

CREATING A RESILIENT PORTFOLIO

01

2024 target	Progress
EPC improvement programme to ensure all in-scope properties have a valid EPC and target 25% reduction of D and E rated properties	Achieved a 25.7% reduction in D and E rated properties which are subject to MEES requirements vs FY23 baseline 66.6% of the portfolio is now EPC A-C rated (FY23: 60.2%) and 26.5% is A-B rated (FY23: 10.4%) Fully compliant with existing EPC regulations and on track to meet proposed regulations
Build mitigation plans for assets identified as at higher risk of climate change	We commissioned third-party consultants to undertake enhanced flood risk assessments of six assets that were identified as being high risk through our climate change scenario analysis. This assessment showed only one asset to be at high risk from one of six possible flooding types and we are evaluating mitigation options (see TCFD section, pages 43 to 50)
All developments over 50,000 sq ft to target BREEAM Excellent / Very Good	We have one development, Radway Green ¹ near Crewe where we are targeting a minimum BREEAM Very Good rating for New Construction
All developments to target EPC B or above	Radway Green is targeting an EPC A rating
Regular Board ESG training on future legislation, occupier demands and climate risk	The Board received a comprehensive update on the ESG regulatory landscape from our legal advisors Osborne Clarke and on the impact of climate change from JLL's sustainability team

¹ Intention to sell all or part of the asset was announced in November 2023.



CASE STUDY

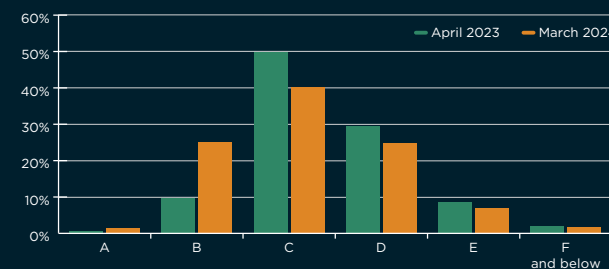
Delivering EPC improvements

Our approach

Delivering EPC improvements is an integral part of our asset management approach (see page 15). We refurbish buildings at lease events in line with our Environmental Refurbishment and Development Standards which formally target a minimum EPC B. This aligns to proposed MEES requirements of a minimum EPC B rating by 2030.

Energy efficiency initiatives include upgrading lighting to LEDs, disconnecting gas, replacing boilers and radiators with electric panel heaters and introducing air source heat pumps for the office space. Annual capex is typically 0.75% of GAV of which c.20% is allocated to EPC improvement-related initiatives.

EPC performance



Progress and performance

96%

of refurbished units achieved an EPC B rating on reassessment

26%

A-B rated as at March 2024

67%

A-C rated as at March 2024