

ENVIRONMENTAL SUSTAINABILITY

2019 PERFORMANCE DATA PACK

INTRODUCTION

Understanding the needs and priorities of our customers and wider stakeholders has been at the heart of our business for 100 years. Just as the expectations of those stakeholders have evolved, so have we.

SEGRO is a leader in providing modern, adaptable warehousing to high sustainability standards both in their development and in their operation. We recognise that society is facing a significant challenge from climate change and, as a major property owner, we recognise our responsibility to contribute to global efforts to prepare for climate change, and to minimise the impact we have on the environment. Our responsibility goes well beyond the space we own, and we work hard to make a positive contribution to our customers, our people, our partners and the communities in which we operate.

DAVID SLEATH, CHIEF EXECUTIVE



RESPONSIBLE SEGRO

Our Responsible SEGRO framework helps guide our business decisions and is fully embedded in the business to ensure that our existing and new buildings comply with the highest possible standards.

Our goal is to be the best owner-manager and developer of warehouse properties in Europe. To do this, we have to ensure that our projects deliver a positive impact for the communities that we're part of, the customers that we serve, the stakeholders we invest in and who invest in us, and the environment around us.

Our application of Responsible SEGRO ensures that both our portfolio and our business is well positioned for the future.



SUSTAINABILITY IN PRACTICE

The world around us is changing fast, from the industrial revolution of the early 1900s to the technological revolution that we are currently experiencing, and successful businesses constantly innovate so that they stay relevant to their customers.

Environmental sustainability has been the most recent focus of innovation as we work to reduce the carbon footprint of our buildings. This means looking not just at the development process but also the entire life cycle of a warehouse, including the use of resources when occupied by our customers.

In addition to the efforts that we make to reduce the carbon footprint and resource usage of our buildings, we also make efforts to promote biodiversity. We create parks, plant trees and wild flowers and in Italy we utilise the green space around our developments by partnering with local communities to allow sheep and buffalo to graze on the land.

We have now installed more than 75 bee hives on our estates across Europe, home to over 3.7 million bees and have trained SEGRO employees as apiarists to look after them.

SUSTAINABILITY AND INNOVATION AT THE HEART OF OUR BUSINESS

Understanding the needs and priorities of our customers and wider stakeholders has been at the heart of our business for 100 years.

Just as the expectations of those stakeholders have evolved, so have we.

OUR FOCUS AREAS:

- HELPING OUR CUSTOMERS TO BE MORE ENERGY EFFICIENT
- FOCUSING ON THE ENVIRONMENTAL SUSTAINABILITY OF OUR BUILDINGS
- MAKING A POSITIVE IMPACT ON COMMUNITIES AROUND OUR ESTATES

INNOVATION & SUSTAINABILITY:

- ENERGY EFFICIENCY
- SMART BUILDINGS
- WELLBEING
- EMBODIED CARBON
- RENEWABLE ENERGY GENERATION
- ONSITE ENERGY STORAGE
- BIODIVERSITY
- REGENERATION
- TRAINING AND UPSKILLING
- JOB NETWORKS
- LOCAL SUPPLY CHAINS
- ENTERPRISE & INNOVATION QUARTERS

RESPONSIBLE SEGRO

OUR PEOPLE | OUR COMMUNITY | OUR ENVIRONMENT | OUR STAKEHOLDERS | HEALTH & SAFETY

SEGRO Park Rainham, London

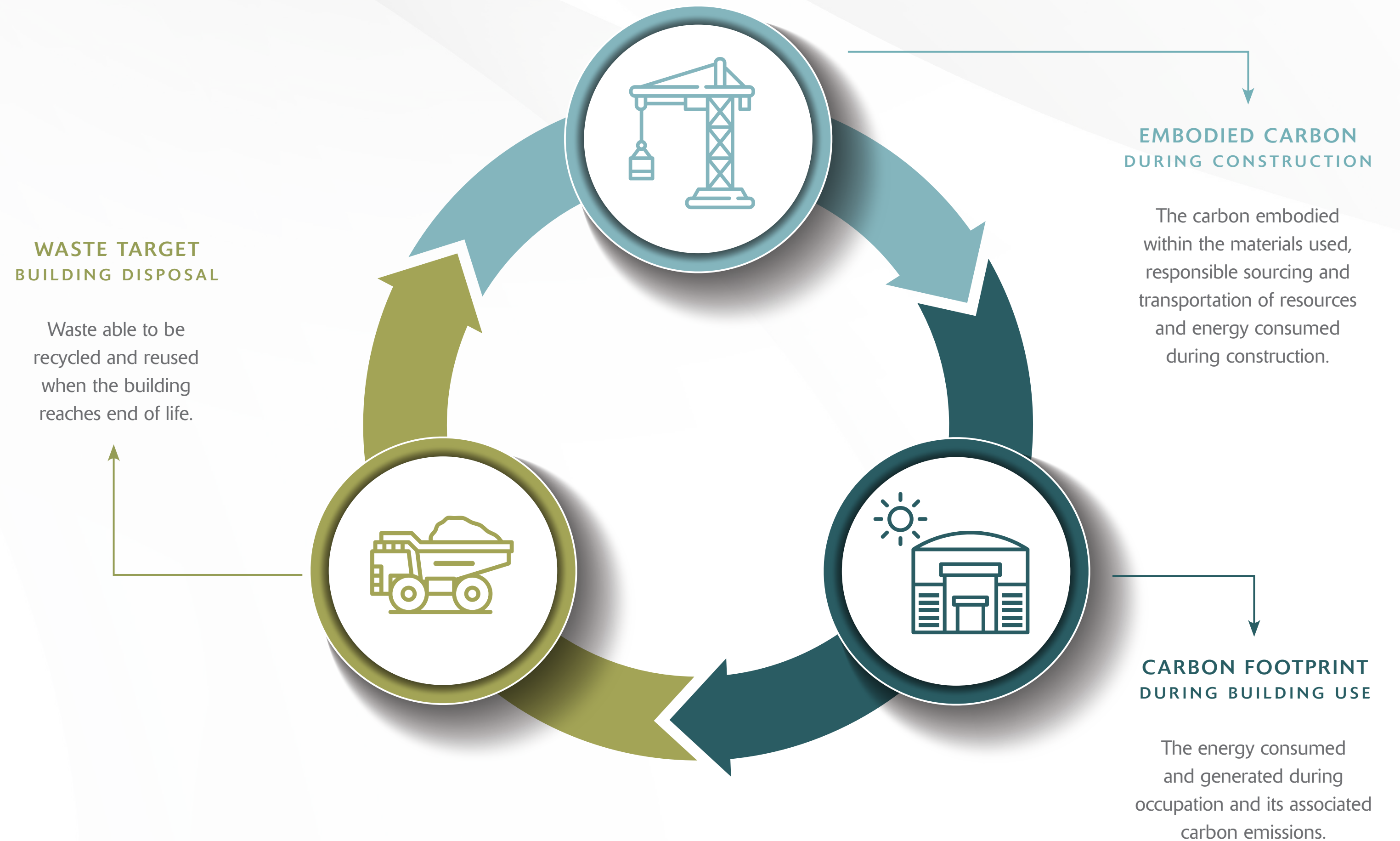
BUILDING LIFECYCLE

As a developer, we understand that we are responsible for creating sustainable buildings which conserve the interests of the environment.

We use the following methods:

- Focusing on reducing the energy used by, and in, the construction of our buildings.
- Constantly reviewing and improving the materials that we use in the construction and refurbishment of our buildings.
- Ensuring that we reduce and minimise the use of resources wherever we can in the life cycle of our buildings.

This technical approach to environmental sustainability is what sets us apart from our peers and is what we call 'Technical Sustainability'.



IMPACT AREAS

The environmental landscape is constantly evolving and we will continue to reconsider what is material to our business.

Materiality assessment

To ensure our Responsible SEGRO strategy continues to meet stakeholder expectations in environmental sustainability, in 2017 we began an in-depth materiality assessment to understand the views of our senior business leaders, external partners, non-governmental organisations, customers, shareholders and other interested parties.

The materiality assessment has been undertaken in line with best practice methodologies, such as those supported by the Global Reporting Initiative (GRI) and looked at the environmental sustainability categories, aligned to the United Nations Sustainable Development Goals, alongside other external, global and local trends, such as the new Draft London Plan, TCFD and others.

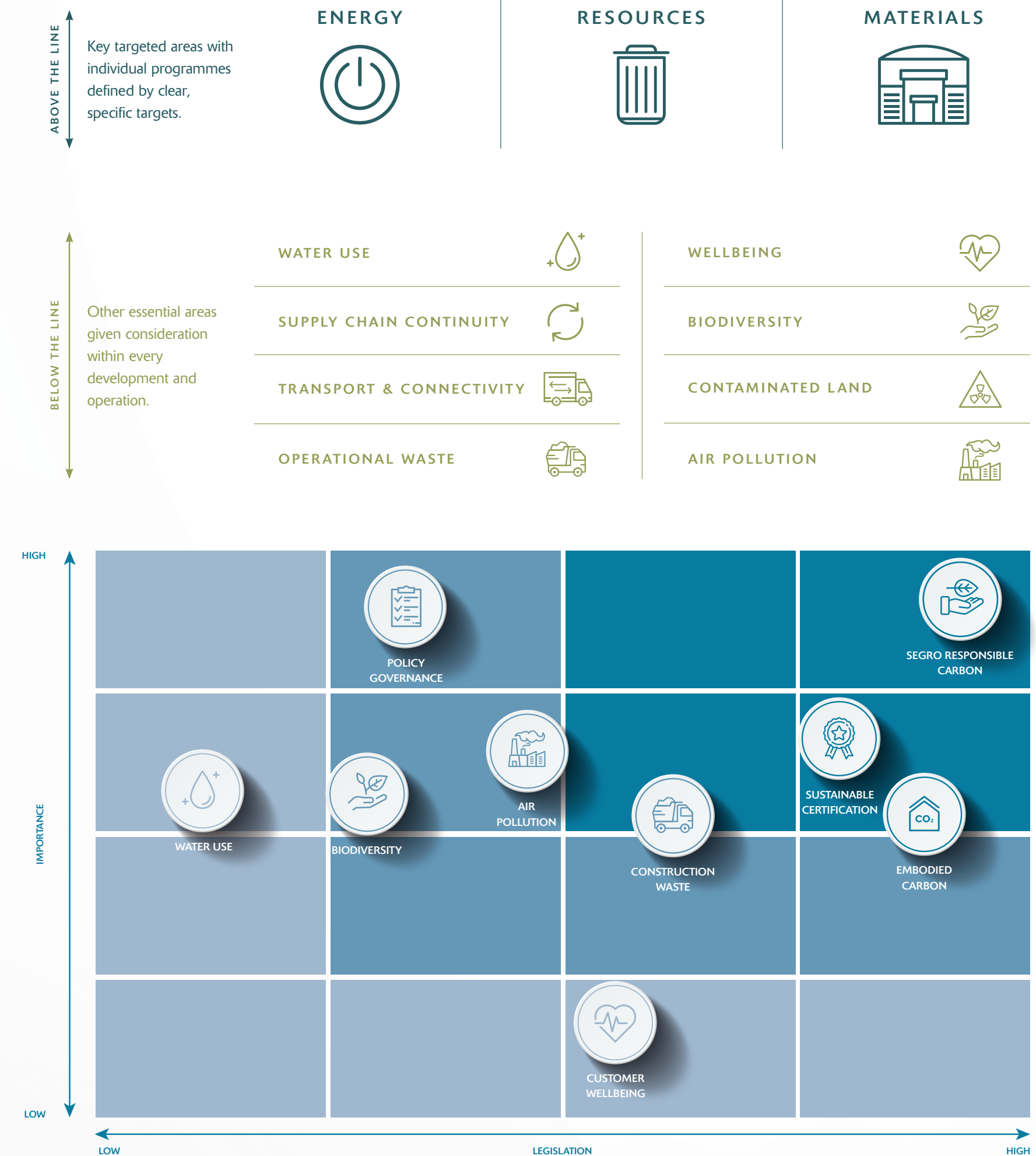
We define issues to be material to our business in terms of:

- The degree to which an issue is aligned with our vision and purpose, brand portfolio and geography;
- The potential impact on our operations, or on our sourcing and consumers;
- The extent of SEGRO's influence on the issue; and
- The importance of an issue to our key stakeholders.

The Environmental Materiality Matrix illustrates those issues that are identified as a priority for SEGRO over the next seven years and identify the priority areas of focus for SEGRO.

A new Materiality assessment will be conducted in 2020, in line with our process of reviewing every 3 years.

ENVIRONMENTAL SUSTAINABILITY



SUSTAINABLE DEVELOPMENT GOALS – OUR FOCUS

We have reviewed the United Nations Sustainable Development Goals against our sustainability strategy and programme to understand which goals are particularly significant to our business.

All 17 goals can be aligned to our Responsible SEGRO programme but following our materiality assessment, we consider the following to be material to us;

Sustainable cities and communities

We aim to be a trusted partner to all of our stakeholders and it is through these connections that we enable extraordinary things to happen within, and around, the spaces that we create. We aspire to have a positive impact on the communities surrounding our estates.

Responsible consumption and production

We were the first property company to have a fully assured set of data concerning the embodied carbon impact of our operations each year. Along with our circular waste philosophy, our 20% reduction target will ensure we remain a responsible developer.

Decent work and economic growth

Sustainable building, from conception to construction, impacts a large number of people and can provide opportunity for employment. Where possible, we ensure that these opportunities are taken up by the local workforce.

Gender equality

We are proud that our workforce is diverse, particularly by gender. Across the Company, 49% of our workforce are women and we have achieved the target set by the 30% Club with regard to gender diversity with three women on the Board, representing 33% of Directors.

Affordable and clean energy

We are committed to procuring 100% renewable electricity across our portfolio and to invest in low carbon technologies in our buildings, including solar photovoltaic panels where appropriate.

Climate action

We have mapped the potential physical and transitional impacts of climate change across our whole portfolio, as recommended by the Task Force on Climate Related Financial Disclosure. Further details are found on page 25 of this report.

OUR COMMUNITY



OUR ENVIRONMENT



OUR STAKEHOLDERS



OUR PEOPLE



SOURCE: WWW.UN.ORG/SUSTAINABLEDEVELOPMENT

SEGRO CARBON REDUCTION

Target – We will reduce the carbon intensity of properties, where we have influence, by 40% by 2025 against a 2017 baseline, in line with the Paris Agreement.

This table shows the country breakdown by SEGRO responsible energy, where we are responsible for procuring the energy supply on behalf of our customers. We also strive to obtain and report customer energy data where possible across our portfolio. In 2019, we reported full or partial data covering 47% of the total portfolio. This 47% is split across the portfolio in the following way, showing that Poland has a particular impact on our CO₂e footprint. Our visibility over our UK portfolio is low due to the nature of our lease agreements. We are investigating measures we can take to increase our visibility over time.

2019 coverage by country:

UK	8%	Italy	11%
Austria	1%	The Netherlands	4%
Czech Republic	4%	Poland	36%
France	15%	Spain	1%
Germany	20%		

The carbon intensity values are calculated based on monthly coverage, this is due to the fluid portfolio resulting in some sites not having a full year of data. In 2019 we achieved an 8% reduction in our carbon intensity. This is due to increased zero carbon tariffs and increasing low carbon and carbon reduction projects.

YEARLY COMPARISONS

	kgCO ₂ e/m ²			kgCO ₂ e/m ²		
	LOCATION BASIS			MARKET BASIS		
	2017	2019	Variance	2017	2019	Variance
UK	21	12	-44%	14	12	-14%
Austria	N/A	0.3	New	N/A	1	New
Czech Republic	38	36	-4%	44	37	-16%
France	7	6	-11%	7	6	-10%
Germany	30	17	-44%	45	26	-41%
Italy	19	21	15%	25	25	0%
The Netherlands	13	5	-61%	14	9	-33%
Poland	67	82	23%	75	84	12%
Spain	N/A	0.3	New	N/A	0.5	New
SEGRO Total	40	39	-3%	46	42	-8%

ON-SITE ENERGY GENERATION

In order to reduce our reliance on grid energy, we aim to increase the amount of on-site renewable energy capacity and generation across the portfolio.

The renewable energy installations mainly consist of rooftop solar photovoltaic panels. Each year we significantly scale up our capacity and generation on both new buildings and our existing portfolio.

	2017	2018	2019
Solar Capacity at year-end (MW)	13.9	13.5*	18.5
Solar Energy Generated (MWh)	11,603	13,728	16,887

*The decline in capacity in 2018 reflects the disposal of assets during the year with 2.1 MW of solar PV energy capacity.

EMBODIED CARBON

Target – Reduce average embodied carbon within new developments by 20% by 2025.

In 2019, we undertook detailed life cycle assessments on assets totaling over 20% of the 2019 total development floor area.

We aim to increase the floor area coverage in future to report embodied carbon accurately across our developments.

We report our embodied carbon using two intensity metrics, with and without external landscape areas, due to the large proportion of carbon included in these areas for industrial buildings.

In the early stages of our embodied carbon benchmarking, we have used the One-Click LCA Carbon Heroes benchmark to compare the performance against the industry, below.

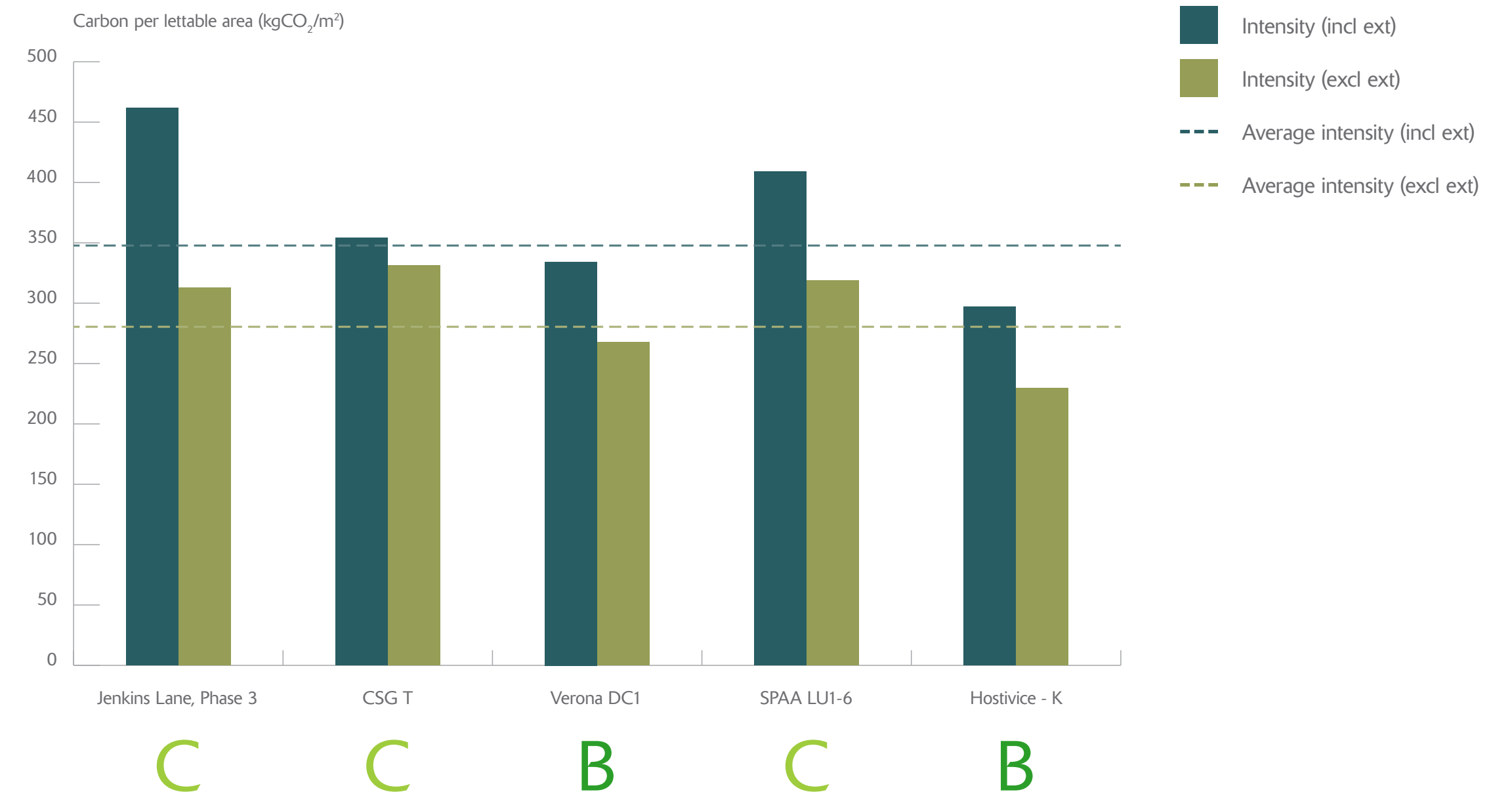
CARBON HEROES BENCHMARK: Q1 2019 GLOBAL – WAREHOUSE / INDUSTRY

	kgCO ₂ /m ²
A	<200
B	200–336
C	336–472
D	472–608
E	608–774
F	774–880
G	>880

Average embodied carbon per m² development (including external areas) **348** kgCO₂/m²

Average embodied carbon per m² development (excluding external areas) **281** kgCO₂/m²

EMBODIED CARBON – PROJECT BREAKDOWN



The SEGRO definition of embodied carbon is that in line with the World Green Building Council covering emissions relating to life cycle stages A1-A5 product stage and construction stage, B1-B5 Use stage, and C1-C4 End-of-life stage. Life cycles are undertaken in line with EN 15798.

WASTE IN OPERATIONS

Target – Send zero waste to landfill by 2025.

Construction and demolition waste is collected and reported where available. In 2019, 19 out of 29 projects reported their waste. In certain regions, such as Germany, waste data is particularly hard to obtain due to the waste supply chain being under the control of the local municipality in each region. Our focus in 2020 and beyond is to further the transparency of our construction waste in these markets.

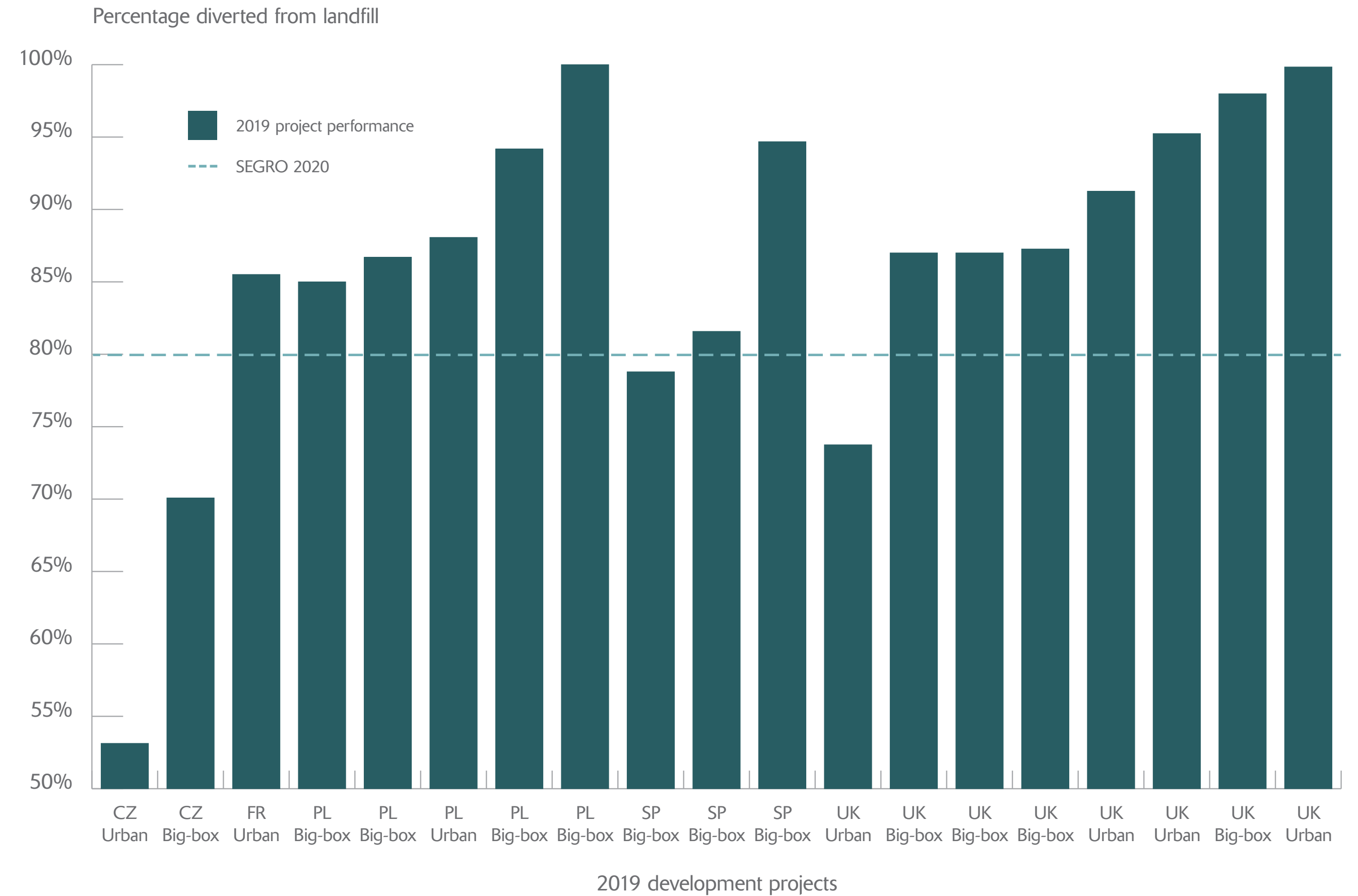
The graph details the proportion of waste generated which was reused on-site or recycled.

Average weighted performance in 2019:

94%

of waste diverted from landfill

The waste data excludes hazardous waste as this is remediated in line with local and national legislation. Excavation waste is also excluded due to the large volumes of waste recycled which can skew the results.



GLOBAL GHG EMISSIONS DATA IN CO₂e

The emissions table excludes carbon emissions directly related to tenant activates. Therefore these emissions cover service charges for common areas, vacant buildings which represented 4% of the portfolio at year-end and the development pipeline prior to completion and handover to the customer.

Methodology

The Greenhouse Gas (GHG) section has been prepared in accordance with our regulatory obligation to report greenhouse gas emissions pursuant to Section 7 of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. As well as fulfilling these mandatory Greenhouse Gas reporting requirements, SEGRO is committed to EPRA Best Practice Recommendations for sustainability reporting. We report our data using an operational control approach to define our organisational boundary, as per the Greenhouse Gas Protocol. The market based methodology has been applied to calculate the Scope 2 emissions, however supplier-specific emission factors have been collected for supplies where the provider is known.

For all other supplies, the IEA emission factors have been applied. We disclose data for both our like-for-like and absolute portfolios in this report and a detailed description of our methodology and a full disclosure of emissions factors used can be found at www.SEGRO.com/csr/reports. SEGRO's chosen GHG intensity metric is calculated using the Scope 1 and Scope 2 emissions within a like-for-like sub-set of SEGRO's overall portfolio. The like-for-like portfolio is defined as sites which have been in the portfolio for both 2018 and 2019, and have remained either fully occupied, and under SEGRO control, landlord controlled areas such as external lighting, or fully vacant for both years.

	2018 Tonnes CO ₂ e	2019 Tonnes CO ₂ e
Emissions from:		
Scope 1 emissions – combustion of fuels	1,591Δ	830Δ
Scope 2 emissions – purchased energy (location based)*	1,944Δ	2,244Δ
<i>Scope 2 emissions – purchased energy (market based)**</i>	<i>1,467Δ</i>	<i>2,055Δ</i>
Gross CO ₂ e footprint (using location based)	3,535Δ	3,075Δ
Chosen intensity measurement***		
Emissions from like-for-like estate normalised to kgCO ₂ e/m ² of responsible space	595Δ	353Δ
Responsible floor area m ² LfL	374,910	374,910
Intensity kgCO ₂ e	1.59	0.94

* Electricity emissions are calculated using location based method. Emissions calculations are taken from GRI guidance used here for illustration purposes only.

** Where data exists, electricity emissions are calculated and reported using the location based method, using supplier specific emissions factors for comparison purposes.

*** SEGRO's chosen intensity measure is a like-for-like comparison for sites in the portfolio with SEGRO responsible CO₂e in both 2018 and 2019. This comparison uses EPRA guidance on best practice for real estate companies.

Δ Selected information within the scope of limited assurance. See www.SEGRO.com/csr/reports for details of the independent assurance.

CARBON FOOTPRINT – SCOPE 3 EMISSIONS

In 2019, we undertook our first assessment of our full Scope 3 carbon emissions.

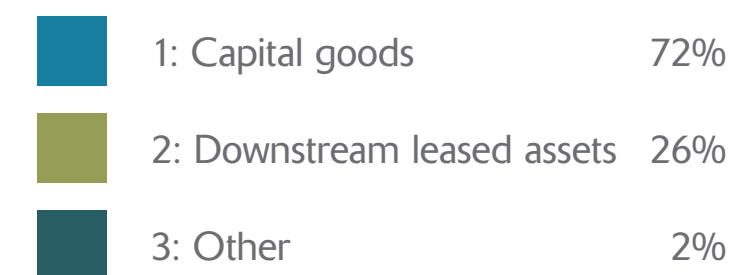
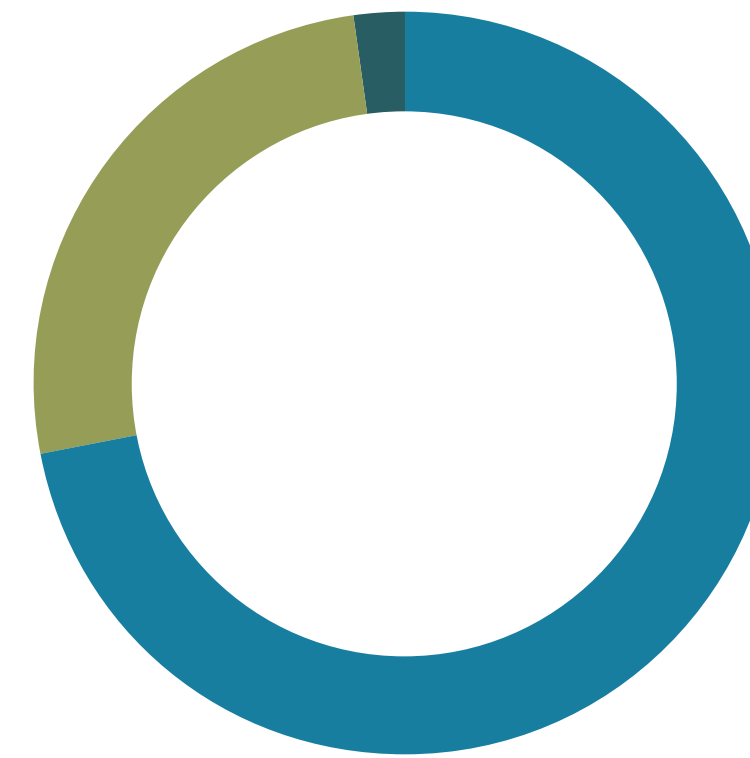
The two largest contributing categories are ‘capital goods’ and ‘downstream leased assets’, contributing 98% of our total measured Scope 3 emissions;

Capital goods include the emissions and embodied carbon associated with the manufacture and transport of materials used within our development activity.

Downstream leased assets are SEGRO assets associated with our customers over which we have a level of control, namely the procurement of the energy. The total area footprint of the reported downstream leased assets makes up 47% of our total footprint under management. The remaining space is under the control of our customers over which we have no sight of energy use or type of energy. We are working with our customers to increase the breadth of reporting to cover the remaining 53% of assets over which we currently have no direct visibility.

In 2020, we will conduct a more robust Scope 3 screening exercise. This process will;

- Outline which of the 15 Scope 3 categories are relevant to SEGRO, and justify any exclusions;
- Establish data availability for reporting on relevant Scope 3 emissions;
- Develop methodologies for reporting on relevant Scope 3 emissions, including purchased goods and services which we anticipate being material but unable to quantify at this time. Identify primary and secondary data sources;
- Outline our roadmap and next steps for Scope 3 calculation and future target setting.



GHG Protocol Reporting Category	Tonnes CO ₂ e	%
1: Capital goods	380,925	72
2: Downstream leased assets	139,980	26
3: Other:		
Upstream transportation and distribution	5,064	1
Use of sold products	4,988	1
Waste generated in operations	1,035	0
Business travel	529	0
Employee commuting	373	0
Upstream leased assets	86	0
Fuel and energy related activities	10	0
Downstream transportation and distribution		N/A
Processing of sold products		N/A
End-of-life treatment of sold products		N/A
Franchises		N/A
Investments		N/A
Purchased goods and services		N/A
Total	533,020	100

INITIAL SCOPE 3 SCREENING

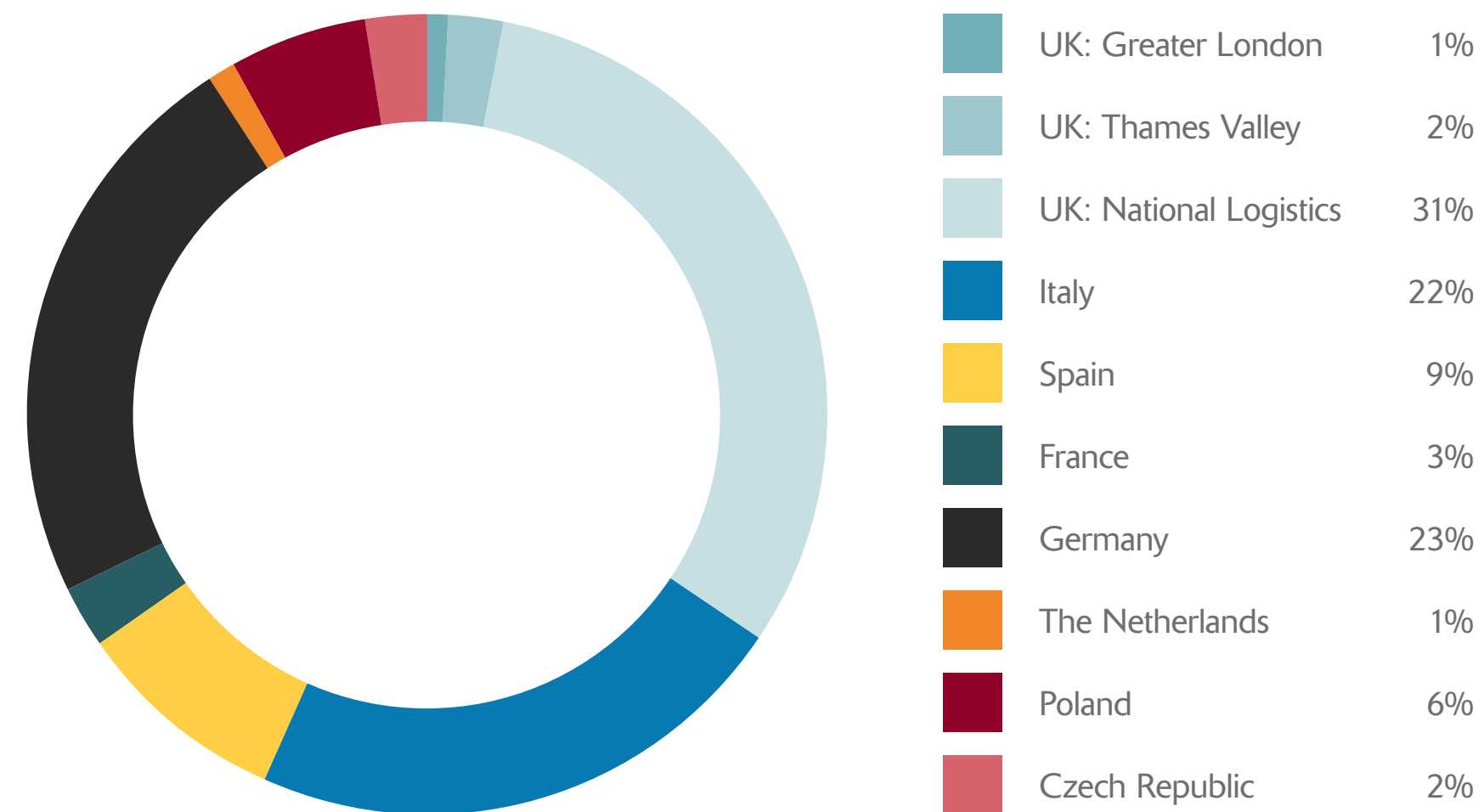
Our initial Scope 3 screening exercise aimed to understand areas deemed material to SEGRO and to greater understand the emissions relating to these activities. The Scope 3 screening was undertaken using the UK Green Building Council 'Guide to Scope 3 reporting for Commercial Real Estate'. We aim to improve the Scope 3 coverage we report annually, limited to the areas deemed most material due to the levels of emissions as well as control.

GHG protocol reporting category	Tonnes CO ₂ e	%	Data sources and methodology	Importance to SEGRO
1: Capital goods	380,925Δ	72	This relates to the embodied carbon of new developments. Refurbishment projects are deemed immaterial due to the main material elements remaining unchanged during the works and are limited to repainting and improvements to the lighting and mechanical systems.	High
2: Downstream leased assets	139,980	26	Energy consumption either where SEGRO purchases energy on behalf of the customer or SEGRO has access to metered data. Downstream energy use where SEGRO does not have access to data via meter reads or bills excluded however we aim to estimate the remaining buildings as the data becomes more accurate.	High
3: Other:				
Upstream transportation and distribution	5,064	1	Transportation related emissions from the delivery of materials to construction sites and the removal of waste.	Medium
Use of sold products	4,988	1	Carbon emissions relating to the buildings which were sold within the reporting year. Covers emissions from the date of sale to the end of the reporting year.	Medium
Waste generated in operations	1,035Δ	0	Emission factors are applied to waste collected for construction and demolition projects, and our group office locations where available. Tenant waste is not reported within this section.	Medium
Business travel	529	0	Emissions related to work travel only. This includes expensed mileage and flight data from our travel agencies. This does not include leased vehicles because this is reported within Scope 1 emissions.	Medium
Employee commuting	373	0	Emissions related to employee commuting to SEGRO offices.	Low
Upstream leased assets	86	0	Emissions from leased SEGRO offices where consumption is metered and attributed directly to SEGRO use.	Low
Fuel and energy related activities	40	0	On-site fuel and energy related emissions from the construction and demolition processes.	Low
Downstream transportation and distribution			SEGRO does not have sight of customer transportation movements.	-
Processing of sold products			Not deemed relevant to the sale of buildings.	-
End-of-life treatment of sold products			Not deemed relevant to the sale of buildings.	-
Franchises			SEGRO does not operate any franchises.	-
Investments			Acquisitions of buildings included from the point of purchase.	-
Purchased goods and services			SEGRO was unable to collect this data in 2019. SEGRO aims to report emissions relating to purchased goods and services in the future as further data is made available from our suppliers.	Medium
Total	533,020	100		

CAPITAL GOODS – BREAKDOWN OF EMISSIONS BY REGION

In order to report the carbon emissions related to capital goods we have utilised the life cycle assessments and applied estimation techniques where information is not available. These numbers are assured by a third party alongside our greenhouse gas datasets.

TOTAL ESTIMATED EMBODIED CARBON IN 2019 DEVELOPMENT COMPLETIONS BY BUSINESS UNIT / COUNTRY



Business unit / country	Delivered lettable floor area (2019) m ²	Estimated embodied carbon (including hard landscaping) Tonnes CO ₂ e
UK: Greater London	6,784	3,132
UK: Thames Valley	19,303	8,913
UK: National Logistics	249,825	115,356
Italy	242,898	81,794
Spain	94,613	31,860
France	62,676	21,106
Germany	207,565	84,932
Netherlands	10,972	4,489
Poland	68,946	20,499
Czech	29,738	8,842

Total embodied carbon from developments

380,925
tonnes

EUROPEAN PUBLIC REAL ESTATE ASSOCIATION (EPRA) SUSTAINABILITY PERFORMANCE MEASURES REPORTING

To enable our stakeholders to compare our reporting effectively, we compile and align our outputs in line with the EPRA Best Practices Recommendations on Sustainability Reporting.

Each EPRA impact area is reported on in two portfolios; absolute and like-for-like.

- **Absolute portfolio:** The absolute portfolio includes all properties where SEGRO has 'operational control', where we purchase energy or appoint agents to track consumption of energy. In 2019, approximately 47% of all portfolio was under some form of 'operational control', and therefore included in the absolute portfolio disclosures.
- **Like-for-like portfolio:** The like-for-like portfolio is aligned with our financial reporting like-for-like portfolio, based on the EPRA Financial BPR like-for-like definition for rental growth reporting. It includes all properties which have been in the portfolio for at least 12 months prior to the reporting period, but excluding those which were acquired, sold, or included in the development pipeline at any time since. Due to the fluid nature of our portfolio, the number of properties included in the life-for-like measure is fewer than the total property portfolio.

ESG BENCHMARKING

In order to provide our stakeholders with a transparent update of our progress, we take part in a number of external benchmarking indices. The 2019 results of these key measures are detailed below (correct as of 31st March 2020);

Carbon Disclosure Project	A-
GRESB	Achieved a score of 75/100 (70/100 in 2018) resulting in 3/5 green star
GRESB Public Disclosure	A
FTSE4GOOD	3.2/5
EPRA	Gold Award

EPRA TABLES: ABSOLUTE PORTFOLIO

SEGRO reports on energy consumption where we have a level of operational control. Therefore UK is under represented due to the lease structure meaning that the customer has complete operational control.

Poland represents 65% of the total group electricity consumption and 64% of the gas consumption. It is also the only region which still uses some fuel oil.

Reportable floor area increased 61% in 2019 from 2018 due to increased efforts to report customer emissions and a large growth in the overall portfolio from development and acquisitions.

The UK and Germany were the main contributing factors to increased tenant data and Italy the main source of new developments with reportable energy data including one building over 126,000 m².

District heating increase due tenant coverage reported in Germany which was not reported in 2018.

Energy intensity is not limited to sites with two years of consecutive data and therefore not fully representative of portfolio trend.

EPRA code	Unit of measure	Indicator		UK		EU		SEGRO total	
				2018	2019	2018	2019	2018	2019
Elec-Abs	kWh	Elec	Landlord shared services	3,865,702	2,414,668	2,963,204	4,912,582	6,828,906	7,327,250
			Tenant supply	3,222,166	8,104,280	111,664,327	136,998,396	114,886,493	145,102,677
			Total	7,087,868	10,518,948	114,627,532	141,910,979	121,715,400	152,429,927
			Coverage m ²	195,703	282,075	1,796,165	3,039,158	1,991,869	3,321,233
DH&C-Abs	kWh	District heating / cooling	Landlord shared services	0	0	0	0	0	0
			Tenant supply	5,259	0	0	1,412,135	5,259	1,412,135
			Total	5,259	0	0	1,412,135	5,259	1,412,135
			Coverage m ²	4,049	0	0	43,401	4,049	43,401
Fuels-Abs	kWh	Natural gas	Landlord shared services	4,915,512	1,505,775	1,491,920	464,781	6,407,432	1,970,556
			Tenant supply	1,516,416	1,492,590	119,058,062	164,063,290	120,574,478	165,555,880
			Total	6,431,928	2,998,365	120,549,982	164,528,071	126,981,910	167,526,436
			Coverage m ²	147,127	106,289	1,443,536	2,411,221	1,590,663	2,517,511
Fuels-Abs	kWh	Fuel oil	Landlord shared services	0	0	0	0	0	0
			Tenant supply	0	0	366,217	225,176	366,217	225,176
			Total	0	0	366,217	225,176	366,217	225,176
			Coverage m ²	0	0	421,844	381,584	421,844	381,584
Total Energy-Abs	kWh	Total energy	Landlord shared services	8,781,213	3,920,443	4,455,125	5,377,363	13,236,338	9,297,806
			Tenant supply	4,743,841	9,596,870	231,088,606	302,698,997	235,832,447	312,295,868
			Total	13,525,054	13,517,313	235,543,731	308,076,361	249,068,785	321,593,674
			Coverage m ²	208,185	297,853	2,072,836	3,339,577	2,281,021	3,637,430
Energy-Int	kWh/m ² /year	Intensity	Total energy intensity	65	45	114	92	109	88

EPRA TABLES: LIKE-FOR-LIKE

In 2019 the like-for-like energy intensity decreased by 5% from 2018.

The UK saw a larger decrease than Europe however this is reflective of a smaller sample of buildings and less data from occupied buildings due to the nature of the Full Repair and Insure (RFI) lease prevalent in the UK.

EU like-for-like data is heavily weighted by our Poland portfolio where SEGRO is responsible for the energy contracts for our buildings. Roll out of sub metering and smart building technologies account for some of this reduction.

EPRA code	Unit of measure	Indicator		UK		EU		SEGRO total	
				2018	2019	2018	2019	2018	2019
Elec-LfL	kWh	Elec	Landlord shared services	1,551,927	906,994	2,300,788	1,630,242	3,852,715	2,537,237
			Tenant supply	2,771,956	2,768,958	94,246,540	88,521,732	97,018,496	91,290,690
			Total	4,323,883	3,675,953	96,547,328	90,151,974	100,871,211	93,827,927
Fuels-LfL	kWh	Natural gas	Landlord shared services	102,918	66,017	1,022,555	244,294	1,125,473	310,311
			Tenant supply	1,516,255	1,048,378	110,165,922	105,916,923	111,682,177	106,965,300
			Total	1,619,173	1,114,395	111,188,478	106,161,217	112,807,650	107,275,611
DH&C-LfL	kWh	District heating / cooling	Landlord shared services	0	0	0	0	0	0
			Tenant supply	0	0	0	250,816	0	250,816
			Total	0	0	0	250,816	0	250,816
Total Energy-LfL	kWh	Total energy	Landlord shared services	1,654,845	973,011	3,323,343	1,874,536	4,978,188	2,847,548
			Tenant supply	4,288,212	3,817,336	204,412,462	194,689,471	208,700,674	198,506,807
			Total	5,943,057	4,790,347	207,735,805	196,564,007	213,678,862	201,354,354
			Coverage m ²	54,305	54,305	1,573,532	1,573,532	1,627,837	1,627,837
Energy-Int	kWh/m ² /year	Intensity	Total energy intensity	109	88	132	125	131	124

EPRA TABLES: GHG EMISSIONS

Where SEGRO has direct responsibility for procuring energy, either for vacant buildings or for customer consumption, we aim to procure REGO backed renewable energy. This zero rated tariff therefore reduces the market based GHG value. However, for those supplies that are not procured by SEGRO, we use the default 'RE:DISS Residual Mix' values which have a higher CO₂ value than the location values. This ensures we avoid double counting of the same amount of electricity from a certain energy source.

EPRA code	Unit of measure	Indicator		UK		EU		SEGRO total	
				2018	2019	2018	2019	2018	2019
GHG-Dir-Abs	tCO ₂ e	Direct emissions	Scope 1	904	277	274	76	1,179	353
GHG-InDir-Abs	tCO ₂ e	Indirect emissions	Scope 2 (location)	1,094	617	850	1,627	1,944	2,244
			Scope 2 (market)	614	326	854	1,729	1,467	2,055
			Scope 3 (location)	1,192	2,346	104,667	133,374	105,859	135,720
			Scope 3 (market)	1,155	2,807	104,905	137,173	106,060	139,980
GHG-Int	tCO ₂ e	GHG intensity	Total GHG (location)	3,191	3,240	105,791	135,078	108,982	138,318
			Total GHG (market)	2,673	3,410	106,033	138,979	108,705	142,388
	m ²	Coverage m ²	208,185	297,853	2,072,836	3,339,577	2,281,021	3,637,430	
	tCO ₂ e/m ² /yr		Total GHG intensity (location)	15	11	51	40	48	38
	tCO ₂ e/m ² /yr		Total GHG intensity (market)	13	11	51	42	48	39

EPRA TABLES: GHG EMISSIONS – LfL

Due to the nature of Full Repair and Insure leases in the UK, the UK like-for-like values are much lower due to the sample being mostly vacant buildings. In Europe, the lease types allow for greater reporting and therefore like-for-like in Europe includes mostly tenanted buildings where consumption is obviously higher.

EPRA code	Unit of measure	Indicator		UK		EU		SEGRO total	
				2018	2019	2018	2019	2018	2019
GHG-Dir-LfL	tCO ₂ e	Direct emissions	Scope 1 (location)	19	12	188	45	207	57
			Scope 1 (market)	19	12	188	45	207	57
GHG-InDir-LfL	tCO ₂ e	Indirect emissions	Scope 2 (location)	439	232	276	263	715	495
			Scope 2 (market)	105	99	319	272	424	370
			Scope 3 (location)	1,064	900	92,644	89,708	93,707	90,609
			Scope 3 (market)	1,153	907	93,230	92,084	94,384	92,991
GHG-Int	tCO ₂ e	GHG intensity	Total GHG (location)	1,522	1,144	93,108	90,016	94,629	91,161
			Total GHG (market)	1,277	1,018	93,737	92,401	95,014	93,419
	m ²		Coverage m ²	54,305	54,305	1,573,532	1,573,532	1,627,837	1,627,837
	tCO ₂ e/m ² /yr		Total GHG intensity (location)	28	21	59	57	58	56
	tCO ₂ e/m ² /yr		Total GHG intensity (market)	24	19	60	59	58	57

EPRA TABLES: WATER CONSUMPTION

As part of our process of assessing material issues, water has not been identified as one of our material aspects. As a result, water is one of our 'below the line' focus areas. The majority of water consumption we track is in empty buildings or supplies for irrigation, this means that the intensity is very low.

EPRA code	Unit of measure	Indicator	UK		EU		SEGRO total	
			2018	2019	2018	2019	2018	2019
Water-Abs	m ³	Landlord shared services	18,821	12,147	1,741	7,030	20,562	19,177
		Tenant supply	12,967	22,137	217,262	346,071	230,229	368,208
		Total	31,788	34,284	219,003	353,101	250,791	387,385
		Coverage m ²	21,477	47,951	968,193	2,167,726	989,669	2,215,677
Water-Int	m ³ /m ² /yr	Intensity	1.48	0.715	0.226	0.163	0.253	0.175

EPRA TABLES: WATER CONSUMPTION – LfL

For this report, the like-for-like consumption reduced by 10%. This is a result ensuring that empty buildings are placed in a 'hibernating' state effectively and unnecessary water use is negated.

EPRA code	Unit of measure	Indicator	UK		EU		SEGRO total	
			2018	2019	2018	2019	2018	2019
Water-LfL	m ³	Landlord shared services	17,658	7,630	1,741	1,066	19,399	8,696
		Tenant supply	7,046	9,861	203,112	188,468	210,158	198,329
		Total	24,704	17,491	204,853	189,535	229,557	207,025
		Coverage m ²	10,250	10,250	847,654	847,654	857,904	857,904
Water-Int-LfL	m ³ /m ² /yr	Intensity	2.41	1.706	0.242	0.224	0.268	0.241

BUILDING ENERGY RATINGS

The proportion of lettable floor area with energy ratings continued to increase in 2019, with a number of developments and refurbishments completing within the period.

Across Europe, the legislation for energy performance certificates in the industrial building class are not consistent. In some countries, depending on the fit-out of the warehouse area, a certificate cannot be obtained until the building is in operation and under the control of the tenant, or can be obtained for the office area only.

In the UK where the energy performance certificates are closely monitored in response to the Minimum Energy Efficiency Standards (MEES) the total lettable area of F and G rated assets has decreased to 0.7%. We have asset management plans in place for the remaining assets that do not meet the 2023 E rated threshold and, will either demolish the building at the end of lease, or carry out energy efficiency improvement works as soon as practically possible when the lease is renewed.

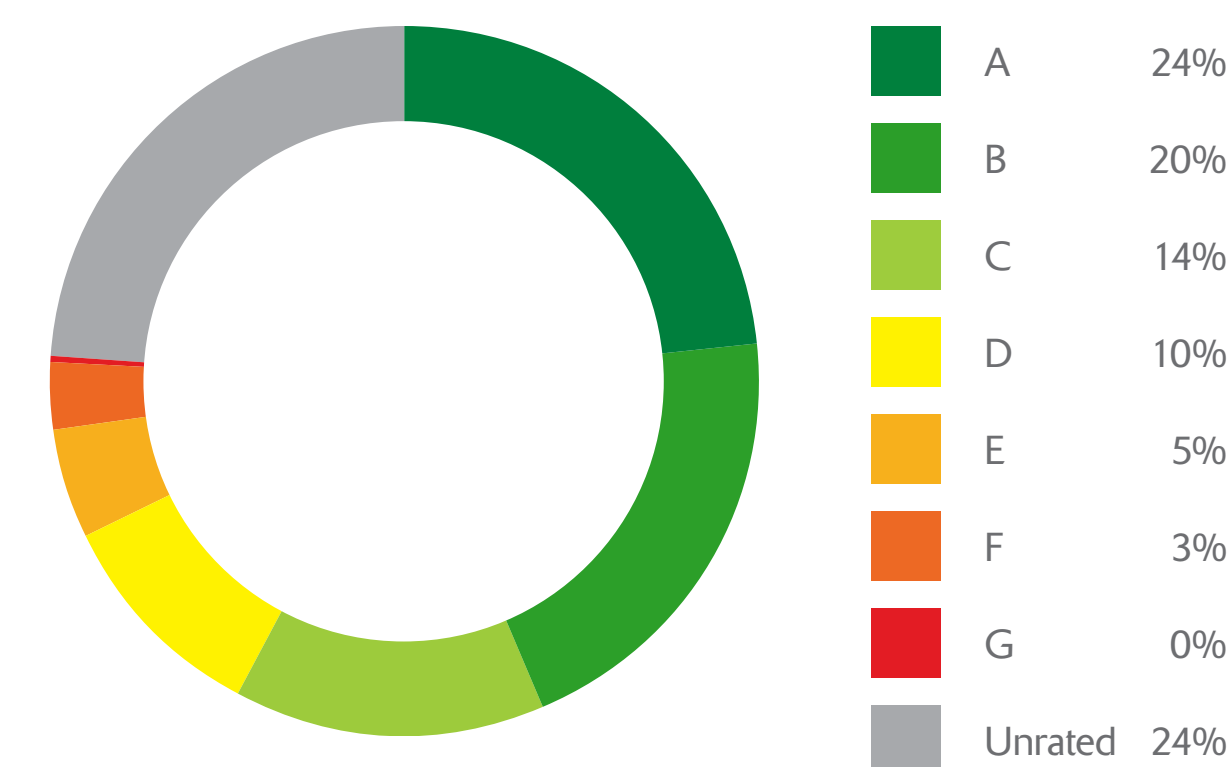
The area of A+ rated buildings in the UK increased in 2019 with the completion of Phase 2, Jenkins Lane in London. The A+ rating certifies that the building is carbon neutral for all regulated energy emissions.

CERT-TOT – TYPE AND NUMBER OF SUSTAINABLY CERTIFIED ASSETS – EPCs GROUP

Group EPCs	Units	2018	%	2019	%
Number of certified assets		1,250	71.1	1,407	75.4
Number of uncertified assets		507	28.9	458	24.6
Total number of assets		1,757	100	1,865	100
Area of certified assets	m ²	4,751,090	69.6	5,925,880	76.2
Area of uncertified assets	m ²	2,077,240	30.4	1,851,405	23.8
Total area of assets	m²	6,828,330	100	7,777,285	100

SEGRO ENERGY PERFORMANCE CERTIFICATE BY EQUIVALENT RATING

	A/A+	B	C	D	E	F	G	Unrated	Total
UK	536,635	366,076	425,491	273,155	145,293	2,930	12,862	402,394	2,164,836
Poland	0	22,916	247,391	367,414	216,554	204,979	0	334,591	1,393,845
Germany	222,093	662,310	25,408	0	0	0	0	482,503	1,392,314
France	200,009	203,856	217,190	123,164	30,916	3,557	0	517,972	1,296,664
Italy	607,245	212,297	46,010	1,389	0	11,242	0	25,293	903,477
Spain	123,053	27,070	49,527	16,083	0	0	0	15,105	230,838
Netherlands	109,895	0	8,845	0	3,202	10,105	6,038	67,867	205,952
Czech	0	79,214	84,619	0	0	0	0	5,681	169,514
Austria	19,846	0	0	0	0	0	0	0	19,846
	1,818,776	1,573,739	1,104,482	781,205	395,965	232,813	18,900	1,851,405	7,777,285



European EPC data in Poland and Germany is provided in numerical format. This is translated to an alphabetical rating by using the primary energy demand scored in the assessment. We do this to be able to compare progress across all geographies.

BUILDING CERTIFICATIONS

The proportion of lettable floor area in the portfolio with environmental building certification increased from 27% in 2018 to 36% in 2019, at year-end. This was largely attributed to the large development program being undertaken where certification is mandatory on developments greater than 5,000 sq m. The investment strategy to divest from older stock and acquire new assets also contributed to the increase with a number of acquisitions within the period with building certification.

CERT-TOT TYPE AND NUMBER OF SUSTAINABLY CERTIFIED ASSETS – VOLUNTARY SUSTAINABLE CERTIFICATIONS

Voluntary certifications	Units	2018	%	2019	%
Number of certified assets		268	15.3	326	17.5
Number of uncertified assets		1,489	84.7	1,539	82.5
Total number of assets		1,757	100	1,865	100
Area of certified assets	m ²	1,857,419	27.2	2,798,479	36.0
Area of uncertified assets	m ²	4,970,911	72.8	4,978,807	64.0
Total area of assets	m²	6,828,330	100	7,777,285	100

CERT-TOT TYPE AND NUMBER OF SUSTAINABLY CERTIFIED ASSETS – VOLUNTARY SUSTAINABLE CERTIFICATIONS

Certification scheme	Rating	Area (m ²)	% of portfolio
BREEAM	Outstanding	139,195	1.8
	Excellent	537,392	6.9
	Very Good	1,070,504	13.8
	Good	17,081	0.2
	Pass	35,295	0.5
HQE	Excellent	111,310	1.4
	Very Good	54,703	0.7
DGNB	Platinum	126,507	1.6
	Gold	369,022	4.7
	Silver	337,470	4.4
Total coverage		2,798,479	36.0
Total portfolio		7,777,285	100

EPRA SOCIAL PERFORMANCE MEASURES

EPRA code	Performance measure	GRI code	Unit of measure	Is reported	Where reported
Diversity-Emp	Employee gender diversity	405-1	Percentage of employees	49% F 51% M	2019 Annual Report & Accounts, page 46
Emp-Training	Employee training and development	404-1	Average hours	3,507 hours of training	2019 Annual Report & Accounts, page 46
Emp-Dev	Employee performance appraisals	404-3	Percentage of employees	100%	2019 Annual Report & Accounts, page 49
Emp-Turnover	New hires and turnover	401-1	Total number and rate	5% voluntary turnover	2019 Annual Report & Accounts, page 46
H&S-Emp	Employee health and safety	403-2	Injury rate, absentee rate and number of work related fatalities	Employee accident frequency rate of zero	2019 Annual Report & Accounts, page 43
H&S-Asset	Asset Health and Safety assessments	416-1	Percentage of assets	P – commentary	2019 Annual Report & Accounts, pages 43–45
H&S-Comp	Asset Health and Safety compliance	416-2	Number of incidents	P – commentary	2019 Annual Report & Accounts, pages 43–45
Comty-Eng	Community engagement, impact assessments and development programmes	413-1	Percentage of assets	P – commentary	2019 Annual Report & Accounts, pages 50–52
Gov-Board	Composition of highest governance body	102-22	Total number	9 members, 3 Exec, 5 NED, 1 Chair	2019 Annual Report & Accounts, pages 88–91
Gov-Selec	Process for nominating and selecting the highest governance body	102-24	Narrative on process	Y	2019 Annual Report & Accounts, pages 88–91
Gov-Col	Process for managing conflicts of interest	102-25	Narrative on process	Y	2019 Annual Report & Accounts, page 82

TCFD DISCLOSURE

Recommendation

SEGRO approach

Further information

Governance

Disclose the organisation's governance around climate-related risks and opportunities.

The Board has overall responsibility for ensuring risks, including climate-related risks and opportunities, are effectively and consistently managed throughout the Group. The Board delegates the execution of the risk management process to the Executive Committee. At an operational level, the Chief Operating Officer, supported by the Operations Committee and the Cross Border Technical Working Group, is responsible for ensuring that our environmental (and wider Responsible SEGRO) targets are met on both existing assets and new developments.

The SEGRO Group Head of Sustainability has Group-wide responsibility for sustainability on a day-to-day basis and works with a network of representatives across the business that support SEGRO's sustainability objectives by sharing best practice, obtaining customer feedback and providing legislative and technical guidance for their respective areas of the business.

Governance (page 81 of the SEGRO Annual Report and Accounts)

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

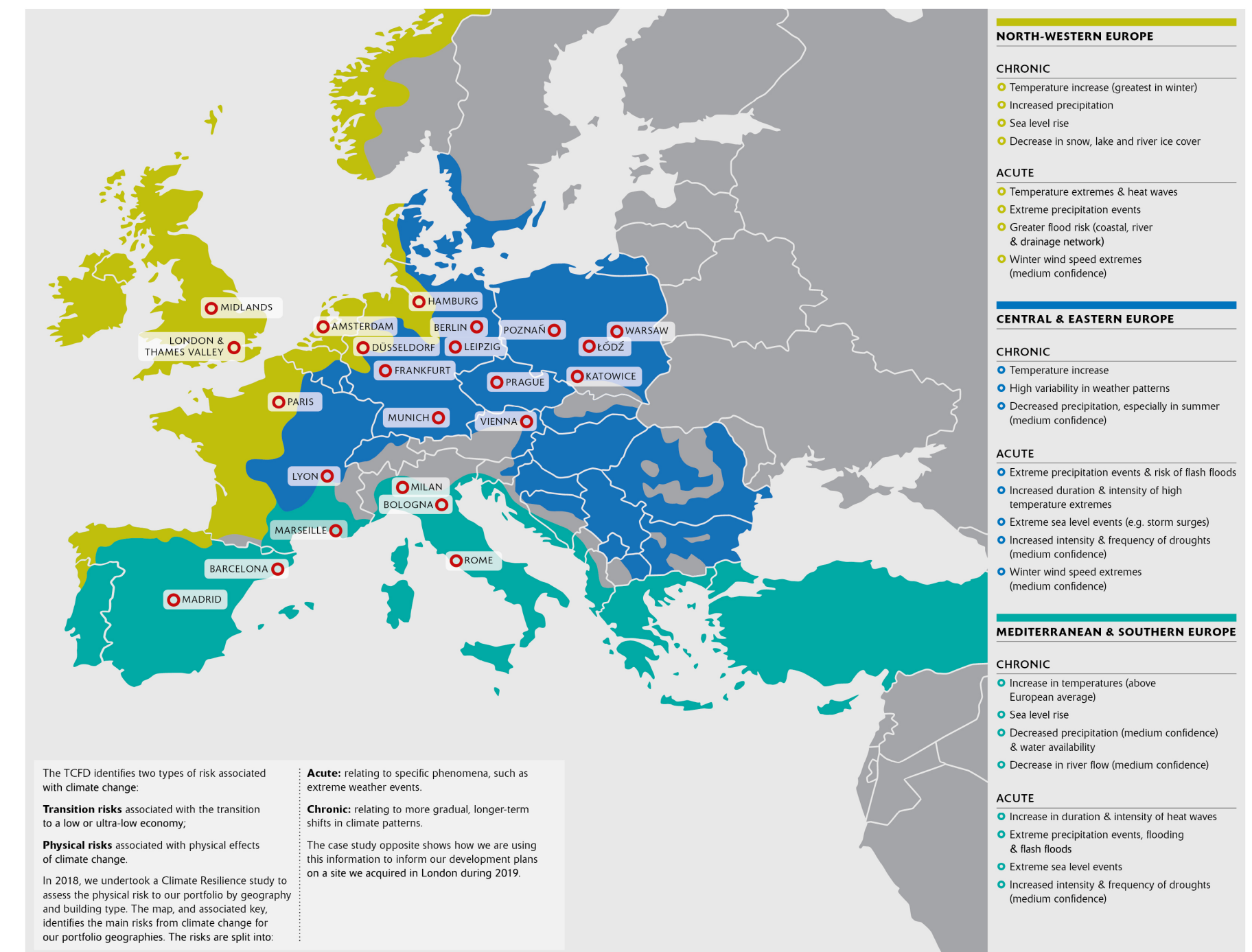
As a long term property owner, we need to ensure that our buildings are fit for purpose for the future. One of the ways we do this is to build relatively generic buildings, suited to more than one customer. This ensures a longer life-span for the building as well as reducing the risk of vacancy and future refurbishment costs.

In order to ensure that our buildings are fit for purpose and meet the requirements of our customers for the long term we have integrated adaptation and mitigation into our standard building design. With the potential for a changing climate across Europe, we ensure that aspects such as heating and sustainable drainage are assessed and costed in all designs. Although these adaptations involve additional cost, we believe that buildings with enhanced sustainability aspects will increasingly be valued more highly than those without.

Climate Change adaptation is now a standard process of our maintenance programme. We have identified climate change as a risk to the ongoing operation of our buildings. We have increased climate change related aspects of maintenance, such as sewer clearance, enhanced drainage and glazing replacement.

Strategy report (page 53 of the SEGRO Annual Report and Accounts)

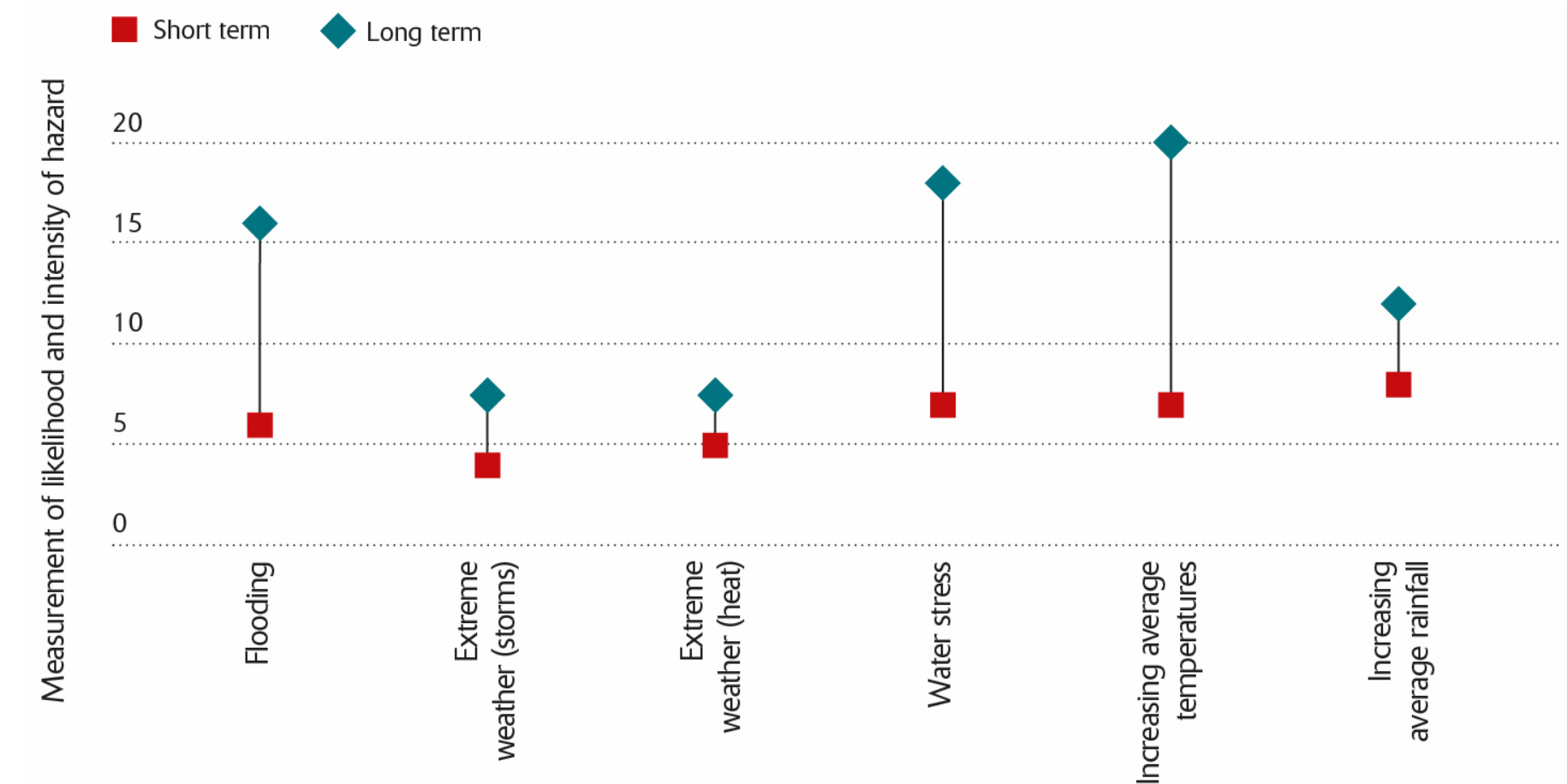
PROJECTED CLIMATE IN EUROPE



TCFD DISCLOSURE

Recommendation	SEGRO approach	Further information
<p>Risk management</p> <p>Disclose how the organisation identifies, assesses, and manages climate-related risks.</p>	<p>The Board considers climate-related risks and opportunities as part of the risk review process. The Group Head of Sustainability reports on climate-related risks and opportunities to the Executive Committee and to the Board. These risks include regulatory risk, reputational risk, and physical environmental risk.</p> <p>Climate Change has been recognised as having a potential for both risks and opportunities across the business for some time. In order to determine how our business could potentially be impacted, both positively and negatively, by a changing climate, we have conducted extensive research to determine the potential impacts of a changing physical world both in terms of the physical changes (weather patterns, temperature increase etc) and the transitional changes (legislative, financial etc).</p> <p>These risks have been modelled out to short, medium and long-term time horizons and taking into account of the scenarios used by the Intergovernmental Panel on Climate Change (IPCC) which cover the impact of a 2 degree Celsius increase in global temperatures as well as the worst case scenario and business as usual. Having reviewed all of the IPCC scenarios, we have conducted our risk assessment based on the 2 degree and 4 degree scenarios.</p>	<p>The modelling of the different Representative Concentration Pathways (the different climate scenarios identified by the IPCC) across an 80 year timeframe enabled us to understand the likelihood of varying chronic and acute physical risks across the geographies in which we operate.</p> <ul style="list-style-type: none"> Chronic risks are long-term changes in the overall climate and include increased average temperatures which in turn lead to increased cost through increased cooling demands; Acute risks include the more regular occurrence of extreme weather events such as wind or rain causing flooding or structural property damage which could lead to increased insurance costs and pre-emptive mitigation measures. <p>Transitional risks, such as changes to legislation are also dependent on the different scenarios. For example, in order to transition to a 2 degree scenario, it will be necessary for countries to adopt strong regulatory and legislative measures. Behaviours of consumers would also need to adapt greatly. An example of some of the transitional risks that we have identified include, strengthening localised legislation such as the proposed changes to MEES legislation in the UK and the Green Deal Policy from the European Union.</p>
<p>Metrics and targets</p> <p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<p>To enable our stakeholders to consider and compare our reporting, we compile and align our outputs in line with the EPRA Best Practices Recommendations on Sustainability Reporting.</p> <p>In order to ensure that we also report on those issues that we can have a direct impact upon, we use our materiality assessment to identify the key metrics that are material to the business. For SEGRO, these are carbon emissions, waste production and the embodied carbon of our developments.</p>	<p>Principal risks (page 65 of the SEGRO Annual Report and Accounts)</p> <p>Responsible SEGRO (page 42 of the SEGRO Annual Report and Accounts) www.segro.com/csr</p>

CASE STUDY: CLIMATE HAZARD ASSESSMENT AT SEGRO PARK TOTTENHAM



In 2019, we acquired a 3 hectare plot of land in Tottenham, London, formerly the location of a self storage unit which was destroyed by fire. Our development plans will regenerate the site with a new urban warehouse estate, creating long term, sustainable returns for our investors, employment opportunities for contractors, customers and the local community, as well as improving the built environment and the local economy.

We used the findings of a Climate Resilience study to inform the plans for the site. This study assessed the acute risks from flooding, extreme weather events and water stress (drought) as well as the chronic risk of increasing average temperatures and increasing average rainfall over the short-term (next 20 years),

medium term (20-40 years) and long term (40-60 years). The chart above shows the hazard assessment for this proposed development over the short and long term.

The risk of these hazards to the eventual properties will vary depending on the size of the buildings and how they are used. However, generically, the report concludes that flooding events or droughts, as well as the impact of an increase in temperature over time are all long term risks. By carrying out these assessments at an early stage of development, we are able to integrate risk mitigation into the building at design stage, reducing the future cost of having to retro-fit or, in the worst case, find that the building is not fit for purpose under future climate conditions.

METHODOLOGY

REPORTING PERIOD

The reporting period for our environmental reporting is the period 1st October 2018 to 30th September 2019. This period is used to reduce the amount of estimation techniques used across the reporting data sets due to utility billing timescales whilst still reporting a full 12 months of data.

REPORTING STANDARDS

SEGRO uses the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol (GHGP) to calculate the emissions footprint and we report in line with the European Sustainability Best Practice Recommendations (EPRA sBPRs).

BOUNDARY

For the purpose of mandatory greenhouse gas emissions reporting SEGRO will only be reporting emissions within operational control, as defined by the Greenhouse Gas Protocol. To tailor the operational control approach to our business, we have defined operational control as 'responsible space'. This includes emissions from all assets under management, excluding emissions from those parts of the portfolio where they are the responsibility of tenants (which are reported under Scope 3 emissions).

SCOPES OF EMISSIONS

The report will collate data for:

Scope 1: direct emissions which includes fuel consumption from owned/leased transport and natural gas consumption (fugitive emissions are missing from our reporting due to the nature of our assets being largely an empty shell with lighting).

Scope 2: indirect emissions from purchased electricity, steam and district heating.

Scope 3: emissions from transmission and distribution losses from purchased electricity and district steam. Where it is possible to monitor actual tenant consumption using sub-meters, this is also reported as Scope 3 in line with EPRA guidelines.

GLOSSARY AND DEFINITIONS

DEFINITIONS

Net carbon neutral: any greenhouse gas emissions produced must be offset by taking emissions out of the atmosphere. It is more realistic than a gross zero target but still extremely ambitious. Clear opportunities to reduce emissions exist, such as through more renewable power generation, a transition to electric vehicles, and development of biofuels. However, for some sectors, emissions reduction is simply not viable, whether due to cost, technical complexities or a lack of alternatives. Examples of negative emissions include planting trees to absorb CO₂ or incorporating carbon capture and storage into carbon intensive industrial processes. The most popular method of off-setting is to purchase credits from companies who verify the emissions. The market for these credits is likely to change drastically as more companies pledge to be net carbon zero.

Energy capacity: each solar panel has a maximum energy generating capacity which is measured in megawatts (MW) or kilowatts (kW). This is a 'balance sheet' figure which means if the sun is shining perfectly at the panel, this is the maximum potential energy output. The same solar panel in Slough and in Milan has the same capacity. The ability to generate is different in each location.

Energy generated: this is a 'profit and loss' figure which measures the amount of energy generated over the course of the year and measured in megawatt hours (MWh) or kilowatt hours (kWh). The same solar panel in Slough and Milan will generate more energy in the latter location than the former due to differences in the amount of direct sunlight.

Environmental certification: all of the certifications look at all the sustainability measures within a building, not just energy efficiency. BREEAM for example looks at energy, land use and ecology, water usage, health and wellbeing, pollution, transport, materials, waste and management.

- BREEAM is the main standard and is widely used in the UK, Poland, Netherlands, Italy, Czech Republic, France and Spain – we target 'Very Good' or better
- DGNB is used in Germany and we target 'Silver' or better
- HQE is used in France and we target 'Very Good' or better

Science-based targets: The Science Based Targets Initiative is a private initiative by which companies set a pathway towards reducing greenhouse gas emissions to a level consistent with the 2015 Paris Agreement to limit global warming to well below 2 degrees C and, ideally, to below 1.5 degrees C. Our 2025 targets have been set on this basis but we have not signed up to SBTi because we cannot trace our Scope 3 emissions, Purchased Goods and Services, (likely to be a large part of our total emissions) accurately enough yet.

Carbon emission 'Scopes':

Scope 1: greenhouse gases (mainly CO₂) emitted directly from the company – the main source is from gas boilers (i.e. burning gas as a fuel on site), but also highlighted is leakage from faulty air conditioning units.

Scope 2: GHGs released from energy created off-site but used by us (indirect emissions) – the main source is electricity where the GHG emission occurs at the power station but we use the electricity. This can be largely eliminated by sourcing electricity from renewable sources/tariffs.

Scopes 1 and 2 cover energy over which we have control. So this would include our offices, common parts of our estates and vacant units. We use these to calculate a carbon intensity which is CO₂ generated in tonnes per sq m of eligible space. In practice, the space over which we have control is tiny as a proportion of our portfolio (only 1-2%).

Scope 3: GHGs emitted indirectly that occur in the value chain of the reporting company, both upstream (development, for example) and downstream (customer-generated). The three main sources for us are embodied carbon from development activities, customer energy use over which we have visibility and emissions from our own activity as a company (everything that we purchase from other suppliers). The first is the work we are already doing on measuring and reducing embodied carbon in our developments. The second is limited to what we can see. In Europe, our visibility is pretty good; less so in the UK. We can influence this by moving customers on to renewable energy tariffs and installing PV panels which feed the buildings first (before the grid). We have no current information on the third element – what emissions are generated by our other business activities. We are reviewing various pieces of software which can estimate the carbon emissions from our own business activities. Elements such as business transport are already captured separately but are relatively small parts of the whole.

GLOSSARY AND DEFINITIONS

TARGETS

There are three SEGRO 2025 targets. We report against all three and the results of these form part of the formal assurance process by Corporate Citizenship.

We will reduce the carbon intensity of buildings by 40%:

This reflects the energy usage per square metre in our buildings and is 42.0kg of CO₂ per sq m, down 8% from the baseline in 2017. This will be impacted by moving to renewable energy contracts or by installing solar panels which feed energy directly to the building. We don't have visibility of energy use in 53% of our buildings (by space) because this is the responsibility of our customers. In practice, we have very good visibility in Continental Europe, and much less visibility in the UK. We have been moving BUs onto renewable energy contracts over time and Poland is due to change in 2021 which will improve this figure.

We will reduce the average embodied carbon intensity of all new developments by 20%: Embodied carbon is the amount of carbon emitted through the building process from both activities and materials. It is a very new way of looking at carbon emissions and at an early stage of development. Our estimate of 2017 embodied carbon is based on very scant data so we are setting 2019 as a baseline.

This metric is broadly in line with the Green Buildings Council intention of shifting from 'net carbon neutral' on completion (when a building is empty, it is pretty efficient!), through net carbon neutral in operation (mainly focusing on differential Scope 3 emissions) towards net carbon neutral over full life. BIM (Building Information Management) models allow us to improve embodied carbon by more accurately assessing the actual materials used during construction (less waste) and therefore the carbon content, the efficiency of the building and the carbon impact of demolition. Concrete is our biggest source of embodied carbon, followed by steel.

We will send zero waste to landfill by 2025: the largest volume of waste is generated when we are developing a brownfield site and we have to demolish a pre-existing building. Waste is dealt with in one of two ways: recycled on site to create hard standings, roads aggregate etc or removed for disposal. In the former, we can confirm directly that the waste has been recycled; in the latter, we are dependent on the information from the waste handler. The 6% of waste sent to landfill was based on 19 out of 29 projects – the others (mainly in Germany) could not be reported on accurately because the waste removed is collected by the local municipality and they do not provide confirmation of the final destination of the waste.

OTHER ENVIRONMENTAL METRICS

These are not formal 2025 targets but are important indicators of our sustainability performance.

Total floorspace environmentally certified: 36% of the portfolio is covered (from 26% last year). In practice, we only get a certification when a building is a completed development or when it has been refurbished. The likely certification with a building 'in use' would be lower than for a vacant building because different usages lead to different levels of environmental 'friendliness'. So progress on this is likely to be slow unless we can find a way to judge all buildings – in use or empty – on an equal basis.

Development completions certified: We set a target that all developments over 50,000 sq ft should get BREEAM (or equivalent) certification. In practice, almost all of our projects get certification. However, in some instances, pre-let customers don't want them and, in Slough, evidently because of the SPZ, because planning doesn't require a certificate, we don't get one. This is a small proportion of our development but feels like something we need to address. This is one of the few targets which doesn't need to come with 'ifs' and 'buts' and we can achieve full geographic coverage.

UK Energy Performance Certificates: legally, we cannot lease a UK building to a new tenant without an EPC rating of E or better. Less than 1% of our UK space falls below E. Normally a modest amount of retrofitting of, for example, LED bulbs can push a building's rating to E from F.

Renewable energy: This includes energy generated by PV panels on buildings we own. The legacy Vailog panels are excluded as they are on assets belonging to third parties. We have four different approaches to the energy generated by PV panels:

- We own the energy and sell to the occupier at a cheaper rate than grid electricity
- We charge an additional rent for the PV panels but the occupier gets the energy free
- All energy is fed directly into the grid
- The PV panels are part of the building and the occupier gets the benefit of the energy and takes responsibility for repairing and maintaining the panels