


Balanced Commercial Property Trust Limited

Environmental, Social and Governance Report 2023


The Company does not have a specific sustainability objective and consequently, this report only sets out how ESG risks and opportunities are integrated into fund management, asset management, property management and development for the Company.

COLUMBIA THREADNEEDLE INVESTMENTS

Contents

Front Cover Photos:
Top Left: Chorley, Revolution Park
Top Right: Southampton, Hedge End
Bottom Left: Southampton, Hedge End
Bottom Right: Liverpool, Hurricane 52, Estuary Business Park

Headlines

2040 or sooner

Net Zero Carbon commitment

Validated last year's application to the Science Based Targets Initiative (SBTi) with an interim target of 46% reduction by 2030 set for scope 1 and 2 emissions.

79 / 100

GRESB performance

Achieved three green star status scoring 79 and first position in peer group, improving from 70 and third position in the previous year.

Gold award

EPRA sustainability reporting

Gold standard reflecting the level of ESG disclosure and transparency for the fifth year in succession.

+4%

Carbon emissions (Scope 1 & 2)

4% increase in Scope 1 & 2 absolute emissions (-26% in 2022).
Emissions intensity reduced by 16% (-13% in 2022)

Renewable energy sources

94% of landlord procured energy supplied contracted on green tariffs (100% in 2022).

Operational waste management

100% of waste material under landlord control continued to be diverted from landfill.

A

GRESB Public Disclosure

'A' rating maintained for transparent public reporting.

Social impact

Retained formal accreditation from the Living Wage Foundation.

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.

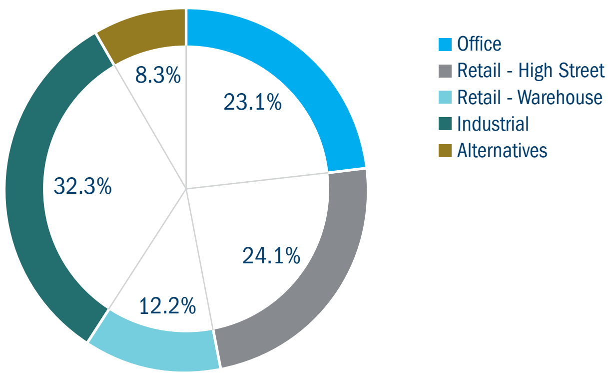
This report adopts the 2017 European Public Real Estate Association (EPRA) Sustainability Best Practice Recommendations Guidelines (sBPR) to inform the scope of its Environmental, Social and Governance indicators against all EPRA sBPR indicators that are material to the Company, (see page 21). ESG data is reported for and aligned to the calendar year ending 31 December 2023.

Any reference to "we", "us", "our" or "landlord" throughout the report refers to the Company, being Balanced Commercial Property Trust Limited including its subsidiaries abbreviated to BCPT. Columbia Threadneedle REP PM Limited is the Company's Property Investment Manager and is referred to as "CT REP" or "Manager" throughout.

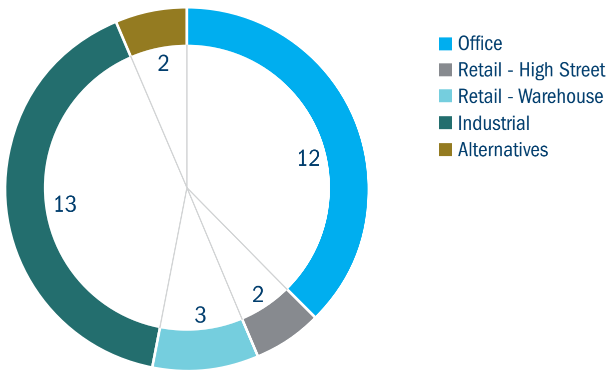
A full outline of the EPRA sBPR scope of reporting and materiality is included on page 21.

Figure 1 – Portfolio Composition as of 31 December 2023

***Percentage of portfolio capital value 2023**



***Property type (number of assets) 2023**



Management status (absolute) 2023

	Capital Value (£)	Number of Assets	NLA (sq ft)
Directly managed	£575,265,000	13	1,189,898
Indirectly managed	£452,200,000	19	3,179,413

Management status (percentage) 2023

	Capital Value %	Assets %	NLA %
Directly managed	55.99%	40.62%	27.23%
Indirectly managed	44.01%	59.38%	72.77%

***Note:** The information under Figure 1 relates to portfolio composition and is consistent with previous ESG Reports. This might differ from the portfolio composition noted in the Annual Report and Consolidated Financial Statements where certain assets are classified under different segments due to interpretation of their mixed use class.

Note: St Christopher's Place Estate in London comprises 40 separate component buildings. However for the purposes of the above table it has been considered as a single asset to maintain numerical consistency with the 2023 Annual Report and Consolidated Financial Statements.

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

Foreword

Linda Wilding
Chair, ESG Committee

Climate-related records continue to be broken. NASA, the National Aeronautics and Space Administration and respected global authority, has confirmed that 2023 was the hottest year on record. The consequences of such conditions can be felt across the real estate sector, both physically and financially. The Association of British Insurers reported a 4 to 5% increase in real estate insurance premiums during the first quarter of 2023 compared to the previous year, partly due to natural catastrophes and net zero transition. It is clear, therefore, that to deliver sustainable financial growth in our sector, investment in resilient assets is imperative; in short, strong environmental, social and governance performance has never played such a vital role in the Company's investment strategy.

Despite economic and political headwinds, the implementation of ESG priorities at both portfolio and asset-level continued throughout the year. The Company has maintained its deep focus on key sustainability themes, in particular carbon stewardship through the planning, execution and tracking of asset-level actions that will deliver on the Company's commitment to achieving a net zero carbon position.

In 2023, the Manager and appointed experts undertook a comprehensive assessment of transitional climate-related risks, which underlines the positive impact our approach and commitments have on capital value exposed to climate-related risk.

To illustrate the practical application of our ESG strategy, I am particularly pleased to see the presentation of an extensive case study in this year's report. The comprehensive refurbishment of two industrial units in Southampton demonstrates how the Company can execute opportunities to deliver on its ESG agenda as a financially accretive part of the asset life cycle, rather than treating ESG-led interventions as exceptional capital expenditure.

Evidence of our strong approach to governance and transparency continued to be recognised externally through our performance in the 2023 GRESB Assessment and by the European Public Real Estate Association (EPRA). The Company achieved a GRESB score of 79 and a 3 Star rating with an overall increase of 9 points on the previous year, resulting in the top position in its peer group. For the fifth year in succession, the Company received a Gold Award from EPRA in recognition of the quality and extent of disclosures presented in the annual ESG report.

Headlines from the Company's progress in ESG matters during the year are set out on page 1. All metrics demonstrate continued progress during 2023. The absolute Scope 1&2 Carbon Emissions increased by 4.5% (2022 -26%) principally due to increased occupation. The more telling measurement of Carbon Emission Intensity which adjusts for square footage & occupancy changes fell by 16% (2022 -13%).

With continued political, environmental, and economic uncertainty likely to prevail in 2024, the Company remains focused on building a financially and environmentally resilient portfolio. While this presents inevitable challenges, we are excited by the opportunities ahead, and , as always, welcome any feedback from stakeholders

Linda Wilding
ESG Chair

29 April 2024

I. ESG Strategy and Priorities

A) Approach to ESG and responsible property investment

During the reporting year 2023, 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

Demonstrate effective governance in relation to ESG criteria.

2. Investment process

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

3. Portfolio

Continual monitoring, analysis and focus on ESG performance and risk factors.

4. Transparency

Comprehensive reporting on relevant ESG factors.

Driven by responsible property investment principles, the 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; and
- Applying a fully integrated ESG framework and routinely planning and executing ESG actions in a co-ordinated manner.

B) Our ESG Priorities & Progress

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 met the Hampton-Alexander recommendations by having at least 40% female representation in 2023. This position aligns with the recommendations of the FTSE Women Leaders Review and the voluntary target set for FTSE350 Boards. Post Period Note: • The Company meets the recommendations of the Parker review following changes to Board composition effected in the early part of 2024. • The changes in Board composition implemented in the early part of 2024 has also resulted in 60% female representation on the Board.	• Maintain at least 40% female representation across the Board.
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 ESG Committee, which includes all Board Directors, operates under its terms of reference and met formally on a regular basis throughout 2023. • The Board remunerates the Chair of the ESG Committee to reflect the prominence of ESG related matters.	• Continue to hold quarterly ESG Committee meetings.
Benchmarking – Participate in GRESB with the objective of realising year-on-year improvements in score and peer group ranking.	• The Company submitted to the 2023 GRESB Real Estate survey and obtained a score of 79, conferring a 3-star status. The score achieved reflects an increase of 9 points and an increased rating from 2 to 3 stars. The Company achieved top position in its peer group. • 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 2024 with an aim to improve year-on-year score. • 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 material ESG factors and their applicability at individual property level. Implement a routine of asset and property management actions according to guidelines.	• Through its Manager, the Company modified its classification criteria to reflect asset positioning in the context of overall net zero carbon ambition. Outputs can be found in the Risk Profile section, pages 34 to 41.	• Review the asset classification system for ongoing relevance.
Asset level ESG appraisals – Ensure all assets benefit from ESG appraisals. Asset Business Plans to be updated to reflect material outputs from such appraisals.	• ESG appraisals were reviewed during the year with emphasis placed on the incorporation of net zero carbon assessments and intervention strategies.	• Continue to ensure that all assets within the portfolio benefit from regular asset-level ESG appraisal.
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.

ESG Priority	Current Status	Next Steps
Investment process – procedures through which the Company integrates ESG into the investment process (continued)		
Refurbishment and development	• All material refurbishment and developments, as exemplified in the case study later in this report, are considered in the context of the Manager's Sustainable Development Brief which sets out 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 all new acquisitions prior to concluding purchase, with investment critical findings reported to the Manager's Property Investment Committee and relevant actions 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 due-diligence analysis 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 2023 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% 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 2023. 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.
Energy consumption – Reduce energy consumption in directly managed assets by an average of 3% year-on-year on a like-for-like basis.	• 2023 energy consumption in the portfolio decreased by 0.7% on a like-for-like basis. Further details on energy performance can be found in the Environmental Indicators section on p.22.	• Target to reduce energy consumption in directly managed assets by an average of 3% year-on-year on a like-for-like basis.
Water consumption – Reduce water consumption in directly managed assets by 1.0% year-on-year on a like-for-like basis.	• 2023 water consumption in the portfolio increased by 33% on a like-for-like basis. Further detail is provided on page 24, 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 any landlord-controlled waste being directed to landfill by the end of 2020.	• 100% of the waste in 2023 was diverted 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.

ESG Priority	Current Status	Next Steps
Portfolio – attendance to material ESG performance and risk factors across the portfolio (continued)		
Biodiversity – Establish an approach that can be applied across the portfolio.	• Biodiversity is a criteria which is currently considered when undertaking refurbishment and development works. • The Company has approached specialist consultants to assist in the development of a biodiversity strategy that can be applied to existing assets and their report is expected in the first quarter of 2024.	• Implement the biodiversity strategy with particular consideration given to existing 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. • The next scheduled exercise is due to take place in 2025.	• The Company is to consider undertaking interim occupier satisfaction surveys through its Manager.
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.	• 16% reduction in emissions intensity for landlord Scope 1 and 2 compared to the previous year.	• Whilst emissions intensity reduced by 16% on a like-for-like basis in the 2023 reporting year, the ambition is to maintain overall 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 2022/2023, 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.	• In 2024, the Company will continue to monitor carbon performance across the portfolio and disclose on alignment with its SBTi target.
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 and intervention opportunities for each asset identified. • Modelled pathways for each asset developed, monitored and consolidated at portfolio level.	• The Manager will continue to implement the mitigation and adaptation strategies to provide support and confidence to the realisation of overall net zero carbon ambition.

<table>
<tr><th>ESG Priority</th><th>Current Status</th><th>Next Steps</th></tr>
<tr><td colspan="3">Carbon reduction of the portfolio – initiatives through which the Company demonstrates robust commitment to lowering its carbon emissions (continued)</td></tr>
<tr><td>EPCs – Obtain EPC Plus reports, these being a more detailed identification of measures that can be undertaken at lettable unit level to improve the existing EPC rating.</td><td>• EPCs are currently in place for all lettable units.
• Instructed third party service provider to produce these reports in respect of lettable units with current EPC ratings below C.
• EPC Plus reports were completed by Q2 2023.</td><td>• Using data from the EPC Plus reports, the Company will focus on improving asset-level energy performance with the aim of achieving minimum EPC ratings of C and B by their anticipated legislative compliance dates.</td></tr>
<tr><td>Solar Photovoltaic – install solar photovoltaic panels where viable across the portfolio.
Encourage installation of solar photovoltaic panels where commercially viable.</td><td>• Key target assets identified and photo-voltaic feasibility studies completed on 10 assets in the portfolio.
• 1,593 panels were installed across both units at Hedge End, Southampton (more information can be found in the case study p.10).
• Through our specialist consultant, we have engaged with district network operators to understand potential capacity restrictions within the national grid and consider early application strategies.</td><td>• Advance photovoltaic installations on selected assets.
• Continue to engage with occupiers to expand potential number of assets on which to install solar photovoltaic technology.</td></tr>
<tr><td>Renewable Energy – Have in place 100% renewable energy supplies for all landlord-procured power.</td><td>• During the 2023 reporting year, 94% of landlord-controlled power was contracted on green tariffs and 100% of gas supplies were contracted on green tariffs.
• 1,593 new solar photovoltaic panels were installed across the portfolio.</td><td>• Achieve 100% coverage of certified, landlord-procured green tariffs.</td></tr>
<tr><td colspan="3">Transparency – approach to investor reporting and public disclosure on relevant ESG factors</td></tr>
<tr><td>Sustainable certifications – Certify selected assets within the portfolio with green building certificates.</td><td>• 6.4% and 19.3% of the portfolio is certified BREEAM Excellent and Very Good respectively by net lettable area.</td><td>• Aim to certify an increased number of strategic assets with the BREEAM or other relevant certification.</td></tr>
<tr><td>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.</td><td>• The Company continues to monitor its tenant mix as part of the policy and 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 2023.</td><td>• Continue to monitor tenant mix during the following reporting years.</td></tr>
<tr><td>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).</td><td>• The Company has continued to advance its approach to addressing climate risk across the portfolio and through its investment processes during 2023.
• Disclosures aligned to the TCFD recommendations are set out within this report along with a statement of actions for 2024 and beyond which are intended to develop further the precision of our analysis of, and response to, climate risks and opportunities.</td><td>• Continue to develop and refine the depth of disclosures in line with industry recommendations with focus on the extent and integrity of supporting data.</td></tr>
</table>

ESG Priority	Current Status	Next Steps
Transparency – approach to investor reporting and public disclosure on relevant ESG factors (continued)		
TNFD – Consider nature-based factors in our investment and asset management decision-making to the extent that they support of biodiversity and climate related risks and opportunities.	• The Company continues to monitor the developments of the Taskforce on Nature-related Financial Disclosures (TNFD) Reporting Framework.	• Review portfolio strategy against the TNFD's recommendations released in November 2023.
CDP – Submit to the full tier of the CDP General Climate module.	• The Company submitted to the full tier of the Climate Change module for the fifth year in succession in August 2023. A rating of B to indicate taking coordinated action on climate issues was achieved. This rating is above the global average of C for 2023.	• Achieve a minimum of a B rating for the 2024 reporting year.
EPRA sBPR – Align Non-Financial Reporting to the 3rd Edition of the EPRA Sustainability Best Practice Recommendations. Include a summary of ESG performance measures in the Company's Annual Report and Consolidated Financial Statements and link such disclosures to BCPT web pages.	• This 2023 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 a range of ESG metrics. Thereafter, a summary of notable changes will be presented to shareholders alongside the 2024 Interim Report.	• Maintain the provision of ESG updates to shareholders on a bi-annual basis.

Spotlight on Southampton, Units 1&2 Hedge End, Strategic Park

Constructed circa 1995 and acquired by the Company in April 2005, this asset is strategically located within half a mile of junction 7 of the M27 motorway and comprises two industrial buildings totalling 126,500 sq ft arranged over two floors, set within extensive grounds with over 200 car parking spaces.

Following Amazon and MediaKind lease expiries, the properties were substantially refurbished to deliver high-quality units with an improved rental tone and capital value alongside strong ESG characteristics.

Executive summary

A strategic refurbishment and redevelopment of a two-unit industrial scheme with an overall budget of circa £5.6m, delivering strong financial performance alongside excellent ESG credentials:

- A high-quality, future-proofed end product in a core location, with excellent prospects for securing quality occupiers on a long-term basis.
- Fully committed to occupiers within 3 months of practical completion at rents representing an uplift to the previous passing rent of 27.5%, and bettering the ERV underwritten in the asset business plan by 2.4 per cent.
- Strong capital growth performance of 15.7% from the asset over the 12 months to December 2023
- Significant ESG enhancements including A-rated EPCs, BREEAM Very Good certification and a whole-roof solar PV scheme generating an additional investment yield forecast at 7.5% per annum.
- Exceeding typical industry practice standards in relation to embodied carbon, circular economics, physical & mental wellbeing, and social & community value.

ESG additionality in summary

A
EPC ratings achieved for both units

1593
solar photovoltaic panels installed generating up to 800,000 kWh of renewable energy

24
electric vehicle charging points representing 11.5% of available parking spaces

99%
of construction waste diverted from landfill

0.47
tonnes of construction waste per $100m^2$ of gross area exceeding target of 1.2 tonnes per $100m^2$ of gross area

55
cycle storage spaces created equating to one space per $21m^2$ of office area

70%
of sub-contractor staff employed from local area in addition to 100% of main contractor staff

8
apprentice/traineeship staff engaged on project representing 8% of the total project workforce

42
Considerate Contract Scheme score against an aspirational target of 39

ESG policy and framework applied to the Strategic Park project

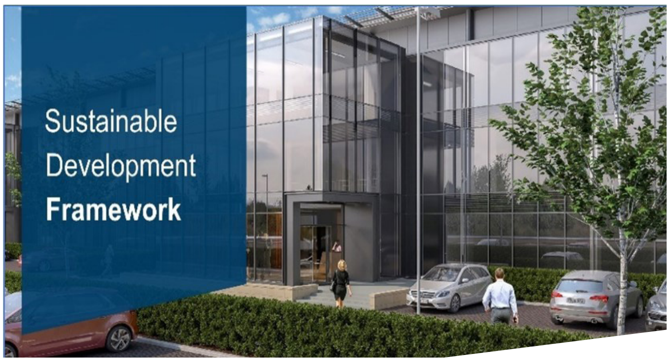
Sustainable development and refurbishment

The Company recognises three important milestones in the lifespan of an individual property asset where sustainability performance can be influenced and improved.

1. **Development** – new building construction presents the best opportunity to design for sustainable performance, however this can present greater challenges in terms of controlling the amount of embodied carbon.

2. **Active intervention** – during the longer operational phase of a building's existence, opportunities arise periodically to impact the performance of a building through active cooperation with the tenant.

3. **Modernisation and refurbishment** – periodic lease expiries provide the Company with the opportunity to incorporate sustainability features into the modernisation and refurbishment of assets. As long-term investors in high quality buildings, periodic upgrade of buildings is a core element of our investment and asset strategy and enables us to deliver ESG-led enhancements as part of the asset life cycle rather than as significant exceptional capital expenditure.



Planning to take advantage of such opportunities, the Company has adopted the Manager's bespoke and detailed Sustainable Development Brief as a means of engaging project management teams to deliver tangible ESG related features and benefits in a realistic manner that is commensurate with the type of asset and scale of project.

This framework is a key mechanism through which the Company drives environmental excellence and social value with integrity and transparency. The Brief sets out environmental and social aspirations whilst outlining mandatory requirements which the Company places on consultants and service providers during design and construction phases.

The Brief is applied from the start and throughout the lifetime of the project and is used to formulate and track the project's sustainability plan. The Brief sets out over sixty indicators across the different commercial property sectors but applies a creative and innovative screen such that the number of aspirational standards to be achieved is determined by building type and project size. Which aspirational targets are delivered is flexible, recognising the individuality of circumstances with every asset.

The simplest example might be in respect of achieving energy efficiency ratings where the minimum requirement is to achieve a B-rating in anticipation of likely future minimum standards, but the aspiration is to achieve an A-rating for the additional benefits from lower energy demand and closer proximity to net zero standard.

Strategic Park project description

The scheme consisted of the modernisation of both warehouse units and their associated two-storey ancillary office facilities and included:

- the demolition and removal of extensive internal partitioning and equipment
- the overhaul of the external building envelope and fabric, including the provision of additional loading capacity
- the provision of new building services
- the reconfiguration of extensive external production yard areas, parking and landscaping.

The Sustainable Development Framework sets out ESG ambition that is commensurate with the anticipated level of scheme expenditure, and does this by presenting a flexible series of minimum and aspirational standards to be achieved. Given the project scale, the framework dictates that five of the 29 relevant sustainability standards should exceed the minimum prescribed threshold and achieve the aspirational target.

The table below indicates 29 relevant targets for the scheme and shows how the actual number of aspirational targets achieved was 10. This represents a significant level of ESG additionality. The table confirms that the remaining 19 indicators all achieved their mandatory requirement, all of which reflect positive levels of sustainability.

	Number of applied standards and levels achieved		
Sustainability focus area	**Applicable**	**Mandatory**	**Aspirational**
Building certification	1	1	
Energy efficiency, carbon	4	2	2
Circular economy	4	4	
Climate change adaptation	1	1	
Indoor air quality	3	2	1
Healthy materials	3	2	1
Physical and mental welllbeing	4	3	1
Social and community value	9	4	5
Total number	**29**	**19**	**10**
Significant additionality			**35%**

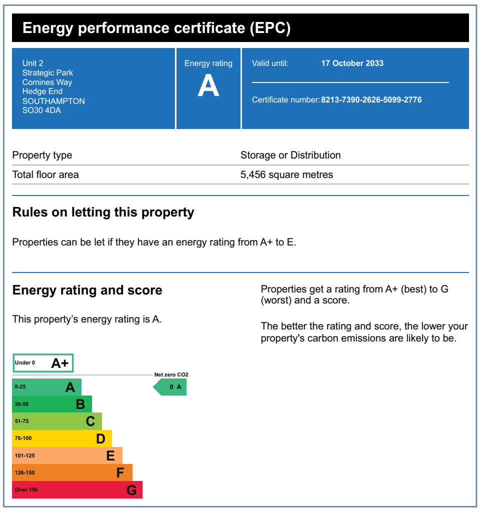
Delivering improved sustainability credentials

BREEAM rating

Both units in the scheme achieved a Very Good rating under the independent BREEAM assessment.

Energy Performance Certificate

The removal of gas and the introduction of efficient lighting, air source heat pumps and most significantly, a large array of rooftop solar photovoltaic panels has resulted in both units significantly improving their energy efficiency ratings, with aspirational targets of A ratings achieved in each case, with Unit 2 also achieving a net zero position as indicated on the certificate extract below.



Energy performance certificate (EPC)

Unit 2
Strategic Park
Comines Way
Hedge End
SOUTHAMPTON
SO30 4DA

Energy rating
A

Valid until: **17 October 2033**

Certificate number: **8213-7390-2626-5099-2776**

Property type	Storage or Distribution
Total floor area	5,456 square metres

Rules on letting this property

Properties can be let if they have an energy rating from A+ to E.

Energy rating and score

This property's energy rating is A.

Properties get a rating from A+ (best) to G (worst) and a score.

The better the rating and score, the lower your property's carbon emissions are likely to be.

On-site renewable energy sources

The scheme included the installation of rooftop solar photovoltaic panels in parallel with general roof fabric improvement and rooflight replacement, the latter providing for better insulation and natural lighting and thereby reducing future occupier energy demand for heating and artificial light.

With just under 1,600 solar panels installed across both units, the expectation is that some 750,000 kWh of energy will be generated on-site per annum. Whilst both prospective tenants have agreed to take the energy produced by the solar panels, the precise demand of incoming occupiers is not yet known. The value of the energy produced is forecast to show a 7.5% yield on cost. The system will divert energy demand from the grid and preserve the ability to sell excess energy generated back to the grid.

Supplementing the focus on energy demand reduction, energy efficiency and renewable sources, the asset now benefits from 24 electric vehicle charging points representing 11.5% of the 207 spaces available, meeting the mandatory standard set out in the brief.

Embodied carbon

A whole life embodied carbon assessment was undertaken on completion of the technical design, known as stage 4, in accordance with the Royal Institution of Chartered Surveyors methodology. This calculation of 'cradle to practical completion' embodied carbon is a reflection of design choices and materials selection and is becoming increasingly important as its proportion of total life carbon increases with broader operational carbon efficiencies. With an aspirational target of 400kgCO_2/m^2 of gross floor area, Unit 1 achieved 151kgCO_2/m^2 whilst Unit 2 achieved 200kgCO_2/m^2 based on the estimated embodied carbon results for the new materials used in the refurbishment only and not accounting for end-of-life emissions for retained elements such as the structural elements.

Circular economy principles.

Using BREEAM standards as a guide, the project team was challenged to deliver less than 1.2 tonnes of non-hazardous waste per 100m^2 of floor area and to avert at least 95% of construction waste from landfill. The main contractor delivered a site waste management plan and confirmed that total construction waste amounted to 50.8 tonnes. With the gross internal floor area for both units amounting to 10,768m^2, waste produced during the scheme amounted to 0.47 tonnes per square meter, comfortably meeting the minimum requirement of 1.2.

In terms of diversion from landfill, the same site waste management plan confirmed that 99% of both demolition waste and construction waste had been diverted, meeting the mandatory requirement of 95%.

Challenged to implement five separate initiatives of any type to limit single use plastics during construction either directly or through sub-contractors, the contractor implemented actions that saw the use of water refill stations throughout the project, reusable signage and banners, recyclable and biodegradable cups, metal and wooden cutlery and reusable personal protective equipment such as safety glasses, thereby achieving the minimum requirement.

Indoor Air Quality

A Thermal Comfort Report was commissioned at the design stage to support solutions intended to address potential overheating risks in spaces that are regularly occupied for significant periods of time.

With the units having an entirely mechanical cooling strategy via air conditioning units, thermal modelling has been undertaken to ensure that indoor temperature ranges meet recognised environmental design standards.

Moreover, the Brief mandates specific ventilation rates and for carbon dioxide sensors to be installed and the achievement of the required design criteria has been validated through a combination of heating, cooling and ventilation layouts.

Occupier comfort and wellbeing

The scheme focussed on providing a range of obvious and less obvious facilities that can support occupier comfort and wellbeing. Both units together provide 55 cycle storage spaces which at one space per 21m^2 of office area comfortably exceeds the target rates for both short and long-term provision.

Meanwhile, the design confirms that for regularly occupied space, the maximum distance to a window does not exceed 7.5m in any circumstance and therefore exceeds the aspirational target that at least 95% of occupied office space is within this distance of a view outside.

An acoustic review and testing has confirmed that by designing and constructing internal walls of blockwork and plasterboard of full height to the underside of soffit and roof structures, and by constructing raised floors on concrete slabs and ceilings with a minimum of 200mm void, the solutions meet with the mandatory requirement to ensure that all interior walls enclosing occupied spaces limit sound transmission.

Finally, and as an unusual touch, a covered breakout area complete with small device charging points powered by integral curved solar panels has been provided externally for the enjoyment of occupiers and is situated on a new timber-decked area to allow usage throughout the year.

Social and community value

With the social element of ESG often seen as the most challenging area to deliver tangibles, the Company was pleased to see a discernible focus and pleasing outcomes across nine specific indicators. The main contractor provided copies of employment sheets to demonstrate that staff engaged on the project were paid at or above living wage, and further provided similar evidence to show that all supply chain staff were paid on the same basis, thereby meeting a mandatory condition of the brief.

Moreover, the contractor provided evidence to show that all staff employed at the site were from the local area easily exceeding the target rate of 20%. In terms of supporting local businesses, the main contractor confirmed that 70% of sub-contractors were local to the site, exceeding the aspirational target of 60%. Not only is this beneficial for the local economy, there is also a commensurate efficiency in terms of carbon footprints associated with staff and material movements.

Pursuing the theme of active support for local and young people, of the 98 employees engaged on the project, four were on traineeships representing 4% of total site staff and exceeding the Brief's mandatory target of 3%. Moreover, the main contractor was also able to confirm that 4% of staff were from apprenticeships, again exceeding the 3% target rate. The main contractor also demonstrated engagement with two local primary schools and the delivery of talks to Key Stage 2 pupils on health and safety and the construction industry generally, and thereby meeting the aspirational target.

The scheme delivered a Considerate Contractors Score of 42 exceeding the Brief's target score of 39.

Biodiversity

The project was not subject to any formal Biodiversity Net Gain requirements under the planning consent given the simple nature and scope of refurbishment works. An ecologist was nevertheless engaged to seek out any potential opportunities on what was otherwise accepted as being a site of limited ecological value.

The scheme focussed heavily on retaining and improving the woodland, shrubs and rough grasslands that surround the site given their potential to support birds, bats, badgers, and reptiles. Some shrubs have been introduced to provide suitable foraging and nesting habitat for some widespread bird species.

Perhaps more pertinently, as an industrial site with operational noise pollution, the retention and effective management of the trees and shrubs to the south of the site provide a natural suppressant for noise transmission which is particularly relevant to the residential areas located immediately adjacent to the southern boundary.

II. ESG Performance

A high-level summary of ESG performance for the period ending 31 December 2023 is provided below. A detailed analysis of the data is included in the Environmental Indicators section on page 23 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 2023 to 31st December 2023.

2) Organisational boundary and data coverage

The Company had an overall investment in real estate of £1.03 billion as at 31 December 2023. 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. The Property Manager also arranges for waste collection and disposal at eleven properties, equating to 33% of the whole portfolio by property number.

Landlord-procured utilities may be consumed either in shared spaces, by occupiers in their leased units, 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.

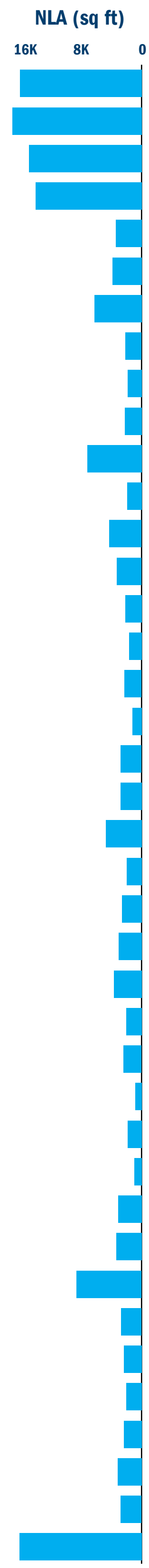
St Christopher's Place is formed of a number of component buildings where several have landlord-controlled energy and water utilities. The scope and coverage for each of these component elements is provided for transparency. For the reporting year, 41 assets, representing 58% by number, have energy consumption data available, 22 buildings, representing 31% by number, have water data available whilst 51 properties, representing 72% by number have waste data available.

'Other data' refers to data displayed in the ESG Risk Profile section page 34, 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
	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
	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 on 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%	75%	100%	100%
Elec-Lfl	100%	100%	75%	100%	100%
Fuel-Abs	100%	100%	75%	100%	100%
Fuel-Lfl	100%	100%	75%	100%	100%
Energy-Int	100%	100%	75%	100%	100%
GHG-Dir-Abs	100%	100%	75%	100%	100%
GHG-Indir-Abs	100%	100%	75%	100%	100%
GHG-Int	100%	100%	75%	100%	100%
Water-Abs	0%	100%	35%	0%	100%
Water-Lfl	0%	100%	35%	0%	100%
Water-Int	0%	100%	35%	0%	100%
Waste-Abs	100%	100%	98%	100%	100%
Waste-Lfl	100%	100%	98%	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. November and December 2023 data has been estimated.

Table 2: Estimation of data

	2023				2022			
Estimation of Data	Electricity	Gas	Water	Waste	Electricity	Gas	Water	Waste
Industrial	16.7%	16.7%	N/A	100.0%	0.0%	0.0%	N/A	0.0%
Offices	20.5%	15.3%	13%	46.7%	13.0%	0.0%	7.2%	67.3%
Retail (inc. SCP)	29.9%	38.4%	66%	100.0%	7.3%	0.0%	61.0%	100.0%
Retail Warehouses	16.7%	0.0%	N/A	57.7%	0.0%	0.0%	N/A	100.0%
Alternative	16.7%	0.0%	50%	100.0%	0.0%	0.0%	49.6%	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 2022 and 2023. The conversion factors from DEFRA for 2022 and 2023 are presented in the following table.

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

	2022	2023
Electricity	0.19338	0.20707
Natural Gas	0.18254	0.18292

* 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

- The Company aims to procure all landlord-supplied energy under green tariffs. During the reporting year, 6% of landlord-controlled electricity supplies were contracted on brown tariffs as a result of market volatility, enhanced credit checks and some supplier reluctance to renew existing contracts on similar terms. However, 100% of landlord-supplied gas was contracted on green tariffs throughout the year.
- In parallel, the Company saw 1,593 new solar photovoltaic panels installed across its portfolio, with a resultant expectation of averting circa 750,000 kwh of grid supplied electricity, also representing some 177 tonnes of CO_2 savings per annum.

Auditing

Appendix 1 on page 42 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 27	416-1	Material
H&S-Comp (5.8)	Asset health and safety compliance	Page 27	416-2	Material
Comty-Eng (5.9)	Community engagement, impact assessments and development programmes	Page 27	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 SIERA+, 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 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 reduced by 13% but total energy intensity of the portfolio increased by 7%. Natural gas decreased mainly on account of 17a Curzon Street which had an entirely vacant floor during the whole calendar year, resulting in the radiators not being used. The increase in energy intensity reflects additional electricity demand as a consequence of a refurbishment scheme of the Pizza Hut unit at Newbury Retail Park and the significant addition of occupier numbers at Alhambra House, Glasgow.

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**	2023	17,708	4,146,775	431,203	43,242	180,607	4,819,535
		2022	13,130	3,944,728	466,941	46,302	180,387	4,651,489
		2023	*100%*	*100%*	*30%*	*91%*	*100%*	*94%*
		2022	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
Change in Electricity Consumption (kWh/%)	**Elec-LfL**	2023	13,254	3,964,732	416,764	43,242	180,607	4,618,599
		2022	13,130	3,944,728	466,941	46,302	180,387	4,651,489
		%	0.9%	0.5%	-10.7%	-6.6%	0.1%	-0.7%
			↑	↑	↓	↓	↑	↓
Natural Gas Usage (kWh) With proportion of landlord procured natural gas from renewable sources	**Fuel-Abs**	2023	1,228	2,877,745	87,007	168,756	N/A	3,134,735
		2022	N/A	3,237,852	73,850	N/A	N/A	3,311,702
		2023	*100.0%*	*100.0%*	*100.0%*	100.0%	N/A	*100.0%*
		2022	*N/A*	*100.0%*	*100.0%*	N/A	N/A	*100.0%*
Change in Natural Gas Consumption (kWh/%)	**Fuel-LfL**	2023	N/A	2,795,565	87,007	N/A	N/A	2,882,573
		2022	N/A	3,237,852	73,850	N/A	N/A	3,311,702
		%	N/A	-13.7%	17.8%	N/A	N/A	-13.0%
			N/A	↓	↑	N/A	N/A	↓
Energy Intensity (kWhe/m² NLA)	**Energy-Int**	2023	3.8	167.0	108.2	2.9	328.4	118.1
		2022	2.7	117.8	87.8	3.1	328.0	110.0
Change in Energy Intensity (%)			44.2%	41.8%	23.2%	-6.6%	0.1%	7.4%
			↑	↑	↑	↓	↑	↑

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

	Current year 2023	Prior year 2022	% Change	
Like-for-like Electricity Usage (kWh)	4,618,599	4,651,489	-1%	↓
Like-for-like Fuel Usage (kWh)	2,882,573	3,311,702	-13%	↓
Energy intensity (kWhe/m²)	118.1	110.0	7%	↑

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**	2023	225	526,423	15,916	30,870	N/A	573,434
		2022	N/A	591,038	13,480	N/A	N/A	604,518
Change in Emissions from Scope 1 Usage (%)			N/A	-10.9%	18.1%	N/A	N/A	-5.1%
			N/A	↓	↑	N/A	N/A	↓
Emissions from Scope 2 Usage (kg CO_2e)	**GHG-Indir-Abs**	2023	3,667	858,691	89,291	8,954	37,399	998,002
		2022	2,539	762,832	90,297	8,954	34,883	899,505
Change in Emissions from Scope 2 Usage (%)			44.4%	12.6%	-1.1%	0.0%	7.2%	11.0%
			↑	↑	↓	→	↑	↑
Emissions Intensity for Scope 1 and 2 (kg CO_2e/m² NLA)	**GHG-Int**	2023	0.8	32.9	22.0	0.6	68.0	23.3
		2022	0.52	40.4	19.5	0.6	63.4	27.7
Change in Emissions Intensity from Scope 1 & 2 Usage (%)			53%	-19%	13%	0%	7%	-16%
			↑	↓	↑	↑	↑	↓
Emissions from Scope 3 Transmission & Distribution Losses (kg CO_2e)		2023						86,343
		2022						82,285

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

	Current year 2023	Prior year 2022	% Change	
Total carbon emissions (kg CO_2e)	1,571,436	1,504,023	4%	↑
Emissions intensity for Scope 1 and 2 (kg CO_2e/m²)	23	27.7	-16%	↓
Total Scope 1 emissions from natural gas (kg CO_2e)	573,434	604,518	-5%	↓
Total Scope 1 emissions from generators (kg CO_2e)	0	0	0	
Total Scope 1 emissions from refrigerant leaks (kg CO_2e)	0	0	0	
Total Scope 2 (location-based) emissions (kg CO_2e)	998,002	899,505	11%	↑
Total Scope 2 (market-based) emissions (kg CO_2e)	63,545	2,247	2728%	↑

Market-based emissions are a reflection of the degree to which specific renewable/green tariffs are negotiated, whereas location-based emissions reflect standard grid tariffs and their energy mix. During 2023, as a result of market volatility, enhanced credit checks and some supplier reluctance to renew existing contracts on similar terms, the Company had to enter into standard brown tariffs, resulting in a disproportionate increase in market-based emissions.

Overall, total emissions increased by 4% across the portfolio (-26% in 2022). Scope 1 emissions associated with the office sector decreased by 5% compared to the previous year. This is mainly on account of 17a Curzon Street in London where a single void floor resulted in significantly reduced gas consumption. Scope 2 emissions from industrial assets increased of 44% compared to the previous year, principally on account of refurbishments and lettings that took place at Units 1 and 2 at the Cowdray Centre, Colchester. During the reporting year, 1 tenant and 1 sub-tenant took occupation at these units, which heightened the levels of scope 2 emissions. Scope 2 emissions from offices saw an increase of 12.6% principally on account of higher user densities, particularly at Alhambra House, Glasgow.

C) Water

The following tables report on the water consumption and intensities of the Company'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 2023 were independently verified by Lucideon. The verification statement can be found in Appendix 1.

Consumption has gone up 33% across the portfolio on a like-for-like basis, with much of this attributable to 82 King Street, Manchester where the lining of the sprinkler tank was replaced, which necessitated the requirement to drain down and refill the tank a number of times. The additional staff from JP Morgan Chase being transferred from another building to Alhambra House, Glasgow is another key reason justifying this water increase. However, variances in consumption are disproportionate given the low levels of overall 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	2023	N/A	22,526	2,106	N/A	142	24,775
		2022	N/A	17,106	2,076	N/A	105	19,288
Change in water consumption (m^3)	Water-Lfl	2023	N/A	22,526	2,057	N/A	142	24,725
		2022	N/A	16,392	2,076	N/A	105	18,574
		%	N/A	37.4%	-0.9%	N/A	-1%	33%
			N/A	↑	↓	N/A	↓	↑
Water Intensity (m^3/m^2 NLA)	Water-Int	2023	N/A	0.646	1.082	N/A	0.259	0.66
		2022	N/A	0.431	1.066	N/A	0.191	0.46
Change in water intensity (%)			N/A	50%	1%	N/A	35%	45%
			N/A	↑	↑	N/A	↑	↑

		Industrial	Offices	Retail	Retail Warehouse	Alternative	Grand Total
Scope 3 Emissions from Water Consumption (kg CO_2e)	2023	N/A	8,515	796	N/A	54	9,365
	2022	N/A	7,202	874	N/A	44	8,120

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.

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	2023	10.34	100%	36.37	0%	1.31	0%	1.43	100%	–	0%	49.45
			2022	10.34	100%	24.33	27%	1.31	0%	2.74	100%	–	0%	38.73
		Materials Recycling Facility	2023	–	0%	18.84	0%	–	0%	5.00	0%	–	0%	23.83
			2022	–	0%	15.82	0%	–	0%	–	0%	–	0%	15.82
		Incineration without energy recovery	2023	–	0%	0.46	–	1.43	–	–	0%	–	0%	1.89
			2022	–	0%	13.34	0%	1.43	0%	–	0%	–	0%	14.78
		Incineration with energy recovery	2023	–	0%	68.34	0%	–	0%	–	0%	–	0%	68.34
			2022	–	0%	29.78	0%	–	0%	–	0%	–	0%	29.78
		Landfill	2023	–	0%	–	0%	–	0%	–	0%	–	0%	0.00
			2022	–	0%	–	0%	–	0%	–	0%	–	0%	0.00
		Composting	2023	–	0%	5.05	0%	–	0%	–	0%	–	0%	5.05
			2022	–	0%	–	0%	–	0%	–	0%	–	0%	0.00
Change in weight of waste by disposal route (tonnes)	Waste-LfL	Recycling	2023	10.34		13.49		1.31		1.43		–		26.58
			2022	10.34		19.62		1.31		2.74		–		34.01
		Materials Recycling Facility	2023	–		18.84		–		–		–		18.84
			2022	–		15.82		–		–		–		15.82
		Incineration without energy recovery	2023	–		0.46		1.43		–		–		1.89
			2022	–		13.34		1.43		–		–		14.78
		Incineration with energy recovery	2023	–		68.34		–		–		–		68.34
			2022	–		29.78		–		–		–		29.78
		Landfill	2023	–		–		–		–		–		0
			2022	–		–		–		–		–		0
		Composting	2023	–		–		–		–		–		0
			2022	–		–		–		–		–		0
Total weight of waste (tonnes)			2023	10		129		3		6		0		149
			2022	10		83		3		3		0		99
Number of sites for which there is hazardous waste			2023	1		2		0		2		0		0
Scope 3 Emissions from Waste Management (kg CO_2e)			2023											3,099
			2022											2,109

Note: Where waste data has not been made available, estimations have been adopted based on previous year’s data.

E) Disclosure on occupational offices

The Company's Manager's operations were relocated to Cannon Place in 2023. The new location includes other operations, not related to the administrative function of the Company.

To apportion the energy consumption attributable to the Company's Head Office operations at Cannon Place, the floor area of the Company's previous office at Seymour Street was, therefore, used as a proxy, since the entire office and associated energy consumption at the previous location was attributable to the Company's operations.

The relative energy consumption by the Company's operations in 2023 was then calculated by taking the average consumption intensity (kWh/m^2) of the whole floor area at Cannon Place (65,495 sq.ft.), and multiplying by the previous total floor area of Seymour Street (5,662 sq.ft.).

This approach was taken to ensure a representative, year-on-year comparison of the Company's energy consumption associated with its administrative activities.

Unaudited head office data for energy, emissions and water can be found below, aligned with the EPRA reporting guidelines. Our Manager will endeavor 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	2023	59,610
		2022	88,980
With proportion of estimated data		2023	*0%*
		2022	*0%*
With proportion of electricity from renewable sources		2023	*100%*
		2022	*100%*
Natural gas consumption (kWh)	Fuel-Abs/Fuel-Lfl	2023	6,493
		2022	45,407
With proportion of estimated data		2023	*0%*
		2022	*0%*
Energy intensity (kWhe/m²)	Energy-Int	2023	125.7
		2022	203.7
Change in energy intensity (%)			-38% ↓
Emissions from Scope 1 usage (kg CO_2e)	GHG-Dir-Abs	2023	1,188
		2022	8,289
Change in emissions from scope 1 usage (%)			-86% ↓
Emissions from scope 2 usage (kg CO_2e)	GHG-Indir-Abs	2023	12,344
		2022	17,207
Change in Emissions from scope 2 usage (%)			-28% ↓
Emissions intensity for scope 1 and 2 (kg CO_2e/m^2)	GHG-Int	2023	25.7
		2022	48.5
Change in emissions intensity from scope 1 & 2 usage (%)			-47% ↓
Water consumption (m^3)	Water-Abs	2023	72
		2022	84
With proportion of estimated data		2023	*0%*
		2022	*0%*
Water intensity (m^3/m^2)	Water-Int	2023	0.14
		2022	0.16
Change in water intensity (%)			-14% ↓

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%	25%	95% E rating or higher	6 “Very Good” and 2 “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.	Until 31 May 2023, there were three women on the board, Isobel Sharp, Trudi Clark and Linda Wilding, representing 50% of the Board. Trudi Clark retired from the Board on 31 May 2023, resulting in two women on the Board for the remainder of the year, representing 40% of the Board.
Diversity-Pay	Ratio of remuneration of men to women (gender pay ratio).	Until 31 May 2023, the remuneration of Trudi Clark, Isobel Sharp and Linda Wilding was 87.6% (84.6% in 2022 when there were three female directors on the Board) of that of the average salary of men on the Board. Following the resignation of Trudi Clark from the Board on 31 May 2023, the remuneration of female Directors to men was 61.0% for the remainder of the year. Roles and remuneration details can be found in the 2023 Annual Report and Consolidated Financial Statements.

C) Health and Safety

Through the outsource of property management to Workman LLP, 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 15 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 require and 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.

Health & Safety is a retained agenda item on quarterly Board meetings.

D) Community Engagement

Through its Manager, the Company looks to engage with local communities and stakeholders and apply influence where possible to derive community benefit and value. During the year, the Company undertook various community engagement initiatives at Hedge End, Southampton and St. Christopher's Place, London and more detail of these can be found on pages 10 to 15 and page 33 of this report.

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 2023 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 37
Gov-Col: Cross-board membership	Corporate governance statement – page 37
Gov-Col: cross shareholding with suppliers and other stakeholders	Corporate governance statement – page 37
Gov-Col: existence of controlling shareholders	Director's Report – page 33
Gov-Col: related party disclosure	Notes to the accounts – note 16, page 75

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	5
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

The Company has included disclosures on climate-related risks and opportunities in its annual ESG reports since 2018. These disclosures are aligned with the guidelines set out by the Task Force on Climate-related Financial Disclosures (TCFD) as established by the Financial Stability Board (FSB).

We consider 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 disclosures, outlined below, provide investors and other interested parties with detail of the Company's intended approach to climate-related risks and opportunities and reference to the approach is also included at page 7 in the Company's Annual Report and in the Company's CDP (formerly Carbon Disclosure Project) 2023 response at www.cdp.net/en/responses. The Company published its net zero carbon strategy in January 2022.

In June 2023, the International Sustainability Standards Board (ISSB) issued IFRS S2, setting out requirements for disclosing information about an entity's climate-related risks and opportunities. As the IFRS S2 requirements are consistent with the TCFD recommendations, by applying the ISSB standards, the Company will meet the TCFD recommendations. However, IFRS S2 brings additional disclosure requirements for companies, including industry-based metrics.

As a consequence, the Company is currently undertaking a review of its TCFD approach to ensure it aligns with the IFRS requirements and will implement any necessary changes during 2024.

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 Manager's Investment team. The Board is formally updated on material factors at quarterly Board Meetings. The Board's ESG Committee convenes formally four times a year to review ESG-related activity in more detail and make recommendations to the Board. Less formal reviews occur on a monthly basis between the Manager and the ESG Committee Chair. Material matters are reported in the Company's Annual Report and Consolidated Financial Statements and ESG Report. Both reports are reviewed and signed-off by the Board following discussion with, and assurances from, the Manager.	The Board will receive regular updates and drive improvement across the relevant ESG factors including progress towards its net zero commitment.
Management's role in assessing and managing climate-related risks and opportunities	The Manager is responsible for ensuring climate-related risks and opportunities are integrated into operational processes and asset management decisions. Recommendations are made to the Board to target appropriate objectives and arrange 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 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 2030 and beyond across the portfolio to ensure that energy and carbon reduction levels are in line with the Paris Agreement on climate change, and the climate-related credentials of premises remain attractive to future occupiers. Taking account of reasonable assumptions for grid decarbonisation and future turnover in the portfolio, the Company has ascertained that energy demand needs to reduce by approximately 3% per annum. The completed analysis of the exposure of the portfolio to both physical and transitional climate risks in the short, medium and longer terms has and continues to be incorporated into individual asset business plans and will contribute to wider considerations around strategies to exploit opportunities and mitigate risk.	The Company will build on its platform of detailed asset-level assessments and analysis and continue to monitor industry developments relating to both physical and transitional risk exposure and evolve portfolio considerations accordingly.

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 of asset and portfolio-level flood risk on an annual basis. Analysis is undertaken in more detail for the limited number of assets for which the level of risk may be elevated. The Company has expanded its analysis of transitional climate-related risks by considering and modeling a number of scenarios. These are associated with i) the varying cost of decarbonisation in the context of carbon pricing and taxation, ii) the fluctuating price of energy in the context of future pricing and volatility and shifts in operational expenses, iii) anticipated regulatory minimum energy performance standards, iv) the risk to income and cash flows from failure to meet expected thresholds and v) changes in occupier preferences and sentiment influencing premises selection and impacting on rental yields and pricing. The Company's strategy and asset business planning has evolved to take account of both physical and transitional climate-related risk and opportunities. Further details are included in this report and in the relevant ESG Commitments described in the Company's Annual Report and Consolidated Financial Statements. Building on the publication of its net zero carbon strategy, the Company commissioned individual building assessments to understand technical feasibility and costs associated with potential interventions. The outcomes have allowed for the development of individual action plans to be incorporated into regular asset business planning activities, and has furthermore allowed for more detailed transitional risk modeling to be undertaken at both asset and portfolio level.	The Company will update the outputs derived from its physical and transitional risk assessment exercises and undertake refinements as appropriate to ensure ongoing relevance.
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 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. Furthermore, scenario-based analysis using the selected transitional risks identified above and framed in the accepted orderly, disorderly and hot-house settings, has been completed. Through these exercises, the Company has identified assets more susceptible to risk and financial impact and the importance of delivering on carbon-related strategies. The analysis underpins the benefit of undertaking interventions, their timing and the returns on investment. By implementing its net zero carbon execution strategy, and adopting industry accepted cost profiling provided by MSCI in respect of decarbonisation, the Company can anticipate a 15% reduction in the transition risk-specific Climate Value at Risk (CVaR).	The Company will continue to monitor and finesse outputs in line with industry developments and any portfolio changes.
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 reappraisal of the ESG (including climate-related) characteristics of assets held by the Company, including reclassifying assets according to changes in their climate risk profile in order to determine the frequency and extent of asset management routines and interventions.	The Company will continue to review and refine its acquisition due diligence and operational approaches to take fuller account of longer-term climate risk factors, including: • Sensitivity to potential changes in the cost and availability of insurance cover. • Potential impacts on future asset liquidity. • Potential effects of emerging or escalating physical and transitional risks.

Recommended disclosure	Current arrangements	Planned activity
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.	The Company will continue to refine specific climate-related considerations into its investment criteria for acquisitions, hold/sell and capital expenditure 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 operational effectiveness of the internal control systems.	The Manager will continue to deliver briefing and training sessions to its asset, property, and project managers so they are aware of risks and opportunities and recommended actions for improving the resilience of individual assets.
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 (kgCO_2e) • Change in emissions from Scope 1 consumption (%) • Emissions from Scope 2 consumption (kgCO_2e) • Change in emissions from Scope 2 consumption (%) • Emissions intensity for Scope 1 & 2 (kgCO_2e/m² NLA) • Change in emissions intensity from Scope 1 & 2 consumption (%) **Financial category: Expenditures (Water):** • Water consumption (m^3) • Change in water consumption (m^3/%) • Water intensity (m^3/m^2 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)	The Manager will continue to monitor and refine the metrics it uses to assess climate-related risks and opportunities.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Disclosures are shown in full on pages 23 to 28 of this report, with an independent statement of verification of greenhouse gas emissions in Appendix 1 by Lucideon.	Disclosed annually in the Annual Report and Consolidated Financial Statements from 2024.

Recommended disclosure	Current arrangements	Planned activity
Targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Short-term: • The Company has established annual targets to reduce landlord energy consumption on a like-for-like basis by an average of 3% across the portfolio. • In parallel, the Company has established a target of having renewable electricity supplies for all landlord-procured power. 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. Subsequently, we applied to and received validation from the Science Based Targets Initiative (SBTi) in respect of the approach to achieving an interim target reduction of 46% in Scope 1 and Scope 2 emissions by 2030 compared to a 2019 baseline. 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 (now part of Accenture) 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.	The Company will continue to monitor and track performance of properties compared to individual asset-level plans and industry level trajectories, and will continue to evaluate any need to refine or re-base targets in line with industry landscape or market expectations.

Spotlight on London W1, St Christopher's Place Estate

Situated adjacent to one of the West End's premier shopping streets, St Christopher's Place Estate with its charming mix of residential dwellings, retail units, offices and restaurants comprises 172 lettable units across 40 buildings.

The on-site management team remains focussed on creating an ever more socially impactful destination. The team continues to support existing initiatives such as AccessAble through regular update assessments and adjustments to webpages and recently instructed an ActiveScore assessment to better understand the opportunities for improved travel related facilities and services.

In October 2023, the Estate signed up to the Westminster Sustainable City Charter, a business-led pledge which incorporates eight commitments for reducing carbon emissions from non-domestic premises, joining fifty other like-minded organisations including other local landed estate owners, large commercial property investment and management houses, health trusts, theatre and arts houses and educational establishments.

The Sustainable City Charter is a voluntary business and public sector partnership and puts in place a framework for climate and sustainability action relating to buildings across Westminster. In joining the Charter, participants will be making a public commitment to delivering improvements to their buildings across a range of key environmental themes:

- Collaboration, partnership, and transparency,
- Baselining and reducing emissions from energy,
- Procurement and purchasing,
- Construction works,
- Deliveries to buildings,
- Transport and fleet,
- Waste,
- Implementation.

St Christopher's Place is fully aligned with the Company's overall commitment to achieve net zero carbon by 2040 or sooner. The Estate is complex with over forty component buildings accommodating multiple use types. Having undertaken a number of representative sample carbon assessments during 2023, the Manager has been able to analyse the implications for the collection of buildings, overlay current lease expiry profiles together with refurbishment plans, and model a plan for delivering on the 2040 commitment in a structured manner.

III. ESG Risk Profile

The ESG Risk Profile described in this section presents key data collated by the 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 2023 with respect to issues such as environmental management, flood risk, energy performance and contamination.

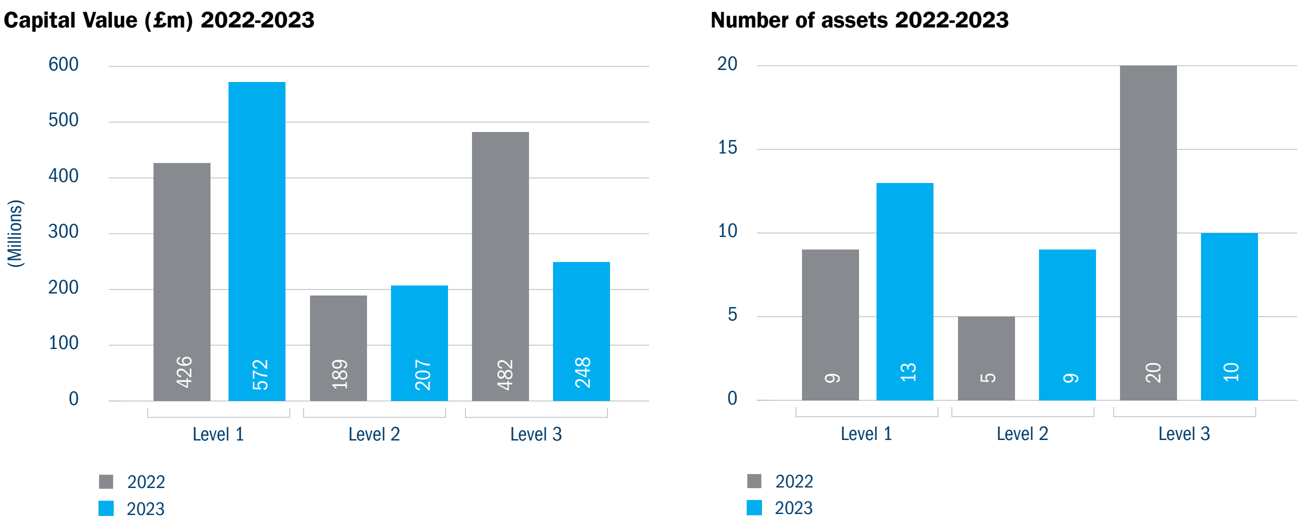
A) Asset Classifications

The Company believes it important to approach ESG matters proportionately in the context of each asset's impact and the degree to which the Company has management control. This is particularly the case for energy, in relation to which both regulatory and performance-related risks to value can materialise. This has been recently expanded to include energy use intensities (EUI). 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 Manager has in place clear procedural guidelines to assist asset and property managers in this regard.

The increase in level 1 assets compared to last year reflects the identification of assets with higher energy use intensities derived from its net zero carbon assessments.

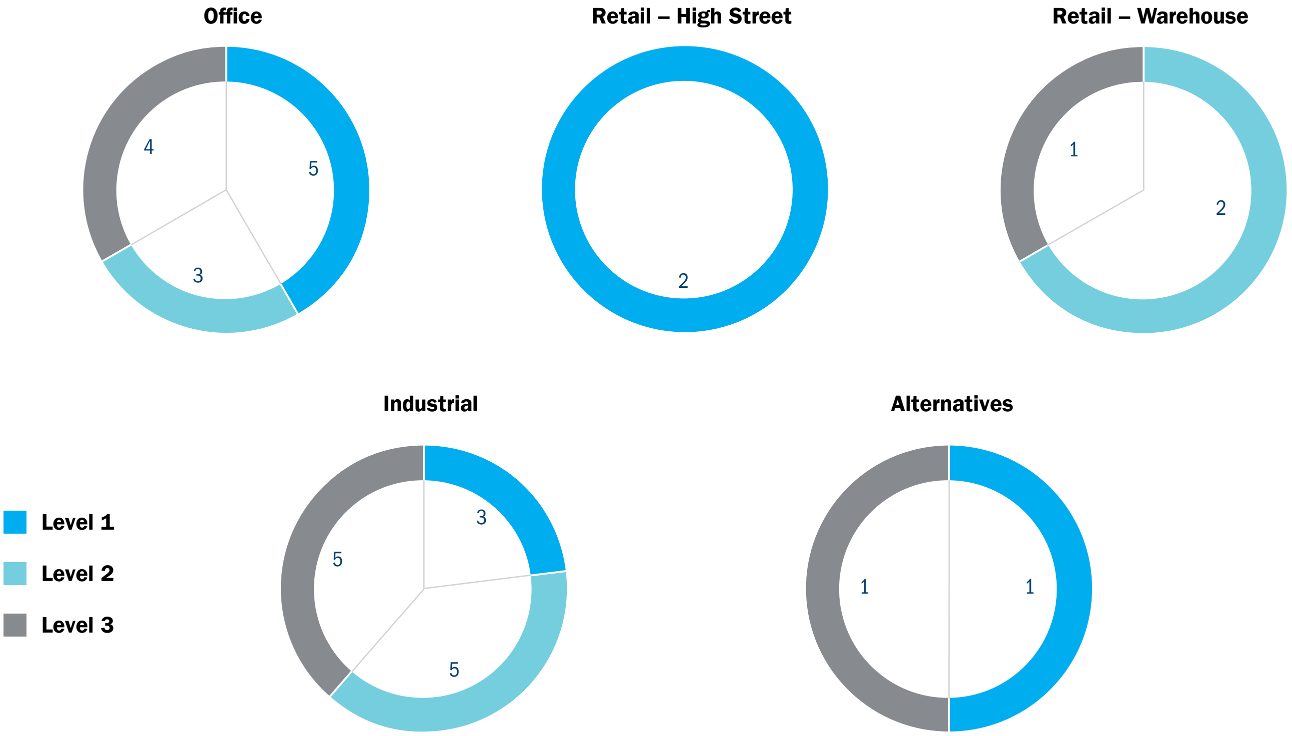
Figure 2: Asset classification



Asset Classification (Priority)	Energy Rating		Energy Spend		EUI
Level 1	EPC Rating below C	and/or	Total annual landlord energy spend ≥£50,000	and/or	EUI > 50% of CRREM benchmark
Level 2	EPC Rating of C	and/or	Total annual landlord energy spend >£0 and <£50,000	and/or	EUI >10% and < 50% of CRREM benchmark
Level 3	EPC Rating of A or B	and	No landlord energy spend (typically FRI assets)	and	EUI < 10% of CRREM benchmark

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 2023 Annual Report and Consolidated Financial Statements.

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. These are based on updated desktop reviews undertaken in 2023. This shows that, taking account of flood defences, the majority of the portfolio is at negligible risk of flooding from rivers or seas, with 0% of capital value at high risk of flooding from this source.

0% of capital value is deemed to be at high risk from groundwater flooding.

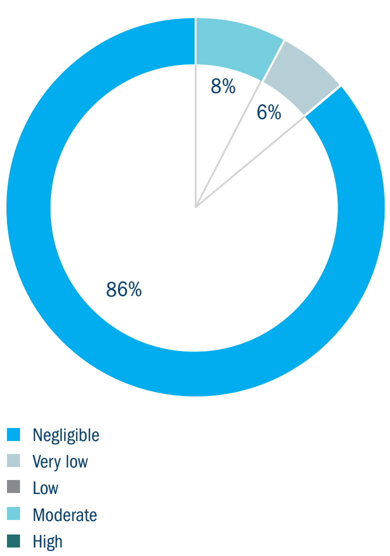
The portfolio has some exposure to surface water flood risk, commensurate with the urban context of the majority of the assets in the portfolio. Nevertheless, over 92% of capital value is found to be at negligible or very low risk.

The principal elements of the Manager's approach to managing flood risk include:

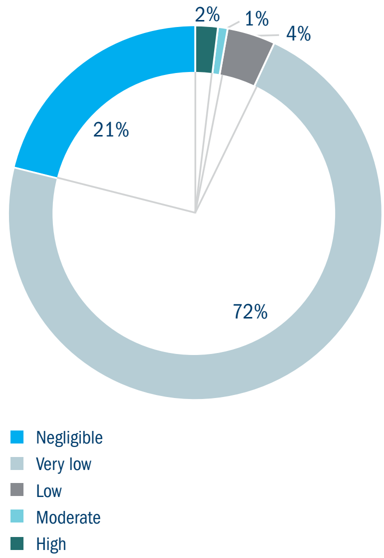
- Undertaking regular flood risk assessments of all held assets to keep an overview of portfolio risk exposure under regular review;
- Undertaking flood risk assessments, including an assessment of repairing obligations within lease terms, at the pre-acquisition stage for all assets and taking account of any material issues in investment decisions and subsequent asset business planning;
- Ensuring that adequate insurance cover is in place;
- In areas of higher risk, maintain a watching brief on insurance premiums and planning decisions for development work, including 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 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

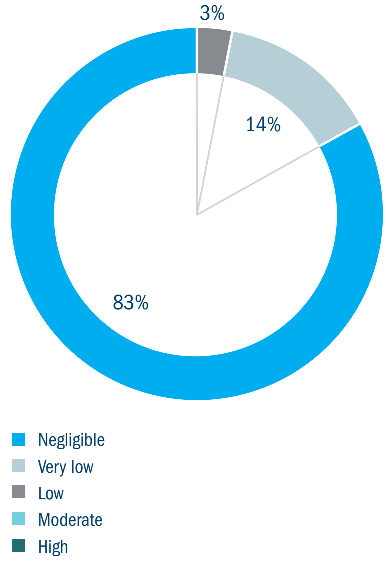
Fluvial flood risk as a proportion of total capital value



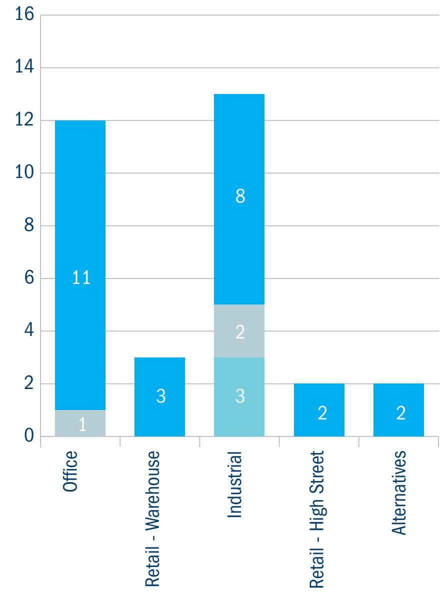
Surface water risk as a proportion of total capital value



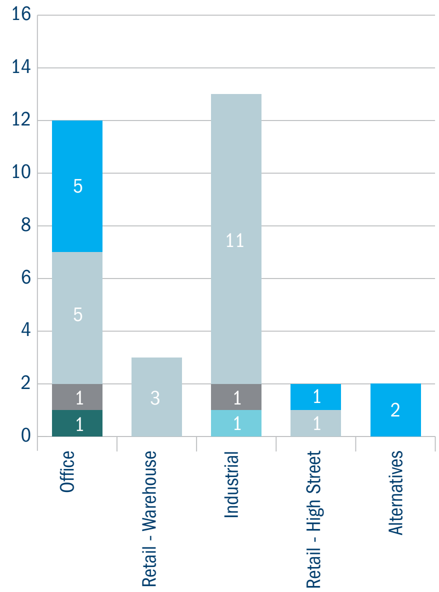
Groundwater flood risk as a proportion of total capital value



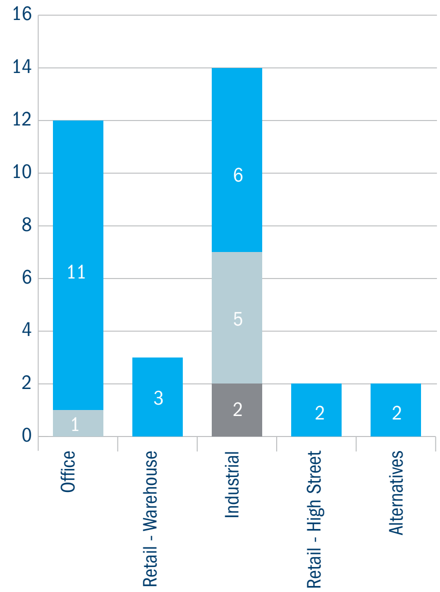
Fluvial risk by sector



Surface water risk by sector

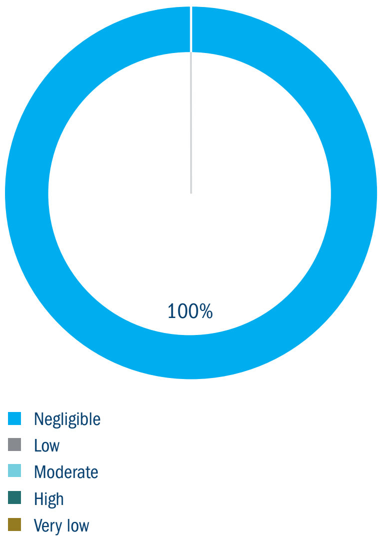


Groundwater risk by sector

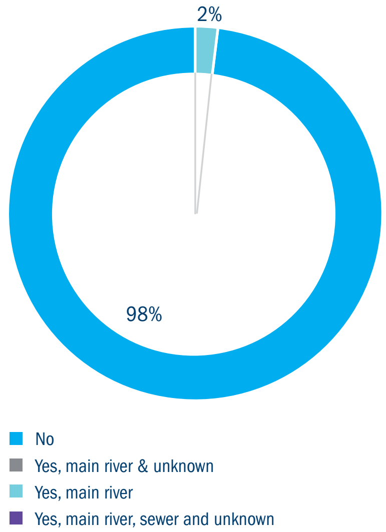


- High: Flood risk has been identified which presents a high risk. This classification relates to very frequent flood events and/or deep flood depths in the flood models.
- Medium: Flood risk has been identified which presents a medium risk. This classification relates to frequent flood events and/or moderate flood depths in the flood models.
- Low: Flood risk has been identified which presents a low risk. This classification relates to infrequent flood events and/or shallow flood depths in the flood models
- Very low: Flood risk has been identified which presents a very low risk. This classification relates to very infrequent flood events and/or very shallow flood depths in the flood models.
- Negligible: No flood risk has been identified> There may still be some risk but it is likely to be inconsequential and is not represented in the flood models.

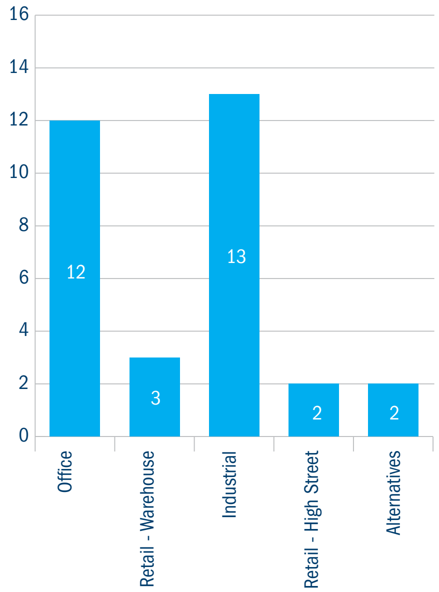
Tidal flood risk as a proportion of total capital value



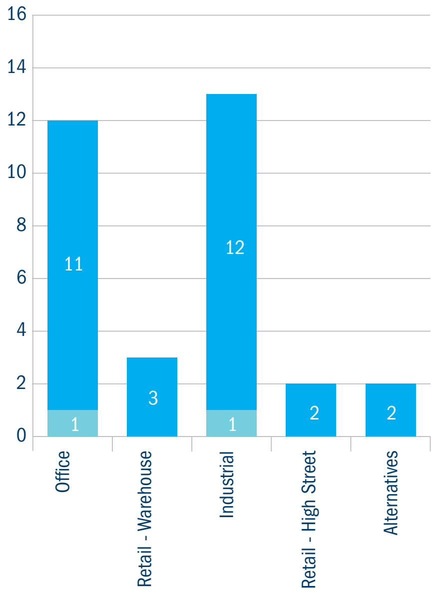
Distribution of historic flood incidents in relation to capital value



Tidal flood risk by sector



Historic flooding by sector



C) EPC Ratings

The charts presented below provide a summary of Energy Performance Certificate (EPC) ratings for the portfolio. The exposure to A and B-rated assets is significantly greater than the previous year, with 60.8% by rental value in 2023 compared to 37.6% in 2022.

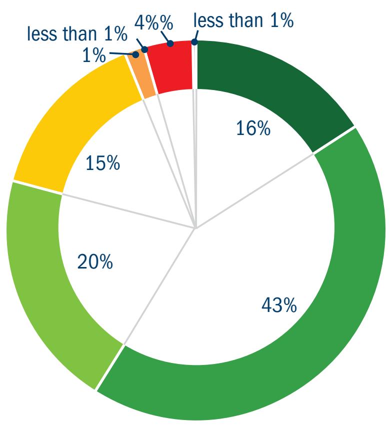
At the end of the reporting year, the Company has exposure to F & G rated assets which represent 3.9% of total rental value and 2.2% of total net lettable area (NLA), with all such assets located in England. Almost all of this exposure is vested in a single asset in Stockley Park, Uxbridge where the strategic plan for re-letting will address energy efficiency aspects. The remaining units are of relatively small size, mostly located in central London and subject to reletting strategies incorporating refurbishment works which will deliver 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.

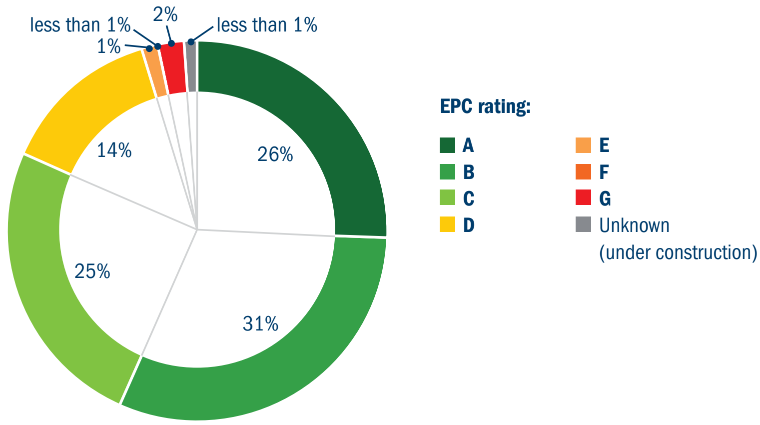
The two pie charts below indicate the distribution of EPC ratings in England & Wales but not Scotland where the MEES regulations do not apply.

Figure 4: EPC Ratings

EPC ratings by rental value – England & Wales only – 2023

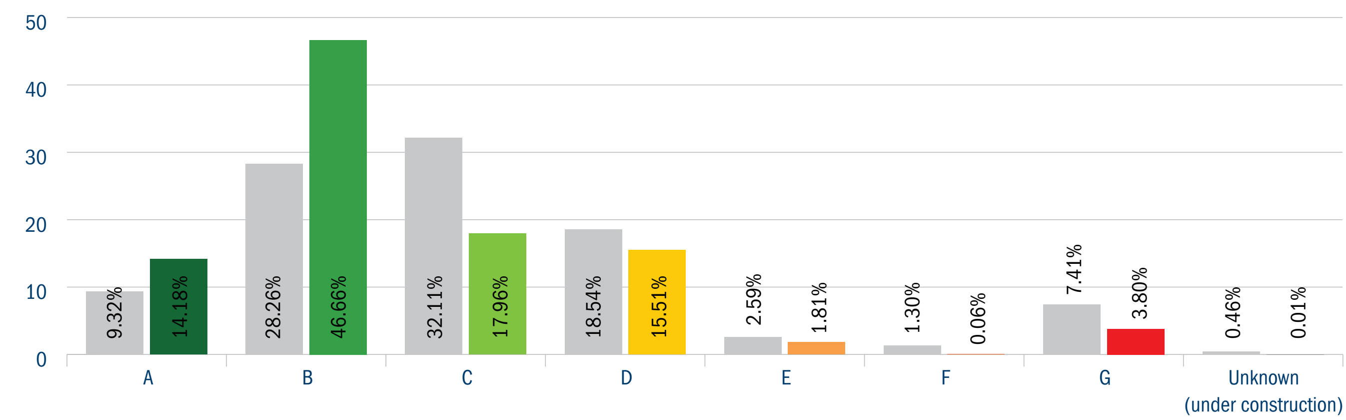


EPC ratings by NLA – England & Wales only – 2023



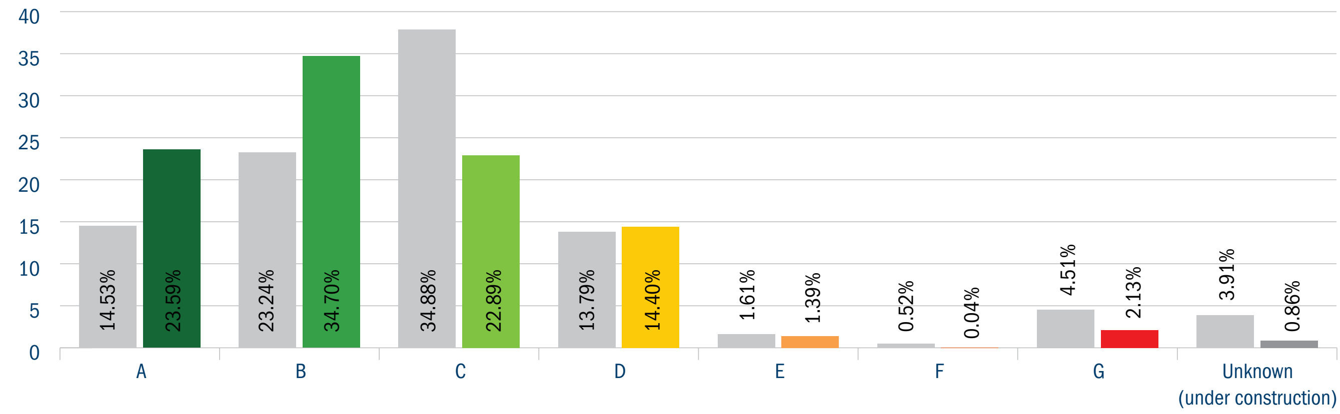
2023 EPC ratings distribution by rental value with corresponding 2022 percentages in grey

Whole portfolio – including assets in Scotland



2023 EPC ratings distribution by net lettable area with corresponding 2022 percentages in grey

Whole portfolio – including assets in Scotland



During 2023, 16 assets had their EPCs updated either on account of certificate expiry or following material improvement works.

The Manager has a comprehensive strategy in place to manage the risks associated with MEES and future legislative changes. Particular attention is given to:

- Maintaining comprehensive records to ensure clear visibility of related risks
- Obtaining high-quality EPC assessments from best-in-class providers to facilitate accurate reports and supplementary information to manage asset performance
- Clear visibility on energy performance risk when acquiring assets through due diligence and when preparing and executing leases
- Robust strategies to ensure EPC ratings are optimised during development, refurbishment and the routine management of the asset
- Comprehensive information to support sales when the Company identifies properties to market. With this strategy in place, the Company can ensure timely and cost-effective action is taken to address energy rating improvements where required, ahead of legislative restriction, and it future-proofs assets relating to forthcoming regulatory change and standards. In turn this can boost delivery of occupational benefits to our customers and bring sustainable returns for the Company's 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 (70.8%) of the portfolio is at low risk of contamination in terms of capital value, whilst the remainder is at the modestly elevated level of moderate-low risk. Contamination is an 'investment critical' criteria within our ESG Appraisal process when considering potential acquisitions.

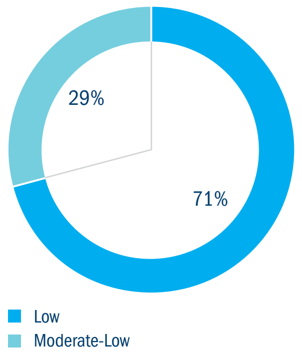
HCFC coolants

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.

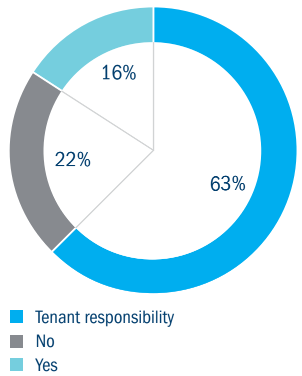
The Manager continues to monitor for effective maintenance of equipment using HCFC refrigerants to mitigate leakage risk ahead of plant replacement cycles.

Figure 5: Other Risk Metrics

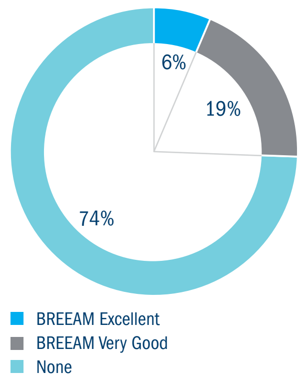
Current contamination risk
Distribution of risk ratings as a proportion of capital value



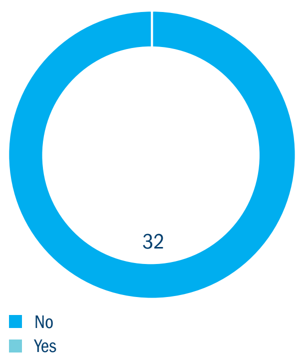
HCFC coolants
No. of directly managed assets in which HVAC systems using HCFC's are present



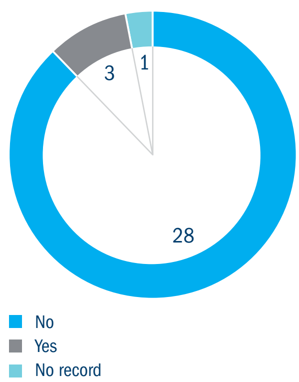
Green building certification
Distribution of green building ratings with reference to Net Lettable Area



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

Three properties – Newbury Retail Park (retail warehouse), G Park in Liverpool (logistics) and Quintus at Branston Locks in Burton-upon-Trent (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.

Statutory wildlife designations

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

Green Building Certification

Including the property at Quintus at Branston Lock, Burton-on-Trent which received an 'Excellent' rating during the present reporting year, eight properties have attained a BREEAM rating, all of which pertain to new construction or major refurbishment projects. Collectively, these account for around 26% of the total Net Lettable Area of the portfolio.

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

Verification of Balanced Commercial Property Trust Limited's 2023 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 "2023 Environmental, Social and Governance Report" for the period 1 January 2023 to 31 October 2023. 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 within the "2023 Environmental, Social and Governance Report" from the operations of Balanced Commercial Property Trust Limited consistent with the requirements of ISO 14064-3 and provides limited assurance that the CO_2 emissions for the 2023 reporting year January to October are verifiable.

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

12 February 2024

LUCIDEON
Materials Development and Commercialization

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 REP PM Limited (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
IFRS	International Financial Reporting Standards
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 Recommendation
SBTi	Science Based Targets Initiative
SCP	SCPE Estate Limited (Holding for St Christopher's Place Estate, subsidiary of BCPT)
TCFD	Taskforce for Climate-Related Financial Disclosures
TNFD	Taskforce for Nature-Related Financial Disclosures

Corporate information

Directors (all non-executive)
Paul Marcuse (Chairman)
Linda Wilding
Trudi Clark (resigned 31/05/2023)
John Wythe
Hugh Scott-Barrett (resigned 23/02/2024)
Isobel Sharp
Karima Fahmy (joined 19/01/2024)

Secretary
Northern Trust International Fund Administration Services (Guernsey) Limited
PO Box 255
Trafalgar Court
Les Banques
St. Peter Port
Guernsey
Channel Islands GY1 3QL
Tel: 01481 745001

Registered Office
PO Box 255
Trafalgar Court
Les Banques
St. Peter Port
Guernsey
Channel Islands GY1 3QL
Tel: 01481 745001

Alternative Investment Fund Manager ('AIFM') and Investment Manager
Columbia Threadneedle Investment Business Limited
6th Floor Quartermile 4
7a Nightingale Way
Edinburgh EH3 9EG
Tel: 0207 628 8000

Property Investment Managers
Columbia Threadneedle REP PM Limited
Cannon Place
78 Cannon Street
London EC4N 6AG

Website
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Balanced Commercial Property Trust Limited

Environmental, Social and Governance Report 2023

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