Sustainability Report 2019

Contents

Chairman's statement

Welcome to Picton's first Sustainability Report, covering the financial year to 31 March 2019.

This Report provides an insight into our Environmental, Social and Governance (ESG) processes and what we have achieved this year.

Leading on ESG performance is key to embedding sustainability within our day-to day activities. We are committed to integrating sustainability within our business model and communicating our progress to all of our stakeholders.

In previous years we have included all of our sustainability reporting, in the widest sense, in our Annual Report. However, given the increasing importance of ESG factors and their application throughout the business, this year we feel that it merits a separate report.

This year we have developed our approach to ESG issues and built on the initiatives we had put in place previously, and this Report sets out the progress that we have made.

This year has been significant for Picton. We have converted to a UK REIT, and changed our listing status to that of a commercial company. As a result we have reviewed our internal governance arrangements, and established a Responsibility Committee. It is chaired by Andrew Dewhirst, our Finance Director, and has the role of developing our approach to sustainability and managing its application throughout our operations.

I trust that you will find this Report interesting and informative.

Nicholas Thompson
Chairman

Mission statement and approach

Picton Property Income Limited is an award-winning UK Real Estate Investment Trust (REIT) which invests in commercial property across the United Kingdom.

Our vision is to be one of the consistently best performing diversified UK focused property companies listed on the London Stock Exchange.

A key part in achieving our vision is to ensure we have in place a framework for conducting business responsibly and in a way that makes a positive contribution to society, whilst minimising any negative impacts on people, local communities and the environment.

We believe that as a responsible landlord, we have a unique opportunity to integrate Environmental, Social and Governance (ESG) issues, for both ourselves and our stakeholders. All business decisions take account of ESG factors where appropriate. To ensure these values are incorporated into our strategy, we adhere to the Principles for Responsible Investment:

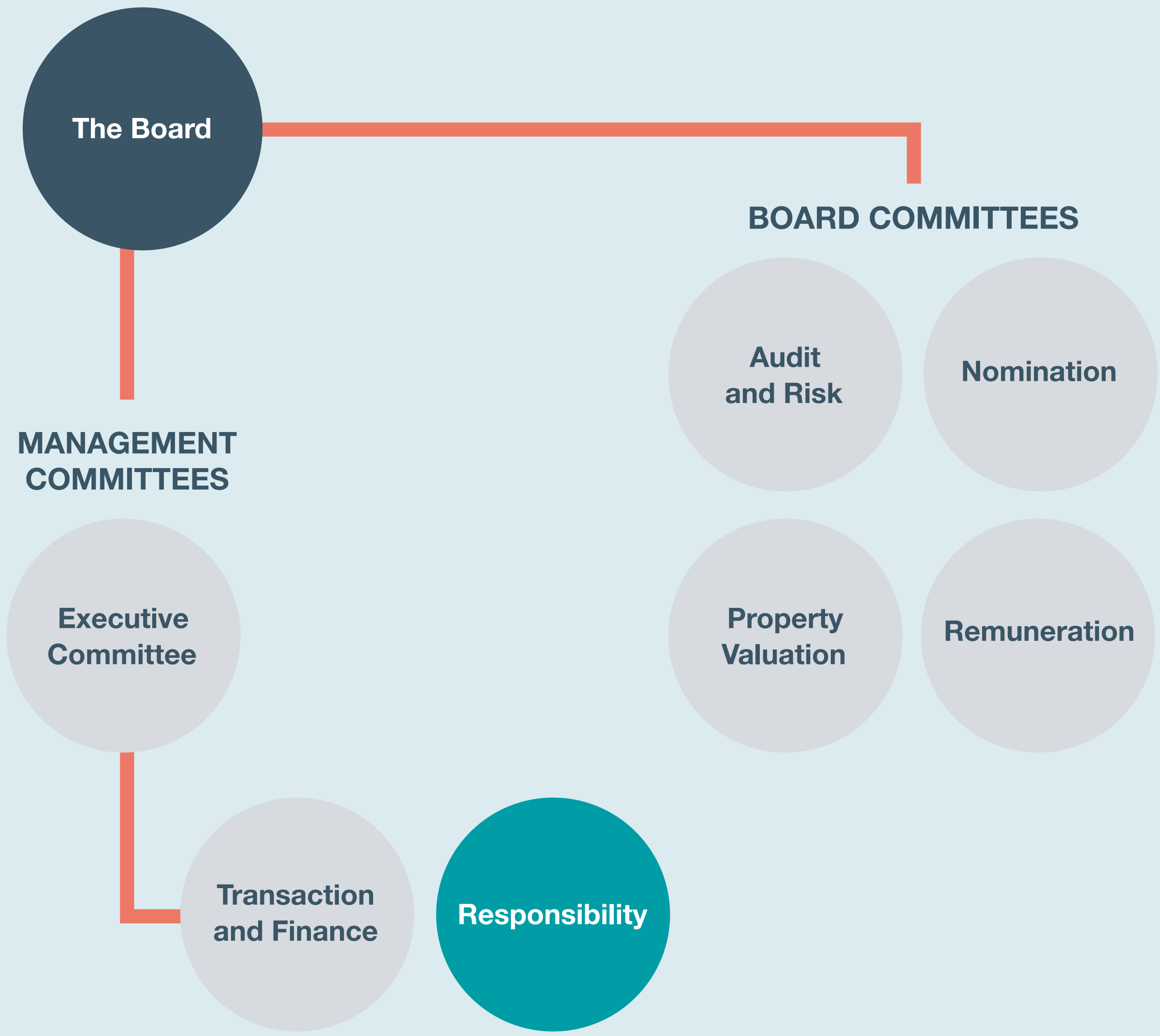
- Incorporate ESG issues into investment analysis and decision-making processes;
- Be active owners and incorporate ESG issues into our ownership policies and practices;
- Promote acceptance and implementation of the Principles;
- Work to enhance our effectiveness in implementing the Principles;
- Report on our activities and progress towards implementing the Principles.

Our approach

This year we have established a new Responsibility Committee in order to guide, define, lead and focus on sustainability and ESG initiatives.

We disclose absolute and intensity performance measures as set out by the EPRA Sustainability Best Practice Recommendations and provide commentary for improved transparency. We continue to report our overall energy, greenhouse gas, water and waste usage by sector and also collate occupier data relating to energy consumption and carbon footprint.

These steps allow us to identify and target key impact areas across the portfolio, contributing to better management of the overall environmental performance and set appropriate targets to track sustainability performance.



Introduction

In previous years we have incorporated our sustainability reporting into our Annual Report, but as our approach to ESG issues has developed, and with a greater focus on sustainability as an integral part of our business model, we recognise the need for a separate, focused Sustainability Report.

As well as including the EPRA sustainability Best Practice Recommendations (sBPR) reporting that we have consistently covered previously, this year we have highlighted in more detail our environmental initiatives and the targets we have put in place to monitor our progress, and our engagement with other stakeholders in the business.

The Picton Responsibility Committee was established last year to focus on a number of areas including sustainability and ESG matters. As well as myself it comprises Tim Hamlin, our Senior Asset Manager, and Louisa McAleenan, our Research Analyst. We continue to work closely with our consultants at CBRE to progress and monitor the various environmental initiatives in place.

I am pleased to report that we have made good progress in meeting the targets that we set at the start of the year. We have reduced our carbon emissions by over 28% since we started reporting in 2016. We have in place a project to improve the EPC rating of the portfolio, with the initial aim of removing all F and G rated units in the portfolio, and this is largely complete. Furthermore, I am delighted to report that the energy supplied to our portfolio is close to 100% generated from renewable sources.

I hope you find this Report insightful and learn more about our approach and future plans for ESG and sustainability.

Andrew Dewhirst
Chair, Responsibility Committee

2018-2019 HIGHLIGHTS

3.1%
Like-for-like energy reduction per m²

GRESB
53%
GRESB improved score, outperforming peer group

EPC
74
new EPCs conducted and
50%
of high-risk assets mitigated

99.6%
of energy from renewable sources

Green leases
16
clauses to be included into new leases

2
Bee hives installed

ESG
3 YEAR
ESG strategy being implemented for entire portfolio

£=£
Launched charitable matched giving initiative to all occupiers within the portfolio

Environmental responsibility

Aim

We have set ambitious short and long-term ESG targets which are regularly reviewed and updated annually. These targets are spread across a range of ESG measures to ensure that we are tracking our progress in all areas. Most of our targets follow our five-year plan established in 2016.

Our targets	Status
Reduce landlord Scope 1 and 2 carbon emissions by 20% (tCO_2e/m^2) by 2021 (2016 baseline)	28.4% reduction
Reduce water consumption by 5% (m^3/m^2) by 2021 (2016 baseline)	4.8% reduction
Reduce waste to landfill by 10% (t/m^2) by 2021 (2016 baseline)	20.6% reduction
Remove all F and G rated EPCs from the portfolio by 2021	98% of the portfolio compliant
Achieve top EPRA rating in Sustainability by 2019	We have improved our score every year participated
Outperform peer group in GRESB	Outperformed peer group in second year of participation

Summary

In respect of our absolute carbon emissions, we reduced our Scope 1 emissions by 3% and our Scope 2 emissions by 17% during 2018. This brings the total reduction in Scope 1 and 2 emissions to 28.4% compared to our 2016 baseline, achieving our target of a 20% reduction by 2021.

We also saw a 30% reduction in GHG intensity for 2018, compared to 2017. In part this is due to the decarbonisation of the national grid, but also to the initiatives that we have put in place.

We have reduced our landfill waste by 20.6% against our 2016 baseline, again exceeding our target reduction. In order to further increase our recycling options we intend to switch to a single waste provider in 2019.

Our ongoing strategy

We have set an ambitious three-year strategy to help achieve our 2021 targets which includes:

1. Targeting high energy intensity sites through a series of energy audits and occupier engagement campaigns.
2. Implementing a refurbishment checklist to ensure all refurbishments are carried out to an ESG specification reflecting the use of the property.
3. Engaging with our occupiers by holding workshops to assess how we can assist in reducing their energy consumption. The workshops will be focused on the highest consuming sites. As part of this, we will circulate an occupier satisfaction survey. The survey will aim to identify energy efficiency measures where we can work with our occupiers on issues important to them.
4. Engaging with our key stakeholders to constantly monitor output and ensure we meet our targets, report on them accurately and implement improvement measures.

As well as setting measurable targets there are other aspects of ESG which we also see as important in delivering improved performance for our key stakeholders. These include:

- Improve biodiversity across the portfolio;
- Reduce and minimise the usage of paper;
- Encourage employees to use public transport where possible;
- Pick products wisely such as using recycled paper and avoiding disposable or non-biodegradable items;
- Work with occupiers to improve data coverage and assist with energy efficiency projects;
- Address all high-risk health and safety concerns as and when highlighted;
- Implement ESG focused green lease clauses;
- Use sustainable building materials where appropriate.

GHG

7% reduction in like-for-like gas consumption

99.6% of energy from renewable sources

30% reduction in GHG intensity (Scope 1, 2 & 3)

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Key environmental initiatives

We have a diverse portfolio of commercial properties that are either landlord or occupier controlled. In order to improve energy data collection and reporting we have therefore been switching to single energy suppliers across the portfolio, automatic meter reads and engaging with occupiers where we do not control the energy bills. Table A in the Appendix shows the progress being made year-on-year in collecting data and the improvements in cutting our emissions. For a full breakdown of each emission source, please see the Appendix where performance tables are in line with EPRA reporting guidelines.

For five-year emissions summary table click here

We have had a successful year in reducing our like-for-like consumption. The reduction is largely due to energy efficiency projects conducted in late 2017 which have now had a full reporting year to realise the benefits. These projects included LED upgrades, boiler replacements and optimisation of controls.

Smart buildings with Asset IQ analytics

In collaboration with our sustainability advisors at CBRE we installed the Asset IQ tool in two of our multi-let office locations, 50 Farringdon Road and 180 West George Street. It has now been operational in 50 Farringdon Road for over two years and 180 West George Street for one year. Asset IQ connects to the building management system, providing live updates from each piece of plant equipment throughout the building. A holistic picture of each building's energy usage over a 24/7 period is then built up with inefficiencies highlighted to Facility Managers on site so that any changes can be implemented. Following the success at these two key sites, we plan to roll out the tool across further sites during 2019.

To see our sustainability in action click here

Solar

During 2015 we decided to invest in solar panels to reduce our carbon emissions and pass on energy savings to our occupiers. A full portfolio feasibility study was carried out to find suitable sites where the installation could take place. After careful consideration, 401 Grafton Gate was chosen, due to its location, roof space and the desire to reduce running costs for the occupiers.

The panels were installed and fully operational in 2016. We have seen consistent energy production from the panels, with 2018 9% ahead of the forecast. During 2018 the panels produced 46,340 kWh. The panels have produced a total of 132,465 kWh, which has saved 59.6 tCO_2e; the equivalent of 3,585 incandescent lamps switched to LEDs.

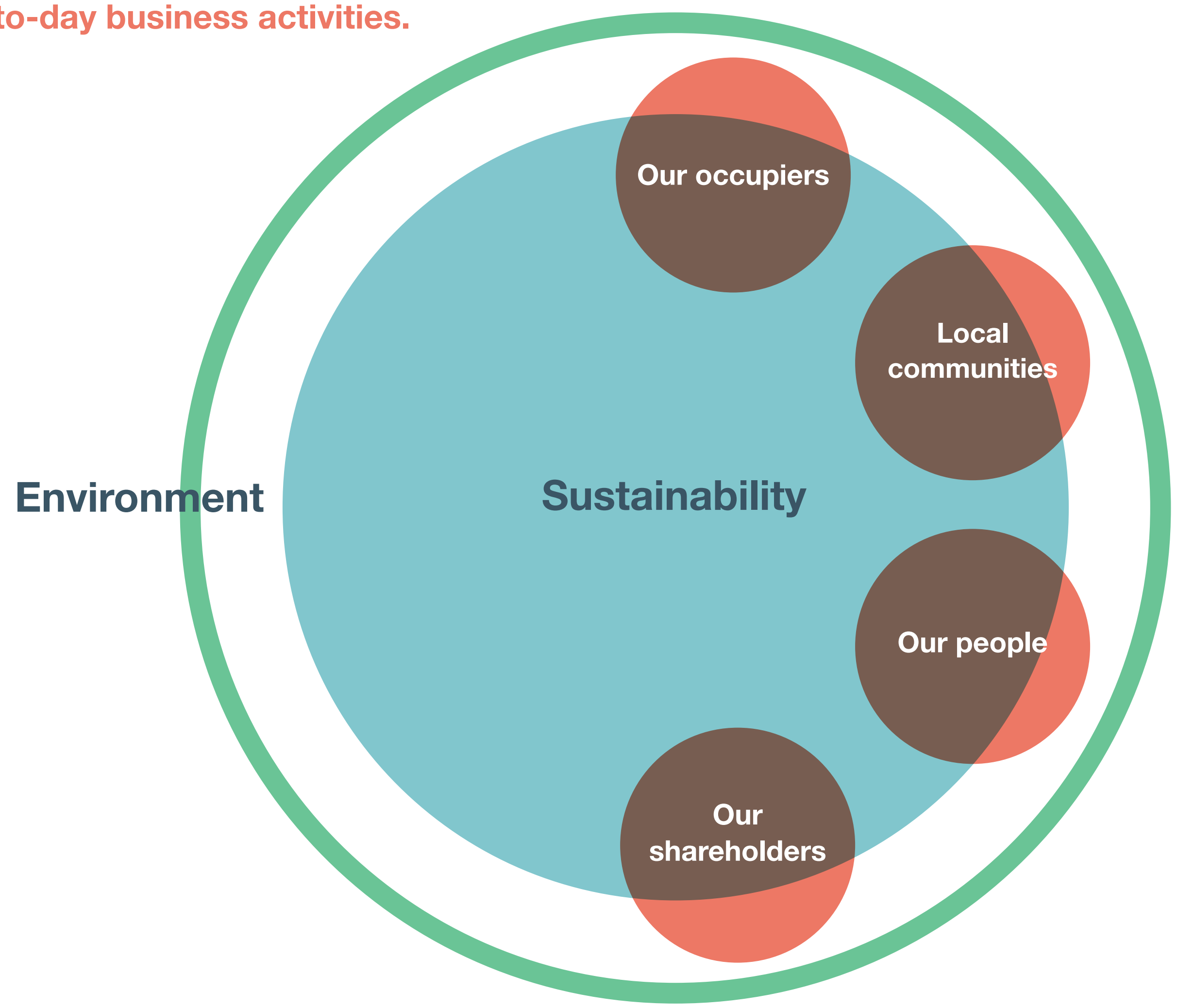
132,465
kWh produced since 2015

59.6
tCO_2e saved from being emitted

3,585
incandescent lamps switched to LEDs

Stakeholder responsibility

We are committed to engaging with all our key stakeholders to ensure sustainability is embedded within our day-to-day business activities.



Our occupiers

Our occupier focused approach ensures we are committed to understanding our occupiers' needs in order to meet their current and future requirements.

We use our expertise in asset management to provide modern flexible space that is safe, clean and energy efficient and constantly strive to reduce our environmental impact.

Surveys

In order to build a better relationship and to understand our occupiers' needs, we will be conducting an occupier survey during 2019. The survey will cover a broad range of topics, including satisfaction of service, health and safety and upkeep of the property. A key part of the survey will be around ESG and improving data sharing to better understand which energy efficiency measures could be rolled out across our portfolio. We expect to publish the results of the 2019 occupier survey in next year's Sustainability Report.

Audits and workshops

Having identified our top energy consuming sites we are rolling out ESG audits and occupier workshops. The ESG audit is designed to provide both us, and our occupiers, with a series of measures which can be implemented to improve all aspects of ESG. The audits are covered at our cost and are intended to help our occupiers improve their ESG performance and reduce their running costs.

The accompanying workshops will be delivered to relay the message of the ESG audits to occupiers. The workshops are designed to inform occupiers of the work we are doing as landlords in the field of ESG, potential improvement measures and to build stronger relationships. We believe this will improve data sharing between us and our occupiers; a key challenge in our sector.

Urban rooftop bee hives

We recognise the importance of protecting dwindling honeybee numbers. Honeybees are essential for pollinating trees, plants and flowers with one third of food produced in the UK being pollinated by bees.

We are pleased to have installed two bee hives at one of our properties in Scotland, Queen's House, Glasgow. The population of the hives has more than doubled in size since installation, helping promote the pollination of surrounding plant life.

The installation of these bee hives also proved to be a huge success in engaging our occupiers in workshops and presentation events and also provides scope for potential workshop events with the local community. We are currently investigating the possibility of installing further bee hives across other sites in the portfolio.

Local communities

We are committed to improving the impact of our buildings on local communities, whether providing space to local businesses, improvement of local areas or minimising the environmental impact of buildings themselves. We also support local communities through our occupier led charitable matched giving initiative. This newly launched programme supports all occupiers in our portfolio with charitable matched giving for their local community based fundraising efforts.

Site type (Comty-Eng)	Building coverage (assets)
Office	100%
Retail, High Street	100%
Retail, Warehouse	100%
Industrial, Business Parks	100%
Industrial, Distribution Warehouse	100%
Hotel	100%

At our property in Carlisle we have worked with the local authority and local businesses to prepare a planning application for improvements to St Cuthberts Lane, including new lighting, signage and redecoration. This will considerably improve the local environment and has been well received.

Charities

We continue to support a variety of charities, principally through The Funding Network, whose aim is to achieve long-term social change. The Funding Network enables individuals to join together to support social change projects and have raised over £12 million for over 1,900 diverse local, national and international projects.

For the year ended 31 March 2019 the Group made charitable donations totalling £10,000.

Our new Responsibility Committee encourages our employees to play a positive role in community activities and is working with a children's charity to provide team volunteering opportunities.

Our people

We value the contributions made by the whole Picton team, with a strong and open company culture that was co-created by our employees. We aim to have a positive business environment consistent with our values, with equal opportunities for all. All of our employees share in the success of Picton through participation in the Long-term Incentive Plan and Deferred Bonus Plan.

Health and well-being

Health and well-being is critical to the business, both within the property portfolio and also within the office environment. Our commitment to providing a safe and healthy working environment for our employees is achieved by:

- Adhering to the appropriate health and safety standards;
- Providing a working environment that enables employees to work effectively and free from unnecessary anxiety, stress and fear;
- Offering private health benefits to all employees;
- Ensuring employees can report inappropriate behaviour or concerns through the whistleblowing policy;
- Having appropriate family friendly policies.

The absentee rate for the year was 1% (H&S-Emp). There were no fatalities or work related injuries during the year.

There have been no health and safety incidents during the reporting year. It has however been noted that improvements could be made in the availability of health and safety policies to our occupiers. We are working with our property managers to address this issue.

Site type	Building coverage (assets)	Asset health and safety assessments (% assessed)	Asset health and safety compliance (number incidents)
		H&S-Asset	H&S-Comp
		2018	2018
Office	15/15	100%	0
Retail, High Street	6/6	100%	0
Retail, Warehouse	3/3	100%	0
Industrial, Business Parks	7/7	100%	0
Industrial, Distribution Warehouse	0/0	100%	0
Hotel	0/0	100%	0
Grand total	**31/31**	**100%**	**0**

The above table only contains buildings where we have operational control.

Employee survey

Our employees are a key part of our business and its efficient running. We have decided to conduct an annual employee engagement survey, starting in 2019.

The main aim of the survey will be to get feedback from our employees on a range of factors, including motivation, performance and involvement in the business.

Our suppliers

We have in place a framework for conducting business across the Group, in a way that makes a positive contribution to society, whilst minimising any negative impact on people and the environment. We expect high level of standards within our business and similarly from our suppliers.

Picton is fundamentally committed to ensuring that there is no slavery or human trafficking in our supply chains or in any part of our business. We work with suppliers who share our commitment to these values. Our Modern Slavery Act Statement is set out on our website.

Modern Slavery Act Statement

Our shareholders

We run a regular programme of communication and shareholder engagement including one-to-one meetings with large shareholders as well as group meetings at the times of results announcements. We aim to provide an open and approachable business environment and recognise the importance of transparency on ESG issues in order for shareholders to be able to make informed decisions.

Our sustainability in action

Refurbishment of office building

Atlas House
Globe Park
Marlow
Size **24,655 sq ft**
Type **Office**
Previous EPC Rating **E (112)**
New EPC Rating **B (39)**
Nature of work
Full refurbishment of office suite and common areas

Following a lease event at this building we had the opportunity to upgrade some of the office space and communal areas at Atlas House.

Through an architect designed scheme we have refurbished the office space to a Grade A standard, including a brand new Variable Refrigerant Flow heating/cooling system (VRF) set in a semi-exposed raft arrangement (increasing floor to ceiling height by a metre from the previous suspended ceiling system) along with motion controlled LED strip lighting.

In addition, the reception and common areas have been fully refurbished and remodelled to include a new business lounge area with coffee facilities, a communal courtyard with outside seating and the introduction of shower and changing facilities. Connectivity is provided by building WiFi.

Overall we anticipate the refurbished space will reduce energy consumption by up to 50%.

When undertaking the refurbishment, we aimed to address the BREEAM Principle areas of:

- Management
- Health and Wellbeing
- Energy
- Transport
- Water
- Materials
- Waste
- Land Use and Ecology
- Pollution

In order to ensure the Atlas House project met our required sustainability criteria we implemented the following in each area:

Management

- Responsible Construction Practices used to source contractors.
- Sustainability Consultant brought in at the design stage.

Health and Wellbeing

- Indoor air quality was improved by the VRF system in conjunction with upgraded Mechanical Ventilation and Heat Recovery. We also installed Variable Speed Drives which improve air quality and help the Air Handling Unit operate up to 35% more efficiently.
- Acoustic performance was improved by installing new systems that operate at low decibel levels.

Energy

- Pre-construction, the CO_2 impact was modelled to ensure that current Part L emission targets would be met, and the refurbishment met CO_2 emission requirements set by the Building Research Establishment for 2019.
- The existing fluorescent lighting was replaced with LED strip lighting, supported by motion sensors. This reduced the number of fittings required whilst meeting best practice. We expect to achieve a 50% reduction in lighting energy use.
- The new VRF system is expected to provide a 25% energy saving across heating and cooling. The system is supported by a tailored building management system, with external and internal temperature monitoring, allowing greater visibility of performance and control.
- The building fabric was also tested to today's standards to ensure all elements meet the required u-values.

Transport

- To encourage cycling and alternative forms of travel we have installed shower and changing facilities.

Water

- Water consumption was carefully considered at the design stage, specifying water reduction equipment in all elements. Overall we expect water usage in the communal areas to reduce by up to 35%.
- Leak detection systems are also fitted for all new shower and toilet areas.

Materials

- Construction products were sourced from sustainable sources where applicable.
- Insulation levels were ensured by adhering to Part L u-values.

At each stage of the refurbishment the project manager ensured:

- Responsible sourcing of materials;
- Design for durability and resilience;
- Environmental impacts from construction product were minimised;
- Material efficiency was maximised to reduce CO_2 emissions.

Waste

Best practice was ensured for waste management policies by developing a full resource plan, under which:

- 100% of waste materials on the Atlas House project were recycled or reused, with 0% going to landfill;
- The recovery and reuse of construction materials was maximised to avoid unnecessary extraction and processing of virgin materials;
- Construction costs were reduced, minimising wastage on site.

Land use and ecology

- Not applicable to this project.

Pollution

- The greenhouse gas emissions will be significantly reduced through the use of a new VRF system. This is due to the use of a more environmentally friendly refrigerant and the system acting as a heat pump as well as for cooling, thus reducing the building's reliance on fossil fuels.

Smart buildings

50 Farringdon Road
London, EC1
Size **31,000 sq ft**
Type **Office**

180 West George Street
Glasgow G2
Size **52,100 sq ft**
Type **Office**

Asset IQ analytics

The Asset IQ energy analytics tool was first installed at 50 Farringdon Road in early 2017 and helped enable significant savings for both electricity and natural gas. During 2017 there was a combined reduction of 45% in electricity and natural gas compared with 2016. Going forward we would now expect to generate further savings as efficiencies can be more easily identified through the tool.

180 West George Street has followed a similar pattern to 50 Farringdon Road with large savings being realised through the identification of inefficiencies. There has been a 22% reduction in electricity and gas consumption compared to 2017 (prior to the introduction of Asset IQ).

The Asset IQ tool has been successful at these two sites in reducing our occupiers' costs. We therefore continue to explore other sites which could benefit from the tool. We have plans to roll it out at further sites during 2019 and are also exploring other technological solutions that could be implemented at our properties to reduce operating costs for our occupiers.

Governance

The Board has full responsibility for the direction and control of the business.

The composition of the Board (Gov-Board) is set out fully in the 2019 Annual Report on pages 56 and 57. The Board comprises the Chairman, three independent non-executive directors and two executive directors. The non-executive directors bring a variety of skills and experience to the Board and apply independent judgement and scrutiny to the recommendations of the executive directors.

The tenure of the Board is set out on page 63 of the 2019 Annual Report. The Board has established a number of Committees to support the Board in discharging its responsibilities, including a Nomination Committee (Gov-Select). The Nomination Committee considers the size, structure and composition of the Board to ensure that it has the right balance of skills, knowledge, experience and diversity to carry out its duties and provide effective leadership. The Committee manages the process for the identification and selection of suitable candidates, and makes recommendations on appointments to the Board. The work of the Nomination Committee is set out fully on pages 70 and 71 of the Annual Report.

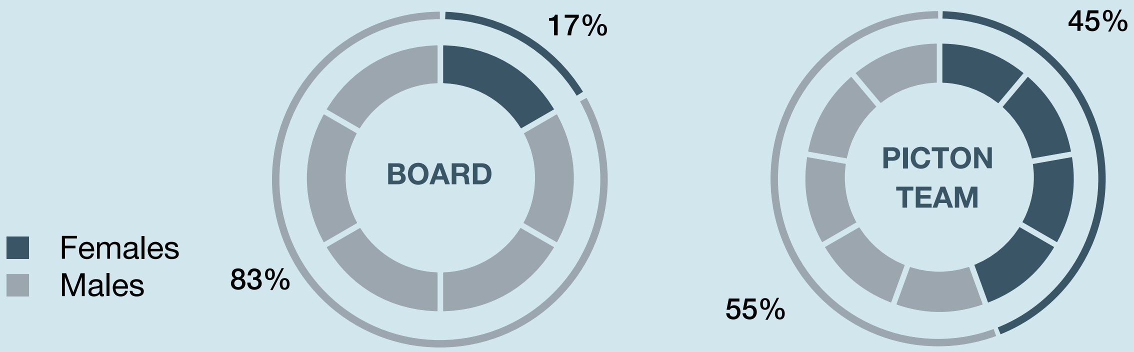
All directors are required to notify the Company of any potential conflicts of interest that they may have (Gov-CoI). Any conflicts are recorded and reviewed by the Board at each meeting. No conflicts have been recorded during the reporting period.

The Governance section of the 2019 Annual Report describes in detail the roles and responsibilities of the Board and its Committees, and their activities during the course of the year.

Social

The Company is committed to treating all employees equally and considers all aspects of diversity, including gender, when considering recruitment at any level of the business. We recognise the benefits of diversity and the value this brings to the business.

The percentage of male and female employees in the Group (Diversity-Emp) is shown in the diagrams below.



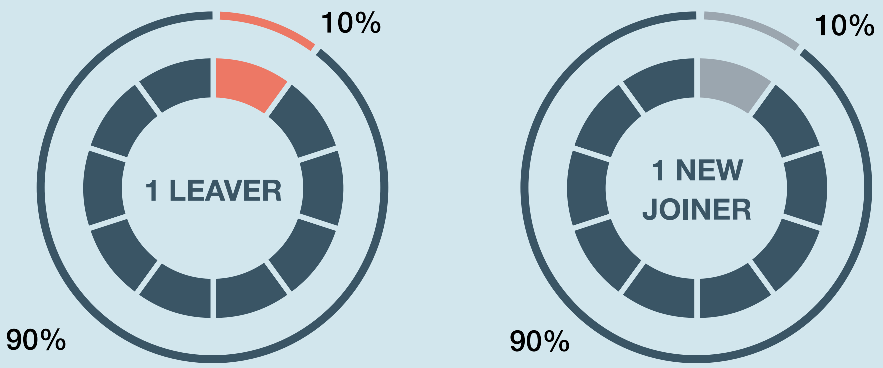
We do not report on the gender pay ratio (Diversity-Pay) due to the small size of the business and there being no overlap in job roles to provide a fair and meaningful comparison.

We aim to provide a business environment that inspires our employees and encourages them to realise their full potential by giving them access to development and training opportunities.

100% of our employees have a formal performance appraisal on an annual basis (Emp-Dev), together with a mid-year review of their progress against objectives set at the start of the year.

Our employees received a total of 247 hours training during the year, an average of 1% (Emp-Training).

The turnover of staff (Emp-Turnover) during the year was:



Certifications (Cert-Tot)

EPCs / MEES

Due to the nature of our business it is important to ensure compliance with the Minimum Energy Efficiency Standards (MEES). MEES stipulates that leases cannot be renewed or a new lease granted to an occupier if the building has an F or G rating. This ruling is expected to apply to all existing leases from April 2023. It is therefore vital that we understand the risk involved across our portfolio and mitigate this. We have taken a proactive approach to MEES and had largely mitigated the risk in our portfolio prior to the original April 2018 deadline through our EPC risk programme. During 2018 we reduced the EPC risk by a further 50% through energy efficiency projects and working with incoming occupiers.

EPC production began in 2008, meaning 2018 was the first year EPCs expired following their ten-year shelf life. This produced new challenges due to the changes in how an EPC is modelled and alterations to sites since the original EPCs were produced in 2008. We proactively engage with occupiers and undertake work to vacant space to improve energy efficiency and minimise EPC risk.

The target is to remove all F and G rated units by 2021 which we are on course to achieve. However we also aim to future-proof our portfolio by proactively identifying future issues. Through the development of our three-year ESG strategy we will begin assessing each building individually and setting minimum goals to be achieved. This will help us reach the best results possible in a cost-effective manner through our refurbishment and occupier engagement programmes.

Click here for certifications table 1

BREEAM

The Green Building Certifications across the portfolio has remained the same as previous reporting years, although coverage has slightly increased due to the sale of two assets. Certifications are BREEAM and ISO at three office locations, Angel Gate, Tower Wharf and Metro in Salford Quays. The two BREEAM awards are both rated as "Excellent". We currently have no further certifications planned across our portfolio but are always looking for opportunities to obtain further certifications where appropriate.

Site type	Green building certification 2018
Office	26%
Retail, High Street	0%
Retail, Warehouse	0%
Industrial, Business Parks	0%
Industrial, Distribution Warehouse	0%
Hotel	0%
	5.5%

Voluntary reporting

Picton recognises that it is important to be transparent on ESG, so that our stakeholders can make informed decisions. We continue to report to EPRA and GRESB.

GRESB

To increase our transparency, Picton started reporting to GRESB in 2017. We used our first year to benchmark where we were in the market and to establish the appropriate strategy for improvement. Over the last two years, we have put several initiatives in place to improve our score, including data collection, policy documentation and accuracy of data. We greatly improved our score in 2018, seeing a 53% rise in our overall score and surpassing our peer group average.

Click here for GRESB table 2

Each year it becomes harder to maintain the score in GRESB as the average score improves. The GRESB table in the Appendix shows how the second and third star quintiles have moved from 2017 to 2018 reporting years. In 2019 we aim as a minimum to reach a green star status with the stretch target of moving into the second quintile.

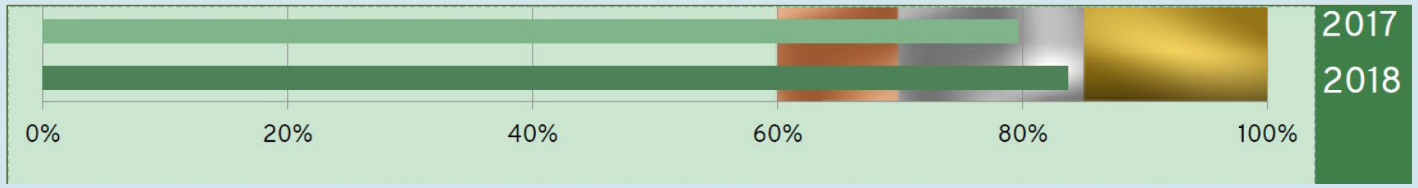
Click here for GRESB table 3

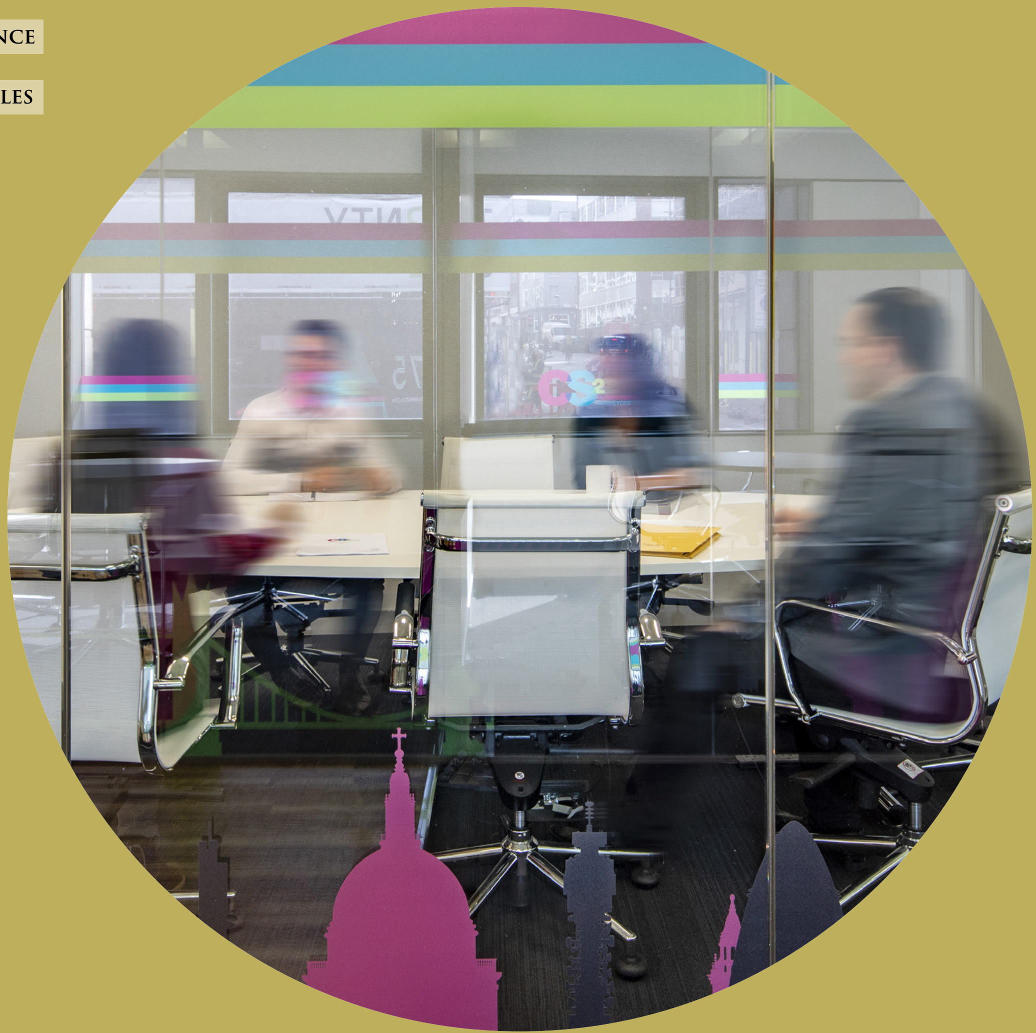
EPRA

The European Public Real Estate Association (EPRA), is a non-profit association representing Europe's publicly listed property companies. Through responding to EPRA, Picton is promoting sustainability within the property lifecycle, while also identifying opportunities for further improvements relating to sustainability regulations and initiatives.

We continue to expand the scope of our reporting and have improved our score year-on-year. 2018 saw Picton achieve Silver award for the fourth consecutive year, in line with our ESG actions, targets and strategy.

EPRA standard achieved





EPRA commentary

Reporting period

We report based on a calendar year with this year's reporting for 1 January 2018 to 31 December 2018. A table showing the last five years of consumption is located in the Appendix to show how different metrics have been added year-on-year.

Organisational boundaries/coverage

There were a total of 51 properties within the portfolio during 2018. We report on 100% of our buildings wherever possible and provide data by property type. We had operational control at 31 of these sites, these figures include sites where there were void units or external supplies, as for at least a portion of the year we had operational control of those units. We have also included in our building coverage where we have obtained occupier data. It is believed that it is crucial to obtain a holistic view of a property's entire energy consumption, so we therefore believe building coverage should include all sites where we have obtained data. The total possible number of buildings where we could obtain data remains a constant (51 properties) apart from on like-for-like data where we have excluded sites that do not have two full reporting years' worth of data. Each table throughout the Report identifies how many properties are being reported on.

During 2018, we disposed of two sites. We had operational control over one of these sites, with data included in the absolute energy and carbon emissions.

Tower Wharf, Bristol which spans five floors and is our fifth largest office has now been in the portfolio for a complete reporting period having been acquired in August 2017. This has impacted our absolute consumption figures but is not included in the like-for-like comparisons.

Occupier data is split out from landlord-controlled sites in the tables so that a clear line can be drawn between landlord purchased and occupier purchased data per unit rather than site level to provide accurate areas (GIA). Occupier data is separated out from landlord purchased energy and is reported under Scope 3 emissions throughout the Report.

Normalisation

We have used kWh/m²/year to normalise data where applicable and use net lettable area across our sites. We believe that using floor area is the most consistent metric across our sites and allows for accurate like-for-like comparisons. This is the most consistent normalisation metric across the whole portfolio. Normalisation metrics have been clearly stated in tables throughout the Report. During the like-for-like analysis, we removed any acquired or disposed site which does not cover the full 2017 and 2018 reporting periods to ensure reliable comparisons. We currently have been unable to remove vacant units from our like-for-like comparisons but note that this will have a minimal impact on comparisons. It is estimated that less than 5% of our consumption is through vacant units.

Methodology

We have reported on all the emission sources required under the core requirements of the European Public Real Estate Association's 'Best Practices Recommendations on Sustainability Reporting' 2017, and have voluntarily disclosed business travel, occupier and head office consumption (Scope 3) emissions. An operational control approach has been adopted and all 51 properties within this scope are included. Figures presented are absolute for utility and waste consumption and relate only to landlord-obtained utilities and waste removal. Occupier-obtained consumption is included where possible.

We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and used emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2017. Where data was unavailable in kilogrammes or tonnes for waste, we used average volumes to convert to tonnes.

Intensity measurements are based on the individual property's Gross Internal Area (GIA), regardless of the specific area served by the supply. This is an accurate way of covering 95% of our consumption but will be less useful for our industrial vacant units, due to the comparatively low consumption and large floor areas typically associated with vacant industrial units. We are continually improving the reporting process so that we can continue producing increasingly useful normalisation and intensity metrics.

Picton has continued to voluntarily report on Scope 3 vehicle emissions. Vehicle emissions were calculated using Picton's expenses reports and the vehicle emission factors from the UK Government GHG Conversion Factors for Company Reporting 2017. We have included occupier and head office consumption within the Scope 3 emissions, using emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2017.

Estimation of landlord-obtained utility consumption

We count a supply as actual if more than half the year has had actual or customer reads. The amount of consumption which is estimated is detailed as appropriate for each table. Data is only estimated if there is a reliable source to estimate from, such as a change in supplier or if the supplier has incorrectly provided consumption figures that end prior to our expected end date.

Third party assurance

As a Group we decided not to seek third party assurance for this Report but will continue to assess this as an option for future reporting years.

Segmental analysis

Picton has a UK based portfolio, we have therefore only segregated our consumption by building type to provide a more accurate comparison between years.

Disclosure on own offices

Picton's main office is located in London. Energy and water consumption is obtained from the landlord and is reported separately from our property portfolio.

EPRA performance

Energy

In absolute terms, there has been a 3.4% increase in electricity consumption and 2.5% decrease in fuel use for landlord-controlled supplies. Increased occupancy at 50 Farringdon Road and a full years' worth of data at Tower Wharf following the 2017 acquisition are the main contributors to the increase in electricity consumption. We have also seen energy reduction across sites, including 180 West George Street which is continuing to see the benefits of Asset IQ with a 22% drop in energy consumption. Occupier obtained energy data is included in the building coverage as we work towards obtaining 100% coverage of our portfolio. It however has been excluded from intensity, renewable and estimated metrics due to it being a measure that we have little ability to impact. Estimated meters are largely located at void units, with all large supplies working from automatic meter reads. We are working towards rolling out automatic meter reads across the whole portfolio to increase reliability of data and reporting accuracy.

Click here for energy consumption table 4

We have had a successful year in reducing both our electricity and fuel consumption on a like-for-like basis with a 0.3% and 7% drop respectively. In 2017 energy efficiency measures on the boilers and the associated running times were conducted at Longcross Court and Stanford House. We are now seeing the full benefits of these improvements following a complete years' worth of data.

Electricity reductions on a like-for-like basis at office locations have been largely offset due to increased weekend running hours of plant equipment at 50 Farringdon Road. This is for the comfort of our occupiers. We continue to assess these additional run hours and where improvements can be made. We have developed a three-year plan to meet our energy reduction targets, including audits, occupier engagement programmes and workshops. Our focus is primarily on office locations, but we will also be working with our occupier controlled sites to help reduce their operating costs and the impacts on our Scope 3 emissions.

Click here for energy consumption table 5

District heating

We do not report on DH&C-Abs and DH&C-LfL measures because there is no district heating or cooling consumption within our portfolio.

GHG

Absolute GHG emissions have seen a 2.6% reduction for Scope 1 and 16.7% reduction for Scope 2. Scope 3 emissions are a composition of landlord water and waste, business travel and occupier obtained data. Due to the variation in occupier obtained data each year, the percentage change can be high. Scope 2 emissions have seen the largest decrease of landlord-controlled supplies and this is largely due to the decarbonisation of the electricity grid. For other measures impacting the figures, please see the Energy section above.

Click here for GHG emissions table 6

Due to Scope 3 emissions being largely out of our control, we have excluded them from like-for-like comparisons. Emissions are mainly focused on our office locations, with minimal changes at remaining site types leading to large percentage variances. We have seen a 19.7% reduction in Scope 2 emissions on a like-for-like basis largely due to energy efficiency projects during late 2017, improved meter reads and the decarbonisation of the grid. GHG intensity has now dropped below 0.02 thanks to a 16.2% reduction overall between reporting years.

Click here for like-for-like comparisons table 7

Water

We have seen an increase of 19% in our absolute landlord purchased water consumption with 31.6% being considered estimated. The acquisitions and disposals across the two reporting years have largely cancelled each other out. 50 Farringdon Road accounts for roughly 20% of the increase at office locations due to its increased occupancy in 2018. There have been steady increases across the remaining portfolio with a greater focus required on obtaining reliable water data. To meet our performance target, we recognise that a better understanding of our water consumption is needed so that necessary measures can be implemented. This will start with an improved data set, so we are currently investigating the potential for a single supplier to provide a majority of our water supplies with automatic meter reads where possible.

Click here for water consumption table 8

Like-for-like water consumption has seen an increase of 15.5% with a large increase seen at High Street Retail, of 369%. This is due to one site which has switched from actual reads to estimated. It is currently being investigated with our property management team to see why actual reads have stopped. The sites which have seen the largest like-for-like increase will be the top targets for improvement measures as we begin rolling these out.

Click here for water consumption table 9

Waste

We have seen a 35% reduction in absolute landlord-controlled waste, although there has been a sharp increase in landfill disposal method with a 104% increase. Landfill waste now accounts for 23% of waste by disposal route, up from 7% in 2017. This increase is largely due to 30 & 50 Pembroke Court, Chatham where we managed to obtain waste data for the first time. Recycling now accounts for 52% of total waste by disposal route as we continue efforts to remove landfill waste disposal methods where possible.

Click here for waste disposal reporting table 10

During 2018 we have seen a 52% decrease in our like-for-like waste disposal, with a 50% increase seen for waste sent to landfill. This is largely due to Cardiff Council changing how they provide waste data for their reporting and more estimations being required. The largest decreases against High Street Retail are due to Regency Wharf. The site has switched to a more reliable waste supplier providing actual tonnes of waste collected rather than previous figures which were provided via bags collected. We are looking to move all waste suppliers to one central provider where possible to allow greater accuracy and comparison across sites. It will also provide us with a greater opportunity to engage with our occupiers over their waste consumption.

Click here for waste disposal table 11

Business travel

Due to the nature of our business, at times we visit properties and work with our occupiers. Our travel has largely remained the same with a slight increase in car usage. The most significant drop has been a reduction in train travel by 167%. We look to avoid air travel where possible, especially as this has a greater impact on our carbon footprint. We can see that the increasing emission factors for air travel has resulted in a 4% increase even with a 7% reduction in distance flown. We have however managed to reduce our business travel emissions by 2.7% compared to 2017.

Click here for business travel table 12

Head office

We started collecting and reporting our Head Office data in 2016, and while it is only a small part of our overall footprint, we believe it is important to provide a holistic view where possible. Electricity and water usage is split across the building dependent on floor area, meaning there is only a minimal impact that we can have on the figures reported. There has been a small reduction in our electricity usage which has been assisted by the decarbonisation of the grid. Water consumption has more than doubled between reporting years. We plan to discuss these figures with our landlord to ensure that accurate data is being provided to suppliers and if any measures can be implemented which would reduce the buildings overall carbon footprint.

Click here for head office data table 13

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TABLE A
FIVE YEAR GHG EMISSIONS SUMMARY
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Emission source	GHG scope	2014		2015		2016		2017		2018		% change absolute GHG	% change GHG intensity
		Absolute GHG emissions (tCO_2e)	GHG intensity (tCO_2e/m^2)	Absolute GHG emissions (tCO_2e)	GHG intensity (tCO_2e/m^2)	Absolute GHG emissions (tCO_2e)	GHG intensity (tCO_2e/m^2)	Absolute GHG emissions (tCO_2e)	GHG intensity (tCO_2e/m^2)	Absolute GHG emissions (tCO_2e)	GHG intensity (tCO_2e/m^2)		
Combustion of fuel & operation of facilities	1	951	0.0050	994	0.0051	1,503.29	0.0072	1,251.18	0.0057	1,218.85	0.0064	-3%	11%
Electricity, heat, steam & cooling purchased for own use	2	4,005	0.0211	4,342	0.0224	4,655.49	0.0223	3,304.75	0.0152	2,751.59	0.0144	-17%	-5%
Business travel	3	8.03	n/a	7.54	n/a	7.74	n/a	6.70	n/a	6.52	n/a	-3%	n/a
Occupier data	3	Not Available	Not Available	Not Available	Not Available	9,535.91	Not Available	9,566.17	0.0051	5,540.47	0.0032	-42%	-37%
Head office	3	Not Available	Not Available	Not Available	Not Available	12.20	Not Available	12.52	Not Available	10.00	Not Available	-20%	0%
Landlord water + treatment	3	9.39	0.0001	9.97	0.0001	60.70	0.0003	52.54	0.0005	55.18	0.0006	5%	5%
Landlord waste	3	Not Available	Not Available	n/a	Not Available	23.57	0.0004	21.32	0.0003	26.03	0.0003	22%	-2%
Total	-	**4973**	**0.0123**	**5354**	**0.0122**	**15798.91**	**0.0355**	**14215.19**	**0.0318**	**9608.64**	**0.0224**	**-32%**	**-30%**

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Site type	A			B			C			D			E			F			G			Unknown			Exempt			Total		
	Cer-tot			Cer-tot			Cer-tot			Cer-tot			Cer-tot			Cer-tot			Cer-tot			Cer-tot			Cer-tot			Cer-tot		
	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change
Office	-	-	-	10	9	-10%	80	60	-25%	77	93	21%	28	20	-29%	-	-	-	-	-	-	-	1	-	6	6	0%	201	189	-6%
Retail, High Street	-	-	-	-	-	-	14	15	7%	22	19	-14%	12	13	8%	1	-	-100%	2	1	-50%	1	5	400%	-	-	-	52	53	2%
Retail, Warehouse	-	1	-	4	4	0%	12	12	0%	1	1	0%	1	1	0%	-	-	-	-	-	-	-	-	-	-	-	-	18	19	6%
Industrial, Business Parks	-	-	-	2	1	-50%	46	48	4%	60	60	0%	23	21	-9%	-	-	-	1	1	0%	-	1	-	1	1	0%	133	133	0%
Industrial, Distribution Warehouse	-	-	-	-	-	-	2	2	0%	2	1	-50%	1	1	0%	-	-	-	-	-	-	-	1	-	-	-	-	5	5	0%
Hotel	-	-	-	-	-	-	-	-	-	1	1	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	0%
Grand total	-	1	-	16	14	-13%	154	137	-11%	163	175	7%	65	56	-14%	1	-	-100%	3	2	-33%	1	8	700%	7	7	0%	410	400	-2%
Overall risk % by rating level	0.0%	0.3%		3.9%	3.5%		37.6%	34.3%		39.8%	43.8%		15.9%	14.0%		0.2%	0.0%		0.7%	0.5%		0.2%	2.0%		1.7%	1.8%		100%	100%	
Overall risk % by rating level/m²	0.0%	0.0%		3.5%	3.4%		47.7%	47.8%		35.2%	33.1%		12.1%	9.1%		0.0%	0.0%		0.3%	0.2%		0.3%	5.3%		1.0%	1.0%		100%	100%	

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Table 2 GRESB
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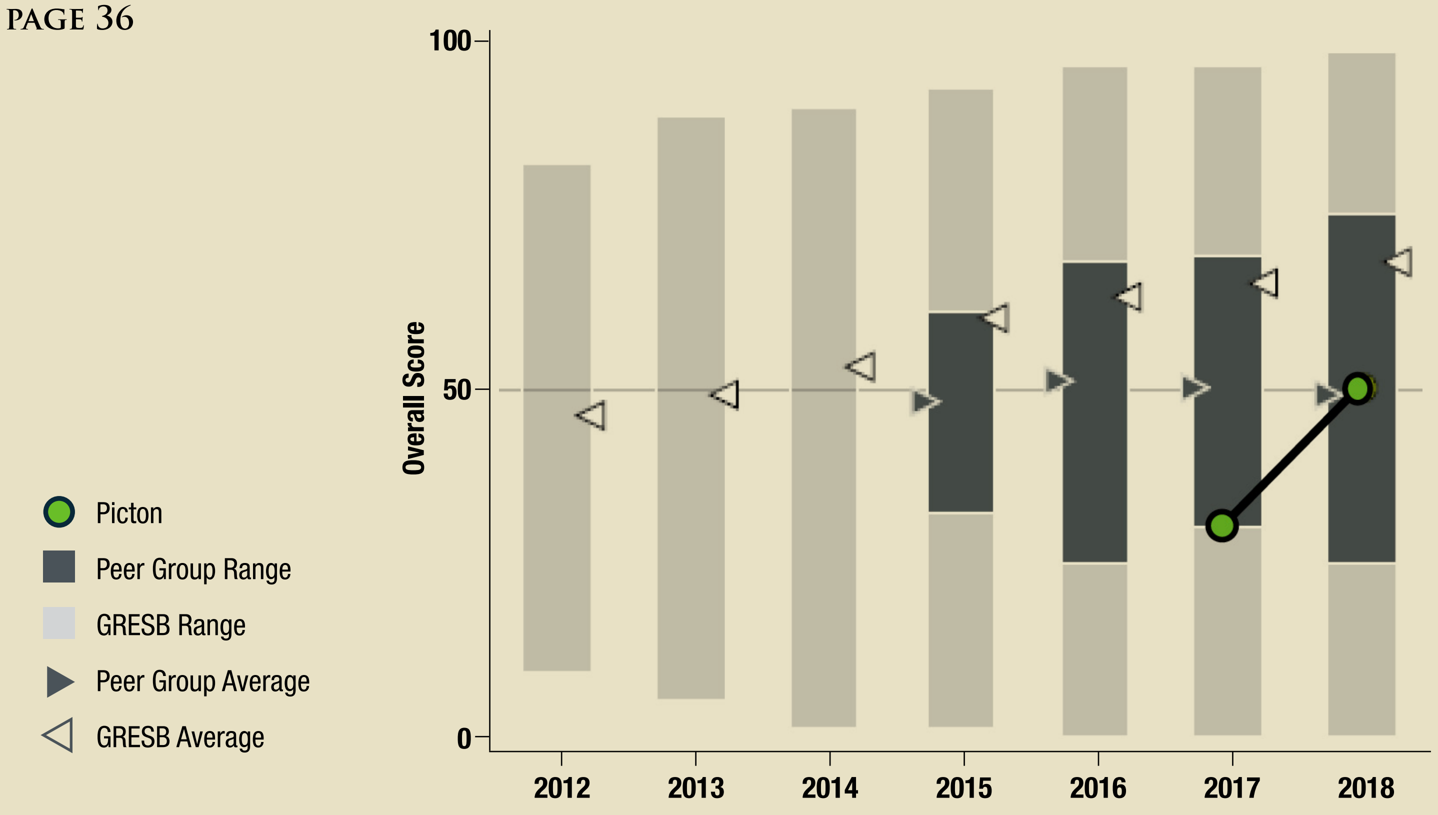

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Table 3 GRESB
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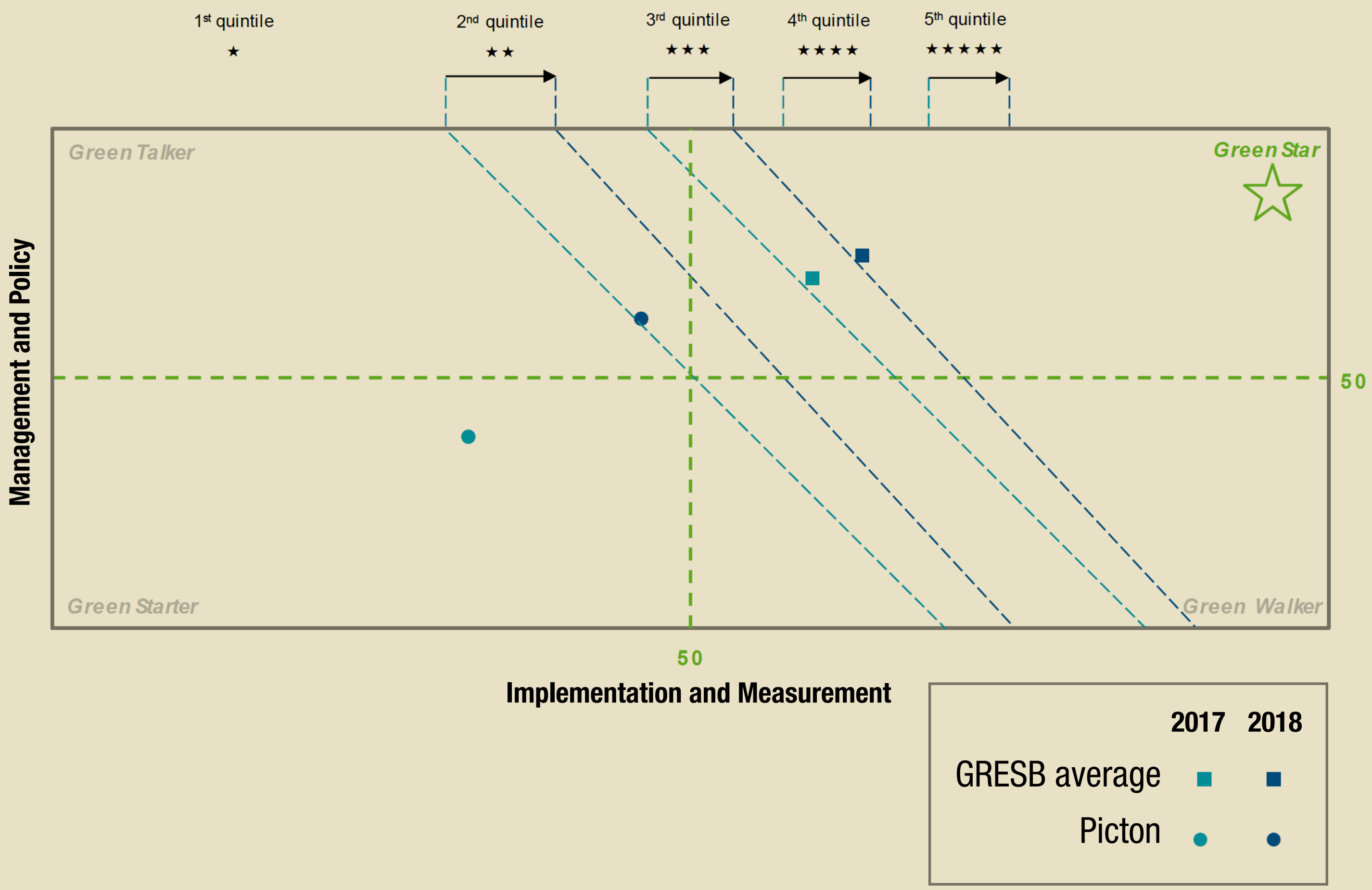

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Table 4
Energy consumption – absolute
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Site type	Building coverage (assets)		Landlord electricity kWh			Occupier electricity kWh (non landlord purchased electricity)			Landlord fuels kWh			Occupier fuels kWh (non landlord purchased fuels)			Energy intensity kWh/m² (landlord purchased energy)			Landlord purchased energy	
			Elec-Abs			Elec-Abs			Fuels-Abs			Fuels-Abs			Energy-Int				
	2017	2018	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change	% renewable	% estimated
Office	20/22	16/18	8,995,592	9,482,634	5%	441,928	-	-100%	6,776,619	6,625,476	-2%	-	-	-	178.49	186.16	4%	100%	1%
Retail, High Street	6/11	6/11	263,619	104,592	-60%	1,054,167	512,951	-51%	842	38	-96%	1,640,888	21,353	99%	14.46	5.78	-60%	100%	1%
Retail, Warehouse	4/5	4/4	83,748	103,522	24%	1,846,642	1,819,859	-1%	-	-	-	1,695,948	1,903,153	12%	2.96	3.63	23%	99%	0%
Industrial, Business Parks	11/12	9/12	57,272	29,797	-48%	9,266,383	2,315,015	-75%	16,543	94	-99%	2,345,563	2,866,889	22%	0.89	0.52	-42%	49%	2%
Industrial, Distribution Warehouse	4/5	3/5	-	-	-	6,179,773	5,194,624	-16%	-	-	-	8,917,046	8,632,911	-3%	-	-	-	-	-
Hotel	0/1	1/1	-	-	-	-	427,494	-	-	-	-	-	-	-	-	-	-	-	-
Grand total	**45/56**	**39/51**	**9,400,231**	**9,720,545**	**3.4%**	**18,788,893**	**10,269,943**	**-45.3%**	**6,794,005**	**6,625,607**	**-2.5%**	**14,599,445**	**13,424,307**	**-8.0%**	**74.26**	**74.96**	**0.9%**	**99.6%**	**1.37%**

- 46,340 kWh was produced during 2018 by self-generation via solar panels at our office in Milton Keynes. This amount is included in the figure in the Energy Consumption table 4. This accounts for 0.5% of total electricity consumption across our portfolio. In 2017, this figure was 44,028 kWh.
- Energy intensity is calculated depending on the floor area it is serving, i.e. whole building, specific unit or common area/

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TABLE 5
ENERGY CONSUMPTION – LIKE-FOR-LIKE
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Site type	Building coverage (assets)	Landlord electricity kWh			Occupier electricity kWh (non landlord purchased electricity)			Landlord fuels kWh			Occupier fuels kWh (non landlord purchased fuels)			Energy intensity kWh/m² (landlord purchased energy)		
		Elec-LfL			Elec-LfL			Fuels-LfL			Fuels-LfL			Energy-Int		
		2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change
Office	14/15	8,193,406	8,181,378	0%	-	-	-	6,194,423	5,761,764	-7%	-	-	-	184.68	178.97	-3%
Retail, High Street	5/11	113,837	104,590	-8%	463,213	339,054	-	842	38	-96%	-	-	-	11.36	10.36	-9%
Retail, Warehouse	4/4	83,748	103,522	24%	1,599,445	1,615,131	1%	-	-	-	1,658,061	1,811,763	9%	2.94	3.63	24%
Industrial, Business Parks	9/12	51,335	29,797	-42%	1,693,093	1,716,868	1%	349	94	-73%	2,168,818	1,965,884	-9%	0.90	0.52	-42%
Industrial, Distribution Warehouse	3/5	-	-	-	5,326,952	5,194,624	-2%	-	-	-	8,766,072	8,632,911	-2%	-	-	-
Hotel	0/1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand total	**35/48**	**8,442,327**	**8,419,288**	**-0.3%**	**9,082,703**	**8,865,677**	**-2.4%**	**6,195,614**	**5,761,896**	**-7.0%**	**12,592,951**	**12,410,558**	**-1.4%**	**84.03**	**81.41**	**3.1%**

- Like-for-like coverage is based on all assets which we have held for the entirety of the last two reporting periods.
- Like-for-like data is based on a site level and therefore does not take account of occupancy variances.

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Table 6
GHG emissions – absolute
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Site type	Building coverage (assets)		Scope 1 emissions (tCO_2e)			Scope 2 emissions (tCO_2e)			Scope 3 emissions (tCO_2e)			Energy intensity kWh/m² (Scope 1 and 2) GHG-Int			% estimated (Scope 1 and 2)
			GHG-Dir-Abs			GHG-Indir-Abs			GHG-Indir-Abs						
	2017	2018	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change	
Office	20/22	16/18	1,248	1,218.8	-2%	3,162	2,684	-15%	4,642	73	-98%	0.0499	0.0451	-10%	1.6%
Retail, High Street	6/11	6/11	0.2	0.0	-96%	93	30	-68%	795	116	-85%	0.0051	0.0016	-68%	1.4%
Retail, Warehouse	4/5	4/4	-	-	-	29	29	0%	994	793	-20%	0.0010	0.0010	-1%	0.0%
Industrial, Business Parks	11/12	9/12	3	0.0	-99%	20	8	-58%	3,756	1,303	-65%	0.0003	0.0001	-47%	1.9%
Industrial, Distribution Warehouse	4/5	3/5	-	-	-	-	-	-	3,906	3,096	-21%	-	-	-	-
Hotel	0/1	1/1	-	-	-	-	-	-	-	125	-	-	-	-	-
Grand total	**45/56**	**39/51**	**1,251.2**	**1,218.8**	**-2.6%**	**3,305**	**2,751.6**	**-16.7%**	**14,093**	**5,507**	**-60.9%**	**0.0209**	**0.0208**	**-0.4%**	**1.6%**

- GHG intensity is calculated depending on the floor area it is serving, i.e. whole building, specific unit or common area/ external.

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Table 7
GHG emissions – like-for-like
Page 44

Site type	Building coverage (assets)	Scope 1 emissions (tCO_2e)			Scope 2 emissions (tCO_2e)			GHG intensity (tCO_2e/m^2)		
		Scope 1-Lfl			Scope 2-Lfl			GHG-Int		
		2017	2018	% change	2017	2018	% change	2017	2018	% change
Office	14/15	1,140.8	1,059.9	-7%	2,880	2,316	-20%	0.0523	0.0439	-16%
Retail, High Street	4/11	0.2	0.0	-96%	40	30	-26%	0.0042	0.0031	-26%
Retail, Warehouse	3/4	-	-	-	29	29	0%	0.0010	0.0010	0%
Industrial, Business Parks	5/12	0.1	0.0	-73%	18	8	-53%	0.0003	0.0001	-53%
Industrial, Distribution Warehouse	0/5	-	-	-	-	-	-	-	-	-
Hotel	0/1	-	-	-	-	-	-	-	-	-
Grand total	**26/48**	**1,141.0**	**1,060.0**	**-7.1%**	**2,968**	**2,383.2**	**-19.7%**	**0.0238**	**0.0199**	**-16.2%**

- Like-for-like coverage is based on all assets which we have held for the entirety of the last two reporting periods.
- Like-for-like data is based on a site level and therefore does not take account of occupancy variances.

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Table 8
Water consumption – absolute
Page 45

Site type	Building coverage (assets)		Absolute water consumption m^3 (landlord purchased)			Occupier water consumption m^3 (non landlord purchased)			Water m^3/ m^2 (landlord purchased)			% estimated (landlord purchased)
			GHG-Dir-Abs			GHG-Indir-Abs			Water-Int			
	2017	2018	2017	2018	% change	2017	2018	% change	2017	2018	% change	
Office	17/22	14/18	42,209	49,256	17%	1,667	-	-100%	0.48	0.61	27%	33%
Retail, High Street	3/11	1/11	34	161	369%	10,480	-	-100%	0.01	0.05	368%	100%
Retail, Warehouse	2/5	3/4	-	175	n/a	2,269	2,470	9%	-	0.02	n/a	0%
Industrial, Business Parks	7/12	6/12	1,834	2,858	56%	10,277	71,138	592%	0.32	0.50	-42%	0%
Industrial, Distribution Warehouse	3/5	3/5	-	-	-	6,837	5,240	-23%	-	-	-	-
Hotel	0/1	0/1	-	-	-	-	-	-	-	-	-	-
Grand total	**32/56**	**27/51**	**44,078**	**52,449**	**19.0%**	**31,530**	**78,848**	**150.1%**	**0.46**	**0.54**	**18.9%**	**31.64%**

- Water intensity is calculated on whole building floor areas.

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Table 9
Water Consumption – Like-for-Like
Page 45

Site type	Building coverage (assets)	LfL water consumption m³ (landlord purchased)			LfL water consumption m³/m² (landlord purchased)		
		Water-LfL			Water-Int; Water-LfL		
		2017	2018	% change	2017	2018	% change
Office	11/15	35,198	39,797	13%	0.55	0.62	13%
Retail, High Street	1/11	34	161	369%	0.01	0.05	369%
Retail, Warehouse	0/4	-	-	-	-	-	-
Industrial, Business Parks	1/12	1,834	2,858	56%	0.50	0.50	56%
Industrial, Distribution Warehouse	0/5	-	-	-	-	-	-
Hotel	0/1	-	-	-	-	-	-
Grand total	**13/48**	**37,067**	**42,817**	**15.5%**	**0.51**	**0.59**	**15.5%**

- Like-for-like coverage is based on all assets which we have held for the entirety of the last two reporting periods.
- Like-for-like data is based on a site level and therefore does not take account of occupancy variances.

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Table 10
Waste Disposal – Absolute
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Site type	Building coverage (assets)		Recycling tonnes (landlord controlled)			Composting tonnes (landlord controlled)			Recovery tonnes (landlord controlled)			Incineration tonnes (landlord controlled)			Landfill tonnes (landlord controlled)			Total tonnes (landlord controlled)		
			Waste-Abs			Waste-Abs			Waste-Abs			Waste-Abs			Waste-Abs			Waste-Abs		
	2017	2018	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change
Office	14/22	14/18	114	181	59%	4	2	-55%	57	77	35%	36	24	-34%	47	78	65%	258	361	40%
Retail, High Street	2/11	1/11	193	37	-81%	-	-	-	-	5	-	193	-	-100%	-	18	-	386	60	-84%
Retail, Warehouse	1/5	0/4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial, Business Parks	7/12	6/12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial, Distribution Warehouse	3/5	2/5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel	0/1	1/1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand total	**27/56**	**24/51**	**307**	**218**	**-29%**	**4**	**2**	**-55%**	**57**	**83**	**44%**	**229**	**24**	**-90%**	**47**	**96**	**104%**	**644**	**422**	**-35%**
Percentage of waste by disposal route			**48%**	**52%**		**1%**	**0%**		**9%**	**20%**		**36%**	**6%**		**7%**	**23%**		**100%**	**100%**	

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Table 11
Waste disposal – like-for-like
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Site type	Building coverage (assets)	Recycling tonnes (landlord controlled)			Composting tonnes (landlord controlled)			Recovery tonnes (landlord controlled)			Incineration tonnes (landlord controlled)			Landfill tonnes (landlord controlled)			Total tonnes (landlord controlled)		
		Waste-Abs			Waste-Abs			Waste-Abs			Waste-Abs			Waste-Abs			Waste-Abs		
		2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change	2017	2018	% change
Office	10/15	108	117	8%	4	2	-55%	56	48	15%	24	24	-4%	47	52	11%	240	242	1%
Retail, High Street	1/11	193	37	-81%	-	-	-	-	5	-	193	-	-100%	-	18	-	386	60	-84%
Retail, Warehouse	0/4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial, Business Parks	0/12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial, Distribution Warehouse	0/5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel	0/1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand total	**13/48**	**301**	**154**	**-49%**	**4**	**2**	**-55%**	**56**	**53**	**-6%**	**218**	**24**	**-89%**	**47**	**71**	**50%**	**626**	**303**	**-52%**
Percentage of waste by disposal route		48%	52%		1%	1%		9%	17%		35%	8%		8%	23%		100%	100%	

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- Like-for-like coverage is based on all assets which we have held for the entirety of the last two reporting periods.
- Like-for-like data is based on a site level and therefore does not take account of occupancy variances.

Table 12
Business travel
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Transport type	Total distance 2017 (km)	Total distance 2018 (km)	Percentage Change
Car	12,115	14,727	18%
Air	23,498	22,011	-7%
Train	25,0159	9,358	-167%
All transport	**60,629**	**46,096**	**-24.0%**

Transport type	Total tCO_2e emissions 2017	Total tCO_2e emissions 2018	Percentage Change
Car	2.21	2.64	16%
Air	3.32	3.47	4%
Train	1.17	0.41	-183%
All transport	**6.70**	**6.52**	**-2.7%**

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Table 13
Head office
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Supply Type	Consumption			GHG tCO_2e		
	2017	2018	% Change	2017	2018	% Change
Electricity	35,180	34,089	-3%	12.4	9.6	-22%
Water	145	331	128%	0.2	0.3	128%

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Glossary

Air Conditioning (A/C)
The process of removing heat and moisture from the interior of an occupied space to improve the comfort of occupants.

Building Management System (BMS)
A BMS is a computer-based control system installed in buildings that controls and monitors the building's mechanical and electrical equipment such as ventilation, lighting, power systems, fire systems, and security systems.

Building Research Establishment Environmental Assessment Method (BREEAM)
BREEAM is the world's leading sustainability assessment method for masterplanning projects, infrastructure and buildings. It recognises and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment.

www.breeam.com

Environmental Performance Certificate (EPC)
This is required whenever a property is built, sold or rented. An EPC must be performed and presented to potential buyers and occupiers before a property is sold or rented.

Environmental Social Governance (ESG)
A framework to set a company's sustainability strategy that socially conscious investors use to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

European Public Real Estate Association (EPRA)
EPRA is a non-profit association representing Europe's publicly listed property companies. EPRA has been engaging with its members to understand the industry's position on voluntary and mandatory reporting, culminating in the publication of its sustainability reporting Best Practices Recommendations (BPR).

www.epra.com

Global Real Estate Sustainability Benchmark (GRESB)
GRESB is a certification system for real estate investment entities assessing their Environmental, Social and Governance aspects. In 2017, the benchmark changed the initial quadrant ratings of ‘Green Starter’, ‘Green Talk’, ‘Green Walk’ and ‘Green Star’ to a quintile rating system, awarding one to five stars instead.

www.gresb.com

Global Reporting Initiative (GRI)
GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being.

www.globalreporting.org

Greenhouse Gas (GHG)
A greenhouse gas is any gaseous compound in the atmosphere that is capable of absorbing infrared radiation, thereby trapping and holding heat in the atmosphere. For each greenhouse gas, a Global Warming Potential has been calculated to reflect how long it remains in the atmosphere.

Gross Internal Area (GIA)
The area of a building measured to the internal face of the perimeter walls at each floor level.

International Organisation for Standardisation (ISO)
ISO is an independent, non-governmental international organisation with a membership of 164 national standards bodies. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges.

www.iso.org

Minimum Energy Efficiency Standards (MEES)
Developed to improve the energy efficiency of the UK’s older building stock, helping deliver carbon reduction targets for 2020 and 2050. The regulations stipulate that from April 2018, existing tenancies cannot be renewed nor new tenancies granted if a building has less than the minimum Energy Performance Certificate (EPC) rating of E. After April 2023, landlords will not be allowed to let any buildings which have an EPC rating worse than E.

Real Estate Investment Trust (REIT)
A REIT is a company that owns, operates or finances income-producing real estate. Companies that seek REIT status must qualify by meeting specific regulatory guidelines and criteria. REITs trade on major exchanges like other securities and provide investors with a liquid exposure within the real estate market.

Scope 1, 2 & 3 emissions
The GHG Protocol Corporate Standard classifies a company's GHG emissions into three 'Scopes'. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. For example, gas is a Scope 1 emission, electricity a Scope 2 emission and occupier data a Scope 3 emission.

Sustainable Development Goals (SDGs)
In 2015, countries adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals. In 2016, the Paris Agreement on climate change entered into force, addressing the need to limit the rise of global temperatures. Sustainable development has been defined by the UN as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

www.un.org

tCO_2e
Tonnes of carbon dioxide equivalent, which is a measure that allows you to compare the emissions of other greenhouse gases relative to one unit of CO_2. It is calculated by multiplying the greenhouse gas's emissions by its 100-year global warming potential.

The Principles for Responsible Investment (PRI)
The PRI is the world's leading proponent of responsible investment. The PRI works to understand the investment implications of Environmental, Social and Governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.