SUSTAINABILITY

Ensuring we grow and **manage our portfolio sustainably**

Environmental, social and governance matters
Pages 38 to 57

Oxford Technology Park, Oxford

We are committed to:

- Green and healthy certified buildings
- Environmental performance certificates ("EPC") ratings of A or B for all new buildings
- Robust benchmark data to enable us to build a net zero carbon pathway
- Biodiversity net gain
- Zero waste to landfill

SUSTAINABILITY CONTINUED

Introduction from our Sustainability Lead and Chair of Sustainability Committee

OUR OCCUPIERS' FOCUS IS TO HELP MAKE THE LIVES OF MILLIONS BETTER; OUR MISSION IS TO REDUCE THE ENVIRONMENTAL IMPACT OF THE REAL ESTATE WHILST GIVING OCCUPIERS THE BEST ENVIRONMENT IN WHICH TO THRIVE.

DR SALLY ANN FORSYTH OBE
Sustainability Lead and Chair of Sustainability Committee

The Group is committed to being a class-leading performer on ESG matters. As regulations and stakeholder expectations continue to rapidly advance, we aim to be an early adopter of new best practices and to continue to engage with our occupiers and other stakeholders, to understand and support their evolving sustainability objectives.

In May 2022 I became the Board's Sustainability Lead, with overall responsibility for sustainability. In this role, I regularly meet the Investment Adviser's Head of ESG and have overseen and supported the development of the Company's sustainability strategy during 2022. To define our approach, we have drawn on our engagement with occupiers and the Investment Adviser's team, and a review of peer group practices, as well as taking account of Article 8 of the Sustainable Finance Disclosure Regulation (aspirational for the Group, currently classified as Article 6) and our expectations of future legislation.

The strategy we have developed is multi-faceted, setting out our sustainability objectives at a corporate level, as well as more granular initiatives and targets for our existing assets, and the minimum standards we need to meet for our developments and future acquisitions.

Specifically, we are committed to achieving:

- green and healthy certified buildings;
- environmental performance certificates ("EPC") ratings of A or B for all new buildings;
- robust benchmark data to enable us to build a net zero carbon pathway;
- biodiversity net gain; and
- zero waste to landfill.

You can find more information about our strategy, how we developed it and the targets we have set on the following pages.

We have also established a Sustainability Committee that I chair, which includes members of the Board, the Head of ESG and representatives of the Investment Adviser's asset management and finance teams. The Committee's main remit is to oversee and review the formulation, implementation and effectiveness of the sustainability strategy, as well as to manage climate-related risks and opportunities. We held our first meeting in February 2023.

Having done much preparation work during 2022, we have now entered the implementation phase of our strategy, as we work towards our targets with the support of our third-party experts. In doing so, we will focus on bringing all our stakeholders along with us on the journey.

Sustainability highlights

SCOPES 1 AND 2 GHG EMISSIONS DISCLOSURE

247.1 tonnes CO_2e

WASTE DIVERTED FROM LANDFILL

100%

A-C EPC RATED PROPERTIES IN THE PORTFOLIO

83%

ESG STAKEHOLDER ENGAGEMENT

See more on page 45

ASSET LEVEL CLIMATE IMPACT ASSESSMENT

See more on page 48

SUSTAINABILITY STRATEGY DEVELOPED

See more on page 42

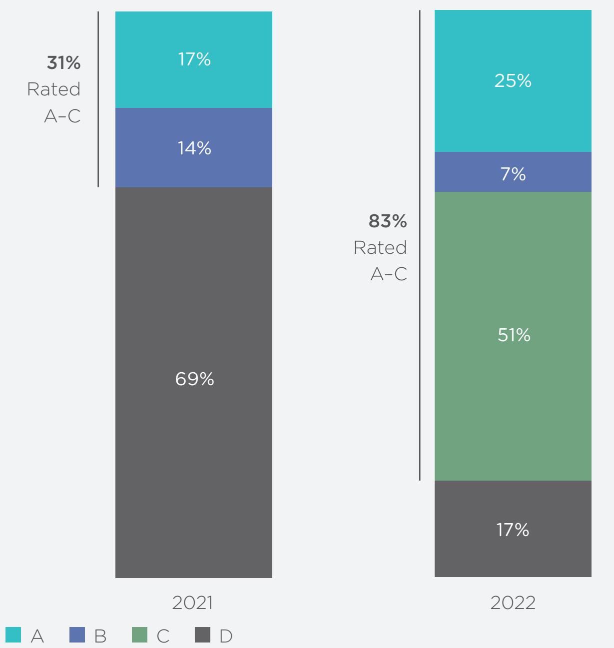
Since our inception, we have taken our environmental responsibilities seriously. Over the last year we have implemented our core strategy, deploying our capital across a number of assets. As we progress into the next phase we will widen our sustainability ambition, enhancing our assets across a breadth of environmental and social issues.

We recognise the impact of climate change on both society and the built environment, indeed over the year we have seen the impacts first hand with the summer heatwave impacting across the UK.

For the Group this heightens the importance of action, so our priority this year has been to understand the environmental, social and governance issues that are specific to our business, fundamental to our stakeholders and deliver long-term value.

During 2022 we reassessed the EPCs at Cambourne Business Park, which brings our total A-C ratings to a healthy 83%. With the stringent MEES regulations proposed over the coming years, we are well placed to meet the targets of C rated buildings by 2027 and B rated buildings by 2030, seizing the opportunity of green premiums attached to more energy efficient buildings.

EPC ratings by area



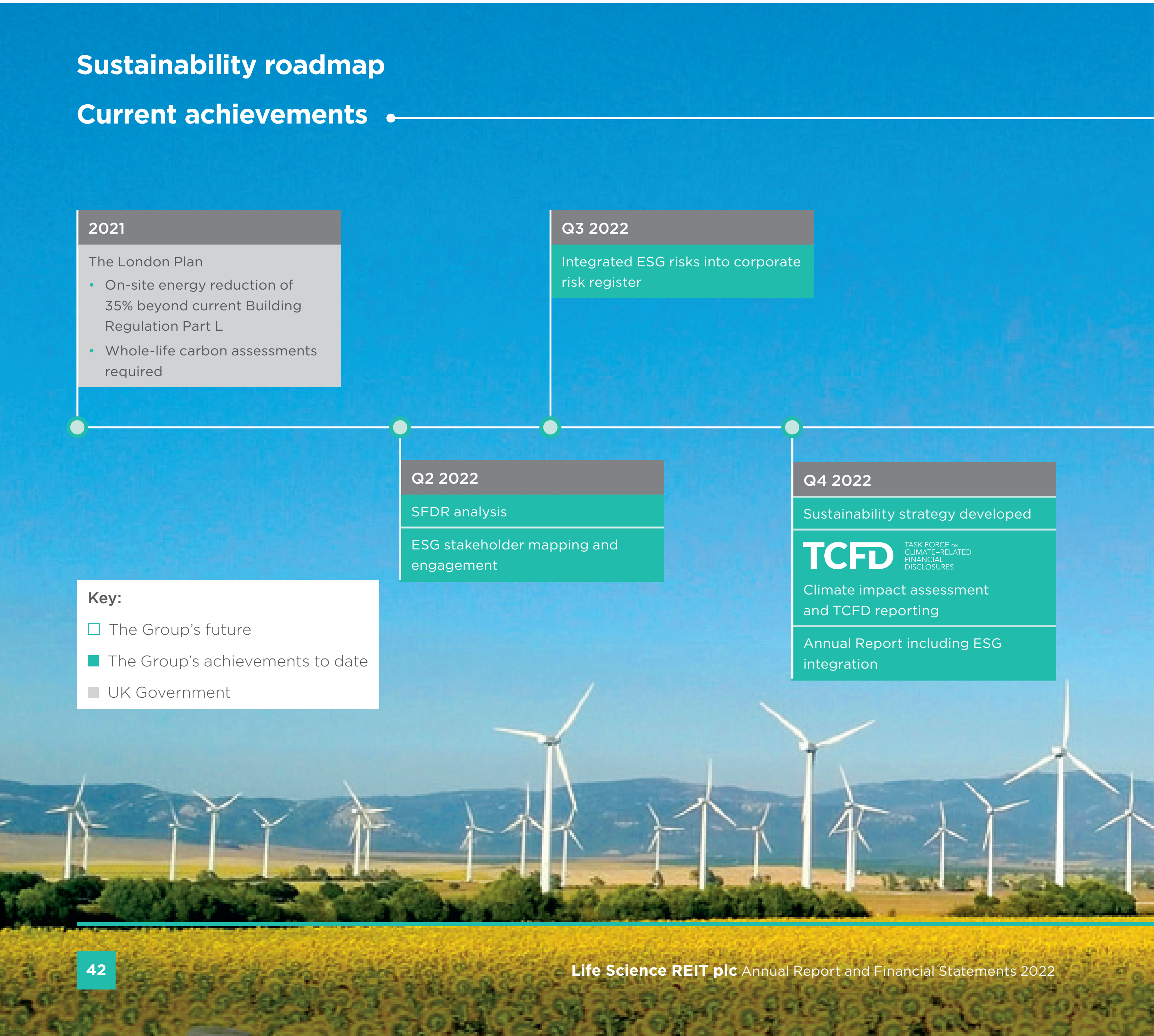
SUSTAINABILITY CONTINUED

Sustainability strategy development

Life science facilities are fundamental to enabling life scientists to solve global environmental problems. This includes issues such as disease; feeding the burgeoning population; combatting pollution; and facilitating wellness of ageing populations.

We recognise that collaboration and engagement is central to the life science sector and are committed to creating innovative hubs that enable life science businesses to engage with one another and to build environments that are conducive to solving global problems.

Our vision is to create environmental, social and economic value for our shareholders and wider stakeholders by integrating sustainability into the way we grow and manage our portfolio. The Group is committed to achieving exemplary environmental and social performance across all our operations, and to underpinning our commitment through a robust governance structure.



Sustainability roadmap

Current achievements

2021

The London Plan

- On-site energy reduction of 35% beyond current Building Regulation Part L
- Whole-life carbon assessments required

Q2 2022

- SFDR analysis
- ESG stakeholder mapping and engagement

Q3 2022

- Integrated ESG risks into corporate risk register

Q4 2022

- Sustainability strategy developed
- Climate impact assessment and TCFD reporting
- Annual Report including ESG integration

Key:

- The Group's future
- The Group's achievements to date
- UK Government

In 2022, we partnered with a specialist consultant Square Gain Limited ("Square Gain"), to help develop our sustainability strategy. Our approach included detailed stakeholder mapping and engagement, in addition to a review of current and future regulation, and a peer review. This informed a materiality assessment which was developed into our sustainability strategy in alignment with the Sustainable Finance Disclosure Regulations ("SFDR").

The Group's sustainability strategy incorporates corporate commitments in addition to specific initiatives across our existing portfolio and minimum standards for new acquisitions and new ground-up construction. Specific and measurable targets will be set this coming year so progress towards our long-term goals can be reported.

Future aims

Q1 2023
- EPC A
- BREEAM
- Fitwel
- Asset-by-asset plan

Q4 2023
- Zero waste to landfill
- Supporting local charities
- Biodiversity strategy on all projects
- Net zero pathway for Scope 1 and 2 emissions

2024
- Biodiversity net gain across entire portfolio

2025
- The Future Buildings Standard. No new gas boilers
- Embodied carbon – Part Z (proposed)

Date to be determined
- Net zero carbon for direct (Scope 1 and 2) carbon emissions
- Net zero carbon for indirect (Scope 3) carbon emissions

2050
- Net zero UK

SUSTAINABILITY CONTINUED

Sustainability strategy

Environment

Reducing our impact on the environment, reducing carbon emissions and waste, and enhancing biodiversity.

Long-term goals

- Net zero carbon pathway
- Data driven carbon reduction targets
- BREEAM certifications and 'best-in-class' EPC ratings across our portfolio
- Biodiversity strategy on all projects with external space and achieve biodiversity net gain
- Encourage circular economy
- Zero non-hazardous waste to landfill

Social value

Providing buildings that enhance wellbeing, encourage collaboration and enable a healthy workforce for our occupiers.

Long-term goals

- Providing healthy buildings, using the Fitwel standard as the basis for certified buildings
- Encouraging active travel and providing cyclist facilities
- Partnering with our occupiers on the journey to achieving net zero carbon and a healthy workforce
- Providing space in our buildings to enable occupiers to collaborate
- Supporting and engaging with charitable organisations in the areas in which we work

Governance

Setting the highest standards of corporate governance.

Long-term goals

- Sustainable governance that meets stakeholders expectations
- Oversight of ESG risks and opportunities
- Identifying climate-related risks to influence strategy and investments
- Communication via transparent disclosure and participation in investor benchmarks and indices

Key metrics

- Carbon emissions (CO_2e)
- Energy intensity (kWh)
- Asset carbon intensity
- Water and waste usage
- % of renewable energy procured
- Waste to landfill
- Number of biodiversity plans in place
- Number of building certification

Achievements to date

- First publication of environmental performance data
- Energy disclosures (see ESG disclosures on pages 52 to 57):
  - 247.1 tonnes CO_2e – Scopes 1 and 2 GHG emissions
  - 155.0 MWh of electricity generated from the solar PV panels installed at Cambourne Business Park and consumed on-site
- 100% waste was diverted from landfill
- Rolling Stock Yard and Oxford Technology Park Unit 1 – BREEAM 'Excellent'
- EPC ratings have improved significantly, A-C rated properties are 83% of the portfolio compared to 31% in December 2021

Key metrics

- Number of Fitwel certifications
- Employee satisfaction survey results
- Active transport plans in place
- Number of occupier engagements/collaboration on ESG issues
- Number of suppliers engaged on environmental and social issues

Achievements to date

- ESG stakeholder engagement with our staff, occupiers and Board to identify areas of mutual importance
- The Investment Adviser has sponsored the Cambourne 10km run and committed to a donation of £15,000 to a local charity near OTP
- Cambourne Business Park feasibility study included a local needs analysis

Key metrics

- Number of Sustainability Committee meetings held
- Use of refurbishment, development and acquisition standards
- Board meetings where ESG is specifically discussed
- Progress of mitigation measures for climate-related risks
- Benchmarking and indices results e.g. GRESB, EPRA, MSCI

Achievements to date

- Robust, fully functioning governance which underpins our business and facilitates integrity and transparency
- Formed Sustainability Committee post year end, chaired by Sally Ann Forsyth. Further details are set out on page 85
- Integration of climate-related risks into the risk framework
- A climate impact assessment was undertaken by our specialist consultant, the results of which are set out in the TCFD section below
- First TCFD reporting

SUSTAINABILITY CONTINUED

TCFD reporting

The Group discloses its alignment with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations for the first time this year. The Group is exempt from the disclosure requirement as Listing Rule 9.8.6R(8) explicitly excludes closed-ended investment companies. However, we fully support the recommendations and wish to demonstrate our alignment from the start.

In this report we will share our current response to climate change and detail the considerations that we have made in the past year in assessing the potential impact to our business. The report will show our approach to assessing both the transitional and physical risks that it may pose to our business, along with consideration of the opportunities it will bring.

Some elements of these disclosures are addressed elsewhere in the report and signposting is indicated below.

Compliance statement

The Group has chosen to commit to the TCFD disclosure requirements (even though it is exempt) reporting on nine out of the 11 TCFD requirements. The Group is not compliant with the following recommendations:

Strategy: Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

Metrics and targets: Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks.

Over the course of 2023 the Group will continue to embed best practice as per the recommendations, with a view to maturing our disclosures. By way of explanation, we are currently not compliant with the two requirements because:

- Climate-related risks and opportunities have been identified, and the financial impact of these risks and opportunities will be calculated in detail during 2023 to inform business strategy and financial planning.
- Scope 1 and 2 GHGs are calculated and disclosed, and the Group has commenced engagement with our occupiers to identify their emissions, which form part of our Scope 3 emissions. This data will be used to inform how we can best support our occupiers to reduce these emissions, for example through the provision of energy efficient buildings that promote active and low-carbon travel.

PILLAR	TCFD RECOMMENDATION	SECTION NAME	PAGE
GOVERNANCE	a. Board oversight b. Management role	Governance Investment Adviser's report	72 30 to 37
STRATEGY	a. Risk identification and assessment process b. Risk management process c. Integration into overall risk management	Risk management	62 to 69
RISK MANAGEMENT	a. Risks and opportunities b. Impact on organisation c. Resilience of strategy	Strategy Governance	20 and 21 72
METRICS AND TARGETS	a. Climate-related metrics b. Scope 1, 2 and 3 GHG emissions c. Climate-related targets	Sustainability	38 to 57

Governance

Board oversight of climate-related risks and opportunities

The Board is responsible for the Group's risk management. The Board reviews risks and opportunities within existing reporting and governance structure and has established a Sustainability Committee. The Audit and Risk Committee reviews the risks at each meeting and provides updates to the Board.

In May 2022, Sally Ann Forsyth was appointed as Sustainability Lead with overall responsibility for the sustainability strategy. Sally Ann and the Investment Adviser's appointed Head of ESG have regular meetings to discuss the three areas of sustainability, E, S and G. A Sustainability Committee has been formed post year end, with members from the Board, the Investment Adviser's Head of ESG, Asset Management and Finance. The Committee will meet twice a year, with the first meeting being held in February 2023.

The Sustainability Committee monitors progress against strategy targets which includes climate-related risk mitigation. This review forms the basis of a paper included in the quarterly Board meetings.

The Board will be given quarterly updates of our progress against our sustainability strategy at Board meetings.

An analysis of the Group's climate-related risks and opportunities has been undertaken, by our specialist adviser, with the results reviewed at Board level, and incorporated into the corporate risk register. All risks and opportunities are reviewed on a quarterly basis by the Investment Adviser and then by the Audit and Risk Committee, which is ultimately responsible for overseeing the climate-related risks and opportunities. For full details of our Risk Management Framework see page 62.

The Investment Adviser recommends acquisitions to the Group; during this process environmental due diligence is undertaken focused on flooding risk, geology and EPC of the property. It is our intention to broaden these considerations further so we understand the costs of meeting new regulations such as MEES regulations and planning restrictions. In 2023 we will be producing a sustainability guide as part of the process on acquisitions.

Management's role in assessing and managing risks and opportunities

The Group's Risk Management Framework, which is approved by the Board, sets out how we identify, evaluate and report on our risks. The Investment Adviser has identified climate change as one of our principal risks and it is therefore incorporated into our risk framework (further detail of the Risk Management Framework can be found on page 62). The Investment Adviser reviews and updates the risk register and reports quarterly to the Audit and Risk Committee.

The Investment Adviser's appointed Head of ESG has been working closely with Square Gain to design and implement a challenging and relevant sustainability strategy. A key part of the work undertaken by Square Gain was a climate impact assessment of our assets. The results are shown on page 49. The output from the analysis was reviewed and discussed at the first Investment Adviser risk review meeting of 2023.

Implementation and management of the sustainability strategy is delegated to the Investment Adviser. The Head of ESG ensures that the strategy and targets are communicated to the Investment Adviser's team and meets with the broader team monthly to implement the action plan and drive progress.

The specialist consultant has held a workshop with our Investment Adviser to give an independent review of climate-related risks and opportunities across our business. The results of which fed into the sustainability strategy and the risk register. The Audit and Risk Committee will review these climate-related risks and opportunities to ensure the assessment is accurate and mitigating action is appropriate.

For full details of our Risk Management Framework see page 62.

SUSTAINABILITY CONTINUED

TCFD reporting continued

Strategy

Our approach

Over the last year, under the stewardship of our Board, we have identified the climate-related risks and opportunities over the short (present), medium (2030) and long (2050) term, as set out in the section below.

This section will detail firstly our approach to the climate impact assessment and defining material risks and opportunities, secondly the material risks identified, thirdly the impact of these risks and our organisational response, and lastly how we incorporate resilience to climate change into our organisation.

We understand that climate risk is both material risk associated with rapidly changing weather events (physical risk) and the resulting market shifts due to regulatory and policy responses to overcome the impacts (transition risk).

Climate-related risks and opportunities

Climate impact assessment

An assessment analysis has been undertaken across the Group's portfolio, on an asset-by-asset basis, examining 2030 and 2050 time horizons. Both of these time horizons assess the physical climate risks posed by future climate change, and also the risks that arise as we transition towards a net zero carbon economy.

Buildings have long design lifespans and climate-related issues often manifest themselves over the medium and longer term (as stated in TCFD Implementation Guide). The Group's approach incorporates the short-term time horizon as the present, with medium term being 2030 and long term being 2050. Our approach to identifying and managing current climate-related risks and opportunities is as per our risk management process and material climate-related risks are incorporated in our corporate risk register.

Methodology

To take account of the diverse range of climate futures, we incorporate three of the Intergovernmental Panel on Climate Change's ("IPCC") representative concentration pathways ("RCPs") measuring average global warming:

- RCP 2.6: 0.9-2.3°C
- RCP 4.5: 1.7-3.2°C
- RCP 6.0: 2.0-3.7°C

The pathways describe different climate futures, all of which are considered possible depending on the volume of GHGs emitted in the years to come. The climate scenario model used is MAGICC6. MAGICC (Model for the Assessment of Greenhouse Gas Induced Climate Change) is the climate carbon cycle model, which has been continually developed since its inception over 20 years ago.

It is a prime reduced-complexity model, often used by IPCC, for key scientific publications and by a number of integrated assessment models.

Using location data for each site our tool shows how the severity of a broad range of climate impacts will change over time, at different levels of global warming, which depend on how rapidly governments cut their GHG emissions.

Defining a 'material' risk or opportunity

The Group defines a 'material' risk or opportunity in line with the likelihood impact thresholds of our Risk Management Framework.

The potential impact of climate change is one of our principal risks, as we seek to both reduce our impact on the environment and the impact of climate change on our activities, portfolio and finances.

We have developed a separate climate-related risk register, to help us identify, consider and mitigate both physical and transitional risks.

Key risks included within the climate-related risk register are:

- occupier demand changes seeking more sustainable options;
- decarbonisation pathway;
- stranded assets;
- flooding – impacting on occupiers and asset values; and
- inability to access Green Finance options.

Opportunities include:

- occupier demand for sustainable space results in a 'green premium';
- lower cost of capital as market transitions towards green economy; and
- opportunity to acquire discounted 'brown' assets and transform to sustainable asset through re-purposing.

Refer to page 63 in the risk section which shows how we envisage the potential change over time for these risks.

Impact of climate risks and our response

We have completed a climate impact assessment for medium and long-term impacts and have committed to undertake robust climate risk and vulnerability assessments on all our assets, with solutions implemented to reduce material risks.

The Group's plan for transitioning to a low-carbon economy is in formation. Last year, our first full year of operations, was focused on identifying and measuring our Scope 1 and 2 carbon emissions baseline. 2023 is working towards defining how we transition to a low-carbon economy and setting targets to measure progress. Our approach will be through occupier engagement, developing refurbishment standards and investigating renewable options.

- **Risk 1:** Occupier demand for sustainable space results in a 'brown discount' to rents at less sustainable assets. To manage this risk, we target BREEAM certification with at least a 'Very Good' rating and EPC rating of at least B (transition risk).
- **Risk 2:** Stranded assets – building inoperability due to significant fluctuation in air temperature, and an inability to meet required operating temperatures. This risk is managed across our acquisition and asset management activities, by undertaking climate risk analysis, to ensure that we can enhance the asset's climate resilience when acquiring new buildings and when undertaking works to refurbish and repurpose the asset to life science use (transition risk).
- **Risk 3:** Flooding and/or building damage due to surface water or river discharge. We have mapped our existing portfolio against flood risks using the Environment Agency database, and also incorporate this as part of our due diligence process when acquiring new buildings. Most assets are classified as having very low risk of flooding (physical risk).
- **Risk 4:** Compliance costs to meet minimum EPC standards. This risk is managed on acquisition via an environmental assessment as part of the due diligence process to ensure that the building has an EPC rating of at least B or we understand the investment to meet the future Minimum Energy Efficiency Standards ("MEES") regulations (transition risk).

Climate impact assessment results

RISK/FACTOR	VULNERABILITY	SCENARIO	IMPACT MEDIUM TERM 2030	IMPACT LONG TERM 2050
Change in precipitation in %	Flooding	RCP 2.6		
		RCP 4.5		
		RCP 6.0		
Change in wind speed in %	Building damage	RCP 2.6		
		RCP 4.5		
		RCP 6.0		
Change in maximum of daily river discharge in %	Building damage	RCP 2.6		
		RCP 4.5		
		RCP 6.0		
Change in daily maximum air temperature in °C	Building inoperability, heat stress	RCP 2.6		
		RCP 4.5		
		RCP 6.0		
Change in daily minimum air temperature in °C	Building inoperability	RCP 2.6		
		RCP 4.5		
		RCP 6.0		

Key

Low impact High impact

SUSTAINABILITY CONTINUED

TCFD reporting continued

Strategy continued

- **Risk 5:** Increasing price of carbon offsets. Our strategy is to reduce carbon emissions aligned with the carbon hierarchy, with offsetting as a last resort towards our goal of achieving net zero carbon for our direct emissions (transition risk).
- **Risk 6:** Increased cost of capital as markets transition to a green economy. This risk is managed by our drive to ensure that all portfolio assets are classified as 'green' and our aim to align with the EU Taxonomy wherever possible (transition risk).

Resilience of the Group's strategy

The baseline that we have set over the last year enables us to further understand our assets and our strategies. The impact assessment, climate-related risks and opportunities will be incorporated into the Board and management team's 2023 future strategy day. This in turn will define the Group's strategic direction.

The Group's sustainability strategy takes into consideration different climate-related scenarios, including a 2°C or lower scenario, and uses RCP 2.6, RCP 4.5 and RCP 6.0, to ensure our business operations have resilience in each of these scenarios.

We mitigate physical climate-related risks on an asset-level basis, by assessing each asset in our portfolio against physical climate-related risk, and have identified these risks to be low to medium risk for all assets, against all indicators for RCP 2.6 and RCP 4.5. For RCP 6.0 the risk of building inoperability due to higher maximum temperatures is a more significant risk. We will manage, minimise and mitigate this risk through the incorporation of a sustainability checklist for use as part of our due diligence process when acquiring new assets, including climate-related risk assessment.

We will mitigate our climate impacts by implementing a range of measures, including the use of BREEAM certification, achieving A or B rated EPCs and enhancing biodiversity.

When acquiring new buildings, we also undertake an environmental assessment and climate risk analysis as part of the due diligence process. This helps to ensure that we can enhance the asset's climate resilience when works are undertaken to refurbish and repurpose the asset to life science use.

New leases include clauses designed to assist with delivering our climate change ambitions, for example requiring any building alterations to be of a type and quality that does not impact negatively on the EPC rating.

Risk management

Identifying and assessing climate-related risks

We have updated our risk framework with a new risk category "Climate-related risk – physical and transitional risks to the portfolio and the business, arising from climate change". We have overarching ESG and climate-related risks within the corporate risk register, and have also, in conjunction with our advisers, developed a separate climate-related risk register, covering both physical and transitional risks. The impact of climate change remains identified as one of the top nine principal risks for the Group which are identified by assessing the impact and likelihood of the risk occurring. The same risk assessment principals and terminology are applied to climate risk as to our other types of risks.

Our risk assessment process incorporates an assessment of emerging regulatory requirements, for example MEES (Minimum Energy Efficiency Standards), and how these could impact on our operations. Our assessment has shown that our portfolio is resilient and that these risks are not material at the present time.

The Investment Adviser reviews and updates the risk register on a quarterly basis, including both physical and transition climate-related risks, which are assessed on both a business and an asset level. The Head of ESG attends these reviews and provides insights and suggests updates. Furthermore, our specialist consultant will be invited to attend one meeting a year prior to the Audit and Risk Committee update.

For full details of our Risk Management Framework see page 62 and consideration of emerging risks.

Managing climate-related risks

The risk register is presented at each meeting of the Audit and Risk Committee, highlighting any changes in risk, whether emerging, additional or deleted risks, changes to the controls in place, or changes to the evaluation of our exposure to that risk.

The Sustainability Committee will review and update the climate-related risks, as appropriate, prior to each Audit and Risk Committee meeting.

Integrating into the Group's overall risk management

We have established the climate-related risk identification, assessment and management into our core Risk Management Framework; see page 62.

Metrics and targets

The metrics used by the Group to assess climate-related risks and opportunities are aligned with our strategy and risk management process.

We believe that in order to have the positive impact that we aspire to it is essential that we understand our carbon footprint. This baseline allows us to set metrics and targets against which to hold ourselves accountable on our journey to net zero carbon and wider sustainability achievements. As part of our sustainability strategy, 2023 will see us gathering data to inform the target date for achieving net zero carbon.

For a list of externally communicated metrics see page 45.

Scope 1, Scope 2 and Scope 3 GHG emissions, and related risks

The Group is currently focused on robustly measuring Scope 1 and 2 GHG emissions (see the following section EPRA sBPR reporting for disclosure) and related risks, reporting externally at a portfolio level and internally, at a granular detail per asset.

Currently, the Group is responsible for the majority of its occupiers' energy procurement and over 75.7% of the landlord-procured energy was consumed by occupiers.

This will be used to identify opportunities and to establish further targets to reduce total energy use, energy intensity and carbon emissions.

We are conscious that our occupiers' energy use and carbon emissions are significant and form a large part of our Scope 3 emissions. We are committed to supporting our occupiers to minimise these impacts and related risks. We will make best endeavours to collect, collate and measure robust Scope 3 data from our occupiers, although we recognise that this is not likely to ever be 100% accurate.

The Group is committed to engaging with the supply chain to identify, measure and minimise Scope 3 carbon emissions. This engagement will commence in 2023 and will help to establish where we can assist key stakeholders, such as occupiers, to reduce their own carbon emissions.

Targets

The Group uses a suite of targets to manage climate-related risks and opportunities and performance against targets (see page 45 for achievements to date), including:

TARGET	MANAGING RISK
Number of BREEAM certifications with Excellent rating	1 & 2
EPC ratings of A or B across the portfolio and targeting A rated on new construction	1 & 2
Fitwel certification	1 & 2
The use of the Group's sustainable refurbishment principles	1, 2, 3 & 4
Collate data to enable setting targets for GHG emissions, water efficiency, energy intensity and carbon intensity	1 & 2
Zero waste to landfill	1 & 2
Engage with every occupier on ESG at least every year (e.g. energy, carbon, waste, biodiversity and water, wellbeing and vitality)	1 & 2
Biodiversity assessments and achieving net gain on refurbishment and new construction projects	1 & 2

SUSTAINABILITY CONTINUED

EPRA sBPR reporting

The Group recognises that its activities have both direct and indirect environmental and social impacts and is committed to operating in a responsible and sustainable manner. One of the Group's investment objectives is to provide shareholders with an attractive level of total accounting return. The focus is capital growth whilst also providing a growing level of income by investing primarily in a diversified portfolio of UK properties that are leased or intended to be leased to occupiers operating in the life science sector. These key activities are undertaken by the Investment Adviser. The Investment Adviser has responsibility for the day-to-day asset management and implementation of the Group's sustainability strategy. To maintain a high level of transparency of our sustainability impacts, the Group reports against relevant ESG indicators in accordance with the third edition of the European Public Real Estate Association ("EPRA") Sustainability Best Practice Recommendations ("sBPR") and the Streamlined Energy and Carbon Reporting ("SECR") requirements (see pages 52 to 57). Corresponding GHG emissions are calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard and the corresponding Scope 1 and Scope 2 guidance.

For the progress on implementing our sustainability strategy and the detailed management approach of different material sustainability topics, please refer to the Sustainability section of this Annual Report.

The Group's EPRA sBPR response has been split into the following four sections:

Reporting methodology
Environmental performance measures
Social performance measures
Governance performance measures

Reporting methodology

Organisational boundaries

The Group's reporting boundary is based on the principle of operational control, meaning that asset-level performance measures are accounted for where the Group has the authority, via its managing agents, to introduce and implement its operating policies and procedures. Unless otherwise stated, all absolute performance measures relating to electricity, fuels and associated GHG emissions relate to assets where the Group procures utilities for common areas, shared services, lettable areas (including vacant and occupied units) and those properties that are vacant. Assets held by the Group are excluded from the reporting boundary where there is limited or no operational control. Examples of this include instances where occupiers are responsible for their own supply of utilities, heating and waste disposal.

As of 31 December 2022, the Group owned six assets either directly or through 100% owned subsidiaries, all of which were classified as life science real assets located in the UK. Two of the six assets were acquired during the 2022 reporting year. Using the aforementioned principle, four out of six assets fell within the reporting boundary at the end of the reporting period. This represents 95.1% of the Group's total investment in real estate; Merrifield and Lumen House are excluded. The remaining assets are single occupancy assets with no operational control, therefore the Group has no authority to introduce or implement its operating policies and procedures. The Group does not have any partially owned entities that fall within the organisational boundary.

The Group is externally managed and does not occupy any offices for its business activities, nor does it own or lease any vehicles.

Reporting period

Performance measures of absolute and intensity metrics are reported for the year ended 31 December 2022. Performance measures for like-for-like metrics are not reported due to insufficient data for the prior year ending 31 December 2021, given that the Company was incorporated on 27 July 2021, consumptions before the incorporation were considered out of the reporting scope and initial acquisitions being in late 2021.

Data estimation

The Group aims to report as complete and accurate data as feasible and practicable. All data is based on invoices and/or meter readings where available. Estimations have been applied where invoices were not available at the time of publication. Where data was only partially available within the reporting period, we have adopted the following approach for data estimation:

1. estimate consumption data based on the most recent three months of available actual data; or
2. estimate consumption data based on available actual data from the same period in the previous reporting year.

Following this rule of data estimation, the proportions of estimated energy, water and waste data for 2022 were 31.3%, 17.8% and 51.3% respectively. Since the Company was incorporated on 27 July 2021 with most of the assets being acquired in late 2021, environmental performance data for 2021 is largely unavailable. As previously stated, like-for-like comparison of the portfolio is inapplicable. Data availability, quality and accuracy is expected to improve in the next reporting year.

Where data estimation was not feasible, assets with no data were excluded from the report unless specified otherwise. Please refer to 'disclosure coverage – number of assets' in the performance measures tables on pages 54 to 57 for information of our environmental data coverage.

GHG emissions calculation

The Group reports Scope 2 GHG emissions using location and market-based methods.

Location-based emissions reflect the average emissions intensity for energy production in a defined local or national region. Scope 1 and 2 GHG emissions were calculated using the UK Government GHG Conversion Factors for Company Reporting for the respective reporting periods.

Market-based Scope 2 GHG emissions were calculated using the European residual mixes factors (versions 2021 and 2022), which are default emission factors representing the untracked or unclaimed energy and emissions, and the zero emissions factor for both Renewable Energy Guarantees of Origin ("REGO") backed electricity supplies and onsite renewable energy generation from solar photovoltaic ("PV") panels. Proportion from renewable sources is based on renewable energy purchases plus renewable electricity generated from onsite solar PVs and directly consumed. Solar PVs are installed at two out of six assets (Cambourne Business Park and Rolling Stock Yard). However, data for Rolling Stock Yard is currently unavailable.

The intensity ratios for energy, water and GHG emissions are expressed as landlord procured utility per net lettable floor area. Only assets which were owned and managed during the full 2022 reporting year, with sufficient data available, were included in the calculation of intensity. Therefore, two assets (Herbrand and OTP) are excluded from intensity calculations.

Segmental analysis of the Group by property type and geography has not been included in the report considering that all assets have the same classification (life science) and are located in the same country (UK).

All environmental and social performance measures data were externally reviewed and checked by Savills UK – Sustainability Team.

Environmental performance measures

In 2022, the Group procured 5,307.4 MWh of energy for use across its assets, of which 64.7% were electricity consumption and 35.3% were gas consumption. The Company is responsible for the majority of its occupiers' energy procurement and over 75.7% of the landlord-procured energy was consumed by occupiers. During the reporting year, 154.5 MWh of electricity was also generated from the solar PV panels installed and consumed on-site. Reported total water consumption of the portfolio in 2022 was 3,438.5 m^3. However, water consumption data was available for only two out of four assets with operational control and cannot fully reflect the actual consumption of the portfolio.

Total Scopes 1 and 2 (location based) GHG emissions for the reporting year was 247.1 tonnes CO_2e, split 16.6% Scope 1 and 83.4% Scope 2. Renewable electricity accounted for 9.2% of the total electricity purchased and generated during the year, resulting in a Scope 2 (market based) GHG emissions of 357.8 tonnes CO_2e.

In 2022, total managed and reported waste was 160.6 tonnes. All waste was diverted from landfill, of which 46.5% was re-used or recycled and 53.5% incinerated for energy recovery.

As previously stated, year-on-year analysis will be reported on from 2023 onwards as we do not have full prior year to compare to due to initial acquisitions being late 2021.

SUSTAINABILITY CONTINUED

EPRA sBPR reporting continued

Environmental performance measures continued

The Group has also focused on developing life science facilities with reduced footprints to enhance the overall sustainability performance of its portfolio. Some examples of carbon saving initiatives that have been implemented in 2022 include LED lighting replacements, installation of PIR sensors and the introduction of new waste streams for recycling.

All of our assets are in full compliance with the latest Minimum Energy Efficiency Standards ("MEES") requirements. Rolling Stock Yard and OTP Building 1 have obtained BREEAM 'Excellent' as built and it is our goal to obtain BREEAM certificates for all new developments.

Greenhouse gas emissions (tCO_2e)

EPRA INDICATOR		ABSOLUTE		LIKE-FOR-LIKE		
		2021	2022	2021	2022	% CHANGE
Direct emissions GHG-Dir-Abs, GHG-Dir-LfL	Scope 1[1]	0.7	41.1	Like-for-like metrics are inapplicable due to the lack of data for two complete consecutive reporting years		
Indirect emissions GHG-Dir-Abs, GHG-Dir-LfL	Scope 2 – location based[2]	2.2	206.0			
	Scope 2 – market based[2]	3.6	357.8			
	Scope 3 (landlord procured occupier consumption)	43.3	758.9			
Total direct and indirect	**Scopes 1 and 2[3]**	**2.8**	**247.1**			
	Disclosure coverage – number of assets	2 of 2	4 of 4			
GHG emissions intensity GHG-Int	Scopes 1 and 2, tonnes CO_2e m^2	—	0.001			

1. Scope 1: Direct GHG emissions from controlled operations such as combustion in owned boilers.
2. Scope 2: Indirect GHG emissions from the use of purchased electricity, heat or steam.
3. Scope 2: Location-based emissions are used for reporting total emissions and GHG emissions intensity.

Energy consumption (MWh)

EPRA INDICATOR		ABSOLUTE 2021	ABSOLUTE 2022	LIKE-FOR-LIKE 2021	LIKE-FOR-LIKE 2022	LIKE-FOR-LIKE % CHANGE
Electricity Elec-Abs, Elec-LfL	Total landlord procured	117.4	3,434.1	Like-for-like metrics are inapplicable due to the lack of data for two complete consecutive reporting years		
	Landlord procured, consumed by occupiers	107.3	2,369.9			
	Total on-site renewable electricity generated and consumed	0.5	154.5			
	Proportion of procured and on-site generated and consumed electricity from renewable sources[1]	0.5%	9.2%			
Fuels Fuels-Abs, Fuels-LfL	Total landlord procured	126.6	1,873.4			
	Landlord procured, consumed by occupiers	123.0	1,648.1			
	Proportion of procured fuels from renewable sources	–	–			
Total energy[2]	**Total landlord procured**	**244.1**	**5,307.4**			
	Landlord procured, consumed by occupiers	230.3	4,017.0			
	Total landlord procured and generated	244.6	5,462.0			
	Proportion estimated	26.0%	31.3%			
	Disclosure coverage – number of assets	2 of 2	4 of 4			
Energy intensity Energy-Int	Landlord procured, MWh/m²	n/a	0.171			

1. Proportion from renewable sources is based on renewable energy purchases and renewable energy generated and consumed on-site. Solar PV panels are installed at two out of six assets (Cambourne Business Park and Rolling Stock Yard). However, such data was not available for Rolling Stock Yard, therefore only Cambourne Business Park's data is included in this figure.
2. There are no district heating and cooling systems in place (excluding DH&C-Abs, DH&C-LfL).

Water consumption (m³)

EPRA INDICATOR		ABSOLUTE 2021	ABSOLUTE 2022	LIKE-FOR-LIKE 2021	LIKE-FOR-LIKE 2022	LIKE-FOR-LIKE % CHANGE
Water Water-Abs, Water-LfL	**Total landlord procured**	**397.1**	**3,438.5**	Like-for-like metrics are inapplicable due to the lack of data for two complete consecutive reporting years		
	Proportion estimated	–	17.8%			
	Disclosure coverage – number of assets	2 of 2	2 of 4			
Water intensity Water-Int	Landlord procured, m³/m²	n/a	0.136			

SUSTAINABILITY CONTINUED

EPRA sBPR reporting continued

Environmental performance measures continued

Waste management (tonnes)

EPRA INDICATOR		ABSOLUTE		LIKE-FOR-LIKE		
		2021	2022	2021	2022	% CHANGE
Total weight of waste by disposal route Waste-Abs Waste-LfL[1]	Recycled or re-used	1.1	74.6	Like-for-like metrics are inapplicable due to the lack of data for two complete consecutive reporting years		
	Incineration with energy recovery	1.8	85.9			
	Sent to landfill	–	–			
	Total	**2.8**	**160.6**			
	Proportion estimated	33.5%	51.3%			
	Disclosure coverage – number of assets	2 of 2	3 of 4			
Proportion of waste by disposal route Waste-Abs, Waste-LfL	Recycled or re-used	37.5%	46.5%			
	Incineration with energy recovery	62.5%	53.5%			
	Sent to landfill	–	–			

1. Data for the proportion of waste disposed of by disposal route according to type (non-hazardous and hazardous) in tonnes or as a percentage is unavailable.

Building certification

EPRA INDICATOR	RATING	2022	
		NUMBER OF CERT.[1]	% OF FLOOR AREA
Energy Performance Certification (EPCs) Cert-Tot	A	3	27.4%
	B	1	8.1%
	C	7	49.4%
	D	2	15.1%
	E or below	–	–
	Total	**13**	**100%**

1. Includes EPCs for two units that are not included in the EPRA reporting boundary due to there being no landlord control. These units include Merrifield Centre and Lumen House.

EPRA INDICATOR		2022	
		NUMBER OF UNITS	% OF FLOOR AREA
BREEAM Certificates Cert-Tot	Outstanding	–	–
	Excellent	2	12.9%
	Very Good	–	–
	Good	–	–
	Others	–	–
	Total	**2**	**12.9%**

Social performance measures

The Group reported on all applicable EPRA sBPR social performance metrics. Being an externally managed company with no employees, this is limited to the Board of Directors' gender diversity, asset health and safety, and community engagement measures.

EPRA INDICATOR			2022
GENDER DIVERSITY[1] DIVERSITY EMP	BOARD OF DIRECTORS	FEMALE	50%
		MALE	50%
Employee metrics: Gender diversity (Diversity-Emp), Gender pay ratio (Diversity-Pay), Employee training and development (Emp-Training), Employee performance appraisals (Emp-Dev), New hires and turnover (Emp-Turnover), Employee health and safety (H&S-Emp)	The Group is an externally managed investment company. All of the Group's day-to-day management and administrative functions are outsourced to third parties. The Company has no employees.		
Asset health and safety assessments H&S-Asset	Proportion of assets		100%
Asset health and safety compliance H&S-Comp	Number of incidents; unresolved within the required timeframe		–
Community engagement, impact assessments and development programmes Comty-Eng	Proportion of assets		–

1. Gender diversity ratio as at 31 December 2022.

Governance performance measures

Governance performance measures relate to the Board. For full background information on our governance performance measures, including a profile of the Board, a description of our nomination procedures, and processes for managing potential conflicts of interest, please see pages 81 to 83.

Non-Executive Director Sally Ann Forsyth has significant experience relating to developing strategies to improve social and environmental impacts in the life science industry. During her role in developing four internationally recognised science clusters, and currently in her role as CEO of Stevenage Bioscience Catalyst, she has experience in implementing sustainability strategies.

EPRA INDICATOR		2022
Composition of the highest governance body Gov-Board	Number of executive Board members	100%
	Number of independent/non-executive Board members	4
	Average tenure on the governance body (months)	12.9
	Number of independent/non-executive Board members with competencies relating to environmental and social topics	1
Process for nominating and selecting the highest governance body Gov-Selec		See corporate governance section, pages 81 to 83
Process for managing conflicts of interest Gov-Col		See corporate governance section, page 83