

OPERATING RESPONSIBLY

Environmental, Social and Governance

We recognise the potential impact of environmental, social and governance (ESG) factors on the investment returns of our Group Properties and the funds we manage. We believe that we have a responsibility to consider these risks and opportunities in our investment decisions. We therefore seek to embed ESG considerations into activities within our operational control or influence, including investment, development and refurbishment, asset management and stakeholder engagement.

ESG reporting highlights



Environmental

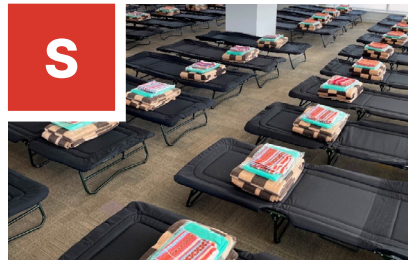
We carefully manage our environmental impact and work with our tenants, suppliers and business partners to manage buildings in ways that enhance the health of our environment. We achieve this by improving the environmental performance of our buildings and reducing operational costs principally by:

- ✓ Improving energy efficiency and minimising carbon emissions.
- ✓ Improving water efficiency and leak prevention.
- ✓ Enabling good waste management practices and reducing waste generation.
- ✓ Improving sustainability standards within our investment and asset management processes.
- ✓ Enhancing the health and wellbeing of our tenants.

40,757 tCO₂e

Operational carbon footprint FY 2022
in tons of carbon emitted

We measured the Group's and the FPAM funds' carbon footprint in FY 2022, focusing on material operational emissions. We created an environmental performance dashboard to monitor and track performance.



Social

We strive to be a good employer, a trusted business partner and a good corporate citizen. We want to make a positive contribution to our local communities.

890 m²

Space donated to accommodate
Ukrainian refugees

Support to Ukrainian Refugees

- ✓ Provided food and shelter in vacant office space at Eximius Park, Krakow.
- ✓ Donated warehouse space at Krasnystaw as a transshipment site for donations to Ukraine.
- ✓ Provided donation collection points at our supermarkets in Poland and collaborated with tenants to provide discounted goods and food to local refugee centres.
- ✓ Provided space to enable a refugee information centre to be established.



Governance

We evolve our governance practices in line with our strategy and business model and the relevant laws and regulations where we operate.

- ✓ We have created a new role to focus on ESG issues and have hired an experienced Sustainability Manager, Ben Kerrison.
- ✓ We have formalised our commitment to ESG and published a Responsible Investment Policy.
- ✓ We strengthened our existing ESG governance structure with the formation of a new ESG Steering Committee.

Sustainability

The Board regularly reviews the effectiveness and relevance of its communications strategy. Given technological advancements and the principles of sustainability, we strongly encourage our shareholders to receive the Annual Reports online from the Company by contacting the Registrar, Link, by visiting www.signalshares.com or by writing to them at Link Group, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL or by emailing them at shareholderenquiries@link.co.uk.

For the year to 31 March 2023, we will not be publishing a hard copy of the Annual Report. The physical publication of such a report is expensive, results in additional carbon emissions and serves no purpose which cannot be fulfilled by an online document. Those shareholders who wish to continue to receive a hard copy by post will receive a print of the online copy.

Our responsible investment targets

To measure and track performance against 6 core responsible investment targets



1. IMPROVE THE ENVIRONMENTAL PERFORMANCE OF OUR BUILDINGS AND REDUCE OPERATIONAL COSTS

- ▶ Create an accurate baseline of energy, water & waste consumption, to enable reduction targets to be set
- ▶ Set building energy, water & waste data collection targets for 2025 by area (landlord & tenant)
- ▶ Set energy reduction targets for 2025 & 2030 (aligned with CRREM & leading Net Zero Carbon frameworks) for buildings in our operational control



2. IMPROVE SUSTAINABILITY STANDARDS WITHIN OUR INVESTMENT AND ASSET MANAGEMENT PROCESSES

- ▶ Switch 85% of UK landlord electricity consumption to green tariffs by 2025
- ▶ Install smart meters (Automated Meter Reading) at 85% of our buildings by 2025
- ▶ Undertake a review of the potential to install Solar PV panels & Electric Vehicle (EV) charging points across our portfolio
- ▶ Set installation targets for Solar PV panels & Electric Vehicle (EV) charging points for 2025
- ▶ Embed green lease clauses in leases wherever possible



3. ENHANCE THE HEALTH AND WELLBEING OF OUR TENANTS

- ▶ Conduct annual tenant forums to identify areas to enhance tenant experiences (via managing agents). Monitor and track improvements



4. CONTRIBUTE TO OUR LOCAL COMMUNITIES

- ▶ Measure our annual social impact from charitable giving, local community events and volunteering using the National TOMs* methodology



5. ENGAGE WITH OUR INVESTORS AND SUPPLY CHAIN PARTNERS ON MATERIAL SUSTAINABILITY ISSUES

- ▶ Complete 100% of investor requested ESG reports
- ▶ Set and report against fund specific ESG metrics in investor reports
- ▶ Submit pilot Fprop Fund to GRESB, an industry wide sustainability benchmark



6. ENSURE ROBUST PROCESSES ARE IN PLACE TO MANAGE MATERIAL LEGISLATIVE, ENVIRONMENTAL AND SOCIAL RISKS AND OPPORTUNITIES

- ▶ Create and maintain a sustainability risk matrix, identifying material risks and implementing mitigation measures where required
- ▶ Update the Employee Handbook to provide support and clarity to employees on internal policies

* The National TOMs (Themes, Objectives, Measures) methodology is a social value standard across the UK. It provides a framework for measuring the value delivered and quantifying the wider value for society.

OPERATING RESPONSIBLY CONTINUED

CARBON FOOTPRINT

Minimising our environmental impact is a core part of the Group's approach to responsible investment. We recognise that in order to reduce the environmental impact of the assets we own and manage, we first need to understand our carbon footprint.

For the first time we are reporting the carbon footprint of the Group and First Property Asset Management Ltd.

Our primary focus is on the most material emissions of our business and the energy consumed for the operation of the buildings we own and manage.

Our aim is to expand our reporting to cover all applicable emissions categories.

Scope 1, 2 & 3 carbon emissions cover the operational energy usage across all the assets we own and manage. Where the Group does not have operational control, energy consumption has been estimated using best practice industry benchmarks.

All consumption data is then converted to carbon using the latest DEFRA & IEA emissions factors for geographies in which we operate and reported in tonnes of carbon dioxide equivalent (tCO₂e).

	Actual & Estimated Carbon Emissions FY 2022		
	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 3 (tCO ₂ e)
OFFICES	413	372	1,317
FUL	–	1	88
SIPS	–	106	6,491
UK PPP	8	6	2,514
SPEC OPPTS	48	76	236
FCL	209	85	425
FOP	499	2,372	13,688
5PT	69	277	767
GCO	–	639	1,244
FPL	264	2,140	832
E&S	–	158	417
FKR	–	588	242
Group	83	3,243	840
Total	1,593	10,063	29,101
Group	83	3,243	840
FPAM	1,510	6,820	28,261
Total	1,593	10,063	29,101

- **Scope 1** – Landlord procured natural gas for heating;
Buildings in our operational control (where not directly sub-metered to tenants)
- **Scope 2** – Landlord procured electricity for heating and power;
Buildings in our operational control (where not directly sub-metered to tenants)
- **Scope 3** – Downstream Leased Assets
Landlord procured electricity & gas – buildings in our operational control (directly sub-metered to tenants)
Tenant procured electricity & gas – buildings out of our operational control

EPRA SUSTAINABILITY REPORT

The data disclosed in the tables below is reported in accordance with the methodology set out in the third edition of the European Public Real Estate Association (EPRA) Sustainability Best Practices Recommendations (sBPR). As per the methodology we have set our organisational boundary using the operational control approach as defined by the Greenhouse Gas (GHG) Protocol. The data covers the 2022 financial year.

FY 2022			
Measure	Assets in operational control	Group	FPAM
Fuels-Abs	Coverage	2 of 2	16 of 17
	Total energy consumption from fuels from occupied buildings	451,180 kWh	7,848,909 kWh
	Total direct fuel consumption for landlord spaces	451,180 kWh	6,969,344 kWh
	Total direct fuel purchased sub-metered to occupiers	–	879,565 kWh
GHG-Direct-Abs	Scope 1 emissions from landlord obtained consumption of fuels	83 tCO ₂ e	1,438 tCO ₂ e
Elec-Abs	Coverage	4 of 4	27 of 28
	Total energy consumption electricity from occupied buildings	5,171,728 kWh	18,322,437 kWh
	Total landlord purchased grid electricity from renewable sources	–	2,904,262 kWh
	Total landlord purchased grid electricity from non-renewable sources	5,171,728 kWh	15,418,175 kWh
	Proportion of grid electricity from renewable sources	0%	16%
	Total grid purchased electricity consumed in landlord (common) area	4,107,835 kWh	10,110,918 kWh
	Total grid purchased electricity sub-metered to occupiers	1,063,892 kWh	8,211,519 kWh
	Grid electricity consumed within head office	17,145 kWh	–
GHG-Indirect-Abs	Scope 2 emissions (location-based) from landlord-obtained consumption of electricity	3,790 tCO ₂ e	12,241 tCO ₂ e
	Scope 2 emissions (market-based) from landlord-obtained consumption of electricity	3,790 tCO ₂ e	11,624 tCO ₂ e
Total Energy-Abs	Coverage	4 of 4	27 of 28
	Total energy consumption from occupied buildings		
	Total building energy (electricity and fuel) consumption	5,622,908 kWh	26,171,346 kWh
	Total building energy sub-metered to occupiers	1,063,892 kWh	9,091,084 kWh
Energy-Int	Coverage	4 of 4	27 of 28
	Building energy intensity of occupied buildings		
	Gross internal floor area (m ²)	77,023 m ²	227,113 m ²
	Building intensity (kWh/m ² /year)	73 kWh/m ² /yr	115 kWh/m ² /yr
GHG-Int	Coverage	4 of 4	27 of 28
	Total carbon intensity of occupied buildings	3,873 tCO ₂ e	13,385 tCO ₂ e
	Gross internal floor area (m ²)	77,023 m ²	227,113 m ²
	Building intensity (tCO ₂ e/m ² /year)	0.05 tCO ₂ e/m ² /yr	0.06 tCO ₂ e/m ² /yr