



ethicalproperty

SUSTAINABILITY STRATEGY WITH A NET ZERO PATHWAY



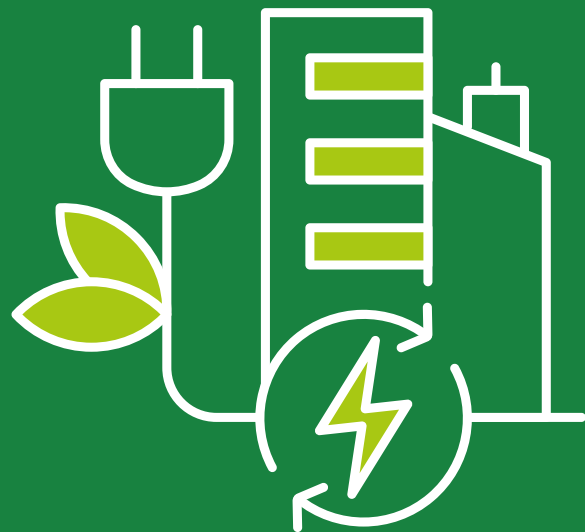
MISSION AND VISION

Our mission is to bring changemakers together under one roof so they can achieve greater impact. This includes our staff, organisations working towards a better future, and socially conscious investors who value the protection of the planet and all its resources.

We aim to make a positive contribution to the planet by minimising our environmental impact, in particular greenhouse gases, and promoting positive environmental initiatives.

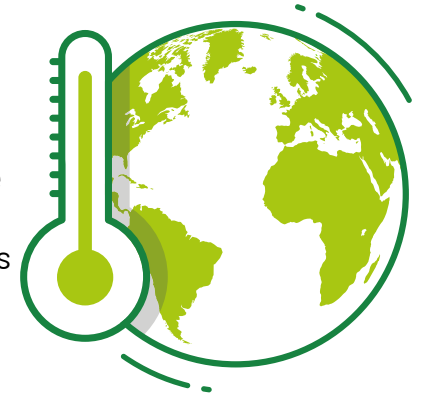
In line with global and UK targets, we are committed to reducing our operational carbon emissions by a minimum of 50% by 2030 and being a Net Zero company by 2040. We understand that achieving this will be extremely challenging, but we are resolved to do everything within our control to make it happen.

To ensure a successful outcome, we will make changes in our buildings, our business, and ourselves.



The global context

The environmental crisis will only be solved if we work together to address the wide range of environmental and social challenges we face. The most critical of these is climate change due to global warming caused by man-made greenhouse gas emissions. At the COP 21 UN Climate Change Conference in Paris in December 2015, the world's nations agreed to limit global warming to well under 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C.



According to many climate scientists, we have already exceeded the carbon budget for the 1.5°C target, and the opportunity for holding to 2°C is rapidly fading unless the world starts reducing emissions immediately. The voluntary commitments made by nations in Paris to cut greenhouse gas emissions are insufficient. Even if fulfilled, they have a less than 10% probability of limiting warming to below 2°C and only a 66% probability of keeping it below 3°C.

In June 2019, Parliament passed legislation requiring the government to reduce the UK's net emissions of greenhouse gases by 100% relative to 1990 levels, by 2050. Prior to this, the UK was committed to an 80% reduction of net greenhouse gas emissions compared to 1990 levels, also by 2050.

Our contribution

Since our very first day as a triple bottom line company, reducing our environmental impact has been embedded in all that we do, and is enshrined within our Quintessentials.

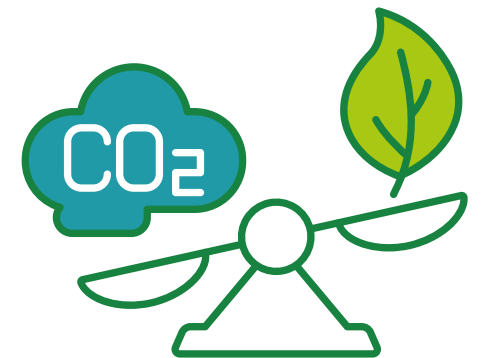
We strive to do this by ensuring that we use only our fair share of the planet's resources while taking responsibility for the impact of that share. To achieve our goal of sustainability we will need to use all practical means at our disposal. Our business will always generate some carbon emissions, so our primary focus will be to eliminate as many tonnes of carbon emitted (tCO₂e) from our current portfolio as is practically possible. Alongside this, we will continue our programme of investing in sources of renewable energy. This will include partnering with organisations that share our environmental aspirations.

We can best achieve our goals by working together with our stakeholders and partners. Only by learning together, sharing information, and taking action can we achieve Net Zero and a more sustainable future. We will report back on a regular basis via our website, annual reports, newsletters, and quarterly investor updates, with information on progress and next steps, and requests for input.

To become a Net Zero company, we will use a hierarchy of measures as follows:

- Eliminating tCO₂e in our buildings.
- Minimising tCO₂e in our business.
- Changing behaviours in ourselves.

While there is some overlap, our objectives are set out in greater detail below under these categories.



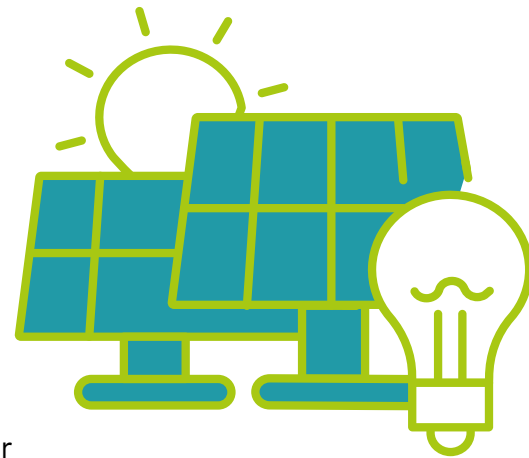
OUR BUILDINGS

Energy

We aim to continue to source 100% green gas while instituting a changeover programme to reduce our dependence on gas. We will continue to source any electricity not generated on-site from 100% renewable sources.

Our commitment to investing in only procuring 100% renewable energy and our energy-generation programme has already had an enormous impact on our tCO₂e, but there is still more work to do. To reach our aspirations, we will focus on:

- Reducing Scope 1 emissions, targeting gas consumption. We will institute a gas replacement programme for all our buildings, either in part or whole, switching to an alternative renewable source such as air source heat pumps. This will be rolled out by targeting areas that are transferrable, such as hot water and/or heating systems. We will also investigate district heating solutions, where applicable.
- Reducing Scope 2 emissions by increasing our on-site and off-site renewable electrical generation to its maximum capacity.
- Reducing Scope 3 emissions by extending our scope to include our supply chain, staff travel, waste sent to landfill, and water use.
- Focusing on our highest-emitting buildings first, for immediate impact.
- Seeking out additional generation opportunities by partnering with other organisations to facilitate off-site generation opportunities in areas such as community centres, local buildings, and businesses. This will involve focusing on:
 - local over national collaboration.
 - solar and/or wind power.



Refrigeration

Given our commitment to natural ventilation, our overall use of refrigerants has historically been low, and we have not installed systems beyond what is absolutely necessary. However, as temperatures have risen, we have become more reliant on mechanical cooling in some buildings (in addition to that in areas such as comms rooms, which have always required cooling). We therefore intend to measure, monitor, and minimise refrigerant emissions by:

- Designing our floor plans/plates to optimise natural ventilation.
- Restricting how spaces are configured, to ensure optimal air movement.
- Investigating 'green' cooling options for any new build or when we complete refurbishments.

Refurbishments and new builds

We cannot mitigate the embodied carbon inherent in our buildings. However, we can measure, monitor, and actively work to minimise additional embodied carbon as part of our building programme. The continued reductions will be achieved by a combination of carbon reduction and sustainability plans tailored to each building.

As we continue to expand our portfolio, the carbon impact of this will have to be carefully monitored. We will set strict baseline criteria to assess the viability and minimise the impact of any refurbishments and new builds.



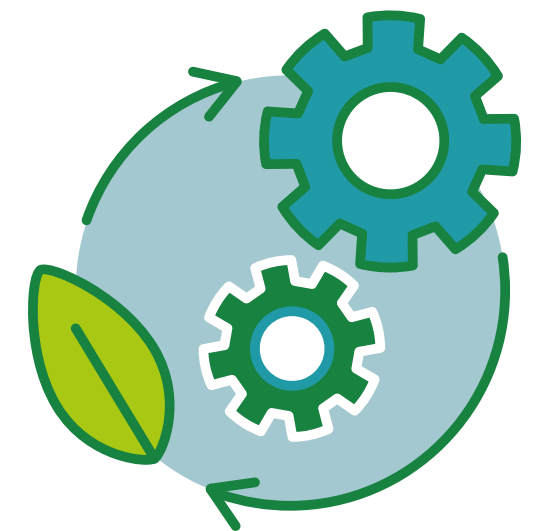
OUR BUSINESS

Procurement

Our tCO₂e related to procurement is significant so we intend to confront and reduce it in as many ways as possible. We will report on and seek to eliminate or minimise all tCO₂e related to our buildings and business, by interrogating our supply chain and working with suppliers to achieve the required reduction.

We will institute a procurement policy that gives priority to sustainable/environmental suppliers and products and supports a robust process of monitoring and reporting on our supply chain. This includes only using materials and products that reduce natural resource consumption, have a low embodied impact, are non-toxic, and can be easily repurposed or recycled at end of life. We will:

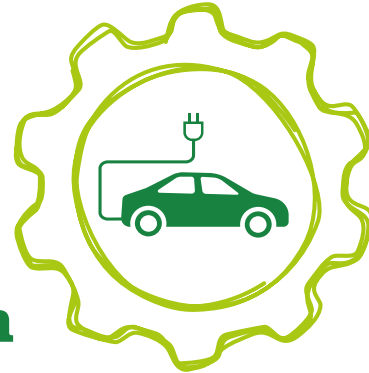
- Roll out the procurement policy over three stages: critical, large, and medium/small.
- Ensure that the default for procurement is to source locally but potentially use national organisations which have a local presence.
- Mentor/collaborate with suppliers who are not currently sustainable to enable greater impact – not just towards Net Zero, but sustainability for all.



Travel

We intend to report on our indirect emissions related to travel for business, as well as staff travel to and from work. We will:

- Actively reduce tCO2e related to our travel while continuing to invest in technology that enables us to reduce transport use.
- Install at least one electric vehicle charging point in all our buildings that have on-site capacity.



Water consumption

The preservation of water is vital, and we have already adopted a range of methods to ensure that our overall consumption remains low. We will continue to prioritise this goal by conducting 'water audits' which will help us to identify any issues with overuse. We will also implement a programme of retrofits and reinstalls.

Waste

We will eliminate all tCO2e related to our landfill waste by 2030 while continuing to track and report on all other types of waste disposal (incorporating tenants' needs and allowing for a degree of regional variation).



OURSELVES

The most important part of the strategy will be to engage our staff, tenants, investors, and suppliers – because only with everyone on board can we achieve our aims. We will:

• Educate:

- by holding workshops to define how each of our buildings is used and what is needed at both a local and national level to ensure success; training staff and tenants on our carbon impact and how to mitigate it; and enabling staff to report on environmental performance outcomes, track impacts, and collaborate across the portfolio.

• Inspire:

- by encouraging staff and tenants to promote sustainability and champion our environmental changes as something for the betterment of everyone; and leveraging synergy events to include a range of suggested topics on sustainability, promoting greater collaboration between tenants.

• Accomplish:

- by enabling staff and tenants to participate in a Sustainability Committee that functions at local level and across the portfolio, to drive forward our Net Zero pathway; providing reports on carbon usage to tenants and prominently displaying goals and outcomes for each building; and encouraging compliance and recognising/rewarding success, both for buildings and individuals.

GLOSSARY

Carbon neutral	Carbon neutrality is a state of Net Zero carbon dioxide emissions. This can be achieved by balancing emissions of carbon dioxide with its removal or by eliminating emissions from society.
Greenhouse Gas (GHG) Protocol Corporate Standard	The GHG Protocol Corporate Standard provides standards and guidance for companies and other types of organisations when preparing a GHG emissions inventory. It covers the accounting and reporting of the six greenhouse gases covered by the Kyoto Protocol: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF6).
Net Zero	Net Zero means cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions reabsorbed from the atmosphere, by oceans and forests for instance. The term is increasingly used to describe a broader and more comprehensive commitment to decarbonisation and climate action, moving beyond carbon neutrality by including more activities under the scope of indirect emissions, and often including a science-based target on emissions reduction as opposed to relying solely on offsetting.
Refrigerant	A working fluid used in the refrigeration cycle of air conditioning systems and heat pumps, which in most cases undergoes a repeated phase transition from a liquid to a gas and back again.
Scope 1	Covers direct emissions of a business from owned or controlled sources, e.g. emissions from facilities or vehicles.
Scope 2	Covers indirect emissions of a business from the generation of purchased electricity, steam, heating, and cooling.
Scope 3	Includes all other indirect emissions that occur in the value chain of a business, e.g. purchased goods and services, travel, waste disposal, and emissions resulting from customers using the business's products and/or services.
tCO2e	Tonnes of carbon emitted.



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