TCFD

A summary of the Group's climate-related financial disclosures is set out below. This aligns to the TCFD's four pillars – Governance, Strategy, Risk Management and Metrics and Targets and to the 11 specific TCFD recommendations. Progress against each recommendation is set out below.

Compliance Statement

Although the Group is exempt from the TCFD disclosure requirement as Listing Rule 9.8.6R(8) explicitly excludes closed-ended investment companies, the Group fully supports the recommendations and voluntarily discloses its alignment.

Pillar	TCFD recommendation	Compliance
Governance	a. Describe the Board's oversight of climate-related risks and opportunities	Consistent
	b. Describe management's role in assessing and managing climate-related risks and opportunities	Consistent
Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term	Consistent
	b. Describe the impact of climate-related risks and opportunities on the organisation's business strategy and financial planning	Developing: Climate-related risks and opportunities have been identified and materiality assessed and incorporated within business plan. Developing a quantitative approach over the medium-term.
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Consistent
Risk Management	a. Describe the organisation's processes for identifying and assessing climate-related risks	Consistent
	b. Describe the organisation's processes for managing climate-related risks	Consistent
	c. Describe how processes for identifying and managing climate-related risks are integrated into the organisation's overall risk management	Consistent
Metrics and Targets	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Consistent, and developing further metrics including energy intensity measures over the medium-term.
	b. Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas ("GHG") emissions, and the related risks	Consistent regarding scopes 1 & 2. Improving visibility over scope 3 emissions with visibility over 91% of investment assets energy data.
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Consistent

Governance

Describe the Board's oversight of climate-related risks and opportunities

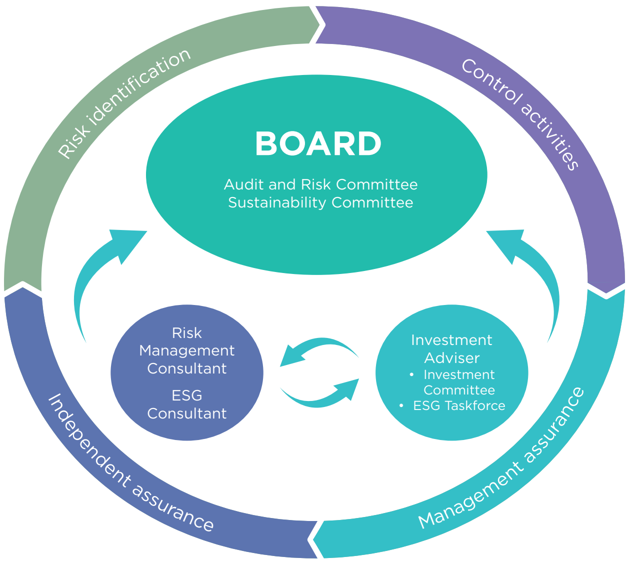
The Board, which is advised by Ironstone, the Investment Adviser, is responsible for setting the strategic direction of the Group, which includes delivery of the sustainability strategy. The Board has full oversight of climate-related risks and opportunities via the Audit and Risk Committee and the Sustainability Committee, as all Board Directors are members of both committees. At each Sustainability Committee the Investment Adviser provides the ESG risk register for review and comment, with attention drawn to any changes in risk rating, new or emerging risks. The Sustainability Committee recommends to AuditR Ltd ("AuditR") (the Group's independent risk management consultant) any key risks to be included in the corporate risk register which is subsequently presented to the Audit and Risk Committee by AuditR.

The Sustainability Committee is chaired by Sally Ann Forsyth and meets biannually to monitor progress against sustainability strategy targets, including climate-related risk mitigation.

The Investment Adviser provides quarterly updates at Board meetings on progress against the sustainability strategy goals and updates on ESG considerations more broadly to enable the Board to fully consider climate-related risks and opportunities in their decision making.

The Investment Adviser's Investment Committee meets to review and appraise investment advisory decisions for the Group including acquiring and disposing of assets.

Governance of climate-related risks and opportunities



Roles in governing climate-related risks and opportunities

The Board – Sets the sustainability strategy of the Group, monitors and has oversight of performance against targets

Audit and Risk Committee – Monitors and reviews risks and opportunities of the Group, including those that are key climate-related

Investment Adviser Investment Committee – Ensures expenditure is in line with the sustainability standards and targets

Investment Adviser – Responsible for preparing and implementing the sustainability strategy, including identifying, assessing and managing climate-related risk mitigation

Sustainability Committee – Monitors and reviews climate-related risks and opportunities, makes recommendations to the Audit and Risk Committee for additions/deletions to the corporate risk register via AuditR

Risk Management Consultant – AuditR prepares, provides expertise and manages the Group's Risk Management Framework

ESG Taskforce – A group of internal (Ironstone) and external expertise reviewing emerging climate-related risks and providing expert industry advice

ESG Consultant – Square Gain provides support on operational aspects of ESG, the regulatory landscape, and climate-related risks and opportunities

TCFD CONTINUED

Governance continued

Describe management's role in assessing and managing climate-related risks and opportunities

The Investment Adviser prepares and integrates the sustainability strategy within the day-to-day management of the Group's assets. The Investment Adviser works with the independent risk management consultant, AuditR, and the independent ESG Consultant, Square Gain, to undertake regular assessments of the Group's climate-related risks and opportunities. These assessments are undertaken alongside broader ESG topics and results in an updated ESG risk register including controls and mitigations which is provided to the Sustainability Committee for review biannually.

In 2023, the Investment Adviser introduced sustainability standards for acquisitions, development and repurposing. In line with which, the Investment Adviser undertakes environmental due diligence focused on the asset's vulnerability and resilience to key climate-related risks including flooding, subsidence, overheating and Minimum Energy Efficiency Standards ("MEES") compliance.

For detail on the climate scenario analysis see below. The Investment Adviser has established an ESG Taskforce, which comprises the Head of ESG, Director of Asset Management, Head of Investor Relations and Corporate Affairs and Square Gain. They meet monthly to prepare, manage and prioritise the sustainability strategy including climate-related risks at asset level. The ESG Taskforce is also consulted as appropriate on material investment decisions.

The Investment Adviser has been closely involved in the climate change scenario analysis set out below with the output discussed at the Investment Adviser risk review meeting and integrated into both the ESG risk register and the corporate risk register.

For full details of our Risk Management Framework see page 63.

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term

Over the last year, under the stewardship of our Board, we continue to implement our sustainability strategy, to update, manage and mitigate the climate-related risks and opportunities across our portfolio. As part of our business strategy, a climate change scenario analysis was undertaken in 2022 and reviewed in 2023 to identify the short, medium and long-term physical risks to the business. The time horizons adopted were based on real estate lifecycles; as buildings have long design lifespans, climate-related issues often manifest themselves over the medium and longer term, therefore the following applies:

- short-term is considered up to 2025, aligned with the current period;
- medium-term is from 2025 to 2030, aligned with the period used for the Group's planning, forecasting and performance analysis; and
- long-term is from 2030 to 2050, beyond the current forecasting period, informing the longer-term investment plan.

Through the climate change scenario analysis and our broader risk management process we assessed both the physical climate risks posed by climate change, and also the risks that arise as we transition towards a net zero carbon economy. This year, the Group introduced a separate ESG register which includes the consideration and mitigation of both physical and transitional climate-related risks and we will continue to evolve our approach to measuring the impact of these.

The methodology applied to the climate change scenario analysis is set out below.

Climate change scenario analysis methodology

To take account of the diverse range of climate futures, we incorporate three of the Intergovernmental Panel on Climate Change's 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. Using location data for each site, our analysis demonstrates 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 GHG emissions are reduced.

A broader range of risks are constantly monitored by the Group. For the purpose of reporting the Group uses the impact and likelihood thresholds of our Risk Management Framework to define climate-related risks and opportunities (see pages 49 to 51). The potential impact of climate change is one of our principal risks, as we seek to reduce both our impact on the environment and the impact that climate change has on our business. Refer to page 72 in the risk section.

Climate-related risks and opportunities

Ref	Risk	Time horizon and risk description	Impact on strategy and planning	Impact on financial planning	Residual exposure
Acute Physical Risk (P)					
P1	Flooding	• Medium to long-term • Damage due to surface water and/or river discharge	• Flood risk modelling undertaken on all assets	• Cost of flood risk assessments • Cost of repairing/maintaining buildings • Increased insurance costs • Loss of value of impacted buildings	Medium
P2	Extreme weather events	• Short-term – Damage from storm, extreme heat, wind • Medium and long-term – Subsidence, damage to structure of building	• Climate change scenario analysis undertaken • Introduced refurbishment and acquisition protocols which take account of climate risk factors • Comprehensive repair and maintenance programmes	• Increased insurance costs • Cost of cooling facilities • Increased cost of repair and maintenance	Low
Transition Risk (T)					
T1	Market – occupier demand	• Short to medium-term – Demand for sustainable space could result in a 'brown discount' on valuation or structural voids – Occupiers require additional amenities to support wellbeing	• Targeting minimum BREEAM Very Good rating and EPC B • Assessing opportunities for Fitwel certification • Comprehensive programme of occupier engagement to understand their needs	• Cost of delivering more sustainable buildings (low carbon materials, low carbon plant and equipment) • Cost of building certifications • Cost of delivering amenity space and renewable energy solutions	Medium
T2	Policy & legal – regulatory compliance	• Short to medium-term – Increasing volume of disclosure requirements – Complexity of data collection • Elevated risk of incorrect disclosures	• External advisers engaged to support on disclosure requirements and advise on regulatory landscape • Improving the robustness of our data through automated systems • Occupier engagement to support data collection • Acquisition and asset management protocols incorporating climate considerations	• Cost of external advice • Cost of improved data systems	Medium

TCFD CONTINUED

Strategy continued

Climate-related risks and opportunities continued

Ref	Risk	Time horizon and risk description	Impact on strategy and planning	Impact on financial planning	Residual exposure
Transition Risk (T) continued					
T3	Market – stranded assets	• Medium to long-term – Buildings become unlettable and cost of upgrades are not financially viable – Insufficient electrical capacity	• Acquisition and asset management protocols include climate risk analysis to identify how we can enhance climate resilience of our buildings • External advisers engaged to advise on regulatory landscape • Regular power usage audits undertaken and monitored	• Cost of more regular upgrades and improvements • Cost of external advice and third-party analysis • Occupier engagement to understand a building's performance	Medium
T4	Market – cost of decarbonisation plans	• Short-term – Cost of low carbon materials and processes rises, lack of green skills • Long-term – Cost of carbon offsets increases	• Business model focused on repurposing, incorporating sustainability considerations • Net zero pathway reduces carbon emissions prior to commitment date, minimising cost of offsetting	• Higher capital expenditure to deliver business plan • Loss of value for assets where business plan not delivered	Medium
T5	Market – cost of capital	• Medium-term – Higher cost of finance for less sustainable assets – Inability to access financing	• Business model focused on repurposing, incorporating sustainability considerations	• Higher cost of finance/inability to access financing	Medium

Rolling Stock Yard, London Knowledge Quarter

Ref	Opportunity	Time horizon and risk description	Impact on strategy and planning	Impact on financial planning
Opportunities (O)				
O1	Market – occupier demand	• Short to medium-term – Occupier demand for sustainable space could result in a "green" rental premium'	• Business model focused on repurposing, incorporating sustainability considerations	• Potential to drive rental growth
O2	Market – stranded assets	• Short to medium-term – opportunity to acquire discounted 'brown' assets and re-purpose	• Acquisition targeting	• Potential to deliver enhanced returns
O3	Market – cost of capital	• Long-term – Access to green finance	• Continue to explore green financing opportunities	• Lower cost of finance
O4	Energy source	• Short to medium-term – Increasing on-site renewables	• Renewables feasibility studies • Collaboration with occupiers • Regularly review EV charging provision	• Potential for additional income streams • Initial capital outlay

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

The Group believes climate change is a critical risk for real estate and has approved targets to achieve net zero carbon for scope 1, 2 and 3 emissions. Our adopted sustainability standards include guidance for acquisitions, ground-up construction and repurposing works which focuses on using energy more efficiently, making our assets more resilient and reducing operating costs for our customers. Pages 44 to 45 sets out the progress made on our sustainability strategy in more detail in addition to our metrics and targets.

A key part of our strategy is engagement with occupiers, and with the market trending towards more sustainable spaces, it is important we understand their evolving needs and aspirations so occupier engagement is key to our approach.

This year, the Group has also taken steps to improve the quality of asset energy data reported which now covers 91% of the investment asset area, an increase of 34% compared to last year.

This year the Group has taken several steps towards supporting the net zero pathway, completing a PV feasibility study at two of our sites and is looking to increase capacity for renewable energy generation across our sites in the short-term.

The Group has committed to a robust plan for transitioning to a low carbon economy, which is aligned with our plan to decarbonise assets when repurposing and refurbishing. As detailed in our sustainability standards, our approach incorporates electrification, energy efficiency and renewable energy.

The operational and financial impacts and additional considerations the Group is reviewing due to climate-related risks are set out on page 72.

Reflecting the importance it attributes to climate-related issues, the Board undertakes at least annual training on climate-related matters to better assess their impact on strategy. The ESG Taskforce updates the Sustainability Committee on market trends and asset-specific climate-related issues. The Group closely monitors UK climate-related regulation so the financial and operational impacts are identified early and incorporated into the business plan.

TCFD CONTINUED

Strategy continued

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower (above pre-industrial levels) scenario

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 individual assets and business operations have resilience in each of these scenarios.

Based on this analysis, our vulnerability to all physical climate risks is low up to 2030. In the RCP 6.0 post-2050 scenario, the risks assessed as material are from flooding and building inoperability due to overheating. However, these risks do not take account of existing mitigation or adaptation measures at a site level.

We manage, minimise and mitigate our climate risks and ensure resilience through implementing a range of measures; this includes flood risk assessments on acquisition, as well as targeting BREEAM certifications, and EPC A or B ratings.

In addition, when acquiring new buildings, we will 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 adversely impact the EPC rating and the provision of energy consumption data to enable measurement of the portfolio's decarbonisation towards our net zero pathway targets.

Risk management

Describe the organisation's processes for identifying and assessing climate-related risks

We have an ESG risk register, with the significant climate-related risks being included in our corporate risk register. The climate-related risks are reviewed and assessed in line with all other types of risks, applying the same principals and terminology and identifying and implementing mitigations accordingly.

Our risk assessment process for prioritising climate-related risks incorporates an assessment of existing and emerging regulatory requirements, and the potential materiality of the impact on operations. This considers both the acute and chronic physical risks, and the transition risks as we move to a net zero carbon and climate resilient economy (in line with TCFD recommendations). Our assessment has shown that our portfolio is resilient and that these risks are adequately mitigated at the present time.

Prior to each Sustainability Committee, the ESG Taskforce (supported by AuditR and Square Gain) reviews the ESG risk register, updating it as appropriate and discussing any emerging climate-related risks. The Sustainability Committee, reviews the climate-related risks and any proposed changes to the corporate risk register are recommended to the Audit and Risk Committee.

For full details of the Risk Management Framework and consideration of emerging risks see pages 63 to 65 and for detailed description of the roles and responsibilities of the Sustainability Committee see page 96.

Describe the organisation's processes for managing climate-related risks

The Investment Adviser regularly reviews and updates the corporate risk register, which is reported to each Audit and Risk Committee meeting, highlighting any emerging risks, and any changes to existing risks; the controls in place; and our exposure to that risk. The Audit and Risk Committee reviews the risk register, with particular focus on the principal risks and any emerging risks (including climate-related risks), and provides updates to the Board.

The Audit and Risk Committee also monitors our risk management processes and approves relevant disclosures. It is responsible for monitoring financial reporting and external audit plans and outputs, as well as providing assurance to the Board in relation to financial, operational and compliance controls, all of which are designed to manage our exposure to risk.

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

We have established the climate-related risk identification, assessment and management into our core risk management framework. For full details of our Risk Management Framework see page 63.

Metrics and targets

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

The metrics used by the Group to assess climate-related risks and opportunities are aligned with TCFD recommendations and detailed in the sustainability strategy and risk management process. Metrics on climate-related risks associated with water, energy, land use and waste management, are included and considered to be the most appropriate for the Group at present. These metrics are reviewed on an annual basis to ensure they are consistent with sector-wide disclosure. As data develops, the Group is committed to providing historical data to aid trend analysis; further details on our metrics and targets can be seen in the table below and in the EPRA sBPR report on pages 54 to 59.

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

In prior years, the Group has focused on measuring scope 1 and 2 GHG emissions; these are consistent with cross-industry climate-related metric categories and the GHG Protocol (see the EPRA sBPR report on pages 54 to 59). This year, given the significant contribution of occupier emissions to our scope 3 performance, we have also focused on improving our visibility over occupier energy usage.

We have engaged with occupiers over 2023 and are making significant progress to collect, collate and measure robust scope 3 data, and to develop plans to enhance energy efficiency and achieve carbon savings. These activities also support our occupiers' own sustainability ambitions.

Currently, the Group is responsible for the majority of its occupiers' energy procurement; 79% of the landlord-procured energy was consumed by occupiers, with the remainder being used in common areas and voids.

The most significant opportunity to minimise carbon and improve energy efficiency across the portfolio, is at the time when buildings are repurposed to laboratory space. These key intervention points have been mapped on every asset and form the basis for our decarbonisation pathway as we transition to net zero emissions by 2040 for scope 1 and 2 GHG emissions, and by 2045 for scope 3 GHG emissions. See pages 42 to 43 for further detail on our net zero carbon pathway.

Disclose the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

The Group uses a suite of targets to manage climate-related risks and opportunities. For reporting purposes we have set out the Group's targets in the table below. See the full report on progress against our sustainability strategy on pages 44 to 45 for further details.

Environmental

Risk/ opportunity	Metric	Page	Key target
P2, T3, T4, O2	• % repurposing projects to meet internal sustainability standards	See Achievements, p44	100% comply or explain
T2	• Absolute scope 1 & 2 carbon emissions and scope 3 emissions	See EPRA sBPR, p57	Net zero by 2040 for scope 1 & 2 2045 for scope 3
T2	• Energy intensity	See EPRA sBPR, p57	Target to be set this year
T1, O2	• Portfolio EPC performance	See Highlights, p40	B rating for all buildings
T1, O2	• Number of assets with Excellent or Very Good BREEAM certifications	See Highlights, p40	Minimum BREEAM Excellent for ground-up construction projects and Very Good for refurbishments
O4	• Number of assets with on-site renewables	See EPRA sBPR, p56	Identify and progress opportunities for on-site renewables across portfolio, targeting OTP for 2024
O4	• % electricity purchased from renewable sources	See EPRA sBPR, p56	100%