

Responsible BUSINESS

Sustainability performance 2016

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Key achievements in the year

During the year, we built on our significant progress from the previous year. In particular we expanded our Responsible Business efforts through the introduction of our new Responsible Business Procurement Policy with contractors and suppliers and rolled out processes to better measure occupier contentment through the introduction of a satisfaction survey. The successful rolling out of our Responsible Business Strategy has allowed us to significantly improve our GRESB performance and achieve an EPRA sustainability BPR Gold award.

EPRA sBPR Gold award and significantly improved GRESB score



See page 5

Targets 2015/16

94%

achieved

One remaining target partially achieved and good progress made

See page 16

Independent tenant satisfaction survey undertaken



See page 10

EPCs on unknown assets completed; 100% of assets rated 'E' or above

100%

See page 9

BREEAM Very Good certification on 1.9m sq ft of developments



See page 6

Solar PVs installed
536 KW

See page 8

Full Health & Safety policy roll out across corporate and development projects



See page 15

Established Responsible Procurement Policy and development contractor checklist on projects



See page 6

Initiated external lighting LED replacement programme across retail warehouse portfolio



See page 8

Commenced collection of tenant energy usage and monitoring of performance on completed developments



See page 10

Community and Charities Working Group formalised and initiatives commenced



See page 12

Carbon footprint reduced by 11%

-11% on a like-for-like basis



Our approach to Responsible Business

There has been increased legislative pressure on environmental issues and growing demand from investors for sustainability disclosure. We have worked hard to fully integrate Responsible Business policies and procedures across our core business activities.

Our approach to Responsible Business

Our Responsible Business Policy was first published in 2014 following a detailed review of the sustainability risks and opportunities which are most material to our business.

Our Responsible Business Strategy sets out our sustainability priorities across four core business activities:

- (i) our business operations
- (ii) our property investments
- (iii) property development
- (iv) asset management

It is supported by the foundations of good risk management.

Key targets are set for each of our sustainability priority areas on an annual basis. The delivery of these targets is overseen by our Executive Committee and progress is monitored on a quarterly basis through our Responsible Business meetings, attended by key representatives from across the business. We also receive support from our external real estate sustainability advisors.

Responsible Business training is carried out across all employees annually to make sure we effectively deliver on our targets and continue to optimise our Responsible Business approach.

We actively engage with stakeholders (investors, JV partners, occupiers, communities and local authorities) on Responsible Business themes and relevant materials are included in investor roadshows.

Importance of Responsible Business

- Critical to managing sustainability risks
- Important in generating sustainable value from our portfolio and enhancing profitability
- Helps us to mitigate any potential long term risks posed by less resource efficient assets
- Enables us to successfully and sustainably deliver on our developments
- Promotes excellent stakeholder relationships and assists them in delivering on their own responsible business objectives



Beyond driving our own sustainability performance, the work we put in to meet our annual targets allows us also to continue to meet our stakeholders' advancing expectations.

Martin McGann
Finance Director



Responsible Business in action Coventry Airport Retail Park





Overview

- 136,000 sq ft retail park
- Downsize of Currys store and new B&M and Aldi stores
- 4 new retailers added
- Part of 40 wider local improvements including significant highways works



I see this as a win-win situation. The area lacks badly in facilities. The supermarket will hopefully create 40 jobs mainly for local people.

John Mutton Binley and Willenhall Councillor

Responsible Asset Management

Socio/economic benefit

- Retail offering and configuration significantly improved
- Development of previously unused space
- Retailers committed to local recruitment
- Significantly increased employment at the retail park
- Improved links to neighbouring retail park and local area

Energy/Environmental benefits

- Car park lighting upgrade work expected to reduce energy usage by 65%
- Monitoring energy use of a number of tenants
- In partnership with Dixons Carphone, installed solar panels with 100 kw capacity

Responsible **Development**

- 18,000 sa ft Aldi convenience store, completes October 2016
- Extensive local consultation including pre-application and presentations to local community
- One of the first projects where LondonMetric is implementing its new contractor development
- Acoustic Barrier minimising local impact of works

Local charitable commitments

Coventry's participation at the International Children's Games annually



Working in partnership with our local contractor

- LondonMetric has worked with Deeley for over 4 years
- Coventry based contractor employing and sourcing locally
- 450 construction jobs created, 16,000 hours worked and 6 Apprentices employed
- 96% of sub contractors based within 30 miles
- Deeley received a silver award under the Considerate Constructors Scheme 2016 National Site Awards 2016 for its work on the new B&M store





Performance highlights

In 2015, we established a baseline and benchmarks for measurement of the environmental performance of our portfolio. Since then we have significantly reduced our utilities consumption and GHG emissions, enabling us to save around £283,000 in costs.



Energy consumption

7,080 MWh

We have also reduced our total like-for-like energy consumption (electricity and natural gas) by 8% compared to 2014. A key initiative which helped us to achieve this was lighting and energy efficiency improvements at our office asset in Marlow.



Greenhouse gas (GHG) emissions¹

2,808 tCO₂e Down 36%

On a like for like basis, GHG emissions were down by 11% as a result of the reduction in energy consumption. We have also reduced our Carbon Reduction Commitment (CRC) liabilities from £60,385 to £43,382 since last year.



Water consumption

6,191 m³ Down 19%

We reduced total like-forlike water consumption by 19%. Water saving measures are now in place at Marlow International, the office asset which accounts for 89% of our total water footprint.



Waste production

99 tonnes 39% recycled

90% of waste generated by our office asset. Our recycling rate was 39% and 100% of waste was diverted from landfill. Our most significant waste occurs from our developments. We have implemented procedures to measure and reduce our waste impact from development.

Mandatory GHG emissions reporting

		Year to 31 March 2016	Year to 31 March 2015
Direct greenhouse gas emissions in tonnes of CO2e (combustion of fuel and operation facilities)	Scope 1	491	979
Indirect greenhouse gas emissions in tonnes of CO2e (purchased electricity, heat, steam and cooling)	Scope 2	1,049	1,796
Total carbon footprint in tonnes of CO2e	Scope 1 & 2	1,540	2,775
Scope 1 and 2 intensity (tonnes of CO ₂ e per £m net income after administration costs)		28	59

Data qualifying notes

We have reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

We have used the main requirements of ISO14064 Part 1 and the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition) for our methodology, using energy consumption data from our owned and occupied properties. We have chosen to report greenhouse gas emissions under our operational control. These sources fall within our consolidated financial statements. We do not have responsibility for any emissions sources that are not included in our consolidated financial statements.

Emissions factors are taken from the latest UK Government (DEFRA) conversion factors for company reporting (2015).

Data for the year to 31 March 2015 has been restated, including associated intensity metrics, as additional energy consumption data has been obtained since the previous report was published.

Scope 1 data does not include refrigerant emissions as these have been determined to not be material (represent <2% of total emissions); owned fleet does not apply.

¹ Scope 1, 2 and 3 emissions

Recognition of our greater focus on sustainability

We have now fully integrated Responsible Business policies and procedures across our core business activities.

The significant improvement in our sustainable performance and practices made last year was rewarded this year when we received an EPRA sBPR Gold award for environmental performance reporting as well as a substantially improved GRESB score, proving that two leading industry bodies recognise the soundness of our Responsible Business approach.



Sustainability Best Practice Recommendations (sBPR)

- Framework for reporting standardised environmental data
- For first time in 2015, we reported in a format required by the EPRA sBPR
- One of only ten listed UK companies to receive a Gold award
- Received special commendation for improvement made

FTSE4Good assessment

- Reviewed results of 2014/15 assessment prior to 2015/16 re-assessment
- Took actions in 2015 to respond to FTSE4Good's findings and make more information publicly available
- Updated assessment will be published in June/July 2016
- A significant improvement in score is expected for next year

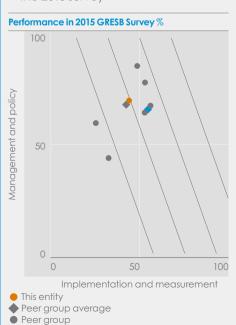


Global Real Estate Sustainability Benchmark (GRESB)

- Achieved 50% score in 2015 survey
- Up from 34% in 2014

GRESB average

- Two points short of achieving green star status
- Gap analysis undertaken to enable further improvements in the 2016 survey



Global Real Estate Sustainability Benchmark 2015

50% (2014: 34%)



Responsible DevelopmentManaging risks and future-proofing our assets



Development is an increasingly important activity and a key area of sustainability risk and opportunity for LondonMetric. Creating desirable real estate is fundamental to our business, and we strive to develop assets that are compliant with the evolving financial, environmental and social requirements of our occupiers.

High environmental standards

The majority of our new build projects are designed to meet BREEAM Very Good as the minimum sustainability certification standard.

In 2015, we achieved three BREEAM Very Good certifications. In addition, we integrated a range of sustainable features, including solar panels and cycle parking.

Active supply chain management

Responsible Procurement Policy

Supply chains are coming under increased scrutiny and, in 2015, we developed a procurement policy to ensure that our supply chain and our procurement practices meet good practice standards and deliver social and environmental benefits.

Responsible Development Checklist

All of our contractors are obliged to adhere to our development checklist, which sets minimum requirements for working on our development projects and include:

- Requirements for on-site Health & Safety management
- Compliance with the Considerate Constructors Scheme
- Environmental impact monitoring
- Management and reporting of progress against the checklist
- Promoting employment opportunities for local people and fair remuneration

UK's Modern Slavery Act

The UK's Modern Slavery Act was introduced in 2015 and our development checklist stipulates requirements for upholding human and labour rights within supply chains (see page 14).

Monitoring our contractors

Having implemented our development checklist on all new projects, we are now focusing on ensuring that contractors are meeting our requirements.

Benefits for local communities

Our developments typically involve local contractors and suppliers.
Once developments are complete and operational, our tenants employ locally-based employees for their retail stores or distribution warehouses. Our developments, therefore, generate significant employment and economic benefit to the local area.

We engage extensively with the local community, in particular councils and local organisations to ensure that proper consideration is given to the local area, its needs and opportunities for local jobs and apprenticeships. By way of example, this engagement supported the successful outcomes seen at our Kirkstall development (see page 13).

Future plans

We will focus on ensuring that our Responsible Development Requirements are effectively implemented and our developments continue to include environmental sustainability aspects.

We will also continue to support local job creation and the use of local suppliers to ensure that economic benefits accrue to the communities near our developments.



We created the Responsible Procurement Policy and Responsible Development Checklist expanding our sustainability efforts throughout our supply chain with our contractors and suppliers.

Tom PinderResponsible Business

BREEAM Very Good achieved on 1.9m sq ft

BREEAM Very Good expected on 0.9m sq ft by December 2016

Responsible Development in action Building a new way for everyone's future



Key responsible development activities in the year



Islip, Northamptonshire

- 1,062,000 sq ft distribution warehouse let to Primark
- Completed in September 2015
- BREEAM Very Good
- Built on brownfield site which was once an ironworks
- Solar panels installed covering 30,000 saft and generating electricity for the occupier
- Roof lights on 100,000 sq ft
- Foul drainage system on-site with dedicated treatment plant
- · Monitoring energy usage of occupier



Warrington

- 690,000 sa ft distribution warehouse let to The Hut Group
- Completed in November 2015
- BREEAM Very Good
- Roof lights on 66,000 sq ft
- Roof designed for future fitting of solar panels
- Surface water discharge storage incorporated into scheme



Kirkstall, Leeds

- 120,000 sa ft retail park
- Completed in October 2015
- BREEAM Very Good
- Insulation and solar shading incorporated into scheme
- High efficiency LEDs for external lighting
- Tenant fit out guide produced for occupiers
- Initiating monitoring of occupier energy usage



Wakefield

- 524,000 sq ft distribution warehouse pre-let to Poundworld
- Completes October 2016
- BREAM Very Good
- Roof lights on 49,000 sq ft
- Roof designed for future fitting of solar panels



See page 13 for further details

Responsible Investment and Asset ManagementSustaining value for our business and our tenants



We aim to invest in assets that have enduring occupier appeal and ensure that material sustainability risks and opportunities are integrated into the way we acquire and sell assets. We work in partnership with occupiers to undertake mutually beneficial asset management opportunities and mitigate any material risks.

Responsible Investing

Material sustainability risks are addressed and considered throughout the investment cycle.

Pre-acquisition due diligence and decision making process include risk assessment criteria for:

- Energy efficiency and energy costs, and CRC liabilities
- EPC risks, flooding and other extreme weather events

Preparation for sale:

- Following a complete portfolio review of EPC ratings, all our assets now have EPCs with ratings of E or above
- We include key sustainability information into our asset marketing materials

To support the effective implementation of sustainability risk management, we deliver training to our investment and asset management teams on an annual basis.

Responsible Asset Management

As part of our asset management activity we focus on:

- Monitoring and targeting improvements in the environmental performance of our assets
- Ensuring that our managing agents implement our policies and procedures properly
- Active engagement with our tenants, including on matters relating to sustainability

Our key Responsible Asset Management activities in the year consisted of:

1. Regulatory compliance

We are actively maintaining compliance and managing risks associated with key regulatory drivers. In 2015, we achieved further improvements against key environmental indicators, minimised our EPC risk; met our obligations under the CRC Energy Efficiency Scheme and carried out audits across our portfolio in accordance with the Energy Savings Opportunity Scheme (ESOS).

2. Energy and cost savings

With external car park lighting accounting for a significant part of our energy and carbon footprint, we are initiating an LED lighting upgrade in car parks across up to ten retail parks which would deliver over £20,000 of energy cost savings per year for our tenants through a 65% reduction in lighting energy requirements (equivalent to annual energy savings of 187,740 kWh). The expected payback period for the investment is approximately six years.

3. Tenant engagement

- Feasibility studies on and installation of renewable energy, for example at our Coventry Retail Park and Islip development
- Independent tenant Satisfaction Survey (see page 10)
- Collection of environmental data on completed projects

Future plans

In 2016 and beyond we have set targets to further improve our assets' environmental performance and to engage with tenants to help them to mitigate their environmental risks.

EPCs on unknown assets completed; 100% of assets rated E or above

100%

Car park lighting

65%

energy reduction expected from ten of our retail parks

Solar PV installed

536 kw



Responsible Asset Management in action Regulatory compliance and renewable energy





Overview

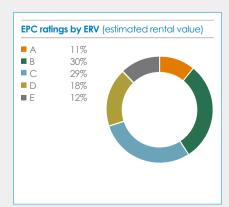
- LED lighting programme being rolled out across up to ten sites
- ESOS audits carried out
- Conducted a renewable energy feasibility survey across our portfolio
- Installed solar panels including at our Coventry retail park (picture shown opposite)
- Carried out an EPC assessment across all sites where relevant
- 100% of our portfolio is rated EPC E or above

UK ESOS audits and LED lighting roll-out

- ESOS audits have been undertaken at all sites where LondonMetric is responsible for purchasing energy – across the portfolio of retail parks, at our remaining office asset, Marlow International, and at our Curzon Street head office.
- The findings of the Marlow International and head office audits have been reviewed and will be implemented as far as practicable.
- LED upgrades to the car-park lighting across up to ten retail parks now being initiated.
 Expected to deliver over £20,000 of cost savings per year.

MEES risk mitigation

- UK legislation on Minimum Energy Performance Standards (MEES) requiring a minimum EPC rating of E for any new letting (applicable from April 2018)
- We have undertaken a full portfolio review to establish our risk and mitigate this well in advance of the legislation
- During 2015 we have revised all EPC ratings that had been issued pre-2010 and clarified ratings for all assets which were previously unknown
- 100% of our units now have an EPC rating of E or above



Renewable energy

- Seeking to future-proof assets and generate additional value by installing photo-voltaic panels at our assets
- Engaged with 11 tenants across 19 existing schemes
- Undertook 9 roof surveys and made 7 planning applications in the year
- In addition to our Solar PV installations on developments, installed PV arrays on the roof of our Coventry Retail Park
- Further potential schemes being examined on both retail and distribution sites

Responsible Asset Management in action Tenant engagement



Meeting occupiers' demands

Tenant satisfaction

A comprehensive independent tenant survey was undertaken for the first time across our top 35 tenants representing 80% of rent. Tenants representing 36% of rent responded and LondonMetric achieved high scorings across a range of questions;

- 100% scored LondonMetric as either good or excellent in relation to how satisfied they were with LondonMetric as a landlord and how well we understood their needs
- 75% scored our ability to offer real estate solutions as good or excellent, with the remainder scoring us in line with expectations
- 73% rated LondonMetric as better when compared against other landlords, with the remainder rating us in line with other landlords

The survey covered off a number of sustainable related questions and revealed that our tenants would be willing to share energy usage data.

Some tenants also expressed interest in collaborating on sustainable related costs savings and we will actively progress such discussions as part of our ongoing tenant engagement.

Tenant Environmental Data Collection

LondonMetric has requested and received operational energy consumption data from three major tenants this year.

We plan to expand this engagement during 2016 as this data potentially enables us to develop a more comprehensive understanding and reporting of the energy performance of our assets where we are not responsible for the purchase of utilities.

Given that several of our major tenants have significant energy costs, we are interested in engaging with them to investigate how energy efficiency measures and the installation of renewable energy equipment could help reduce those costs and also help future-proof the assets.

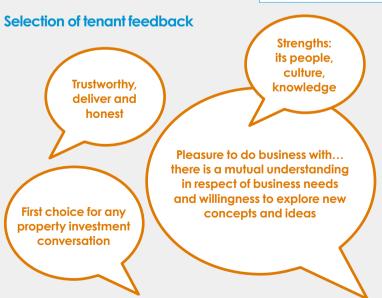


Through our first tenant satisfaction survey, we are opening up a new dialogue with our tenants on sustainability collaboration opportunities across our portfolio.

Gareth Price Investor Relations

Key fact

First tenant satisfaction survey conducted across our top 35 tenants.



Responsible Asset Management in action Environmental performance



Performance to be proud of

Overall performance

Over the past year, we have been able to further reduce our energy and water impacts by upgrading our portfolio with energy and water efficient fittings. Led by our energy reduction, our overall carbon footprint has also decreased.

Energy and carbon footprint

Our energy and carbon footprints continue to be mainly driven by our office portfolio: Marlow International, which accounts for 90% of our total energy footprint. Consequently the energy reduction efforts driven at Marlow have a large impact on LondonMetric's overall eneray footprint. By reducing our energy consumption by 8% (on a like-for-like basis) between 2014 and 2016, we have considerably exceeded our internal reduction target. Following a similar trend, our carbon footprint (Scope 1& 2) has decreased by 44% over the same time period – significantly exceeding the target we had set internally. For the majority of our assets – which remain retail and distribution warehouses – we have limited landlord controlled energy consumption.

Water

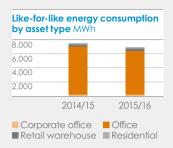
Our water impact is solely due to the water consumption at our office sites: Marlow International and our corporate office at One Curzon Street. Being a tenant at our corporate office, our water efficiency actions are limited and we have therefore concentrated our efforts at Marlow International, where we have invested in water efficient taps and toilets. Nonetheless, we have been able to decrease our overall water consumption by 19% between 2014 and 2016 (on a like-for-like basis).

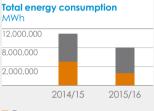
Waste

Our waste production is solely due to the waste production at our office sites: Marlow International and our corporate office at One Curzon Street – accounting for 90% and 10% of our overall waste production respectively. We continue to divert all of the waste under our control from landfill and 39% of our total waste is recycled.

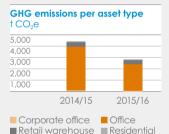
Future plans

In 2016 and beyond we have set carbon, energy, water and waste targets across the portfolio in line with the UK's 2050 carbon reduction. We have also set specific reduction targets by asset types (see page 18). We will also start to monitor the energy, water and waste impact resulting from our construction sites.















Recycled
Waste to energy

Our communities and charitable commitments

We recognise the importance of supporting our local communities. Our activities bring significant benefits to local areas and we see engagement with all stakeholders as crucial to maximising these benefits. Our responsibilities also extend to supporting local causes and encouraging our employees to be community minded.

Benefiting local communities through our activities

We work in close partnership with our occupiers to deliver real estate that helps to fulfil modern shopping requirements. These activities benefit local communities in a number of ways, primarily through:

- Investment and construction jobs in the local area through our asset management and development activities; the fit out work of our retailers also brings local job creation
- Creation of desirable shopping destinations which provide amenities, diverse retail offerings and convenient shopping locations that will remain vibrant for the long term
- Long term commitment of our retailers, who typically sign 10-15 year leases bringing long term employment to the local area

Engaging with local communities

In undertaking our activities we understand the importance of engaging with local stakeholders including planning authorities, local councils and highways, local residence and business, employment organisation and charities.

On each of our assets, through our procurement and development policies we require that our suppliers and contractors source locally and have proper regard for local communities. We encourage our occupiers to also employ locally.

During the year, we supported community causes local to our assets, including:

- Sponsorship of Coventry's participation at the International Children's Games
- Contributing towards improving sports facilities in Islip, Northamptonshire
- Maintaining our support of the annual community festival in Kirkstall, Leeds

Community and charity minded company

During the year, we formed a Communities and Charity Working Group to formalise our approach to community activities and charitable giving.

Future plans

As well as continuing our local community engagement, we will publish a communities policy over the next year to help us achieve a number of charity objectives:

- Increased targeted giving to community causes local to our assets
- Support of LandAid events and one employee-led charity event per annum
- Matching by LondonMetric of employee charity giving and work
- Encouragement of pro bono work and employee volunteering

New leases signed with 21 occupiers bringing long term local employment across 15 locations



£20,000 total charitable contributions in the year



New Communities and Charity Working Group set up



LondonMetric charity cycle challenge arranged for June 2016

Communities and charitable commitments

Kirkstall Bridge Retail Park, Leeds



Overview

- 120,000 sq ft development
- 19 retail stores
- Officially opened 30 October 2015
- BREEAM Very Good
- Retailer fit out guide implemented
- Commenced tenant energy data collection



There are so many great things happening across Kirkstall and this new shopping park is a fantastic addition.

Rachel Reeves

Community engagement

- Charity collaboration with Re'New on staff recruitment
- Fifth year of sponsorship of the Kirkstall Festival
- Volunteering and pro bono work by LondonMetric

Job creation and training

- Training opportunities, work experience placements and four apprenticeships
- c.200 permanent jobs created from the opening of a number of retailers including M&S, Costa, Smyths Toys, Iceland, Home Bargains, Outfit and JD Sports





Incorporating heritage

As part of the development, we commissioned several items to celebrate the history of the area, including a clock tower, a heritage board and a commemorative board for the Abbey Light Railway.

The four metre high glass clock tower was designed to celebrate Kirkstall's rich industrial history including the blanket making and textile fulling work.

Accessible to all

- Significant road and access improvements with parking for 356 cars
- Replaced and enhanced bus stop with Real Time Information (RTI) displays providing an improved waiting environment
- Introduction of cycle parking links and pedestrian routes connecting surrounding areas
- Green travel plan designed and implemented into the scheme



Our people, human rights and governance

We support our employees internally by providing a healthy and productive workplace and uphold high standards of corporate governance.

Our people

Staff development, satisfaction and wellbeing is equally important to our business; we aim to attract, retain and motivate high performing individuals, and recognise the importance of employee wellbeing to achieving this aim. We actively promote healthy living and also encourage volunteering and sponsorship activities to support charitable causes.

Governance

As further set out in our Annual Report, the Board is committed to upholding the high standards of corporate governance that underpin the successful management of the business and its long-term success.

In 2015, we formalised three additional Responsible Business policies:

- Health and safety: The policy aims to provide and maintain safe and healthy working conditions for all employees, providing appropriate equipment, operational processes and safe systems of work to cover all of its activities. (For more detail on this please see the next page).
- Compliance and anti corruption:
 Details how LondonMetric manages, investigates and reports risks associated with compliance, anti-money laundering, financial crime and conflicts of interest.

• Responsible procurement: Establishes LondonMetric's requirements in relation to labour standards; human rights; health and safety; resource use and pollution risk in relation to its procurement and development activities and specifies considerations for managing agents and development contractors on environmental, community and labour aspects.

UK Modern Slavery Act

As a company located and operating solely in the UK, LondonMetric's exposure to human rights risks – including modern forms of slavery – is very limited.

LondonMetric has published its
Remuneration policy which demonstrates
its commitment to transparent and fair
remuneration for its own employees.
However, to reduce exposure to slavery
and human trafficking within its supply
chain, LondonMetric specifically
addresses these important areas in its
Responsible Procurement Policy and
Responsible Development Requirements
Checklist.

LondonMetric requires its contractors to meet a number of standards including: paying a fair wage to their workers, respecting Human Rights and Labour Rights Legislation, and investigating their own supply chains for slavery and human trafficking. For each development, contractors are expected to provide, on request, evidence that they meet these requirements.

No human rights concerns have arisen within our direct operations or our supply chain during 2015.



Health and safety

We recognise the importance of maintaining safe and healthy working conditions. During the year and, in recognition of the legislative changes across our development activities, we materially updated our Health and Safety policy.

Responsibility and procedures

The Board is responsible for ensuring appropriate Health and Safety procedures are in place. Mark Stirling, Property Director, is responsible for overseeing implementation of our procedures and reporting back to the Board.

H&S Adviser

RP&P Management Ltd acts as our Health and Safety Consultants for advice and guidance. In addition to regular contact, we meet formally with our Adviser twice a year.

Procedures and policy

During the year, we materially updated our Health and Safety policy to cover all of our activities. An overview of our Health and Safety procedures and policies are summarised and available on the governance section of our website.

Assessments of H&S risks

Where risks need to be assessed under a specific duty or regulation, we ensure that an assessment is carried out and that all actions necessary are implemented. Specifically, should any activities have the potential to endanger the health, safety and welfare of any individual, suitable monitoring arrangements are put in place.

Health and safety policy

Our policy is kept updated regularly and addresses three main areas:

I. Employment

The policy ensures LondonMetric employees are offered a safe and healthy working environment, including through

the provision of relevant equipment, operational processes and safe systems of work.

II. Construction

Procedures and processes have been developed to ensure we comply with the most recent legislation. Site specific risk assessment reviews are carried out prior to starting any development work and integrated within the onsite health and safety procedures. A Project Manager is appointed to every scheme with the aim to oversee, manage and monitor the implementation of health and safety procedures.

III. Managed Properties

For assets let on full repairing and insuring (FRI) leases, which represent the majority of our portfolio, health and safety responsibilities are attributed to tenants and are not managed by LondonMetric. For assets which do not fall under the FRI leasing category, the managing agent appointed by LondonMetric is responsible for ensuring health and safety assessments are completed and auditing the site on a monthly basis, reporting back to LondonMetric regularly.

Training

The development team is trained annually on health and safety best practices and meets with its advisors to discuss areas for improvement. Regular health and safety training is carried out for all employees and additional health and safety training requirements are considered on a case by case basis.

Key activity in the year

- Full Health and Safety policy updated
- Training provided to all employees
- H&S requirements embedded into contracts with our contractor on all projects

Summary of performance against existing targets

Focus area	Target	Status		
Responsible Business				
Corporate communications	Include a more detailed Responsible Business section in the annual report, publishing data in line with the guidance provided by the EPRA sBPRs	Achieved		
Investor surveys and	Target a GRESB score above 50%	Achieved		
communications	Incorporate a Responsible Business update into investor road shows	Achieved		
Staff training	Ensure that responsible business training is integrated into the induction procedure for new recruits	Achieved		
Responsible Develop	pment			
Sustainable building certification standards	Large new developments, expansions and major refurbishments to achieve BREEAM Very Good (projects entering planning after 6th April 2014)	Achieved		
	Regularise guidance for development teams on the application of sustainable building certification standards to ensure that they meet with the necessary requirements	Achieved		
Responsible business requirements for contractors	Develop minimum requirements for development contractors covering responsible business issues and regularise how these are incorporated into new contracts signed	Achieved		
	Monitor the implementation of contractors' responsible business requirements and engage with contractors to address any issues identified	Achieved		
Achieving higher sustainability standards	Where there is landlord control, monitor the environmental performance of new developments and major refurbishments once in operation			
on new build	Investigate how development projects in the pipeline will achieve the UK's 2019 "zero carbon requirement" for commercial buildings	On hold		
Responsible Investme	ent			
Investment decision process	Ensure asset readiness for sale by ensuring that at a minimum an EPC is in place and where relevant flood risk has been assessed	Achieved		
Asset sales and marketing	Include information on environmental efficiency in asset marketing information to support sales	Achieved		
Responsible Asset M	anagement			
Monitoring, targeting and improving energy, water and waste management	Identify and implement actions to improve energy and water consumption, GHG emissions, and waste generation at relevant owned and managed assets in accordance with the target set; continue to monitor performance and report publicly on progress made, including costs savings achieved as a result of efficiency measures.	Achieved		
EPC risk management	Following the analysis of EPC rating risk across the portfolio, review and action opportunities to reduce risk in the context of the asset business plan (ongoing)	Achieved		
Renewable energy feasibility	Proceed with the implementation of on-site renewable energy at assets deemed feasible	Achieved		
Responsible management	Update managing agents' contracts to incorporate responsible procurement requirements	Achieved		
requirements for managing agents	Monitor the implementation of managing agents' responsible business requirements and engage with them to address any issues identified	In progress		
Tenant Engagement	Incorporate discussions on responsible business topics at occupier meetings to identify opportunities for implementing mutually beneficial asset management initiatives	Achieved		

Targets for 2016-18

Driver	Target				
Responsible Business					
Reputation Better understand the wants/needs of the local community to improve upon existing and future projects	Publish a community engagement policy.				
Governance best practice Formalise the goals of the Responsible Business committee and ensure each team is proportionally represented	Review attendees of the Responsible Business Working Group and agree formal terms of reference.				
Employee skills enhancement Ensure all employees have the necessary tools and	Offer 1.5 hours of sustainability specific training per year to all members of staff.				
knowledge to support LondonMetric's Responsible Business programme and meeting best practice industry standards	The Responsible Business Working Group members are to complete 10 hours of sustainability specific training per year.				
Employee skills enhancement To ensure development team has access to discussions about evolving industry best practice	Development team to participate in a relevant initiative or working group covering sustainability issues material to the development process.				
Reputation protection Ensure suppliers and contractors are compliant with LondonMetric's and Savills' responsible procurement policies and increasingly best practice within the industry	Ensure Savills conducts full sustainability survey when tendering and ensure they audit 10% of suppliers annually against the suppliers' responses to the survey.				
Reputation protection; compliance	Monitor development contractors' compliance with LondonMetric's Responsible Procurement policy and Responsible Development Requirements checklist.				
Reputation; access to capital	Maintain or enhance GRESB performance.				
Maintain strong sustainability performance within the retail REIT sector	Improve FTSE4Good score and obtain a score of more than 2 points for all ESG themes.				
Stakeholder engagement: investors To gain a greater understanding of the material sustainability issues relevant to investors and review Responsible Business programme goals to ensure they are tailored to investors' expectations	Develop and implement a bi-annual investor sustainability engagement survey.				
Responsible Development					
Stakeholder engagement: planning departments Planning authorities are increasingly requesting developers to demonstrate the value they will bring to the area as part of their planning permission process	Pilot the development of a socio-economic assessment to evaluate the impact of LondonMetric's asset on the community in which it operates.				
Portfolio value protection Strengthening the sustainability characteristics of LondonMetric's portfolio and pre-empting investor requirements	Large new direct developments, expansions and major refurbishments to achieve BREEAM Very Good.				
Obsolescence risk mitigation Ensure new assets are future proofed and potential risks are being addressed	Continue to discuss with contractors the opportunities to incorporate best practice sustainability features within the building's design brief (e.g. on the robustness of the roof structure to hold future PV panels, etc).				
Cost reduction Improving efficiencies in the use of construction material and utilities enabling for cost saving opportunities.	Collect and monitor environmental data for construction sites.				
Increasingly becoming best practice					
Responsible Investment					
Protect and enhance portfolio value Ensure all new investments contribute to LondonMetric's effort in moving towards an efficient and future-proofed portfolio	Continue assessing the sustainability risks /features of potential new assets by ensuring the IAS checklist and acquisition process is suitable to ensure all new investments are future proofed and potential environmental risks are mitigated.				
Stakeholder engagement: the market Ensure prospective buyers have a thorough understanding of the added value in buying LondonMetric's assets	Include relevant information on the asset's environmental, socio-economic, and health & wellbeing performances into marketing materials for sale purposes.				

Targets for 2016–18 continued

Driver	Target
Responsible Asset Management	
Cost saving/regulatory Ensure LondonMetric is improving its waste management programme to minimise future impacts	Maintain 100% of operational waste diverted from landfill for landlord managed portfolio by 2020 against a 2015/2016 baseline.
on management costs	Achieve a recycling rate of 25% by 2020 against a 2015/2016 baseline.
Reputation Best practice industry commitment in line with UNFCCC COP21 outcomes and peers' activities	For landlord procured energy, investigate the cost of switching 100% to a low carbon energy tariff.
Regulation & Reputation	On a like-for-like basis against a 2015/16 baseline:
	Reduce investment portfolio energy consumption and GHG emissions by 4% by 31st March 2017.*
	Reduce office portfolio energy consumption and GHG emissions by 4% by 31st March 2017.*
	Reduce retail warehouse portfolio energy consumption and GHG emissions by 5% by 31st March 2017.*
	Reduce investment portfolio water consumption by 4% by 31st March 2017.*
	Reduce investment portfolio energy intensity and GHG emissions by 20% over 6 years, against a 2015/16 baseline, by 31st March 2022.
	Reduce investment portfolio water intensity by 20% over 6 years, against a 2015/16 baseline, by 31st March 2022.
Regulatory Respond to the Minimum Energy Efficiency Standards (MEES) on Energy Performance Certificates (EPCs) legislation	Where necessary, ensure all applicable assets have a minimum E EPC rating by 2017, aiming for a higher rating where feasible.
Stakeholder engagement: tenants To gain a greater understanding of tenants' sustainability strategies and define asset management opportunities	Conduct a bi-annual tenant satisfaction survey with a third party, incorporating questions regarding sustainability issues, and score responses in order to create a baseline for future years.
	Based on the results of the tenant satisfaction survey, follow up with most relevant tenants (poor scores or interest in joint activities) to develop specific action plans.
	Investigate implementation of a tenant fit-out guide.
	Include green lease clause into all new leases regarding data sharing into all new leases.
	Discuss total energy consumption with tenants and support them to install renewable energy technology in developing initiatives to reduce energy consumption, and/or increase energy efficiency.
	Include relevant information on the asset's environmental, socio-economic, running costs, and health & wellbeing performances into marketing materials for leasing purposes.
* Targets will be reviewed and reset for 2018	Where there is landlord access to energy and water data (either through smart meters or tenant willingness to share data), monitor the environmental performance of new developments and major refurbishments once in operation.

 $^{^{\}ast}$ Targets will be reviewed and reset for 2018.

EPRA sBPR performance measurement

The following tables illustrate our performance in line with the EPRA Sustainability Best Practice Recommendations for environmental data reporting.

Table 1: Total portfolio environmental performance

Impact area	Measurement unit	· · · · · · · · · · · · · · · · · · ·		Absolute measures (as the portfolio stood each year)		Like-for-like			
					2014/15	2015/16	2014/15	2015/16	% change
				for landlord shared services	3,541	2,162	1,807	2,002	10.8%
		Elec-Abs, Elec-LfL	Electricity	(sub)metered exclusively to tenants	2,614	2,148	2,614	2,148	-17.8%
	MWh			Total landlord- obtained electricity	6,156	4,310	4,421	4,150	-6.1%
Energy		Fuels-Abs,	Fuels	for landlord shared services	5,226	2,568	2,866	2,568	-10.4%
		Fuels-LfL	rueis	Total landlord- obtained fuels	5,226	2,568	2,866	2,568	-10.4%
	Numbero	f applicable p	roperties	Energy and associated GHG disclosure coverage	29 of 29	25 of 25	24 of 24	24 of 24	N/A
		%		Proportion of energy and associated GHG estimated	2%	0%	0%	0%	N/A
	tonnes CO2e	GHG-Dir-Abs, GHG-Dir-LfL GHG-Indir- Abs, GHG- Indir-LfL	Direct	Scope 1	966	474	530	474	-10.5%
			Indirect	Scope 2	1,729	999	878	925	5.3%
Greenhouse gas emissions			Indirect	Scope 3	1,636	1,264	1,562	1,258	-19.5%
			Total	Scopes 1 + 2 (only)	2,695	1,473	1,408	1,399	-1%
	cubic metres (m³)	Water-Abs, Water-LfL	Water	for landlord shared services	6,906	5,469	6,425	5,469	-14.9%
Water				Total landlord- obtained water	6,906	5,469	6,425	5,469	-14.9%
Walei	Number o	f applicable p	roperties	Water disclosure coverage	2 of 2	1 of 1	1 of 1	1 of 1	N/A
		%		Proportion of water estimated	7%	0%	7%	24%	N/A
				Waste by disposal route	86	90	82	90	10%
Waste	metric tonnes	Waste-Abs	Waste	Recycled	14%	37%	18%	37%	N/A
(landlord- handled)				Incineration with energy recovery	86%	63%	82%	63%	N/A
	Numbero	f applicable p	roperties	Waste disclosure coverage	2 of 2	1 of 1	1 of 1	1 of 1	N/A
Development	%	Cert-Tot ¹		% of portfolio certified by floor area (sq ft)	9% BREEAM Very Good	13% BREEAM Very Good	N/A	N/A	N/A
	Number o	f applicable p	roperties	BREEAM disclosure coverage	5 of 5	7 of 7	N/A	N/A	N/A

BREEAM Very Good properties are a mixture of existing refurbishments and properties under development. The floor area is of the entire portfolio as of 31/03/2016. Floor area is represented as Gross Internal Floor Area (GIA).

Table 2: Office portfolio environmental performance

					Absolute me (as the portfo	olio stood	Lil	ke-for-like	
	Measurement	EPRA Sustainabi	lity Best Pract	lice	Office	е		Office	
Impact area	unit	Performance Me			2014/15	2015/16	2014/15	2015/16	% change
				for landlord shared services	2,881	1,582	1,413	1,582	11.9%
		Elec-Abs, Elec-LfL	Electricity	(sub)metered , exclusively to tenants	2,614	2,148	2,614	2,148	-17.8%
	MWh			Total landlord- obtained electricity	5,495	3,730	4,027	3,730	-7.4%
Energy		Fuels-Abs,	Fuels	for landlord shared services	5,113	2,463	2,753	2,463	-10.5%
		Fuels-LfL	rueis	Total landlord- obtained fuels	5,113	2,463	2,753	2,463	-10.5%
	Number of applicable properties			Energy and associated GHG disclosure coverage	3 of 3	1 of 1	1 of 1	1 of 1	N/A
		%		Proportion of energy and associated GHG estimated	2%	0%	0%	0%	N/A
	tonnes CO2e	GHG-Indir- Abs, GHG-	Direct	Scope 1	945	454	509	454	-10.7%
			Indirect	Scope 2	1,408	731	687	731	6.3%
Greenhouse gas emissions			Indirect	Scope 3	1,504	1,135	1,442	1,135	-21.3%
			Total	Scopes 1 + 2 (only)	2,353	1,185	1,196	1,185	-1%
	cubic	Water-Abs,		for landlord shared services	6,906	5,469	6,425	5,469	-14.9%
Water	metres (m³)	Water-LfL	Water	Total landlord- obtained water	6,906	5,469	6,425	5,469	-14.9%
Walei	Number o	f applicable p	roperties	Water disclosure coverage	2 of 2	1 of 1	1 of 1	1 of 1	N/A
		%		Proportion of water estimated	8%	29%	7%	24%	N/A
	motric			Waste by disposal route	86	90	82	90	9.8%
Waste	metric tonnes	Waste-Abs	Waste	Recycled	0	37%	18%	37%	N/A
(landlord- handled)				Incineration with energy recovery	1	63%	82%	63%	N/A
	Number o	f applicable p	roperties	Waste disclosure coverage	2 of 2	1 of 1	1 of 1	1 of 1	N/A

Table 3: Retail warehouse portfolio environmental performance

Measurement unit	urement EPRA Sustainability Best Practice Performance Measures			Absolute measures (as the portfolio stood each year)		Like-for-like			
				Retail War	ehouse	Retail Warehouse			
				2014/15	2015/16	2014/15	2015/16	% change	
			for landlord shared services	601	525	334	365	9.2%	
	Elec-Abs, Elec-LfL	Electricity	(sub)metered exclusively to tenants	-	-	-	-	N/A	
MWh			Total landlord- obtained electricity	601	525	334	365	9.2%	
	Fuels-Abs,	Freelo	for landlord shared services	1.0	2.2	1.0	2.2	116.4%	
	Fuels-LfL	rueis	Total landlord- obtained fuels	1.0	2.2	1.0	2.2	116.4%	
Number o	f applicable pi	roperties	Energy and associated GHG disclosure coverage	25 of 25	23 of 23	22 of 22	22 of 22	N/A	
	%		Proportion of energy and associated GHG estimated	0%	1%	0%	0%	N/A	
tonnes CO2e	GHG-Dir-LfL	Direct	Scope 1	0.2	0.4	0.2	0.4	110.5%	
		Indirect	Scope 2	292	243	162	169	4.2%	
		Indirect	Scope 3	129	126	117	120	2.5%	
		Total	Scopes 1 + 2 (only)	292	243	162	169	4%	
cubic	Water-Abs.	Water	for landlord shared services	_	_	_	_	_	
metres (m³)	Water-LfL		Total landlord- obtained water	_	_	_	_	_	
Number of	f applicable p	roperties	Water disclosure coverage	_	_	_	-	_	
	%		Proportion of water estimated	_	_	_	-	_	
			Waste by disposal route	_	_	_	_	_	
metric tonnes	Waste-Abs	Waste	Recycled	_	_	_	_	_	
			Incineration with energy recovery	_	_	_	_	_	
Number o	f applicable pi	roperties	Waste disclosure coverage	_	-	_	_	_	
	MWh Number o tonnes CO2e cubic metres (m³) Number o metric tonnes	Elec-Abs, Elec-LfL MWh Fuels-Abs, Fuels-LfL Number of applicable processed in the second s	Elec-Abs, Electricity MWh Fuels-Abs, Fuels Number of applicable properties GHG-Dir-Abs, GHG-Dir-LfL Indirect GHG-Indir-Abs, GHG-Indir-LfL Indirect Total Cubic Mater-Abs, Water Number of applicable properties Water-Abs, Water Water-Abs, Water	Fuels-Abs, Fuels-Lift. Number of applicable properties Cubic metres (m³) Water-Abs, Mater-Lift. Performance Measures Fuels-Abs, Electricity Fuels-Abs, Fuels Fuels-Lift. Fuels-Abs, Fuels Fuels-Lift. Fuels-Abs, Fuels Fuels-Lift. Fuels Fuels-Abs, Fuels Fuels-Lift. Fuels Fuels-Abs, Fuels Fuels-Abs, Fuels Fuels-Lift. Fuels Fuels-Abs, Fuels For landlord-obtained electricity for landlord-obtained delectricity for landlord-obtained fuels For landlord-obtained services Total landlord-obtained fuels Fuels-Abs, Direct associated GHG estimated Scope 1 Indirect Scope 2 Fuels-Abs, GHG-Indir-Abs, GHG-Indir-Abs, GHG-Indir-Lift. Indirect Scope 3 For landlord-obtained services Froportion of energy and associated GHG estimated Scope 1 Indirect Scope 2 For landlord-obtained water Vacque Scope 3 Fuels Fuels-Abs, Water Scope 3 For landlord-obtained water Fuels-Abs, Water Scope 3 Fuels Fuels-Abs, Water Scope 3 Fuels Fuels-Abs, Water Scope 3 Fuels Fuels-Abs, Water Scope 3 Fuels-Abs, Wat	Measurement Measurement	Measurement unit FRA Sustainability Best Practice Performance Measures (as the portfolios stored each year) Retail Warefund (services) Retail Warefund (services) MWh Elec-Abs, Elec-Lft. Electricity For landlord shared services (sub) metered exclusively to renants 601 525 MWh Fuels-Abs, Fuels-Lft. Fuels Puels Puels Puels Puels Puels (services) Total landlord-obtained electricity 1.0 2.2 Number of applicable properties Fuels Puels Puels Puels Puels (services) Fuels Puels Pue	Measurement Machina Machina	Mediunt Performance Measures Cas the portfolio stood each year September Cas the portfolio stood September September Cas the portfolio stood September September Cas the portfolio stood September Septe	

Table 4: Residential environmental performance

					Absolute	
				Re	esidential	
Measurement unit	EPRA Sustainabil	ity Best Pract	ice Performance Measures	2014/15	2015/16	% change
	Elec-Abs,	Electricity	for landlord shared services	60	55	-7.9%
1 4\4/h	Elec-LfL	Electricity	Total landlord-obtained electricity	60	55	-7.9%
1/1///1	Fuels-Abs,	Fuels	for landlord shared services	112	103	-7.9%
	Fuels-LfL	rueis	Total landlord-obtained fuels	112	103	-7.9%
Number of applicable properties			Energy and associated GHG disclosure coverage	1 of 1	1 of 1	N/A
	%		Proportion of energy and associated GHG estimated	5%	0%	N/A
tonnes CO2e	GHG-Dir-LfL	Direct	Scope 1	21	19	-8.1%
		Indirect	Scope 2	29	26	-12.4%
		Indirect	Scope 3	3	2	-16.3%
		Total	Scopes 1 + 2 (only)	50	44	-11%
cubic	Water-Abs,	Water	for landlord shared services	_	_	_
metres (m³)	Water-LfL		Total landlord-obtained water	_	_	_
Number of applicable properties			Water disclosure coverage	_	_	_
	%		Proportion of water estimated	_	_	_
metric tonnes	Waste-Abs	Waste	Waste by disposal route	_	_	-
Number o	f applicable pr	operties	Waste disclosure coverage	_	_	_
	wnit MWh Number o tonnes CO2e cubic metres (m³) Number o metric tonnes	wnit EPRA Sustainabil Elec-Abs, Elec-LfL Fuels-Abs, Fuels-LfL Number of applicable pr GHG-Dir-Abs, GHG-Dir-LfL tonnes CO2e GHG-Indir-Abs, GHG-Indir-LfL Cubic Water-Abs, metres (m³) Water-LfL Number of applicable pr % Metric tonnes Waste-Abs	Elec-Abs, Elec-LfL MWh Elec-Abs, Elec-LfL Fuels-Abs, Fuels Number of applicable properties GHG-Dir-Abs, GHG-Dir-LfL Tonnes CO2e GHG-Indir-LfL Cubic Mater-Abs, Water Number of applicable properties Water-Abs, Water Mumber of applicable properties Water-Abs, Water Mater-Abs, Water Waste-Abs, Waste	Harmonia Bernal Sustainability Best Practice Performance Measures Elec-Abs, Elec-LfL Fuels-Abs, Fuels-LfL Fuels-LfL Fuels-LfL Fuels Fuels Fuels Fuels Fuels Fuels Fuels For landlord shared services Total landlord-obtained electricity for landlord shared services Total landlord-obtained fuels Energy and associated GHG disclosure coverage Proportion of energy and associated GHG estimated Brown associated GHG estimated Fuels Fuels Fuels Fuels For landlord-obtained services Foregout and associated GHG disclosure coverage Proportion of energy and associated GHG estimated Fuels Foregout associated GHG disclosure coverage Proportion of energy and associated GHG estimated Scope 1 Indirect Scope 2 Indirect Scope 3 Total Scopes 1 + 2 (only) For landlord shared services Total landlord-obtained water Number of applicable properties Water disclosure coverage Proportion of water estimated Maste by disposal route	Measurement unit EPRA Sustainability Best Practice Performance Measures 2014/15 MWh Elec-Abs, Elec-Lift. Electricity for landlord shared services 60 Number of applicable properties Fuels —	MWh Elec-Abs, Elec-IfL Electricity for landlord shared services 60 55

Table 5: Corporate office environmental performance

	Measurement					Absolute	
Impact area	unit	EPRA Sustainability Best Practice Performance Measures		Corp	:e		
					2014/15	2015/16	% change
				for landlord shared services	136	108	-20.6%
		Elec-Abs	Electricity	(sub)metered exclusively to tenants	_	_	_
	MWh			Total landlord-obtained electricity	136	108	-20.6%
		Fuels Also	Eurolo	for landlord shared services	69	93	34.5%
Energy		Fuels-Abs	Fuels	Total landlord-obtained fuels	69	93	34.5%
	Number of applicable properties			Energy and associated GHG disclosure coverage	1 of 1	1 of 1	N/A
		%		Proportion of energy and associated GHG estimated	3%	0%	N/A
	tonnes CO2e		Direct	Scope 1	13	17	34.3%
Greenhouse		GHG-Dir-Abs GHG-Indir- Abs	Indirect	Scope 2	67	50	-24.7%
gas emissions			Indirect	Scope 3	6	4	-28.2%
			Total	Scopes 1 + 2 (only)	79	67	-15.2%
	cubic	Markey Alex	s Water	for landlord shared services	699	722	-3.2%
Marka 2	metres (m³)	Water-Abs		Total landlord-obtained water	699	722	-3.2%
Water ²	Number o	f applicable p	roperties	Water disclosure coverage	1 of 1	1 of 1	N/A
		%		Proportion of water estimated	0%	0%	N/A
				Waste by disposal route	9	9	0.0%
Waste	metric tonnes	Waste-Abs	Waste	Recycled	56%	56%	N/A
(landlord- handled)	10111103			Incineration with energy recovery	44%	44%	N/A
- /	Number o	f applicable p	roperties	Waste disclosure coverage	1 of 1	1 of 1	N/A

Table 6: Total portfolio intensity performance measure

Retail Warehouse

Impact area	EPRA Sustainab	pility Performance Measures	Intensity indicator	2014	2015	% change
Energy	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh/car park space/year	95	100	5%
_		Greenhouse gas	kg CO ₂ e/car park space/year	0.046	0.046	2%
Greenhouse gas emissions	GHG-Int	Scope 1 and 2 intensity from building energy	Car Park Spaces	4,610	4,522	N/A
943 011113310113		[GRI-CRESS: CRE3]	Number of applicable properties	25 of 25	23 of 23	N/A
			Office			
Energy	Energy-Int	Building energy intensity [GRI-CRESS: CRE1]	kWh/m²/year	29	27	-9%
	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO2e/m²/year	0.005	0.005	1%
Greenhouse gas emissions			Net Lettable Area (m²)	231,016	231,016	N/A
gas emissions			Number of applicable properties	3 of 3	1 of 1	N/A
Water		Building water intensity [GRI-CRESS: CRE2]	m³/m²/year	0.028	0.024	-15%
	Water-Int		Net Lettable Area (m²)	231,016	231,016	N/A
			Number of applicable properties	2 of 2	1 of 1	N/A

Data Qualifying notes

We have used the main requirements of ISO14064 Part 1 and the GHG protocol Corporate Accounting and Reporting Standard (revised edition) for our methodology, using energy consumption data from our owned and occupied properties. We have chosen to report greenhouse gas emissions under our operational control, rather than financial control; this may mean that the scope of our greenhouse gas emissions disclosure differs from that of the consolidated financial statements.

Figures from last years' report have been restated, including associated intensity metrics, as additional energy consumption data has been obtained since the previous report.

We have used the latest emissions factors from the UK Government (DEFRA) conversion factors for company reporting.

Scope 1 does not include refrigerant emissions as these have been determined to not be material (represent <2% of total emissions). Owned fleet does not apply.

Scope 3 includes landlord-obtained energy (only if sub-metered to tenants), all transmission and distribution losses, and tenant-obtained energy where applicable and tenant provides data.

In this disclosure estimation refers to filling invoice gaps, not to whether invoices are based on estimated or actual readings.

No District heating and cooling is used within this portfolio and therefore is considered N/A.

Where possible tenant exclusive consumption has been split in the report. For FRI leases only consumption for Landlord shared services is being reported.

The BREEAM Very Good properties are a mixture of existing refurbishments and properties under development. The floor area is of the entire portfolio as of 31/03/2016. Floor area is represented as Gross Internal Floor Area (GIA).

Terms:

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

Advisor's Statement

JLL has been commissioned by LondonMetric over the past two years to support in developing and implementing its Responsible Business Strategy.

This Advisor's statement provides an external evaluation of LondonMetric's reported performance but does not constitute fully independent assurance or verification. Any errors and misstatements identified by JLL were amended accordingly by LondonMetric.

JLL would like to highlight the following areas as evidence of progress made by LondonMetric with respect to its Responsible Business practices during the vear under review:

- The Company has made genuine progress, achieving 16 out of the 17 sustainability targets set over the past year, with a further one in progress.
- It is well-positioned to meet the newly legislated Minimum Energy Efficiency Standards, with its entire portfolio now holding an EPC rating of E or above. It has also successfully complied with the new UK energy auditing legislation (ESOS), which highlighted significant energy saving opportunities for the team to review and implement in the coming months.
- LondonMetric is driving forward several major initiatives to save energy and generate renewable energy on site. For example it has already started upgrading car park lighting with LEDs across its retail portfolio.
- In terms of development practices, we commend its goal of attaining a minimum BREEAM 'Very Good' on all new build and major refurbishment projects, and are encouraged to see this ambition being fulfilled this year. Also notable is the recent launch of LondonMetric's Responsible Procurement Policy and minimum Responsible Development requirements for all its development contractors.
- LondonMetric remains determined to operate in an open and transparent way, for the benefit of its customers, account. For example it has already received a Gold Award from the

European Public Real Estate Association (EPRA) - an accolade reserved for companies that can demonstrate exceptional compliance with EPRA's sustainability reporting guidelines in LondonMetric's score within the annual Global Real Estate Sustainability (GRESB) Benchmark has also vastly improved over the past two years.

For the remainder of 2016 and beyond, we believe that LondonMetric should continue to focus on strengthening its approach in the following areas:

- Use baseline information as a starting point for setting improvement goals and targets for specific assets and develop reduction strategies for the most resource-intensive assets.
- Develop Green Lease Agreements and Fit-Out Guides to encourage occupiers to adopt sustainable practices as part of any fit-out works and during the occupation of the property.
- Use the results of the tenant satisfaction survey launched in 2015, to follow up with tenants who have expressed an interest in interalia, energy
- Use tried and tested methods to calculate the benefits brought by LondonMetric to local economies and communities. For example by boosting jobs, trade and enhancing transport and other services.
- Once new buildings are complete and occupied, LondonMetric should carry out post-occupancy monitoring to gather data and insights on the buildings' performance in use.

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

Matthew Tippett
Director, Upstream Sustainability Services, JLL



The Company has made genuine progress, achieving 16 out of the 17 sustainability targets over the past year, with a further one still in progress.

Matthew Tippett Director, Upstream Sustainability Services, JLL

