Task Force on Climate-related Financial Disclosures (“TCFD”) Report

Statement of the extent of consistency with the TCFD framework

We have prepared our annual climate-related financial disclosure consistent with the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations and recommended disclosures.

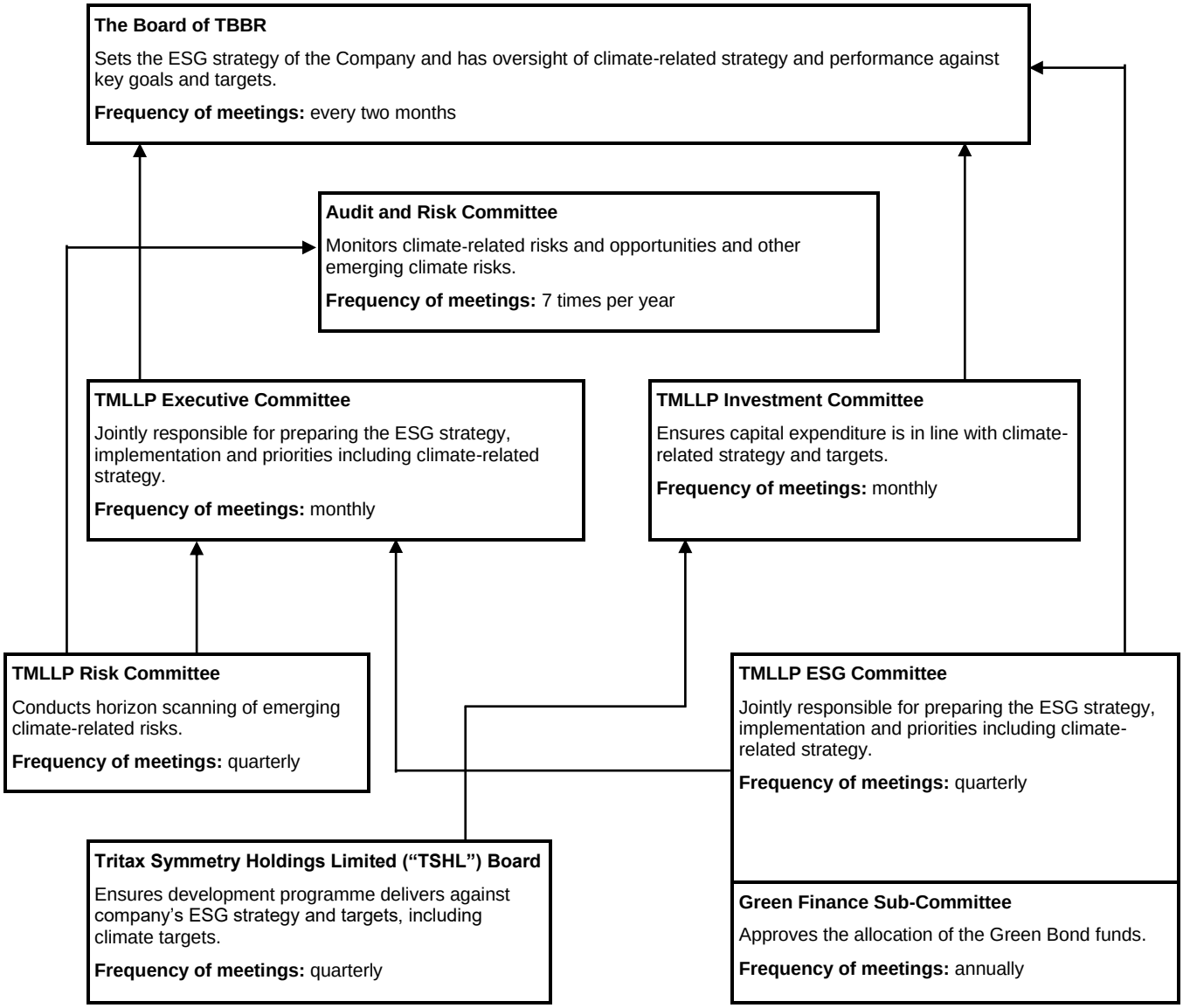
The disclosure reflects the 2021 Annex to the Recommendations of the TCFD “Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures” section C (Guidance for All Sectors) and part 3, section D (Supplemental Guidance for the Financial Sector – Asset Managers). Plans to enhance specific aspects of the disclosure in future reporting periods are noted where relevant, particularly in Strategy – Recommended Disclosures b) and c) regarding the quantification of the impact of climate-related issues on financial performance and financial position and plans for transitioning to a low-carbon economy.

All climate-related financial disclosures can be found below, following the TCFD’s four pillars – governance, strategy, risk management, and metrics and targets. Where disclosures do not currently fully align with the TCFD recommendations, we provide a rationale for why and outline the steps being taken to make consistent disclosures in the future in the relevant sections below.

TCFD consistency table

Thematic area	Recommended disclosure	Consistency note	Signposting beyond TCFD report
Governance	Describe the Board’s oversight of climate-related risks and opportunities.	Consistent	Corporate Governance Report on pages 76 to 114
	Describe management’s role in assessing and managing climate-related risks and opportunities.	Consistent	Corporate Governance Report on pages 76 to 114
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Consistent	
	Describe the impact of climate-related risks and opportunities on the organisation’s business, strategy and financial planning.	Partially consistent Developing quantitative approach to impact of risks and opportunities	
	Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Consistent	
Risk management	Describe the organisation’s processes for identifying and assessing climate-related risks.	Consistent	
	Describe the organisation’s processes for managing climate-related risks.	Consistent	Risk Management section
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management.	Consistent	Physical and transition risks are included as part of the Company’s Principal Risks and Uncertainties section on pages 56 to 61
Metrics and targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Consistent	
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (“GHG”) emissions and the related risks.	Consistent	Scope 1, Scope 2 and material Scope 3 emissions are disclosed in the SECR disclosure on page 73 in addition to the Metrics and Targets table
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Consistent	The broader ESG targets, including net zero carbon targets, are disclosed in the ESG section on page 36

Governance of climate-related risks and opportunities



Governance

Board oversight of climate-related risks and opportunities

The Board of TBBR is responsible for setting the strategy of the Company and in May 2020 agreed a three-year ESG strategy and framework, which encompassed ESG goals and metrics. The targets were refreshed and brought forward in 2023 in order to more greatly align with the Company's peers and customer base. Climate change is ranked as the most material ESG issue for the Company and is a principal risk to the business. This was determined through a materiality exercise undertaken by a third party that included engagement with the Board and Tritax Management LLP (the "Manager").

The Manager's ESG Committee is responsible for monitoring trends, developments, risks and opportunities in relation to climate-related issues and any material changes are ultimately reported up to the Board through the Manager's ESG Director. The Board receives updates from the Manager's ESG Director at every Board meeting, which occurs at least quarterly, where climate change and the progress against the Company's ESG targets and goals are discussed and monitored. The Board receives other relevant briefings, such as market updates, regulatory updates, and investor and analyst feedback. Initiative progress reports are also provided and include updates on the ESG programme, including ESG rating submissions, green building certifications, green finance and climate transition planning, as well as renewable energy opportunities and carbon risk analysis. The Manager's ESG Director, Legal Counsel, secretariat and Risk and Compliance Officer monitor climate-related transition risks relating to legislation and regulation and update the Manager's Executive Committee and Audit and Risk Committee of the Board at least bi-annually on climate-related risks and opportunities facing the Company, which forms part of the Audit and Risk Committee's ongoing work on risk.

The Board undertakes a detailed analysis of its ESG strategy once a year and completes regular ESG reviews with Karen Whitworth, Senior Independent Director of the Company determined as the Board's "ESG Champion". The ESG Champion regularly meets with the Manager's ESG Director to discuss ESG issues including climate-related risks and opportunities facing the Company and reports back to the wider Board as necessary.

Through the process of regular reporting by the ESG Director and ESG Champion to the Board, in addition to ad hoc training, the Board considers climate-related issues when reviewing and guiding strategy, risk management policies, annual budget and business plans. In addition, climate-related issues are considered when setting performance objectives within the Manager.

The Manager engages specialist consultants on an ad hoc basis to provide executive briefings on sustainability and climate change. This year, the Board and the Manager received third-party training on the impacts of ESG performance on real estate asset liquidity.

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

The Manager has an established an ESG Committee which is jointly responsible with the Manager's Executive Committee for the delivery of the ESG strategy, including climate change and its associated risks and opportunities. The ESG Committee is chaired by the Head of Asset Management, Petrina Austin, who is ultimately responsible for climate change reporting and monitoring amongst the management team. The ESG Director is an integral member of the Committee with onward reporting to the Company's Board and to the Manager's Executive Committee. The ESG Committee also oversees the activities of several subcommittees which focus on different topics related to ESG – Property, Green Finance and Wellbeing and charity.

The ESG Director is responsible for the assessment and management of climate-related risks and opportunities on a day-to-day basis, where appropriate engaging internal stakeholders (e.g. asset and property managers) or external parties (e.g. customers and investors) to support this effort. Monitoring of climate change issues is supplemented by executive briefings from specialist consultants and through the Company's membership of the UK Green Building Council ("UKGBC") and participation in ESG-related investor working groups.

Climate-related risks and opportunities are embedded into the Manager's investment processes through technical due diligence assessments undertaken on each asset by specialised property consultants, which inform the investment decisions of the business. Any specific risks and opportunities relating to climate change, such as flooding or solar capabilities, are raised with the relevant asset manager and reported to the Investment Committee, through Investment Committee and Acquisitions Reports. As part of the TCFD workstream, an expert third party has also analysed the greenhouse gas emissions performance and stranding risk of individual assets using the Carbon Risk Real Estate Monitor ("CRREM") tool, and this will be undertaken for any acquisitions going forward.

Tritax Symmetry Management Limited undertakes project specific and ongoing risk assessments which incorporate climate-related risks and opportunities into the planning for new developments and sites. The risks feed into the development risk register which is reported and reviewed by the Tritax Symmetry Holdings Limited ("TSHL") board which is a major subsidiary of the Company.

Strategy

This updated TCFD disclosure deepens our analysis of climate-related factors and their potential impact on our operations and financial performance across short, medium, and long-term horizons. Our analysis has confirmed that climate risks are not expected to materially impact the business in the future; however, we continue to monitor our exposure to policy and market transition risks given the rapidly evolving landscape. To date, the Company has not been exposed to any financially material climate-related risks, such as extreme weather events or regulatory changes related to carbon emissions. The scenarios considered within our climate assessments are outlined in Table 2.

Our analysis considers climate risks and opportunities across three time horizons; short term (up to 1 year), medium term (2-5 years) and long term (6-15 years). Descriptions of how we have aligned the time horizons to our business strategy and which data has supported our assessment of these climate-related risks and opportunities is set out below.

Table 1 Business 'time' horizons

Time horizons	Explanation for the choice of time frame	Climate data used to inform assessment of risk on our strategy and financial planning
Short term – up to 1 year	Aligned with going concern	Baseline climate datasets are used to assess level of risk exposure to our business
Medium term – from 2 to 5 years	Aligned with viability period used for the Company's medium term business plans and individual asset performance analysis	Climate projections for physical and transition risks for the 2030s are used to understand the impact of acute (extreme weather events) physical risks and transition risks which may need to be addressed as part of our strategy
Long-term – from 6 to 15 years	Aligned with the usual hold period, WAULT and average lease term on new buildings	Climate projections for the 2050s are used to inform the potential impact of longer term risks and opportunities to our business, enabling us to consider where actions may be required to mitigate and adapt to a changing climate

The transition risks were identified and tested against scenarios from the Network for Greening the Financial System ("NGFS"), whilst physical climate risks were assessed against the Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathway ("RCP") scenarios for atmospheric greenhouse gas ("GHG") emissions from the IPCC 5th round of assessment reporting (IPCC, AR5, 2014). These scenarios were selected because transition risks are generally most severe under a lower level of temperature rise, whereby the world transitions to a low carbon economy whereas physical risks are projected to be most severe under a high carbon world where temperature increase in higher and more extreme weather events occur.

Details of the scenarios used are set out below.

Table 2 Climate scenarios considered

Physical risk scenarios		Transition risk scenarios	
Three scenarios were selected to assess the Company's resilience to a range of possible futures.			
RCP8.5	a high emissions scenario with no policy changes, increasing GHG concentrations, and a temperature increase of around 4°C	**NGFS1 'Current Policies' Scenario**	assumes a >3°C temperature rise. Current climate policies will remain in place. Technological progress occurs, but slower than in more ambitious scenarios
RCP4.5	an intermediate emissions scenario with relatively ambitious emissions reduction, likely overshooting the Paris Agreement temperature target	**NGFS 'NDCs' Scenario**	assumes a 2°C-3°C temperature rise, in line with countries nationally determined contributions ("NDCs"). Moderate policy intervention and slow technological change
RCP2.6	a moderate scenario with emissions peaking early in the 21st Century and declining after, assuming a warming of less than 2°C	**NGFS 'Below 2C' Scenario**	limits global warming to <2°C through aggressive action against climate change, assuming early introduction of climate policies and moderate technological change

Physical risks

The physical climate risk assessment undertaken for the entire portfolio shows that all assets are likely to experience an increased likelihood of climate hazard occurring in the future. This increased likelihood will be greater for higher levels of warming. In addition to climate hazard likelihood changing with climate scenario, the assessment also highlighted a notable regional trend for most climate hazards. Assets located in the south-east of the UK are likely to experience greater exposure to heat stress, drought stress and fire weather stress in the future, whereas exposure to precipitation stress is likely to be greatest for assets located in the north-west. Exposure to flood risk is entirely dependent on distance from rivers and the sea and site topography and characteristics.

Regardless of regional differences in the hazard exposure, the overall impacts from physical climate risks are considered to be the same owing to the high level of adaptive capacity built into the design and ongoing maintenance of assets within the portfolio.

The table below describes the impact physical climate related risks on the business.

Table 3 Climate-related physical risks

Type of risk	Impact level across climate time horizons: Short term	Medium term	Long term	Potential financial impact	Planning, management and strategy
Acute physical risk					
Flooding events (river, surface water and coastal)	RCP 4.5 and RCP 8.5 ▼	▼	–	Cost of repairing assets, increased maintenance and building costs Increased insurance costs from extreme weather events such as flooding and damage from high winds Loss of value of buildings Our current portfolio is considered to be resilient to flood risk in the short- to medium-term	Incorporation of flood mitigation measures into design of planned developments including flood risk assessments for all new acquisitions and new developments Asset management have proactive plans in place to deal with events if they arise Asset managers carry out annual monitoring processes at all assets to check for signs of damage from extreme weather events
Heavy rainfall events	RCP 2.6 ▼	▼	▼		
	RCP 8.5 ▼	▼	–		
	RCP 2.6 and RCP 4.5 ▼	▼	▼		
Drought stress, fire weather stress and cold weather events	RCP 2.6, RCP 4.5 and RCP 8.5 ▼	▼	▼	Our assets are not water intense or impacted by fire weather events Assets that are exposed to possible drought stress have appropriate measures in place to minimise water consumption Our assets are not considered to be exposed to fire weather Cold events are not projected to become more severe in future and we consider all assets to be resilient against the effects of cold weather Financial impact to our business from these hazards is considered to be minimal	Sustainable construction commitments also include reducing potable water consumption in alignment with BREEAM New Construction requirements Installing water efficient fittings and leak detection and monitoring systems to check and proactively manage water consumption
Heat stress	RCP 8.5 ▼	▼	▼	Our assets are considered to have a low sensitivity to heat stress, with mechanical ventilation included in all office areas and natural ventilation in warehouse areas There is likely to be limited need to upgrade cooling equipment across the portfolio and energy efficiency measures are assessed as part of the transition risk assessment The financial impacts on the business from heat risk is low	The Manager's New Construction Sustainability Brief sets out design measures to maximise adaptation to extreme heat, including optimising the buildings for thermal regulation, investing in natural cooling and passive ventilation systems and prioritising the use of low-energy LED lighting
	RCP 4.5 ▼	▼	▼		
	RCP 2.6 ▼	▼	▼		
Chronic physical risk					
Sea level rise	RCP 2.6, RCP 4.5 and RCP 8.5 ▼	▼	▼	Sea level projections do not increase significantly in the first half of the 21st Century The entire portfolio is projected to have a low exposure to sea level rise in the short-, medium- and long-term horizons The associated financial impact to the business from rising sea levels is considered to be small	Financial appraisals of acquisitions, refurbishments and development include mitigations to physical climate risks, including flood risk assessments for all new investments Where risks are identified, we take a proactive approach to mitigation them The Company considers existing and future flood defences to assess protection of assets and the surrounding area

▼ Low – Moderate ▲ High

Transition risks

Last year, the Company conducted a transition risk assessment of the portfolio utilising the Carbon Risk Real Estate Monitor ("CRREM"). The assessment considered the current net zero target date for Scope 1 and 2 emissions as well as the analysis timeframe extending to the year 2050. This assessment identified assets that were at risk of stranding, allowing the Company to proactively manage this risk.

This year we have further expanded the analysis of our transition risks and opportunities by conducting a qualitative assessment to understand how transition risks could manifest over three potential climate scenarios. This assessment evaluated the likelihood and impact of transition risks to identify the relative materiality of each climate risk and opportunity to the Company. As all our assets are located within the UK, we assumed that the climate scenarios underlying the transition risk assessment would be applicable across our portfolio and operations. In future disclosures, we will aim to enhance our transition risk assessment by incorporating a quantitative approach to assess the material financial impact of transition risks and opportunities.

All identified climate-related risks and opportunities are covered by appropriate management and/or mitigation strategies.

Table 4 Climate-related transition risks

	Risk rating				
Type of risk	Short term	Medium term	Long term	Potential financial impact	Planning, management and strategy
Policy and Legal transition risk					
Carbon pricing	Below 2°C Scenario[2] ▼	–	–	Direct cost associated with emissions pricing Increased capex costs during construction	Embodied carbon target of 400 kg CO_2e per m2 for all new developments Deployment of on-site renewable energy
	NDCs Scenario ▼	–	–		
	Current Policies Scenario ▼	▼	▼		
Reporting compliance	Below 2°C Scenario –	–	–	Increased costs resulting from fines and judgements	Continued integration of accurate ESG data points into our operational business Working with our advisers and industry bodies, we keep closely informed of all changes in reporting requirements and the disclosure obligations which result
	NDCs Scenario ▼	▼	▼		
	Current Policies Scenario ▼	▼	▼		
Asset performance compliance	Below 2°C Scenario ▼	–	–	Write-offs and early retirement of existing assets Increased capital costs for development and refurbishment Increased costs resulting from fines and judgements	The large majority of the Company's assets have an EPC rating of A to B (see ESG section) The ESG due diligence framework of the Company sets out the targeted environmental performance of assets being acquired, and asset management plans incorporate measures to improve environmental performance New developments incorporate measures to mitigate the physical and transition risks of assets
	NDCs Scenario ▼	–	–		
	Current Policies Scenario ▼	▼	▼		
Market transition risk					
Occupier behaviour	Below 2°C Scenario ▼	–	–	Increased capital costs Write-offs and early retirement of existing assets	Regular engagements with occupiers to identify low-carbon solutions which may help alleviate costs and improve their own ESG performance
	NDCs Scenario ▼	–	–		
	Current Policies Scenario ▼	–	–		
Sustainable investment and finance	Below 2°C Scenario ▼	–	–	Increased capital costs Increased reporting and data gathering costs	The ESG due diligence framework of the Company sets out the targeted environmental performance of assets being acquired, and asset management plans incorporate measures to improve environmental performance
	NDCs Scenario ▼	–	–		
	Current Policies Scenario ▼	▼	▼		

2 NGFS (2021) Technical documentation to the NGFS Scenario V2. Network for Greening the Financial System, Paris, France.

Opportunities
We have also identified several climate-related opportunities that may be material to the Company's business, which are outlined in Table 5. The Company has identified potential opportunities to its business and associated financial impacts and enhanced our assessment of opportunities by reviewing these under different emissions scenarios.

Table 5 Climate-related opportunities

Climate transition opportunity	Opportunity rating: Short term	Medium term	Long term	Potential financial impact	Planning, management and strategy
Growth of clean energy and infrastructure	Below 2°C Scenario[2] ▲	▲	▲	Upfront costs (including legal and engineering consultancy) associated with installing low carbon infrastructure Additional revenue through the sale of renewable energy to customers and the grid	Deployment of on-site renewable energy in partnership with customers Engagement with customers to understand their low carbon infrastructure requirements (e.g. in relation to the deployment of low-carbon transport solutions) EV charging spaces are currently available at 54% of our assets (based on floor area)
	NDCs Scenario ▬	▬	▬		
	Current Policies Scenario ▬	▬	▬		
Sustainable Investment and finance	Below 2°C Scenario ▬	▬	▼	New source of investment and capital through green debt/green finance/green bonds Increased diversification of financial assets (e.g. green bonds and infrastructure) Defensive play against negative impact on value/liquidity Positive play – green buildings vs brown buildings – capital and rental growth In the longer term, this opportunity may reduce to a low level as sustainable investments and financing options become more mainstream	Issuance and full allocation of proceeds related to the Company's green bond In 2023, the Company signed a £500m sustainability-linked RCF, aligning financing with sustainability goals. Sustainability Performance Targets include an embodied carbon reduction target
	NDCs Scenario ▬	▬	▼		
	Current Policies Scenario ▬	▬	▼		

▼ Low ▬ Moderate ▲ High

During this reporting period, we have undertaken various initiatives to enhance our resilience, including:

- installation of renewable energy at more of our assets; and
- developing our net zero carbon pathway.

Due to the nature of our business, our own operational emissions are immaterial compared to those generated by our customers. This is primarily due to the fact that our customers are responsible for the majority of the operational consumption associated with the assets they lease and operate. However, we actively engage with our customers to support their sustainability efforts and encourage responsible energy use across our properties.

Physical risks are assessed as low in the short- and medium-terms across all scenarios and remain low for most hazards over the long-term. Transition risk is assessed as low to moderate with greater risk in the 'Below 2°C' NGFS scenario due to increased exposure to policy and market transition risks. However this scenario also presents the greatest opportunity for growth in clean energy and infrastructure. As a result, we consider ourselves moderately resilient to the range of climate scenarios assessed. Despite the expectation of minimal long-term impact from climate risks and our organisation's ability to withstand hazards, we are committed to continuously monitoring and assessing the significance of these risks to inform our ongoing climate strategy.

Risk management

Identifying and assessing climate-related risk

The physical and transition risks brought about by climate change have been identified as a principal risk to the Company in the future, as set out in the Principal Risks and Uncertainties section (see page 56). The Company recognises that failure to adequately identify and mitigate for such risk poses a multitude of threats to our portfolio including risk of assets stranding, reduced rental attractiveness to customers and diminished portfolio value in the future. As a result, we have undertaken appropriate research to mitigate the worst effects.

To support the principal risk analysis process outlined in the Principal Risks and Uncertainties section (see pages 56 to 61), which describes the Company's approach to managing risk and the significant risks it faces, we have worked with a panel of independent experts (CBRE, Savills, DNV) to identify and assess the relative significance of climate-related physical and transition risks and opportunities in line with our existing risk management process. These processes are set out below.

Physical risk process

Approach

We assess the physical climate risks of assets, across three climate scenarios and three time horizons (see page 66), based on the likelihood of climate hazards materialising and the severity of the impacts in terms of our customers' ability to remain operational under adverse weather conditions. Potential climate-related risks to the business have been identified, including potential financial risks. Climate data from the DNV internal climate tool and Munich Re climate data platform were used to inform the hazard likelihood assessment. Data from the due diligence and design process along with professional judgement has been used to inform the vulnerability assessment. Assumptions have been made on categorising the level of impact to each hazard, where asset specific data is not available.

This report uses climate projections for three future scenarios based on the IPCC Representative Concentration Pathways ("RCPs") RCP2.6, RCP4.5, and RCP8.5 for the years 2030 and 2050, to identify potential hazard likelihood and exposure from climate change across the portfolio.

Progress

In 2021, a physical climate risk assessment for medium (RCP4.5) and high (RCP8.5) emissions scenarios was completed for all assets to assess the short- (2030s) and medium- (2050s) term risks of physical climate hazards to the Company's portfolio.

Last year the existing analysis was reviewed, and risks were downgraded where new information on asset resilience was made available. The process also involved assessing potential physical climate risks for new assets in the portfolio. A qualitative climate risk analysis for a Paris-aligned low emissions (RCP2.6) scenario was completed to understand what our physical climate risks might be under a lower level of warming.

This year, we extended the portfolio climate risk assessment to assess all newly constructed or acquired assets now in the portfolio.

Transition risk process

Approach

The Company conducted a transition risk assessment to evaluate how well the portfolio aligns with the decarbonisation pathways outlined by the Carbon Risk Real Estate Monitor ("CRREM") tool. This assessment helps identify assets that are at risk of becoming stranded or are not financially viable for future energy efficiency standards. The Company has qualitatively identified several key transition risks that could affect the business, including their potential impacts and possible mitigation strategies.

Progress

During this reporting period, we have improved our qualitative transition risk identification assessment by incorporating three different scenarios recommended by the Network for Greening the Financial System ("NGFS"). This allows us to evaluate the Company's ability to withstand transition risks across various scenarios. We have collaborated with external consultants to evaluate the likelihood and impact of these transition risks, enabling us to determine the significance of each climate risk and opportunity to the Company. This helps us prioritise these risks and set out mitigatory actions accordingly.

New developments

Approach

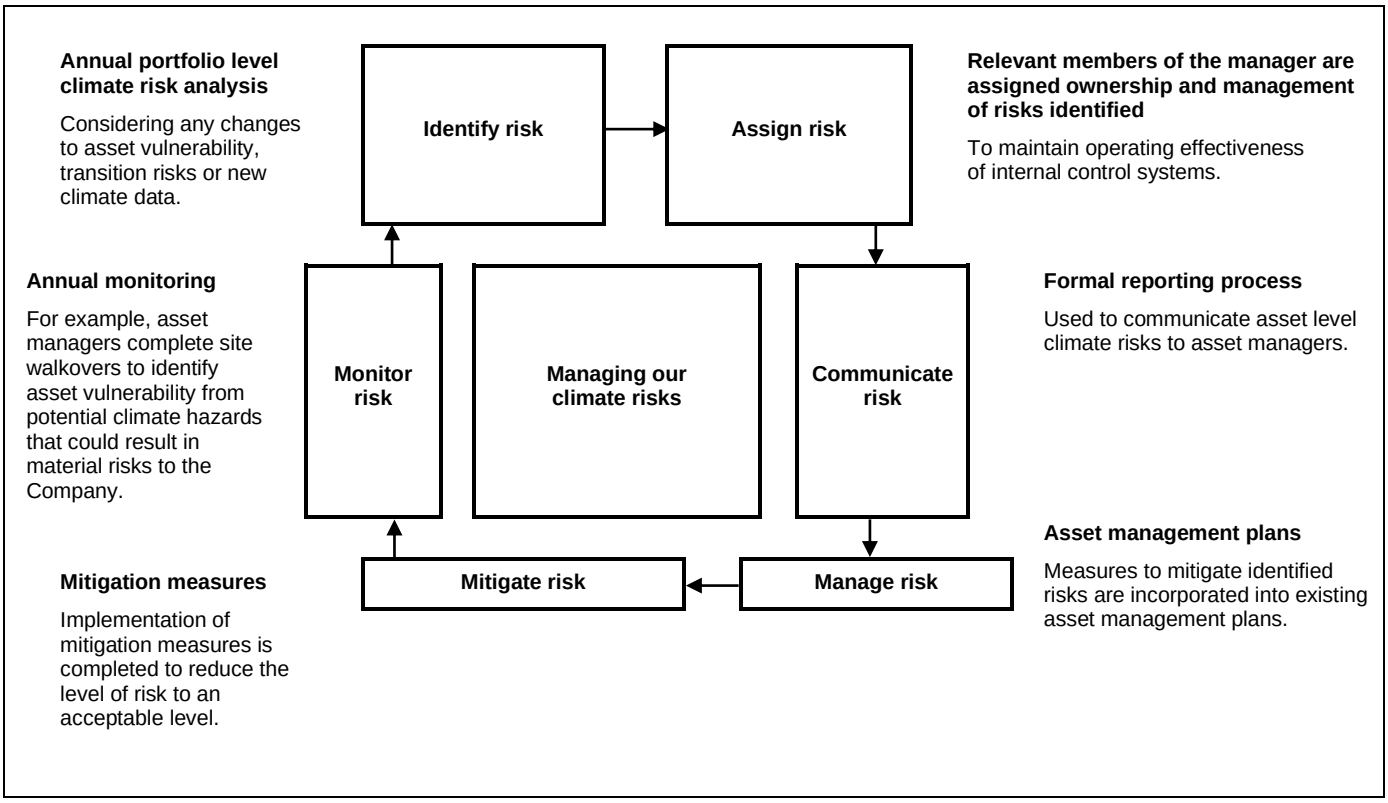
Our risk management approach for new developments represents a single process for identifying, assessing and managing risk across all new construction. The outcomes of the climate-related assessments undertaken for new developments enable Tritax Symmetry to manage any potential physical or transition risks which are identified.

Process	Identifying and assessing risk	Managing risk
Transition risk		
Lifecycle assessments to evaluate upfront carbon, in alignment with the RICS Whole Life Carbon Guidance.	The One Click LCA assessment software is used to undertake these assessments, which considers factors such as upfront carbon, material use, and future operational energy demand.	Reduce upfront carbon by sourcing lower carbon options during construction and install equipment which will lower operational energy requirements.
Physical risk		
Flood Risk Assessment and Drainage Strategy Adaption to climate change study.	Assesses site risk against all sources of flooding and includes calculations to account to climate change uplift. Assesses all climate change risks which have the potential to impact the asset.	The outcomes of the study are intended to either indicate that the site chosen is at low risk from all foreseeable sources of flooding, or to identify measures to incorporate into the scheme to reduce the risk. The drainage strategy is also informed by the climate change enhanced run-off calculations, to ensure the design allows for additional, more intense storm events. Concludes with a series of risk management measures, which are subsequently incorporated into the design of the scheme.
Adaption to Climate Change Study.	Assesses all climate change risks which have the potential to impact the asset.	Concludes with a series of risk management measures, which are subsequently incorporated into the design of the scheme.
Thermal comfort analysis.	Evaluates against a future climate weather file, to determine whether an asset will maintain thermal comfort in climate change conditions.	Confirms whether the design will maintain thermal comfort in the future, and if there are failures the study is also required to identify how passive measures could be incorporated in the future to ensure that thermal comfort is maintained.

Managing our climate-related risks

Our process for managing climate-related risks is set out below. Climate-related risks are reviewed and re-evaluated annually. This proactive approach allows us to focus mitigation efforts on our highest risk assets and ensure transitioning to a net zero business and asset resilience is prioritised in business planning for the coming year.

Figure 6 Our iterative approach to managing climate risk



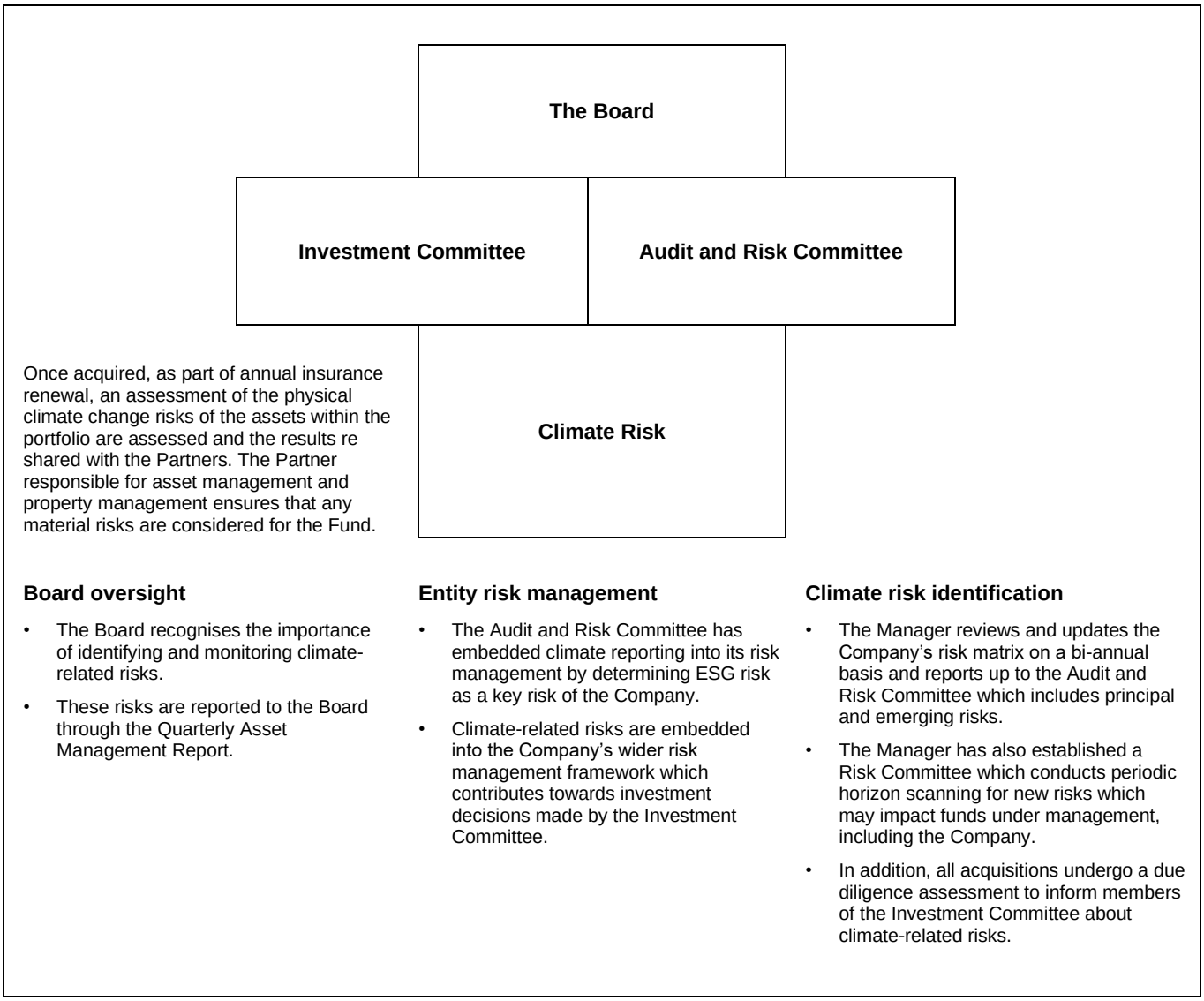
Our due diligence assessments, internal procedures and insurance cover, therefore, mitigate ESG risks to a high standard. Going forward, the Company will undertake asset-level transition and physical risk audits to prioritise climate-related risks identified at the portfolio level, covering asset vulnerability, net zero potential and associated capital costs.

Integrating climate risks into the organisation's overall risk management
The Board recognises the importance of managing climate-related risks, which are included in our risk register (see page 61).

The Audit and Risk Committee evaluates these risks bi-annually using reports from the Manager's Executive Committee. The Manager's Risk Committee performs quarterly horizon scanning to identify emerging risks. The Investment Committee evaluates climate-related risks and conducts thorough ESG due diligence for acquisitions. Assets are assessed for physical climate change risks, as part of the annual insurance renewal process. Significant risks are considered for the Company by the Partner responsible for asset and property management.

For further details on the ownership of the climate risk identification and management process, please refer to page 64.

Figure 7: Integration of climate risk into our risk management process



Metrics and targets

The Company employs a holistic set of metrics to assess climate-related risks and opportunities, in line with the recommendations of the TCFD. To effectively address these risks and seize opportunities, we strive to incorporate metrics aligned with the key findings of our climate risk assessment. These metrics and associated annual targets are outlined in Table 8 below. Both current and past years' performance are reported where possible.

Table 8 Climate-related metrics and targets

Metric category	Metric	FY 2021	FY 2022	FY 2023	Year-on-year target
GHG emissions (tCO_2e)	Absolute Scope 1 GHG emissions	0.05	0.03	0	Net zero by 2025 (scope 1 and 2 emissions)
	Absolute Scope 2 GHG emissions (Location-based)	7.87	33.86	35.03	
	Scope 3, Category 2 – Capital Goods: Absolute construction-related GHG emissions	N/A	48,751	81,959	Net zero by 2030 (scope 3, construction-related emissions)
	Scope 3, Category 13 – Downstream leased assets: Absolute customer operational GHG emissions (customer Scope 1 and 2)	69,770.14	94,534.50	nr	Net zero by 2040 (scope 3, customer operational emissions)
Transition risks	% EPCs of existing portfolio A–B Grade (by floor area)	N/A	78%	80%	Increase the % of EPC B or above year-on-year
	Weighted average upfront carbon intensity (kg CO_2e/m^2)	N/A	453	462	400 kg CO_2e/m^2 for upfront embodied carbon
Physical risks	% of assets in the portfolio screened for physical climate hazards	N/A	100%	100%	All priority assets to have climate resilience plans in place
	% of assets in the portfolio which are recorded as having a high exposure to climate hazard (by floor area)	N/A	10.9%	12.5%	
	% of assets in the portfolio that are resilient to future climate change (by floor area)	N/A	100%	100%	
Climate-related opportunities	On-site renewable energy generation projects – capacity installed (MWp)	N/A	14.6 MWp	17.4 MWp	Increase on-site solar PV capacity installed across the portfolio where technically and economically feasible
	% of new assets developed to net zero standards	100%	100%	100%	All new developments to be constructed to net zero carbon, as defined by the UK GBC

During the year, we have made progress on several key climate-related metrics. We have reduced our market-based scope 1 and 2 emissions to zero, bringing us closer to achieving our net zero target by 2025 for scope 1 and 2 emissions. See the SECR section on page 73 for more information.

In addition, the solar PV capacity of the portfolio has grown, and so has the proportion of assets with an EPC B or above. These two improvements should contribute to the reduction of portfolio operational emissions over time through increased energy efficiency and increased reliance on low-carbon energy.

Finally, we have continued to develop our new assets to net zero standards, in line with the UK GBC's framework, and are continuing to make progress on reducing embodied carbon emissions. While have seen a slight increase in our year-on-year weighted average upfront carbon, which was due to one scheme deviating from our blueprint to meet customer requirements, our evolved blueprint brings us closer to meeting our 400 kg CO_2e/m^2 target.

Appendix: Additional TCFD Product report-aligned disclosures

The TCFD disclosures above were taken from the Company's Annual Report 2023, which is available on the Company website. All page references therefore refer to other sections within the Annual Report.

Greenhouse gas emissions

GHG emissions (tCO_2e)	FY 2022	FY 2023
Scope 3, Category 1 – Purchased Goods and Services GHG emissions	36.38	33.72
Scope 3, Category 13 – Downstream leased assets: Absolute customer operational GHG emissions (customer Scope 1 and 2) – with data estimation	100,753	80,078
Weighted average carbon intensity (kg CO2e/sq. ft)	3.0	nr
Total carbon emissions (Scope 1, 2 and 3 Category 13)	100,787	80,113
Carbon footprint (tCO2e/£m)	23.13	17.39

Metrics methodology, assumptions and limitations

The metrics disclosed in Table 8 have the following methodologies, assumptions and limitations:

Metric	Unit	Description
Absolute Scope 1 and 2 GHG emissions	tCO_2e	Scope 1 and 2 GHG emissions are calculated using actual energy (fuel and electricity) consumption data collected by the Company's managing agents and converted into GHG emissions in line with the latest versions of guidelines published by the GHG Protocol, including the Corporate Accounting and Reporting Standard, the Scope 2 Guidance, and, where applicable, the Technical Guidance for Calculating Scope 3 Emissions. Where actual data is not available, we will estimate the missing data using historical data as a proxy. 3% and 21% of the landlord energy consumption data were estimated in 2022 and 2023 respectively. The Company's reporting boundary for GHG emissions data is defined using the principle of operational control. This means that only assets where the Company has the authority, via its managing agents, to introduce and implement its operating policies and procedures fall within the reporting scope. Given the vast majority (over 99%) of energy consumed by our assets is procured, consumed by and under the operational control of the occupiers, Scope 1 (direct emissions) and Scope 2 (indirect emissions from direct energy consumption) GHG emissions of the Company account for less than 1% of its total GHG emissions. Scope 1, Scope 2 (location-based), and Scope 3 GHG emissions for managed assets 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 and the zero emissions factor for the Renewable Energy Guarantees of Origin ("REGO") backed electricity supplies.
Scope 3, Category 1 – Purchased Goods and Services GHG emissions	tCO_2e	Scope 3, Category 1 data reported in Table 8 relates to the GHG emissions from two key suppliers of the Company: the investment manager and the development manager. The GHG emissions were calculated using actual energy consumption data collected from the offices of the investment and development managers. No data was estimated in calculating these GHG emissions. As above, the UK Government GHG Conversion Factors for Company Reporting were used. These GHG emissions are not considered material to the Company given they are insignificant in comparison with other Scope 3 categories, but they are reported on a voluntary basis.
Scope 3, Category 2 – Capital Goods: Absolute construction-related GHG emissions	tCO_2e	Scope 3, Category 2 data reported in Table 8 relates to the GHG emissions from the Company's development activity. It was calculated by summing up the Upfront embodied carbon emissions from all new developments that completed during the reporting year. Given the development activity of the Company, construction-related emissions are considered a material source of emissions. The scope of construction-related emissions included within this metric are 'Upfront' carbon emissions, which include GHG emissions from modules RICS A1-A5.

		Upfront embodied carbon of development projects was calculated with One Click LCA® in alignment with the BS EN 15978 standard.
Weighted average upfront carbon intensity	kg CO_2e/m^2	The Weighted average upfront carbon intensity metric focuses only on new developments. It was calculated by dividing the total Scope 3, category 2 (construction-related) emissions outlined above by the total floor area of all new developments which completed during the reporting year and multiplying this by 1,000 (to convert from tCO_2e to $kgCO_2e$). Data coverage: 100%
Weighted average carbon intensity (WACI)	kg CO_2e/sq. ft	We use Scope 1, 2 and Scope 3 Category 13 ('Operational' emissions) for each asset included in the calculation, and floor area (in sq. ft) as the denominator. This is because, as noted above, Scope 1 and 2 emissions of the Company are insignificant due to the limited operational control we have on our portfolio assets. The WACI metric therefore takes the asset emissions normalised by floor area (sq. ft) multiplied by the relative weight of the property to the whole portfolio, expressed as $kgCO_2e$/sq. ft. The use of floor area as a denominator instead of revenue is aligned with the Company's broader ESG reporting practices, and the recommendations issued to the FCA by real estate industry bodies, including AREF, BPF and IPF. The WACI metric excludes all non-operational assets (e.g., development assets not completed or being fitted out) and assets for which we did not have 100% data coverage. Data coverage: 92%.
Scope 3, Category 13 – Downstream leased assets: Absolute customer operational GHG emissions (customer Scope 1 and 2)	tCO_2e	These emissions, also known as 'Operational' emissions, relate to the GHG emissions associated with our occupiers' use of our assets, and all activities occurring within them (e.g., lighting, heating, refrigeration, automation). These emissions are calculated using our occupiers' actual energy consumption data and converting them into GHG emissions by using the UK Government GHG Conversion Factors. The energy data coverage for 2022 was 93% of the portfolio by floor area, and 87% for 2023. We adhere to the GRESB Estimation Methodology when estimating portfolio Operational emissions to ensure the data we disclose is primarily based on actual energy consumption data. For the purposes of this report, in accordance with ESG 2.1.10 and ESG 2.1.11 (1), we have estimated the missing data using proxy data from comparable assets within the portfolio and included the updated data in the Appendix. Due to the amount of time required to collect and aggregate the energy consumption data from all occupiers within the portfolio, we are currently unable to provide the 2023 Operational emissions data.
% EPCs of existing portfolio A–B Grade (by floor area)	%	The breakdown of EPCs by rating is calculated using the floor areas of the Company's standing assets. We remove all non-operational assets (e.g., development assets that haven't completed as of the year-end) from the calculation as those cannot have an EPC rating.
% of assets in the portfolio screened for physical climate hazards	%	The percentage of portfolio assets by floor area for which we assessed the current and future physical climate hazards exposure through our physical risk assessment described on page 8.
% of assets in the portfolio which are recorded as having a high exposure to climate hazard (by floor area)	%	The percentage of assets which were deemed to be highly exposed to physical climate hazards based on their geographical location using our physical risk assessment described on page 8. The physical risk exposure assessment is purely based on geographical location and does not consider mitigation or adaptation measures which may exist at or around the asset (e.g., flood barrier protecting from flood risk exposure).
% of assets in the portfolio that are resilient to future climate change (by floor area)	%	The percentage of assets highly exposed to physical risks which are qualitatively assessed as being resilient to physical climate risks based on known mitigation and adaptation measures in place at or around the asset.
On-site renewable energy generation projects – capacity installed	MWp	The sum of installed capacity for all on-site solar PV and wind generating assets located at our assets.
% of new assets developed to net zero standards	%	The percentage of developments assets completed during the reporting year built to net zero carbon in construction, in line with the UK Green Building Council's framework.

Total carbon emissions	tCO_2e	The total carbon emissions are calculated using the TCFD guidance's formula, replacing the "issuers" by the Company's operational real estate assets. Therefore, the total carbon emissions are the sum of all landlord and operational emissions for majority owned assets (irrespective of the specific % ownership of the asset). The data coverage reflects that of energy data collected in 2022 and 2023 as disclosed above, and incorporates the estimated data used to calculate the Operational emissions as discussed above.
Carbon footprint	tCO_2e/£m	The Company's carbon footprint is calculated by dividing the Company's total carbon emissions (as measured above) by the portfolio value. The data coverage reflects that of energy data collected in 2022 and 2023 as disclosed above, and incorporates the estimated data used to calculate the Operational emissions as discussed above. This metric is volatile due to changes in asset values (the denominator), which is why we aim to report on a floor area basis.

Climate value-at-risk

The Company does not disclose any climate value-at-risk metrics due to the lack of robust and agreed methodologies to calculate them across the real estate sector. In addition, any metric used to demonstrate value-at-risk would need to recognise the types of assets we own, and the leasing arrangements we have with our occupiers.

Portfolio temperature alignment

As with the climate value-at-risk metric, we are currently unable to disclose the climate warming scenario with which the Company is aligned due to the lack of robust methodologies which accurately reflect the carbon performance of the Company's underlying assets. The Company's Manager continues to engage with industry bodies and initiatives, such as the UK Net Zero Carbon Buildings Standard, including through the Logistics Real Estate Sustainability Group, to help inform industry standards and discuss the limitations of current tools in trying to determine the temperature alignment of real estate portfolios.

Exposure to carbon intensive sectors

See below the Company's exposure to carbon intensive sectors. The list of sectors was taken from the TCFD guidance:

Carbon intensive sector	GAV (%)	Commentary
Utilities	0.0	
Energy	0.0	
Materials and Buildings	100	Investment Portfolio: 92.3% Development Portfolio: 7.7%
Transportation	0.0	

As outlined above, the Company has high exposure to the 'Materials and Buildings' sector given its real estate focus. Most of our exposure is through our investment portfolio, i.e., our ownership of standing assets, and we have some exposure to the construction of new buildings through our development portfolio. Our Investment Policy limits land and development exposure to 15% of GAV.

Climate scenario analysis

As described on pages 4 to 7, the Company has conducted a climate scenario analysis for both physical and transition risks under three climate scenarios. For physical risks, the three scenarios used broadly align with an 'orderly transition' (RCP 2.6), a 'disorderly transition' (RCP 2.6 and RCP 4.5) and a 'hothouse world' scenario (RCP 4.5 and RCP 8.5). The narrative and table on pages 4 and 5 outline the outcomes of the assessment and the expected impacts on the portfolio's assets.

For transition risks, the Company's assessment used the NGFS 'Current Policies', 'NDCs' and 'Below 2C' scenarios, which align with the 'orderly transition' and 'hothouse world' scenario categories. We selected these scenarios for our assessment as they temperature outcomes broadly aligned with the physical climate risk scenarios (RCPs) used for the physical risk assessment. The description of potential risks across scenarios and time horizons are disclosed on page 6. Under a disorderly scenario, the Company's exposure to transition risks would increase over the medium and long term, including regulatory and market risks, compared to the orderly and hothouse scenarios.

See below the results of the physical risk assessment update undertaken in 2023, which covered all new portfolio assets (both standing asset acquisitions and new developments) representing c.12% of the overall portfolio. We recognise that the quantitative assessment currently only includes a subset of the entire portfolio, and we aim to increase the coverage of this disclosure over time. This figure therefore shouldn't be relied upon as being indicative of the whole portfolio.

	% new assets highly exposed to physical climate risks

Scenario	2030	2050
Orderly / Disorderly (RCP 2.6)	0%	0%
Hot house (RCP 8.5)	11%	11%