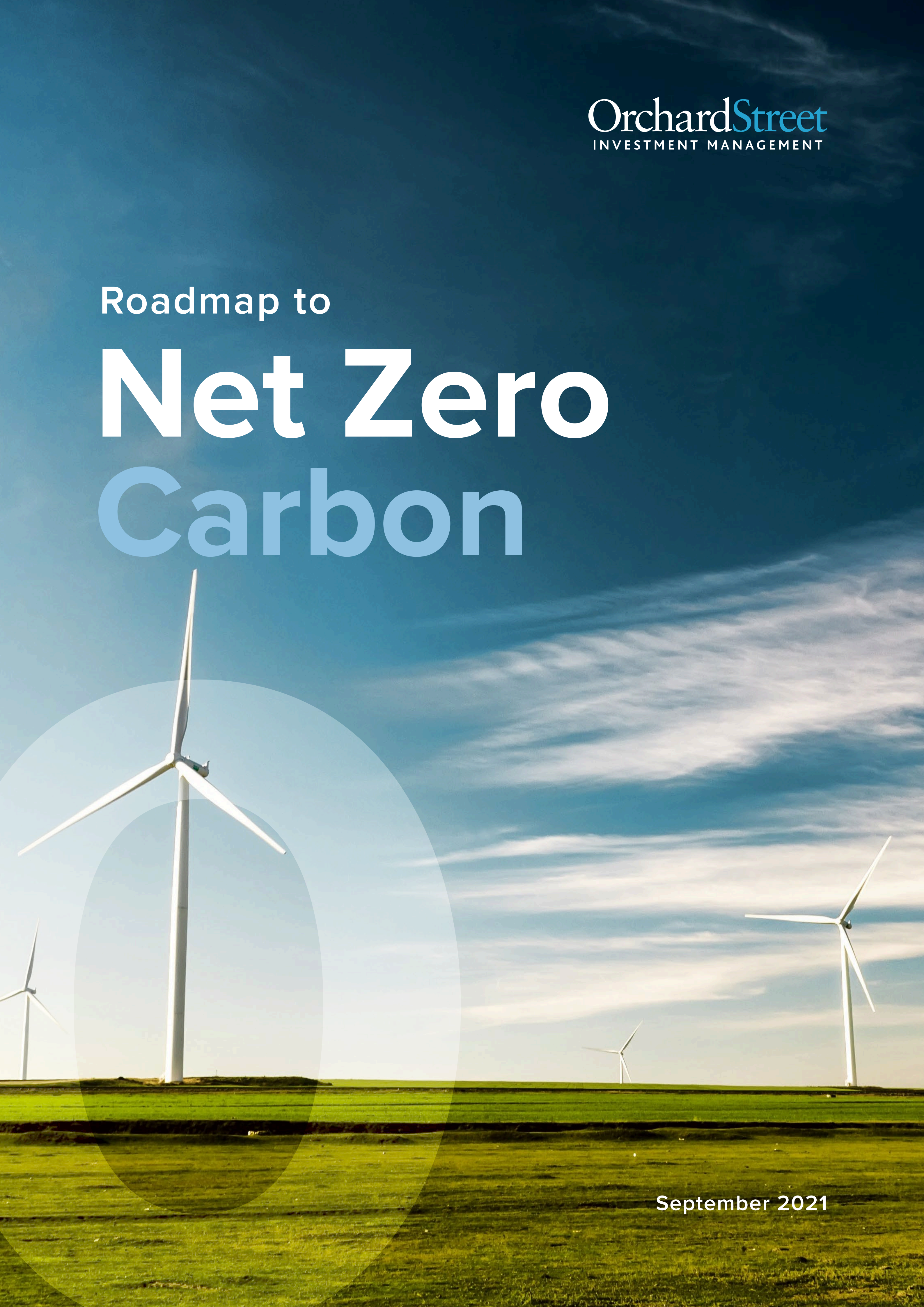


Orchard Street
INVESTMENT MANAGEMENT

Roadmap to

Net Zero Carbon

September 2021

Contents

Foreword

Climate change is the defining challenge of our time and the real estate sector has a transformational role to play in reducing carbon emissions, with 40% of global emissions coming from the built environment[1]. 2050, the date set by the Paris Climate Agreement and the amended UK Climate Change Act, is too late. Action must be taken now. Orchard Street Investment Management will be one of the leaders in this journey accelerating our net zero carbon commitment by ten years.

The Intergovernmental Panel on Climate Change's report on the physical basis of climate change tells us we must act now to stay on a 1.5°C pathway in line with the Paris Agreement. It is "code red" for humanity according to the UN Secretary General.

We are committed to achieving net zero carbon for landlord emissions, refurbishment emissions and our corporate emissions by 2030. We will expand the scope of our net zero carbon commitment to include occupier emissions from energy and fit-outs in 2040.

Our roadmap to 2040 includes robust and specific targets at five year intervals to drive action and give our clients a clear view of what they can expect from our decarbonisation pathway.

I am confident that a net zero carbon portfolio will lead to stronger performance for our clients especially when combined with the hands on management style at which Orchard Street excels. Collaboration is fundamental to our approach. We will seek engagement with all our stakeholders on this journey, particularly our clients, to ensure their own targets are met.

We are proud to be a signatory to the Better Buildings Partnership Climate Commitment and to have aligned our Pathway to the Net Zero Asset Owner Alliance and Net Zero Asset Managers Initiative. These initiatives are driving the dramatic change in mindset, practices and accountability that is critical to a successful net zero carbon transition for the UK economy.

I invite you to read more about the details of our Pathway and to engage with us as we do the hard work to deliver on these commitments.

Philip Gadsden
Managing Partner
Orchard Street Investment Management

BBP CLIMATE COMMITMENT Signatory

1. https://www.iea.org/topics/buildings

Communication Park, West London

Executive summary

Orchard Street Investment Management (OSIM) has committed by 2030 to achieve net zero carbon for our landlord emissions, refurbishments and corporate emissions, and by 2040 for our occupier emissions and fit-outs.

In setting a net zero carbon pathway aligned with the Paris Agreement, we build upon our responsible investment policy, to enhance the fund and asset performance of our clients' real estate portfolios through active ESG management. We are committed to achieving net zero carbon for our full scope of emissions 10 years in advance of the 2050 deadline set through the Paris Climate Agreement and the amended UK Climate Change Act.

Orchard Street Investment Management is a leading UK commercial real estate investment manager acting on behalf of institutional clients worldwide, advising on investment in, and the active management of, UK property assets.

As a UK real estate specialist, we consider there is not only an environmental benefit of converting our portfolios to become net zero carbon but a real financial driver. With significant regulation changes ahead as we move towards the UK's 2035 and 2050 carbon targets, and with rapidly increasing occupier requirements for sustainable buildings as businesses set out their own net zero carbon targets, we would be failing in our governance and stewardship responsibilities if we failed to consider the financial impact. We are not alone in this view, with USD 49 trillion in AUM committed to the Net Zero Asset Owners Alliance and Net Zero Asset Managers Initiative.

Our belief is that a net zero carbon portfolio will lead to stronger performance in the medium to long-term. We will mitigate risks to short term performance through developing an optimised pathway to net zero carbon and embedding this in our portfolio strategy. At the same time we are supporting our clients to meet their own commitments, futureproof their assets (both income and value), and reduce potential future offsetting liability.

Our net zero carbon pathway is based on detailed modelling of our assets under management by net zero carbon and renewable energy specialists and our engagement with clients to understand their goals and requirements. Orchard Street's net zero carbon pathway is aligned to a 1.5°C climate warming scenario, with specific targets for 2025 and 2030.

To support our net zero carbon commitment, we have joined the Better Buildings Partnership (BBP) to collaborate within our industry to make the huge step changes required to achieve net zero carbon. We also are signing up to the BBP Climate Commitment ahead of COP26. Underpinning our ambitious targets are detailed assessments of the current and future emissions of our property portfolio, sustainability guidance for refurbishment and setting energy performance targets per sector.

We have also created targets and guidance for every stage of the net zero carbon hierarchy, for embodied carbon, operational energy, increased on-site renewable energy capacity and off-site renewable energy procurement in order to proactively mitigate our emissions. As part of our strategy we are currently exploring the options for an Internal Carbon Pricing mechanism to support our net zero carbon targets.

Our pathway is practical and achievable, supported by our hands-on approach to asset management and a single investment committee. Our net zero carbon targets are integrated into Orchard Street's investment, lettings, capital expenditure and refurbishment proformas, ESG Asset Tracker initiatives and property manager targets, ensuring they are part of every relevant asset management decision. As a UK real estate specialist investment manager we have been able to tailor our pathway to our sector. We are confident our focused and experienced team of UK property professionals have the dedication, skills and expertise to deliver.

What do we mean by Net zero carbon?

We are proud to make a transparent and meaningful commitment to net zero carbon through the Better Buildings Partnership's (BBP) Climate Commitment framework. The scope and definition of net zero carbon commitments vary widely and the BBP's transparent and ambitious framework demonstrates leadership.

We have adopted the BBP definition of net zero carbon that the carbon emissions generated as a result of all activities associated with the development, ownership and servicing of a building are zero or negative. This is supplemented with the UK Green Building Council's guidance on the net zero carbon hierarchy:

- Embodied carbon associated with refurbishment is reduced as low as reasonably possible and remaining emissions offset
- Operational energy consumption is reduced as far as possible
- On-site renewable energy generation is maximised
- Off-site energy is procured through 'High-Quality' renewable sources
- Residual emissions are offset through reputable and verified schemes

Our net zero carbon pathway is aligned to the Net Zero Asset Managers Initiative and the Net Zero Asset Owner Alliance. This supports the UN Race to Zero ahead of COP26 and our clients' own commitments. A key feature of all these initiatives is setting interim and long-term carbon reduction targets for emissions under an organisation's direct control (Scopes 1 and 2) and those under its influence (Scope 3), for example the emissions of occupiers in a single-let building with a Fully Repairing and Insuring (FRI) Lease.

Velocity, Weybridge

Our roadmap to net zero carbon

By **2030**, all operational landlord emissions, corporate emissions and embodied carbon from refurbishments and landlord fit-outs achieve net zero carbon

Additionally;

By **2040**, occupier operational building energy emissions and embodied carbon from occupier fit-outs, including FRI assets, achieve net zero carbon

These targets apply across all of our real estate assets under management and align to the Better Buildings Partnership Climate Commitment scope plus our corporate emissions.

25 Great Pulteney Street, London

To achieve these targets, we have developed a roadmap that follows the widely accepted net zero carbon hierarchy

Milestones and Targets

Supporting Commitments	Net Zero Carbon Hierarchy	GHG Reporting Scopes	Actions	2025	Net Zero Carbon 2030 Landlord Construction + Corporate	Net Zero Carbon 2040 Landlord + Occupier + Construction + Corporate
PRI Principles for Responsible Investment Signatory to UN Principles of Responsible Investment since 2018	**Reduce embodied carbon**	3	Refurbish and maintain assets in line with our Project Sustainability Principles Trial internal shadow price of carbon Engage occupiers on sustainable fit-outs	300 $kgCO_2e/m^2$ embodied carbon on major refurbishments	210 $kgCO_2e/m^2$ maximum embodied carbon on refurbishments	2035 and 2040 targets will be set in 2030 to ensure they are sufficiently ambitious and reflect current best practice. This is in line with the Net Zero Asset Managers Initiative five year interim target schedule. We will revisit our net zero carbon pathway at least every five years.
SUSTAINABLE DEVELOPMENT GOALS Committed to the outcomes of the UN Sustainable Development Goals in 2020	**Reduce operational carbon**	1, 2, 3	Increase smart meter coverage Building management optimisation Remove fossil fuels and minimise energy use intensity through refurbishment Occupier engagement Green leases and supporting occupiers' own ESG goals Maximise agile working and low carbon business travel	**25%*** reduction in Scope 1, 2 and 3 carbon intensity (tCO_2e/m^2) **50%** of actual occupier energy data collected **50%** of assets by value green certified**	**16%*** reduction in whole building energy intensity (kWh/m) **60%*** reduction in Scope 1 and 2 carbon intensity **30%*** reduction in scope 3 carbon intensity (tCO_2e/m^2) **80%** of actual occupier energy data collected **90%** of assets by value green certified**	
TCFD Task Force on Climate-Related Financial Disclosures Registered TCFD supporters since 2020 and publishing second TCFD disclosure in 2021	**Maximise renewable energy**	1, 2, 3	Increase on-site renewable energy and occupier PPAs 100% 'High-Quality' landlord renewable electricity Influence occupiers to procure 'High-Quality' renewable electricity Monitor off-site PPA market	Renewables roll-out across all assets under management	10 MW of PV capacity installed	
BBP Better Buildings Partnership Joined the Better Buildings Partnership Climate Commitment in 2021	**Offset residual carbon**	1, 2, 3	Monitor and engage in the improvement of the UK offsetting market Support clients by offering a high quality offset programme aligned to best practice principles	No offsetting	Landlord operational emissions from standing assets held for at least 3 years, embodied carbon from landlord refurbishments/ developments and fit-outs and Orchard Street's business operation emissions	Occupier operational emissions from standing assets held for at least 3 years and occupier fit-out emissions added to offsetting scope

*Baseline year is 1 October 2018 – 30 September 2019 ** Green certified includes NABERS UK, BREEAM, EPC B or above and equivalent standards

Baseline carbon footprint and trajectory

In order to understand the impact of achieving net zero carbon in our target years, we first need to map the extent and type of emissions for our business. To do this we created a baseline carbon footprint based on our 2019 activities. We selected 2019[2] as the baseline year in line with Net Zero Asset Manager Initiative guidance and it being the most representative recent year due to Covid-19 restrictions in 2020 and 2021.

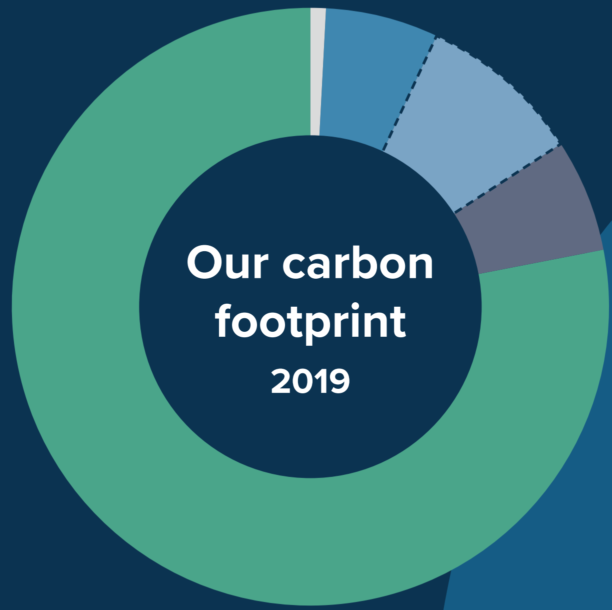
The carbon footprint covers the in-scope carbon emissions for all assets under management from our corporate and fund activities and the total emissions were 76,164 tCO_2e [3]. Our 2019 footprint included 153 assets - 41% offices, 24% retail, 18% industrial, and 17% alternatives in England, Scotland and Wales.

Using our 2019 footprint as a base, we commissioned detailed modelling of the future energy and carbon performance of our assets under management, taking into account planned refurbishment cycles, client financial and climate performance targets, capacity for solar PV, expected UK regulation and market trends. Over the last 12 months, the Responsible Investment Committee has engaged with clients, investment managers, property managers, valuers, government research and consultations, and industry bodies such as MSCI and the IPF to test and challenge our modelling assumptions, performance targets and pathway.

Similarly to other property investment managers with income generating standing portfolios, our most significant emissions categories are those associated with occupier consumption within assets we manage on behalf of clients. Decarbonisation of the UK electricity grid and switching buildings from gas and oil to electric boilers and air source heat pumps is an important lever to reduce operational emissions but this is not enough on its own. We must also reduce occupier emissions by making energy efficiency improvements and installing renewables when assets return to our control and engaging with occupiers where tenancies remain in place.

15% of Orchard Street's carbon footprint is associated with landlord procured utilities in the buildings that we manage on behalf of clients. All landlord electricity is purchased via green 'renewable' REGO backed tariffs, and 80% already meets the UK-GBC's guidance for a high quality renewable tariff. As part of our commitment to continuous improvement, we are implementing a minimum standard for renewable tariffs to be backed by "bundled" REGOs by 2023 via our OSIM Responsible Investment Managing Agent standard. We will regularly review and update our requirements in line with evolving guidance.

The net zero carbon hierarchy, detailed modelling of future emissions and engagement outlined above have formed the basis of our net zero carbon scope and detailed performance targets.



Landlord Operational Carbon — **15%** — 11,334 tCO_2e

This includes emissions from landlord gas (4%), electricity (9%), waste (<1%), water (<1%) and refrigerants (2%)

Landlord Renewable Electricity

Using a market-based reporting methodology our landlord operational carbon emissions from electricity are 0 due to the impact of procuring only REGO-backed renewable electricity (which is considered zero carbon)

Embodied Carbon — **6%** — 4,484 tCO_2e

This includes emissions from refurbishments (4%) and purchased goods and services (2%)

Occupier Carbon[4] — **78%** — 59,772 tCO_2e

This includes emissions from occupier gas (31%) and electricity (47%)

Corporate Emissions — **1%** — 574 tCO_2e

This includes business travel (<1%) and purchased goods and services (<1%)

2. Orchard Street's financial year runs from October to September. The 2019 baseline year is October 1 2018-September 30 2019.
3. For our 2019 carbon footprint we have used location-based reporting methodology, which uses the local grid emissions factors, to highlight the importance we place on minimising energy consumption as part of our net zero carbon pathway. However, using a market-based reporting methodology our landlord operational carbon emissions from electricity are 0 due to the impact of procuring only REGO-backed renewable electricity (which is considered zero carbon). This aligns with the figures in our wider reporting and are approved methodologies of the GHG reporting protocol.
4. All occupier electricity and gas consumption has been estimated using best practice benchmarks e.g. CIBSE and LETI.
5. Guidance on 'High-Quality" renewable electricity procurement continues to evolve and BBP and UK-GBC guidance is not currently aligned but is in agreement that bundled REGOs are necessary. We will keep the definition of "High-quality" tariffs regularly under review.

Reduce embodied carbon

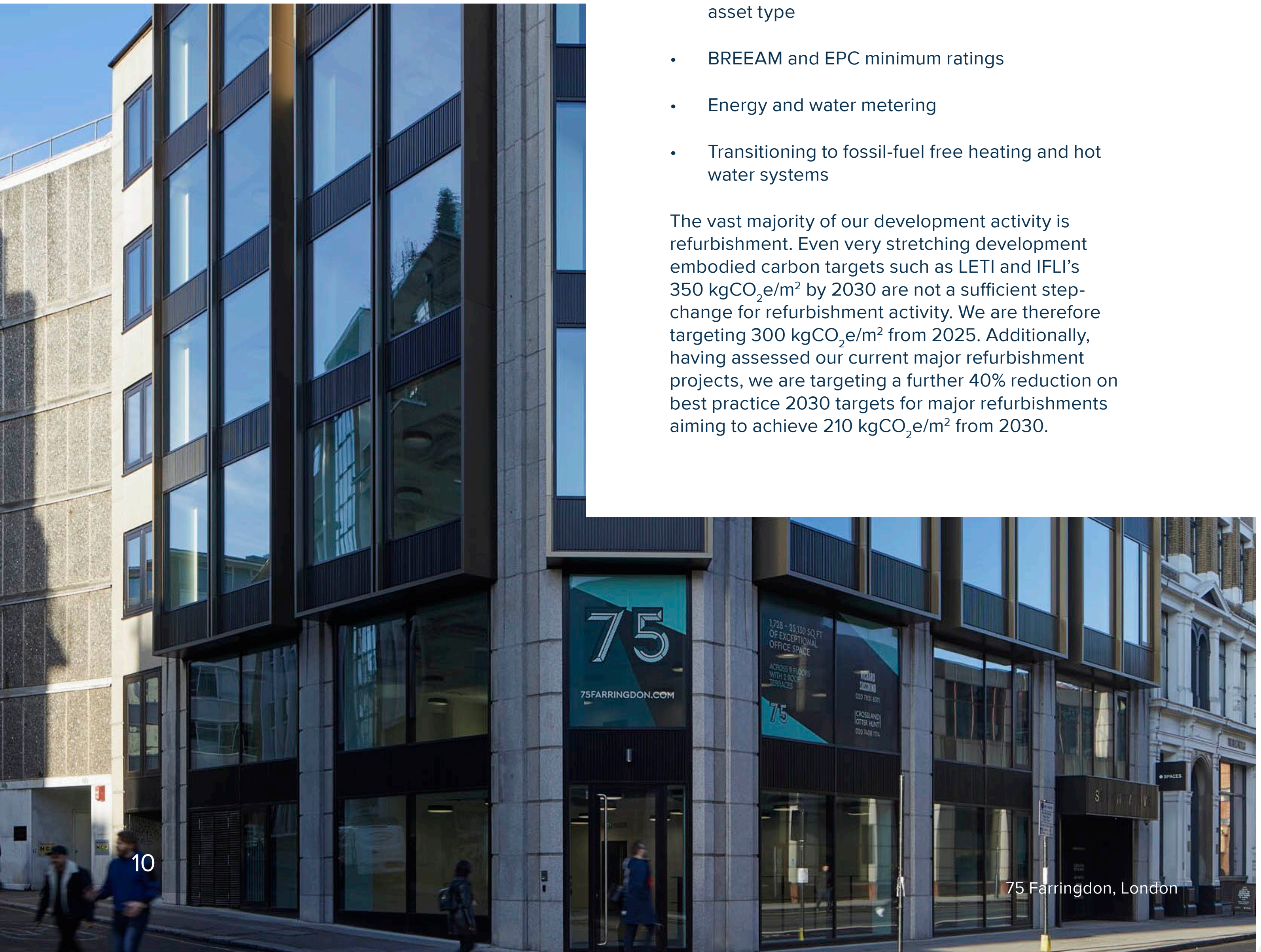
Embodied carbon emissions are associated with a building's product and construction stages up to practical completion. We have set a target of being net zero carbon on all of our refurbishments, developments and fit-outs from 2030 onwards and will include occupier fit-outs from 2040.

Emissions associated with embodied carbon from refurbishments accounted for 4% of our total emissions in our baseline year, this figure will vary with the refurbishment schedule.

Recognising that our refurbishment programme will enable us to deliver against our operational net zero carbon goals and energy performance, and as a material source of our carbon emissions, we have created Project Sustainability Principles with minimum standards for all refurbishment and fit-out projects going forwards covering;

- Whole building energy use intensity targets by asset type
- BREEAM and EPC minimum ratings
- Energy and water metering
- Transitioning to fossil-fuel free heating and hot water systems

The vast majority of our development activity is refurbishment. Even very stretching development embodied carbon targets such as LETI and IFLI's 350 $kgCO_2e/m^2$ by 2030 are not a sufficient step-change for refurbishment activity. We are therefore targeting 300 $kgCO_2e/m^2$ from 2025. Additionally, having assessed our current major refurbishment projects, we are targeting a further 40% reduction on best practice 2030 targets for major refurbishments aiming to achieve 210 $kgCO_2e/m^2$ from 2030.



75 Farringdon, London

Reporting Metrics:

- Whole life carbon assessments
- Carbon intensity ($kgCO_2/m^2$)

We will take the following key steps to achieve our 2025 net zero carbon target for major refurbishments and apply the learnings to smaller projects:

- Proactively engage supply chain and refurbishment partners, sharing best practice and supporting innovation to reduce embodied carbon
- Consider the environmental impact of materials in selection and prioritise products with environmental product declarations
- Develop a mechanism for an appropriate internal price of carbon to support low carbon material and design choices during refurbishment
- Use technologies to conduct whole life carbon assessments to track and measure embodied carbon for all refurbishment projects, setting reduction targets appropriate to the scope of works
- Prioritise passive design and energy efficiency measures to mitigate energy demand and undertake low or net zero carbon energy systems feasibility assessments to design out fossil fuels
- Specify smart meters in early design in both landlord and occupier areas to improve operational data accuracy
- Review and assess circular design principles to design out waste
- Investigate opportunity for occupiers to calculate and report the embodied carbon from their refurbishment and fit-outs in green leases over time

Our embodied carbon targets will be reviewed and updated as appropriate every five years.

Reduce operational consumption

The majority of our emissions are those associated with the energy used to heat and power our buildings. We have set a target of being net zero carbon in our assets under management for all of our landlord procured energy from 2030 onwards and include occupier energy emissions from 2040.

Actions Orchard Street have taken to reduce operational emissions:

We have set Paris-proof net zero carbon energy use intensity targets for all sectors based on best practice benchmarks and these will be reviewed and included in the early design stages for our refurbishments. This will also enable us to provide net zero carbon ready spaces to our occupiers and collaborate with them to reduce our combined emissions as the majority of operational emissions are from occupier energy use.

Achieving net zero carbon requires energy use intensity improvements and substantial investment in the electrification of heating systems to remove high carbon fossil fuel consumption, which will have a significant impact on our Scope 1 and 2 carbon intensity.

One of the main challenges for the real estate sector is that a significant number of tenancies are protected by the 1954 Landlord and Tenant Act which provides tenants with renewal rights at lease expiry and can prevent landlords taking possession to carry out net zero carbon improvements. We have engaged extensively with occupiers through 2021 as part of our responsible investment strategy and our asset managers are using ESG as a value driver for lease renewals and regears. We have also joined the BBP's Owner Occupier forum as part of the drive to facilitate a greater partnership on sustainability improvements between owners and occupiers throughout the UK commercial real estate industry.

As occupier emissions are the majority of our operational emissions, we have set additional targets to increase collection of actual occupier energy consumption data to 50% by 2025 and 80% by 2030

Furthermore, we have set operational intensity reduction targets to achieve net zero carbon from our 2019 baseline:

- 25% reduction in Scope 1, 2 and 3 carbon intensity* ($kgCO_2e/m^2$) by 2025
- Reduce whole building energy intensity (kWh/m^2) by 16%* by 2030
- Reduce Scope 1 and 2 carbon intensity by 60%* ($kgCO_2e/m^2$) by 2030
- 30% reduction in Scope 3 carbon intensity ($kgCO_2e/m^2$)* by 2030

*Using market-based emissions calculation methodology

Reporting Metrics:

- Energy intensity EUI kWh/m^2
- Carbon intensity $kgCO_2e/m^2$

Key actions we have taken to reduce operational emissions and next steps:

Alongside working with our occupiers to reduce their emissions, we can have the greatest influence and impact by embedding Orchard Street's bespoke Project Sustainability Principles in refurbishments.

We are prioritising passive design measures such as enhanced fabric insulation, increased airtightness, external solar shading, high-performance glazing, and daylight harvesting alongside energy efficient mechanical and electrical plant, building plant optimisation, air source heat pumps, and smart metering.

We are taking a holistic approach to reducing the operational carbon footprint of standing assets and new acquisitions, including the following initiatives:

We target three ESG initiatives each quarter at every asset. These cover a range of ESG issues, including biodiversity, wellbeing and community programmes. Net zero carbon focussed initiatives are a key component of the tracker programme, including BREEAM improvements, EPC improvements, energy efficiency surveys, on-site renewables, replacing fossil-fuel heating systems with air source heat pumps, smart meters, occupier renewable energy influencing, occupier energy data collection and more

We consider energy efficiency, on-site renewables and key environmental certifications in all acquisitions by including refurbishment costs for lower performing assets in our pricing models

We include green lease clauses in all new leases to engage occupiers in ESG issues, require energy data sharing, ensure EPC ratings are protected and allow for ESG improvements to properties

We reviewed all EPCs in 2021 and put in place plans for those lower than a D to be improved through engagement with occupiers or refurbishment upon vacancy. 50% of AUM by value to be green certified by 2025 and 90% by 2030

We will embed our new Paris-aligned energy use intensity targets and Project Sustainability Principles in refurbishment specifications

Maximise renewable energy

To support the net zero carbon pathway we will continue to install PVs upon refurbishment and via engagement with existing occupiers and aim to achieve 10 MW renewable generation capacity across our portfolio by 2030.

To understand the opportunity we commissioned a third party consultant to assess the feasibility of solar installation across all our assets under management. A short list of over 30 priority roof projects plus additional potential for solar car ports were identified. Our asset managers are actively working with a number of occupiers to install roof solar PV as part of lettings and regears and applying these learnings to every new project. For the year ahead, we are appointing two solar PV "champions" for the retail warehousing and industrial space to support the team with subject matter expertise on Power Purchase Agreements, roof specifications, metering, and the practical details of a renewables roll-out. We are investigating innovative approaches including carports and integrated EV charging where appropriate to the asset layout and occupier.

Procure 'high quality' renewable energy for remaining electricity

As we refurbish our assets to net zero carbon, assets can meet remaining demand through procured off-site 'high-quality'[5] green energy to achieve net zero carbon.

We began to engage occupiers on their energy procurement approaches in 2021 via our property managers, offering a 1:1 energy consultation and information on renewable energy tariffs. As the availability of 'high quality' green tariffs increases, we will review our green lease clauses and other opportunities to support occupiers to switch to these tariffs.

We also will monitor the off-site renewable Power Purchase Agreement (PPA) market and explore the options for our landlord consumption and occupier offer.

5. Guidance on 'High-Quality" renewable electricity procurement continues to evolve and BBP and UK-GBC guidance is not currently aligned. As part of our commitment to continuous improvement, we are implementing a minimum standard for landlord renewable tariffs to be backed by "bundled" REGOs by 2023 via our OSIM Responsible Investment Managing Agent standard and regularly review and update our requirements in line with evolving guidance. All landlord electricity is already procured via REGO-backed renewable tariffs.

Reporting Metrics:

- On-Site renewable capacity MW
- Annual On-Site renewable generation kWh/year
- Location and Market-Based emissions (tCO_2e/year)
- % of occupiers on 'high quality' green tariffs

Key actions to achieve renewable energy targets:

- Ensure all landlord procured electricity (which is already 100% on REGO-based renewable tariffs) is backed by 'bundled' REGOs by 2023
- Collaborate with our property managers to offer advice on renewable energy procurement
- Undertake rolling programme of solar PV installation
- Review PPA opportunities every 3-5 years as market matures for landlord and occupier energy
- Specify air source heat pumps where feasible and periodically review new technologies

Guildersome Spur, Leeds

Offset unavoidable residual emissions

After pursuing all elements of our net zero carbon pathway, there will still be residual carbon emissions that we cannot eliminate. Offsetting standards are currently an area of significant debate and are likely to change significantly over the period to 2030. Our focus is on reducing the requirement for offsetting through organic decarbonisation. However, where necessary, we are committed to procuring only high quality offsets that genuinely balance carbon emissions.

We will establish an offsetting programme for the residual emissions from our landlord procured energy, embodied carbon from landlord refurbishments, developments and fit-outs, and corporate emissions from 2030 onwards and for occupier procured energy, and fit-out emissions from 2040 onwards. We will work with clients to support their individual offsetting requirements.

We will offer our clients a high quality offsetting programme that aligns with the Oxford Offsetting Principles, removes carbon from the atmosphere and demonstrates:

- Additionality - emission removals that would not have happened without our direct support
- No unintended negative consequences
- Permanence - careful selection of projects that monitor their emissions and do not re-release emissions into the atmosphere
- All our carbon offsets will be verified by a third-party and disclosed
- Our offsetting strategy will evolve with the industry landscape and we will ensure that it remains aligned to the latest best practice frameworks and guidance

Reporting Metric:

- Total carbon offsets purchased ($kgCO_2e/yr$)

Net zero carbon pathway governance and reporting

Our net zero carbon pathway is a reflection of the integration of responsible investment into our business strategy.

Governance

Orchard Street's Responsible Investment Committee has been formed by the Managing Partner to advise on all climate-related issues as they relate to Orchard Street. This mandate has included the development of our net zero carbon pathway and its regular monitoring and reporting going forwards. The RI Committee updates the Managing Partner and Management Board at least quarterly on responsible investment risks and opportunities.

We will continue to monitor the ever-evolving landscape as our industry embraces the opportunities and overcomes the challenges of achieving net zero carbon.

Reporting

We commit to transparently reporting on our progress against our net zero carbon pathway and targets on an annual basis through our Responsible Investment Report (including third party assured environmental data), the Better Buildings Partnership Climate Commitment and UN Principles for Responsible Investment.

Albany Park, Frimley

Net zero carbon scope, boundaries and targets

Alignment with the Better Buildings Partnership's Climate Commitment Framework, Net Zero Asset Managers Initiative and UN Race to Zero.

Our net zero carbon pathway and targets are aligned to the BBP Climate Commitment Framework guidance and the Net Zero Asset Managers Initiative to ensure that all material scope 1, 2 and 3 emissions are included in our pathway. Although corporate emissions are not required to be included by the BBP, we are choosing to go beyond the BBP scope and include emissions that we can influence.

2025

Performance targets supporting net zero carbon pathway:

- Reduce Scope 1, 2 and 3 carbon intensity (tCO_2e/m^2) by 25% compared to a 2018/19 baseline
- Target 300 $kgCO_2e/m^2$ embodied carbon on major refurbishments
- Install onsite renewables
- 50% of tenant consumption data collected
- 50% of assets by value green certified (includes NABERS UK, BREEAM, EPC B or above and equivalent standards)

2030

Net zero carbon scope:

- Landlord procured energy
- All landlord refurbishments/ developments and fit-outs reaching practical completion from 2030 onwards - embodied carbon and construction emissions
- Corporate emissions

Performance targets supporting net zero carbon pathway:

- Reduce whole building energy intensity (kWh/m) by 16% compared to a 2018/19 baseline
- Reduce Scope 1 and 2 carbon intensity by 60% and Scope 3 carbon intensity by 30% (tCO_2e/m^2) compared to a 2018/19 baseline
- Maximum of 210 $kgCO_2e/m^2$ embodied carbon on refurbishments
- Install 10 MW (5 GWh annual generation) of onsite renewables
- 80% of tenant consumption data collected
- 90% of assets by value green certified (includes NABERS UK, BREEAM, EPC B or above and equivalent standards)

From 2030, we will offset our corporate emissions and support our clients to offset in scope residual emissions from assets under management:

- Indirect investments, which represent less than 1% of AUM, are excluded
- Standing assets will be excluded from offsetting for 3 years post-acquisition - this exclusion does not cover refurbishment or development activities

2035

Interim performance targets will be set in 2030 in line with the Net Zero Asset Managers Initiative

2040

Net zero carbon scope:

- Landlord and occupier procured energy
- All landlord refurbishments/ developments and fit-outs - embodied carbon and construction emissions
- Occupier fit-outs
- Corporate emissions

Performance targets will be set in 2030-2035 to ensure they remain ambitious and achievable.

From 2040, we will offset our corporate emissions and support our clients to offset in scope residual emissions from assets under management:

- Indirect investments, which represent less than 1% of AUM, are excluded
- Standing assets will be excluded from offsetting for 3 years post-acquisition - this exclusion does not cover refurbishment or development activities

Detailed net zero carbon scope and boundaries

Business Area	Sub Area	GHG Protocol Reporting Category	Carbon Scope	Commitment Inclusion (BBP Requirement)	Year Included in OSIM Net Zero Carbon Scope
Corporate	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
	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
Direct Real Estate Holdings (including JVs with management control)	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
	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 (MandE and property management services)	Purchased goods and services	3	Requirement	2030
Development	New development (including those where funding is being provided)	Purchased goods and services	3	Requirement	2030
	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		-

Responsible Investment Committee

ESG matters are managed and monitored by the OSIM Responsible Investment Committee, currently consisting of four members including the Head of Responsibility & ESG. The Committee is chaired by a Partner. The RI Committee reports to the Managing Partner and reports to the Management Board on all aspects of sustainability and ESG opportunities and risks, including the management of climate related risks, on a quarterly basis. The Committee meets monthly.

Barney is a Chartered Surveyor (MRICS) having started his career in 2000 at Weatherall Green & Smith (now BNP Paribas) before joining the Commercial Real Estate Investment team at Strutt and Parker (both companies having since been merged in BNP Paribas). In 2004 Barney joined the Investment transactions team at Aberdeen Asset Management and in 2006 became an Associate Director in Fund Management. Barney joined Orchard Street in 2008 as an Associate and became a Partner in 2010. Barney is a Fund Manager and Head of Acquisitions and sits on the Investment Committee and Management Board. Barney is Chair of the Responsible Investment Committee.

Barney Rowe MRICS

Partner

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Helena is a specialist industrial and logistics asset manager and joined Orchard Street in 2015. She has responsibility for the strategic management of a 2m sqft portfolio, comprising 170 tenants. In 2020 she completed Orchard Street's first carbon neutral redevelopment project at Communication Park, Feltham a 64,000 sq ft, five unit estate in West London, which was shortlisted for the Property Week Climate Crisis Initiative category. Helena is currently working on another carbon neutral West London redevelopment (82,000 sq ft, two unit scheme) which should complete in 2023, alongside improving the existing real estate infrastructure. Helena's background is direct industrial development, having started her career at SEGRO Plc before joining Kier Property Developments.

Helena Redding MRICS

Asset Manager

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Lora joined Orchard Street as Head of Responsibility and ESG in 2020 and maintains oversight of OSIM's responsible investment strategy, delivery and communication, working closely with asset and fund managers, clients and suppliers. Lora was previously Associate Director at JLL Upstream Sustainability Services, advising property clients across EMEA on sustainability for 10 years. Lora's international experience includes affordable housing development and green data centres. Lora holds a master's in public policy from the Harvard Kennedy School, is a WELL AP, and Fitwel Ambassador. She is deeply passionate about how companies and buildings shape our lives, communities and health.

Lora Brill

Head of Responsibility & ESG

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Sarah joined the Business Space Asset Management team at Orchard Street in 2016 having been a Director at Colliers International where she began her career. Sarah specialises in office asset management with responsibility for approximately £600m of Central London and regional office schemes. In 2020, she delivered Orchard Street's first WELL certified office refurbishment at the 50,000 sq ft Bauhaus scheme in Manchester. Bauhaus is one of only three office buildings in the UK to secure WELL Shell & Core certification and has been shortlisted for the Property Week Health & Wellbeing Initiative award. Sarah is also currently working on the design of a net zero carbon office redevelopment in Central London (34,000 sq ft) due to complete in 2022 alongside several other low carbon office refurbishments..

Sarah O'Connell MRICS

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