Sustainability Report

1 October 2021 - 30 September 2022

ediston
Property Investment Company plc

Our dedication to placing sustainability at the heart of our strategy is more important than ever.

Contents

1.0 Introduction

Increasing awareness of the climate emergency and global sustainability issues means countries, investors, and corporates are stepping up their commitments and working to bring positive change.

This shift in awareness and resulting increase in expectations has highlighted the growing importance of transparency as a key to ensuring accountability to stakeholders, helping to improve communication and increasing loyalty and trust. Further to this, sustainability reporting is a useful risk and opportunity management tool helping to generate savings, enhance returns and improve decision making to deliver improvements to our shareholders, clients and wider society.

Consequently, we have developed the following sustainability report. This Report gives a high-level overview of the Company's sustainability strategy, commitments, targets and associated performance over the 2021/2022 reporting period, from an environmental, social and governance (ESG) perspective. The Report follows a similar structure to the disclosures made in the Company's Annual Report and Accounts 2022, but provides further detail and enhanced reporting including; a strategy and progress update, details of the Company's newly developed net zero roadmap, key achievements from the year, detailed case studies, and an EPRA's Sustainability Best Practice Recommendations (sBPR) disclosure.

2.0 Overview

The Company recognises the importance of the real estate industry addressing ESG issues and the important role responsible property investment plays in supporting the transition to a net zero world.

The Company has committed to achieving net zero carbon by 2050 for all managed assets and has continued to make good progress with its ESG objectives and delivered improvements across most areas of its sustainability strategy. At the centre of this strategy, the Company is working with tenants, suppliers, service providers and local communities to deliver social and environmental value, alongside financial value, as well as supporting the United Nations Sustainable Development Goals (UN SDGs). Good governance and engagement with stakeholders in the Company continues to be at the forefront of the Company's activities as a listed and regulated investment company. During the year the Company progressed development of its Net Zero Carbon Commitment and Net Zero Carbon Roadmap, including its first Scope 3 Greenhouse Gas (GHG) Emissions report. The Company's Net Zero Carbon Roadmap outlines key projects and time-lines needed for the Company to achieve its target by 2050. Its delivery strategy specifies actions and measures for the pathway to net zero operations and developments, capturing performance improvement opportunities and gradually reducing the portfolio and corporate carbon footprints.

FOCUS AREA	TARGET
Health, Safety and Well-being	Continue to ensure all incidents are resolved within the required time-frame
	Achieve over 90% scores on Health & Safety Risk Rating across all managed properties
	Develop and implement a tenant and community engagement programme to promote health and well-being initiatives
	Achieve GOLD Standard for disclosing in line with EPRA sBPR
	Achieve 3-star GRESB rating
	Align the Company's sustainability objectives with the UN SDGs
	Strengthen alignment with the TCFD recommendations
Managing Environmental Impacts	Develop and implement sustainability action plans for all operationally managed assets
	Procure 100% renewable electricity for landlord-controlled common areas
	Achieve 10% reduction in like-for-like energy intensity for our managed offices, measured against 2019 baseline, m3/ m2
	Develop a pathway for achieving Net Zero carbon in operation
	Maintain zero waste to landfill
	Improve measurement of water consumption and waste management
Sustainable Building Design	Commit to and promote a set of chosen standards for sustainable design for New Construction, Fit Out and Refurbishment
	Engage occupiers to support the delivery of their sustainability programmes for Fit Out and Refurbishment

*Targets revised in 2022, ensuring that the overarching goals are well supported, and target year moved to 2023 where relevant.

Disclosure of the Company's GHG emissions and EPRA Sustainability Performance measures can be found on pages 18-21.

This year the Company completed its first Strategic Report physical climate-related risk assessments, covering 10 retail warehouse assets. These identify and assess the risks associated with the transition to a low carbon economy. To support the Company's goals within its four focus areas, the ESG objectives have been integrated into Asset Sustainability Plans (ASPs) for its multi-tenanted properties, with good progress made against them. These plans outline specific targets and initiatives for all operationally managed assets, aimed at improving environmental efficiency, health and well-being, and tenant and community engagement on environmental and social issues. Example initiatives include habitat creation, the installation of bug hotels and planters, LED lighting replacements, metering upgrades and installation of EV charging points. The Company has also supported charitable initiatives throughout the year. The Company intends to expand these initiatives. The progress made during the period has been recognised externally, most notably by GRESB which awarded the Company a 2-star rating. This is an improvement on the scores received in prior years. It has increased by 17 points from 52 in 2020 to 69 in 2022. The Company has also been awarded the EPRA sBPR Gold Award for the third consecutive year. In the upcoming year, the Company will continue to implement initiatives in line with its Net Zero Carbon Roadmap. As part of the plan, the Company is aiming to promote and engage occupiers on sustainable construction, fit out and refurbishment standards.

Health, Safety and well-being

Ensuring safety, and promoting well-being to staff, tenants and members of the public across the portfolio.

Managing environmental impacts

Minimising negative environmental impacts through proactive management of energy, waste, water, materials used, and associated carbon emissions across the portfolio.

Sustainable building design

Applying sustainable design principles into development and refurbishment strategies to create places that are efficient, healthy, comfortable, productive and resilient.

ESG disclosure and transparency

Committed to open and transparent disclosure of our operational performance, and its wider impacts.

3.0 Sustainability Strategy - Progress Update

In 2020, we set fifteen annual and long-term targets to support our strategic ESG objectives and drive performance across the four focus areas. Each year the targets are reviewed, with progress reported to the Board regularly by the Investment Manager. The table below outlines the progress that the Company has made against these targets throughout 2022.

PROGRESS KEY:

▲ Achieved

▶ Ongoing

TARGET YEAR	2022 PROGRESS	
2020 onwards	▶	Ongoing – another year with no unresolved incidents within the required time-frame
2021 onwards	▲	All managed properties have achieved Gold or Silver rating (>90% score), with three assets with Gold rating in place. An improvement from last year.
2021 onwards	▲	Biodiversity and habitat creation initiatives have been instructed, with a new planter and bug hotel installed at Prestatyn
2021	▶	GOLD Award received for the Company since 2020
2023*	▲	Achieved a score of 69/100, a 10-point improvement from last year and gained a 2-star GRESB rating for the first time
2020	▶	The Company continues to align its ESG strategy and objectives to the UN Sustainable Development Goals
2020 onwards	▲	Completed physical climate risk modelling for 10 assets, focused on hazard identification and exposure, and undertook a portfolio transition climate-related risks and opportunities assessment. Please see page 13-16 for more details.
2021 onwards	▲	Annual Asset Sustainability Plans (ASP) review completed and continued implementing the improvement actions.
2023*	▲	A 6% increase from 83% in 2021 to 89% renewable energy purchased in 2022.
2023	n/a	Target is no longer relevant due to the portfolio changes and is being revised. New energy target for retail portfolio will be set in 2023.
2022*	▲	Net Zero Carbon roadmap developed this year, please see page 12 for more details.
2020 onwards	▶	Zero waste to landfill maintained
2021 onwards	▶	Implementation of SavlQ for environmental reporting and data quality checks completed
2021 onwards	▶	Limited new construction, fit out and refurbishments activity during 2022. In the process of developing for implementation for potential future projects.
2021 onwards	▶	Established a process for rolling-out green lease clauses to encourage information sharing and landlord - tenant cooperation on improving building performance.

RELEVANT SDGS

Case Study: Habitat Creation

Throughout the year, the ASPs supported the delivery of key habitat creation initiatives. The initiatives were planned in collaboration with site teams, with the aim of engaging the local community, improving well-being and supporting biodiversity.

In 2022, Prestatyn Retail Park carried out improvements works in the car park. A small planter bed was installed on the car park. In the centre of the bed, a bug hotel was also included made from recycled pallets and grasses. Bug hotels help supplement the loss of habit that occurs in urban spaces and bring much-needed refuge for insects where they can nest and hibernate safely. The bug hotel has been surrounded by 40 lavenders, a drought resistant plant that requires minimal water, while attracting pollinators such as butterflies, bees, and other helpful insects to the area.

Case Study: Electric Vehicle Charging Roll Out

In 2022, the Company announced the implementation of a rapid EV charging initiative across its portfolio.

Car journeys accounted for one fifth (19%) of the UK's total GHG emissions in 2019*. Of all fuel types and energy sources assessed, research has shown that battery electric vehicles produce the lowest GHG emissions, irrespective of road vehicle type and operation**. Through this scheme, the Company is supporting the UK transition to zero emissions vehicles by 2050.

The first hub of this initiative was Haddington Retail Park, East Lothian, where three 75kW DC rapid chargers were installed. The chargers are capable of dual charging, which means that up to six cars can benefit from high-powered charging at any one time, adding 100 miles in just 20 minutes. The hub is suitable for all rapid-charger enabled vehicles on UK roads today.

The provision of EV charging points, coupled with low emissions electricity supply, contributes towards decarbonisation of travel across the Company's managed properties. The increase in sustainable travel options such as EV charging also provide various co-benefits to tenants, shoppers and local communities, including improved local air quality, reduced noise pollution and the subsequent health benefits. With the demand for EV charging projected to increase, the Company is future proofing its portfolio while also providing a much-needed service to its customers.

**** Source: GOV.UK, 2018**

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1009448/decarbonising-transport-a-better-greener-britain.pdf

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/739460/road-to-zero.pdf

4.0 Net Zero Commitment & Roadmap

The real estate industry has a key role to play in the transition to a low carbon society, with buildings contributing up to 40% of global greenhouse gas emissions.

Responding to the climate emergency is crucial to the success of the Company and wider society by contributing to mitigation of climate change. Climate change is now on the Company's risk register, with its impacts now considered in business decision-making. The Company has assessed the individual climate-related risks it may face (more details on page 13) and decarbonisation of assets can contribute to future proofing against these risks by keeping ahead of changing legislation, market demands and societal expectations.

As part of our commitment to placing sustainability at the heart of our business strategy, the Company has committed to achieving net zero carbon by 2050 for all managed assets, with interim carbon reduction targets by 2030 to be formulated for Scopes 1 and 2 GHG emissions. The Company's strategy therefore covers net zero carbon in operation and embodied carbon from new developments, refurbishments and fit-out works, as well as corporate business travel.

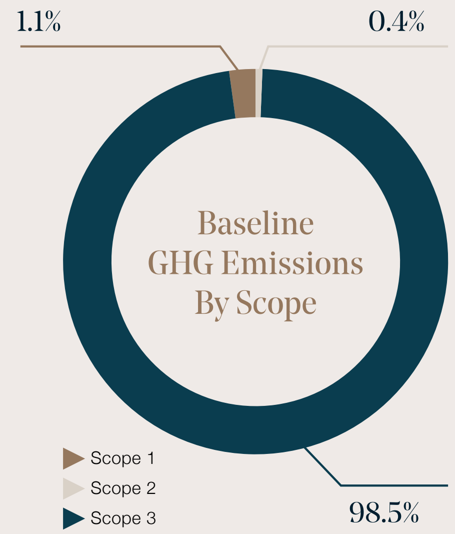
BASELINE GHG EMISSIONS BY SCOPE

The Company has committed to achieving net zero carbon by 2050 for all managed assets, with interim carbon reduction targets by 2030 to be formulated for Scopes 1 and 2 GHG emissions.

- **Scope 1** - Direct GHG emissions from landlord-controlled operations such as combustion of fuels in owned or controlled boilers and refrigerant gases.
- **Scope 2** - Indirect emissions from landlord purchased electricity, accounted using the market-based method.
- **Scope 3** - Other indirect emissions associated with the portfolio activities that are not captured within Scope 2. This includes emissions from purchased goods and services, landlord water use and waste generated, tenant purchased energy (downstream leased assets) and other fuel- and energy- related emissions.

Corporate GHG emissions in scope of the net zero carbon commitment relates to business travel, which is reported separately from the portfolio GHG emissions figures in the table below. During the baseline period, the Company had no direct or indirect corporate emissions, including no company vehicles, to be accounted as Scopes 1 and 2.

For the portfolio Scope 1 and 2 reporting methodology please refer to pages 18.



BUILDING OPERATIONAL GHG EMISSIONS		2022	%
Tonnes CO2e			
Our Net Zero Commitment Scope	GHG Protocol Category		
Landlord Purchased Energy	Scopes 1, 2 & Scope 3 Fuel- and Energy- Related Activities	180	1.5%
Tenant Purchased Energy	Scope 3 - Downstream Leased Assets	11,859	96.4%
Landlord Water	Scope 3 - Purchased Goods & Services	0.5	0.004%
Landlord Waste	Scope 3 - Waste Generated in Operations	0.9	0.008%
Landlord Refrigerants	Scope 1	-	0.0%
Purchased Goods & Services	Scope 3 - Purchased Goods & Services, Upstream Transmission & Distribution	261	2.1%
	TOTAL:	**12,301**	**100%**
	Total Operational Emissions CO2e per 1,000 sq ft	**7.9**	

Scope 3 emissions are reported in accordance with the revised edition of the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Corporate Value Chain (Scope 3) Standard. Purchased goods and services and capital goods cover embodied emissions from new developments, refurbishments and property management. The methodology used to estimate the supply chain emissions from purchased goods and services and capital goods is based on the Exiobase environmentally extended input output dataset. The input-output analysis is a top-down model able to take into account transactions between activities measured in monetary units and extend them at the environmental level in terms of GHG emissions.

Scope 3 tenant emissions were estimated based on the actual tenant energy use data obtained for 2021 and gap-filled using the Chartered Institution of Building Services Engineers benchmark, which provided the energy intensity by unit type and tenant operations across the office and retail properties. At present, the Company is unable to report emissions from tenant fit-out, whilst new construction and refurbishments activity was limited during 2022. The Company will engage its tenants and work to capture the embodied carbon data for future projects.

At present we are unable to report emissions from tenant fit-out, whilst new construction and refurbishments activity was limited during 2022. We will engage our tenants and developers and work to capture the embodied carbon data for future projects.

During the baseline period, the Company had no direct or indirect corporate emissions, including no company vehicles, to be accounted as Scopes 1 and 2. Corporate GHG emissions in scope of the Company's net zero carbon commitment relates to business travel, which will be reported from 2023.

NET ZERO ROADMAP

The Company's Net Zero Roadmap and delivery strategy provides specific actions, complimenting the Company's existing sustainability targets, to reach net zero carbon emissions. The roadmap follows a carbon management hierarchy that focuses on measurement, reduction and stakeholder engagement, with offsetting being introduced later, as the final option for the residual emissions in scope.

2022 | 2030 Interim Carbon Reduction Target | 2050 Net Zero Carbon

	Measurement	Engagement	Reduction	Renewables	Offsetting
BUILDING OPERATIONAL EMISSIONS Scope 1 + 2 + 3	Undertake a Scope 3 emissions assessment			Gradually switch towards 100% renewable electricity sources	Offset residual emissions
	Pilot an operational carbon emissions assessment for new acquisitions				
	Reduce operational energy demand through improved data measurement and operational efficiency				
		Influence occupiers to improve operational efficiency			
EMBODIED CARBON Scope 3	Pilot embodied carbon assessment for a new development and develop system to capture emissions data				
		Reduce embodied carbon of new developments and refurbishments			
		Influence occupiers to reduce embodied carbon of fit-out works			
CORPORATE EMISSIONS Scope 1	Reduce business travel emissions through better measurement and greener options				

RELEVANT SDGS

13 CLIMATE ACTION

7 AFFORDABLE AND CLEAN ENERGY

11 SUSTAINABLE CITIES AND COMMUNITIES

5.0 Climate-Related Financial Disclosures

The Company has prepared its disclosures addressing the eleven recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and it is largely consistent with the specific recommended disclosures for All Sectors. These disclosures are made on a voluntary basis. In this section climate-related governance and risk management processes are outlined and are aligned with the TCFD pillars for Governance. The disclosures for TCFD Strategy and Metrics and Targets pillars are consistent with most of the recommended disclosures. The climate-related risks and opportunities that have been identified over the short, medium, and long term have been described. The climate-related metrics, including Scope 1, 2 and 3 emissions and other performance indicators and targets are disclosed. The Company remains committed to further strengthening its alignment to the recommendations.

It will continue to assess the impact of the identified climate-related risks and opportunities on the Company's business operations, strategy and financial performance. Additional climate-related metrics will be considered when reviewing the delivery strategy of the Net Zero Carbon Roadmap. This would improve the Company's understanding of climate-related risk and opportunities, how they change over time, and thereby inform the investment strategy.

The Company remains committed to further strengthening its alignment to the TCFD recommendations

GOVERNANCE

The organization's governance around climate related risks and opportunities

MANAGEMENT'S ROLE IN ASSESSING AND MANAGING CLIMATE RELATED RISKS AND OPPORTUNITIES

The Company's approach to managing environmental impacts and its governance is outlined within the Company's Sustainability Policy. The Sustainability Working Group oversees the Sustainability Programme and management of climate-related risks and opportunities, to ensure risk management objectives are met and aligned with the overall business risk management framework. The Sustainability Working Group acts as a body to ensure the Company identifies and considers climate-related risks and opportunities. In light of emerging trends and new regulations, the Sustainability Working Group evaluates targets and advises on actions to help mitigate climate-related risks. The Sustainability Working Group is chaired by the Company's Chair and is attended by Imogen Moss, the Investment Manager, and independent sustainability advisers. It meets at least half-yearly and receives regular updates from the Investment Manager on day-to-day performance. Where required, internal stakeholders, such as asset managers, or external stakeholders are invited to Working Group meetings to provide updates and insights to support decision-making.

BOARD OVERSIGHT OF CLIMATE RELATED RISKS AND OPPORTUNITIES

The Investment Manager has the responsibility for the day-to-day performance management and implementation of the Company's Sustainability Policy, reporting at least half-yearly to the Sustainability Working Group and the Board. The Sustainability Working Group updates the Board regularly to help with considerations of climate-related risks and opportunities in decision making, including when guiding and reviewing strategy, business planning and risk management processes.

STRATEGY

The impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning

The Company acknowledges its increasing exposure to climate-related risks and opportunities, and the corresponding impacts. Climate change has been added to the Company's risk register. The assessment of climate-related risks and opportunities, and the impacts this has on the Company, are considered when making business decisions. In 2022, the Company completed its first physical climate risk assessment of 10 assets, as well as the portfolio transition risk assessment in line with the TCFD recommendations. The outcomes of both assessments help to inform the continuous improvement of the Company's risk register. This ensures that climate-related risks are appropriately captured, and addressed when asset level or portfolio level decisions are being made.

CLIMATE RELATED RISKS AND OPPORTUNITIES OVER THE SHORT, MEDIUM, AND LONG TERM

The Company has been working to improve its understanding of the climate-related and wider ESG impacts on its operations in the short (2025), medium (2030-2032) and long term (2050), and has evolved the strategy and approach in relation to climate change. The Company has identified climate-related risks such as potential damage to assets due to flooding, the increasing cost to upgrade buildings, compliance with new standards and regulations, and reputational risk. The Company has also identified climate-related opportunities, including the reduction of operational costs due to improvement in resource efficiency, declining cost of renewable energy, and the potential opportunities around changing customer preferences, especially where younger generations are considering greener investment options. The Company is committed to achieving net zero carbon by 2050, thereby managing future risks and supporting the transition to a low carbon economy. The Company's Net Zero Carbon Roadmap demonstrates the Company's efforts to mitigate climate change within its sphere of influence. Please refer to page 10-12 for details of the Company's Net Zero Carbon Commitment.

RISK MANAGEMENT

How the organisation identifies, assesses, and manages climate-related risks

The Audit and Risk Committee assesses the risks faced by the Company and ensures that appropriate mitigating controls are in place. Failure to manage ESG, including climate-related physical and transition risks, is one of the Company's risks and is governed by the Company's risk management processes. The Investment Manager and the Company's sustainability adviser update the Board on emerging ESG trends and risks on a regular basis. This process is supported through the development and use of ASPs. The ASPs are a tool to guide decisions making, as they evaluate environmental and social performance of properties and present actions for business planning.

PHYSICAL RISK ASSESSMENT

The Company understands that climate change generates material risks and opportunities, which can affect buildings' performance now and in the future. Assessing the physical climate change risks can help to inform creation of adaptation and mitigation measures and improve buildings' resilience.

The physical risk assessment looked at medium (2030) and longer term (2050 and 2100) time periods and was based on three of the Intergovernmental Panel on Climate Change Representative Concentration Pathways (RCP) scenarios. These were: – RCP2.6 – 2 Degree. A moderate scenario leading to warming at the end of the 21st century of probably less than 2°C, relative to the pre-industrial period. – RCP4.5 – Partial Mitigation. An intermediate scenario at the end of the 21st century of more than 2°C, relative to the pre-industrial period. – RCP8.5 – Most severe scenario leading to a warming at the end of the 21st century of probably more than 4°C, relative to the pre-industrial period. The work was supported by the Company's sustainability adviser, Savills Sustainability, who has been instructed to provide a report on the climate-related physical risks that apply or may apply to 10 selected assets within the Company's retail portfolio. Munich RE's 'Location Risk Intelligence Platform' was used to assess the hazard exposures for selected assets. The individual hazard scores and associated risk ratings were used to determine the climate change risk materiality for each hazard in scope of the assessment. The following climate hazards were included in this assessment: sea level rise, river flood, tropical cyclone, drought stress, precipitation stress, heat stress and fire weather stress. Overall, the portfolio assessed has shown a low-medium risk to physical hazards and corresponding potential impacts. One retail park in the assessment has shown a high risk that relates to sea level rise. This is due to its coastal location and low elevation. However, the asset is in an area protected by flood defences. The table below shows a summary of the model outputs under RCP 8.5 (Business as Usual) by 2050 for 10 assets selected for the first assessment.

RISK MANAGEMENT CONTINUED

How the organisation identifies, assesses, and manages climate-related risks

		NO RISK/LOW RISK		LOW		MEDIUM		HIGH	
PHYSICAL HAZARD	EXAMPLES OF POTENTIAL IMPACTS	2050	CHANGE	2050	CHANGE	2050	CHANGE	2050	CHANGE
River flood	Significant damage and repair costs	8	No change	-	-	-	-	2	No change
Tropical cyclone	Extreme damage to buildings and wider in infrastructure	10	No change	-	-	-	-	-	-
Drought stress	Soil subsidence affecting asset stability	5	+1	4	-2	1	+1	-	-
Precipitation stress	Significant damage and repair costs	-	-	8	-2	2	+2	-	-
Heat stress	Opportunity for structural deformation; energy costs due to cooling	3	-7	7	+7	-	-	-	-
Fire weather stress	Damage to infrastructure, damage and repair costs	3	-6	7	+6	-	-	-	-

i) The change between current baseline data and 2050 under RCP 8.5.

ii) Drought Current data is not available. As 2030 is closest to 2022 and RCP8.5 is the closest scenario to current GHG concentrations, the Drought Stress RCP8.5 2030 data values were used as the nearest possible data points.

The comprehensive assessment report informs the Company's approach to climate-related risks and its TCFD disclosures and includes site-specific summaries. Where risk was assessed to be medium or high, site-specific resilience assessments will be undertaken to more fully understand the implications and timeframes. A workshop was held to present the findings of the report to the Company's investment and asset managers, as well as the Finance Director. In addition, the Sustainability Working Group and Board have been informed about the results of the assessment.

TRANSITION RISK ASSESSMENT

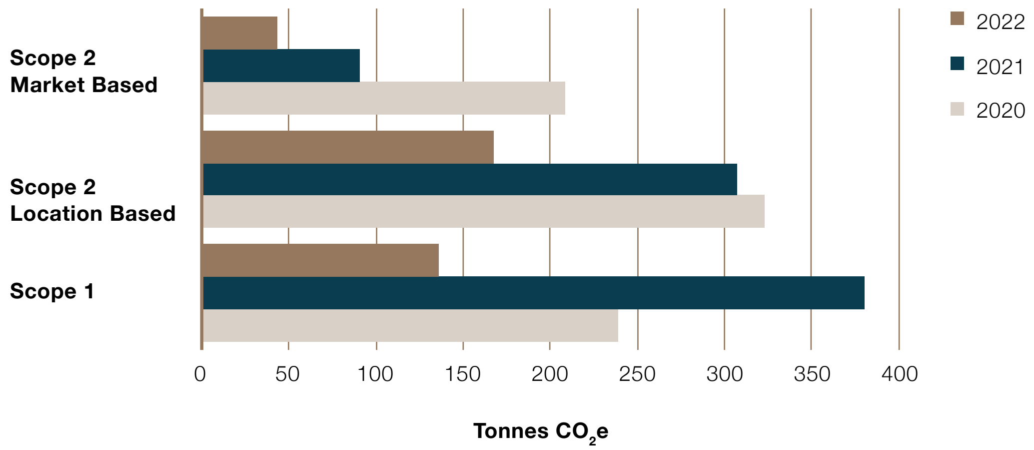
To assess the materiality of the potential transition risks identified, the Company held a workshop session led by independent sustainability advisers and attended by the Investment Manager. The assessment was then completed through in-depth discussions led by the Investment Manager. Main climate change transition risks and opportunities identified by the Company relate to policy and regulation, market and social changes, and reputation. These risks were assessed for the short (2025) and medium term (2032). The risk assessment was conducted based on the existing risk management scoring methodology, which considers the likelihood and impact associated with the identified risks. Mitigation measures include the Company's development of a Net Zero Pathway, and the development of fit out and refurbishment standards for sustainable design. The Company continues to monitor and ensures compliance with the current and emerging legislative requirements in relation to energy efficiency and climate change. A total of 45% (2021, 39%) of the assessed portfolio holds A – B Energy Performance Certificate (EPC) ratings. 32% holds grade C ratings. There are currently two units still graded F – G and the Company will seek to take corrective action to improve the performance of such units, so to ensure that the portfolio is well placed to address the compliance requirements with the Minimum Energy Efficiency Standard.

METRICS AND TARGETS

Disclosure of the metrics and targets used to assess and manage relevant climate-related risks and opportunities

Disclosure of the Company's Scope 1 and 2 GHG emissions and EPRA Environmental Performance measures can be found on pages 61 to 64. In 2022, the Company has reported its Scope 3 GHG emissions for the first time. The Company's portfolio operational Scope 3 emissions include the indirect GHG emissions resulting from the purchase and procurement of goods and services, as well as from tenant purchased energy. While they are under the indirect influence of the Company, it acknowledges the importance of measuring and monitoring Scope 3 emissions, and identifying ways to incentivise tenants, suppliers and other value chain partners to reduce emissions under their direct control.

SCOPE 1 AND 2 GHG EMISSIONS (2020-2022)



The Company set targets to manage its environmental impacts, including targets for renewable energy procurement, energy intensity and a pathway for achieving net zero carbon in operation, and in embodied carbon from new developments, refurbishments and fit-out works as well as in corporate business travel.

6.0 Summary & Key Achievements

2022 Performance Update

17% like-for-like decrease in total energy procured by landlord

25% like-for-like decrease in landlord Scope 1 & 2 GHG emissions

100% waste diverted from landfill

11 Asset Sustainability Plans in place

>90% scored on health and safety risk ratings for all managed properties

>1000£ raised for charity at managed sites

Key Achievements

GRESB REAL ESTATE SUSTAINABILITY BENCHMARK
Achieved a 69/100 score in the 2022 assessment, a ten-point improvement from 2021. This is a total of 17 points increase since the first submission in 2020, when the score was 52.

GRESB
Retained 'Green star' designation and achieved a 2-star GRESB rating.

EPRA SUSTAINABILITY BEST PRACTICE RECOMMENDATIONS
Retained the Gold Award for the third year.

GRESB Rating

2022 Performance Metrics

The metrics in this table fulfil the Streamlined Energy and Carbon Reporting requirements. Further details on the methodology used can be found on pages 18, and details on energy efficiency measures completed in the reporting year on pages 6-8. 100% of the metrics relate to activities in the UK.

METRICS	UNIT	2020	2021	2022	ABSOLUTE CHANGE 22 VS 21	LIKE-FOR LIKE CHANGE 22 VS 21
Total Landlord energy procured	MWh	2,685	3,512	1,622	-54%	-17%
Total landlord scope 1 & 2 GHG emissions	tCO2e	562	687	304	-56%	-25%
Total landlord scope 1 & 2 GHG emissions intensity	tCO2e/£m net rental income	27.8	34.1	18.8	-45%	-
Total landlord water consumption	m3	7,318	3,048	1,288	-58%	-33%
Percentage of waste recycled or reused	%	27	29	33	14%	-4%
% Rental units achieved EPC rating of 'C' or above	%	87	72	81	13%	-

7.0 EPRA sBPR

SUSTAINABILITY PERFORMANCE

The Company recognises that its activities have both direct and indirect environmental and social impacts, and it is committed to operating in a responsible and sustainable manner. The Investment Manager acquires and manages properties on behalf of the Company and has responsibility for the day-to-day management and implementation of the Company's Sustainability Policy. Progress on implementing the Sustainability Policy is disclosed within the Sustainability Report on pages 16 to 23. The Company aligns its disclosure of sustainability performance with the majority of the EPRA sBPR. The Company continues to report the GHG emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard.

REPORTING METHODOLOGY

The Company's reporting boundary is based on the principle of operational control, meaning that GHG emissions are accounted for where the Company has the authority, via its managing agents, to introduce and implement its operating policies and procedures. Using this principle, emission activities within assets held by the Company are excluded where there is limited or no operational control. Examples of this includes instances where tenants are responsible for their own supply of utilities, heating and waste disposal. The Company is externally managed and does not occupy any offices for its business activities, nor does it own or lease any vehicles. We aim to report as complete and accurate data as feasible and practicable. Where data was found to be partially incomplete for a specific period, and actual consumption was available for the other periods to predict the missing usage with reasonable confidence, we have taken a daily consumption figure and multiplied it by the missing number of days to estimate the data gaps. As such, the data is then a sample of comparative data from a similar period historically. Where this is not possible, the assets with incomplete data sets were excluded from the report unless noted otherwise. Please see 'Disclosure coverage – number of properties' on pages 62 to 64 for information of our environmental data coverage. Scope 1 and Scope 2 location-based GHG emissions were calculated using the UK Government GHG Conversion Factors for Company Reporting for the respective reporting periods. Scope 2 market-based GHG emissions were calculated using the European Residual Mixes factors (version 2018) and the zero emissions factor for the Renewable Energy Guarantees of Origin backed electricity supplies. The proportion from renewable sources is based on renewable energy purchases. There was no on-site renewable energy generation to account for in 2021 and 2022. The intensity ratios for energy and water are expressed as landlord procured utility per net lettable floor area. Net rental income was selected as a basis for Direct and Indirect (Scopes 1 and 2) GHG emissions intensity. Only assets that were owned and managed during the full reporting year (12 months), with sufficient data availability, were included in the calculation of emission intensity. The environmental and social performance data was reviewed and checked by Savills (UK) Limited, acting as sustainability consultants. No restatements to 2021 datasets published last year were made, apart from for the water dataset, which has been restated due to increased availability of data.

ENVIRONMENTAL PERFORMANCE MEASURES

In 2022, the Company procured 1,622 MWh of energy for use across the managed offices and retail properties, which is a 54% absolute decrease and 17% like-for-like decrease compared with 2021. The comparatively lower energy use is largely linked to the disposal of several assets, vacant assets, issues with a power supply due to roadworks as well as installation of energy efficient equipment and behavioural changes on-site. Further to this, total water consumption saw a like-for-like reduction of 33% largely due to the deactivation of a water meter at one asset. Scopes 1 and 2 GHG emissions for the year to 30 September 2022 total 303.6 tonnes CO_2 e (2021: 686.9 tonnes CO_2 e). The Company's like-for-like Scopes 1 and 2 emissions decreased by 25% accordingly. The decrease in the Scope 2 market-based emissions reflects the increase in renewable electricity procured at sites included in the like-for-like comparison. The renewable electricity purchases accounted for 87% of the total electricity purchased during the year (2021: 84%). Further to this, the renewable electricity purchases just for landlord controlled common areas excluding vacant units saw an increase of 5% in 2022 and now accounts for 89% of the total electricity purchased for common areas (2021: 84%). Over the past two years, the Company developed ASPs for 11 assets for which it has operational control. This enables it to identify potential opportunities to enhance the overall sustainability performance of its portfolio. The reporting scope for waste covered six assets. The remaining assets are not included in the reporting scope for waste due to either the Company only managing litter picking and landscaping at the site or a lack of available waste data at the site. In 2022, the total managed and reported waste was 66.1 tonnes, of which 33% was re-used or recycled and none sent directly to landfill.

GREENHOUSE GAS EMISSIONS (tCO^{2}e)

EPRA INDICATOR		MANAGED PORTFOLIO							LIKE-FOR-LIKE		
		2021			2022			% CHANGE	2021	2022	% CHANGE
		OFFICES	RETAIL	TOTAL	OFFICES	RETAIL	TOTAL				
Direct emissions GHG-Dir-Abs, GHG-Dir-LfL	Scope 1*	380.0	0	**380.0**	136.0	0	**136.0**	**-64%**	-	-	**0%**
Indirect emissions GHG-Indir-Abs, GHG-Indir-LfL	Scope 2 - location based**	184.3	122.5	**306.8**	52.8	114.7	**167.5**	**-45%**	121.0	91.2	**-25%**
	Scope 2 - market based**	4.0	86.8	**90.8**	5.7	37.7	**43.4**	**-52%**	84.8	37.3	**-56%**
Total Direct and Indirect	**Scopes 1 and 2**	**564.4**	**122.5**	**686.9**	**188.8**	**114.8**	**303.6**	**-56%**	**121**	**91.2**	**-25%**
	Disclosure coverage - number of properties	2 of 2	7 of 9	**9 of 11**	2 of 2	11 of 11	**13 of 13**	**-**	-	-	-
GHG emissions intensity GHG-Int	Scopes 1 and 2, tonnes CO2e/ £million net rental income***	28.0	6.1	**34.1**	11.7	7.1	**18.8**	**-45%**	-	-	-

* Scope 1: Direct GHG emissions from controlled operations such as combustion in owned boilers.

** Scope 2: Indirect GHG emissions from the use of purchased electricity, heat or steam.

*** Scope 2 location-based emissions are used for reporting total emissions and GHG emissions intensity.

ENERGY CONSUMPTION (MWh)

EPRA INDICATOR		MANAGED PORTFOLIO						LIKE-FOR-LIKE			
		2021			2022			% CHANGE	2021	2022	% CHANGE
		OFFICES	RETAIL	TOTAL	OFFICES	RETAIL	TOTAL				
Electricity Elec-Abs, Elec-LfL	Landlord controlled areas	868	577	**1,445**	273	593	**866**	**-40%**	570	474	**-17%**
	Proportion from renewable sources – all landlord-controlled areas	99%	60%	**84%**	95%	83%	**87%**	**3%**	61%	79%	**18%**
	Proportion from renewable sources – landlord controlled common areas	100%	61%	**84%**	100%	84%	**89%**	**5%**	100%	100%	**0%**
Fuels Fuels-Abs, Fuels-LfL	Landlord controlled areas	2,067	0	**2,067**	756	0	**756**	**-63%**	-	-	**0%**
	Proportion from renewable sources	-	-	**-**	-	-	**-**	-	-	-	-
Total energy*	**Total landlord procured**	**2,935**	**577**	**3,512**	**1,029**	**593**	**1,622**	**-54%**	**570**	**471**	**-17%**
	Proportion estimated	0%	2%	**1%**	6%	11%	**8%**	-	-	-	-
	Disclosure coverage - number of properties	2 of 2	7 of 9	**9 of 11**	2 of 2	11 of 11	**13 of 13**	-	-	-	-
Energy intensity Energy-Int	Landlord procured, kWh/ m2	190.5	7.3	**-**	66.7	7.6	**-**	-	-	-	-

*There are no district heating and cooling systems in place (DH&C-ABS, DH&C-LFL).

WATER CONSUMPTION (m^3)

EPRA INDICATOR		MANAGED PORTFOLIO							LIKE-FOR-LIKE		
		2021			2022				2021	2022	% CHANGE
		OFFICES	RETAIL	TOTAL	OFFICES	RETAIL	TOTAL	% CHANGE			
Water Water-Abs, Water-LfL	**Landlord procured**	**2,669**	**379**	**3,048**	913	375	**1,288**	**-58%**	214	145	**-33%**
	Proportion estimated	0%	0%	**0%**	39%	8%	**30%**				
	Disclosure coverage - number of properties	2 of 2	4 of 6	**6 of 8**	2 of 2	4 of 6	**6 of 8**	-	3 of 6	3 of 6	-
Water intensity Water-Int	Landlord procured, m3/ m2	0.17	0.00	**0.03**	0.06	0.005	**0.01**	-	-	-	-

WASTE MANAGEMENT (Tonnes)

EPRA INDICATOR		MANAGED PORTFOLIO							LIKE-FOR-LIKE		
		2021			2022			% CHANGE	2021	2022	% CHANGE
		OFFICES	RETAIL	TOTAL	OFFICES	RETAIL	TOTAL				
Total weight of waste by disposal route Waste-Abs, Waste-LfL	Recycled or Re-used	10.5	17.6	**28.1**	8.5	13.1	**21.6**	**-23%**	17.6	13.1	-25%
	Incineration with energy recovery	45.1	23.5	**68.6**	22.9	21.6	**44.5**	**-35%**	24.2	21.6	-11%
	Sent to landfill	-	-	**-**	-	-	**-**	**-**	-	-	-
	TOTAL	**55.6**	**41.1**	**96.7**	**31.4**	**34.7**	**66.1**	**-32%**	**41.8**	**34.8**	**-17%**
	Proportion estimated	-	-	**-**	-	-	**-**	**-**	-	-	-
	Disclosure coverage - number of properties	2 of 2	4 of 10	**6 of 12**	2 of 2	4 of 10	**6 of 12**	**-**	-	-	-
Proportion of waste by disposal route Waste-Abs, Waste-LfL	Recycled or Re-used	19%	43%	**29%**	27%	38%	**33%**	**4%**	42%	38%	-4%
	Incineration with energy recovery	81%	57%	**71%**	73%	62%	**67%**	**-4%**	58%	62%	4%
	Sent to landfill	0%	0%	**0%**	0%	0%	**0%**	**-**	0%	0%	0%

BUILDING CERTIFICATION

EPRA INDICATOR		2021		2022	
		NUMBER OF UNITS	% FLOOR AREA	NUMBER OF UNITS	% FLOOR AREA
Energy Performance Certification (EPC's) Cert-Tot	A - B rated	45	40%	64	45%
	C - E rated	69	59%	66	53%
	F - G rated	2	2%	2	1.5%
	Disclosure coverage - % of NLA		99%		100%

SOCIAL PERFORMANCE MEASURES

The Company reported on all applicable EPRA sBPR social performance metrics. For 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			2021	2022
GENDER DIVERSITY* DIVERSITY-EMP	**BOARD OF DIRECTORS**	**FEMALE**	**25%**	**40%**
		MALE	**75%**	**60%**
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	Ediston Property Investment Company plc is an externally managed investment company. All of the Company'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%	100%
Asset health and safety compliance H&S-Comp	Number of incidents; unresolved within the required time-frame		0	0
Community engagement, impact assessments and development programmes Comty-Eng	Proportion of assets		0%	38%

* Gender diversity ratio as at 31st September 2022.

GOVERNANCE PERFORMANCE MEASURES

		2021	2022
Composition of the highest governance body Gov-Board	Number of executive Board members	0	0
	Number of independent/non-executive Board members	4	5*
	Average tenure on the governance body	5.1	6.1
	Number of independent/non-executive Board members with competencies relating to environmental and social topics	2	2
Process for nominating and selecting the highest governance body Gov-Selec		Refer to page 50 in the 2022 Annual Report and Accounts	
Process for managing conflicts of interest Gov-Col		Refer to page 58 in the 2022 Annual Report and Accounts	

* Karyn Lamont Joined the Board on 1 September 2022.

BUSINESS ETHICS

As an investment vehicle the Company does not provide goods or services in the normal course of business and does not have customers. Accordingly, the Directors consider that the Company does not fall within the scope of the Modern Slavery Act 2015 and is not, therefore, obliged to make a slavery and human trafficking statement. In any event, the Company considers its supply chains to be of low risk as its suppliers are typically professional advisers. In line with the requirements of The Criminal Finances Act 2017, the Directors confirm that the Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion. In order to ensure compliance with the UK Bribery Act 2010, the Directors confirm that the Company has zero tolerance towards bribery and a commitment to carry out business openly, honestly and fairly. In considering the appointment of Directors, the Company will continue to show no bias for age, gender, race, sexual orientation, marital status, religion, nationality, ethnic or national origins, or disability.

Sustainability Report

1 October 2021 - 30 September 2022

ediston

Property Investment Company plc