Balanced Commercial Property Trust Limited

Environmental, Social and Governance Report 2022

COLUMBIA THREADNEEDLE INVESTMENTS

Contents

Common Acronyms

BCPT	Balanced Commercial Property Trust (The Company)
BREEAM	Building Research Establishment Environmental Assessment Method
CRREM	Carbon Risk Real Estate Monitor
CDP	Carbon Disclosure Project
CT REP	Columbia Threadneedle Real Estate Partners (The Manager)
DEFRA	Department for Environment, Food and Rural Affairs
EPC	Energy Performance Certificate
EPRA	European Public Real Estate Association
ESG	Environmental, social and governance
FCCPH	F&C Commercial Property Holdings Limited (a subsidiary of BCPT)
FRI	Full repairing and insuring (lease type)
GAV	Gross Asset Value
GRESB	Global Real Estate Sustainability Benchmark
GRI	Global Reporting Initiative
ISO	International Organisation for Standardisation
MEES	Minimum Energy Efficiency Standards, as enforced by The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (Principal Regulations) as amended by The Energy Efficiency (Private Rented Property) (England and Wales) (Amendment) Regulations 2016.
NLA	Net lettable area
RPI	Responsible Property Investment
sBPR	Sustainability Best Practices Recommendations
SBTI	Science Based Targets Initiative
SCP	SCP Estate Limited (the holding entity for St Christopher's Place Estate and subsidiary of BCPT)
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Task Force on Nature-related Financial Disclosures

Corporate information

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Foreword

Linda Wilding
Chair, ESG Committee

In contrast to the period that followed the global financial crisis of 2008 when support for the sustainability agenda was arguably seen to fade, concern for progressing the ESG agenda shows no sign of abating despite the economic challenges that presented during 2022, and continues to dominate the fiscal backdrop for both individuals and commerce today.

ESG remains a core aspect of the Company's strategy and the focus on carbon and energy efficiency remains at the forefront of the agenda. Building on the net zero carbon commitment published at the start of the year, and through the efforts of the Manager working with independent consultants in a constrained market, the Board is pleased to have individual asset level net-zero carbon assessments across the portfolio. Although energy efficiency and carbon reduction are elements the Company has focussed on for some years, these asset-level assessments allow for a richer level of understanding. The resulting insights enable detailed analysis and modelling to provide the delivery of the carbon ambition. At the same time, the Board is pleased to have received signals from the Science-Based Targets Initiative in terms of the credibility of the Company's carbon approach and methodology and formal accreditation is expected shortly.

Authenticity and transparency remain core to the Company's ESG philosophy. I am pleased to confirm that for the fourth year in succession, the Company received a Gold Award from EPRA for the quality and extent of disclosures made in the Trust's last ESG Report.

The Company continues to maintain a watchful eye on the energy efficiency ratings of its portfolio of assets. Whilst regulatory compliance will drive the improvement of standards as we approach the end of the decade, the likelihood of occupiers becoming more discerning in their choice of space ahead of that timeline remains strong and drives our imperative to position assets accordingly. I am pleased to have seen the overall exposure to higher energy efficiency rated assets increase over the year.

Through its Manager, the Company has established the technical feasibility and likely expenditure required to reposition assets to meet the hardening energy efficiency standards, whilst also looking to collaborate proactively with occupiers to explore aligned interests, appetite and opportunities to deliver actions for mutual benefit.

Whilst our focus this year on carbon and energy efficiency is justifiable given the significant materiality of these aspects, we have nevertheless continued to give attention to other substantive issues such as the concentrated evaluation of renewable energy and solar pv solutions, as well as more fundamental elements such as the retention of Living Wage accreditation and maintenance of formal independent environmental management standards. We continue to be vigilant in anticipation of further emerging areas of ESG interest.

The details of our progress are presented in this Report. Together with my fellow Board directors, we trust they are found to be interesting and informative and we look forward to any feedback from our stakeholders.

April 2023

Introduction

This ESG Report:

- Describes the Company's Environmental, Social & Governance (ESG) strategy and related priorities, including the process for determining these and the progress against them so far.
- Presents key ESG performance data for the reporting year, as well as our targets for future performance.
- Provides an overview of key ESG risks facing the property portfolio and outlines our approach to managing these.

This report adopts the 2017 EPRA Sustainability Best Practice Recommendations Guidelines (sBPR) to inform the scope of its Environmental, Social and Governance indicators against all EPRA sBPR indicators that are material to the Company, (see page 19). ESG data is reported for and aligned to the calendar year ending 31 December 2022.

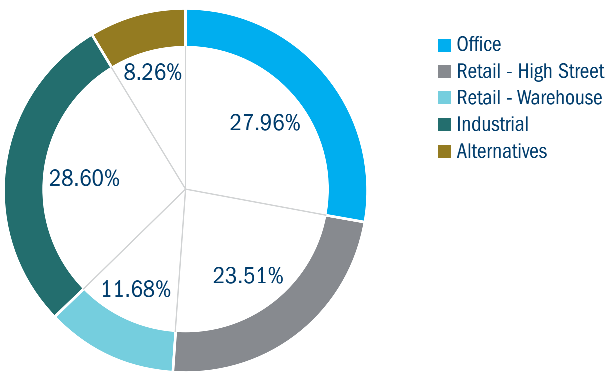
Any reference to "we", "us", "our" or "landlord" throughout the report refers to the Company, being Balanced Commercial Property Trust abbreviated to BCPT. Columbia Threadneedle Real Estate Partners is the Company's Property Manager and is referred to as CT REP or "Manager" throughout.

A full outline of the EPRA sBPR indicators' scope of reporting and materiality is included on page 19.

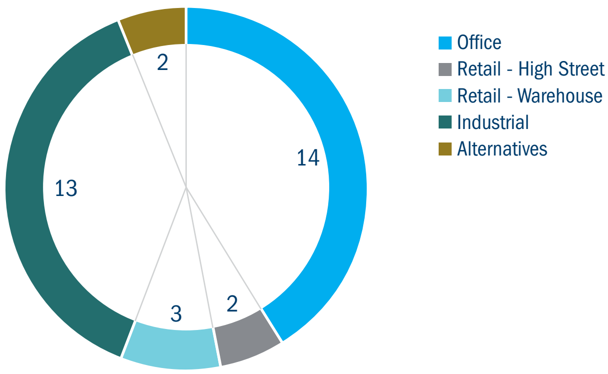
More detailed characteristics of the Company can be found in the 'Company Summary' page 1 of the Annual Report and Accounts 2022 for background on the Company.

Figure 1 – Portfolio Composition as of 31 December 2022

Percentage of portfolio capital value 2022



Property type (number of assets) 2022



Management status (absolute) 2022

	Capital Value (£)	Number of Assets	NLA (sq ft)
Directly managed	£606,800,000	13	1,189,898
Indirectly managed	£485,200,000	21	3,194,667

Management status (percentage) 2022

	Capital Value %	Assets %	NLA %
Directly managed	55.57%	38.24%	27.14%
Indirectly managed	44.43%	61.76%	72.86%

* **Note:** St Christopher's Place Estate in London comprises 40 separate component buildings, however for the purposes of the above table has been considered as a single asset to maintain numerical consistency with the 2022 Annual Report and Accounts.

For this report, we define directly managed assets as those where the Company's Manager is responsible for and obtains operational data in respect of either energy consumption, water consumption or waste management.

Key 2022 Highlights

2040
or sooner

Net Zero Carbon commitment

The Company established individual asset level net-zero carbon assessments across the whole portfolio to support the implementation of its net-zero carbon strategy.

70
100

GRESB performance

Achieved a score of 70 conferring 2 green star status

Gold
award

EPRA sustainability reporting

Gold standard reflecting the level of ESG disclosure and transparency.

CO_2

Carbon emissions

26% reduction in carbon emissions compared to the previous year.

Renewable energy sources

100% of landlord procured energy supplies contracted on green tariffs.

Recycling

100% of waste material under landlord control averted from landfill.

A

GRESB Public Disclosure

'A' rating maintained for transparent public reporting.

£

Social impact:

Maintained formal accreditation from the Living Wage Foundation.

I. ESG Strategy and Priorities

A) Approach to ESG and responsible property investment

During the reporting year 2022, the Company continued to focus on the effective implementation of its ESG strategy as first established in 2017. The strategy can be summarised by the four key pillars below.

1. Leadership & effectiveness

Demonstration of effective governance in relation to ESG criteria.

2. Investment process

Procedures to ensure material ESG factors are central to investment decision-making.

3. Portfolio

Continual monitoring, analysis, attendance to and optimisation of material ESG performance and risk factors.

4. Transparency

Comprehensive reporting on relevant ESG factors.

Driven by responsible property investment principles, and with the support of our specialist ESG adviser Hillbreak, our Manager applies a consistent approach to integrating ESG matters into fund management, asset management, property management, and development, with a particular emphasis on:

- Having a clear understanding of the material issues and priorities for commercial real estate presented by the evolving ESG landscape;
- Identifying and responding to the investment risks and value enhancing opportunities presented by ESG criteria;
- Setting asset-specific targets within an overall context of fund policy, direction and vision;
- Applying the ESG framework across all core business functions, supporting full integration, including by its professional staff having a clear understanding of the interactions between different business functions on relevant ESG matters;
- Routinely considering and integrating ESG factors within regular asset business planning activities; and
- Implementing ESG interventions in a co-ordinated manner.

B) Our ESG Priorities & Progress

Theme	ESG Priority	Current Status	Next Steps
Leadership & effectiveness – measures through which the Company demonstrates effective governance in relation to ESG criteria	**Board diversity** – Meet the Hampton-Alexander recommendation of having at least 33% female representation on our Board by 2020. **Board ethnicity** – Align with the recommendations of the Parker review relating to ethnic diversity of boards.	• The Company recognises the benefits of a diverse Board membership and has exceeded its objective of meeting the Hampton-Alexander recommendations by having 40% female representation. This position aligns with the recommendations of the FTSE Women Leaders Review and the voluntary target set for FTSE350 Boards. • The Board has yet to meet the ethnic background target. These rules are formally in force in respect of the current financial year ending 31 December 2023 and will therefore require to be reported against in the Company's Annual Report to be published in 2024.	• Maintain 40% of female representation across the Board. • The Company will consider the implications of the Parker review.
	ESG Committee – Establish a formal ESG Committee with clear terms of reference and reporting responsibilities to the Board of Directors to ensure appropriate attention is afforded to ESG related matters.	• The Board has agreed to remunerate the Chair of the ESG Committee to reflect the status of this function. • The ESG Committee has continued to operate under its terms of reference and met formally on a regular basis throughout 2022.	• Continue to hold quarterly ESG Committee meetings.
	Benchmarking – Participate in GRESB with the objective thereafter of realising year-on-year improvements in score and peer group ranking.	• The Company submitted to the 2022 GRESB Real Estate survey and obtained a score of 70 conferring 2-star status. This reporting year presented challenges around the capture of real energy consumption data from occupiers. Despite the regular programme of outreach to tenants, a lack of responsiveness was experienced, potentially due to the conflicting priorities of tenants given the prevailing economic climate. • The Company also achieved an 'A' rating in the GRESB Public Disclosure assessment representing the highest level of transparency and disclosure of ESG related information.	• Submit to GRESB in 2023 for the fifth year in succession and achieve a score of at least 3-stars. • Explore opportunities to automate data capture across the portfolio. • Continue to achieve an 'A' rating in the GRESB Public Disclosure assessment.
Investment process – procedures through which the Company integrates ESG into the investment process	**Classification of assets** – Confirm classification of all assets within the Manager's Asset Classification System by analysing EPC ratings and the extent of landlord-procured energy consumption. Implement routine of Asset & Property Management actions according to the classification of each asset and the Manager's corresponding RPI Requirements for Asset Managers and Property Managers.	• Following the completion of the asset classification process in 2017, the manager has continued to keep records up-to-date and under review. A reduced number of 9 is now allocated to the higher materiality tier of the classification system (2021: 10). The number of assets in the second tier has increased to 5 (2021: 4), whilst those in the lower materiality are identical to the previous reporting year (2021: 20). The changes are mainly as a result of lower exposure to poorer rated EPCs at demise level.	• Keep the asset classification process up to date for the following reporting year. • Through its Manager, the Company is currently considering a modification to its classification criteria to reflect asset positioning in the context of overall net zero carbon ambition.

Theme	ESG Priority	Current Status	Next Steps
Investment process – procedures through which the Company integrates ESG into the investment process. *(continued)*	**Asset level ESG appraisals** – Ensure all assets benefit from ESG appraisals. Asset Business Plans to be updated to reflect the findings of the ESG Appraisals. Appraisals to be kept updated on an annual basis.	• RPI Appraisals have been reviewed and updated for all properties in 2022, with a continued focus on the ESG factors that are considered material to investment performance, either because they could suppress rental growth and/or capital appreciation during the hold period, or because they might impact on future liquidity and the realisation of value at the point of exit. The effect of these updated ESG Appraisals on the profile of sustainability characteristics are presented in this 2022 ESG Report.	• Continue to ensure that all assets of the portfolio benefit from regular asset-level ESG appraisal. • Update asset-level ESG appraisals on an annual basis.
	Green lease clauses	• The Company's solicitors are instructed to include a standard suite of green clauses in new lease negotiations.	• Continue to utilise green lease clauses to obtain environmental data from occupiers.
	Refurbishment and development	• All material refurbishment and developments are considered in the context of the Manager's Sustainable Development Brief which documents both minimum requirements and aspirational targets across a range of ESG criteria.	• Continue to adopt the Sustainable Development Framework for relevant schemes and finesse content according to experience and learnings.
	Acquisition ESG appraisals – Undertake ESG Appraisals on 100% of new acquisitions prior to transaction closure, with investment critical findings reported to the Property Investment Committee and relevant findings and improvement recommendations incorporated into the Asset Business Plan.	• No assets were acquired during the reporting year.	• Undertake ESG appraisals for any potential new acquisitions. • Evolve the depth of evaluation to reflect changing regulatory and market drivers.
Portfolio – attendance to material ESG performance and risk factors across the portfolio.	**Exposure to key ESG risks** – Using aggregated data from asset level ESG Appraisals, prepare an annual report to shareholders on the exposure of the portfolio to key ESG risks including those pertaining to energy (including MEES), water, waste, flooding contamination, accessibility and building certification.	• This ESG Report presents detailed performance and risk profile information for the 2022 reporting year.	• The Company will continue to present annual ESG Reports and publish these alongside the annual financial report and accounts.
	Short-term environmental targets – establish year-on-year intensity-based energy, water, and waste reduction targets for landlord services against an appropriate baseline.	• The Company set annual, asset specific, landlord energy reduction targets at an average of 3% across material consuming sites alongside a broader reduction target of 1% per annum for all water usage within directly managed assets, and a target for averting all landlord managed waste from landfill by the end of 2022. Performance against energy, water and waste targets are identified separately below.	• Maintain or increase reduction targets for energy, water, and waste for the following reporting years.

Theme	ESG Priority	Current Status	Next Steps
Portfolio – attendance to material ESG performance and risk factors across the portfolio. *(continued)*	**Energy consumption** – Reduce energy consumption in directly managed assets by 11% in 2022 compared to the 2019 baseline.	• In 2019, absolute energy consumption was reported as 5,325,904 kWh. In 2022, energy decreased by just under 13% to 4,651,489 kWh.	• Target to decrease energy consumption for directly managed assets by 15% in 2023 compared to the 2019 baseline.
	Water consumption – Reduce water consumption in directly managed assets by 1.0% year-on-year on a like-for -like basis.	• 2022 water consumption in the portfolio increased by 24% on a like-for-like basis. Further detail is provided on page 22, however it should be noted that given the relatively low levels of landlord procured water, small increases in volume can appear disproportionately large in percentage terms.	• Maintain target of decreasing water consumption of directly managed assets by 1.0% year-on-year on a like-for -like basis.
	Waste consumption – Eliminate landlord-controlled waste being directed to landfill to any extent by the end of 2020.	• 100% of the waste in 2022 was averted from landfill.	• Maintain target of 0% of landlord-controlled waste being directed to landfill. • Look to apply circular economy principles where possible with a view to reducing the amount of construction waste from refurbishment projects.
	Biodiversity – Establish an approach that can be applied across the portfolio.	• Biodiversity is a material criteria which is currently considered when undertaking refurbishment and development works.	• Develop a strategy that expands the consideration of biodiversity on existing standing assets.
	Occupier wellbeing – Establish a basis for measuring occupier wellbeing and satisfaction across the portfolio and set targets by 2020 for improved performance in this regard.	• A mechanism for undertaking occupier satisfaction surveys was established in 2019 based on a three-yearly programme. The exercise completed in 2022 demonstrated an improvement in Net Promoter Score, an industry benchmark that reflects the likelihood of occupiers positively endorsing their landlords.	• Increase the Net Promoter Score. • The Manager will also evaluate the benefit of using appointed external property managers to undertake occupier surveys more frequently.
Carbon reduction of the portfolio – initiatives through which the Company demonstrates robust commitment to lowering its carbon emissions.	**Carbon emissions** – Deliver year-on-year carbon reductions to landlord-controlled areas on a like-for like-basis.	• Total carbon emissions (kg CO_2e) for the reporting year reduced 26% compared to the previous year.	• Whilst carbon emissions decreased 26% on a like for like basis in the 2022 reporting year, the Company remains cautious in terms of the impacts of occupational trends and building usage following the pandemic. The ambition is to maintain carbon reductions to landlord-controlled areas on a like for like basis by 4.6% annually in line with the Company's wider net-zero carbon strategy.
	Science-based carbon reduction targets – Set a long-term (2030 or beyond) target for energy (and carbon) reduction according to a recognised science-based targets methodology.	• The Company set out its long-term carbon reduction ambition in the form of a shareholder briefing note in December 2019. The Company has since set out and published its net zero carbon pathway in January 2022. During 2022, the Company commissioned and received detailed asset level net zero carbon assessments to support the implementation of its carbon strategy. The Company applied to the Science Based Targets Initiative (SBTI) and has had its ambition independently validated.	• On the completion of administrative formalities, the Company will confirm independent SBTI accreditation of its carbon strategy and ambition.

Theme	ESG Priority	Current Status	Next Steps
Carbon reduction of the portfolio – initiatives through which the Company demonstrates robust commitment to lowering its carbon emissions. *(continued)*	**Net Zero Carbon** – Implement measures at asset level to reach net-zero by 2040 or sooner.	• Asset level Net Zero Carbon assessments undertaken for the whole portfolio.	• The Manager will continue to assimilate the detailed information received from individual asset level net zero carbon assessments and model the costs and timing of mitigation and adaptations implementation strategies in order to provide support and confidence to the realisation of overall net zero carbon ambition.
	EPCs – Complete EPC Plus reports that describe what measures can be undertaken at asset-level to determine ability to improve the EPC rating at each property.	• EPCs are currently in place for all demises. • Instructed third party service provider to produce these reports where appropriate.	• EPC Plus reports to be completed by Q2 2023 to determine technical capability and cost to achieve B and C minimum ratings by their respective legislative compliance dates.
	Solar Photo-voltaic – install solar Photo-voltaic where viable across the portfolio.	• Key target assets identified, and Photo-voltaic feasibility studies completed on a number of assets in the portfolio. • Through our specialist consultant, we have engaged with district network operators to understand potential capacity restrictions to connection.	• Advance Solar Photo-voltaic installations on selected assets. • Continue to engage with occupiers to expand potential number of assets on which to install solar Photo-voltaic.
	Renewable Energy – Have in place 100% renewable electricity supplies for all landlord procured power by the end of 2018.	• During the 2022 reporting year, 100% of landlord procured gas and electricity supplies were contracted on green tariffs.	• Maintain 100% of landlord-procured energy on green contracts.
Transparency – approach to investor reporting and public disclosure on relevant ESG factors	**Sustainable certifications** – Certify selected assets within the portfolio with green building certificates.	• 2.5% and 10.9% of the portfolio is certified BREEAM Excellent and Very Good respectively by NLA.	• Aim to certify an increased number of strategic assets with the BREEAM or other relevant certification.
	Ethics – Prohibit new lease contracts with organisations connected to the production, storage, distribution or use of Controversial Weapons. Monitor the tenant mix of the Company on a regular basis and exercise discretion when considering leasing to organisations involved in other controversial activities and engage regularly with investors on their expectations in this regard.	• The Company continues to monitor its tenant mix as part of the commitment to minimising leasing exposure to organisations connected to the production, storage, distribution, or use of Controversial Weapons. No rental income was attributed to organisations that appear on the exclusions list managed by Columbia Threadneedle Asset Management for the duration of 2022.	• Continue to monitor tenant mix during the following reporting years.

Theme	ESG Priority	Current Status	Next Steps
Transparency – approach to investor reporting and public disclosure on relevant ESG factors *(continued)*	**TCFD** – Include in the Company's Annual Report clear direction to disclosures made in line with recommendations of the Financial Stability Board (FSB) Task Force on Climate-Related Financial Disclosures (TCFD).	• The Company has continued to advance its approach to addressing climate risk across the portfolio and through its investment processes during 2022. • Disclosures aligned to the TCFD recommendations are set out within this Report, along with a statement of actions for 2023 and beyond which are intended to further develop the precision of our analysis of, and response to, climate risks and opportunities.	• Continue to develop and refine the depth of disclosures in line with recommendations and the extent and integrity of supporting data and information.
	TNFD – Consider nature-based factors in our portfolio decision-making to the extent that they support loss of biodiversity and climate related risks and opportunities.	• The Company continues to monitor the developments of the TNFD Reporting Framework. The TNFD's complete recommendations are due to be published in September 2023.	• Develop a portfolio strategy in anticipation of the TNFD's recommendations.
	CDP – Submit the Minimum tier questionnaire of the CDP General Climate module in 2019 and the Full tier from 2020 onwards, whilst investigating the potential to submit across the Water and Supply Chain modules.	• The Company submitted to the full tier of the Climate Change module for the fourth year in succession in August 2022. A rating of C to indicate knowledge of impacts on, and of, climate issues. The current rating is comparable to the global average for CDP.	• Achieve a minimum of a B rating for the 2023 reporting year.
	EPRA sBPR – Align Non-Financial Reporting to the 3rd Edition of the EPRA Sustainability Best Practice Recommendations. Include a summary of performance measures in the 2019 Annual Report, linked to full ESG disclosure on the BCPT website.	• This 2022 ESG Report and the disclosures within it are aligned with the 3rd Edition of the EPRA Sustainability Best Practice Recommendations. Furthermore, the absolute energy, water, waste and emissions data was subject to independent assurance by Lucideon CICS Limited in accordance with ISO 14064-3.	• Continue to align future annual ESG reports with the EPRA Sustainability Best Practice Recommendations and independently assure absolute energy, water, waste, and emissions data.
	Updates to Shareholders – Provide six-monthly dashboard and commentary updates to shareholders on key ESG attributes for the portfolio.	• This ESG Report provides shareholders with an update across the full range of ESG metrics. Thereafter, a summary of notable changes will be presented to shareholders alongside the 2023 Interim Report.	• Maintain the provision of ESG updates to shareholders on a bi-annual basis.

C) Case studies

During the reporting year, a number of opportunities were taken to further the ESG credentials of individual assets during refurbishment as presented in the three case studies below:

Spotlight on 7, Birchin Lane, London EC3

Located in the heart of the City of London, this 22,000 ft^2 mid-rise office benefitted from improved ESG credentials following a £700,000 refurbishment of its 4th and 5th floors.

The works focused on the below aspects, incorporating ESG characteristics:

Enhancing flexibility and adaptability

- The works provided an adaptable plug and play (CAT A+) space that can be changed to suit tenant requirements and provide flexibility for a variety of different space planning options.
- The fit-out retained the existing ceiling and perimeter margins, and where possible, the cleaning up of the existing tiles and grid.
- The existing glazed partitioning that formed meeting rooms was kept providing flexible working spaces and can be adapted in the future to provide different space options.
- The existing parquet floor was retained and refurbished instead of bringing in new materials.

Materials efficiency

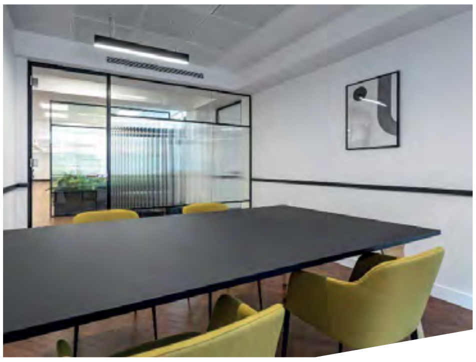
- The scope of refurbishment work demonstrates that at least 20% of the existing structure and fabric components are being retained and re-used.

Sustainable energy systems

- Replacement of chillers and existing fan coil A/C system with new high efficiency VRF installation.
- LED lighting on both floors.
- EPC improvement from D to B achieved.

Waste reduction and management for minimal environmental impacts

- All waste from the works has been removed from site by a waste contractor that recycles on average 98% of the materials.
- All site team utilised public transport, when possible, to attend site. A vast amount of the materials was recycled/refurbished. Utilised UK Suppliers for partitioning, glazing, kitchen, furniture, and space dressing.



Spotlight on Unit 3, Sears Retail Park, Solihull

Significant improvement of ESG credentials following a circa £900,000 refurbishment of this prominent 10,000 ft^2 retail warehouse unit.

Following the former tenant Argos vacating, a new ten year lease of the unit was agreed with Mountain Warehouse, with the landlord engaging closely with the new occupier over the design and implementation of refurbishment works.

Having obtained planning approval, building works were commenced and completed following a four month programme. Key features of the scheme included:

- Complete strip out of previous occupiers fixtures and fittings followed by extensive repairs
- New and improved shop frontage delivering prominence and sympathy for adjoining designs.
- Remedial works to roof, overcoating and associated gutter repairs

Characterised by close collaboration with the new occupier over design and fit-out details, the following interventions were made:

- Removal of gas supply to support move away from reliance on fossil fuels
- Better and future-proofed energy efficiency credentials reflected through the improved EPC rating from previous D-84 to B-18

Spotlight on 2 Mason Road, Colchester

Located in this historic market town and part of a well-established industrial estate, this unit extending to 18,000 ft^2 was subject to circa £1m modernisation works delivering significant ESG enhancements.

- Asbestos cement sheet roof was removed and replaced with profile metal sheet roof with non-combustible insulation. Approximately 10% of the roof has GRP roof lights to enhance natural lighting.
- The removal of the gas supply renders the building as fossil fuel free.
- Windows, doors, roller shutters were all replaced with modern energy efficient equivalents.
- Gutters were replaced to provide 30% betterment in capacity to accommodate more intense storm like conditions seen as more prevalent as a consequence of climate change.
- Energy efficient VRF system was introduced to the office space.
- Photo-voltaic panels were installed on the roof to deliver renewable energy supply to the unit.
- All lighting was replaced with new energy efficient LED lighting.
- From an existing G rating, delivered a future-proofed B-rated EPC to remove the otherwise existential risk associated with a below minimum standard efficiency rating.

II. ESG Performance

A high-level summary of ESG performance for the period ending 31 December 2022 is provided below. A detailed analysis of the data is included in the Environmental Indicators section on page 20 and is presented in accordance with the European Public Real Estate Association's (EPRA) sustainability Best Practice Recommendations (sBPR).

A) Environmental Data Methodology

1) Reporting period

Sustainability data in this report covers the period 1st January 2022 to 31st December 2022.

2) Organisational boundary and data coverage

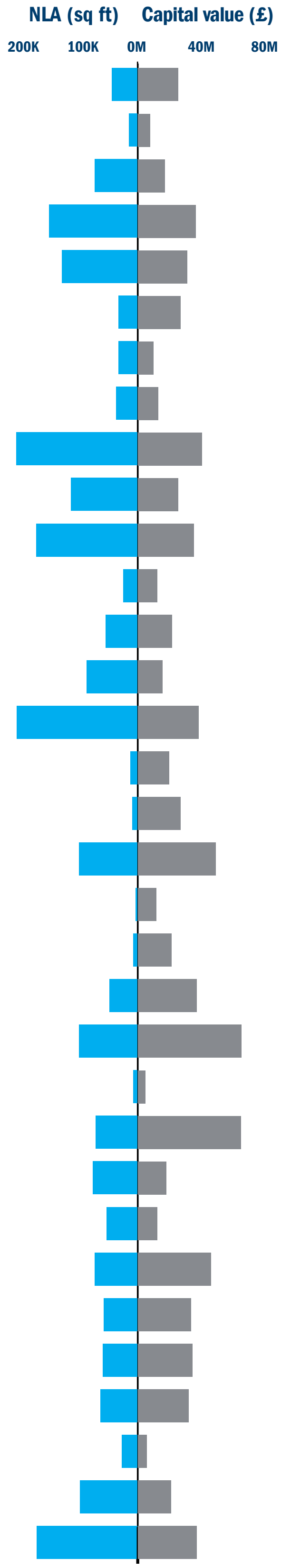
The Company had an overall investment in real estate of £1.09 billion as at 31st December 2022. Where there is a landlord-obtained supply of water, electricity and/or natural gas, analysis of the respective data on water and energy consumption has been included in this report. Our Manager also arranges for waste collection and disposal at fifty-one properties, equating to 70% of the whole portfolio by property number.

Landlord-procured utilities may be consumed either in shared spaces, by occupiers in their leased demises, or across the whole of a multi-occupied building. Properties where a full repairing and insuring (FRI) lease is in place are outside the scope of this ESG Report, as the respective occupiers are responsible for property management, including the procurement of utility supplies.

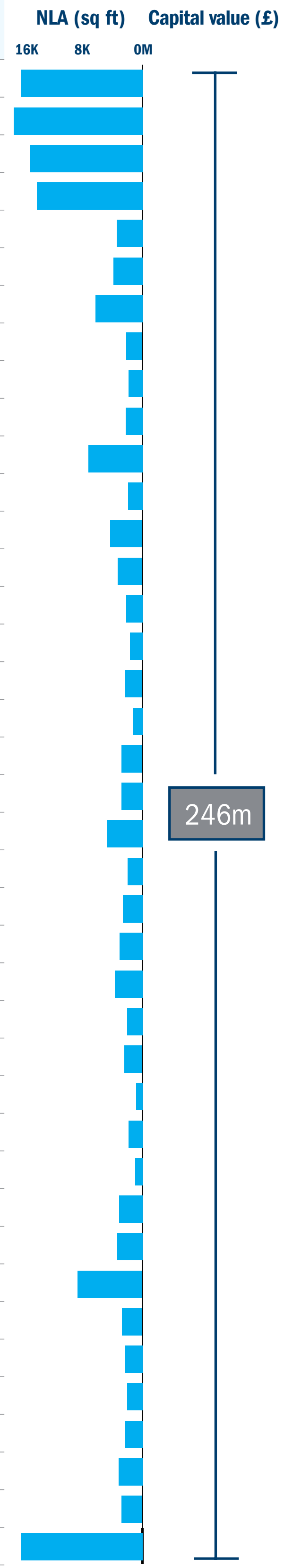
Thus, the organisational boundary used for the environmental data in this report is based upon operational control. The precise scope of the ESG Performance Data held for each asset is listed in Table 1a. St Christopher's Place is formed of a number of component buildings of which only several have landlord controlled energy and water utilities. The scope and coverage for each of these component elements is provided for transparency. For the reporting year, 41 assets, representing 56% by number, have energy consumption data available, 22 buildings, representing 30% by number, have water data available whilst 51 properties, representing 70% by number have waste data available. 'Other data' refers to data displayed in the ESG Risk Profile section page 30, such as EPC profiles or flood risks.

Table 1a: ESG Data Coverage by Asset

Subsidiary	Property Name	ESG data (energy & GHG)	ESG data (water)	ESG data (waste)	ESG data (other)
FCCPH	Aberdeen, Unit 3 Prime Four Business Park	Out of scope	Out of scope	Out of scope	Included
	Aberdeen, Unit 4 Prime Four Business Park	Out of scope	Out of scope	Out of scope	Included
	Birmingham, Unit 6A Hams Hall Distribution Pk	Out of scope	Out of scope	Out of scope	Included
	Birmingham, Unit 8 Hams Hall Distribution Pk	Out of scope	Out of scope	Out of scope	Included
	Birmingham, Unit10a Hams Hall Distribution Pk	Out of scope	Out of scope	Out of scope	Included
	Bristol, One Cathedral Square, Trinity Street	Yes	Yes	Yes	Included
	Camberley, Affinity Point, Glebeland Road	Out of scope	Out of scope	Out of scope	Included
	Camberley, Parkview, Watchmoor Park	Yes	Yes	Yes	Included
	Chorley, Wolseley RDC, Revolution Park	Out of scope	Out of scope	Out of scope	Included
	Colchester, The Cowdray Centre, Cowdray Ave.	Yes	Out of scope	Yes	Included
	Daventry, Site E4, DIRFT	Out of scope	Out of scope	Out of scope	Included
	Edinburgh, Nevis/Ness Hses,11/12 Lochside Pl	Out of scope	Out of scope	Out of scope	Included
	Glasgow, Alhambra House, Waterloo Street.	Yes	Yes	Yes	Included
	Liverpool, Estuary Business Park	Out of scope	Out of scope	Out of scope	Included
	Liverpool, Unit 1, G. Park, Portal Way	Out of scope	Out of scope	Out of scope	Included
	London EC3, 7 Birchin Lane	Yes	Yes	Yes	Included
	London SW1, 2/4 King Street	Yes	Yes	Yes	Included
	London SW19, Wimbledon Broadway	Yes	Yes	Yes	Included
	London W1, 16 Conduit Street	Yes	Out of scope	Out of scope	Included
	London W1, 17A Curzon Street	Yes	Yes	Yes	Included
	Manchester, 82 King Street	Yes	Yes	Yes	Included
	Newbury, Newbury Retail Park	Yes	Out of scope	Yes	Included
	Solihull, Oakenshaw Road	Out of scope	Out of scope	Out of scope	Included
	Solihull, Sears Retail Park, Marshall Lake Rd	Yes	Out of scope	Yes	Included
	Southampton, Upper Northam Road, Hedge End	Out of scope	Out of scope	Out of scope	Included
	Uxbridge, 3 The Square, Stockley Park	Out of scope	Out of scope	Out of scope	Included
Winchester Burma	Winchester, Student Accommodation, Burma Road	Out of scope	Out of scope	Out of scope	Included
Prime Four	Aberdeen, Unit 1 Prime Four Business Park	Out of scope	Out of scope	Out of scope	Included
	Aberdeen, Unit 2 Prime Four Business Park	Out of scope	Out of scope	Out of scope	Included
Leonardo Crawley	Crawley, The Leonardo Building, Manor Royal	Out of scope	Out of scope	Out of scope	Included
	Liverpool, Units 2 & 4, Estuary Business Park	Out of scope	Out of scope	Out of scope	Included
	Burton on Trent, Quintus at Branston Locks	Out of scope	Out of scope	Out of scope	Included
	Markham Vale, Orion One & Two	Out of scope	Out of scope	Out of scope	Included



Subsidiary	Property Name	ESG data (energy & GHG)	ESG data (water)	ESG data (waste)	ESG data (other)
SCP	London W1, 372/374 Oxford Street	Yes	Out of scope	Yes	Included
	London W1, Greengarden House	Yes	Out of scope	Yes	Included
	London W1, 23 – 32 St Christopher's Place	Yes	Out of scope	Yes	Included
	London W1, 3-5 Barrett Street	Yes	Out of scope	Yes	Included
	London W1, 2 Barrett Street	Yes	Out of scope	Yes	Included
	London W1, 1-5 St Christopher's Place	Out of scope	Out of scope	Yes	Included
	London W1, 6-8 St Christopher's Place	Yes	Yes	Yes	Included
	London W1, 9 St Christopher's Place	Yes	Yes	Yes	Included
	London W1, 10 St Christopher's Place	Out of scope	Out of scope	Yes	Included
	London W1, 11 St Christopher's Place	Out of scope	Out of scope	Yes	Included
	London W1, 12-14 St Christopher's Place	Yes	Out of scope	Yes	Included
	London W1, 26 James Street	Out of scope	Out of scope	Yes	Included
	London W1, 28/30 James Street	Yes	Out of scope	Yes	Included
	London W1, 32 James Street	Yes	Out of scope	Yes	Included
	London W1, 34 James Street	Yes	Yes	Yes	Included
	London W1, 36 James Street	Yes	Yes	Yes	Included
	London W1, 38 James Street	Yes	Yes	Yes	Included
	London W1, 40 James Street	Yes	Yes	Yes	Included
	London W1, 42 James Street	Yes	Yes	Yes	Included
	London W1, 44 James Street	Out of scope	Out of scope	Yes	Included
	London W1, 46/48 James Street	Yes	Yes	Yes	Included
	London W1, 50 James Street	Out of scope	Out of scope	Yes	Included
	London W1, 54 James Street	Yes	Yes	Yes	Included
	London W1, 56 James Street	Yes	Yes	Yes	Included
	London W1, 21 Barrett Street	Out of scope	Out of scope	Yes	Included
	London W1, 22 Barrett Street	Yes	Out of scope	Yes	Included
	London W1, 23 Barrett Street	Yes	Yes	Yes	Included
	London W1, 7 Gees Court	Out of scope	Out of scope	Yes	Included
	London W1, 8 Gees Court	Out of scope	Out of scope	Yes	Included
	London W1, 9 Gees Court	Out of scope	Out of scope	Yes	Included
	London W1, 10 Gees Court	Yes	Yes	Yes	Included
	London W1, 11/12 Gees Court	Yes	Out of scope	Yes	Included
	London W1, 10/12 James Street	Yes	Out of scope	Yes	Included
	London W1, 14 James Street	Yes	Yes	Yes	Included
	London W1, 20 James Street	Yes	Out of scope	Yes	Included
	London W1, 24 James Street	Out of scope	Out of scope	Yes	Included
	London W1, 67 Wigmore Street	Yes	Yes	Yes	Included
	London W1, 69 Wigmore Street	Yes	Out of scope	Yes	Included
	London W1, 1 Barrett Street	Yes	Out of scope	Yes	Included
	London W1, 71/73/75 & 77 Wigmore Street	Yes	Out of scope	Yes	Included



For each asset within the organisational boundary, the table above highlights the data coverage against each ESG data attribute.

Exceptions are as follows:

- Where an occupier within one of these properties procures their own energy separate to the building supply for shared spaces; these scenarios are considered the same terms as FRI tenants and data was not obtained due to unavailability of such data for the reporting year.
- Water data was not gathered where procurement of water is under the responsibility of the occupier. The net-lettable area (NLA) of assets within the organisational boundary where the landlord gathers water data represents approximately 13% of the Company's total NLA.
- Waste data was not gathered from the portfolio where responsibility for waste removal rests with the occupier. Within the organisational boundary, assets having waste data collected by the landlord represents approximately 27% by NLA.

Table 1.b: Coverage of data

Coverage of In Scope Data	Industrial	Offices	Retail – High Street	Retail – Warehouse	Alternative
Elec-Abs	100%	100%	100%	100%	100%
Elec-Lfl	100%	100%	100%	100%	100%
Fuel-Abs	100%	100%	100%	100%	100%
Fuel-Lfl	100%	100%	97%	100%	100%
Energy-Int	100%	100%	100%	100%	100%
GHG-Dir-Abs	100%	100%	100%	100%	100%
GHG-Indir-Abs	100%	100%	100%	100%	100%
GHG-Int	100%	100%	100%	100%	100%
Water-Abs	0%	100%	34%	0%	100%
Water-Lfl	0%	88%	100%	0%	100%
Water-Int	0%	100%	34%	0%	100%
Waste-Abs	100%	100%	100%	100%	100%
Waste-Lfl	100%	100%	100%	100%	100%
Cert-Tot	100%	100%	100%	100%	100%

3) Estimates

The proportions of estimates used for portfolio energy, water and waste by asset class are shown in the table below. Estimates were calculated by pro-rating available data to missing periods.

The proportions of estimates were based on both the floor area and the time interval for which data was estimated.

Table 2: Estimation of data

	2022				2021			
Estimation of Data	Electricity	Gas	Water	Waste	Electricity	Gas	Water	Waste
Industrial	0.0%	0.0%	N/A	0.0%	4.1%	N/A	N/A	0.0%
Offices	13.0%	0.0%	7.2%	67.3%	1.4%	0.0%	0.3%	24.5%
Retail (inc. SCP)	7.3%	0.0%	61.0%	100.0%	11.1%	17.0%	35.2%	100.0%
Retail Warehouses	0.0%	0.0%	N/A	100.0%	0.0%	N/A	N/A	0.0%
Alternative	0.0%	0.0%	49.6%	100.0%	0.0%	N/A	16.2%	100.0%

* Zero percent means no data is estimated for landlord procured utility, whereas N/A means there is no landlord utility on which to capture data.

4) Conversion Factors

Emissions were calculated in kg CO_2 equivalent using the DEFRA GHG Conversion Factor Guidelines for 2021 and 2022. The conversion factors from DEFRA for 2021 and 2022 are presented in the following table.

Table 3: DEFRA conversion factors (kg CO_2 e per kWh)

	2021	2022
Electricity	0.21233	0.19338
Natural Gas	0.18316	0.18254

* Where the conversion factor used is for gross calorific value as opposed to net.

Normalisation

Intensities (for energy, emissions and water) have been calculated per square metre of space for each individual property, normalising the data for comparability to other properties. As a general rule, all properties have been normalised using a denominator based on net lettable area (NLA).

Exceptions to this are as follows:

- Assets for which the landlord does not procure energy for the whole building
- Assets for which there is no indoor energy procured by the landlord

In the first scenario the common parts area (CPA) was used as the denominator; CPA is considered to be a more appropriate basis for relating landlord consumption to the areas served, and, as a result, a more meaningful measure of efficiency. These were estimated using an estimate of 5% of building NLA. For energy provided to outdoor areas this was estimated from floor plans in the case of outdoor walkways, but where the energy supply is to car park lighting, the number of car parking spaces multiplied by $25m^2$ (per BBP REEB recommendation) was used. It should be noted that while the intensities were normalised for floor area, there was no normalisation carried out for degree days. This is when heating data is corrected according to weather patterns. The Company intends to correct for degree days in future reports.

Renewable energy

Since October 2018, where the Company is responsible for procurement of energy, it has secured renewable electricity on any change in electricity contract. Since October 2020, this has extended to gas supply contracts.

Auditing and assurance

Appendix 1 on page 37 provides details on third-party assurance in accordance with ISO 14064-3.

B) Materiality

The Manager undertook a review of materiality against each of the EPRA sBPR indicators. Table 4 below indicates the outcome of the review.

Table 4: Review of materiality

EPRA sBPR code	Code meaning	Table number	GRI Standard and CRESD indicator code	Outcome of the review
Elec-Abs (4.1)	Total electricity consumption	5	302-1	Material
Elec-LfL (4.2)	Like-for-like total electricity consumption	5	302-1	Material
DH&C-Abs (4.3)	Total district heating and cooling consumption	Excluded	302-1	Not material – none of the Company's assets are connected to district energy supplies
DH&C-Lfl (4.4)	Like-for-like total district heating and cooling consumption	Excluded	302-1	Not material – none of the Company's assets are connected to district energy supplies
Fuel-Abs (4.5)	Total fuel consumption	5	302-1	Material
Fuels-LfL (4.6)	Like-for-like total fuel consumption	5	302-1	Material
Energy-Int (4.7)	Building energy intensity	5	CRE1	Material
GHG-Dir-Abs (4.8)	Total direct greenhouse gas emissions	6	305-1	Material
GHG-Indir-Abs (4.9)	Total indirect greenhouse gas emissions	6	305-2	Material
GHG-Int (4.10)	Greenhouse gas emissions intensity from building energy consumption	6	CRE3	Material
Water-Abs (4.11)	Total water consumption	7	303-1	Material
Water-LfL (4.12)	Like-for-like total water consumption	7	303-1	Material
Water-Int (4.13)	Building water intensity	7	CRE2	Material
Waste-Abs (4.14)	Total weight of waste by disposal route	8	306-2	Material
Waste-Lfl (4.15)	Like-for-like total weight of waste by disposal route	8	306-2	Material
Cert-Tot (4.16)	Type and number of sustainably certified assets	10	CRE8	Material
Diversity-Emp (5.1)	Employee gender diversity	11	405-1	Material
Diversity-Pay (5.2)	Gender pay ratio	11	405-2	Material
Emp-Training (5.3)	Training and development	N/A	404-1	Not material – the Company does not have employees
Emp-Dev (5.4)	Employee performance appraisals	N/A	404-3	Not material – the Company does not have employees
Emp-Turnover (5.5)	Employee turnover and retention	N/A	401-1	Not material – the Company does not have employees
H&S- Emp (5.6)	Employee health and safety	N/A	403-2	Not material – the Company does not have employees
H&S-Asset (5.7)	Asset health and safety assessments	Page 25	416-1	Material
H&S-Comp (5.8)	Asset health and safety compliance	Page 25	416-2	Material
Comty-Eng (5.9)	Community engagement, impact assessments and development programmes	Pages 25-26	413-1	Material
Gov-Board (6.1)	Composition of the highest governance body	13	102-22	Material
Gov-Select (6.2)	Nominating and selecting the highest governance body	12	102-24	Material
Gov-Col (6.3)	Process for managing conflicts of interest	12	102-25	Material

1) Environmental Indicators

A) Energy

Our Manager has engaged the services of Envizi, a third-party environmental data management platform provider, to host and report energy, water and waste data on those assets the Company owns and where these services are, in part or entirely, under Company control. The figures presented in this section show the outcome of the Manager's analysis of this data and include properties for which there has been some Company responsibility during the reporting period from transient utility supplies, typically those associated with vacant demised premises. The output covers the energy consumption (absolute) and intensities (energy use by respective area) of relevant assets.

The prior and current year absolute energy figures and subsequent emissions were verified by an independent external party, Lucideon. The conclusion of the verification can be found in Appendix 1. EPRA sBPR codes DH&C-Abs and DH&C-LfL are excluded as no district heating and cooling is provided within the portfolio.

Natural gas consumption has gone down 8% and total energy intensity of the portfolio has increased by 9%. Natural gas has decreased mainly on account of the sale of the office Cassini House during Q3 2021, which was one of the biggest consumers of natural gas. Energy intensity increased by 9% mainly reflecting additional electricity demand as a consequence of a number of significant refurbishment schemes at the Cowdray Centre in Colchester.

Table 5: BCPT Energy Consumption

Measure (units)	EPRA Code		Industrial	Offices	Retail (inc. SCP)	Retail Warehouse	Alternative	Grand Total
Electricity Consumption (kWh) With proportion of landlord procured electricity from renewable sources	**Elec-Abs**	2022	13,130	3,944,728	466,941	46,302	180,387	4,651,489
		2021	1,127	4,036,576	564,405	43,104	207,763	4,852,976
		2022	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
		2021	*20%*	*100%*	*88%*	*100%*	*100%*	*99%*
Change in Electricity Consumption (kWh/%)	**Elec-LfL**	2022	13,130	3,944,728	466,941	46,302	180,387	4,651,489
		2021	225	3,776,570	564,405	43,104	207,763	4,592,067
		%	5747.02%	4.45%	-17.27%	7.42%	-13.18%	1.29%
			↑	↑	↓	↑	↓	↑
Natural Gas Usage (kWh) With proportion of landlord procured natural gas from renewable sources	**Fuel-Abs**	2022	N/A	3,237,852	73,850	N/A	N/A	3,311,702
		2021	N/A	3,947,367	66,493	N/A	N/A	4,013,860
		2022	N/A	*100%*	*100%*	N/A	N/A	*100%*
		2021	N/A	*60%*	*13%*	N/A	N/A	*59%*
Change in Natural Gas Consumption (kWh/%)	**Fuel-LfL**	2022	N/A	3,237,852	73,850	N/A	N/A	3,311,702
		2021	N/A	3,543,217	63,352	N/A	N/A	3,606,569
		%	N/A	-8.62%	16.57%	N/A	N/A	-8.18%
			N/A	↓	↑	N/A	N/A	↓
Energy Intensity (kWhe/m² NLA)	**Energy-Int**	2022	2.7	117.8	87.8	3.1	328.0	110.0
		2021	0.2	146.4	138.4	2.9	377.8	100.7
Change in Energy Intensity (%)			1064.90%	-19.54%	-36.53%	7.42%	-13.18%	9.20%
			↑	↓	↓	↑	↓	↑

* N/A means that the landlord has no exposure to the particular utility and the associated measure in that specific sector.

	Current year 2022	Prior year 2021	% Change	
Like-for-like Electricity Usage (kWh)	4,651,489	4,592,067	1%	↑
Like-for-like Fuel Usage (kWh)	3,311,702	3,606,569	-8%	↓
Energy intensity (kWhe/m²)	110.0	100.7	9%	↑

B) Emissions

Data collected from properties where there is Company-procured energy was used to calculate emissions, reported here on a located-based methodology as kilograms of carbon dioxide equivalent (kg CO_2e).

The following tables report on:

- Scope 1 emissions – resulting from the burning of natural gas in a boiler on site and any refrigerant leakages that may have occurred from the air-conditioning systems.
- Scope 2 emissions – resulting from the acquisition and use of electricity from the National Grid.
- Scope 3 emissions – associated with the Company's assets where it is not directly buying energy, e.g., emissions from occupier procured energy, are not reported here. Scope 3 emissions from the procurement of landlord water and waste services are reported in their respective sections below.

The following tables report on the emissions from relevant Company assets:

Table 6: BCPT Emissions

Measure (units)	EPRA Code		Industrial	Offices	Retail (inc. SCP)	Retail Warehouses	Alternative	Grand Total
Emissions from Scope 1 Usage (kg CO_2e)	**GHG-Dir-Abs**	2022	N/A	591,038	13,480	N/A	N/A	604,518
		2021	N/A	992,545	12,179	N/A	N/A	1,004,724
Change in Emissions from Scope 1 Usage (%)			N/A	-40%	11%	N/A	N/A	-40%
			N/A	↓	↑	N/A	N/A	↓
Emissions from Scope 2 Usage (kg CO_2e)	**GHG-Indir-Abs**	2022	2,539	762,832	90,297	8,954	34,883	899,505
		2021	239	857,086	119,840	9,152	44,114	1,030,432
Change in Emissions from Scope 2 Usage (%)			961%	-11%	-25%	-2%	-21%	-13%
			↑	↓	↓	↓	↓	↓
Emissions Intensity for Scope 1 and 2 (kg CO_2e/m^2 NLA)	**GHG-Int**	2022	0.52	40.4	19.5	0.6	63.4	27.7
		2021	0.05	48.2	30.9	0.6	80.2	31.7
Change in Emissions Intensity from Scope 1 & 2 Usage (%)			961%	-16%	-37%	-2%	-21%	-13%
			↑	↓	↓	↓	↓	↓
Emissions from Scope 3 Transmission & Distribution Losses (kg CO_2e)		2022						82,285
		2021						91,187

* N/A means that the landlord has no exposure to the particular utility and the associated measure in that specific sector.

	Current year 2022	Prior year 2021	% Change	
Total carbon emissions (kg CO_2e)	1,504,023	2,035,156	-26%	↓
Emissions intensity for Scope 1 and 2 (kg CO_2e/m^2)	28	31.7	-13%	↓
Total Scope 1 emissions from natural gas (kg CO_2e)	604,518	735,179	-18%	↓
Total Scope 1 emissions from generators (kg CO_2e)	N/A	193	N/A	
Total Scope 1 emissions from refrigerant leaks (kg CO_2e)	N/A	269,352	N/A	
Total Scope 2 (location-based) emissions (kg CO_2e)	899,505	1,030,432	-13%	↓
Total Scope 2 (market-based) emissions (kg CO_2e)	2,247	14,506	-85%	↓

Overall, total emissions have gone down 26% across the portfolio. Scope 1 emissions of offices have decreased 40% from the past year. This is mainly on account of the sale of Cassini House, which was one of the more significant gas consumers in the portfolio. Scope 2 emissions from industrial assets saw a disproportionate increase of 961% compared to the previous year, principally on account of landlord's supply electricity being made available for use by the contractor during the refurbishment of two units at the Cowdray Centre, Colchester.

C) Water

The following tables report on the water consumption and intensities of the fund's assets. These are determined from the Manager's analysis of data from invoices and meter readings where there is Company-procured supply. All such consumption is from municipal water supplies (there is no water usage from other sources within the managed portfolio). The absolute water figures for 2021-22 were independently verified by Lucideon. The verification statement can be found in Appendix 1.

Consumption has gone up 24% across the portfolio on a like-for-like basis, with much of this attributable to Wimbledon Broadway in London, however variances in consumption are disproportionate given the low levels of landlord consumption.

Table 7: BCPT Water Consumption

Measure (units)	EPRA Code		Industrial	Offices	Retail	Retail Warehouse	Alternative	Grand Total
Water consumption (m^3)	Water-Abs	2022	N/A	17,106	2,076	N/A	105	19,288
		2021	N/A	17,708	2,159	N/A	99	19,966
Change in water consumption (m^3)	Water-Lfl	2022	N/A	16,392	2,076	N/A	105	18,574
		2021	N/A	13,315	1,683	N/A	99	14,998
		%	N/A	23%	23%	N/A	6%	24%
			N/A	↑	↑	N/A	↑	↑
Water Intensity (m^3/m^2 NLA)	Water-Int	2022	N/A	0.43	1.07	N/A	0.19	0.46
		2021	N/A	0.45	1.11	N/A	0.18	0.47
Change in water intensity (%)			N/A	-3%	-4%	N/A	6%	-3%
			N/A	↓	↓	N/A	↑	↓

		Industrial	Offices	Retail	Retail Warehouse	Alternative	Grand Total
Scope 3 Emissions from Water Consumption (kg CO_2e)	2022	N/A	7,202	874	N/A	44	8,120
	2021	N/A	7,455	909	N/A	42	8,406

D) Waste

In 2018, the Company set and achieved an ambition of zero waste to landfill by the end of 2020. Since then, collection of waste data has become more sophisticated to include the output and destination of hazardous and non-hazardous waste from relevant sites. Some estimates are still used for small waste streams, such as with feminine waste, but data coverage is at 100% of managed sites where waste is in Company control. These waste streams are controlled by site management policies and procedures which align with and confer ISO 14001 accreditation. This accreditation validates safe and responsible management and removal of waste from site.

The following table shows the breakdown of waste by destination, with percentage figures in blue indicating the proportion of the waste that was hazardous. The waste figures were also independently verified by Lucideon. The verification statement for the current year can be found in Appendix 1.

Table 8: BCPT Waste Production

Measure (units)	EPRA Code			Industrial (t)	% hazardous waste	Offices (t)	% hazardous waste	Retail – High Street (t)	% hazardous waste	Retail Warehouse (t)	% hazardous waste	Alternative (t)	% hazardous waste	Grand Total
Total weight of waste by disposal route (tonnes) and proportion relating to hazardous waste (%)	Waste-Abs	Recycling	2022	10.34	100%	24.33	27%	1.31	0%	2.74	100%	–	–	38.73
			2021	10.34	100%	17.95	10%	0.11	0%	2.74	100%	–	–	31.14
		Materials Recycling Facility	2022	–	–	15.82	0%	–	–	–	–	–	–	15.82
			2021	–	–	14.73	0%	–	–	–	–	–	–	14.73
		Incineration without energy recovery	2022	–	–	13.34	0%	1.43	0%	–	–	–	–	13.34
			2021	–	–	0.34	0%	1.20	0%	–	–	0.05	0%	1.54
		Incineration with energy recovery	2022	–	–	29.78	0%	–	–	–	–	–	–	29.78
			2021	–	–	28.46	0%	0.17	0%	–	–	–	–	28.63
		Landfill	2022	–	–	–		–	–	–	–	–	–	0.00
			2021	–	–	–		–	–	–	–	–	–	0.00
Change in weight of waste by disposal route (tonnes)	Waste-Lfl	Recycling	2022	10.34		19.62		1.31		2.74		–		34
			2021	10.34		17.95		0.11		2.74		–		31
		Materials Recycling Facility	2022	–		15.82		–		–		–		16
			2021	–		14.73		–		–		–		15
		Incineration without energy recovery	2022	–		13.34		1.43		–		–		15
			2021	–		0.34		1.20		–		–		2
		Incineration with energy recovery	2022	–		29.78		–		–		–		30
			2021	–		28.46		0.17		–		–		29
		Landfill	2022	–		–		–		–		–		0
			2021	–		–		–		–		–		0
Total weight of waste (tonnes)			2022	10		83		3		3		0		99
			2021	10		61		1		3		0		76

Scope 3 Emissions from Waste Management (kg CO_2e)	2022						2,109
	2021						1,620

E) Disclosure on occupational offices

The Company's Manager operates from leased offices at 7, Seymour Street, London. Unaudited head office data for energy, emissions and water can be found below, aligned with the EPRA reporting guidelines. Our Manager will endeavour to extend this reporting to include waste, pending sufficient data shared by the building's external managing agent.

Table 9: Head office environmental performance

Measure (units)	EPRA Code		Head Office
Electricity consumption (kWh)	Elec-Abs	2022	88,980
		2021	92,734
With proportion of estimated data		2022	*0%*
		2021	*0%*
With proportion of electricity from renewable sources		2022	*100%*
		2021	*100%*
Natural gas consumption (kWh)	Fuel-Abs/Fuel-Lfl	2022	45,407
		2021	58,040
With proportion of estimated data		2022	*0%*
		2021	*0%*
Energy intensity (kWhe/m²)	Energy-Int	2022	203.7
		2021	220.4
Change in energy intensity (%)			-8% ↓
Emissions from Scope 1 usage (kg CO_2e)	GHG-Dir-Abs	2022	8,289
		2021	10,631
Change in emissions from scope 1 usage (%)			-22% ↓
Emissions from scope 2 usage (kg CO_2e)	GHG-Indir-Abs	2022	17,207
		2021	19,690
Change in Emissions from scope 2 usage (%)			-13% ↓
Emissions intensity for scope 1 and 2 (kg CO_2e/m^2)	GHG-Int	2022	48.5
		2021	57.6
Change in emissions intensity from scope 1 & 2 usage (%)			-16% ↓
Water consumption (m^3)	Water-Abs	2022	84
		2021	76
With proportion of estimated data		2022	*0%*
		2021	*100%*
Water intensity (m^3/m^2)	Water-Int	2022	0.16
		2021	0.14
Change in water intensity (%)			11% ↑

F) Type and number of certified sustainable assets

The following table presents the percentage of certified assets by net lettable area (NLA) in the portfolio at the end of the reporting year, including energy performance certificates (EPCs) and Building Research Establishment Environmental Assessment Method (BREEAM) certifications.

Table 10: Type and number of certified assets

EPRA code: Cert-tot	% of standing properties certificate exists for		Ratings summary	
Company	EPC	BREEAM	EPC	BREEAM Rating (& scheme version)
Cert-tot	100%	14%	90% E rating or higher	6 "Very Good" and 1 "Excellent"

2) Social Indicators

A) Scope

The Company has no direct employees, however, through its Manager takes a responsible approach to corporate citizenship, both through engagement with industry and corporate stakeholders, and through the positive impact it seeks to generate in the communities around its managed assets.

B) Gender Equality

With no direct employees, the following table discloses gender equality data as it applies to the Company's board.

Table 11: EPRA sBPR for reporting on gender equality

EPRA CODE	Social Performance Measure	Company Response
Diversity-Emp	Percentage of male and female employees in the Company's governance body.	There are three women on the board, Isobel Sharp, Trudi Clark and Linda Wilding, representing 50% of the Board.
Diversity-Pay	Ratio of remuneration of men to women (gender pay ratio).	The remuneration of Trudi Clark, Isobel Sharp and Linda Wilding were 84.6% (89% in 2021 when there was two female directors on the Board) of that of the average salary of men on the Board. Roles and remuneration details can be found in the 2022 Annual Report & Accounts.

C) Health and Safety

The Manager ensures that where it has operational control all legal obligations connected with maintaining safe and secure premises are met through robust management procedures. This includes, but is not necessarily restricted to, undertaking regular reviews of health and safety status and performance, undertaking fire risk assessments, and maintaining robust procedures for the control of water hygiene.

With regards to the EPRA sBPR guidelines on health and safety assessments (H&S-Asset), of the 13 assets that have any degree of direct management control – including a small number of sites which are de minimis in terms of the extent of responsibility.

- 100% undergo regular review in respect of health and safety controls and performance.
- 100% undergo fire risk assessments.
- 25% of directly managed assets undergo a water hygiene assessment, including assessment of potable water management and risk of legionella.

In terms of asset Health & Safety compliance (H&S-Comp), there were no breaches of compliance with legislation in the reporting period for assets owned by the fund.

D) Community Engagement

EPRA sBPR guidelines suggest reporting the proportion of assets under management that have implemented community engagement, impact assessments and development programmes (Comty-Eng). When opportunities arise, as might with forward funded or development schemes, the Manager actively looks to exert influence in terms of engagement and liaison with local communities and stakeholders. To that effect, the Company undertook a pilot occupier satisfaction survey in 2019 with the support of customer experience consultancy, RealService.

The pilot sought to gauge feedback from occupiers located solely within directly managed assets where the Company engaged an external managing agent or other such party to take responsibility for certain management activities, typically including arrangements for cleaning, security, waste removal, and other such facilities requirements. The outcomes of the pilot were broadly positive with local manager responsiveness being a notable success, but with attention to wider communication channels being the principal area for improvement. A Net Promoter Score (NPS), reflecting the likelihood of an occupier recommending the Company as a landlord, was determined from the small sample of 15 occupiers involved, and set a baseline against which the Manager could measure subsequent improvement and performance against benchmark.

In 2021, driven by its ambition to understand and respond to stakeholder expectation, and in line with its intention to replicate the exercise on a three yearly cycle, the Company expanded the pilot exercise to cover full roll-out across the portfolio. All commercial occupiers were given the opportunity to provide feedback through an email survey, and a sample of 35 occupiers across sectors provided in-depth feedback via telephone interviews. The NPS saw an encouraging improvement outperforming the benchmark index by some 48%, based on a increased sample size of 40 occupiers. The underlying details will be considered by the Company to determine appropriate responses and next steps for the coming years.

3) Governance Indicators

The Company has a strong governance structure that ensures its activities are undertaken in the best interests of the Trust. Its robust operating procedures and policies ensure the risks associated with illegal practices such as bribery and corruption are managed appropriately and in line with relevant legislation. The Company's board nomination (Gov-Select) and conflict management (Gov-Col) processes are discussed in detail in the 2022 Annual Report and Consolidated Accounts. References to the relevant section in the Annual Report are shown in Table 12 and Table 13 below, or where reference cannot be made, an explanation of whether conflicts of interest are disclosed to stakeholders has been provided.

Table 12: EPRA sBPR for reporting on governance performance measures

EPRA Code	Reference
Gov-Select	Corporate governance statement – page 35
Gov-Col: Cross-board membership	Corporate governance statement – page 35
Gov-Col: cross shareholding with suppliers and other stakeholders	Corporate governance statement – page 35
Gov-Col: existence of controlling shareholders	Director's Report – page 31
Gov-Col: related party disclosure	Note to the accounts – note 16 p.66

Table 13: EPRA sBPR for reporting on composition of the highest governance body

Gov-Board	Number
Number of executive board members	0
Number of independent non-executive board members	6
Average tenure on the governance body	4.2 years
Number of independent non-executive board members with competencies relating to environmental and social topics	0

4) TCFD Disclosures

Since 2018 our annual ESG report has included disclosures on how the Company is addressing climate-related risks and opportunities. These disclosures are aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) set up by the Financial Stability Board (FSB).

The Company considers physical climate-related risks, such as those related to increased occurrence of extreme weather events, as well as transitional risks, being those that emanate from the move to a low-carbon economy.

The following disclosures provide investors and other interested parties with an insight into the current arrangements and statement of intended actions for 2022 and beyond.

The Company's approach to climate-related risks and opportunities is also set out in its 2022 Annual Report on pages 7-8 whilst further detail can be found in the Company's CDP (formerly Carbon Disclosure Project) 2022 response at www.cdp.net/en/responses. The Company published its net zero carbon strategy in January 2022.

Recommended disclosure	Current arrangements	Planned activity
Governance		
Board's oversight of climate-related risks and opportunities	The Manager's ESG Team provides regular progress reports to the Fund Manager who, in turn, formally updates the Board on salient matters at quarterly Board Meetings. Additionally, the Board's ESG Committee convenes formally at least three times a year to review ESG activity in more detail. Less formal discussions between the Board's ESG Chair and the Manager's ESG Tem occur on a monthly basis. Progress on ESG matters, including on climate change, figure in the Company's Annual Report and the aligned ESG Report, both of which are reviewed and signed-off by the Board in discussion with the Manager.	The Board will continue to receive regular updates and act across the full range of material ESG factors to which the Company is attending, including climate change.
Management's role in assessing and managing climate-related risks and opportunities	As part of its ESG programme, the Manager is responsible for ensuring that climate-related risks and opportunities are integrated into operational processes and asset management decisions making recommendations to the Board on appropriate objectives and targets and arranging for the implementation of measures necessary to fulfil these.	The Board's ESG Committee will continue to meet regularly to receive formal progress updates, informed and supported by continuing monthly discussions
Strategy		
Climate-related risks and opportunities the organisation has identified over the short, medium and long-term	The two principal forms of climate-related risk pertinent to the Company are from the potential exposure of its portfolio to the physical effects of climate change and from the growing regulatory and market demands associated with the transition to a low-carbon economy. **Short-term:** the key risks arise from changes to levels of flood risk and from the restrictions on property transactions associated with building energy performance regulations in England & Wales and, in Scotland. Risk profile changes are confirmed at least annually and documented in each annual ESG Report. **Medium-term:** work has been completed to understand the extent of the measures that would need to be implemented by 2031 across the portfolio to ensure that energy and carbon reduction levels are in line with the Paris Agreement on climate change. Taking account of reasonable assumptions for grid decarbonisation and future turnover in the portfolio, we have ascertained that annual energy reduction needs to be of the order of 3%. The completed analysis of the exposure of the portfolio to physical climate risks in the short, medium, and longer terms has been incorporated into individual asset business plans and will contribute to wider considerations around strategies to exploit opportunities and mitigate risk.	Further work is required to identify any other risks and opportunities associated with the transition to a low carbon economy. During 2023, the Manager will be instructing consultants to undertake such an assessment.

Recommended disclosure	Current arrangements	Planned activity
Impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	To date, the level of short-term risk facing the portfolio from physical climate risks has not been deemed to have a substantive financial or strategic impact; most assets face low or negligible flood risk, whilst insurance cover, contingency planning and property management arrangements are considered adequate in this current context. We continue to monitor changes in the extent of asset and portfolio-level flood risk on an annual basis. More detailed analyses are undertaken for those limited number of assets at which the level of risk is high. Our Strategy and asset business planning has evolved to take account of transition risks associated with energy performance ratings and consumption. This has been explained in detail in this report, and in the relevant ESG Commitments described in the Annual Report and Accounts. Moreover, building on the publication of its net zero strategy, the Company undertook individual building assessments to understand the technical feasibility and associated costs of potential interventions to develop individual property action plans in the context of regular asset business planning activities.	The Company currently aims to complement its completed physical climate scenario modelling by exploring appropriate criteria, approaches and methodologies for evaluating transitional climate risk and potential impacts on the portfolio. The Company will reflect on the need to adjust its asset classification methodology in the context of positioning assets relative to the Company's net zero carbon commitment for the year 2023.
Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	A scenario-based analysis of physical climate risks together with an assessment of the resilience of the Company's strategy has determined that the portfolio is well positioned to mitigate short- and medium-term risks associated with overheating and cooling demands, storm damage, soil shrinkage and heightened flood perils.	Building on its completed physical risk analysis, the Company is currently looking at expanding its climate considerations towards transitional risk.
Risk Management		
Organisation's processes for identifying and assessing climate-related risks	Climate risks are integrated into multi-disciplinary company-wide risk identification, assessment, and management processes and are considered at each key stage of the property investment process, including: • Enhanced due diligence assessments when looking at potential real estate acquisitions, including consideration of multiple flood risk factors, energy efficiency, metering and ratings. • Climate adaptation and mitigation criteria are explored and integrated into refurbishment specifications • Regular (annual) reappraisal of the ESG (including climate-related) characteristics of assets held by the Company, including reclassifying assets according to changes in their energy risk profile in order to determine the frequency and extent of asset management routines and interventions.	We are currently working on enhancing our acquisition due diligence approach to take fuller account of longer-term climate risk factors, including: • Sensitivity to potential changes in the cost and availability of insurance cover. • Potential effects of physical climate risks including in relation to overheating and cooling demand, storm damage, soil shrinkage and heightened flood risk. This will inform the ongoing advancement of our approach to investment decision-making.
Organisation's processes for managing climate-related risks	Responsibility for managing climate-related risks across the portfolio rests with the Manager, using the intelligence gained from enhanced due diligence and annual reappraisal of climate characteristics at the individual asset level. Core risk management features of our asset and property management procedures for all assets are: • Incorporating appropriate actions to mitigate climate-related risks and capture related opportunities into Asset Business Plans. • Safeguarding the transition and physical risk resilience credentials of a property when negotiating leases and considering applications for alterations, especially in relation to energy performance ratings. • Targeting optimal performance and resilience outcomes when undertaking development or refurbishment work.	We continue to refine specific climate-related considerations into our investment criteria for acquisitions, hold/sell and CapEx decisions.
How processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Ownership and management of all risks, including climate-related risks, is the responsibility of the Manager, who in reporting to the Board, is responsible for ensuring the operating effectiveness of the internal control systems.	We will continue to deliver briefing and training sessions to our asset, property, and project managers so they are aware of risks and opportunities and recommended actions for improving the resilience of individual assets.

Recommended disclosure	Current arrangements	Planned activity
Metrics & Targets		
Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	**Financial category: Expenditures (Energy/Fuel):** • Total electricity consumption (kWh) • Like-for-like total electricity consumption (kWh/%) • Total fuel consumption (kWh) • Like-for-like total fuel consumption (kWh/%) • Building energy intensity (kWh/m² NLA) **Financial category: Expenditures (GHG emissions):** • Emissions from Scope 1 consumption (kg CO² e) • Change in emissions from Scope 1 consumption (%) • Emissions from Scope 2 consumption (kg CO² e) • Change in emissions from Scope 2 consumption (%) • Emissions intensity for Scope 1 & 2 (kg CO² e/m² NLA) • Change in emissions intensity from Scope 1 & 2 consumption (%) **Financial category: Expenditures (Water):** • Water consumption (m³) • Change in water consumption (m³/%) • Water intensity (m³/m² NLA) · Change in water intensity (%) **Financial category: Assets (Location):** • Flood risk distribution of portfolio for fluvial flooding, pluvial flooding, groundwater flood risk (% capital value, # assets) • Historic flooding (% capital value, # assets) **Financial category: Assets (Risk Adaptation & Mitigation):** • Proportion of assets that are BREEAM rated (% NLA) • Distribution of EPC ratings (% rental value, % NLA) • Number of assets in which HVAC systems use HCFC coolants (# assets)	During 2023, we expect to refine the suite of metrics we use to monitor our exposure to climate risk and opportunity, particularly as a result of the scenario analysis of physical and transitional risks. This may include the addition of Risk Adaptation and Mitigation Metrics pertaining to revenues and expenditures.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Disclosed in full on pages 20 to 24 of this report, with independent statement of verification of greenhouse gas emissions in Appendix 1 by Lucideon.	Disclosed annually in the Annual Report & Accounts from 2022.
Targets used by the organisation to manage climate-related risks and opportunities and performance against targets	**Short-term:** • We have established annual targets to reduce landlord energy consumption on a like-for-like basis by an average of 3% across the portfolio. • In parallel, we established a target of having renewable electricity supplies for all landlord-procured power by the end of 2018. This was achieved as planned. **Medium-term:** • We worked with Verco Advisory to set our target for reducing the energy intensity of the portfolio by 20% per square metre by 2031, against a 2016 baseline, for landlord-procured energy. These targets go beyond what might have been determined by the market, as the Company would have achieved with no intervention because of forecasted decarbonisation of the grid. Using the location-based method the Company's science-based targets will therefore be based on energy-consumption rather than emissions-production. **Long-term:** • We worked with Cundall to establish the Company's 2019 carbon emissions and use as a baseline for developing a net zero carbon ambition, strategy and pathway in line with real estate industry developed expectation. The Company has set its net zero carbon target as 2040 or sooner. The Company worked with Carbon Intelligence to obtain detailed asset level assessments and enable the formulation of net zero carbon pathways for individual property assets, in line with its recently published net zero carbon strategy.	During 2023, the Company will continue to model and refine its Net-Zero Carbon pathway based on its asset-level assessments. The Company has engaged with the SBTI and obtained validation of its long-term climate strategy and net zero ambition. On conclusion of final administrative requirements, the Company aims to publish confirmation of alignment with science based methodologies.

III. ESG Risk Profile

The ESG Risk Profile described in this section presents key data collated by our Manager as part of its ongoing process of appraising all held assets using its ESG appraisal system. It provides a picture of the key ESG characteristics of the portfolio at 31 December 2022 with respect to issues such as environmental management, flood risk, energy performance and contamination.

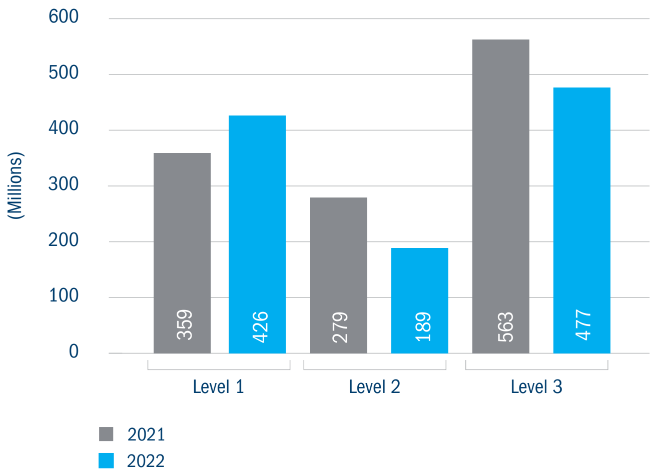
A) Asset Classifications

The Company believes it important to approach ESG matters proportionately in the context of each asset's impact and the degree to which we have management control. This is particularly the case for energy, in relation to which both regulatory and performance-related risks to value can materialise. The Company operates a classification system to enable resources to be directed at those assets for which the risks and potential enhancement opportunities are likely to be greatest.

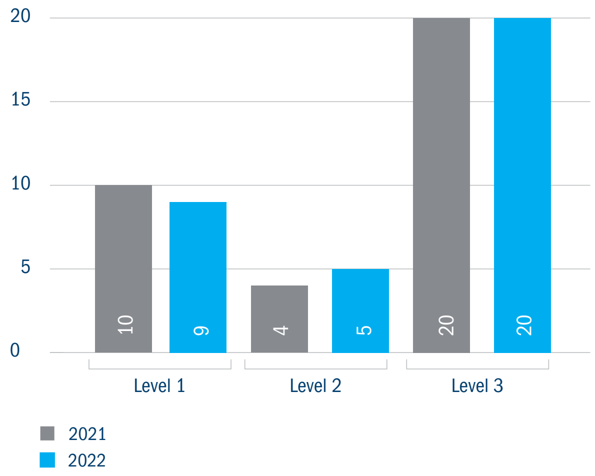
The classification of an asset determines the frequency and extent to which its ESG characteristics and performance are monitored within the asset and property management process. The Company has in place clear procedural guidelines to assist asset and property managers in this regard.

Figure 2: Asset classification

Capital Value (£m) 2021-2022



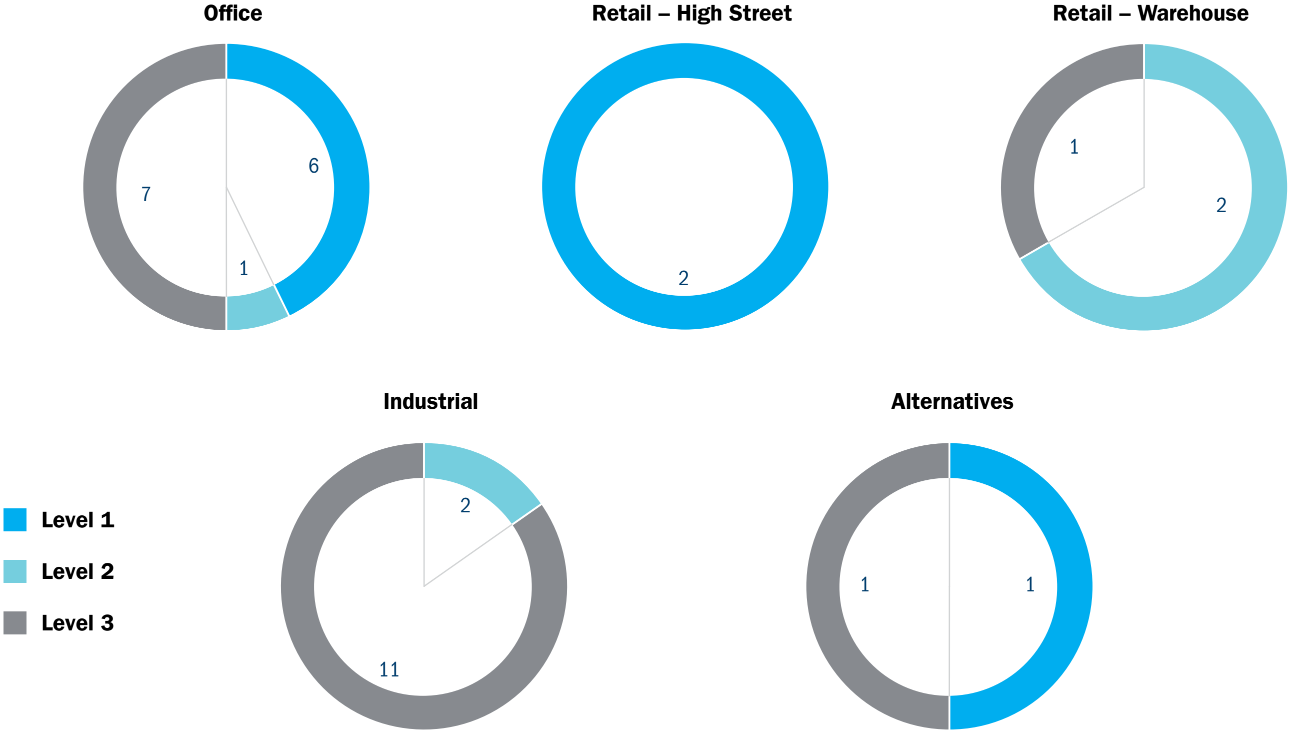
Number of assets 2021-2022



Asset Classification (Priority)	Energy Rating		Energy Spend
Level 1	EPC Rating of F or G	and/or	Total annual landlord energy spend ≥£50,000
Level 2	EPC Rating of E	and/or	Total annual landlord energy spend >£0 and <£50,000
Level 3	EPC Rating of A+ to D	and	No landlord energy spend (typically FRI assets)

* **Note:** St Christopher's Place Estate in London comprises 40 separate component buildings, however for the purposes of the above table has been considered as a single asset to maintain numerical consistency with the 2022 Annual Report and Accounts.

Figure 2 (continued): Asset Classification by Property type



B) Flood Risk

The exposure of the portfolio to the principal sources of flood risk is shown in the Flood Risk charts below. This shows that, taking account of flood defences, the majority of the portfolio is at negligible or low risk of flooding from rivers or seas, with 3.9% of capital value at high risk of flooding from this source. Approximately 1.85% of capital value is deemed to be at high risk from groundwater flooding, principally confined to a number of office and high street retail assets.

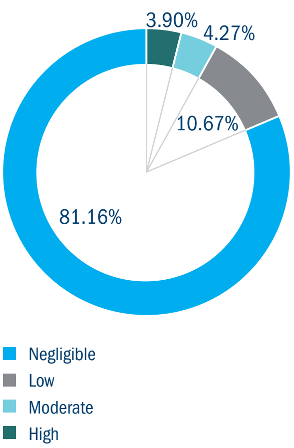
Surface water flood risk is more significant, commensurate with the urban context of the majority of the assets that we hold. Nevertheless, over 70% of capital value is found to be at negligible or low risk.

The principal elements of our approach to managing flood risk include:

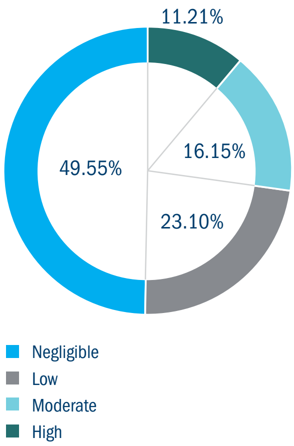
- Undertaking regular flood risk assessments of all held assets to keep our overview of portfolio risk exposure under regular review;
- Undertaking flood risk assessments, including an assessment of repairing obligations within lease terms, at the pre-acquisition stage for all assets in which we consider investing and taking account of any material issues in investment decisions and subsequent asset business planning;
- Ensuring that we have adequate insurance cover in place;
- In areas of higher risk, maintain a watching brief on insurance premiums and planning decisions for development work, including in relation to change of use decisions which may be pertinent to future asset strategy;
- For assets subject to higher levels of direct risk, review asset files, including purchase reports, to ensure that detailed flood risk information is held by the Company;
- For directly managed assets in areas of high and moderate indirect risk, prepare operational contingency plans so that anticipatory and responsive measures can be put in place effectively to deal with local disruption, and ensure that tenants are engaged in this process;
- Engage with our occupiers in those assets that are not directly managed but to which higher levels of risk apply, to ensure that they can be prepared for a possible future flood event; and
- Ensuring that flood resilience is a feature of our approach to sustainable development and refurbishment.

Figure 3: Flood Risk Comparison

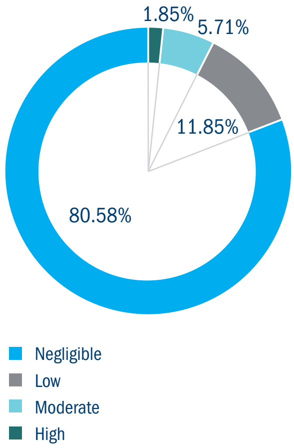
Fluvial flood risk as a proportion of total capital value



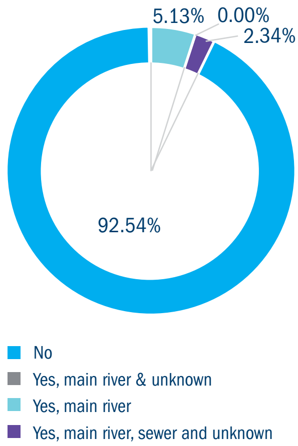
Surface water risk as a proportion of total capital value



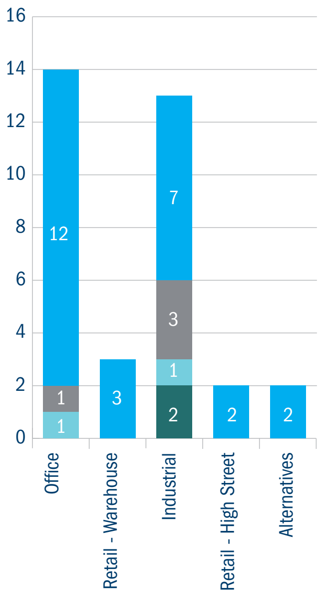
Groundwater flood risk as a proportion of total capital value



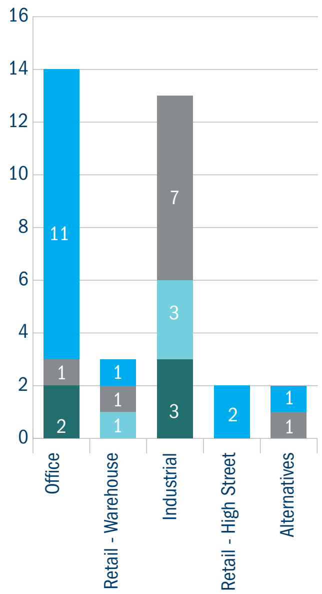
Distribution of historic flood incidents in relation to capital value



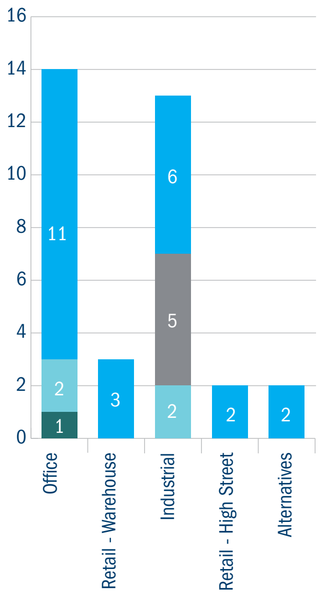
Fluvial risk by sector



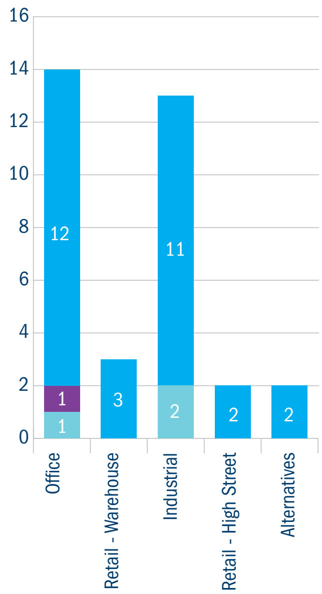
Surface water risk by sector



Groundwater risk by sector



Historic flooding by sector



Risk definitions

Fluvial & tidal (defended) flood extents

- High [>3.3% event]
- Moderate [between 3.3% & 1%]
- Low [between 1% and 0.1%]
- Negligible [<0.1%]

Risk definitions

Pluvial (surface water) flood extent

- High [>1% event, where flood depths >1m]
- Moderate [>1% event, where flood depths between 40cm to 1m]
- Low [>1% event, where flood depths between 20cm to 40cm]
- Negligible [>1% event, where flood depths <20cm]

Risk definitions

Groundwater flood extent

- High
- Moderate
- Low [>1% likelihood]
- Negligible [<1% likelihood]

C) EPC Ratings

The charts below and overleaf provide a summary profile of Energy Performance Certificate (EPC) ratings for the portfolio. The majority of assets across the UK, in terms of both rental value and floor area, benefit from higher EPC ratings indicating a good level of modelled energy performance.

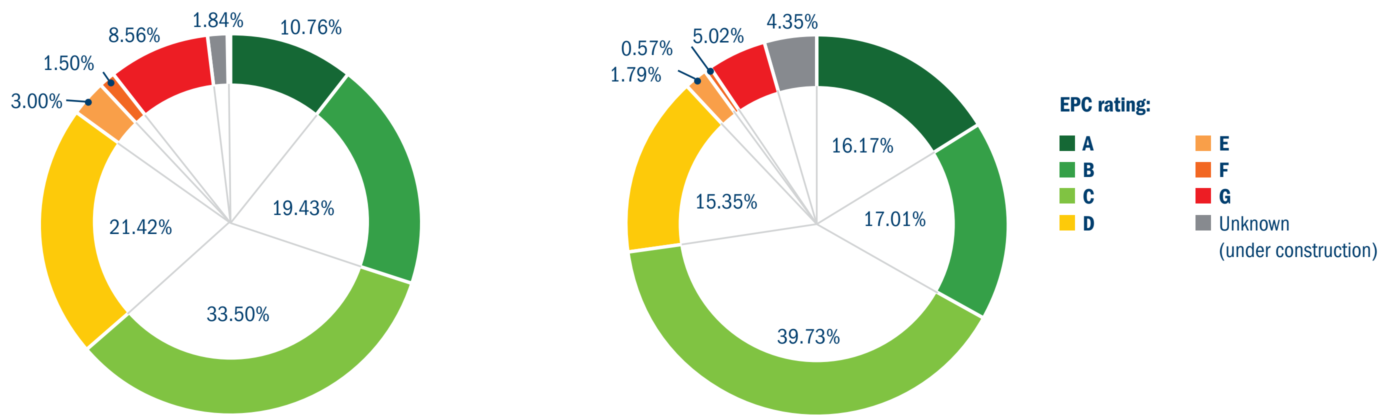
At the end of the reporting year, the Company had exposure to F & G rated demises of 8.71% by rental value and 5.03% by total floor area, with all such assets located in England. A significant proportion of this exposure is vested in a single asset in Stockley Park Uxbridge where the strategic plan for re-letting will address energy efficiency aspects. The remaining demises are of relatively small size, mostly located in central London and vacant pending market refurbishment works which will incorporate energy efficiency improvements.

The Company continues to monitor the evolving landscape around energy efficiency in buildings through its Manager's involvement with the Better Buildings Partnership and is cognisant of the UK Government's ambition to harden the minimum performance threshold to a B rating by 2030.

Figure 4: EPC Ratings

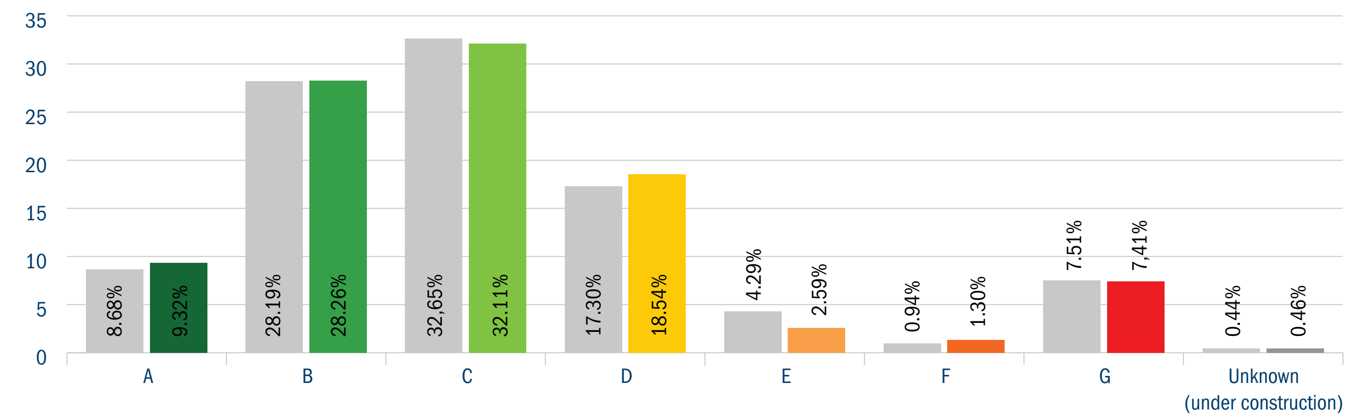
EPC ratings by rental value – England & Wales only – 2022

EPC ratings by NLA – England & Wales only – 2022



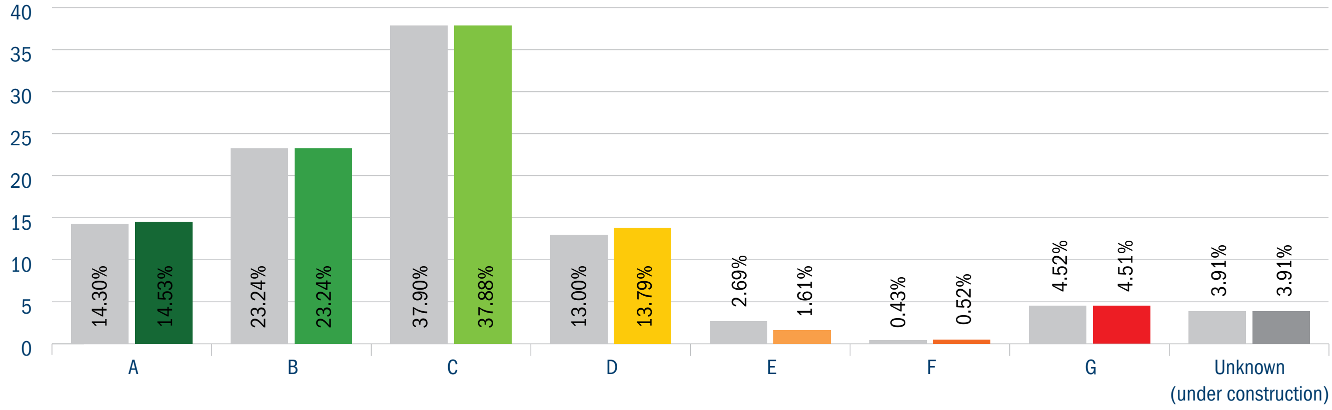
2022 EPC ratings distribution by rental value with corresponding 2021 percentages in grey

Whole portfolio – including assets in Scotland



2022 EPC ratings distribution by net lettable area with corresponding 2021 percentages in grey

Whole portfolio – including assets in Scotland



During 2022, 22 replacement EPCs were obtained; 3 of these followed refurbishments at St Christopher's Place. The rest of the replacements were of certificates that expired during the year. Of these, 96% maintained the same or improved ratings.

The Manager has in place a comprehensive policy and strategy for managing the risks associated with MEES, with particular emphasis on ensuring that the Company has:

- comprehensive records that are kept up-to-date to ensure clear visibility on related risks;
- obtains high-quality EPC assessments from best-in-class providers so that the ratings are accurate and the information supporting them useful for managing performance;
- good visibility on energy performance risk when acquiring assets and when preparing for and executing lease transactions;
- robust processes in place to ensure that EPC ratings are optimised through development, refurbishment and routine property management activities;
- comprehensive information to support sales when we choose to bring properties to the market. With these measures in place, the Company can ensure that it takes timely and cost-effective action to address energy ratings ahead of a legislative restriction on transactions, and that it future-proofs assets to future regulatory change and standards, in the interests of delivering occupational benefits for our customers and sustainable returns for our shareholders in the long-term.

D) Other RPI risk metrics

The profile of the portfolio with reference to a range of additional ESG attributes is shown in Figure 5. This indicates that the exposure of the Company's assets to various environmental risk criteria is limited, whilst other metrics convey the extent to which certain management actions have been fulfilled.

Current contamination risk

Taking account of the underlying regulatory regime and frameworks, land contamination risk is qualitatively categorised as being either low, low-moderate, moderate or high. The majority (73%) of the portfolio is at low risk of contamination in terms of capital value, whilst the reminder is at the modestly elevated level of moderate-low risk. The industrial holding at Colchester is placed in this low-medium category. The current redevelopment of one of the larger units has identified the presence of underground asbestos contamination which is currently in the process of being remediated. Contamination is an 'investment critical' criteria within our ESG Appraisal process when considering potential acquisitions. FRI assets over which the Company has no direct management control benefit from an annual inspection by the Manager, whilst directly managed assets have the benefit of our Environmental Management System, certified to the ISO 14001 standard, of which the prevention and management of contamination is part.

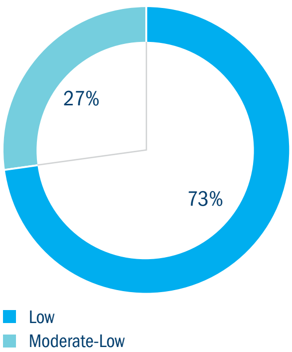
HCFC coolants

Currently, five office assets within the managed portfolio have air-conditioning equipment that utilises a hydrochlorofluorocarbon (type R-410A and R407C) coolant which is subject to the European F-Gas Regulations for the phasing out of ozone depleting substances.

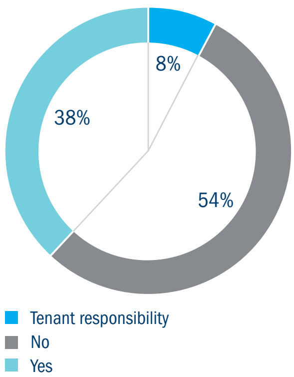
The Manager continues to monitor for effective maintenance of equipment using HCFC refrigerants to mitigate leakage risk ahead of plant replacement cycles.

Figure 5: Other Risk Metrics

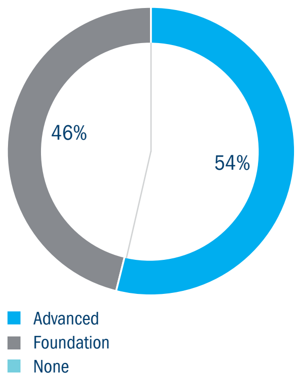
Current contamination risk
Distribution of risk ratings as a proportion of capital value



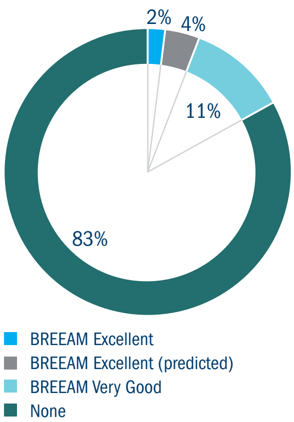
HCFC coolants
No. of directly managed assets in which HVAC systems using HCFC's are present



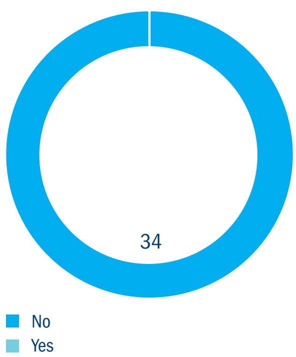
Building manager ESG training
Directly managed assets for which Building Managers have received ESG training



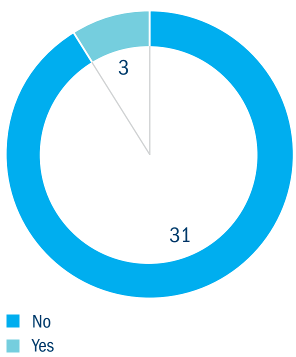
Green building certification
Distribution of green building ratings with reference to Net Lettable Area



Statutory wildlife designations
Assets to which statutory nature conservation designations apply



Acquifer protection zones
No. of assets which are situated in Acquifer/Groundwater Protection Zones



Groundwater Source Protection Zones

Consistent with the position last year, two properties – Newbury Retail Park and G Park, Portal Way, Liverpool (Logistics) – fall within Groundwater Source Protection Zones. These are designated zones around public water supply abstractions and other sensitive receptors that signal there are particular risks to the groundwater source they protect. We ensure that pollution prevention measures are kept under close attention in these areas of elevated risk. Quintus at Branston Lock, Burton-upon-Trent, currently under development, also sits within a groundwater source protection zone.

Statutory wildlife designations

None of the Company's assets are affected by statutory wildlife designations.

Building Manager ESG Training

Building managers at material directly managed sites were provided with training on ESG during the year, with a focus on data management systems. Note: St Christopher's Place Estate in London comprises 40 separate component buildings, however for the purposes of the above table has been considered as a single asset to maintain numerical consistency with the 2022 Annual Report and Accounts.

Green Building Certification

Including the property at Quintus at Branston Lock, Burton-on-Trent which received a predicted 'Excellent' rating, eight properties have attained a BREEAM rating, all of which pertain to new construction or major refurbishment projects. Collectively, these account for around 17% of the total Net Lettable Area of the portfolio. Formal BREEAM accreditations account for seven assets and compose 14% of the portfolio.

Environmental Management System

An Environmental Management Systems (EMS) accredited to the ISO 14001 standard and covering energy, water, waste and the control of hazardous substances has been established by CT REP and applies to all directly managed assets with the exception of properties considered to be de minimis in terms of the landlord's environmental impact.

Appendix 1: Third-Party Assurance in accordance with ISO 14064-3

Verification of Balanced Commercial Property Trust Limited's 2022 Greenhouse Gas Emissions

Lucideon CICS Limited was contracted to undertake the actions necessary to provide limited assurance in verification of GHG emissions reported in the "Environmental, Social and Governance Report 2022" for the period 1 January 2022 to 31 December 2022. The verification was carried out against the requirements of the CDP based on ISO14064-3.

Organisational Boundary

The boundaries for the corporate wide emission inventory were developed on the basis of operational control. As a real estate business, the scenarios for operational control may vary from building to building therefore further explanation on how this has been handled can be found in the Inventory Management procedure. In summary, only energy, water and waste that is directly the responsibility of the fund is included, anything that is a tenant responsibility is outside of the boundary for the purposes of the report.

Conclusion

Lucideon CICS Limited has verified the reported emissions with the "Environmental, Social and Governance Report 2022" from the operations of Columbia Threadneedle Real Estate Partners consistent with the requirements of ISO14064-3 and provides limited assurance that the CO_2 emissions for the 2022 reporting year are verifiable.

Sorcha Anderson Lead Verifier
For and on behalf of Lucideon CICS Limited

28 March 2023

LUCIDEON
Materials Development and Commercialization

Balanced Commercial Property Trust Limited

Environmental, Social and Governance Report 2022

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