

C0. Introduction

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C0.1

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**(C0.1) Give a general description and introduction to your organization.**

SEGRO is a leading owner, asset manager and developer of warehousing and light industrial property. It is a Real Estate Investment Trust (REIT) listed on the London Stock Exchange and Euronext Paris.

The Group's property portfolio was valued at £18.4 billion at 31 December 2021 (£21.3 billion of assets under management).

The portfolio predominantly comprises modern, generic warehouses located close to major population centres and transport hubs, in the in the UK, France, Germany, Poland, Italy, Spain, the Czech Republic and the Netherlands.

Urban warehouses account for 67 per cent of our portfolio value. They tend to be smaller warehouses, and are located mainly in and on the edges of major cities where land supply is restricted and there is strong demand for warehouse space, particularly catering for the needs of last mile delivery and, around London, from data centre users.

Big box warehouses account for 29 per cent of our portfolio value. They tend to be used for storage, processing and distribution of goods on a regional, national or international basis.

C0.2

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**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2021	December 31 2021	No	<Not Applicable>

C0.3

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**(C0.3) Select the countries/areas in which you operate.**

- Czechia
- France
- Germany
- Italy
- Netherlands
- Poland
- Spain
- United Kingdom of Great Britain and Northern Ireland

C0.4

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**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

GBP

C0.5

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**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

C-CN0.7/C-RE0.7

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**(C-CN0.7/C-RE0.7) Which real estate and/or construction activities does your organization engage in?**

- New construction or major renovation of buildings
- Buildings management

## C0.8

**(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	GB00B5ZN1N88

## C1. Governance

### C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

#### C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Board-level committee	The Board is responsible for setting the strategic direction of the Company to ensure its long-term success which includes the delivery and integration of Responsible SEGRO and its targets. Specifically, the Board has oversight of climate-related performance, risks and opportunity.
Chief Executive Officer (CEO)	The new Responsible SEGRO framework introduces three long-term priorities to which SEGRO can make the greatest business, environmental and social contribution. The Chief Executive has overall responsibility for the Responsible SEGRO strategy.
Chief Financial Officer (CFO)	The Chief Financial Officer is responsible for identifying and managing risks for SEGRO, of which climate-related risk is a principal risk.
Chief Operating Officer (COO)	The Chief Operating Officer is responsible for climate-related risks and opportunities as they may relate to the portfolio and our operational activities.

#### C1.1b

**(C1.1b) Provide further details on the board’s oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy	<Not Applicable>	The Board is responsible for approving the overall strategy of the SEGRO Group. In determining the strategy, the interests of the Group’s stakeholders are taken into account, whilst having regard to the long-term impact the Group’s decisions may have on various stakeholder groups. Strategic matters are considered regularly at Board meetings in addition to the annual Strategy Day, where the Board dedicates a day and a half to reflecting on strategy, the wider business and macroeconomic environment. During this session in 2021 the Board dedicated time to the sustainability strategy review, considered the key strategic priorities for the future and concluded that the Group’s strategy remained appropriate despite the macro and geopolitical uncertainties. The climate change-related strategy and targets are set by the Executive Committee and overseen by the Board.  Both the Board and the Executive Committee are updated on Responsible SEGRO throughout the year, including discussions of climate-related issues and the Company’s progress towards achieving its targets.
Scheduled – all meetings	Reviewing and guiding major plans of action	<Not Applicable>	The Board takes into consideration all elements of Responsible SEGRO when reviewing and guiding on major strategic and investment decisions.
Scheduled – all meetings	Reviewing and guiding risk management policies	<Not Applicable>	Risk management is a key priority for SEGRO and the Board recognises that effective risk management is key to the long-term sustainable success and future growth of the business and achievement of the Group’s strategic objectives. The Board assumes responsibility for the effective management of risk across the Group, determined by its risk appetite, as well as ensuring that each business area implements appropriate internal controls. The Audit Committee reviews regularly the effectiveness of the risk management process on behalf of the Board and was satisfied that it remained robust during the year. The Risk Committee, chaired by the Chief Financial Officer and which reports to the Executive Committee and the Board, monitors the Group Risk Register, within which Environmental Sustainability and Climate Change is a Principal Risk.
Scheduled – all meetings	Reviewing and guiding annual budgets	<Not Applicable>	The Board has a responsibility to ensure that appropriate controls and resources are in place to enable the Company to reach its long-term goals. Financial decisions, including the annual budget and reviewing the Medium-Term Plan, major capital expenditure and the dividend policy are some of the Matters Reserved for Decision by the Board and were all considered during the year. Additionally, in 2021, the Board approved the Green Finance Framework, which aligns with the Company’s Responsible SEGRO commitments and ensures that investors can have the confidence that the proceeds of debt issuances will be spent on financing or re-financing assets, developments, refurbishments and other discrete projects which will generate attractive returns whilst minimising the impact on the local and global environment.
Scheduled – all meetings	Reviewing and guiding business plans	<Not Applicable>	The Operations Committee, which is chaired by the Chief Operating Officer and comprises the Managing Directors of Group Operations and the six Business Units and the Operations Finance Director, meets monthly to discuss operating performance and to review and agree asset management and development policy. During the year, the Board received a number of presentations by the local teams which allowed it to keep up to date on the operational aspects of the business. The Board reviews annually the Medium -Term Plan and concluded in 2021 that it remained fit for purpose.
Scheduled – all meetings	Setting performance objectives	<Not Applicable>	The Board agreed the new Responsible SEGRO strategy and its associated targets, including to be net-zero carbon by 2030.
Scheduled – all meetings	Monitoring implementation and performance of objectives	<Not Applicable>	The Board received regular updates throughout the year on Responsible SEGRO and other areas, including a presentation on the developments in the Company’s programme to increase on-site generation of solar energy. It also visited SEGRO’s first carbon neutral refurbishment in London to see the achievement first-hand. As part of the rolling employee engagement programme, Non-Executive Directors meet with a cross-section of employees from across the business to discuss topics and hear their views. The session on Carbon Emissions gave the Board first hand insight into some of the challenges faced by our operations teams and customers and the support they need to drive sustainability initiatives.  Achievement of our Responsible SEGRO objectives is an important goal for the Company. The Remuneration Committee, which is comprised entirely of independent Non-Executive Directors, approved the introduction of annual bonus metrics to support our Responsible SEGRO targets. The Remuneration Committee reflected on feedback from investors during our extensive consultation process with approximately 65 per cent of the Company’s shareholder base and key proxy advisory agencies, and have replaced TPR, with a set of ESG measures being 25 per cent of the total measures, half of which are related to reducing carbon emissions throughout the business. These changes in the Remuneration Policy were approved by 98.9 per cent of the shareholders who voted at our recent April 2022 Annual General Meeting.
Scheduled – all meetings	Overseeing major capital expenditures, acquisitions and divestitures	<Not Applicable>	The Investment Committee, comprising the Executive Directors and chaired by the Chief Executive, considers capital expenditure applications from the business. Every application must provide expected financial returns, the impacts on key stakeholders and alignment to the Responsible SEGRO framework, including measures taken to improve the energy efficiency of buildings and to reduce the operating and embodied carbon emissions from the building in design and operation. Any transactions above the delegation of authority level for the Investment Committee require approval from the Board. When debating these transactions, the Board considers the potential impacts on the Company’s stakeholders including job creation in the local communities, how they fit within the Responsible SEGRO strategy and sustainable returns for investors. It is also mindful of the value that customers place on lower-carbon growth and sustainability investments, and regeneration within the wider portfolio.
Scheduled – all meetings	Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The Board received two formal updates on Responsible SEGRO actions from members of the RSDG, including progress on reducing carbon emissions, during the year, in addition to updates on specific projects throughout the year.
Scheduled – all meetings	Other, please specify (Board training in relation to Climate Change Related Risks and Mitigation)	<Not Applicable>	Corporate Citizenship, the company which reviews and provides assurance on SEGRO’s carbon-related disclosure, attended the September Board meeting to provide training to the Board in relation to Climate Change, which allowed Board Directors to expand their knowledge on this extensive topic which is a key area of focus for stakeholders. The Directors recognise the importance of this wide-ranging topic and were keen to expand their knowledge.

**C1.1d**

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Important but not an immediate priority	<p>It is the Board as a whole, rather than any individual Director, that is responsible for oversight of the Company's climate-related strategy and performance.</p> <p>The Board and Board Committees are kept up to date on climate-related issues, new requirements in relation to climate change (such as the TCFD legislation introduced in 2021) and Responsible SEGRO through regular updates and briefings from senior management level employees and/or industry experts. These sessions allow the Directors to expand their knowledge on this extensive topic which is a key area of focus for stakeholders</p> <p>In 2021, the Board heard from the RSDG four times and received training from Corporate Citizenship, the company which reviews and provides assurance on the Company's carbon-related disclosure.</p> <p>Additionally, in early 2022, the Commercial Finance Director presented to the Audit Committee on the new TCFD legislation requirements in the 2021 Annual Report and Accounts.</p> <p>The Chief Operating Officer chairs the Company's Operations Committee and heads up the Sustainability function, and the Chief Finance Officer chairs the Group Risk Committee.</p> <p>Both Directors bring their expertise on these areas to Board discussions on climate-related issues.</p>

**C1.2**

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable >	Managing climate-related risks and opportunities <i>The Chief Executive has overall responsibility for the Responsible SEGRO strategy. Day-to-day oversight of climate-related issues and the implementation of the wider Responsible SEGRO framework is carried out by the Responsible SEGRO Driving Group (RSDG) which is co-chaired by the Director of Operations and the Commercial Finance Director. It is attended by members of the Executive Committee, the Director of Sustainability, and members of the Leadership team and Communications team. The RSDG provided updates to the Board on four occasions during 2021.</i>	<Not Applicable>	More frequently than quarterly
Chief Operating Officer (COO)	<Not Applicable >	Managing climate-related risks and opportunities <i>The Chief Operating Officer is responsible for climate-related risks and opportunities as may relate to the portfolio. The Group Risk Committee meets quarterly and provides an update to the Audit Committee twice a year. The Board considers risk at least annually, or more frequently as required.</i>	<Not Applicable>	More frequently than quarterly
Chief Financial Officer (CFO)	<Not Applicable >	Assessing climate-related risks and opportunities <i>The CFO chairs the Risk Committee which monitors the Group Risk Register, within which Environmental Sustainability and Climate Change is a Principal Risk. The CFO and the Finance team provide oversight of environmental data produced by the Sustainability Team as part of its ownership of the Annual Report and associated externally-reported statutory documents. The CFO is also the owner of the SEGRO Green Finance Framework and chairs the Green Finance Committee which approves the allocation of the proceeds of Green Bonds.</i>	<Not Applicable>	More frequently than quarterly
Risk committee	<Not Applicable >	Both assessing and managing climate-related risks and opportunities <i>The Risk Committee, chaired by the Chief Financial Officer and which reports to the Executive Committee and the Board, monitors the Group Risk Register, within which Environmental Sustainability and Climate Change is a Principal Risk. The Group Risk Committee meets quarterly and provides an update to the Audit Committee twice a year. The Board considers risk at least annually, or more frequently as required.</i>	<Not Applicable>	Annually
Other committee, please specify (Operations Committee)	<Not Applicable >	Both assessing and managing climate-related risks and opportunities <i>Chaired by the Chief Operating Officer, comprising the Managing Directors of the regional Business Units and the Managing Director of Group Operations and the Operations Finance Director. It is responsible for monitoring and assessing operational performance of the portfolio and business, including climate- and environmental-related targets. It also discusses and approves operational policies which, in early 2022, included updated environmental targets. Its members are responsible for implementing new operational policies and practices through their regional development and asset management teams.</i>	<Not Applicable>	More frequently than quarterly
Corporate responsibility committee	<Not Applicable >	Both assessing and managing climate-related risks and opportunities <i>Known as the Responsible SEGRO Driving Group, this committee provides day-to-day oversight of climate-related issues and the implementation of the wider Responsible SEGRO framework. It is co-chaired by the Director of Operations and the Commercial Finance Director. The RSDG provided updates to the Board on four occasions during 2021.</i>	<Not Applicable>	More frequently than quarterly
Other committee, please specify (Investment Committee)	<Not Applicable >	Both assessing and managing climate-related risks and opportunities <i>The Investment Committee, chaired by the Chief Executive Officer, assesses and approves applications for capital expenditure on new developments and acquisitions (as well as disposals). All applications for capital expenditure must be accompanied by climate- and environment-related actions and impacts, both risks and opportunities.</i>	<Not Applicable>	More frequently than quarterly
Other, please specify (Director of Sustainability)	<Not Applicable >	Both assessing and managing climate-related risks and opportunities <i>The Director of Sustainability regularly attends the Operations Committee to provide updates on environmental issues, performance and policy and to discuss any recommended changes in approach.</i>	<Not Applicable>	More frequently than quarterly

**C1.2a**

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

#### **Where in the organisational structure these positions (s) and / or committees lie**

Board: The CEO, CFO and COO are the Executive Directors of the company and sit on the Board. The CFO and COO report to the CEO and the CEO reports to the Board Chair.

Executive Committee: Comprises the CEO, CFO, COO and Group Human Resources Director, reporting to the Board.

Investment Committee: Chaired by the CEO and reports to the Executive Committee and the Board

Operations Committee: Chaired by the COO and reports to the Executive Committee and the Board

Risk Committee: Chaired by the CFO and reports to the Executive Committee and the Board

Corporate Responsibility Committee (Responsible SEGRO Driving Group): Co-chaired by the Managing Director of Operations and the Commercial Finance Director, reporting to the Executive Committee and the Board

Director of Sustainability: Reports to the Managing Director of Operations.

#### **Why responsibility lies with these position (s) and / or committees**

##### *Board*

Oversight of climate-related strategy and performance: The Board is ultimately responsible for the corporate responsibility of SEGRO, comprising the CEO, CFO and COO who have operational responsibility and Non-executive Directors with expertise across a wide range of areas capable of holding the Executive Directors to account and providing advice from their own experience. The Board receives regular updates on climate and environment related areas, among others, from the Chairs of the relevant committees as well as from employees directly related to the company's activities in these areas.

##### *Executive Committee*

Oversees execution of risk management across the business. Formally considers risks, including emerging risks, twice a year. Directly oversees strategic risks. Delegates accountability for risk management and monitors performance of risk controls. Assigns Executive Risk Owners to each risk.

The Executive Committee, comprising the Executive Directors and the Group HR Director, supports the Chief Executive in the delivery of strategy and reviews the operation and financial performance of the business. It is this Committee which sets the climate change-related strategy and targets.

The Chief Executive Officer has responsibility for delivering the corporate strategy, including Responsible SEGRO.

The Chief Operating Officer has responsibility for delivering asset level performance including the environmental targets such as reduced operating carbon emissions and embodied carbon intensity of developments.

The Chief Financial Officer has responsibility for delivering the corporate financial performance and ensuring sufficient capital resources to deliver the company's growth plans, while ensuring that the company does not take unwarranted risks, including environmental and climate-related risks for which he is ultimately responsible.

##### *Group Risk Committee*

Coordinates the risk management process on behalf of the Executive Committee. Develops risk policy. Oversees the work of the Risk Management function, which in turn manages, maintains and reports on the Risk Register; assesses and documents risks and controls; provides quality assurance and challenge to risk owners and managers.

The Risk Committee, chaired by the Chief Financial Officer and which reports to the Executive Committee and the Board, monitors the Group Risk Register, within which Environmental Sustainability and Climate Change is a Principal Risk.

##### *Operations Committee*

The Operations Committee, which is chaired by the Chief Operating Officer and comprises the Managing Directors of Group Operations and the six Business Units and the Operations Finance Director, meets monthly to discuss operating performance and to review and agree asset management and development policy. The Director of Sustainability regularly attends the Operations Committee to provide updates on environmental issues, performance and policy and to discuss any recommended changes in approach.

##### *Investment Committee*

The Investment Committee, which is chaired by the Chief Executive Officer and comprises the Executive Directors, assesses all applications for capital expenditure to ensure that capital is deployed in line with the company's strategy, including its Responsible SEGRO strategy. All applications must incorporate an environmental and social impact assessment, as well as an explicit confirmation that the investment adheres to the company policies on green building certification, energy efficiency and investment in "green" infrastructure including solar panels, electric vehicle charging and biodiversity.

##### *Responsible SEGRO Driving Group*

Day-to-day oversight of climate-related issues and the implementation of the wider Responsible SEGRO framework is carried out by the Responsible SEGRO Driving Group (RSDG) which is co-chaired by the Director of Operations and the Commercial Finance Director. It is attended by the Director of Sustainability, members of the Executive Committee and the Leadership team and the Communications team.

## **C1.3**

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

**C1.3a**

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target Behavior change related indicator	Contribute fully to the path to Net Zero Carbon. Specifically, for your BU: Achieve the required objectives of the Net Zero plan and more generally lead the BU and our customers in our approach to reduce all forms of carbon within the portfolio, including the use of low carbon materials, inclusion of renewables, consumption reduction and installation of advanced technologies. Promote increased biodiversity in new developments and on existing estates.
Other, please specify (Development directors)	Monetary reward	Emissions reduction target Behavior change related indicator	Contribute fully to the path to Net Zero Carbon. Specifically, for your sector/region: Support achievement of Net Zero plan objectives, through leading team/customers in our approach to reduce all forms of carbon within the portfolio. Identify and promote opportunities for increased biodiversity in new developments/existing estates.
Business unit manager	Monetary reward	Emissions reduction target	Supporting the ESG and helping to deliver SEGRO's goals in this area is included in individual objectives. 25% of an individual's bonus is dependent on the Performance Development Review (PDR) which assesses performance against individual objectives.
Other, please specify (Acquisition Managers)	Monetary reward	Environmental criteria included in purchases	Supporting the sustainability agenda and helping to deliver SEGRO's goals in this area is included in all relevant role profiles. 25% of an individual's bonus is dependent on the PDR performance. For example, for outstanding performance the bonus is normally 100% but can be up to 200% and for good performance the bonus is normally 50% but can be up to 70%.
Environment/Sustainability manager	Monetary reward	Emissions reduction target	Supporting the ESG and helping to deliver SEGRO's goals in this area is included in individual objectives. 25% of an individual's bonus is dependent on the Performance Development Review (PDR) which assesses performance against individual objectives.
Other, please specify (Development Director)	Monetary reward	Emissions reduction target	Supporting the ESG and helping to deliver SEGRO's goals in this area is included in individual objectives. 25% of an individual's bonus is dependent on the Performance Development Review (PDR) which assesses performance against individual objectives.
Other, please specify (Acquisition managers)	Monetary reward	Environmental criteria included in purchases	Supporting the ESG and helping to deliver SEGRO's goals in this area is included in individual objectives. 25% of an individual's bonus is dependent on the Performance Development Review (PDR) which assesses performance against individual objectives.

**C2. Risks and opportunities**

**C2.1**

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

**C2.1a**

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	10	
Long-term	10	20	

**C2.1b**

**(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

DESCRIBE AND QUANTIFY, IN DETAIL, HOW YOUR ORGANIZATION DEFINES A 'SUBSTANTIVE IMPACT' ON YOUR BUSINESS AT THE CORPORATE LEVEL, IN THE CONTEXT OF A CLIMATE-RELATED RISK.

We assess the impact based on a range of property performance, financial, and corporate criteria defined in our risk appetite. Impacts are aligned with our risk appetite and grouped into four categories, i.e.: below appetite, within target, tolerable, and intolerable. Whilst our appetite for risk will vary over time and during the course of the property cycle, in general the Group maintains a fairly low appetite for risk, appropriate to our strategic objectives of delivering a sustainable progressive dividend stream, supported by long term growth in net asset value per share. In this instance, a climate related risk would be considered substantive if it was deemed likely to have any impact on earnings over the course of the property cycle. For example, we assess new buildings against the risk of a 1 in 100 year flood risk and cost in any mitigations accordingly.

A DESCRIPTION OF THE QUANTIFIABLE INDICATOR(S) USED TO DEFINE SUBSTANTIVE FINANCIAL OR STRATEGIC IMPACT

For Financial Impact we use the GAV (Gross Annual Value) of assets identified as being in high-risk areas

For Strategic Impact we use a "CAPEX at risk" value which is a value attributed to CAPEX expected to mitigate the identified risk. For example, in areas of high heat stress a CAPEX value per m2 is used for mitigation measures above a standard base build such as; brise soleil, air-conditioning in warehouse (and associated solar PV), and increased insulation.

Whilst the group assesses the impact of risks based on a number criteria, to the extent they can be measured, a risk would be considered above a tolerable level if it exceeded £200m Net Asset Value (NAV) impact or £42m profit impact.

**C2.2**

**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

**Value chain stage(s) covered**

Direct operations

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term

Medium-term

Long-term

**Description of process**

DESCRIPTION OF BOARD LEVEL PROCESSES FOR IDENTIFYING, ASSESSING AND RESPONDING TO CLIMATE RELATED RISKS AND OPPORTUNITIES

The Board is responsible for setting the strategic direction of the Company to ensure its long-term success which includes the delivery and integration of Responsible SEGRO and its targets. Specifically, the Board has oversight of climate-related performance, risks and opportunity. The Chief Executive has overall responsibility for the Responsible SEGRO strategy. The Chief Operating Officer is responsible for climate-related risks and opportunities as may relate to the portfolio.

The Risk Committee, chaired by the Chief Financial Officer and which reports to the Executive Committee and the Board, monitors the Group Risk Register, within which Environmental Sustainability and Climate Change is a Principal Risk.

The Executive Committee, comprising the Executive Directors, the Group HR Director and the General Counsel, supports the Chief Executive in the delivery of strategy and reviews the operation and financial performance of the business. It is this Committee which sets the climate change-related strategy and targets.

The Board has overall responsibility for ensuring that risk is effectively and consistently managed across the Group. The Audit Committee monitors the effectiveness of the Group's risk management process on behalf of the Board. Each year, the Board twice reviews the principal and emerging risks, and reviews and approves the Group's risk appetite at least annually. The Audit Committee reviews the process of how the Group Risk Register has been compiled twice a year. In its Responsible SEGRO Framework, SEGRO has committed itself to becoming net-zero carbon by 2030, with minimum Science Based Targets for reducing Scope 1, 2 and 3 emissions, including operating and embodied carbon to ensure compliance with a less than 1.5C increase in global temperatures by 2050. A key risk surrounding these targets is that we cannot be certain to achieve them given the lack of visibility and control over the Scope 3 emissions relating to customers' energy use in our buildings and the embodied carbon emissions in developments. Metrics associated with these which are monitored include portfolio operating carbon emissions, development embodied carbon intensity, renewable energy as a proportion of total energy use, on-site generation of renewable energy and sustainability certification of standing assets and development completions (which comprise our 'Green portfolio').

**Value chain stage(s) covered**

Direct operations

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

Annually

**Time horizon(s) covered**

Short-term

Medium-term

Long-term

**Description of process**

DESCRIPTION OF PROCESS TO UNDERTAKE MATERIALITY ANALYSIS OF PHYSICAL RISK – HIGH LEVEL

We have undertaken a climate resilience study to assess the medium-term (defined as the period to 2040) and long-term (beyond 2040) physical risks to our portfolio by

geography. For this study, the impact of Representative Concentration Pathway (RCP) 4.5 (3C warming by 2100) and RCP 8.5 (4-5C warming by 2100) were modelled on our portfolio countries at high level to assess different threats from climate change. The level of risk was judged based on the likelihood of the specific threat and the severity of the impact on our assets in terms of their ability to be used by an occupier. This analysis is not asset-specific but is designed to identify the material risks to be incorporated into investment decisions in different geographies. We have identified the medium-term risks (defined as the period to 2040) in our major geographies associated with six main climate change threats. Based on this analysis, rising temperatures (including extreme heat events) and flood risk are most material to our geographies. Water stress and extreme weather are not material risks to our main markets.

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**Value chain stage(s) covered**

Direct operations

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Long-term

**Description of process**

DESCRIPTION OF PROCESS USED BY GROUP RISK COMMITTEE TO IDENTIFY AND REVIEW OF EMERGING RISKS – HIGH LEVEL

The Group Risk Committee is made up of members of senior management and has met three times during the year. The Head of Risk and his team report on updates to the risk register following a full risk review process which includes meetings with each risk manager and executive risk owner, consideration of changes to risk policy and appetite (see below), scrutiny of the external and internal operating environments, coordination of the risk management process and consequential external reporting. The process has identified risks whose profile is increasing, in particular environmental sustainability and major event (including cyber).

The identification and review of emerging risks are integrated into our risk review process. Emerging risks are those risks or a combination of risks which are often rapidly evolving and for which the impact and probability of occurrence have not yet been fully understood and consequently necessary mitigations have not yet fully evolved. All risk owners and managers within the business are challenged to consider emerging risks and this is supplemented through formal twice-yearly horizon scans with the Executive Committee. The Board recognises that it has limited control over many of the external risks it faces, such as global events as well as the macroeconomic, geopolitical, and regulatory environment, but it reviews the potential impact of such risks on the business and consequential decision making.

Environmental sustainability is an increasingly important risk for the business. The risk includes the short to medium term impacts including transitional changes (for example, legislation and financial) which we closely monitor, as well as the long-term emerging risk of climate change (for example, physical changes including the increased likelihood of flooding events) for which we have undertaken extensive research. Failure to identify and mitigate risks at this stage could result in a reduction in the attractiveness of our assets to our current and prospective tenants; reputational damage and higher obsolescence and a reduction in value of our portfolio in the future. The environmental and climate change related risks are overseen by the Sustainability team and local Business Units, reporting to the Executive Committee and ultimately the Board.

Our environmental sustainability and climate change risk has increased during the year for reasons described in more detail below, whilst the others have remained in line with the prior year.

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**Value chain stage(s) covered**

Direct operations

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

Every three years or more

**Time horizon(s) covered**

Short-term

Medium-term

Long-term

**Description of process**

DESCRIPTION OF THE PROCESS OF SETTING NON-FINANCIAL (ESG) KPIs TO MITIGATE CLIMATE RELATED RISKS

We recognise that the management of risk has a role to play in the achievement of our strategy and KPIs. Risks can hinder or help us meet our desired level of performance.

During 2021 we have reviewed our KPIs to ensure that they are the most relevant metrics for our business given our current priorities and goals. The result of this review is that we have reduced our financial KPIs to six measures and introduced six new non-financial performance indicators that align with our Responsible SEGRO commitments. We believe these 12 KPIs reflect our priorities of creating shared value for our stakeholders and ensuring the longer-term success of our business.

The Responsible SEGRO Framework sets out our corporate responsibility strategy, as well as medium and long-term commitments, incorporating three focus areas: driving low-carbon growth, investing in our local communities and environments, and nurturing talent.

The "Driving low carbon growth" pillar focuses on SEGRO's corporate responsibility to help tackle climate change and it commits SEGRO to become a net-zero company by 2030. As part of the strategy design, SEGRO faces three main challenges:

- Visibility of Scope 3 emissions from customer activities: most of SEGRO's customers procure their own energy and they have no obligation to report the amount or the source of energy to SEGRO.
- Operating carbon emissions: SEGRO's Scope 1 and 2 emissions are a small proportion of the whole. Therefore, in tandem with improving visibility of customer emissions, SEGRO is also committed to reducing the absolute level of carbon emissions from its portfolio.
- Embodied carbon: The carbon embodied within the materials used to construct new buildings is SEGRO's other major source of emissions.

These three challenges led to the selection of three core KPIs to monitor and reduce SEGRO's carbon emissions, all three of which are incorporated into Executive Director and all employees' variable remuneration:

- Floorspace (sq m) of assets under management for which SEGRO has visibility of energy use (%)
- Absolute operating carbon emissions from Scope 1, 2 and 3 (Downstream Leased Assets) based on SBTi pathway
- Embodied carbon intensity of developments (Scope 3 – Capital Assets), based on SBTi pathway



Within its TCFD statement, SEGRO also monitors secondary KPIs including on-site renewable energy capacity and generation (primarily solar PV on roof space) and the percentage of visible energy use which is certified net zero. Allocations of assets under the Green Finance Framework is based on buildings with a high standard green certificate (BREEAM 'Very Good' or better, EPC B or better, or local equivalents).

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**Value chain stage(s) covered**

Direct operations

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

Annually

**Time horizon(s) covered**

Short-term

Medium-term

Long-term

**Description of process**

DESCRIPTION OF PROCESSES TO IDENTIFY CLIMATE RISKS AND OPPORTUNITIES – ASSET LEVEL – ACUTE PHYSICAL RISKS, FLOOD AND PRECIPITATION

The Group positions itself to withstand a global event and business disruption through its financing strategy (see separate principal risk); portfolio strategy (see separate principal risk) including holding a diverse set of property assets, staying close to customers to understand their changing needs, property insurance and strong customer base; organisational resilience of the work force; and detailed business continuity and disaster recovery plans. Going concern and viability is assessed through a detailed bottom-up medium-term planning process including a business stress test and downside scenarios.

Risk Horizon – Short Term Risks (Short term: up to 12 months)

- Increased insurance costs from growing flood risk
- Increased maintenance and repair costs
- Increased investment in drainage solutions and flood defences
- Negative impact on asset valuations

Corporate Strategy

All new investments (both acquisitions and developments) incorporate flood risk assessments. Measures taken to mitigate flood risk include rainwater recycling and landscaping to minimise run-off, and balancing pools to cater for run-off from hard-standing areas.

Financial Planning

Measures incorporated into financial appraisals of acquisitions, refurbishments and developments. Valuers review assets for short-term physical risks as part of twice-yearly appraisals

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**Value chain stage(s) covered**

Direct operations

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

Annually

**Time horizon(s) covered**

Medium-term

**Description of process**

DESCRIPTION OF PROCESSES TO IDENTIFY CLIMATE RISKS AND OPPORTUNITIES – ASSET LEVEL – CHRONIC PHYSICAL RISK, RISING TEMPERATURE (INCLUDING EXTREME HEAT EVENTS)

In 2021, we have conducted scenario analysis to assess more precisely the physical risk to our assets of a 4.5C increase in global temperatures (the 'business as usual' outcome and in line with RCP 8.5, 2040). We prioritised analysis based on this scenario as it is the most appropriate current 'worst case' scenario. In 2022, we intend to carry out a 'best case' scenario analysis in line with RCP 2.5, equivalent to a 1.5C increase in global temperatures.

Risk Horizon - Medium-term risks (Medium term: up to 5 years)

- Higher operating costs for customers and SEGRO from increased cooling demand
- Greater investment in cooling measures inside and outside buildings
- Reduced wellbeing and productivity of workforce

Corporate Strategy

Mitigations integrated into developments and refurbishments in properties in high-risk geographies, including water conservation through recycling of rain water and measures to reflect heat and improve shading externally.

Financial Planning

Measures incorporated into financial appraisals of developments and refurbishments.

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>This type of risk is relevant to SEGRO because failing to comply will result in material negative impacts to earnings potential due to being unable to lease premises.</p> <p>A company-specific example of risks from current regulation is the Minimum Energy Efficiency Standards legislation. All properties can only be leased with an EPC of E or above and expected to be B or above by 2030.</p> <p>We ensure that current regulation is included climate-related risk assessments by producing a register of legislation specific to each territory in which we operate. This register is updated annually and reviewed against operations as part of climate-related risk assessments to ensure we maintain compliance.</p> <p>Group and local teams are constantly kept up to date with new laws and regulations as they become relevant through regular training and use of a panel of expert advisors.</p>
Emerging regulation	Relevant, always included	<p>This type of risk is relevant to SEGRO because failure to recognise the impacts of emerging regulation now will result in higher capex costs in the future to adapt existing buildings to the new regulation.</p> <p>A company-specific example of risks from emerging regulation is the Energy Performance of Buildings Directive rolling out across Europe.</p> <p>We ensure that emerging regulation is included in climate-related risk assessments by identifying possible impacts within the capital approval process governed by the Investment Committee and, for requests above £50m, the Board. This affects requests to invest in new developments and land or asset acquisitions.</p> <p>Emerging regulation is also a standing agenda item in our materiality assessments and climate-related risk assessments.</p> <p>Failure to anticipate and respond to the impact of both physical and transitional risks from climate change on the sustainability of our environment as both a principal and emerging risk. Laws, regulations, policies, taxation, obligations, customer preferences and social attitudes relating to climate change continue to evolve. Non-compliance with laws and regulations, reporting requirements, increased costs of tax and energy could cause loss of value to the Group. Not keeping pace with social attitudes and customer behaviours and preferences could additionally cause reputational damage and reduce the attractiveness and value of our assets. A lack of strong environmental credentials may reduce access to capital or increase cost as these are increasingly important criteria to investors and lenders.</p>
Technology	Relevant, always included	<p>This type of risk is relevant to SEGRO because failure to address the risks early could result in buildings being less appealing to occupiers than those of our competitors.</p> <p>A company-specific example of risks from technology is an increase in requirements for the use of smart technology in buildings, allowing occupiers to monitor and control energy use in the buildings more effectively, reducing carbon emissions and energy costs.</p> <p>We have invested in sensor technology in a pilot study of buildings and are currently receiving the results to assess how customers use the buildings and to identify best practice to allow us to advise occupiers on how to reduce their energy use. The results will also enable us to identify design changes to improve the energy efficiency of existing and new buildings. If the pilot test is successful, we will assess the potential to roll out technology across our portfolio.</p> <p>The Executive, Operations, and Technology Committees regularly monitor the range of risks to property management, compliance, organisational effectiveness and customer management.</p> <p>The Group remains alert to the risks and opportunities that potentially disruptive technology could have on the business. We continued to engage with a number of external organisations – both in the property sector and in the wider technology realm – to assist us in identifying and assessing potentially disruptive technologies, none of which is currently believed to present an imminent significant risk to the Group. We remained committed to investing in our Strategy, Investment and Innovation function which continues to assess the potential impacts of a wide range of technologies and evolves our digital and technology strategy.</p>
Legal	Relevant, always included	<p>This type of risk is relevant to SEGRO due to the financial impact of litigation as well as the reputational impact of any prosecutions.</p> <p>A company-specific example of Legal risks is the MEES Legislation. Under the MEES Legislation, we are unable to let or renew a lease if the building EPC is below an E rating.</p> <p>Should a building be up for lease renewal, and we were unable to obtain an EPC of E or better, we would have a risk of being unable to lease the premises, thus losing rental income.</p> <p>Legal and regulatory risks are reviewed regularly by the Executive Committee. Corporate heads of function consult with external advisers, attend industry and specialist briefings, and sit on key industry bodies such as EPRA and the British Property Federation. As the economic impact of the pandemic affects global economies, the likelihood of changes to taxation regulations increases. We continue to closely monitor the taxation regulations with our advisors to ensure changes which may impact the Group or our customers, are identified and addressed accordingly, in a timely fashion.</p> <p>Environmental legislation: legislation surrounding the sustainability performance of commercial and non-commercial real estate is likely to tighten in future as governments pursue their commitments under the Paris agreement. We expect this to take the form of regulations but also increasingly some form of carbon tax to encourage the use of lower carbon materials and processes.</p>
Market	Relevant, always included	<p>This type of risk is relevant to SEGRO because of the changing nature of the real estate market. We need to ensure that we are delivering buildings that are appropriate to the markets needs or we risk an above acceptable level of vacancies in our portfolio. There is growing evidence of rental discount associated with buildings which display poor sustainability credentials.</p> <p>A company-specific example of market-related risks is the increase in appetite for sustainably certified buildings in Poland. The market in Poland is relatively new to sustainable certification such as BREEAM.</p> <p>We ensure that market-related risks are included climate-related risk assessments including climate related questions in our customer focus group sessions, results of which are discussed at the Operations and Executive Committee meetings.</p> <p>Customer behaviours and preferences: our customers, particularly our largest, international customers, increasingly expect their premises to display high levels of energy efficiency. Energy efficiency not only reduces the operating costs of the building but also helps them with their own environmental and carbon reduction targets.</p>
Reputation	Relevant, always included	<p>This type of risk is relevant to SEGRO because we want to own high quality, prime buildings and be seen as a responsible corporate owner and developer, as stated in our Responsible SEGRO strategy. A negative impact on our reputation could impact our ability to access capital and property markets.</p> <p>A company-specific example of risks to our reputation is being seen to be behind our competitors in sustainability, despite being one of Europe's largest listed property companies.</p> <p>We ensure that reputation risks are included climate-related risk assessments by regularly assessing progress across the Responsible SEGRO commitments in monthly Responsible SEGRO Driving Group meetings, attended by members of SEGRO's Leadership Team and Executive Directors. An example of this is how SEGRO have moved to Science Based Targets for the future. This ensures that our corporate targets are robust, independently assessed and leading.</p> <p>Access to capital: investors are increasingly discriminating between investment opportunities based on sustainability credentials, risking less availability and higher cost of capital for companies which do not show strong performance and/or progress in this area.</p>
Acute physical	Relevant, always included	<p>This type of risk is relevant to SEGRO because as a developer and owner/manager of buildings, we have a long-term interest in the asset. Failure to address physical risks could result in obsolete buildings ahead of when we would normally divest.</p> <p>A company-specific example of an acute physical risk is heatwaves causing our buildings, particularly in Southern Europe, to over-heat.</p> <p>We ensure that acute physical risks are included climate-related risk assessments through our cross-board technical committee where technical sustainability and health and safety are standing agenda items. In the last year we have investigated several methods for reducing thermal heat gain through passive design measures. We will be rolling out some of these measures this year such as prismatic roof lights and an overall reduction in roof penetrations.</p>

	Relevance & inclusion	Please explain
Chronic physical	Relevant, always included	This type of risk is relevant to SEGRO because we hold buildings for a long time, up to 60 years. This is about reducing obsolescence risk.  A company-specific example of a chronic physical risk is an overall increase in temperatures, particularly in winter in Northern Europe (primarily our portfolios in Germany and the Netherlands). This results in an increase in precipitation and increased requirements for adequate drainage.  We ensure that chronic physical risks are included climate-related risk assessments through our cross-board technical committee where technical sustainability and health and safety are standing agenda items.

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

### C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Current regulation	Mandates on and regulation of existing products and services
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**Primary potential financial impact**

Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Nature of Risk Driver

The nature of this risk driver relates to the energy efficiency of our existing and future assets and the effect current and emerging legislation on minimum energy efficiency of buildings will have on our existing portfolio.

**Location**

This risk driver will affect every region that SEGRO operates in but is most advanced in the UK.

**Regulation of the Effect Concerned**

SEGRO is impacted by the UK MEES regulations, which came into effect on the 1st April 2018. Under the regs, we are not able to lease properties which have an EPC rating lower than an E. Existing leases will not be affected until 2023 where the regulations state that all leases with an EPC will need an EPC rated E or higher. Current proposed changes to this legislation impacts shell and core assets so we are working with legislators to minimise impacts

**Notable Geographic / Regional Examples**

In particular this risk driver will affect the UK in particular where we have a higher percentage of older properties.

**Company Specific Activities / Initiatives**

Properties which are unrated or have an EPC below B are expected to be upgraded when they become vacant (approximately half of such buildings in the UK are expected to be vacated by 2027). All developments across the business must achieve an EPC of B or better, or a PED of <150kg/sqm.

Within the Green Finance Framework, a "green" building must achieve an EPC B-grade or better, and/or have a strong environmental certification (BREEAM "Very Good" or better, or equivalent).

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

227000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

POTENTIAL IMPACT:

Loss of rental income due to inability to lease asset

**HOW THE FINANCIAL IMPACT WAS CALCULATED:**

The UK portfolio has an estimated rental value of £444 million (31 December 2021), of which £227 million is associated with buildings either unrated or with an EPC below B-grade.

**Cost of response to risk**

72000000

**Description of response and explanation of cost calculation**

AN ACTION THAT IS BEING IMPLEMENTED:

Properties which are unrated or have an EPC below B are expected to be upgraded when they become vacant (approximately half of such buildings in the UK are expected to be vacated by 2027). SEGRO's strategy seeks to obtain an EPC for a space if not currently held.

**CASE STUDY:**

**SITUATION**

RD Content, a global video production agency, wanted to be a net zero carbon business and needed production space in London.

**TASK**

As the largest owner of prime industrial space in London and on the basis of our Responsible SEGRO commitments, RD Content approached us to provide them with space suited to their needs.

**ACTION**

In 2021, we completed our first net-zero carbon refurbishment at our flagship London estate, Premier Park, London. Features of the building include a moss wall in the impressive reception, multiple EV charging points as well as photovoltaic panels on the roof. The building was completed without a specific customer in mind so we offered it to RD Content given their net-zero ambitions as well as their need for London space.

**RESULT**

We completed the letting to RD in 2021, with the Founded highlighting the sustainability of the facility as a key attraction.

**HOW THE FIGURE IN "COST OF RESPONSE TO RISK" WAS CALCULATED:**

The estimated cost to upgrade the UK portfolio to at least EPC B-grade is £72 million in the period to 2030, based on an average cost of between £3.50 and £10 per square metre depending on the size of building.

**Comment**

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**C2.4**

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**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.4a**

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**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Use of new technologies

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

With significant roof space, our portfolio is capable of supporting on-site renewable energy capacity through the use of photovoltaic (solar) panels. We intend to increase this by installing solar panels on our new developments and on appropriate existing assets. We have identified solar PV as a technology that has improved and reduced in costs over the past few years to the point that it is now a viable technology for our business. In 2021 we generated 24.8 GWh of electricity from solar PV across our assets with an installed capacity of 35.4 MW.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

80600000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

POTENTIAL IMPACT

Saving money through self-generation of electricity

**HOW THE FINANCIAL IMPACT WAS CALCULATED:**

The solar PV on our estate generated 24.8 gigawatt hours of energy. At the current cost of electricity or around £0.18 per kWh, multiplied across the 25-year lifetime of the technology, results in a cost saving of over £80.6m

**Cost to realize opportunity**

400000000

**Strategy to realize opportunity and explanation of cost calculation**

AN ACTION THAT IS BEING IMPLEMENTED:

PV is required in every new development and refurbishment, and we are assessing the cost and return of retrofitting PV across our existing assets.

**CASE STUDY:****SITUATION**

Our customers and national and local governments are facing higher energy costs and most have stated their ambition to reduce their carbon emissions. There is a need for us to provide energy efficient buildings.

With significant roof space, our portfolio is capable of supporting on-site renewable energy capacity through the use of photovoltaic (solar) panels.

**TASK**

To maximise the on-site energy generation capacity of our existing and new buildings.

**ACTION**

Every new development is required to incorporate as much PV as required by the customer or the roof can support. If the maximum PV cannot be installed immediately, the roof must be capable of supporting additional PV in time. For example, in London, all of our developments incorporate PV to generate more energy than they use over a 12-month period.

We have also started to retrofit PV panels onto existing roof space to improve the energy efficiency of existing buildings.

**RESULT**

In 2021 we increased our installed capacity of renewable energy from 26.8 MW to 35.4 MW and generated £2.4 million of revenue from the sale of renewable energy generated on site to customers.

**HOW THE FIGURE IN "COST TO REALIZE OPPORTUNITY" WAS CALCULATED**

Based on 1,000,000m<sup>2</sup> of roof space at an estimated cost of £400 per m<sup>2</sup>

**Comment**

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### C3. Business Strategy

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#### C3.1

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**(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?**

Row 1

**Transition plan**

Yes, we have a transition plan which aligns with a 1.5°C world

**Publicly available transition plan**

Yes

**Mechanism by which feedback is collected from shareholders on your transition plan**

We have a different feedback mechanism in place

**Description of feedback mechanism**

We engage with shareholders throughout the year through a dedicated Investor Relations team, including on our Sustainability strategy including our transition plan

**Frequency of feedback collection**

More frequently than annually

**Attach any relevant documents which detail your transition plan (optional)**

responsible-segro-data-pack-2020.pdf

**Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future**

<Not Applicable>

**Explain why climate-related risks and opportunities have not influenced your strategy**

<Not Applicable>

**C3.2**

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

**C3.2a**

**(C3.2a) Provide details of your organization's use of climate-related scenario analysis.**

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios RCP 4.5	Company-wide	<Not Applicable>	<p>Parameters</p> <p>The scope of this study comprises the high-level assessment of 'first-order' physical risks for SEGRO operations, essentially exploring the short-, medium- and long-term exposure of assets to physical climate risks. 'Second-order' impacts (for example to supply chains and markets) as well as transition risks are excluded from the scenario analysis</p> <p>Assumptions</p> <p>Investigation of the following hazards over short (up to 2040), medium (2040-2060) and long terms (2060-2080):</p> <ul style="list-style-type: none"> <li>• Temperature / heat stress</li> <li>• Precipitation / flood risk / water stress</li> <li>• Extreme weather (wind storms &amp; hail)</li> </ul> <p>Assign a 'climate hazard rating' to each climate hazard and timeframe/climate scenario based on the evaluation of all gathered data and information.</p> <p>Analytical choices</p> <p>In order to evaluate the exposure of SEGRO's assets across Europe to physical climate risks, climate projection data (derived from downscaled global climate models for scenarios RCP 4.5 &amp; RCP 8.5) were used, representing a 'low emissions' and 'high emissions' scenario respectively</p> <p>Data for scenarios RCP 2.6 &amp; RCP 6.0 are not easily accessible, with the exception of the UK where all four scenarios have been considered.</p>
Physical climate scenarios RCP 8.5	Company-wide	<Not Applicable>	<p>Parameters</p> <p>The scope of this study comprises the high-level assessment of 'first-order' physical risks for SEGRO operations, essentially exploring the short-, medium- and long-term exposure of assets to physical climate risks. 'Second-order' impacts (for example to supply chains and markets) as well as transition risks are excluded from the scenario analysis</p> <p>Assumptions</p> <p>Investigation of the following hazards over short (up to 2040), medium (2040-2060) and long terms (2060-2080):</p> <ul style="list-style-type: none"> <li>• Temperature / heat stress</li> <li>• Precipitation / flood risk / water stress</li> <li>• Extreme weather (wind storms &amp; hail)</li> </ul> <p>Assign a 'climate hazard rating' to each climate hazard and timeframe/climate scenario based on the evaluation of all gathered data and information.</p> <p>Analytical choices</p> <p>In order to evaluate the exposure of SEGRO's assets across Europe to physical climate risks, climate projection data (derived from downscaled global climate models for scenarios RCP 4.5 &amp; RCP 8.5) were used, representing a 'low emissions' and 'high emissions' scenario respectively</p> <p>Data for scenarios RCP 2.6 &amp; RCP 6.0 are not easily accessible, with the exception of the UK where all four scenarios have been considered.</p>

## C3.2b

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**(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.**

### Row 1

#### Focal questions

##### RISK IDENTIFICATION–CLIMATE HAZARD ASSESSMENT

How the selected scenario(s) were identified, with reference to the inputs, assumptions and analytical methods used:

The four scenarios were chosen to provide a comparison between a “business as usual” approach and a 2-degree scenario in line with our science-based target and a 1.5 degree scenario where we are probably moving towards.

Time horizon(s) considered and why they are relevant to your organization:

Investigate the following hazards over short (up to 2040), this encompasses every new build project in the medium-term plan currently up to first refurbishment cycle, medium (2040-2060), taking us up to end of life for all new buildings in the MTP, Long (2060-2080) Furthest out the scientific data goes out to:

- a. Temperature / heat stress
- b. Precipitation / flood risk / water stress
- c. Extreme weather

Assign a ‘climate hazard rating’ to each climate hazard and timeframe/climate scenario based on the evaluation of all gathered data and information.

#### Results of the climate-related scenario analysis with respect to the focal questions

##### ADAPTATION MEASURES STRATEGY & NEXT STEPS

A company-specific summary of the results of the scenario analysis conducted, and how these results have informed our business objectives and strategy;

The results of these studies enabled us to identify 3 key regions where impacts are likely to differ:

North Europe – Chronic temperature increase, This means that properties in this region will have to be prepared for more snow cover, requirement for increased loading on roofs, flood risk mitigation measures and overheating mitigations.

Central Europe - Temperature increase, High variability in weather patterns, Decreased precipitation (particularly in summer). This means that properties in this region will have to be prepared for less rainfall requiring greater water saving measures, potentially increase flood defences and rainwater run-off and thermal gain mitigation measures.

Mediterranean Europe - Increase in temperatures, Sea level rise, & water availability. this means that properties in this region will have to be prepared for; greater water saving, sea level rise risk analysis and focus on thermal heat gain mitigation measures.

Modelling of these scenarios has not influenced our immediate business objectives, but we have moved to investigate some of the opportunities that have been identified in properties at high risk from physical challenges. we have investigated how to reduce thermal heat gain in warehouses without mechanical cooling measures. The standard roof design in industrial buildings incorporates 15-20% roof lights to reduce requirements for electrical lighting. Our study investigates how to reduce this percentage whilst still providing good levels of natural daylighting. Results showed that the level of roof lights could be reduced to 3% by using a new produce and thermal gain can be reduced alongside. This product is now being trialled with a view to rolling out to the standard specification.

## C3.3

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**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Risk and opportunity: Customer behaviour. Customers expect to operate their properties efficiently. There is growing evidence of rental discount associated with buildings which display poor sustainability credentials. The risk is that our buildings are not sufficiently energy-efficient or sustainable and therefore suffer this discount, or we lose custom to competitors. Equally, our strategy is based on maintaining a high quality, sustainable portfolio so improving the sustainability and energy efficiency of our existing assets and building highly sustainable new buildings is an opportunity to attract more custom than our competitors.</p> <p>Time horizon: Short- and medium-term (12 months up to 5 years)</p> <p>Strategic responses: New developments and refurbishments incorporate climate change mitigation technologies suited to their use and location, including (but not limited to) solar panels (for customer use), electric vehicle charging facilities, low-carbon heating and initiatives to promote local biodiversity and worker wellbeing. In some areas, we are able to sell the energy generated by solar panels to our customers at a discounted price compared to the grid or, if this option is not available, we will often charge a slightly higher rent to reflect the free energy produced by the solar panels.</p> <p>Risk and opportunity: rising global temperatures. Customers will pay higher operating costs from increased cooling demand or operate in warmer buildings which could negatively impact the wellbeing and productivity of the workforce. For SEGRO, there is a risk of greater capital expenditure requirement in future to mitigate the impact of warming temperatures.</p> <p>Time horizon: Medium-term (up to 5 years)</p> <p>Strategic responses: Climate change mitigations integrated into developments and refurbishments in properties in high-risk geographies, particularly Southern Europe (Italy, Spain, S France), including water conservation through recycling of rain water and measures to reflect heat and improve shading externally. This strategy was influenced by the climate-related scenario analysis.</p>
Supply chain and/or value chain	Yes	<p>Risk: Embodied carbon emissions. A key source of SEGRO's growth is its development pipeline and materials are the second largest generator of corporate carbon emissions.</p> <p>Time horizon: Short- and medium-term (12 months up to 5 years)</p> <p>Strategic responses: Our developments are carried out by established contractors. We engaged with two of our development contractors in the UK and Continental Europe about how to mitigate the impact of climate change by reducing the embodied carbon of our development pipeline. These meetings focused on how to exploit the opportunities and overcome the barriers to build new properties which emit meaningfully less embodied and operating carbon to meet our commitment to be net-zero carbon by 2030.</p> <p>Risk and Opportunity: access to capital: The Sustainable Finance Disclosure Regulation (SFDR) imposes mandatory ESG disclosure obligations for asset managers and other financial markets participants.</p> <p>Time horizon: Short-term (12 months)</p> <p>Strategic responses: During 2021, we established a Green Finance Framework which complies with International Capital Market Association and the Loan Market Association principles. The Framework sets out the investment criteria for deploying and allocating the proceeds of green finance instruments, including in energy-efficient and low-carbon buildings designed to mitigate or adapt to the impact of climate change. When a decision is made to raise capital, consideration is given to whether the issue should fall under the Green Finance Framework (e.g. a Green Bond).</p>
Investment in R&D	Yes	<p>Risk and Opportunity: onsite renewable energy generation: revenue and zero-emission energy potential from installing PV panels on building roofs.</p> <p>Time horizon: Short- and medium-term (12 months up to 5 years)</p> <p>Strategic responses PV panels are installed on roofs where feasible and all new developments are constructed with roofs to support PV panels if a full array is not installed during construction. Energy saving from solar PV is an important element in mitigating the impact of climate change. The costs of solar panels are incorporated in new development and refurbishment capex. We estimate an average 4 per cent yield on cost for solar across our portfolio, with higher yields in Southern European countries. Revenues and cost savings, which are currently a small proportion of overall revenues, are split between being incorporated into rents and separately identified.</p>
Operations	Yes	<p>Risk: environmental legislation: In the UK, the MEES (Minimum Energy Efficiency Standard) regulations require buildings to achieve a certain standard of energy performance for them to be leased. At a high level, by 2030, properties will need to achieve a minimum Energy Performance Certificate rating of 'B' before they can be leased.</p> <p>Time horizon: Short-, medium and long-term (12 months up to 10 years)</p> <p>Strategic responses: Properties which are unrated or have an EPC below B are expected to be upgraded when they become vacant (approximately half of such buildings in the UK are expected to be vacated by 2027), improving their energy efficiency and therefore mitigating and adapting the buildings to the impact of climate change. Capex associated with refurbishment, including improving energy efficiency, is factored into short-term budgets and the five-year Medium-Term Plan. The estimated cost to upgrade the UK estate to EPC rating 'B' or better is approximately £72 million by 2030, much of which will be absorbed within normal course refurbishment capex.</p> <p>Risk: limited visibility of customer energy use. Most of our buildings are managed by our customers, including procuring energy and there is no automatic right for this information to be reported to SEGRO as landlord. Therefore, the visibility of our Scope 3 Downstream Leased Assets is limited, reducing our ability to measure and therefore address these emissions to mitigate the impact of climate change.</p> <p>Time horizon: Short- and medium-term (12 months up to 5 years)</p> <p>Strategic responses: For all instances where we procure energy on behalf of our customers, we have transitioned the energy procured to certified net zero tariffs, including Poland and the Czech Republic in 2021 which were the last countries to transition. We have also used our direct customer relationships to encourage them to report their energy use to us. Finally, during 2021, we worked with legal advisors to establish a clause in all leases which require disclosure of energy use and the use of renewable energy tariffs in our buildings where available. In 2022, these clauses will be rolled out from June. In addition in 2022, we adjusted all-employee remuneration to include a bonus target related to increasing visibility of customer energy use.</p>

**C3.4**



**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Capital expenditures Capital allocation Acquisitions and investments Access to capital	<p><b>REVENUES</b></p> <p>Occupiers of our buildings are increasingly demanding higher sustainability standards, particularly energy efficiency measures both to comply with their own climate-related ambitions but also to save money by using energy more efficiently. There is little factual evidence so far of customers paying a higher rent for, or being more likely to take space in, more sustainable buildings, but two lettings are good case studies showing anecdotal evidence:</p> <ul style="list-style-type: none"> <li>- RD Content: let our first net zero refurbished unit at Premier Park in London in November 2021 which includes a moss wall in the reception, EV charging points as well as photovoltaic panels on the roof, making the building carbon neutral. The building also includes facilities for rainwater harvesting, sensor activated LED lighting and air-sourced heat pumps to reduce energy consumption as well as occupancy costs. The founder stated: "We were delighted to partner with SEGRO at Premier Park and to be bringing to the market a truly world-class facility, that has sustainability at its core". (2021 Annual Report, p31)</li> <li>- Octopus Energy: Octopus took a newly developed unit on the Slough Trading Estate to create a training centre for engineers to transform a house from being heated with gas boilers to being heated with air source heat pumps. The asset manager commented: "Interestingly, 'Responsible Segro' was of great importance to Octopus Energy from the outset of the leasing process". Additionally, we install solar PV as standard on new developments for the benefit of our tenants. There are two models we apply: either the tenant pays a slightly higher rent to reflect the free energy, or we own the energy and sell it to the tenant at a discounted rate. The latter generated £2.4m of revenue in 2021 (2021 Annual Report p98)</li> </ul> <p>We identify revenue directly from the sale of on-site generated renewable energy from solar PV in our TCFD disclosure in our Annual Report (£2.4 million, page 98), an important element of our operating carbon reduction strategy. We also identify the value of our "green portfolio" as defined in our Green Finance Framework in the same note (£8.3 billion, or 50% of completed assets). So they are in our Annual Report, but not in the financial statements.</p> <p>Time horizon: immediate</p> <p><b>CAPITAL EXPENDITURES/CAPITAL ALLOCATION</b></p> <p>Existing assets: some of our buildings are over 30 years old, but in high quality locations, particularly our London assets. When these are vacated, we require refurbishments to achieve a minimum B EPC rating to comply with forthcoming MEES regulations. We estimate the cost of this to be approximately £72 million for our UK properties. (2021 Annual Report p96) Time horizon: this policy is active immediately with full upgrade of our portfolio expected by 2030.</p> <p>Developments: Every new development over 5,000 sq m must comply with the Responsible SEGRO targets for reducing embodied carbon to &lt;400 kgCO2e/sq m (to be adjusted in line with our certified Science Based Target of a 20% intensity reduction by 2030) and operating carbon emission levels, as well as minimising non-hazardous waste sent to landfill. In addition, every development completion and major refurbishment targets a BREEAM "Excellent" status (or equivalent) as a minimum certification.</p> <p>Case study: We set a carbon price of £100 per tonne during 2021 (2021 Annual Report p92). We undertook an analysis of different carbon price evidence sources, including the UK and EU ETS (£50-100 per tonne), the cost of carbon offsets (£10-50 per tonne), the cost differential between normal and low carbon materials (£50-150 per tonne), the cost of carbon saved by sourcing energy from solar vs local grid (£40-600 per tonne, depending on market) and our peer group (£50-95 per tonne). This price is used primarily in assessing carbon-saving projects (e.g. retrofitting solar and refurbishments) – for developments, we have strict policy requirements which we currently apply rather than a carbon "tax" while we assess how best to deploy the carbon tax in a fair and meaningful way.</p> <p>Time horizon: immediate</p> <p><b>ACQUISITIONS AND DIVESTMENTS</b></p> <p>Climate scenario analysis and the sustainability of a building is one element of our annual asset planning process, alongside quality of location and expected financial returns. Riskier buildings are identified as sales.</p> <p>For acquisitions and developments (i.e. capital investment), every proposal has to comply with our sustainability charter in terms of climate risks, provision of on-site renewable energy (solar PV), biodiversity initiatives, embodied and operating carbon mitigation and strong sustainability certification (BREEAM Excellent for developments and capex required to reach at least EPC B-grade for acquisitions).</p> <p>Time horizon: immediate</p> <p><b>ACCESS TO CAPITAL</b></p> <p>Applying our Green Finance Framework, we have issued €500 million of green bonds in our SELP joint venture and €1.65 billion of green bonds in SEGRO in the past two years. The most recent tranche was six times over-subscribed which ensured that we achieved good pricing, with an average cost of finance of 1.5%.</p>

**C3.5**

**(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?**

Yes

**C3.5a**

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's transition to a 1.5°C world.

**Financial Metric**

Revenue

Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

46

Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)

60

Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)

100

**Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world**

Annualised rent from properties with an EPC of B or better or a PED of <150 where alphanumerical EPC ratings do not exist (Germany, Poland).

---

**Financial Metric**

Please select

Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

96

Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)

95

Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)

100

**Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world**

Development capital expenditure (excluding land and finance costs) associated with development projects completed in the period achieving, or expected to achieve, a BREEAM Very Good rating or better

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## C4. Targets and performance

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### C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

Intensity target

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### C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

**Target reference number**

Abs 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2

Scope 3

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

Category 13: Downstream leased assets

**Base year**

2020

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

1400.9

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

2088.2

**Base year Scope 3 emissions covered by target (metric tons CO2e)**

308626.3

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

312115.4

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**  
0.45

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**  
0.67

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**  
98.88

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**  
47

**Target year**  
2030

**Targeted reduction from base year (%)**  
42

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**  
181026.932

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**  
1278

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**  
2942

**Scope 3 emissions in reporting year covered by target (metric tons CO2e)**  
276355

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**  
280575

**% of target achieved relative to base year [auto-calculated]**  
24.0603925587108

**Target status in reporting year**  
Underway

**Is this a science-based target?**  
Yes, and this target has been approved by the Science Based Targets initiative

**Target ambition**  
1.5°C aligned

**Please explain target coverage and identify any exclusions**  
This target covers all SEGRO scope 1+2 emissions and the scope 3 downstream emissions from spaces occupied by our tenants (and where we have sight of the utility bills).

**Plan for achieving target, and progress made to the end of the reporting year**  
Increased renewable energy purchasing and generation on-site. Improved energy efficiency within existing estate through refurbishment and all new builds to at least EPC B-Grade rating and BREEAM Excellent (or equivalent)

**List the emissions reduction initiatives which contributed most to achieving this target**  
<Not Applicable>

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## C4.1b

**(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

**Target reference number**  
Int 1

**Year target was set**  
2020

**Target coverage**  
Company-wide

**Scope(s)**  
Scope 3

**Scope 2 accounting method**  
<Not Applicable>

**Scope 3 category(ies)**  
Category 2: Capital goods  
Category 4: Upstream transportation and distribution

**Intensity metric**  
Metric tons CO2e per square meter

**Base year**  
2020

**Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)**

0.4

**Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)**

0.4

**% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure**

44

**% of total base year emissions in all selected Scopes covered by this intensity figure**

44

**Target year**

2030

**Targeted reduction from base year (%)**

20

**Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]**

0.32

**% change anticipated in absolute Scope 1+2 emissions**

0

**% change anticipated in absolute Scope 3 emissions**

42

**Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)**

0.391

**Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)**

0.391

**% of target achieved relative to base year [auto-calculated]**

11.25

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, and this target has been approved by the Science Based Targets initiative

**Target ambition**

1.5°C aligned

**Please explain target coverage and identify any exclusions**

No exclusions

**Plan for achieving target, and progress made to the end of the reporting year**

Greater use of low carbon materials primarily focused on using low carbon concrete in floor and yard construction and timber in roof construction.

**List the emissions reduction initiatives which contributed most to achieving this target**

<Not Applicable>

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## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

Net-zero target(s)

---

## C4.2a

**(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.**

**Target reference number**

Low 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Base year**

2020

**Consumption or production of selected energy carrier in base year (MWh)**

104924

**% share of low-carbon or renewable energy in base year**

11

**Target year**

2030

**% share of low-carbon or renewable energy in target year**

100

**% share of low-carbon or renewable energy in reporting year**

53

**% of target achieved relative to base year [auto-calculated]**

47.191011235955

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

No

**Is this target part of an overarching initiative?**

Science Based Targets initiative

**Please explain target coverage and identify any exclusions**

Target is to achieve all supplies are supplied by renewable energy whether this is Onsite or offsite

**Plan for achieving target, and progress made to the end of the reporting year**

Mandating procurement of certified Green Energy in new UK leases from June 2022 and working with legal advisers to draft equivalent terms for leases across Continental Europe.

Working with existing customers to encourage them to purchase certified Green Energy.

**List the actions which contributed most to achieving this target**

<Not Applicable>

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**C4.2c**

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**(C4.2c) Provide details of your net-zero target(s).**

**Target reference number**

NZ1

**Target coverage**

Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

Abs1

**Target year for achieving net zero**

2030

**Is this a science-based target?**

No, but we are reporting another target that is science-based

**Please explain target coverage and identify any exclusions**

No exclusions – all assets under management

**Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?**

Yes

**Planned milestones and/or near-term investments for neutralization at target year**

none

**Planned actions to mitigate emissions beyond your value chain (optional)**

**C4.3**

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

**C4.3a**

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	250
To be implemented*	43	14190
Implementation commenced*	1	1960
Implemented*	33	2461
Not to be implemented	0	0

**C4.3b**

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

Low-carbon energy generation	Solar PV
------------------------------	----------

**Estimated annual CO2e savings (metric tonnes CO2e)**

1461

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 3 category 13: Downstream leased assets

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

0

**Investment required (unit currency – as specified in C0.4)**

20000000

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

>30 years

**Comment**

Scope 3 – downstream (tenant consumption). Payback obtained via lease rather than energy cost savings. Benefits to customer not SEGRO

**Initiative category & Initiative type**

Energy efficiency in buildings	Other, please specify (Smart metering upgrades across portfolio)
--------------------------------	------------------------------------------------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

1000

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 3 category 13: Downstream leased assets

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

0

**Investment required (unit currency – as specified in C0.4)**

600000

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

>30 years

**Comment**

Scope 3 – downstream (tenant consumption). Payback via service charge. Benefits to customer not SEGRO

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**Initiative category & Initiative type**

Transportation	Other, please specify (Providing EV charging points for tenants)
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**Estimated annual CO2e savings (metric tonnes CO2e)**

0

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 3 category 9: Downstream transportation and distribution

**Voluntary/Mandatory**

Mandatory

**Annual monetary savings (unit currency – as specified in C0.4)**

0

**Investment required (unit currency – as specified in C0.4)**

24000

**Payback period**

>25 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

Scope 3 – downstream (tenant consumption). Customer benefits

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C4.3c

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Compliance with regulatory requirements/standards	Regulatory compliance is an important driver in SEGRO's emissions reduction activities. Given the relatively high levels of energy and climate change related regulation within the geographies of operation there are often legal requirements to take progressive steps to mitigate emissions through building design and operation. Financial optimization calculations (see next method) are used to determine the extent to which it is prepared to invest, to exceed regulatory requirements such as Part L Building Regulations in the UK, the Energy Savings and Opportunities Scheme and Minimum Energy Efficiency Standards.
Financial optimization calculations	Financial optimization calculations are crucial to help build the business case for SEGRO's investment in energy efficiency and climate change mitigation. Thorough analysis of the financial business case is conducted to determine financial savings and payback in instances where it is deemed appropriate to go beyond regulatory requirements. Typically, SEGRO's investment strategy focuses on an IRR of 6% or more; IRR's for carbon saving projects only have to achieve an IRR of 5% to meet the hurdle
Employee engagement	A significant part of the role of the Sustainability Manager is to engage with SEGRO's employees across all of its regions to ensure that they fully understand and react to the targets and actions which are corporately being driven forward to reduce emissions. Additionally, the Sustainability Manager has been working to develop SEGRO's intranet which is used to house and communicate information about operational efficiency.
Dedicated budget for energy efficiency	SEGRO does not have a dedicated budget for energy efficiency measures, each project is assessed on a project-by-project basis. However, SEGRO is increasing its funding for the retrofitting of its British, Polish, French and German assets with energy efficiency and renewable energy technologies across the business. This is a significant increase on previous annual funding and is in addition to the energy efficiency and renewable technology projects in its developments.
Dedicated budget for other emissions reduction activities	SEGRO has a separate renewable energy budget in the UK, which we use to provide renewable energy projects at no capex costs to the occupier / prospective, whilst also providing the ability to purchase Energy below market rates via a PPA
Internal incentives/recognition programs	Sustainability targets have been introduced into the remuneration package of all employees within SEGRO, with targets related to data coverage and reducing absolute levels of operating carbon emissions from existing assets and embodied carbon intensity of new developments.
Internal price on carbon	The Board agreed an internal carbon price of £100 per tonne to replace the original price of £45 used to assess environmental projects including retrofitting of solar PV. This price is already applied to dedicated environmental improvements (e.g. solar PV installations) and will be applied to relevant investment decisions, particularly refurbishments and further environmental investment in 2022

**C4.5**

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?**

No

**C5. Emissions methodology**

**C5.1**

**(C5.1) Is this your first year of reporting emissions data to CDP?**

No

**C5.1a**

**(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?**

**Row 1**

**Has there been a structural change?**

No

**Name of organization(s) acquired, divested from, or merged with**

<Not Applicable>

**Details of structural change(s), including completion dates**

<Not Applicable>

**C5.1b**

**(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?**

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	The methodology for measuring embodied carbon (capital goods) was expanded in 2021 to capture more building elements of the construction. This methodology change was a result of the implementation of BIM models across construction projects, which allowed for the automation of material quantities and specifications into the One-Click LCA software tool. This meant that certain building elements which would not usually be captured via tradition processes are now included within our calculations. As a result the baseline for embodied carbon was increased from 348 kgCO2/m2 to 400 kgCO2/m2.

**C5.1c**



**(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?**

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	The methodology for measuring embodied carbon (capital goods) was expanded in 2021 to capture more building elements of the construction. This methodology change was a result of the implementation of BIM models across construction projects, which allowed for the automation of material quantities and specifications into the One-Click LCA software tool. This meant that certain building elements which would not usually be captured via tradition processes are now included within our calculations. As a result the baseline for embodied carbon was increased from 348 kgCO2/m2 to 400 kgCO2/m2.

**C5.2**

**(C5.2) Provide your base year and base year emissions.**

**Scope 1**

**Base year start**

October 1 2019

**Base year end**

September 30 2020

**Base year emissions (metric tons CO2e)**

1401

**Comment**

**Scope 2 (location-based)**

**Base year start**

October 1 2019

**Base year end**

September 30 2020

**Base year emissions (metric tons CO2e)**

2357

**Comment**

**Scope 2 (market-based)**

**Base year start**

October 1 2019

**Base year end**

September 30 2020

**Base year emissions (metric tons CO2e)**

2088

**Comment**

**Scope 3 category 1: Purchased goods and services**

**Base year start**

October 1 2019

**Base year end**

September 30 2020

**Base year emissions (metric tons CO2e)**

36471

**Comment**

**Scope 3 category 2: Capital goods**

**Base year start**

October 1 2019

**Base year end**

September 30 2020

**Base year emissions (metric tons CO2e)**

285975

**Comment**

**Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Base year start**

October 1 2019

**Base year end**

September 30 2020

**Base year emissions (metric tons CO2e)**

22181

**Comment**

**Scope 3 category 4: Upstream transportation and distribution**

**Base year start**

October 1 2019

**Base year end**

September 30 2020

**Base year emissions (metric tons CO2e)**

3039

**Comment**

**Scope 3 category 5: Waste generated in operations**

**Base year start**

October 1 2019

**Base year end**

September 30 2020

**Base year emissions (metric tons CO2e)**

1304

**Comment**

**Scope 3 category 6: Business travel**

**Base year start**

October 1 2019

**Base year end**

September 30 2020

**Base year emissions (metric tons CO2e)**

45

**Comment**

**Scope 3 category 7: Employee commuting**

**Base year start**

October 1 2019

**Base year end**

September 30 2020

**Base year emissions (metric tons CO2e)**

202

**Comment**

**Scope 3 category 8: Upstream leased assets**

**Base year start**

October 1 2019

**Base year end**

September 30 2020

**Base year emissions (metric tons CO2e)**

96

**Comment**

**Scope 3 category 9: Downstream transportation and distribution**

**Base year start**

October 1 2019

**Base year end**

September 30 2020

**Base year emissions (metric tons CO2e)**

0

**Comment**

**Scope 3 category 10: Processing of sold products**

**Base year start**

October 1 2019

**Base year end**

September 30 2020

**Base year emissions (metric tons CO2e)**

0

**Comment**

**Scope 3 category 11: Use of sold products**

**Base year start**

October 1 2019

**Base year end**

September 30 2020

**Base year emissions (metric tons CO2e)**

2651

**Comment**

**Scope 3 category 12: End of life treatment of sold products**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 13: Downstream leased assets**

**Base year start**

October 1 2019

**Base year end**

September 30 2020

**Base year emissions (metric tons CO2e)**

308626

**Comment**

**Scope 3 category 14: Franchises**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 15: Investments**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3: Other (upstream)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3: Other (downstream)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**C5.3**

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**(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

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### C6.1

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(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

1278

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

### C6.2

---

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

### C6.3

---

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

**Reporting year**

**Scope 2, location-based**

2859

**Scope 2, market-based (if applicable)**

2942

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

### C6.4

---

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

### C6.5

---

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

## Purchased goods and services

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

34103

### Emissions calculation methodology

Spend-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

We use Quantis tool to calculate spend base data to carbon emissions

## Capital goods

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

197166

### Emissions calculation methodology

Supplier-specific method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

Material quantities loaded into one click LCA software tool

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

38915

### Emissions calculation methodology

Fuel-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

Emissions impact of the well-to-tank emissions and the efficiency losses experienced in getting electricity from the power plant to the end user from electricity purchased or acquired by SEGRO (not already accounted for in Scope 1 or Scope 2).

## Upstream transportation and distribution

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

16033

### Emissions calculation methodology

Average data method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

Calculated using one click LCA tool

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

4243

### Emissions calculation methodology

Waste-type-specific method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

Emissions from the disposal and treatment of waste generated in SEGRO's operations (in facilities not owned or controlled by the reporting company) is relevant to SEGRO because they contribute to our total Scope 3 emissions and we have the ability to impact them

## Business travel

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

84

### Emissions calculation methodology

Distance-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

Emissions from the transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by SEGRO).

## Employee commuting

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

94

### Emissions calculation methodology

Hybrid method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Emissions from the transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by SEGRO).

## Upstream leased assets

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

55

### Emissions calculation methodology

Fuel-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

SEGRO leases several offices in the different countries in which it operates. SEGRO does not purchase the energy directly from the supplier, i.e. it is paid through the service charge.

## Downstream transportation and distribution

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

This category includes emissions that occur in the reporting year from transportation and distribution of sold products in vehicles and facilities not owned or controlled by SEGRO. This category is not relevant as the 'products' we sell are buildings (which we only sell occasionally), and there are no transportation and distribution emissions from buildings.

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

This Scope 3 emissions category includes emissions from processing of sold intermediate products by third parties (e.g., manufacturers) subsequent to sale by SEGRO. The 'products' we sell are buildings (which we only sell occasionally), and we do not anticipate any processing of them. Emissions from the use of these buildings are covered below.

## Use of sold products

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

1913

### Emissions calculation methodology

Fuel-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

This is the estimated emissions in the reporting year from buildings we have sold.

## End of life treatment of sold products

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

The only 'products' that SEGRO sell are buildings, and we do not anticipate any of the buildings we sold in the reporting period reaching end of life in the reporting period.

## Downstream leased assets

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

276355

### Emissions calculation methodology

Fuel-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

This category is defined as the operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year, not included in Scope 1 and Scope 2 – reported by lessor.

## Franchises

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

This is defined as the operation of franchises in the reporting year, not included in Scope 1 and Scope 2 – reported by franchisor. SEGRO does not have any franchises.

## Investments

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

This is defined as the operation of investments (including equity and debt investments and project finance) in the reporting year, not included in Scope 1 or Scope 2. This is not relevant as SEGRO reports emissions from all of our portfolio, including recent acquisitions.

**Other (upstream)**

**Evaluation status**

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

**Other (downstream)**

**Evaluation status**

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

**C-CN6.6/C-RE6.6**

**(C-CN6.6/C-RE6.6) Does your organization assess the life cycle emissions of new construction or major renovation projects?**

	Assessment of life cycle emissions	Comment
Row 1	Yes, both qualitative and quantitative assessment	All developments must conduct a life cycle assessment on the build to ascertain the embodied carbon value of the development. This is calculated using the 'One-Click LCA' software and the carbon emissions are reported against each life cycle stages of the building in accordance with RICS methodology. Each life cycle assessment is externally verified to ensure accuracy in reporting against the SEGRO methodology. Embodied carbon is reported within Scope 3 Capital Goods, except for life cycle stage A4 which is reported under Scope 3 upstream transportation and distribution.

**C-CN6.6a/C-RE6.6a**

**(C-CN6.6a/C-RE6.6a) Provide details of how your organization assesses the life cycle emissions of new construction or major renovation projects.**

	Projects assessed	Earliest project phase that most commonly includes an assessment	Life cycle stage(s) most commonly covered	Methodologies/standards/tools applied	Comment
Row 1	All new construction and major renovation projects	Pre-design phase	Whole life	One Click LCA	

**C-CN6.6b/C-RE6.6b**

**(C-CN6.6b/C-RE6.6b) Can you provide embodied carbon emissions data for any of your organization's new construction or major renovation projects completed in the last three years?**

	Ability to disclose embodied carbon emissions	Comment
Row 1	Yes	In 2019, the embodied carbon of our new developments and major refurbishments was 380,925 tonnes. 993,320 square meters of space developed. In 2020, the embodied carbon of our new developments and major refurbishments was 285,975 tonnes. 812,544 square meters of space developed. In 2021, the embodied carbon of our new developments and major refurbishments was 213,199 Tonnes. 559,533 square meters of space developed.

**C-CN6.6c/C-RE6.6c**

**(C-CN6.6c/C-RE6.6c) Provide details of the embodied carbon emissions of new construction or major renovation projects completed in the last three years.**

**Year of completion**

2019

**Property sector**

Industrial

**Type of project**

New construction

**Project name/ID (optional)**



**Life cycle stage(s) covered**

Whole life

**Normalization factor (denominator)**

IPMS 2 – Industrial

**Denominator unit**

square meter

**Embodied carbon (kg/CO2e per the denominator unit)**

348

**% of new construction/major renovation projects in the last three years covered by this metric (by floor area)**

20

**Methodologies/standards/tools applied**

One Click LCA

**Comment**

---

**Year of completion**

2020

**Property sector**

Industrial

**Type of project**

New construction

**Project name/ID (optional)**

**Life cycle stage(s) covered**

Whole life

**Normalization factor (denominator)**

IPMS 2 – Industrial

**Denominator unit**

square meter

**Embodied carbon (kg/CO2e per the denominator unit)**

334

**% of new construction/major renovation projects in the last three years covered by this metric (by floor area)**

35

**Methodologies/standards/tools applied**

One Click LCA

**Comment**

---

**Year of completion**

2021

**Property sector**

Industrial

**Type of project**

New construction

**Project name/ID (optional)**

**Life cycle stage(s) covered**

Whole life

**Normalization factor (denominator)**

IPMS 2 – Industrial

**Denominator unit**

square meter

**Embodied carbon (kg/CO2e per the denominator unit)**

391

**% of new construction/major renovation projects in the last three years covered by this metric (by floor area)**

79

**Methodologies/standards/tools applied**

One Click LCA

**Comment**

---

**C6.7**

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

## C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

**Intensity figure**

0.0000077

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)**

4220

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

546000000

**Scope 2 figure used**

Market-based

**% change from previous year**

5

**Direction of change**

Decreased

**Reason for change**

This will predominantly have been driven by our increasing investment in zero carbon electricity tariffs across our portfolio.

## C7. Emissions breakdowns

### C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

### C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO <sub>2</sub> e)	GWP Reference
CO <sub>2</sub>	1018	IPCC Fourth Assessment Report (AR4 - 100 year)
CH <sub>4</sub>	35	IPCC Fourth Assessment Report (AR4 - 100 year)
N <sub>2</sub> O	166	IPCC Fourth Assessment Report (AR4 - 100 year)

### C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO <sub>2</sub> e)
United Kingdom of Great Britain and Northern Ireland	189
Czechia	0
France	338
Germany	184
Italy	0
Netherlands	312
Poland	189
Spain	254

### C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

By activity

### C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
UK	189
Continental Europe	1088

### C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Distribution Centre	431
Exterior areas	45
Other - Warehouse/Storage	708
Office	11
Retail Store	0
Data centre	38
Other - Retail	44

### C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United Kingdom of Great Britain and Northern Ireland	517	345
Czechia	10	3
France	197	107
Germany	287	313
Italy	1419	2010
Netherlands	149	0
Poland	280	163

### C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

By activity

### C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
UK	517	345
Continental Europe	2342	2597

### C7.6c

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Distribution centre	1615	1923
Exterior areas	410	185
Other - Warehouse/Storage	795	793
Office	36	42
Retail Store	2	0
Data centre	0.02	0.02
Other-Retail	0.28	0

**C7.9**

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Increased

**C7.9a**

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	193	Decreased	6	We have continued to move many of our electricity supply contracts to zero carbon tariffs. In 2021 we increased the amount of zero carbon electricity we consume in SEGRO-responsible spaces by 12% compared to 2020 (the increase is much higher across all electricity we procure, but the majority of this goes to our tenants – scope 3). This has resulted in avoided emissions of 193 tCO2e for SEGRO-responsible spaces (much more for tenant-responsible spaces – scope 3). This was calculated by applying the national residual conversion factors to the volume of zero-carbon electricity we procured in each country (over and above what was procured in 2020). 193 tCO2e is equivalent to 6% of our 2020 scopes 1 and 2 (market-based) emissions: 3,489 tCO2e. This was calculated by (193/3,489)*100.
Other emissions reduction activities	0	No change	0	All our emissions reduction activities have affected our scope 3 emissions (tenant consumption) and not our scope 1 and 2 emissions.
Divestment		<Not Applicable >		
Acquisitions	923	Increased	26	We estimate that this increase can be attributed to a large development completed in the reporting year, where there was high energy consumption during the construction period. This fell into SEGRO responsible emissions (scope 1 and 2) up until the building was completed and occupied (at which point the emissions moved to scope 3). The building has a large lettable area of 189,000 square meters and so has had a significant effect on our carbon emissions.
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified		<Not Applicable >		
Other		<Not Applicable >		

**C7.9b**

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

**C8. Energy**

## C8.1

### (C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

## C8.2

### (C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

## C8.2a

### (C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	5569	5569
Consumption of purchased or acquired electricity	<Not Applicable>	4251	7927	12178
Consumption of purchased or acquired heat	<Not Applicable>	0	569	569
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	4251	14065	18316

## C8.2b

### (C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

## C8.2c

### (C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

**Sustainable biomass**

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Other biomass**

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Other renewable fuels (e.g. renewable hydrogen)**

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Coal**

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Oil**

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Gas**

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

5433

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Other non-renewable fuels (e.g. non-renewable hydrogen)**

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

136

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

Fuel oil

**Total fuel**

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

5569

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**C8.2d**

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	12821	0	12821	0
Heat		0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

**C8.2e**

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

**Sourcing method**

Green electricity products from an energy supplier (e.g. green tariffs)

**Energy carrier**

Electricity

**Low-carbon technology type**

Wind

**Country/area of low-carbon energy consumption**

United Kingdom of Great Britain and Northern Ireland

**Tracking instrument used**

GO

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

1342



**Country/area of origin (generation) of the low-carbon energy or energy attribute**

United Kingdom of Great Britain and Northern Ireland

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

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**Sourcing method**

Green electricity products from an energy supplier (e.g. green tariffs)

**Energy carrier**

Electricity

**Low-carbon technology type**

Wind

**Country/area of low-carbon energy consumption**

Czechia

**Tracking instrument used**

GO

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

21

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Czechia

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Green electricity products from an energy supplier (e.g. green tariffs)

**Energy carrier**

Electricity

**Low-carbon technology type**

Wind

**Country/area of low-carbon energy consumption**

France

**Tracking instrument used**

GO

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

2000

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

France

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Green electricity products from an energy supplier (e.g. green tariffs)

**Energy carrier**

Electricity

**Low-carbon technology type**

Wind

**Country/area of low-carbon energy consumption**

Germany

**Tracking instrument used**

GO

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

270

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Germany

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Green electricity products from an energy supplier (e.g. green tariffs)

**Energy carrier**

Electricity

**Low-carbon technology type**

Wind

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**Country/area of low-carbon energy consumption**

Netherlands

**Tracking instrument used**

GO

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

398

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Netherlands

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)****Comment****Sourcing method**

Green electricity products from an energy supplier (e.g. green tariffs)

**Energy carrier**

Electricity

**Low-carbon technology type**

Wind

**Country/area of low-carbon energy consumption**

Poland

**Tracking instrument used**

GO

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

221

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Poland

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)****Comment****C8.2g****(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.****Country/area**

United Kingdom of Great Britain and Northern Ireland

**Consumption of electricity (MWh)**

2434

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

2434

**Is this consumption excluded from your RE100 commitment?**

&lt;Not Applicable&gt;

**Country/area**

Czechia

**Consumption of electricity (MWh)**

21

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

21

**Is this consumption excluded from your RE100 commitment?**

&lt;Not Applicable&gt;

**Country/area**

France

**Consumption of electricity (MWh)**

3833

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

3833

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Germany

Consumption of electricity (MWh)

741

Consumption of heat, steam, and cooling (MWh)

569

Total non-fuel energy consumption (MWh) [Auto-calculated]

1310

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Italy

Consumption of electricity (MWh)

4383

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

4383

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Netherlands

Consumption of electricity (MWh)

398

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

398

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Poland

Consumption of electricity (MWh)

368

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

368

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

## C-CN9.6a/C-RE9.6a

---

(C-CN9.6a/C-RE9.6a) Provide details of your organization's investments in low-carbon R&D for real estate and construction activities over the last three years.

**Technology area**

Unable to disaggregate by technology area

**Stage of development in the reporting year**

<Not Applicable>

**Average % of total R&D investment over the last 3 years**

61 - 80%

**R&D investment figure in the reporting year (optional)**

**Comment**

We work with our contractors and other suppliers to identify new low-carbon materials and technologies which improve the energy efficiency of our buildings and we will use these in pilot tests on our parks and developments. However, as we do not produce these we do not directly invest in them so instead we have committed USD10 million and EUR10 million to two venture capital funds managed by Fifth Wall (of which USD8.5 million over the past three years and EUR3 million was drawn in 2021 respectively). Fifth Wall seeks out companies which are researching and developing technological solutions for the property sector, much of which is focused on improving real estate sustainability.

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## C-RE9.9

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(C-RE9.9) Does your organization manage net zero carbon buildings?

No, but we plan to in the future

## C-CN9.10/C-RE9.10

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(C-CN9.10/C-RE9.10) Did your organization complete new construction or major renovations projects designed as net zero carbon in the last three years?

Yes

## C-CN9.10a/C-RE9.10a

---

(C-CN9.10a/C-RE9.10a) Provide details of new construction or major renovations projects completed in the last 3 years that were designed as net zero carbon.

**Property sector**

Industrial

**Definition(s) of net zero carbon applied**

National/local green building council standard, please specify (UK Green Building Council)

**% of net zero carbon buildings in the total number of buildings completed in the last 3 years**

0.01

**Have any of the buildings been certified as net zero carbon?**

No

**% of buildings certified as net zero carbon in the total number of buildings completed in the last 3 years**

<Not Applicable>

**Certification scheme(s)**

<Not Applicable>

**Comment**

---

## C-CN9.11/C-RE9.11

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**(C-CN9.11/C-RE9.11) Explain your organization’s plan to manage, develop or construct net zero carbon buildings, or explain why you do not plan to do so.**

SEGRO was one of the first companies to sign up to the better buildings partnership pledge to be net zero carbon by 2050. We are aiming to deliver this by 2030 currently. Our approach is to reduce carbon emissions related to our real estate activities in the following order;

- Reduce embodied carbon in developments
- Reduce operational carbon in those buildings where we have influence
- Off-set remaining carbon

We anticipate operationally to be net zero by 2030, including embodied carbon

**C10. Verification**

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**C10.1**

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**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

**C10.1a**

---

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

SEGRO 2021 Assurance Statement\_ISSUED\_04022022.pdf

**Page/ section reference**

2-4

**Relevant standard**

ASAE3000

**Proportion of reported emissions verified (%)**

100

---

**C10.1b**

---

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

**Scope 2 approach**

Scope 2 market-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

SEGRO 2021 Assurance Statement\_ISSUED\_04022022.pdf

**Page/ section reference**

2-4

**Relevant standard**

ASAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 2 approach**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

SEGRO 2021 Assurance Statement\_ISSUED\_04022022.pdf

**Page/ section reference**

2-4

**Relevant standard**

ASAE3000

**Proportion of reported emissions verified (%)**

100

---

C10.1c

---

**(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

**Scope 3 category**

- Scope 3: Purchased goods and services
- Scope 3: Capital goods
- Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- Scope 3: Upstream transportation and distribution
- Scope 3: Waste generated in operations
- Scope 3: Business travel
- Scope 3: Employee commuting
- Scope 3: Upstream leased assets
- Scope 3: Use of sold products
- Scope 3: Downstream leased assets

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

SEGRO 2021 Assurance Statement\_ISSUED\_04022022.pdf

**Page/section reference**

2-4

**Relevant standard**

ASAE3000

**Proportion of reported emissions verified (%)**

100

**C10.2**

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

Yes

**C10.2a**

**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C5. Emissions performance	Year on year change in emissions (Scope 1)	ISAE3000	We have had both years of data assured to ISAE3000. Last year's assurance statement attached. responsible-segro-data-pack-2020.pdf
C5. Emissions performance	Year on year change in emissions (Scope 2)	ISAE3000	We have had both years of data assured to ISAE3000. Last year's assurance statement attached. responsible-segro-data-pack-2020.pdf
C5. Emissions performance	Year on year change in emissions (Scope 3)	ISAE3000	We have had both years of data assured to ISAE3000. Last year's assurance statement attached. responsible-segro-data-pack-2020.pdf
C4. Targets and performance	Year on year emissions intensity figure	ISAE3000	We have had both years of data assured to ISAE3000. Last year's assurance statement attached. responsible-segro-data-pack-2020.pdf

SEGRO 2020 Assurance Statement  
FINAL.pdf

**C11. Carbon pricing**

**C11.1**

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

**C11.2**

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

Yes

**C11.2a**

**(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.**

**Credit origination or credit purchase**

Credit purchase

**Project type**

Geothermal

**Project identification**

Gunung Salak Geothermal Energy Project (VCS 144)

**Verified to which standard**

VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO2e)**

410

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

410

**Credits cancelled**

No

**Purpose, e.g. compliance**

Voluntary Offsetting

**Credit origination or credit purchase**

Credit purchase

**Project type**

Forests

**Project identification**

UK Tree Planting & Protecting the Amazon (VCS 981)

**Verified to which standard**

VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO2e)**

1634

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

1634

**Credits cancelled**

No

**Purpose, e.g. compliance**

Voluntary Offsetting

**Credit origination or credit purchase**

Credit purchase

**Project type**

Forests

**Project identification**

Kenya Tree Planting & Protecting the Amazon (VCS 981)

**Verified to which standard**

VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO2e)**

1229

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

1229

**Credits cancelled**

No

**Purpose, e.g. compliance**

Voluntary Offsetting

**Credit origination or credit purchase**

Credit purchase

**Project type**

Solar

**Project identification**



Pacajai REDD+ Project (VCS 981)

**Verified to which standard**

VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO2e)**

2459

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

2459

**Credits cancelled**

No

**Purpose, e.g. compliance**

Voluntary Offsetting

---

**Credit origination or credit purchase**

Credit purchase

**Project type**

Agriculture

**Project identification**

Solar Power Project in Philippines (VCS 1735)

**Verified to which standard**

VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO2e)**

1639

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

1639

**Credits cancelled**

No

**Purpose, e.g. compliance**

Voluntary Offsetting

---

**Credit origination or credit purchase**

Credit purchase

**Project type**

Solar

**Project identification**

Heqing Solar Cooker Project (VCS 1859 & 1860)

**Verified to which standard**

VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO2e)**

820

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

820

**Credits cancelled**

No

**Purpose, e.g. compliance**

Voluntary Offsetting

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### C11.3

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**(C11.3) Does your organization use an internal price on carbon?**

Yes

### C11.3a

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**(C11.3a) Provide details of how your organization uses an internal price on carbon.**

**Objective for implementing an internal carbon price**

Stakeholder expectations  
Change internal behavior  
Drive low-carbon investment

**GHG Scope**

Scope 1  
Scope 2  
Scope 3

**Application**

Whole Company

**Actual price(s) used (Currency /metric ton)**

100

**Variance of price(s) used**

Static Price

**Type of internal carbon price**

Shadow price

**Impact & implication**

Initially, the price is applied to specifically environmental projects (e.g. retrofitting solar panels to existing buildings). We are investigating how to incorporate it into wider investment decisions, although the impact on financial returns for developments is modest due to the relatively low-carbon nature of industrial buildings vs other asset types. The primary means of improving sustainability of our existing and new assets is by application of policy on energy efficiency and environmental certification.

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## C12. Engagement

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### C12.1

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**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers  
Yes, our customers/clients  
Yes, other partners in the value chain

### C12.1a

---

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**

Information collection (understanding supplier behavior)

**Details of engagement**

Other, please specify (Collect climate change and carbon information at least every 3 years from suppliers)

**% of suppliers by number**

100

**% total procurement spend (direct and indirect)**

100

**% of supplier-related Scope 3 emissions as reported in C6.5**

39

**Rationale for the coverage of your engagement**

Any supplier directly working for SEGRO must pass the supplier onboarding criteria to be entered onto our system. The questionnaire, which is completed via the SRM portal, was updated in 2019 to include the submission of environmental metrics. The onboarding process ensures that 100% of suppliers complete the assessments and must be assessed every two years otherwise the supplier is categorised as non-compliant with payments no longer able to be processed.

**Impact of engagement, including measures of success**

Over 771 suppliers have passed the onboarding response. Of these suppliers, 51 provided their carbon data to SEGRO. This is predominantly larger customers who have dedicated teams to measure and report sustainability performance, whilst smaller suppliers do not currently have the capabilities to report carbon usage.

We aim to significantly increase this metric to be able to report more actual carbon data within purchased goods and services and reduce reliance on cost data.

Across key contracts monthly reports are sent to the procurement team for review containing mileage information and demonstrate carbon saved through the use of electric fleets.

**Comment**

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### C12.1b

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**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement & Details of engagement**

Collaboration & innovation	Run a campaign to encourage innovation to reduce climate change impacts
----------------------------	-------------------------------------------------------------------------

**% of customers by number**

28

**% of customer - related Scope 3 emissions as reported in C6.5**

48.2

**Please explain the rationale for selecting this group of customers and scope of engagement**

Each year we undertake customer satisfaction surveys where several climate related questions are asked in relation to help improve sustainability performance. This includes the procurement of renewable energy backed electricity, installation of electric vehicle charge points and energy efficiency upgrades such as LED lighting.

For the procurement of renewable certified energy, we target customers who have indicated in the survey that they are interested in switching energy suppliers. Customers are also targeted based off their energy consumption and their own corporate sustainability strategies.

We have identified energy partners in each region who are able to provide competitive energy prices which are also renewable energy certified. In some cases, the customers are able to join our group procurement contracts via an energy basket. These quotes are sent to the customers where they ultimately make the decision on whether to switch their energy supply.

**Impact of engagement, including measures of success**

In 2021, SEGRO set a science-based target to reduce absolute operational carbon emissions by 42% by 2030, against a 2020 baseline. 98.5% of the operating carbon emissions relate to the customer energy consumption and fall under scope 3 downstream leased assets. Total carbon emission for this category was 276,000 Tonnes CO2. Under the SBTi target, this figure needs to fall to 181,000 tonnes by 2030. We estimate over 60% of the carbon emissions will be achieved through green energy procurement, with other reductions being achieved through on-site energy generation and energy efficiency programs.

In 2021, of the 54% of the portfolio where SEGRO had visibility of energy data, 53% of the electricity consumption readings were sourced from renewable backed supplies.

In 2021, the customer satisfaction survey response rate was 100%.

**C12.1d**

**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

DESCRIPTION OF SEGRO'S CLIMATE-RELATED ENGAGEMENT STRATEGY WITH OTHER PARTNERS IN THE VALUE CHAIN

Engaging with the industry is for us a way to shape and support industry's efforts towards a more sustainable future. We prioritise engagements with industry bodies through a qualitative process, pushing the sustainability agenda forward with those that we feel are useful. We regularly participate in conferences; task groups and programmes and we actively contribute to discussions about sustainability in the built environment. We also meet with our key suppliers to discuss how we can work collaboratively together, to implement the newest innovations available.

A CLEAR EXPLANATION OF WHO 'OTHER PARTNERS IN THE VALUE CHAIN' CONSTITUTES

We have aligned ourselves with industry leading organisations such as the UK Green Building Council, the British Property Federation, RICS and the Better Buildings Partnership. We also engage with local bodies, examples being the Heathrow Sustainability Partnership and Greater London Authority. At a strategic level, we align ourselves with the European Public Real Estate Association (EPRA). Key suppliers that we engage with our either our large operations contracts, such as landscape gardens whose operations are performed at a higher risk to the environment, or key product suppliers such as the cladding manufacturers whose materials are a large component of our buildings.

A CASE STUDY/EXAMPLE OF SEGRO'S CLIMATE-RELATED ENGAGEMENT STRATEGY WITH OTHER PARTNERS IN THE VALUE CHAIN

SEGRO's sustainability director is a member of the EPRA Sustainability Committee and regularly attends meetings and conferences to influence how sustainability is reported consistently across European real estate. SEGRO's sustainability director was a principal member of the team to re-write the EPRA Sustainability Best Practices Recommendations, which are intended to raise the standards and consistency of sustainability reporting for European listed real estate.

**C12.2**

**(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?**

Yes, climate-related requirements are included in our supplier contracts

**C12.2a**

**(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.**

**Climate-related requirement**

Meeting minimum emissions intensity standards for the supplied product or service

**Description of this climate related requirement**

All SEGRO developments over 5,000 m2 are required to obtain BREEAM certifications of Very Good or better (Excellent or better from May 2022)

**% suppliers by procurement spend that have to comply with this climate-related requirement**

64.3

**% suppliers by procurement spend in compliance with this climate-related requirement**

64.3

**Mechanisms for monitoring compliance with this climate-related requirement**

Certification

**Response to supplier non-compliance with this climate-related requirement**

Suspend and engage

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**C12.3**

---

**(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

**Row 1**

**Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate**

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact the climate

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

Yes

**Attach commitment or position statement(s)**

Page 6/12.

responsible-segro-framework.pdf

**Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy**

We have a Responsible SEGRO strategy, which sets out SEGRO's position of climate related matters. The strategy is agreed and disseminated throughout the company. Engagement with industry bodies is undertaken by individuals responsible for delivering the areas of the strategy. Climate policies fall under the director of sustainability, the Managing director for operations, and the Chief Operating Officer.

We ensure we cooperate with established trade bodies who understand our strategy, business model and the wider sector.

Engagement with policy makers is undertaken by individuals responsible for delivering the areas of the strategy. Climate policies fall under the director of sustainability, the Managing director for operations, and the Chief Operating Officer.

We ensure we engage with policy makers where there is alignment with our climate strategy or significance to our business operations.

**Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

**Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

**C12.3a**

---

**(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?**

**Focus of policy, law, or regulation that may impact the climate**

Minimum energy efficiency requirements

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Non-domestic Private Rented Sector minimum energy efficiency standards: EPC B implementation

**Policy, law, or regulation geographic coverage**

National

**Country/region the policy, law, or regulation applies to**

United Kingdom of Great Britain and Northern Ireland

**Your organization's position on the policy, law, or regulation**

Support with minor exceptions

**Description of engagement with policy makers**

We engaged with the government department responsible for setting the policy. This meeting was arranged during the consultation process.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

We engaged with the policy maker to highlight the issues with EPC calculations on shell and core assets. We proposed that default values are updated to reflect the modern measures incorporated by tenants during their fit-out works, thus providing a more accurate representation of the building's energy performance.

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

No, we have not evaluated

---

**C12.3b**

---

**(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.**

**Trade association**

Other, please specify (European Public Real Estate Association (EPRA))

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We have already influenced them to change their position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

EPRA provides guidance on the barriers and drivers to sustainability reporting and have developed best practice guidance. EPRA has a Sustainability Reporting Committee that consists of listed property company representatives, major investors and advisors. The committee meets throughout the year to discuss key sustainability reporting issues affecting property companies. SEGRO has participated in a number of recent EU Taxonomy focussed sessions, to ensure we meet the reporting and disclosure requirements in a consistent way to our peers.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**C12.3c**

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**(C12.3c) Provide details of the funding you provided to other organizations in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.**

**Type of organization**

Non-Governmental Organization (NGO) or charitable organization

**State the organization to which you provided funding**

British Property Federation

**Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)**

49675

**Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate**

To influence policy by working collaboratively with national and local government and other partners.

**Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?**

No, we have not evaluated

---

**Type of organization**

Non-Governmental Organization (NGO) or charitable organization

**State the organization to which you provided funding**

UK Green Building Council

**Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)**

15500

**Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate**

To work collaboratively with the entire supply chain to provide feedback on policies.

**Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

---

**Type of organization**

Non-Governmental Organization (NGO) or charitable organization

**State the organization to which you provided funding**

Better Buildings Partnership

**Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)**

13650

**Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate**

They work with other property investors to respond to policies relating to sustainability and the current building stock.

**Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

---

**Type of organization**

Non-Governmental Organization (NGO) or charitable organization

**State the organization to which you provided funding**

European Property Real Estate Association

**Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)**

10000

**Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate**

To enhance policies relating to sustainability reporting standards

**Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

---

**C12.4**

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**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In mainstream reports, incorporating the TCFD recommendations

**Status**

Complete

**Attach the document**

SEGRO\_AR 2021\_Web.pdf  
responsible-segro-data-pack-2020.pdf

**Page/Section reference**

Data pack: throughout  
Annual report: page 87 onwards

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets  
Other metrics

**Comment**

**C15. Biodiversity**

**C15.1**

**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, executive management-level responsibility	The responsible SEGRO committee oversee biodiversity strategy and initiatives under the "Investing in our local communities and environments" pillar of the strategy. The responsible SEGRO committee is chaired by the Chief Executive Officer and meet monthly.	<Not Applicable>

**C15.2**

**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, but we plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

**C15.3**

**(C15.3) Does your organization assess the impact of its value chain on biodiversity?**

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	Yes, we assess impacts on biodiversity in our upstream value chain only	<Not Applicable>

**C15.4**

**(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water management Species management

**C15.5**

**(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?**

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Please select

**C15.6**

**(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
No publications	<Not Applicable>	<Not Applicable>

**C16. Signoff**

**C-FI**

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

**C16.1**

**(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	COO	Chief Operating Officer (COO)

**SC. Supply chain module**

**SC0.0**

**(SC0.0) If you would like to do so, please provide a separate introduction to this module.**

**SC0.1**

**(SC0.1) What is your company's annual revenue for the stated reporting period?**

	Annual Revenue
Row 1	546000000

**SC1.1**



(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

**Requesting member**

EQUINIX, INC.

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

5.7688

**Uncertainty (±%)**

0

**Major sources of emissions**

Operational energy (common areas)

**Verified**

Yes

**Allocation method**

Allocation based on area

**Market value or quantity of goods/services supplied to the requesting member**

194641

**Unit for market value or quantity of goods/services supplied**

Other, please specify (Square feet)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Allocated by proportion of floor area under lease

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**Requesting member**

EQUINIX, INC.

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

2.5051

**Uncertainty (±%)**

0

**Major sources of emissions**

Operational energy (common areas)

**Verified**

Yes

**Allocation method**

Allocation based on area

**Market value or quantity of goods/services supplied to the requesting member**

194641

**Unit for market value or quantity of goods/services supplied**

Other, please specify (Square feet)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Allocated by proportion of floor area under lease

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## SC1.2

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(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

Not relevant

## SC1.3

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**(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?**

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	Total scope 1 and scope 2 emissions are allocated based on floor area under lease. Not estate specific. If a business driver arises, we will seek to make the emissions calculations more specific.

**SC1.4**

**(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?**

No

**SC1.4b**

**(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.**

Scope 1 and Scope 2 carbon footprint is immaterial. We will allocate scope 3 embodied carbon emissions to customers depending on new construction projects delivered in the reporting year. Embodied carbon is tracked via a life cycle assessment using the One-Click LCA tool and carbon emissions can be easily reported. The building is multi-occupancy lettable floor area can be used to assign embodied to particular customers .

**SC2.1**

**(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.**

**Requesting member**

EQUINIX, INC.

**Group type of project**

Relationship sustainability assessment

**Type of project**

Aligning goals to feed into customers targets and ambitions

**Emissions targeted**

Actions that would reduce our own operational emissions (our scope 1 & 2)

**Estimated timeframe for carbon reductions to be realized**

3-5 years

**Estimated lifetime CO2e savings**

8.27

**Estimated payback**

Cost/saving neutral

**Details of proposal**

Collaborate to achieve net zero carbon targets.

**SC2.2**

**(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?**

No

**SC4.1**

**(SC4.1) Are you providing product level data for your organization's goods or services?**

No, I am not providing data

**Submit your response**

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

Please select your submission options	I understand that my response will be shared with all requesting stakeholders	Response permission
	Yes	Public

**Please confirm below**

I have read and accept the applicable Terms