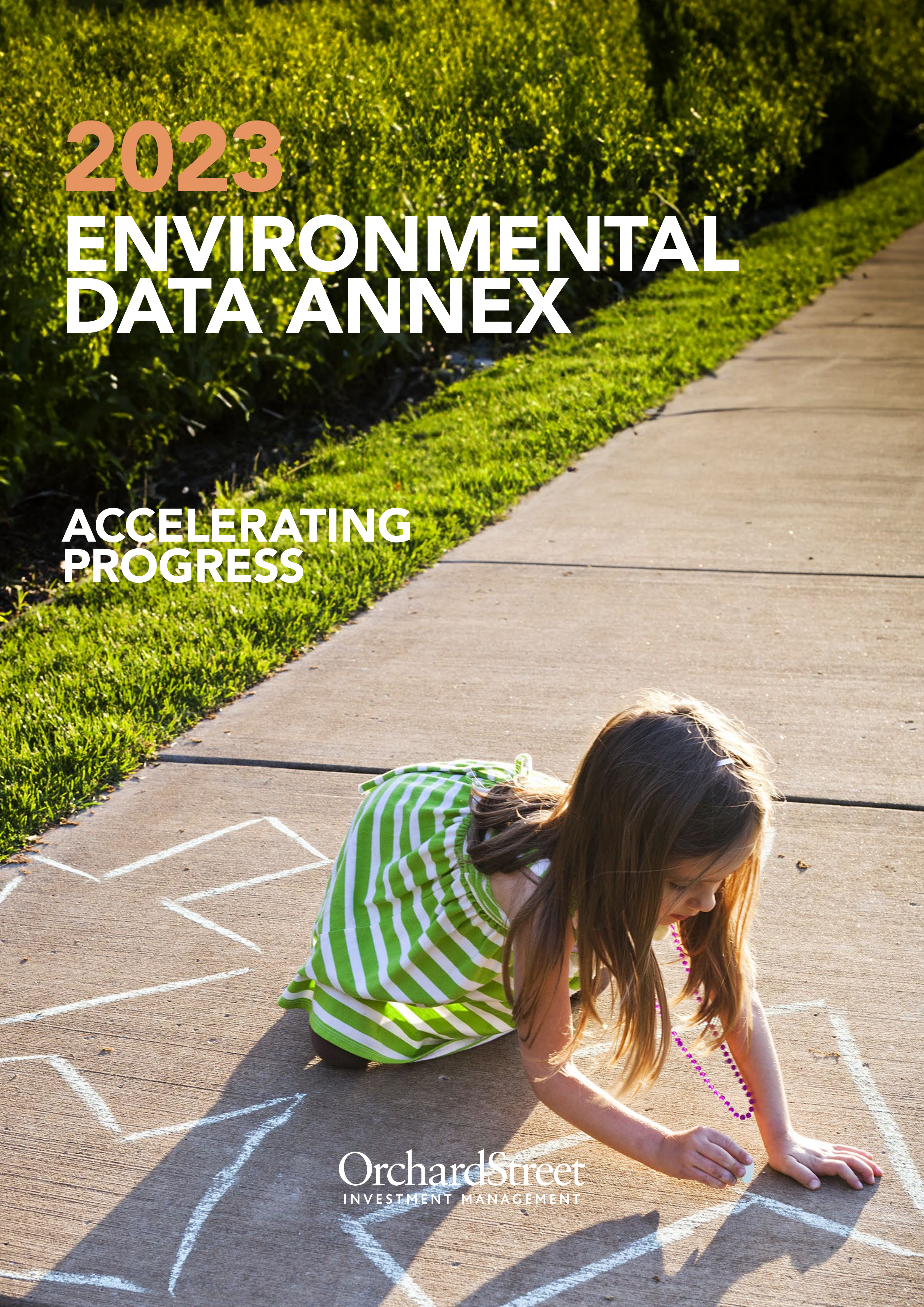
2023 ENVIRONMENTAL DATA ANNEX

ACCELERATING PROGRESS



OrchardStreet
INVESTMENT MANAGEMENT

CONTENTS

2023 METHODOLOGY

We report our emissions in line with the Greenhouse Gas (GHG) Protocol which provides best practice guidance for corporate accounting and reporting of greenhouse gas emissions; we report using the operational control consolidation and disclose market-based emissions under the scope 2 dual reporting approach.

We have transitioned sustainability performance reporting standard from EPRA to INREV this year, utilising the updated guidance from INREV on sustainability reporting for members. Environmental indicators are additionally reported according to the INREV guidelines.

Organisational boundaries

The information and data in this report is calculated using the operational control approach and is in line with the GHG Protocol definition. As of 30th September 2023, this comprised 136 assets covering offices, industrial, leisure/other facilities, retail warehouses, standard retail units, shopping centres and our head office (137 assets in total) covering 1,104,235 m^2. All assets are located in the UK.

Reporting period

All data relates to our responsible investment reporting year which runs from the 1st October 2022 to the 30th September 2023.

This is aligned with Orchard Street's previous financial reporting period at the time our Net Zero Carbon Pathway was established in 2021, following best practice guidance. In 2022, our financial year changed to July-June, however, we have retained the October to September reporting period for sustainability reporting due to the alignment of baseline data. This will be reviewed in 2025 as part of a wider review of our Net Zero Carbon Pathway.

Where audited financial data is used for 2023 carbon reporting (e.g. business travel and corporate expenditure), these are for the financial year July-June. It is recognised there is a slight mis-match, however the emissions associated with these datasets are responsible for approximately 1% of Orchard Street's overall carbon emissions.

Scope of data (reporting on landlord and tenant consumption)

Landlord-obtained utilities consumption relates to all consumption that the landlord purchases and/or controls, including common areas and shared services, spaces where the landlord has the authority to introduce and implement any or all of the operating and/or environmental policies. Where units and spaces become vacant, the associated utilities consumption falls under our operational control; this may include tenant areas where recharged and not sub-metered. There can be delays in obtaining this consumption and therefore the previous reporting period may not have the most recent consumption data and may be subject to changes where invoiced utilities are corrected. This accounts for a small proportion of consumption and is therefore not considered material, nonetheless, we are continuously reviewing our data management process and metering strategy to ensure the timely and accurate collection of consumption data.

Occupier-obtained utilities consumption relates to all consumption for occupier units where the occupier is responsible for procurement or if a unit specific meter is recharged and can be allocated to specific unit(s). Where we have been unable to map consumption to an occupier unit, the supply has been deemed landlord and we have used CIBSE benchmarks to estimate occupier consumption. Where possible, we work with our occupiers to include actual consumption, however, collecting complete data for occupier-controlled spaces remains a challenge.

Estimations and extrapolations

Actual data is preferable to estimated data, and complete data is preferable to partial data. However, complete data is not always possible, and occasionally estimations and extrapolations are required. Estimations have been applied where energy consumption data is not available to cover whole building energy consumption for the full reporting year. Estimated data is calculated on a pro-rated basis by extrapolating the average daily consumption of existing data, which allows for any data gaps for full months to be estimated. Where no data is available at an asset, the asset appropriate CIBSE benchmarks are used.

No estimation is applied to incomplete water consumption or waste data. The waste data reported does include estimations where only volume (i.e. bin lifts) is provided and no weighing facilities are available. In this case, industry benchmarks are used to convert volumes to weight. The levels of coverage, based on if the utility is present and if the data is available, is provided for each indicator within the table on pages 6 – 7.

Calculations and units of measurement

Utility data is reported based on absolute consumption measured in kWh (energy), m^3 (water) and tonnes (waste). Total GHG emissions from each relevant emission source are then calculated by applying the relevant emission factor and reported as tonnes of carbon dioxide equivalents (tCO_2e).

We follow the GHG protocol, including the Scope 2 dual reporting methodology where GHG emissions are reported using location-based conversion factors, as published by the UK Government, and market-based emission factors derived from contractual agreements with our energy suppliers which reflect the supplier's fuel mix; onsite renewable generation and 100% renewable tariffs have an emissions factor of zero.

During the reporting year, landlord-obtained electricity came from 97% Renewable Energy Guarantees of Origin (REGO) backed renewable sources. We improved the quality of our market-based reporting by increasing our data gathering and evidence requirements. Where supplier specific tariffs were not forthcoming, RE:DISS factors are applied, as required by the GHG Protocol Scope 2 Guidance. We do not procure any renewable gas for our assets under management. Where solar photovoltaics (PVs) are installed, but metering is not complete, we have assumed that generation is used onsite.

We calculate intensity indicators using floor area (m^2) for whole buildings, including areas demised to occupiers. To calculate the usage (kWh/m^2) we divide the whole building consumption by the whole building area. We are actively improving our occupier energy data collection, which will enable us to report more accurately on landlord-controlled areas as well as whole building energy.

Building Certifications

A green certified asset is defined as an asset where the either the value-weighted average of the property's Energy Performance Certificates (EPC) is B or above (based on the score rather than the letter rating) or the asset has a green building certificate such as BREEAM, NABERS UK or equivalent. Only EPCs and certificates awarded before or during the reporting year and that are still valid are included in the calculation. It excludes assets under refurbishment during the reporting period and so three assets were excluded in 2023 and two assets in 2022. Cash and indirect investments are excluded from portfolio calculations.

Assurance

Limited third-party assurance of several key performance indicators and target progress for 2023, along with the associated data behind that performance, has been carried out by JLL according to the ISAE3000 International Standard on Assurance Engagements 3000 (Revised). The statement is attached to the end of this report. Tables have been marked as assured or unassured depending on whether the data is included in the 2023 assurance process.

OUR ENVIRONMENTAL PERFORMANCE DATA

INTRODUCTION AND NARRATIVE

In 2023, we continued to see changes driven by building usage pattens.

Total energy consumption reduced by 3% during the year to 247,915 MWh (2022: 254,857 MWh); this would, in part, be driven by portfolio changes due to sales, acquisitions, and refurbishments. A clearer indication of performance is energy intensity which reduced by 4% to 225 kWh/m^2 (2022: 235 kWh/m^2). We generated 1,205 MWh of energy through our onsite solar panels and made our first electricity exports to the grid.

Our Scope 1 carbon emissions increased by 10% during the year. Despite a 7% reduction in gas, this increase in overall Scope 1 emissions was due to an increase in reported refrigerant losses as we improved our data collection. Scope 2 emissions decreased by 12% (location-based) driven by a focus on energy efficiency as well as a reallocation of landlord electricity consumption to demised tenant/leased spaces.

Water consumption increased by 6%; this was driven largely by an improvement in data quality due to the ongoing roll out of metering which has improved the completeness of our data. Waste production has remained relatively static year on year with a 1% reduction in overall waste produced and a marginal increase in recycling to 62%.

REPORTING YEAR	2023	2022
Energy (electricity & gas)		
ESG3.1: Actual energy consumption – landlord's control (kWh/yr)	**25,708,593**	28,178,526
ESG3.1.1: Actual energy consumption – tenant's control (kWh/yr)	**48,306,957**	50,900,642
ESG3.1.3: Estimated energy consumption – landlord's control (kWh/yr)	**1,662,072**	2,541,129
ESG3.1.3.1: Estimated energy consumption – tenant's control (kWh/yr)	**172,237,560**	173,236,722
ESG3.1.4: Total energy consumption (kWh/yr)	**247,915,183**	254,857,020
ESG3.1.5: Total energy consumption data coverage (% of area)	**100**	100
ESG3.1.6 Energy intensity (kWh/m^2/yr)	**225**	234
ESG3.1.7: Energy intensity, for office asset/property type (kWh/m^2/yr)	**201**	197
ESG3.1.7.1: Energy intensity, for retail asset/property type (kWh/m^2/yr)	**224**	226
ESG3.1.7.3: Energy intensity, for industrial/logistic asset/property type (kWh/m^2/yr)	**243**	243
ESG3.1.7.7: Energy intensity, for leisure asset/property type (kWh/m^2/yr)	**317**	320
ESG3.1.7.12.1: Energy intensity, for other asset (Retail Warehouse) (kWh/m^2/yr)	**179**	215
ESG3.1.7.12.2: Energy intensity, for other asset (Shopping Centres) (kWh/m^2/yr)	**130**	125
ESG3.2: Renewable energy generated and consumed on-site by landlord (kWh/yr)	**1,204,955**	322,090
ESG3.2.1: Renewable energy generated on-site and exported by landlord (kWh/yr)	**654,293**	N/A
ESG3.2.3: Renewable energy generated off-site and purchased by landlord (kWh/yr)	**15,106,237**	16,440,639
ESG3.2.5: Renewable energy data coverage (% of area)	**14**	15
Greenhouse gas emissions		
ESG3.3: Actual scope 1 emissions (tCO$_2$e/yr)	**1,925**	1,643
ESG3.3.1: Actual scope 1 emissions data coverage (% of area)	**0.2**	0.2
ESG3.3.2: Actual scope 2 emissions – location based (tCO$_2$e/yr)	**2,991**	3,647
ESG3.3.2.1: Actual scope 2 emissions – market based (tCO$_2$e/yr)	**48**	801

REPORTING YEAR	2023	2022
ESG3.3.3: Actual scope 2 emissions data coverage (% of area)	**0.3**	0.3
ESG3.3.4: Actual scope 3 emissions (tCO$_2$e/yr)	**25,779**	18,814
ESG3.3.5: Actual scope 3 emissions data coverage (% of area)	**2**	2
ESG3.3.6: Estimated scope 1 emissions (tCO$_2$e/yr)	**396**	474
ESG3.3.7: Estimated scope 2 emissions – location based (tCO$_2$e/yr)	**222**	3
ESG3.3.7.1: Estimated scope 2 emissions – market based (tCO$_2$e/yr)	**101**	2
ESG3.3.8: Estimated scope 3 emissions (tCO$_2$e/yr)	**33,846**	32,481
ESG3.3.9: Total operational (Scope 1 and 2 only) carbon – location based (tCO$_2$e/yr)	**22,066**	15,000
ESG3.3.10: Total operational (Scope 1 and 2 only) carbon – market based (tCO$_2$e/yr)	**19,000**	12,154
ESG3.3.12: Operational carbon intensity – location based (tCO$_2$e/m^2/yr)	**0.02**	0.01
ESG3.3.12.1: Operational carbon intensity – market based (tCO$_2$e/m^2/yr)	**0.02**	0.01
ESG3.3.13: Operational carbon intensity – location based, for office asset/property type (tCO$_2$e/m^2/yr)	**0.03**	0.05
ESG3.3.13.1: Operational carbon intensity – location based, for retail asset/property type (tCO$_2$e/m^2/yr)	**0.01**	0.01
ESG3.3.13.3: Operational carbon intensity – location based, for industrial/logistic asset/property type (tCO$_2$e/m^2/yr)	**0.02**	0.00
ESG3.3.13.7: Operational carbon intensity – location based, for leisure asset/property type (tCO$_2$e/m^2/yr)	**0.00**	0.01
ESG3.3.13.12.1: Operational carbon intensity – location based, for other asset/property type (tCO$_2$e/m^2/yr) (Retail Warehouse)	**0.01**	0.01
ESG3.3.13.12.2: Operational carbon intensity – location based, for other asset/property type (tCO$_2$e/m^2/yr) (Shopping Centres)	**0.01**	0.01
Total Scope 1 emissions (tCO$_2$e/yr)	**2,321**	2,117
Total Scope 2 emissions – location based (tCO$_2$e/yr)	**3,214**	3,649
Total Scope 2 emissions – market based (tCO$_2$e/yr)	**149**	803
ESG4.6.2: Total Scope 3 emissions (tCO$_2$e/yr)	**59,626**	51,295
Water consumption		
ESG3.5: Actual water consumption – landlord controlled (m^3/yr)	**107,812**	101,232
Waste management		
ESG3.6: Actual waste generated – landlord controlled (tonne/yr)	**547**	434
Estimated waste generated – landlord controlled (tonne/yr)	**1,455**	1,583
Total waste generated (tonne/yr)	**2,002**	2,017
Waste proportion of disposal route; landfill (%)	**0.01**	–
Waste proportion of disposal route; incineration with energy recovery (%)	**38**	39
Waste proportion of disposal route; recycled (inc anaerobic digestion) (%)	**62**	61
Building certifications		
Green certified assets by value (£ million)	**1,389**	1,374
Proportion of green certified assets (%)	**54**	41
Weighted average EPC score by ERV	**53 (Crated)**	59 (Crated)

Building Certification Notes:

- Excludes 4 Hardman Square, 1 The Square Stockley Park, and Poyle from 2023 figures. Excludes 4 Hardman Square and two units at Poyle in the 2022 restated figures
- The analysis of average EPC score excludes the EPCs/ERVs where EPCs had expired, were not available, or are EPCs relating to residential properties
- The analysis uses English equivalent EPC ratings for Scottish EPCs where available
- All values presented are stated as at 30th September of the referenced year

NET ZERO PATHWAY PROGRESS REPORT

2030 TARGETS

Net zero by **2030** for all operational landlord emissions, corporate emissions and embodied carbon from refurbishments and landlord fit-outs

2040 TARGETS

Net zero by **2040** for occupier operational building energy-related emissions and embodied carbon from occupier fit-outs, including FRI assets

Our net zero carbon pathway, launched in 2021, is supported by 2025 and 2030 targets aligned with the net zero carbon hierarchy. Targets for 2035 and 2040 will be set in 2030 to ensure they are sufficiently ambitious and reflect current best practice. As signatories of the BPP's Climate Commitment and the NZAMI, we are required to report annually against our **net zero carbon pathway**.

The following pages provide an overview of our methodology, key deliverables during the year, future priorities, and our performance of the scope of our targets laid out in our net zero carbon pathway. Case studies to demonstrate our progress are provided in our **Responsible Investment Report**.

METHODOLOGY & SCOPE OF CARBON CALCULATIONS

We report our emissions in line with the Greenhouse Gas (GHG) Protocol which provides best practice guidance for corporate accounting and reporting. The 2023 carbon footprint has been calculated by Accenture, utilising its Adapt platform where they manage and track electricity, gas, waste, water and solar PV data; associated GHG emissions are calculated using UK Government and Quantis emission factors.

Pages 4-5 outline our methodology for energy reporting, including the use of asset appropriate CIBSE benchmarks where no consumption data exists for an asset. This ensures that we can report whole building energy for the full reporting period. If an occupier unit has solar generation, this consumption has also been included.

In addition to this, we report our Scope 3 emissions in line with the GHG Protocol's Corporate Value Chain Standard which identifies 15 broad categories of Scope 3 emissions. Orchard Street report seven of these categories where they are relevant to our business. Actual consumption or weight-based data for a given activity is used, where possible, with the associated carbon conversion factor applied to calculate the emissions e.g. energy consumption or volume of materials procured.

Where actual data is not available, a spend-based approach is used to quantify the emissions associated with spend for the specific procurement e.g. purchased goods and services.

Due to a change in methodology, we have restated our previous year's Scope 1, Scope 2 and Scope 3 emissions. Scope 1 emissions have been restated upwards by 514 tCO_2e to include landlord refrigerants, Scope 2 (location-based) emissions were reduced by 532 tCO_2e and Scope 3 emissions have been restated downwards by 563 tCO_2e due to improved data quality. We also saw an uplift in our Scope 2 market-based emissions during the year due to improved quality of our market-based reporting which included the use of RE:DISS factors where supplier specific tariff information was not forthcoming.

KEY DELIVERY ACTIONS

During the reporting period, we have delivered several key activities:

- 2.1 MW of onsite solar PV capacity installed and commissioned in 2023, over halfway towards our 2025 target.
- Installation of an intelligent building energy management system at five offices to deliver operational energy improvements through digital sensors on equipment, covering 22% of our Scope 1 and 2 emissions. The projected efficiency savings are expected to cover the cost of the programme.
- Undertaken embodied carbon assessments on one major refurbishment (Palm Court, Richmond Riverside, see page 39 of the **Responsible Investment Report**) and Poyle Point, Heathrow. Embodied carbon assessments have also been specified at Euroway Trade Park, Aylesford and at 4 Hardman Square, Manchester. Going forward, we will work with our contractors to increase the amount of actual data and rely less on estimation.

FUTURE PRIORITIES

We have identified three key priorities for 2024 which will assist progress towards our net zero pathway:

- Understanding actual occupier energy consumption is data crucial to meeting the targets set out in our net zero carbon pathway; however, access to data remains an ongoing challenge for the industry. Whilst we were able to increase our coverage of actual occupier data (by floor area) to 33% in 2023 (2022: 18%), we are targeting 50% by September 2025. We are also working to improve the meter mapping of occupier data to units to improve data quality.
- We will measure embodied carbon on six refurbishment or development projects by September 2025. This will reduce our reliance on estimated data and enable us to track progress towards our target of 300 $kgCO_2e/m^2$ for major refurbishments by 2025.
- Our focus on installing onsite solar PV will continue as we work towards our target of installing 4 MW of renewable energy generation capacity from October 2019 to September 2025.

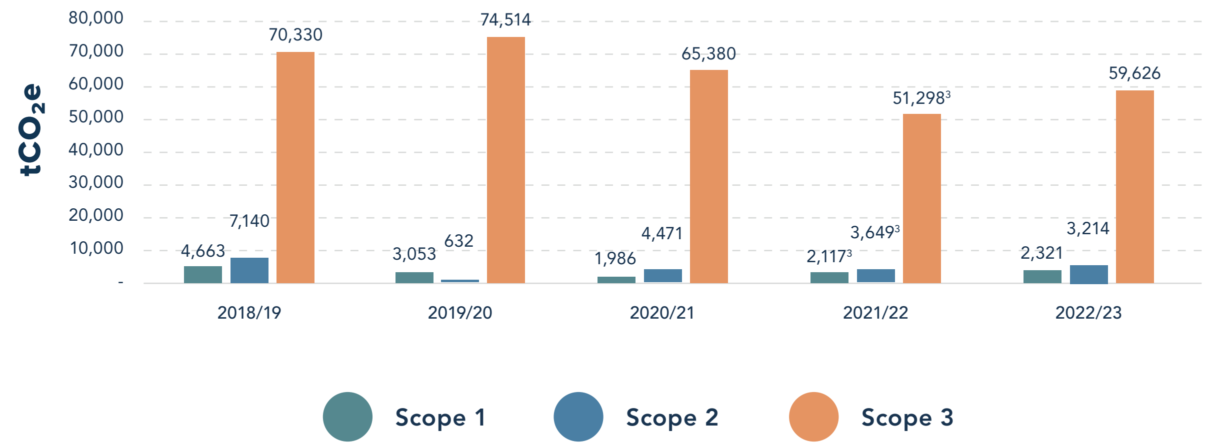
ORCHARD STREET'S CARBON FOOTPRINT

The following visuals reflect Orchard Street's carbon footprint including Scope 1, 2 and 3 emissions. In 2023, our total carbon emissions increased by 14% on the previous year. This was driven by an increase in our Scope 3 emissions i.e. those emissions which fall outside our direct control and are emitted through our upstream supply chain and downstream through occupiers' energy use in our buildings. Scope 3 emissions made up the majority (92%) of our carbon footprint; the most significant contributors are occupiers' energy use (i.e. downstream leased assets) and the embodied carbon associated with our refurbishment activities (i.e. capital goods).

When compared to our 2018/19 baseline, we have reduced our emissions by 21%. These reductions are driven by a combination of: changes in the portfolio due to sales and acquisitions (compared to baseline year), refurbishments and voids, variable building occupancy levels as a result of remote working, and our efforts to increase the environmental efficiency of buildings.

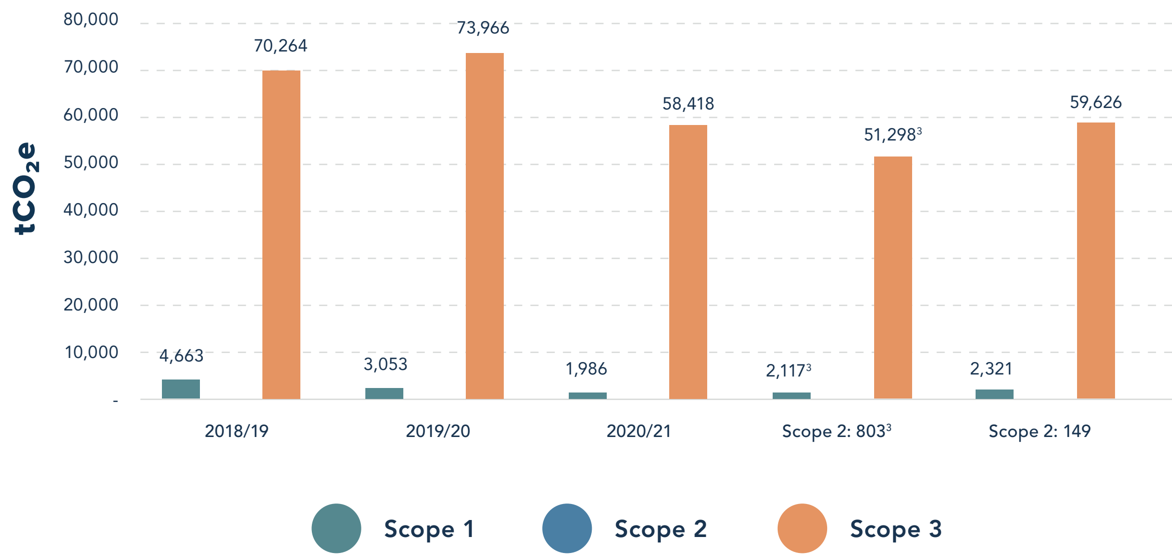
Due to the impact of changes in portfolio size over time, which can increase and decrease, we have set carbon emissions intensity targets that are normalised by floor area as a clearer indication of performance. Our estimated reduction in Scope 1, 2, and 3 carbon intensity was 7% compared to the 2018/19 baseline (location-based emissions factors).

TOTAL CARBON FOOTPRINT (tCO_2e, LOCATION-BASED)[1] (ASSURED)

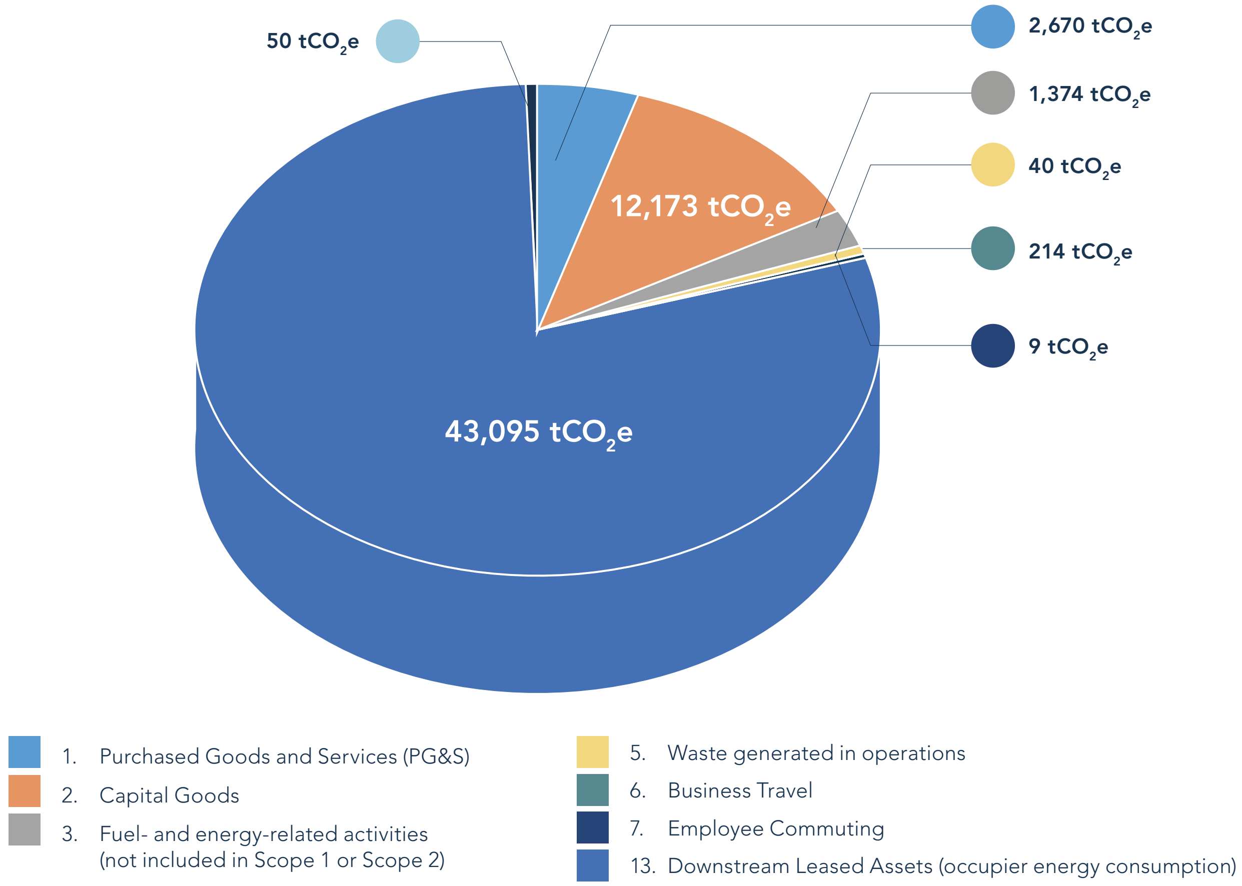


1. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).
2. A market-based method reflects emissions from energy that companies have purposefully chosen. It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy. We procure 100% REGO backed renewable electricity for landlord-procured electricity.
3. 2021/22 data restated in 2023.

TOTAL CARBON FOOTPRINT (tCO_2e, MARKET-BASED)[2] (ASSURED)



SCOPE 3 EMISSIONS BY CATEGORY (tCO_2e, MARKET-BASED)



Water can be included in PG&S and Waste, however it has been reported separately in the chart above.

OUR NET ZERO CARBON PATHWAY TARGETS AND PERFORMANCE

The table below has been prepared to provide a clear and easy to digest summary of our net zero carbon pathway targets and progress towards these since our baseline year of 2018/19. It should be read in conjunction with our Better Buildings Partnership Climate Commitment – Orchard Street Net Zero Carbon Pathway Scope table, provided on the following page. We are reporting progress against Scope 1, 2 and 3 carbon emissions intensity, occupier energy data collection, renewable energy installation and green certified assets for our 2025 targets in our net zero carbon pathway. These metrics have been assured by an independent third-party (see 2023 assurance statement attached to the end of this report).

Scope	KPI	Units	Baseline Value[4]	Baseline Total	Baseline Floor Area (m^2)[5]	2023 Value	Percentage change from baseline (%)	2023 Floor Area (m^2)[5]	Target 2025	Target 2030	Target 2040	Footnote
Net Zero Targets	Landlord operational emissions (location-based)	tCO_2e	11,960			5,634	-53			Net zero	Net zero	6
	Landlord operational emissions (market-based)	tCO_2e	4,820			2,569	-47					7
	Corporate emissions	tCO_2e	1,992			2,884	+45					8
	Embodied carbon from refurbishments	tCO_2e	3,066			11,989	+291		300 $kgCO_2e/m^2$ from 2025			9
	Occupier operational emissions	tCO_2e	65,114			19,646	-70					10
	Embodied carbon from occupier fit-outs	$kgCO_2e/m^2$	not measured			not measured						
Emissions	Scope 1	tCO_2e	4,663			2,321	-50			Absolute emission targets have not been set. See emission intensity targets below.		
	Scope 2 (location-based)	tCO_2e	7,140			3,214	-55					
	Scope 2 (market-based)	tCO_2e	0			149						
	Scope 3 (location-based)	tCO_2e	70,330			59,626	-15					
	Scope 3 (market-based)	tCO_2e	70,264			59,626	-15					
	Total (location-based)	tCO_2e	82,133			65,160	-21					
	Total (market-based)	tCO_2e	74,927			62,095	-17					
Emissions Intensities	Scope 1	$kgCO_2e/m^2$	3.6	63.5	1,293,718	2.1	-42	1,104,234	44.6	No combined target for Scopes 1, 2 + 3 in 2030	2040 targets will be set for the NZC Pathway by 2030	5
	Scope 2 (location-based)		5.5			2.9	-47					
	Scope 3 (location-based)		54.4			54	-1					
	Scope 1	$kgCO_2e/m^2$	3.6	9.1		2.1	-42			3		
	Scope 2 (location-based)		5.5			2.9	-47					
	Scope 3 (location-based)	$kgCO_2e/m^2$	54.4	54.4		54	-1		40.8	38.1		5
Energy Intensities	Whole building energy	kWh/m^2	243		1,293,718	225	-7	1,104,234		204		
Energy Data	Actual occupier energy data collected	%	0			33			50	80		
Green Certification	Assets by value green certified	%	not measured			54			50	90		11
Renewables	Total installed PV capacity	MW	circa 0.1			2.1			4	10		12
	Landlord REGO-backed renewable electricity	%	100			97	-3		100	100		

4. Baseline emissions for 1 October 2018 – 30 September 2019. All occupier data in baseline year obtained from CIBSE benchmarks.
5. Total floor area used as baseline for all emissions due to issues with mapping meters to individual floor areas.
6. Sum of location-based landlord energy consumption. Total landlord solar generation subtracted from landlord electricity consumption. Refrigerants in baseline year 100% estimated.
7. Sum of market-based landlord energy consumption. Total landlord solar generation subtracted from landlord electricity consumption. Refrigerants in baseline year 100% estimated.
8. Corporate emissions defined as per BBP pathway: business travel & purchased goods and services
9. Baseline embodied carbon estimates based on RICS benchmarks. We are currently reporting total embodied carbon and are working to report embodied carbon intensity in future years. 2022/23 data proxied based on spend.
10. Sum of location-based occupier energy consumption. 2018/19 baseline occupier energy consumption from CIBSE benchmarks.
11. Green certified is defined by Orchard Street as BREEAM, NABERS UK or equivalent and Energy Performance Certificates of B or above. The letter rating of an EPC has been used for calculating this metric. Unit level certifications and associated values have been considered when calculating the proportion of the portfolio by value that is Green Certified.
12. 2022 estimate has been rounded up from 883kW to fit table data conventions. The baseline year number is unassured and represents a best estimate based on available data.

BETTER BUILDINGS PARTNERSHIP CLIMATE COMMITMENT – ORCHARD STREET NET ZERO CARBON PATHWAY SCOPE

This table sets out how the emissions covered within our net zero carbon pathway align to the requirement of the BBP's Climate Commitment and the Greenhouse Gas protocol.

Business Area	Sub Area	GHG Protocol Reporting Category	Carbon Scope	Commitment Inclusion (BBP Requirement)	Year Included in OSIM Net Zero Carbon Scope
	Head office energy use	Company facilities	1 and 2	Optional	2030
	Company vehicles	Company vehicles	1	Optional	2030
	Business travel (excluding commuting)	Business travel	3	Optional	2030
Corporate	Purchased goods and services	Purchased goods and services	3	Optional	2030
	Operational waste generated	Waste generated in operations	3	Optional	2030
	Operational water use	Purchased goods and services	3	Optional	2030
	Employee commuting	Employee commuting	3	Optional	2030
	Landlord purchased energy (electricity and fuels)	Purchased electricity, heat, and steam	1, 2 and 3	Requirement	2030
	Occupier purchased energy (electricity and fuels)	Downstream leased assets	3	Requirement	2040
	Landlord refrigerants	Purchased goods and services	1	Requirement	2030
	Occupier refrigerants	Occupier Scope 3	3		-
	Landlord purchased water	Purchased goods and services	3	Requirement	2030
Direct Real Estate Holdings (including JVs with management control)	Occupier purchased water	Occupier Scope 3	3		-
	Landlord managed operational waste	Waste generated in operations	3	Requirement	2030
	Occupier managed operational waste	Occupier Scope 3	3		-
	Occupier transport emissions	Occupier Scope 3	3		-
	Occupier supply chain emissions	Occupier Scope 3	3		-
	Landlord purchased capital goods and services (M&E and property management services)	Purchased goods and services	3	Requirement	2030
	New development (including those where funding is being provided)	Purchased goods and services	3	Requirement	2030
Development	Refurbishments	Purchased goods and services	3	Requirement	2030
	Fit-out (landlord-controlled)	Purchased goods and services	3	Requirement	2030
	Fit-out (occupier-controlled)	Occupier Scope 3	3	Requirement	2040
	End of life	End of life treatment of sold products	3		-

Our solar PV array at Gildersome Spur, Leeds, generated 185 MWh of energy (October 2022 – September 2023).

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Orchard Street continued to engage with and implement recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD) during 2023. Although we are not required to follow these recommendations, as a small and privately owned entity, our Board and senior management understand that climate-related risks are critical and urgent for our business, investors, occupiers and other stakeholders.

Since Orchard Street was an early adopter of the recommendations, this marks our fourth TCFD disclosure[13]. Now that the recommendations of the TCFD have been incorporated into the International Financial Reporting Standards (IFRS 1 and 2) by the International Sustainability Standards Board (ISSB), we will monitor guidance from the Financial Conduct Authority, UK Government and ISSB to determine how our climate-risk disclosures should evolve in future.

We are also a signatory of the Better Buildings Partnership's (BBP) Climate Commitment pledging to deliver net-zero buildings before 2050. We actively contribute to BBP's working groups and subscribe to the BBP's recent climate resilience guidance, which incorporates a requirement for a TCFD statement.

GOVERNANCE

Responsibility for climate-related issues lies ultimately with our Board. Management of these risks and opportunities is delegated by the Board to our Managing Partner, Philip Gadsden, who is supported in this by three committees, each with distinct responsibilities for climate-related risk: the Investment Committee, the Responsible Investment Committee and the Audit and Risk Committee. Their climate-related responsibilities are as follows:

- The **Responsible Investment Committee** meets monthly. The Committee identifies and assesses climate-related risks, implements controls, updates the climate risk register annually and assigns climate risk ownership across the business.
- The **Investment Committee** meets weekly and works with the Responsible Investment Committee to confirm that climate-related risks and opportunities are considered at every stage of the property lifecycle, including pre-acquisition. Climate-related issues that arise during the acquisition due diligence process are considered as part of our biannual asset level business planning program.
- The **Audit, Risk and Compliance Committee** meets bi-annually and assists the Management Board in discharging its oversight and governance responsibilities for financial, risk, audit, and compliance matters. The Committee is advised by the Responsible Investment Committee on matters relating to climate risk, ESG and Responsible Investment.

Since Orchard Street is a company of less than 30 people, these three committees include both Partners and management personnel from across the business.

As a Board Member and Managing Partner, Philip Gadsden is Chair of Orchard Street's Investment Committee and a member of the Audit Risk and Compliance Committee. He is advised directly by the Responsible Investment Committee.

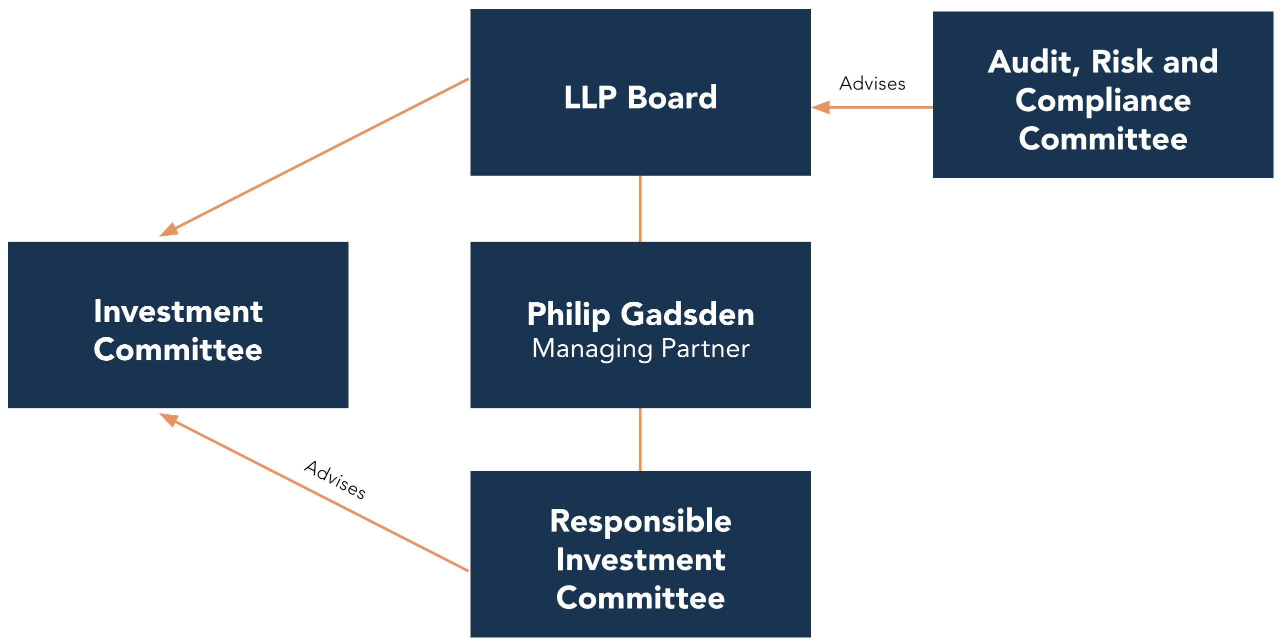
The Chair of the Responsible Investment Committee, Barney Rowe, is also a member of the Management Board and the Investment Committee and, as a Board Member, attends the Audit Risk and Compliance Committee. Other Responsible Investment Committee members include the Head of Responsible Investment & ESG, and the Assistant Portfolio Manager of our Environmental & Social Impact Fund. More recently in 2024, the Head of Asset Management has joined the Responsible Investment committee.

This level of engagement ensures that Board Members and Partners retain oversight of, if not actively engaged in, climate-related issues. During 2023, Partners (including two Board Members) along with other senior management personnel, received training in climate change mitigation and adaptation, with reference to the Minimum Energy Efficiency Scheme (MEES) and Carbon Risk Real Estate Monitor (CRREM V2).

We continue to build capabilities and accountability for climate-related risks at all levels of our business. For example, climate-related metrics are included in the performance objectives for all Investment and Asset Management employees. These performance objectives in turn influence variable discretionary bonus awards which, if performance fails to meet objectives, could be zero.

13. This disclosure was developed using information from MSCI Real Estate and other data sources which are subject to stringent copyright protections. Although OSIM and other information providers, including without limitation, MSCI Real Estate and its affiliates (the "MSCI Real Estate Parties"), obtain information (the "Information") from sources they consider reliable, none of the MSCI Real Estate Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. OISM n any of the MSCI Real Estate Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Our Governance Structure



STRATEGY

Consideration of climate-related risks and opportunities is integrated into our risk management and business planning process. We consider climate-related risks over three time horizons, short, medium, and long-term. Since climate-related risks and opportunities are expected to become more evident in the medium to long-term, we used the three climate scenarios to the year 2100 and created a central assessment for each category of climate-related risk and opportunity of likely business impact and timeframe.

In 2023, we adopted the **MSCI Climate Value-at-Risk (CVaR)** tool for 95% of assets under management by value (as at 30 September 2023). Aligned to the TCFD, this tool helps us to identify and assess both physical and transition climate-related risks in our investment portfolios through to 2100. MSCI CVaR provides a forward-looking and return-based valuation assessment to measure portfolio and property level physical risks.

Scenario Analysis

Using the outputs from the MSCI CVaR tool, we have updated our scenario analysis work to better understand the risks and opportunities facing our business. We can now update our analysis regularly to reflect changes in portfolio composition, climate change and policy scenarios, as well as climate science itself.

We studied **three plausible climate scenarios**, including one aligned with a below 2°C pathway in accordance with TCFD recommendations. We used outputs from MSCI which draw upon data from the Network for Greening the Financial System (NGFS) and the Intergovernmental Panel on Climate Change (IPCC). The three scenarios were:

- A 1.5°C REMIND[14] Disorderly rise SSP2: Divergent Net Zero reaches net-zero by 2050 but with higher costs due to disorderly policies introduced across sectors and a quicker phase out of fossil fuels;
- A 2°C REMIND Disorderly SSP2: Delayed Transition assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2 °C. Negative emissions are limited; and
- A 3°C REMIND Current Policies: Nationally Determined Contributions (NDCs) includes all pledged policies even if not yet implemented.

Physical Risks

We assessed physical risks in our portfolio under the MSCI CVaR categories of extreme heat and cold, heavy snowfall and precipitation, wind gusts, tropical cyclones, coastal flooding/rising sea levels and fluvial flooding (table 1). As an investment manager with fewer than 30 employees, a single leased head office and the ability to work from other locations, we have judged that the material physical risks to our business stem from our portfolios under management rather than our own operations.

14. REMIND (Regional Model of Investments and Development) is a modelling framework that generates projections of future world economies based on energy sector forecasts and the resulting implications for our world climate.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Key (Table 1 and 2):

Time horizons	Risk impact rating
Short-term: 0-2 years	🟢 Low
Medium-term: 3-5 years	🟡 Medium
Long-term: 6-10 years	🟠 High

Table 1: Physical risks to our portfolios under management

Risk Type	Potential financial impacts	Scenario risk impact				Current controls to mitigate risk
		Time Frame[15]	1.5°C	2°C	3°C+	
Chronic: Extreme Cold	• The MSCI CVaR modelling shows a negligible impact to our portfolios out to 2050 even in a 5°C scenario.	Long term	🟢	🟢	🟢	• Continue to use MSCI Climate Risk service to monitor changes to climate science and risk to our portfolios.
Chronic: Extreme Heat	• Increased costs of installing and operating active cooling systems, passive measures and replacing equipment that malfunctions at higher temperatures. • Lower occupier demand for buildings with poor thermal comfort control impacting rents or voids.	Long term	🟢	🟢	🟢	• Adding solar PV to properties to reduce load on grid during peak summer demand. • Property and facilities managers maintain landlord-controlled M&E heating and cooling systems. • Pre-acquisition survey reports include flooding and other physical risks to 2050.
Chronic: Coastal Flooding	• Increased due diligence costs and potential impact on deal completion timelines. • Illiquidity of certain assets. • Lack of occupier demand, leading to lower rents or voids. • Inaccessible assets.	Long term	🟢	🟢	🟡	• MSCI Climate Risk Service includes flood risk view of all assets. • Pre-acquisition due diligence includes flood risk assessment. • Regular engagement with insurance brokers. • Climate adaptation measures, based on MSCI climate risk analysis, are included within our Project Sustainability Principles for refurbishment works. • Where appropriate, we may prioritise assets for disposal.
Acute: Fluvial Flooding	• Valuation impacts with increased flood risk. • Increased insurance costs due to the asset repair and business interruption costs.	Medium term	🟢	🟢	🟡	• MSCI Climate Risk Service includes flood risk view of all assets. • Pre-acquisition due diligence includes flood risk assessment. • Regular engagement with insurance brokers. • Climate adaptation measures, based on MSCI climate risk analysis, are included within our Project Sustainability Principles for refurbishment works.

15. The earliest time frame when we believe the risk becomes relevant to our portfolios under management.

Risk Type	Potential financial impacts	Scenario risk impact				Current controls to mitigate risk
		Time Frame	1.5°C	2°C	3°C+	
Acute: Tropical Cyclones (includes wind and rain damage)	• Losses from assets where extreme weather leads to repairs, business interruption, increased insurance premiums or lower rents (where occupiers are responsible for maintenance). Closely linked to other physical risks.	Long term	🟢	🟢	🟢	• Annual risk review via MSCI Climate Risk Service. • Pre-acquisition due diligence considers physical climate-related risks. • Property and Facilities Managers monitor and manage impact of weather-related damage. • Adaptation measures such as larger gutters and anchoring roof-sited equipment incorporated into Project Sustainability Principles for major and minor refurbishments.
Acute: Wildfires	• None expected	Long term	🟢	🟢	🟢	• Annual risk review via MSCI Climate Risk Service

TRANSITION RISKS AND OPPORTUNITIES

The transition to a net zero carbon economy presents both risks and opportunities for our business. We have identified risks and opportunities through scenario analysis and the day-to-day management of our business. Table 2 (below) outlines the transition risks we have identified against the following TCFD categories of transition risk: policy, legal, technology, market and reputational risk.

Table 2: Transition risks to our portfolios under management

Risk Type	Potential financial impacts	Scenario risk impact				Current controls to mitigate risk
		Time Frame	1.5°C	2°C	3°C+	
Policy	• Reduced rental income from occupiers, and lower net income to investors, for properties that do not comply regulation e.g. the expected 2030 EPC B requirement. Associated valuation impact for stranded assets. • Increased capital expenditure costs to meet new standards and additional property management costs to achieve policy compliance e.g. carbon pricing through an emissions-based tax.	Short term	🟡	🟡	🟢	• Twice yearly Asset Business Plan reviews, annual climate risk review. • Investment Committee requirement to achieve an EPC B rating by 2030 for all assets, any exceptions must be fully debated. • Project Sustainability Principles Guides. • Ongoing monitoring of UK policy with policy changes actively discussed by Investment Committee on a regular basis. • Divestment where required to avoid stranded assets.
Legal	• Higher fees for legal and specialist consultancy on navigating legal requirements. • Potential litigation for greenwashing, incorrect use of FCA product labels or naming and marketing rules. • Higher cost of insurance. • Reduced revenues through loss of clients and inability to attract new capital. • Loss of FCA regulated status for OSIA. • Additional employee costs in ESG and/or compliance.	Medium term	🟡	🟡	🟢	• Monitoring regulation and training for employees and Partners by Head of ESG and Head of Compliance. • Professional advice sought (as required). • Annual climate risk register & TCFD Statement review. • Annual review of Net Zero Carbon Pathway targets including progress report to Board and external stakeholders.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Table 2 continued

Risk Type	Potential financial impacts	Scenario risk impact				Current controls to mitigate risk
		Time Frame	1.5°C	2°C	3°C+	
Technology	• Additional capex required to deploy new technology to support decarbonisation. • Returns on client portfolios may be affected if lifecycles for equipment are shorter than expected, increasing capital expenditure beyond business plans or reducing rents/ occupancy on assets. • Reduced revenues if early adoption of technology does not deliver expected returns.	Short term	🟡	🟡	🟢	• On-going monitoring of the technological developments by Head of Strategy. • Installation of solar PV and EV charging (where financially feasible and occupier consent is forthcoming). • Obsolescence risk reduced through electrification of assets and adoption of prop-tech solutions to optimise building energy use. • Investment Committee requirement to achieve an EPC B rating by 2030
Market risk	• Reduced revenue if performance below benchmark due to decreased investor and occupier demand for energy inefficient/ stranded buildings or portfolio exposure to occupiers and/or sectors with insufficient climate transition plans. • Reduced returns if local electricity grid does not have capacity to support occupier demand for on-site renewables and EV charging.	Short term	🟡	🟡	🟢	• Investment Committee papers must address renewable energy income and opportunities for lettings, renewals, acquisitions, and capital expenditure. • Monitoring of sector and occupier trends/risks by Head of Strategy. • Installation of solar PV and EV charging
Reputation risk	• Reduced revenues if unable to retain clients and/or win new business if fail to demonstrate progress towards our climate transition plan and/or alleged greenwashing concerns. • Litigation risk through incorrect use of FCA product labels and/or breach of naming and marketing rules	Short term	🟡	🟡	🟢	• Transparent public disclosure through assured annual **RI Report**, Annual Net Zero Carbon Pathway Progress Report for BBP Climate Commitment and Net Zero Asset Managers Initiative, Taskforce on Climate-related Financial Disclosures statement, and UN PRI Report. • Advisor input and active engagement in industry collaboration and initiatives via the BBP, INREV, UN PRI and IPF etc.

In addition to transition risks, we have identified four transition opportunities: resource efficiency, energy sources, products and services, and markets (table 3). We consider all four opportunities to support climate resilience.

Key (Table 3):

Time horizons	Risk impact rating
Short-term: 0-2 years	🟢 High
Medium-term: 3-5 years	🟡 Medium
Long-term: 6-10 years	🟠 Low

Table 3: Transition opportunities for our portfolios under management

Opportunity Type	Potential financial impacts	Scenario opportunity impact				Actions taken
		Time Frame	1.5°C	2°C	3°C+	
Resource Efficiency	• Reduced operating costs by improving efficiency across production and distribution, buildings, machinery/appliances, and transport/mobility—in particular energy efficiency, but also materials, water and waste management.	Short to long term	🟡	🟡	🟠	• Net zero carbon pathway and Project Sustainability Principles embed targets to improve resource efficiency. • Quarterly review of asset energy efficiency to identify further opportunities to improve resource efficiency. • Adoption of proptech solutions to optimise building energy use via implementation of IBOS & Demand Logic platforms.
Energy Source (including renewables, electrification & battery storage)	• More resilient portfolios and returns delivered through provision of on-site renewables, electrified buildings/removing fossil fuels and battery storage which responds to occupier and investor demand. This leads to increased rents and new income streams from renewables both of which are accretive to asset value. • Potential for technological developments to provide opportunities centred around renewables at our assets.	Short to long term	🟢	🟢	🟢	• OSIM's net zero carbon pathway shapes our approach to the installation of renewables at our assets. • The Project Sustainability Principles Guides ensure renewables are considered for all refurbishment projects via the Project Sustainability Principles Guides with opportunities documented in the Investment Committee approvals and at every twice-yearly business planning session. • Publicly reported target to increase our solar PV installation by 4MW by September 2025. Progress against this target is publicly reported on an annual basis.
Products and Services	• Growing pool of capital targeting strategies which take a robust approach to climate change with a positive environmental focus to create more resilient, better performing assets.	Short to medium term	🟢	🟢	🟡	• Regular ongoing review of opportunities at a Partnership level. • Orchard Street Social & Environmental Impact Partnership launched in October 2022, increasing product offering and AUM.
Markets	• Incorporating climate resilience measures into existing core portfolios provides opportunities to enhance returns and fund performance. • A market leading approach to climate resilience provides the opportunity for competitive advantage over and above other investment managers. • Opportunity to increase OSIM AUM and diversify product offering to achieve business growth and improved profitability.	Medium term	🟡	🟡	🟠	• Net Zero Carbon pathway and targets in place. • 54% of assets under management (by ERV) are green certified. • Opportunities for new strategies including those relating to climate change are reviewed regularly by OSIM Partnership and Head of Strategy. • Orchard Street Social & Environmental Impact Partnership launched in October 2022, increasing product offering and AUM.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

RESILIENCE OF STRATEGY

Climate-related risks and opportunities are integrated throughout business governance and processes as outlined above. Our net-zero carbon pathway is aligned with the BBP's Climate Commitment as well as Net Zero Asset Managers Initiative (NZAMI). We follow the BBP's Climate Resilience Guide and our strategy includes all three elements of what the BBP describe as a climate-resilient business:

- **Mitigation** – becoming net-zero before 2050 to mitigate the worst impacts of climate change
- **Adaptation** – becoming able to operate in a world in which climate-driven disruption is more frequent and severe
- **Disclosure** – providing climate-related information to investors, regulators and others in a useful and timely way.

With our decarbonisation and climate risk mitigation firmly underway, we will continue to focus on practical, building level, adaptation measures to prepare for our changing climate. As such, we believe that our strategy does not materially need to change in the 1.5°C, 2°C or 3°C warming scenarios that we have assessed.

RISK MANAGEMENT

Our climate risk register is reviewed every year by the Responsible Investment Committee, who assess the materiality of our physical and transition risks, based on current expectations of climate trajectories and global action.

Our Responsible Investment Policy defines our approach to climate-related risk management. The policy details how we identify, assess and manage risks and opportunities in line with our fiduciary duty to deliver client value while fulfilling responsibilities as both landlord and developer. The policy is reviewed every year and approved by the Board.

The Responsible Investment Committee identifies and assesses climate-related risks, implementing controls and assigning risk ownership. Risks are assessed at every stage of the property lifecycle, including pre-acquisition, while climate matters that arise in due diligence are included in the asset business planning process following acquisition.

EMBEDDING CLIMATE-RELATED RISKS

By 2030, we will reach net-zero for landlord operational, refurbishment, embodied carbon and corporate operational emissions. We will do the same for occupier operational and fit-out embodied carbon emissions by 2040. Our **net-zero carbon pathway** outlines how we will reduce emissions while the MSCI CVaR tool helps us to manage climate-related risks. Operational emissions, on-site renewables and off-site renewable energy and embodied carbon are all part of this roadmap.

The targets for our transition to Net Zero and building our climate resilience are incorporated into asset management decision-making. Other controls, such as installation of EV charging and carrying out biodiversity net gain assessments, help to manage climate-related risks and capture opportunities.

Climate-related risk is also integrated into key business processes, including:

- Responsible Investment Policy
- Responsible Investment strategy and targets
- Investment Committee papers
- Acquisition checklist
- Asset Sustainability Action Plans
- Project Sustainability Principles Guides
- Asset business planning
- Service provider selection processes

METRICS AND TARGETS

We use industry frameworks to report our performance and seek external assurance of our data. The methodologies used to calculate our performance data are explained in the Environmental Data Annex of the **Orchard Street Responsible Investment Report 2023**, which includes further climate-related performance data including a full breakdown of our carbon emissions.

MEASURING EMISSIONS

Our **Net Zero Carbon Pathway** includes detailed targets and metrics for reducing our Scope 1, 2 and 3 emissions. These are reported in accordance with the Greenhouse Gas Protocol and can be found in full on pages 12-13.

Since the bulk of our carbon emissions are due to the energy used by occupiers within our assets (Scope 3 emissions), we are improving data collection and management by introducing smart meters for gas, electricity and water. By the end of 2023, 33% of occupier data was covered by an energy meter. Collection and management of both landlord and occupier data from smart meters to enable better visibility of building energy use is key to reaching our 2030 target of reducing whole building energy intensity by 16%.

MEASURING CLIMATE RESILIENCE

As we make progress towards net zero and develop our definition of climate resilience, we will enhance the metrics we use. To assist this, we have adopted new tools such as **MSCI Climate Value-at-Risk** tool, now used for the majority of our assets under management, and we have begun using **Carbon Risk Real Estate Monitor** (CRREM V2) pathway analysis to gain insight into asset exposure to stranding risks based on energy and emission data.

Building EPC's and other green building certifications are valuable metrics to assess transition risk. We track both the proportion of assets by value that are green certified and the proportion by value where the weighted average of EPC is B rating or above. Doing so helps us to meet changing market and legislative demands. During the reporting period, we adopted guidance from INREV, the European Association for Investors in Non-Listed Real Estate Vehicles. This guidance changes how we measure progress to bring our reporting into line with peers and we have consequently recalculated previous periods. By the end of 2023, 82% of our units and 100% of properties[16] were covered by EPC ratings.

Table 4 (below) shows the metrics used to track climate-related risks and opportunities across our portfolios under management.

Table 4

	Metrics	2023 Performance	2022 Performance
Physical risk screening	% of AUM subject to MSCI Climate Value at Risk (CVaR) screening	95%	0%
Asset stranding	% of AUM analysed using CRREM	100%	100%
Green building certifications	% of assets by value where value weighted average is EPC B or above	44%	39%
	% of assets by value that are green certified	54%	41%
On-site renewable capacity	MW of renewable energy capacity installed and commissioned during year	1.278 MW	0.337 MW
	Financial investment in solar PV generation	£827,000	N/A
EV charging	No. of EV charging bays installed during year	57	48
Remuneration	% of Asset Managers with climate-related performance objectives	100%	100%

16. Excludes assets under refurbishment.

TRACKING OUR UN SDG PROGRESS

Demonstrating our progress against the UN SDGs where we can make the greatest contribution within our sphere of influence.

	SDG	KEY SDG TARGET	HOW WE WILL TRACK OUR PROGRESS	2023 PROGRESS UPDATE	INREV INDICATOR
PRIMARY	11 SUSTAINABLE CITIES AND COMMUNITIES	**11.6** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality, municipal and other waste management	• Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment, see Environmental Data Annex • Landlord operational waste recycled (% by weight), see Environmental Data Annex • Landlord operational waste sent to landfill (% by weight), see Environmental Data Annex • Major development and refurbishment construction waste sent to landfill (volume and tonnes)	• In total we have obtained 107 updated EPC ratings and 2 BREEAM ratings. • 54% by value of assets under management green certified (EPC B or above, NABERS, BREEAM, etc) • 32 assets have landlord managed operational waste data • 62% of landlord managed operational waste recycled or composted • 62% landlord operational waste recycled (% by weight), compared to 61% reported last year • Volume and tonnes of construction waste sent to landfill from major development & refurbishments will be reported in 2024 where available.	ESG 3.6
PRIMARY	17 PARTNERSHIPS FOR THE GOALS	**17.16** Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries	• UN PRI Rating, page 34 of the **Responsible Investment Report** • Qualitative description of the industry partnerships, research and industry education that we contribute to each year, page 9 of the **Responsible Investment Report**	• We are proud to report on our annual UN PRI assessment 4 star score, highlighting the integration of ESG issues into our investment and decision-making processes • Orchard Street have partnered and collaborated with an array of multi-stakeholder partnerships on a number of initiatives aligned to the material issues of our RI Strategy. We do this to support the acceleration of the transition of our industry to a sustainable future. See pages 9 and 50-51 of the **Responsible Investment Report**	
PRIMARY	17 PARTNERSHIPS FOR THE GOALS	**17.17** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships			
SECONDARY	3 GOOD HEALTH AND WELL-BEING	**3.8** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	• Employee satisfaction survey results, page 33 of the **Responsible Investment Report** • Types of resource dedicated to supporting our employees, pages 32-35 of the **Responsible Investment Report** • Provision of employee private healthcare • No. of volunteering hours	• Our dedicated Equity, Diversity and Inclusion Committee spearheaded new projects including updating our maternity leave policy and implementing an anonymous employee satisfaction survey, administered by Great Place to Work • All employees have access to private healthcare insurance • 115 hours volunteered by Orchard Street staff	
SECONDARY	3 GOOD HEALTH AND WELL-BEING	**3.9** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	• Landlord operational waste recycled (% by weight), see Environmental Data Annex • Landlord operational waste sent to landfill (% by weight), see Environmental Data Annex • Major development and refurbishment construction waste sent to landfill (volume and tonnes)	• In total we have obtained 107 updated EPC ratings and 2 BREEAM ratings. • 54% by value of assets under management green certified (EPC B or above, NABERS, BREEAM, etc) • 32 assets have landlord managed operational waste data • 62% of landlord managed operational waste recycled or composted • 62% landlord operational waste recycled (% by weight), compared to 61% reported last year • Volume and tonnes of construction waste sent to landfill from major development & refurbishments will be reported in 2024 where available.	ESG 3.6
SECONDARY	7 AFFORDABLE AND CLEAN ENERGY	**7.2** By 2030, increase substantially the share of renewable energy in the global energy mix	• MW of renewable energy generation capacity installed. • Total amount invested in renewable energy • Average building energy intensity (kWh/m²), see Environmental Data Annex	• 1,205 MW of renewable energy generation capacity installed • 225 kWh/m² average building energy intensity	ESG 3.2
SECONDARY	7 AFFORDABLE AND CLEAN ENERGY	**7.3** By 2030, double the global rate of improvement in energy efficiency			

TRACKING OUR UN SDG PROGRESS

	SDG	KEY SDG TARGET	HOW WE WILL TRACK OUR PROGRESS	2023 PROGRESS UPDATE	INREV INDICATOR
SECONDARY	8 DECENT WORK AND ECONOMIC GROWTH	**8.6** By 2020, substantially reduce the proportion of youth not in employment, education or training	• Apprenticeships supported (programmes and processes to ensure the availability of a skilled workforce), page 35 of the **Responsible Investment Report** • Work experience and internship opportunities provided (programmes and processes to ensure the availability of a skilled workforce), page 35 of the **Responsible Investment Report**	• For the second year running, Orchard Street welcomed four members (doubling from two) of CBRE's graduate scheme for a two week internship programme	
	10 REDUCED INEQUALITIES	**10.3** Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	• Total # of employees and proportion of females, page 32 of the **Responsible Investment Report** • Employee satisfaction survey see page 33 of the **Responsible Investment Report**	• 37% of female employees (including Partners), compared to 37% reported last year • 25% of female members on the board of directors, compared to 25% reported last year • 36% of female members on other governing bodies • The Equity, Diversity and Inclusion Committee has arranged small focus groups in late 2023 with a third party consultant to get under the skin of areas of particular concern and what could be done to improve these, as the next step of developing our diversity and inclusion strategy	ESG5.1 ESG5.1.2 ESG5.1.2.2
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.2** By 2030, achieve the sustainable management and efficient use of natural resources	• Landlord operational waste recycled (% by weight), see Environmental Data Annex • Landlord operational waste sent to landfill (% by weight), see Environmental Data Annex • Major development and refurbishment construction waste sent to landfill (volume and tonnes) • Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment, see Environmental Data Annex • Average water intensity of portfolio (litres/m²), see Data Annex	• 32 assets have landlord managed operational waste data • 62% of landlord managed operational waste recycled or composted • 62% landlord operational waste recycled (% by weight) • Volume and tonnes of construction waste sent to landfill from major development & refurbishments will be reported in 2024 where available • In total we have obtained 107 updated EPC ratings and 2 BREEAM ratings. • 477 average water intensity of multi-let office portfolio (litres/m²)	ESG3.5 ESG3.6
	13 CLIMATE ACTION	**13.2** Integrate climate change measures into national policies, strategies and planning	• Scopes 1, 2 and 3 carbon intensity reduction ($kgCO_2e/m^2$), see Environmental Data Annex • Coverage of occupier energy data collected by floor area (%), see Environmental Data Annex • Average water intensity of portfolio (litres/m² NLA), see Environmental Data Annex • TCFD disclosure (risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure), see Environmental Data Annex	• 7% reduction in Scope 1, 2 and 3 location-based carbon intensity (tCO_2e/m^2) compared to 2018/19 baseline • 33% of actual occupier energy data by floor area • 477 average water intensity on our multi-let office portfolio (litres/m² NLA) • For commentary on TCFD see page 16 • 7% reduction in scope 1,2 & 3 carbon intensity (location based) v our 2018/19 baseline (tCO_2e/m^2)	ESG3.3.12
	15 LIFE ON LAND	**15.2** By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally	• Biodiversity value assessments undertaken	• Biodiversity value assessed on 69 assets, compared to 12 reported last year	
	15 LIFE ON LAND	**15.9** By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts			
	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**16.5** Substantially reduce corruption and bribery in all their forms	• % of employees trained on anti-money laundering (2023: 100%) • % of new, long-term, material suppliers subject to anti-money laundering review	• 100% of employees trained on anti-money laundering • 100% of new, long-term, material suppliers subject to anti-money laundering review	

INDEPENDENT ASSURANCE STATEMENT

To the Stakeholders of Orchard Street Investment Management LLP

Orchard Street Investment Management LLP ("Orchard Street") engaged JLL to provide Independent Assurance of Portfolio Environmental Data relevant to its 2023 Responsible Investment Report (the "Report") for the Reporting Period 1st October 2022 – 30th September 2023.

Subject Matter Information	Renewable energy generation (kWh) Landlord energy data (kWh) Occupier energy data (kWh) Landlord water data (m^3) Landlord waste data (tonnes) Scope 1, 2 and 3 GHG emissions (tCO_2e) ESG Targets as listed in Table 1
Reporting Period	1st October 2022 – 30th September 2023
Reporting Criteria	Orchard Street's Reporting Methodology as summarised in the 2023 Environmental Data Annex
Assurance Standard	International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board
Assurance Level	Limited Assurance

CONCLUSION

Based on the procedures performed, nothing has come to our attention that causes us to believe that for the Reporting Period, the Subject Matter Information is materially misstated, in line with the Reporting Criteria.

SCOPE OF WORK

The Subject Matter Information comprises the following key performance indicators and targets which are subject to Assurance.

Table 1:

KPIs	Reported Value
Renewable energy generation (generated and consumed on-site)	1,204,955 kWh
Landlord energy data (actual and estimated)	27,370,665 kWh
Occupier energy data (actual and estimated)	220,544,517 kWh
Landlord water data (actual)	107,812 m^3
Landlord waste data (actual and estimated) • Landfill • Recycling • Combustion • Anaerobic digestion	2,002 tonnes • 0 tonnes • 1,016 tonnes • 755 tonnes • 231 tonnes
Greenhouse gas emissions (actual and estimated) • Scope 1 emissions • Scope 2 location-based emissions • Scope 2 market-based emissions • Scope 3 emissions	 • 2,321 tCO_2e • 3,214 tCO_2e • 149 tCO_2e • 59,626 tCO_2e

ESG Targets	Outcome
Achieve an average water intensity on our multi-let office portfolio of better than 450 litres/m^2 NLA (excludes offices held for less than 3 years at 1 October 2025, those sold before 30 September 2025 and those with occupancy below 75% in 2025)	Progress to date: 477 litres/m^2
50% of actual occupier energy data (by floor area) to be collected by 2025	Progress to date: 33%
Recycle or compost at least 70% of landlord managed operational waste (measured in the period October 2024 – September 2025)	Progress to date: 62%
Send less than 1% of landlord managed operational waste to landfill or incineration, this excludes incineration for waste to energy (measured in the period October 2024 - September 2025)	Achieved
Achieve 90% automated meter reading (AMR) "smart" data coverage of landlord-controlled energy consumption by September 2023	Progress to date: 83%
Establish a quantified target to increase biodiversity value, including scope and baseline, by 30 September 2023	Achieved
Implement an employee satisfaction survey in 2023 (due by December)	Achieved
Establish a Climate Change Resilience Strategy in line with the Better Buildings Partnership Climate Commitment	Achieved
50% by value of assets under management to be green certified by September 2025 (EPC B or above, NABERS, BREEAM, etc)	Achieved: 54%
Install 4 MW of renewable energy generation capacity from October 2019 to September 2025)	Progress to date: 2 MW
Reduce Scope 1, 2 and 3 carbon intensity (tCO_2e/m^2) by 25% compared to 2018/19 baseline	Progress to date: 7% reduction
Provide at least four work experience or internship opportunities (including those offered in partnership with suppliers) at Orchard Street between October 2022 and September 2025	Achieved: 4

Other than described above, we did not perform assurance procedures on the remaining information included in the Report, so do not express an opinion on this information.

INDEPENDENT ASSURANCE STATEMENT

ASSURANCE APPROACH

We have performed the following procedures:

- Interviewed Head of ESG at Orchard Street to discuss methodology for the targets.
- Reviewed progress against targets by requesting relevant documentation and evidence.
- Interviewed Orchard Street's appointed data management and reporting team at Accenture about data management processes.
- Reviewed the processes involved in data collection, management and reporting in adherence to the Reporting Criteria, detailed in Orchard Street's Basis of Reporting.
- Performed analytical review and considered risks of misstatement of the Subject Matter Information.
- Tested a sample of datapoints against evidence across all indicators listed in the Subject Matter Information.
- Established a Query Log to track and resolve methodology, data, and evidence queries.
- Tested and re-calculated GHG emissions for a sample of emission categories in line with the Greenhouse Gas Protocol.

LIMITATIONS AND CONSTRAINTS

Inherent limitations exist in all assurance engagements and due to the limited nature. The self-defined procedures carried out vary in nature, timing, and extent due to the absence of consistent, external standards for all reported metrics.

FRAMEWORK AND STANDARDS

We carried out a limited assurance engagement, conducted in accordance with the International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board.

The procedures undertaken in a limited assurance engagement are less comprehensive than a reasonable assurance engagement. We believe that the testing carried out provides a sufficient and appropriate basis for our limited assurance conclusion.

RESPONSIBILITIES

The management of Orchard Street is responsible for the completion of the Subject Matter Information and publication of the Report. Our responsibilities as independent practitioner is to undertake a limited assurance engagement and report our opinion on the Subject Matter Information in accordance with the Reporting Criteria.

Due to our expertise and experience with non-financial information, sustainability management and reporting, we have the competencies required to conduct this independent assurance engagement. We are bound by the JLL Code of Ethics and JLL's internal management procedures. JLL's Code of Ethics sets out our ethical operating conditions and guides our actions and behaviours internally and externally to ensure doing business with integrity. JLL has also established a business management system, documented, and maintained in accordance with the requirements of the International Standard for Quality Management Systems – ISO 9001:2015.

JLL is a consultant to Orchard Street and provides support on their environmental, social and governance programme. The Assurance Team has not been involved in the delivery of these other services for Orchard Street and we do not consider that there is any conflict of interest between these other services and this verification engagement. JLL implement and maintain a system of information barriers in line with our internal procedures.

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