsible Procurement Policy

This outlines our approach to implementing supply chain and procurement standards on developments and standing investments. This policy focuses on areas such as labour, human rights, health and safety, resource, pollution risk and community.

Suppliers

Whilst spend on asset services is relatively small, we continue to monitor compliance of our suppliers against our Managing Agents' policies.

In 2021, we reviewed Nurture, a landscape and gritting company that accounts for approximately a third of maintenance spend across our Mucklow assets and that is sub-contracted through our Managing Agent. The feedback was highly positive with the company demonstrating a strong focus on sustainability.

They have helped to implement numerous initiatives on our sites such as bird and bat boxes, log piles and habitat hotels (such as shown below), and bee friendly planting with further initiatives planned for 2022.



Contractors

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. We specify compliance by the Contractor with the Considerate Constructors Scheme on most of our projects where we deem it appropriate. There was 100% compliance with our checklist in the year.

Impact of Covid-19 on our developments

In conjunction with our contractors and wider project teams, we had to carefully monitor and manage a number of risks from the pandemic relating to our development sites. Our contractor relationships, together with incredibly hard work and commitment from them ensured that we largely mitigated these risks and managed to keep projects broadly on time and within budget.



Equity investors met during the year

173

shareholders, analysts and potential investors

We value our good relationships with our shareholders. Over the year, we saw 173 equity investors through individual and group virtual meetings.

As a result of the pandemic, there was significantly greater investor engagement and requests for updates in the first quarter of the year. Furthermore, in response to a number of potential property investment opportunities arising from the pandemic, there was further interaction in marketing our equity placing which we undertook to raise additional capital for imminent acquisitions.

Investor ESG survey

As shareholder expectations on corporate governance and sustainability increase, we undertook our second ESG survey of investors in 2021, following on from our previous survey in 2018.

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 overall ESG performance to date seen as either good or very good and our disclosure in line with expectations.

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 joint venture partners.

In the year, we financed over £780 million of debt 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 and we will report on our progress against the green framework to those institutions involved.



We recognise the importance of supporting our local communities and engaging with all local stakeholders.

We have a published Communities Policy which outlines our approach and, through our actions, we aim to maximise the local benefits of our activities through:

- Investment into the infrastructure of those communities, typically involving the regeneration of land and derelict sites;
- Creation of construction and fit out jobs during our developments, typically using local contractors and employment;
- Creation of modern buildings and facilities fit for future needs;
- Long term commitments from our occupiers, who typically sign 10-15 year leases, and create significant local jobs;
- Involvement of local authorities and councils to ensure we work in partnership with them and consider their views;
- Engagement with local residents, particularly throughout and post developments to ensure they are informed and involved;
- Our ongoing involvement in areas local to our properties by funding of local events and facilities and engaging with schools; and
- Charitable giving, where we look to mainly support causes local to our assets.
 We also support other organisations such as LandAid, and match employee charity giving and events.

Our Charity and Communities Working Group implements charity giving and coordinates community involvement.

In response to Covid-19, the Working Group was focused on responding to the pandemic and set out a response statement to explain how LondonMetric would help in the fight against the impact of the virus.

Charitable giving and community involvement in the year

In response to Covid-19, we earmarked £127,000 for giving to charitable causes and local communities hit by the pandemic. This included salaries and fees that the Board waived amounting to £121,000. So far, we have donated £96,375 of those funds between various charities and causes.

A further £17,990 of non Covid-19 giving was donated to other causes, some of which related to matching of funds raises by employees which we actively encourage. For the next financial year we are setting aside £100,000 for charity giving.

We also held a 2.6 Challenge event in the year with employees and Directors participating in various creative challenges. £5,000 was raised and donated.



Example causes/charities



AHOY provides life changing activities for disadvantaged youth through rowing and sailing. In 2020, a team of six employees planned to row the Thames for the charity to raise funds but unfortunately the event was cancelled due to Covid. Instead, we donated funds raised as part of our 2.6 Challenge event.



We allocated the majority of the salaries waived by Directors to two NHS Trust charities in East London and Birmingham. The funds were used specifically for staff wellbeing and robotic surgery.



We continued to support Kempston Challenger Academy which is close to our Bedford Link development. Funds were used to help set up a careers platform and provide laptops. We also supported other education organisations by donating a number of laptops.



£3,000 was donated in toys to the ToyLink Project for Christmas run by Birmingham City Mission. We also set up a toy drop off point at one of our nearby properties.



We donated £23,500 to food banks in our local communities throughout the year including at Halesowen, Dagenham, Tyseley and Weymouth.



A number of other national causes were supported including LandAid, Macmillan, PRD Foundation 500, several hospices, Crisis, Fareshare and the Royal British Legion.

Other community involvement



As part of the Mucklow acquisition, we acquired 16 acres of woodland in Worcestershire. We engaged with Opentrail, a local charity, and are looking to transfer the land to them for community use such as cycling and forest crafts. We have assisted them on wider planning, construction and legal advice.



During the year, we signed up to Speakers for Schools and are hosting our first online teach-in for school children on LondonMetric and our activities in July 2021.



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 anticorruption procedures;
- Responsible Procurement Policy;
- · Community Policy; and
- Modern Slavery Act Statement.



Confirmations

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

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

Health and safety in focus Responsibility and procedures

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

H&S risks assessment and training

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

Health and safety policy

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

- I. Employment The policy ensures our employees are offered a safe and healthy working environment. 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 2021

- Quarterly internal meetings
- Half yearly project audits at Carlisle and Tyseley were inspected by RP&P
- Zero reportable incidents on projects
- Zero accident rate for employees
- No health and safety prosecutions or enforcements
- Health and safety policy updated and published
- Employee Covid-19 policy in place

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 (where appropriate);
- 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 2021, we undertook an annual contractor compliance audit of A.Surman, one of our key contractors, 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.

TCFD Disclosure

This year, the Company aimed to provide the disclosure required under TCFD. Next year, we will ensure that disclosure is fully compliance with TCFD requirements.

Recommendation

Commentary

Governance Disclosure of

governance on climate related risks and opportunities



The Board is responsible for the Company's risk management framework, including the consideration of climate related risks and opportunities as part of its wider oversight for ESG and Responsible Business. The monitoring of progress on Responsible Business matters is delegated to the Audit Committee. Implementation of Responsible Business is delegated to the Senior Leadership Team with two of its members, the Finance Director and Head of Responsible Business, leading the Responsible Business working group; other members consist of a representative from each of the investment, asset management and development teams. The Head of Responsible Business ensures that annual Responsible Business targets are delivered and leads engagement and training across the Company on Responsible Business, helped by our sustainability advisor, JLL.

Strategy

Disclosure of actual and potential impacts of climate related risks and opportunities on the organisation's business, strategy and financial planning





LondonMetric has identified that climate related risks could impact on the Company by reducing:

- the desirability of its assets to occupiers such that buildings are no longer fit for purpose from a location, design or operational perspective
- its ability to sell assets as a result of a greater focus by investors on climate related risks
- its access to capital and impacting on reputation due to concerns over how well its buildings are adapted for climate change and how well its occupiers are positioned for a low carbon economy

The Company's shift from retail parks and offices into distribution assets that have lower energy requirements means that the overall carbon footprint of its buildings is significantly lower. Whilst its recent pivot from larger distribution assets into smaller urban logistic units means that its assets are typically slightly older and less energy efficient, the use of the building tends to be much less energy intensive and there is much greater residual value in the land underpinning capital values for these assets. Consequently, occupiers and investors have less of a concern about the environmental performance of these buildings. We are, however, improving and adapting our assets to be more resilient to climate change through maintenance, energy efficiency upgrades and provision of renewable energy. Furthermore, whilst development is only a small part of our activities, we are focusing on enhancing the sustainability features of our developments. 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, command higher rents and enhance the value of our assets. During our investment process, we are careful to review the locational and flood risks, the building fabric and the energy efficiency of potential acquisitions and current assets to understand the climate and carbon related risks and costs involved in mitigating those risks.

Risk Management

Disclosure of the Company's process for identifying, assessing and managing climate related risks



Climate related risks are considered by the Board who recognise that climate change is an increasingly important priority. The Head of Responsible Business and the Finance Director update the Audit Committee on climate related risks as well as opportunities. The Company is increasing its understanding and assessing the potential impact of physical changes, such as extreme weather and longer term shifts in climate patterns. The transitional changes are also being examined in terms of emissions pricing, costs from adopting lower emission technology, regulation of products, legislative and consumer behaviour. Our risk register is regularly reviewed and updated to keep track of the changing nature of these risks.

During the year, we further progressed our analysis of which acute and chronic physical climate risks are most likely to affect our assets, specifically on flooding which we see as the highest risk area. Following the desktop flood analysis carried out across the portfolio by WSP in the previous year, we analysed the results of that study and undertook more detailed site specific analysis where appropriate. This further work has lowered the number of assets classified as high risk to just five, and we continue to extend this analysis as we look to regularly monitor changes in flooding risk in the future. Further work will be undertaken to consider the impact of other climate change related risks and we will look at how modelling of short, medium and long term horizons for increases in global temperatures could help us in better understanding the risks to our portfolio. Over the year, we further increased our focus on the transitional risks that impact our business with particular scrutiny of potential MEES legislative changes, which would require a high level of energy efficiency at each asset by the end of the decade. In the year, we also established our Net Zero Carbon framework that identified three Net Zero ambitions from an operational, development and occupier perspective. As occupiers look to deliver on their Net Zero targets, we will look to increase the proportion of our buildings that are net zero carbon, and pages 3 to 7 in this report set out our Net Zero approach more widely.

Metrics and Targets

Disclosure of metrics and taraets that allow the Company to assess and manage climate related risks and opportunities



The specific metrics that we use to assess climate related risks and opportunities are tracked both within the corporate risk management process and within our Responsible Business workstream. Relevant material energy and carbon metrics, and EPC ratings, for our standing assets, are tracked and are reported within the 'Environmental' section of this report on pages 3 to 8, along with BREEAM Very Good/Excellent certification both on development activity and our portfolio. 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 disclose Scope 1, Scope 2, and aspects of Scope 3 greenhouse gas ('GHG') emissions in our carbon reporting table on page 5: our absolute landlord-controlled carbon footprint has decreased significantly over the last seven years and our like for like carbon footprint has also materially reduced, particularly due to the shift to renewable electricity across most of our portfolio. The relevant targets to manage climate-related risks and opportunities are detailed at www.londonmetric.com/sustainability. Performance against our historic Responsible Business annual targets is provided at the end of this report. Next year we will start to report against out Net Zero Carbon deliverables and our targets will be adjusted to incorporate our Net Zero ambitions.

Performance against 2020–21 targets

our p	eople			Status	Please see page(s) for further information
RB	Employee wellbeing	1	Continue to monitor employee satisfaction & wellbeing, track absence data and undertake health & safety checks annually	Achieved	See pages 12-13
RB	Training & Objectives	2	A) Provide 1 hour of sustainable training p.a. to relevant employees, all Responsible Business Working Group members to complete 10 hours of sustainability training & Board to be provided with sustainability updates. B) Set personal sustainability objectives more widely across employees.	Achieved	See pages 12
viro	nment				
AM	Landlord usage	3	A) Reduce investment portfolio energy intensity and GHG emissions by 20% over 6 years, against a 2015/16 baseline, by 31 March 2022, for assets still held by 2022.	Achieved	See pages 3-7
			B) Formalise a Net Zero Carbon target		
AM		4	Maintain reporting of energy, water and waste data for our corporate offices	Achieved	
AM		5	A) Generate / purchase sufficient renewable electricity to continue to cover in excess of 95% of landlord-controlled electricity consumption B) Increase percentage of portfolio that has automatic electricity meters for landlord controlled supply to above the 75%	Partially achieved	See page 4
AM	Tenant usage	6	A) Continue to collect tenant energy and water data and seek inclusion of green clauses in new lease agreements	Partially achieved	See pages 3-7
			B) Using the data, undertake an analysis to understand the total occupier energy usage across the portfolio		
			C) For 1 completed development, pilot a study to look at energy usage against expected performance		
AM		7	Continue to track all sustainability related initiatives with occupiers and explore at least 3 initiatives that:	Achieved	See pages 3-7
			A) Increase energy efficiency/reduce consumption; and/or B) Install renewable energy technology and/or source low carbon energy		
AM /RI	Building credentials	8	Continue to assess sustainability risks/ opportunities to ensure assets are future proofed & environmental risks are mitigated and priced in by:	Achieved	See pages 3-7
			A) Reducing % of portfolio where EPC rating is unknown or below D		
			B) Risk rating all assets		
			C) For material properties at risk, create improvement plan and implement actions		
			D) For new investments, identify environmental risks and associated future actions/ costs potentially required to improve of buildings		
AM		9	Continue to review physical climate risks and transition risks across the portfolio by: A) Fully assessing the portfolio flood review completed in summer 2020 and undertaking further work to	Partially Achieved	See page 8
			B) Expanding the portfolio assessment for risks other than just flooding		
			C) Understanding the climate change-related risk exposure of occupiers		
RD		10	Achieve BREEAM Very Good on large direct developments with a commitment to achieve BREEAM Excellent on two developments and greater consideration of biodiversity across all development activity	Achieved	See page 6
AM	Occupiers	11	Continue to include relevant environmental, socio-economic, and health & wellbeing information into:	Achieved	See page 9
			A) marketing materials for asset sales, where applicable B) occupier marketing material		

holders			Status	Please see page(s) for further information
	12	Continue to monitor occupier satisfaction at key assets and develop initiatives, including those related to sustainability, to increase occupier satisfaction. In particular, undertake annual customer satisfaction survey	Achieved	See page 7 See page 11
Contractors & suppliers	13	Continue to collate, analyse and share (with stakeholders) contractor compliance with the Responsible Development Requirements checklist for projects completed in the year. In addition, audit one project with focus on Health & Safety, Modern Slavery and Minimum Wage	Achieved	See page 14
	14	Continue to demonstrate consideration by projects of best practice sustainability features within design brief and throughout projects, against an agreed LMP checklist covering renewable energy, electric vehicle charging, biodiversity, as well as climate change adaptation measures. Where applicable, look to source goods and/or services from other londonmetric occupiers	Achieved	See page 6
	15	Continue to monitor supplier compliance with LondonMetric's Responsible Procurement policy and ensure Managing Agents include agreed sustainability criteria within procurement tenders	Ongoing	See page 14
Communities	16	Continue to focus on implementing local community initiatives in accordance with our Communities Policy. In particular, work with contractors to increase local community engagement and demonstrate community considerations throughout project. On large projects, demonstrate focus on apprenticeship schemes, local employment, communication of project progress and involvement of local schools	Achieved	🕂 See page 15
	17	Work with contractors to increase local community engagement and demonstrate community considerations throughout project. On large projects, demonstrate focus on apprenticeship schemes, local employment, communication of project progress and involvement of local schools	Achieved	See pages 9 & 15
Investors & Finance	18	Maintain GRESB, EPRA & FTSE4Good scores as well as continuing to report on our climate risk management process in the 2021 Annual Report, with continued alignment to the Taskforce for Climate-Related Financial Disclosures	Achieved	See page 2
	19	Continue to monitor other investor sustainability reporting requirements and implement the investor sustainability engagement survey. As appropriate, update all Responsible Business related public documents – the Company's Responsible Business Policy to be updated.	Achieved	See page 14
	Contractors & suppliers Communities	Contractors 8. suppliers 13 Communities 16 Investors 8. Finance 18	12 Continue to monitor occupier satisfaction at key assets and develop initiatives, including those related to sustainability, to increase occupier satisfaction. In particular, undertake annual customer satisfaction survey	12 Continue to monitor occupier satisfaction at key assets and develop initiatives, including those related to sustainability, to increase occupier satisfaction. In particular, undertake annual customer satisfaction survey

Key

RB	Responsible Business
RD	Responsible Development
AM	Responsible Asset Management
RI	Responsible Investment

Advisors statement

I note that LondonMetric is certainly keeping pace with its larger competitors in its work towards holding a net zero carbon portfolio, indeed with their early targets on landlord-controlled carbon reductions the team are ahead of the curve.

Tackling climate risk also remains front of mind for the company. Despite the challenging year we've all faced in the UK and around the world, I am pleased that the company and its investors continue to reap the financial and reputational benefits from the Responsible Business approach and ongoing sustainability-related achievements.

JLL has been commissioned by LondonMetric over the past seven 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 or partially achieving 95% of the targets set for the FY 2020/21 period. We would like to highlight the following initiatives as evidence of good practice and ongoing improvement during the financial year ending on 31 March 2021:

- LondonMetric created their Net Zero Carbon framework which sets out their ambitions to be: Net Zero in their operations by 2023, Net Zero for developments by 2030, and Net Zero for all buildings by 2035 through collaboration with their occupiers.
- LondonMetric has increased the percentage of energy consumption derived from renewable energy tariffs to 100% for landlord supplies.
- LondonMetric has continued to monitor the health and wellbeing of its employees with a wellbeing and satisfaction survey. This year, the survey also asked whether their working from home needs were being met to ensure

the correct environments were being created. In addition, the Company also conducted a COVID safe office audit to ensure that upon re-entry to the work place a safe environment is being provided.

- LondonMetric has seen a reduction in energy consumption of 6.5% 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 their occupier survey to gain a greater understanding of occupier needs.
 This year saw the Company achieve their highest satisfaction score of 8.3 and saw the inclusion of environmental questions within the survey.
- In light of the COVID-19 pandemic, LondonMetric created the Communities fund to support causes in need located near its assets that have been impacted by COVID-19, with £127,000 earmarked for important causes. The fund has so far donated £96,375 to a variety of charities, foodbanks and NHS trusts during these difficult times.

The strength of LondonMetric's customer-focused and responsible business approach has been further attested to through external ratings. LondonMetric continues to outperform its peer group in the Global Real Estate Sustainability Benchmark (GRESB), obtaining a score of 65% in the 2020 survey. The Company also achieved the EPRA sBPR Gold Award for its sustainability reporting for the sixth consecutive year. In addition, LondonMetric has been included in the FTSE4Good Index for the third year running.

At the end of a successful year, it is important to recognise LondonMetric's achievements and consider where the Company should channel its focus next. Taking account of current performance, stakeholder feedback and evolving

market norms, we have suggested that LondonMetric considers the following:

- The implementation of their Net Zero Carbon Framework following the framework creation in 2020/21
- Continuing to strengthen its climate risk assessment in line with investor expectations by building on the flood risk assessment projects, examine other potential climate risks of the current portfolio including the potential impacts of climate change and the transition to the low carbon economy on current and prospective tenants;
- Continue to identify opportunities to further install renewable energy sources and efficiency initiatives across all assets including development and refurbishment projects.

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

Beth Ambrose

Director, Upstream Sustainability Services, JLL

EPRA sBRP performance measurement

EPRA sBRP performance measurement

Table 1: Total portfolio environmental performance

EPRA Sustainability Performance Meas			inability Performand	ee Measures	Absolute m	easure (Abs)		Like for like measure (LfL)			
Impact Area	Units of measure			EPRA Code	2019/20	2020/21	% change	2019/20	2020/21	% change	
		Elec-Abs.		for landlord shared services	563	566	1%	239	224	-6.5%	
		Elec-LfL	Electricity	(sub)metered exclusively to tenants	198	281	42%				
	MWh			Total landlord-obtained electricity	760	847	11%	239	224	-6.5%	
Energy		Fuels-Abs,	Fuels	for landlord shared services	139	234		0	0		
		Fuels-LfL		Total landlord-obtained fuel consumption	139	234	69%				
	Num	ber of applicable p	roperties	Energy and associated GHG disclosure coverage	46 of 46	46 of 46		14 of 14	14 of 14	N/A	
		%		Proportion of energy and associated GHG estimated	0.7%	14.4%		0%	0%	N/A	
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1 - Location Based	25	43	69%	0	0		
	Tonnes CO₂e −	GHG-Indir-Abs,	Indirect	Scope 2 - Location Based	99	132	33%	61	52	-14.7%	
		GHG-Indir-LfL	Indirect	Scope 3 - Location Based	63	82	32%	5	4	-13.6%	
Greenhouse		Total		Scopes 1 + 2 Location Based (only)	124	175	41%	61	52	-14.7%	
as emissions		GHG-Dir-Abs, Direct		Scope 1 - Market Based	25	43	69%	0	0	0%	
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	Scope 2 - Market Based	42	62	49%	0	0	0%	
			Indirect	Scope 3 - Market Based	3	5	73%	0	0	0%	
		Total		Scopes 1 + 2 Market Based (only)	67	105	57%	0%	0%	0%	
	cubic metres	Water-Abs,	Water	for landlord shared services	3,260	7,875		N/A		N/A	
Water	(m ³)	Water LfL		Total landlord-obtained water consumption	3,260	7,875		N/A		N/A	
	Num	ber of applicable p	roperties	Water disclosure coverage	3 of 3	3 of 3				N/A	
		%	-	Proportion of water estimated	0%	94%				N/A	
Waste		Waste-Abs,	Waste	Total weight of waste	0			N/A		N/A	
(landlord-	metric tonnes	Waste-LfL	waste	Recycling (%)				N/A		N/A	
handled)				Incineration with energy recovery (%)				N/A		N/A	
	Num	ber of applicable p	roperties	Waste disclosure coverage	1 of 1	0 of 0				N/A	
)evelopment	%	Cert-Tot	Certifications	% of Development portfolio certified by floor area (sq ft)	91% BREEAM Very Good or Excellent	100% BREEAM Very Good or Excellent		N/A		N/A	
	Num	ber of applicable p	ronerties	BREEAM disclosure coverage	4 of 5	2 of 2		N/A		N/A	

Table 2: Office portfolio environmental performance

		EPRA Sustair	nability Performand	e Measures		Absolute measure (Abs)	
Impact Area	Units of measure			EPRA Code	2019/20	2020/21	% change
				for landlord shared services	144	9	-94%
Energy		Elec-Abs	Electricity	(sub)metered exclusively to tenants	198	281	42%
	MWh			Total landlord-obtained electricity	342	290	-15%
		Fuels-Abs	Fuels	for landlord shared services	109	63	-42%
			r ucis	Total landlord-obtained fuel consumption	109	63	-42%
	Nun	nber of applicable pro	operties	Energy and associated GHG disclosure coverage	3 of 3	3 of 3	
		%		Proportion of energy and associated GHG estimated	0%	8%	
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1 - Location Based	20	12	
	Tonnes CO ₂ e _	GHG-Indir-Abs,	Indirect	Scope 2 - Location Based	37	2	
		GHG-Indir-LfL	Indirect	Scope 3 - Location Based	58	71	
Greenhouse		Total		Scopes 1 + 2 Location Based (only)	57	14	
as emissions		GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1 - Market Based	20	12	-42%
		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)	20	12	-42%
	cubic metres	Water-Abs	Water	for landlord shared services	3,259	7,705	136%
Water	(m ³)	Water-Abs	water	Total landlord-obtained water consumption	3,259	7,705	136%
water	Nun	nber of applicable pro	operties	Water disclosure coverage	2 of 2	2 of 2	-
		%		Proportion of water estimated	0%	96%	-
Waste	•	<u> </u>		Total weight of waste	N/A	N/A	
(landlord-	metric tonnes	Waste-Abs	Waste	Recycling (%)	N/A	N/A	-
handled)				Incineration with energy recovery (%)	N/A	N/A	-
nanuleu)	Nun	nber of applicable pro	operties	Waste disclosure coverage	0 of 0	0 of 0	

EPRA sBRP performance measurement

Table 3: Retail warehouse portfolio environmental performance

	EPRA Sustainability Performance			ce Measures	Absolute m	easure (Abs)		Like for like r	neasure (LfL)	
Impact Area	Units of measure			EPRA Code	2019/20	2020/21	% change	2019/20	2020/21	% change
Energy	MWh	Elec-Abs, Elec-LfL Fuels-Abs, Fuels-LfL	Electricity Fuels	for landlord shared services Total landlord-obtained electricity for landlord shared services	262 262	244 244	-7%	234 234	214 214	-8% -8% -
	Num		r of applicable properties Energy and associated GHG disclosure coverage		13 of 13 6%	14 of 14 3%		13 of 13 0%	13 of 13 0%	N/A N/A
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1 - Location Based	0	0		0	0	
Greenhouse	Tonnes CO₂e _	GHG-Indir-Abs, GHG-Indir-LfL	Indirect Indirect	Scope 2 - Location Based Scope 3 - Location Based	67 6	57 5	-15% -14%	60 5	50 4	-16.3% -15.2%
gas emissions		Total GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scopes 1 + 2 Location Based (only) Scope 1 - Market Based	67 0	57 0	-15%	60	50	-16.3% -
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect Indirect	Scope 2 - Market Based Scope 3 - Market Based	22 1	0	-100.0% -100.0%	0	0	
	cubic metres	Total Water-Abs,	Water	Scopes 1 + 2 Market Based (only) for landlord shared services	22 N/A	0 N/A	-100%	0%	0%	0%
Water	(m³) Num	Water LfL ber of applicable pro		Total landlord-obtained water consumption Water disclosure coverage	N/A 0 of 0	N/A 0 of 0				
Waste		%		Proportion of water estimated Total weight of waste	N/A	N/A				-
(landlord- handled)	metric tonnes	es Waste-Abs Waste		Recycling (%) Incineration with energy recovery (%)	N/A N/A	N/A N/A				
nandled)	Num	ber of applicable pro	perties	Waste disclosure coverage	0 of 0	0 of 0				

Table 4: Distribution warehouse portfolio environmental performance

		EPRA Sustai	inability Performan	ce Measures	Absolute me	easure (Abs)	Like for like measure (LfL)			
Impact Area	Units of measure			EPRA Code	2019/20	2020/21	% change	2019/20	2020/21	% change
		Elec-Abs,	Electricity	for landlord shared services	64	236		6	9	67%
Energy	MWh	Elec-LfL	Licotriony	Total landlord-obtained electricity	64	236	367%	6	9	67%
		Fuels-Abs,	Fuels	for landlord shared services	30	171				-
		Fuels-LfL		Total landlord-obtained fuel consumption	30	171	470%			-
	Num	ber of applicable pr	operties	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	5%	26%		0%	0%	N/A
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1 - Location Based	6	31	470%	0.00	0.00	
		GHG-Indir-Abs,	Indirect	Scope 2 - Location Based	16	55	235%	1.42	2.17	
		GHG-Indir-LfL	Indirect	Scope 3 - Location Based	1	5	239%	0.12	0.19	
Greenhouse	Tonnes CO2e -	Total		Scopes 1 + 2 Location Based (only)	22	86	294%	1.42	2.17	
as emissions	Tonnes CO₂e -	GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1 - Market Based	6	31	470%			-
		GHG-Indir-Abs,	Indirect	Scope 2 - Market Based	18	61	247%	0	0	
		GHG-Indir-LfL	Indirect	Scope 3 - Market Based	1	5	239%	0	0	
		Total		Scopes 1 + 2 Market Based (only)	23	92	300%		0	0%
	cubic metres	Water-Abs,	Water	for landlord shared services	1	171				-
Water	(m ³)	Water LfL	water	Total landlord-obtained water consumption	1	171				
water	Num	ber of applicable pr	operties	Water disclosure coverage	1 of 1	7 of 7				
		%		Proportion of water estimated	0%	0%				-
Waste				Total weight of waste	N/A	N/A				-
(landlord-	metric tonnes	Waste-Abs	Waste	Recycling (%)	N/A	N/A				-
				Incineration with energy recovery (%)	N/A	N/A				-
handled)				Waste disclosure coverage	0 of 0	0 of 0				

Table 5: Residential portfolio environmental performance

		EPRA Sustai	nability Performan	ce Measures		Absolute measure (Abs)	
Impact Area	Units of measure			EPRA Code	2019/20	2020/21	% change
		Elec-Abs,	Electricity	for landlord shared services	5	4	-30%
	MWh	Elec-LfL	Licotricity	Total landlord-obtained electricity	5	4	-30%
Energy		Fuels-Abs,	Fuels	for landlord shared services			-
Lileigy		Fuels-LfL	1 4613	Total landlord-obtained fuel consumption			-
	Num	ber of applicable pro	operties	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
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1 - Location Based	0	0	
		GHG-Indir-Abs,	Indirect	Scope 2 - Location Based	1.4	0.9	-36%
	Tonnes CO₂e -	GHG-Indir-LfL	Indirect	Scope 3 - Location Based	0.1	0.1	-36%
Greenhouse		Total		Scopes 1 + 2 Location Based (only)	1.4	0.9	-36%
gas emissions	Tollies CO ₂ e —	GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1 - Market Based			-
		GHG-Indir-Abs,	Indirect	Scope 2 - Market Based	2.0	1.3	-36%
		GHG-Indir-LfL	Indirect	Scope 3 - Market Based	0.1	0.1	-36%
		Total		Scopes 1 + 2 Market Based (only)	2.0	1.3	-36%
	cubic metres	Water-Abs,	Water	for landlord shared services	N/A	N/A	-
Water	(m ³)	Water LfL	water	Total landlord-obtained water consumption	N/A	N/A	-
water	Number of applicable properties			Water disclosure coverage	0 of 0	0 of 0	-
		%		Proportion of water estimated			-
Waste (landlord-	metric tonnes	Waste-Abs	Waste	Total weight of waste	N/A	N/A	-
handled)	Num	ber of applicable pro	operties	Waste disclosure coverage	0 of 0	0 of 10	

Table 6: Industrial Park portfolio environmental performance

EPRA Sustainability Performance				ce Measures	Absolute measure (Abs)		
Impact Area Units of measure			EPRA Code		2019/20	2020/21	% change
		Elec-Abs,	Electricity	for landlord shared services	87	74	
	MWh	Elec-LfL		Total landlord-obtained electricity	87	74	-15%
Energy		Fuels-Abs,	Fuels	for landlord shared services	0	0	-
Lileigy		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	0%	4%	N/A
		GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1 - Location Based	-	-	
	Tonnes CO₂e —	GHG-Indir-Abs,	Indirect	Scope 2 - Location Based	22	17	-22%
		GHG-Indir-LfL	Indirect	Scope 3 - Location Based	1.9	1.5	-21%
Greenhouse gas emissions		Total		Scopes 1 + 2 Location Based (only)	24	19	-22%
		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	Water-Abs,	Water	for landlord shared services	N/A	N/A	-
	(m ³)	Water LfL	water	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-	metric tonnes	Waste-Abs	Waste	Total weight of waste	N/A	N/A	-
handled)	Nun	nber of applicable pro	operties	Waste disclosure coverage	0 of 0	0 of 10	

Table 7: Corporate office environmental performance

PRA Sustainability Performance Measures				Absolute measure (Abs)		Like for like measure (LfL)				
Impact Area	Units of measure	EPRA Code			2019/20	2020/21	% change	2019/20	2020/21	% change
		Elec-Abs,	Electricity Fuels	for landlord shared services	65	54	-17%	65	54	-17%
	MWh	Elec-LfL		Total landlord-obtained electricity	65	54	-17%	65	54	-17%
Energy		Fuels-Abs,		for landlord shared services	N/A	N/A				-
Lifelgy		Fuels-LfL		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	0%	25%	N/A	0%	25%	N/A		
Greenhouse T		GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1 - Location Based	0	0		0	0	
		GHG-Indir-Abs,	Indirect	Scope 2 - Location Based	17	13	-25%	17	13	-25%
	Tonnes CO₂e	GHG-Indir-LfL	Indirect	Scope 3 - Location Based	1.42	1.08	-24%	1.4	1.1	-24%
gas emissions	10111103 0020			Scopes 1 + 2 Location Based (only)	17	13	-25%	17	13	-25%
	_	GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1 - Market Based	0	0		0	0	-
		GHG-Indir-Abs,	Indirect	Scope 2 - Market Based	24.91	18.80	-25%	0	0	
		GHG-Indir-LfL	Indirect	Scope 3 - Market Based	1.42	1.08	-24%	0	0	
		Total		Scopes 1 + 2 Market Based (only)	25	19	-25%			0%
	cubic metres	Water-Abs,	Water	for landlord shared services	N/A	N/A				
Water (m³)	(m ³)	Water LfL	water	Total landlord-obtained water consumption	N/A	N/A				-
	Num	Number of applicable properties		Water disclosure coverage	0 of 1	0 of 1	-			
		%		Proportion of water estimated			-			-
Waste me		nes Waste-Abs Waste		Total weight of waste	N/A	145	N/A			-
	metric tonnes		Waste	Recycling (%)	N/A	54%	N/A			
(landlord- handled)				Incineration with energy recovery (%)	N/A	46%	N/A			-
nanuleu)	Num	ber of applicable pro	operties	Waste disclosure coverage	0 of 1	1 of 1	-			

Table 8: Total portfolio intensity performance measure

-		· · · · · · · · · · · · · · · · · · ·	· ·	Retail Warehouse	· ·	
Impact Area		inability Performance Measures	Intensity Indicator	2019/20	2020/21	% change
Energy	Energy-Int	Building energy intensity [GRI- CRESS: CRE1]	kWh/car park spaces/year	81	75	-7%
	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO ₂ e/car park space/vear	6.80	17.48	157%
Greenhouse gas emissions			Car Park Spaces Number of	3252	3252	N/A
yas emissions			applicable properties	13 of 13	13 of 13	-19%
				Office	•	
Energy	Energy-Int	Building energy intensity [GRI- CRESS: CRE1]	kWh/sqft/year	6	5	-25%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO ₂ e/ft²/year	0.602	0.182	-70%
			Net Lettable Area (sqft) Number of	94304	74304	N/A
			applicable properties	4 of 4	3 of 3	N/A
Water	Water-Int	Building water intensity [GRI- CRESS: CRE2]	m3 /sqft /year	0.08	0.14	-
			Net Lettable Area (sqft)	84698	55698	-
			Number of applicable properties	4 of 4	2 of 2	-

EPRA sBRP performance measurement

Table 9- Certified Assets

Impact Area	EPRA Sustainability Perform Measures	ance Intensity Indicator	2019/20	2020/21
	Energy efficien	cy level A	18.40%	23.33%
	Energy efficien	cy level B	24.30%	28.44%
EPC	Energy efficien	cy level C	28.60%	22.22%
Certification	Cert-Tot Energy efficien	cy level D	13.30%	10.53%
Certification	Energy efficien	cy level E	9.50%	2.56%
	Energy efficien	cy below E	0.30%	0.01%
	Energy efficien	cy unknown	5.60%	12.91%

Table 10: Social

Company-wide							
Impact Area	EPRA Sustai	Reference in Annual Report (2021) / Response					
Employee gender diversity	Diversity-Emp	% of males and female employees	p. 54				
Training and Development	Emp-Training	Average number of hours	p. 54 (251.5 hours/33 employees) = 7.6 hours per employee				
Emplyee performance appraisals	Emp-Dev	Percentage of total workforce	p. 54 100% of employees				
Employee turnover and retention	Emp-Turnover	Total number & rate of new employee hires and turnover	p. 54 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 = 4.05 lost day rate = 0 absentee rate = 0.11 Work related fatalities = 0				
Asset health and safety assessments	H&S-Asset	Percentage of assets	p. 56 100% of all managed assets				
Asset health and safety compliance	H&S-Comp	Number of incidents	p. 58 0 incidents				
Community engagement, impact assessments and development programmes	Comty-Eng	% of Development assets	p57 100%				

Table 11: Governance

Company-wide						
Impact Area		inability Performance Measures	Reference in Annual Report (2021)			
Composition of the highest governance body	Gov-Board	Total numbers	p. 54			
Nominating and selecting the highest governance body	Gov-Select	Narrative description	p. 58			
Process for managing conflicts of interest	Gov-Col	Narrative description	p. 96			

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 2020 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 2020 to 31st March 2021, 2020 emissions factors have been used as 2021 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 the 'location-based' method of emissions calculations, standard emissions factors from the UK Government Emissions Conversion Factors for Greenhouse Gas Company Reporting 2020 were used. For the 'marketbased' 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. For the market-based method a residual mix factor was applied instead, taken from the latest Association of issuing bodies (AIB) for company reporting (2020).
- Scope 3 includes all transmission and distribution losses and tenant-obtained energy where applicable and tenant provides data, of which in 2020/21 reporting no tenant data was obtained.

- 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 or where assets have become void and landlord control has been gained.
- 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 31/03/2021.
- 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.
- The purchasing of the Mucklow portfolio in 2019/20 which has a variety of office assets means the asset type has been excluded from like-for-like electricity, greenhouse gas emissions, water and waste performance data (Elec-LfL, Fuels-LfL, GHG-Dir-LfL, GHG-Indir-LfL, Water-LfL, Waste-LfL) due to having only partial data for the 2019/20 reporting period.
- For our Industrial Warehouse assets, data is only collected when the assets are void and hence only included in Absolute calculations.
- Industrial Parks were a new asset class in 2019/20 following the aquisition of the Mucklow Portfolio, because of this, only Elec-Abs, GHG-Dir-Abs, GHG-Indir-Abs data for 2020/21 is collected.

- 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 usage breakdown data is not easily obtained. However where data was provided, it is shown in the table.
- Direct staff injury rate under H&S-Emp is 0, however as only contractors are used on site for transparency, this injury rate has been included. This is calculated by (number of injuries/ hours worked on site) x 200,000 as per GRI recommendations. Absentee rate was calculated by taking the (number of absence days divided by (the total number of employees x number of work days a year)) * 100 = (9.5/(33*265))*100
- 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. A variety of the development community engagement can be found on page 57 in the annual report for details.

Terms:

Dir: Direct
Indir: Indirect
Abs: Absolute
Lfl: Like-for-like
Int: Intensity
Cert: Certification

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