<table>
<thead>
<tr>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common acronyms</td>
</tr>
<tr>
<td>Foreword from the Chairman</td>
</tr>
<tr>
<td>1. About this ESG report</td>
</tr>
<tr>
<td>2. About the Company</td>
</tr>
<tr>
<td>• Management</td>
</tr>
<tr>
<td>- Key to terms used in this report</td>
</tr>
<tr>
<td>• Portfolio</td>
</tr>
<tr>
<td>3. ESG strategy and priorities</td>
</tr>
<tr>
<td>• Developing our ESG strategy</td>
</tr>
<tr>
<td>- The BMO Real Estate Partners approach to responsible property investment</td>
</tr>
<tr>
<td>• Progress against our ESG commitments</td>
</tr>
<tr>
<td>Spotlight on Ness &amp; Nevis Houses 11-12 Lochside Place, Edinburgh</td>
</tr>
<tr>
<td>4. ESG performance data for 2019</td>
</tr>
<tr>
<td>• Environmental</td>
</tr>
<tr>
<td>- Energy</td>
</tr>
<tr>
<td>- Emissions</td>
</tr>
<tr>
<td>- Water</td>
</tr>
<tr>
<td>- Waste</td>
</tr>
<tr>
<td>• Social</td>
</tr>
<tr>
<td>- Scope</td>
</tr>
<tr>
<td>- Gender equality</td>
</tr>
<tr>
<td>- Health &amp; Safety</td>
</tr>
<tr>
<td>- Community engagement</td>
</tr>
<tr>
<td>• Governance</td>
</tr>
<tr>
<td>Section</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>5. ESG risk profile</td>
</tr>
<tr>
<td>• Asset classifications</td>
</tr>
<tr>
<td>• Flood risk</td>
</tr>
<tr>
<td><strong>Spotlight on 17a Curzon Street, London</strong></td>
</tr>
<tr>
<td>• EPC ratings</td>
</tr>
<tr>
<td>• Other RPI risk metrics</td>
</tr>
<tr>
<td>- Current contamination risk</td>
</tr>
<tr>
<td>- HCFC coolants</td>
</tr>
<tr>
<td>- Groundwater source protection zones</td>
</tr>
<tr>
<td>- Statutory wildlife designations</td>
</tr>
<tr>
<td>- Building manager ESG training</td>
</tr>
<tr>
<td>- Green building certification</td>
</tr>
<tr>
<td>- Building user guides</td>
</tr>
<tr>
<td>- Environmental management system</td>
</tr>
<tr>
<td><strong>Appendix 1: EPRA sBPR performance data to 31 December 2019</strong></td>
</tr>
<tr>
<td><strong>Appendix 2: Notes on environmental data</strong></td>
</tr>
<tr>
<td><strong>Appendix 3: TCFD Disclosures</strong></td>
</tr>
<tr>
<td><strong>Appendix 4: Independent Assurance in accordance with ISO 14064-3</strong></td>
</tr>
</tbody>
</table>
Common acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>BCPT</td>
<td>BMO Commercial Property Trust</td>
</tr>
<tr>
<td>BMO REP</td>
<td>BMO Real Estate Partners</td>
</tr>
<tr>
<td>BREEAM</td>
<td>Building Research Establishment Environmental Assessment Method</td>
</tr>
<tr>
<td>CDP</td>
<td>Carbon Disclosure Project</td>
</tr>
<tr>
<td>DEFRA</td>
<td>Department for Environment, Food and Rural Affairs</td>
</tr>
<tr>
<td>EPC</td>
<td>Energy Performance Certificate</td>
</tr>
<tr>
<td>EPRA</td>
<td>European Public Real Estate Association</td>
</tr>
<tr>
<td>FCCPH</td>
<td>F&amp;C Commercial Property Holdings Limited (a subsidiary of BCPT)</td>
</tr>
<tr>
<td>FRI</td>
<td>Full repairing and insuring (lease type)</td>
</tr>
<tr>
<td>GAV</td>
<td>Gross Asset Value</td>
</tr>
<tr>
<td>GRI</td>
<td>Global Reporting Initiative</td>
</tr>
<tr>
<td>NLA</td>
<td>Net lettable area</td>
</tr>
<tr>
<td>RPI</td>
<td>Responsible Property Investment</td>
</tr>
<tr>
<td>sBPR</td>
<td>Sustainability Best Practices Recommendations</td>
</tr>
<tr>
<td>SCP</td>
<td>SCP Estate Limited (the holding entity for St Christopher’s Place Estate and subsidiary of BCPT)</td>
</tr>
</tbody>
</table>

Corporate information

**Directors (all non-executive)**
Martin Moore (Chairman)
Trudi Clark
John Wythe
Paul Marcuse
Linda Wilding (appointed 3 June 2019)

**Secretary**
Northern Trust International Fund Administration Services (Guernsey) Limited
PO Box 255
Trafalgar Court
Les Banques
St. Peter Port
Guernsey
Channel Islands GY1 3QL
Tel: 01481 745001

**Alternative Investment Fund Manager (‘AIFM’) and Investment Manager**
BMO Investment Business Limited
6th Floor Quartermile 4
7a Nightingale Way
Edinburgh EH3 9EG
Tel: 0207 628 8000

**Property Managers**
BMO REP Asset Management plc
7 Seymour Street
London W1H 7JW

**Registered Office**
PO Box 255
Trafalgar Court
Les Banques
St. Peter Port
Guernsey
Channel Islands GY1 3QL
Tel: 01481 745001
Foreword from the Chairman

Welcome to our latest Environmental, Social & Governance (ESG) Report for BMO Commercial Property Trust which covers the 2019 financial period, and provides continuing insight into the Company’s sustainability ambitions, processes and performance.

The integration of Environmental, Social and Governance (ESG) matters remains a core feature of the Company’s property investment activities. We recognise that investors are becoming more ethically and environmentally conscious, and that they take a far more holistic approach to their investments. Purpose and social value are characteristics that are being increasingly considered, as are the strengths of an entity’s governance processes. Moreover, national environmental targets and legislation are pushing the boundaries making the integration of such matters a business imperative.

We therefore take our ESG responsibilities very seriously. Our continuing attendance to such matters remains constant. Together with our Property Manager, BMO Real Estate Partners, we are clear that proper attention to material ESG factors is consistent with our fiduciary obligations, and we recognise the material impact these factors can have on protecting the Company's assets from depreciation and on enhancing portfolio value.

I am delighted with the progress the Company has continued to make in advancing its ESG strategy and I’m particularly pleased to see this progress realised in the form of improved standings in a number of key industry indicators. The Company is well positioned to further its efforts in this continually evolving area.

The details of our progress are presented in this Report. We trust they are found to be informative and transparent. My fellow Board members and I would be very pleased to discuss our approach and performance with any of our key stakeholders and we look forward to receiving further feedback.

Martin Moore Chairman
1. About this ESG report

This ESG Report:

- Describes the Company’s Environment, Social & Governance (ESG) strategy and related priorities, including the process for determining these and the progress against them so far.
- Presents key ESG performance data for the reporting year, as well as our targets for future performance.
- Provides an overview of key ESG risks facing the property portfolio and outlines our approach to managing these.

This Report is being published alongside the 2019 Annual Report & Accounts of the Company. The description of progress against the ESG commitments of the Company in Section 3 together with the ESG performance data set out in Section 4 are presented as information in parallel with the 2019 Annual and Consolidated Accounts of BMO Commercial Property Trust Limited.

The ESG data section, and corresponding appendices, are written in accordance with the latest European Public Real Estate Association’s (EPRA) sustainability Best Practices Recommendations (sBPR), which in turn are aligned principally with the Global Reporting Initiative (GRI) standards.

This ESG Report has been prepared on behalf of the Company by BMO Real Estate Partners Asset Management plc, working closely with our strategic advisor on responsible investment matters, Hillbreak. Any reference to “we”, “us”, “the Company” and “our” throughout the report refers to BMO Commercial Property Trust (BCPT). BMO Real Estate Partners Asset Management plc is referred to throughout as BMO REP or ‘the Property Manager’.
2. About the Company

Objective

The investment objective of BMO Commercial Property Trust Limited is to provide ordinary shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified UK commercial property portfolio.

The Company

BMO Commercial Property Trust Limited is an Authorised Closed-Ended Guernsey incorporated investment company. Its shares have a premium listing on the Official List of the UK Listing Authority and are traded on the Main Market of the London Stock Exchange. Stock Code: BCPT.

Management

The BCPT Board has appointed BMO Investment Business Limited (BIBL) as the Company’s investment managers and BMO Real Estate Partners Asset Management plc (BMO REP) as the Company’s property managers. BIBL and BMO REP are both part of the BMO Asset Management (Holdings) PLC (BAMH). BAMH is owned by Bank of Montreal (BMO) and is part of the BMO Global Asset Management group of companies.

BMO Global Asset Management is a founding signatory of the United Nations Principles for Responsible Investment (UN PRI), and is committed to exercising responsible investment practices throughout the BMO Global Asset Management group, including through BMO REP. This is reflected in the high ratings it achieved for its UN PRI Transparency Report, including an A+ rating for Strategy & Governance.

The approach to ESG, which is described in more detail in the following section of this Report, is reflective of these arrangements, whereby:

- The Board of Directors has engaged closely with BMO REP, with the support of specialist consultant, Hillbreak, to satisfy itself that the approach to integrating ESG factors into the investment and property management process is rigorous and appropriate to the investment strategy of the Company; and
- The Board of Directors has determined a suite of ESG pillars, commitments and targets that are bespoke to the Company and its portfolio of property assets.

Key to terms used in this report

- **The Company**: BMO Commercial Property Trust Limited (BCPT)
- **The Property Managers**: BMO Real Estate Partners Asset Management plc (BMO REP)
- **The Investment Managers**: BMO Investment Business Limited (BIBL)
Portfolio

BCPT is an investment trust for investors who wish to gain exposure to prime UK commercial property. As at the 31st December 2019, the BCPT property portfolio had a total value of £1,342,610,255.

The portfolio is comprised predominantly of the mixed-use St Christopher’s Place leisure destination, a number retail assets (both high street and warehouse), offices and industrial premises (both logistics and light manufacturing), along with one student housing asset. St Christopher’s Place includes several residential properties, although is mainly comprised of retail and office uses. This report aligns with the Annual Report & Consolidated Accounts in reporting St Christopher’s Place assets within the high street retail category.

The portfolio is dominated by core assets, which we hold for the long-term. More than 80% of the portfolio has an anticipated hold period (the amount of time an asset is held by an investment owner before being sold) of five years or more, with over 50% likely to be held for over 10 years. This means that the integration of ESG factors into our asset management activities is concerned primarily with the safeguarding of rental income and the preservation of strong, long-term capital values. With expectations in the commercial real estate market evolving in relation to ESG factors (from investors, lenders, occupiers and regulators, for example), we need to ensure that the assets we buy and hold are resilient and capable of being adapted in response to changing demands.

Figure 1: Portfolio composition

<table>
<thead>
<tr>
<th>Property type (number of assets)</th>
<th>Office</th>
<th>Retail – High Street</th>
<th>Retail Warehouse</th>
<th>Industrial</th>
<th>Alternatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>41</td>
<td>15</td>
<td>5</td>
<td>12</td>
<td>17.71</td>
</tr>
</tbody>
</table>

Management status (absolute)

<table>
<thead>
<tr>
<th></th>
<th>Capital Value (£)</th>
<th>Number of Assets</th>
<th>NLA (sq ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directly managed</td>
<td>855,100,000</td>
<td>54</td>
<td>1,361,849</td>
</tr>
<tr>
<td>Indirectly managed</td>
<td>497,510,255</td>
<td>21</td>
<td>2,938,299</td>
</tr>
</tbody>
</table>

Management status (percentage)

<table>
<thead>
<tr>
<th></th>
<th>Capital Value %</th>
<th>Assets %</th>
<th>NLA %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directly managed</td>
<td>63.69%</td>
<td>72.00%</td>
<td>31.67%</td>
</tr>
<tr>
<td>Indirectly managed</td>
<td>36.31%</td>
<td>28.00%</td>
<td>68.33%</td>
</tr>
</tbody>
</table>
3. ESG strategy and priorities

**Developing our ESG strategy**

In 2019, the Company continued to focus on the effective implementation of its ESG strategy, established in 2017. A full explanation of this strategy can be referenced in last year’s report summarised by the four key pillars below.

1. **Leadership & effectiveness** – demonstration of effective governance in relation to ESG criteria.
2. **Investment process** – procedures to ensure material ESG factors are central to investment decision-making.
3. **Portfolio** – continual monitoring, analysis, attendance to and optimisation of material ESG performance and risk factors.
4. **Transparency** – comprehensive reporting on relevant ESG factors.

**The BMO Real Estate Partners approach to Responsible Property Investment**

As Property Managers for BCPT, the BMO REP approach to ESG issues was used as the foundation for the development of BCPT’s own Strategy.

The BMO REP ESG approach was developed in response to a recognition of the increasing level of risk presented to financial markets and real estate assets by ESG issues, such as climate change, and the growing interest and attention paid to ESG issues by investors, occupiers and governments – including through evolving regulatory frameworks.

BMO REP applies a consistent approach to integrating ESG matters into fund management, asset management, property management, and development, with a particular emphasis on:

- Having a clear understanding of the material issues and priorities for commercial real estate presented by the evolving ESG landscape.
- Identifying and responding to the investment risks and value enhancing opportunities presented by ESG criteria.
- Setting asset-specific targets within an overall context of fund policy, direction and vision.

- Applying the ESG framework across all core business functions, supporting full integration, including by its professional staff having a clear understanding of the interactions between different business functions on relevant ESG matters.
- Routinely considering and integrating ESG factors within regular asset business planning activities.
- Implementing ESG interventions in a co-ordinated manner.

The BMO REP ESG Committee – with reference to the BMO Global Asset Management Responsible Investment Team and its reference to the BMO GAM Responsible Investment Advisory Council – monitors and reviews the ESG approach and performance.

Further information on the BMO REP approach to Responsible Property Investment can be found here:

Progress against our ESG commitments

The BCPT commitments and targets set out below address each of the four pillars of our ESG approach. These commitments and targets were originally set out in 2017. Some have required immediate action, many impose ongoing requirements, whilst others set a longer-term direction of travel and remain as forward actions.

Our progress against these pillars to the end of December 2019 is described, along with an explanation of notable outcomes, in later sections of this ESG Report. The Company will continue to drive ahead with its ESG strategy during the remainder of 2020 and beyond, and will provide shareholders with regular updates of progress.

<table>
<thead>
<tr>
<th>ESG commitment</th>
<th>Status</th>
<th>Review of progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leadership &amp; effectiveness</strong> - measures through which BCPT will demonstrate effective governance in relation to ESG criteria.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meet the Hampton-Alexander recommendation of having at least 33% female representation on our Board by 2020.</td>
<td>✔️</td>
<td>The Hampton-Alexander recommendations have been met. The Board now comprises five members with 40% female representation.</td>
</tr>
<tr>
<td>Participate in the Global Real Estate Sustainability Benchmark (GRESB) from 2018, with the objective thereafter of realising year-on-year improvements in score and peer group ranking.</td>
<td>✔️</td>
<td>We submitted to the 2019 GRESB survey and achieved a score of 68 out of 100. This resulted in a two green star rating and placed us fourth in our peer group of nine diversified UK participants. The 21 point improvement represents a 44.7% increase over the previous year’s score. This is a significant increase, reflecting to some degree some earlier measures coming to fruition. This provides a solid platform from which to continue making more modest year-on-year improvements.</td>
</tr>
</tbody>
</table>

- ✔️ Fulfilled (including those that are ongoing)
- ✔️ In progress and on track
- 🚨 Not on track or at risk
- ✗ Not achieved
<table>
<thead>
<tr>
<th>ESG commitment</th>
<th>Status</th>
<th>Review of progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment process</strong> – procedures through which BCPT integrates ESG into the investment process.</td>
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<td></td>
</tr>
<tr>
<td>Confirm classification of all assets within the manager’s Asset Classification System by procuring EPC assessments for those assets for which an EPC is not in place. Implement routine of Asset &amp; Property Management actions according to the classification of each asset and the manager’s corresponding RPI Requirements for Asset Managers and Property Managers.</td>
<td>✔</td>
<td>Following the completion of the asset classification process in 2017, we have continued to keep records up-to-date and under review. Some assets have been reclassified as a result with 23 now falling into upper (higher materiality) tier of the classification system (2018: 29). The number of assets in the second tier has increased to 28 (2018: 27), whilst those in the lower tier have increased to 24 (2018: 21). These changes are principally as a result of disposal of some higher energy consuming assets in early 2019. One of the driving criteria in the Asset Classification System is the EPC rating of the properties. The distribution of EPC ratings relative to income value and floor area has remained fairly consistent with 2018. This is an ongoing commitment which has been fulfilled for 2019.</td>
</tr>
<tr>
<td>Where assets have been classified, undertake RPI Appraisals of all Tier 1 assets by end of 2017, Tier 2 assets by end of Q2 2018 and Tier 3 assets by end of Q4 2018. Asset Business Plans to be updated to reflect the findings of the RPI Appraisals. Appraisals to be kept updated on an annual basis.</td>
<td>✔</td>
<td>RPI Appraisals have been reviewed and updated for all properties in 2019, with a continued focus on the ESG factors that are considered material to investment performance, either because they could suppress rental growth and/or capital appreciation during the hold period, or because they might impact on future liquidity and the realisation of value at the point of exit. The effect of these updated RPI Appraisals on the profile of ESG characteristics are presented in this 2019 Responsible Property Investment Report.</td>
</tr>
<tr>
<td>Undertake RPI Appraisals on 100% of new acquisitions prior to transaction closure, with investment critical findings reported to the Property Investment Committee and relevant findings and improvement recommendations incorporated into the Asset Business Plan.</td>
<td>✔</td>
<td>The Company made no new acquisitions in the reporting year.</td>
</tr>
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</table>
### ESG commitment

<table>
<thead>
<tr>
<th>ESG commitment</th>
<th>Status</th>
<th>Review of progress</th>
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</thead>
<tbody>
<tr>
<td><strong>Portfolio</strong> – attendance to material ESG performance and risk factors across the portfolio.</td>
<td></td>
<td>This 2019 ESG Report presents data and information as per the previous years’ Responsible Property Investment Reports. The Company will continue to present annual ESG Reports and will look to publish these alongside the Annual Reports, subject to the availability of Q4 utility data becoming available and the timeframe required to have select non-financial data independently assured.</td>
</tr>
<tr>
<td>Using aggregated data from asset level RPI Appraisals, prepare an annual report to shareholders on the exposure of the portfolio to key ESG risks including those pertaining to energy (including MEES), water, waste, flooding contamination, accessibility and building certification.</td>
<td>✔</td>
<td>Early in 2018, we set asset-specific energy reduction targets for the portfolio and these were confirmed in the 2018 Interim Report, together with our annual water use reduction target of 1% for directly managed assets. Since then, we have improved our data collection processes for waste, and have set a target for eliminating landlord-managed waste to landfill by the end of 2020.</td>
</tr>
<tr>
<td>Establish year-on-year intensity-based energy, carbon, water and waste reduction targets for landlord services against an appropriate baseline.</td>
<td>✔</td>
<td>Ahead of the Company’s target of zero waste to landfill by the end of 2020, all waste under landlord control collected from sites from August 2019 was successfully diverted from landfill.</td>
</tr>
<tr>
<td>Eliminate landlord-controlled waste being directed to landfill to any extent by the end of 2020.</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Reduce water consumption in directly managed assets by 1.0% year on year on a like for like basis.</td>
<td>✗</td>
<td>2019 water consumption across the fund increased by 20% on a like for like basis. A significant proportion of this increase was attributed to Cathedral Square in Bristol where tenant’s occupational densities continued to increase. Higher consumption was also notable at a number of residential apartments at St Christopher’s Place also reflecting increasing occupation. The volumes of water usage for which the landlord has direct control is relatively small such that marginal variances will have a notable impact on percentage fluctuations.</td>
</tr>
<tr>
<td>Set a long-term (2030 or beyond) target for energy (and carbon) reduction according to a recognised science-based targets methodology.</td>
<td>✔</td>
<td>Our long-term target of reducing the energy intensity of the portfolio was confirmed in the 2018 Interim Report. This new target, identified separately below, has been developed in line with the Sectoral Decarbonisation Approach, with the advice of energy and carbon management specialist, Verco Advisory Services. We have produced an investor briefing note that confirms our approach is in line with recognised science-based methodologies.</td>
</tr>
<tr>
<td>Reduce the energy intensity of the portfolio by 20% per square meter by 2031, against a 2016 baseline, for landlord-procured energy.</td>
<td>✔</td>
<td>Energy intensity reduction in the BCPT portfolio since 2016 was 31% on an absolute basis, or 9% on a like-for-like basis.</td>
</tr>
<tr>
<td>Establish a basis for measuring occupier wellbeing and satisfaction across the portfolio and set targets by 2020 for improved performance in this regard.</td>
<td>✔</td>
<td>We undertook a pilot occupier satisfaction survey with the support of customer experience consultancy, Real Service. The outcomes of the pilot were broadly positive with local manager responsiveness being a notable success, but with attention to wider communication channels being the principal area for improvement. A Net Promoter Score of -8.6 was determined from the small sample size taken and provides a baseline against which to measure improvement. The indicator provides a reflection of the likelihood that our occupiers will recommend the Company as a landlord and compares well against Real Service’s benchmark score of -3.5 for a blended portfolio covering retail, office and industrial assets.</td>
</tr>
<tr>
<td>ESG commitment</td>
<td>Status</td>
<td>Review of progress</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------</td>
<td>--------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Have in place 100% renewable electricity supplies for all landlord procured</td>
<td>![X]</td>
<td>We renewed landlord electricity supply contracts in October 2019 for the vast majority of the portfolio, resulting in &gt;98% of supplies by consumption being from certified renewable energy sources. There remains a small number of supply contracts at St Christopher’s Place, procured by a third-party intermediary, which have yet to be renewed and which account for ~1.8% of all supplies by consumption for the portfolio. These were not captured in the contract renewal due to the cost of early break penalties, but the Company continues to establish the optimum time to renew such contracts and we will continue to provide updates on status going forward.</td>
</tr>
<tr>
<td>power by the end of 2018.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prohibit new lease contracts with organisations connected to the production,</td>
<td>![✓]</td>
<td>We continue to monitor our tenant mix as part of our commitment to minimising our leasing exposure to organisations connected to the production, storage, distribution or use of Controversial Weapons. 0% (zero percent) of rental income was attributed to organisations that appear on the exclusions list managed by BMO Global Asset Management for the duration of 2019.</td>
</tr>
<tr>
<td>storage, distribution or use of Controversial Weapons. Monitor the tenant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>mix of the Company on a regular basis and exercise discretion when considering</td>
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<td></td>
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<tr>
<td>leasing to organisations involved in other controversial activities and</td>
<td></td>
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<tr>
<td>engage regularly with investors on their expectations in this regard.</td>
<td></td>
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</tr>
<tr>
<td><strong>Transparency</strong> – approach to investor reporting and public disclosure on</td>
<td></td>
<td></td>
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<tr>
<td>relevant ESG factors.</td>
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<td></td>
</tr>
<tr>
<td>Submit the Minimum tier questionnaire of the CDP General Climate module in</td>
<td>![✓]</td>
<td>The Property Manager completed the minimum tier of the CDP General Climate module in 2018, and followed this with submission to the full tier in 2019. A rating of C was achieved, indicating a knowledge of the impacts of climate related issues. This result is comparable to the average performance of Europe and within the financial services activity group. From 2020 onwards the fund will be classified within the REIT sub-category of the financial services group, which will be available from this year’s submission.</td>
</tr>
<tr>
<td>2019 and the Full tier from 2020 onwards, whilst investigating the potential</td>
<td></td>
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<tr>
<td>to submit across the Water and Supply Chain modules.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Align Non-Financial Reporting to the 3rd Edition of the EPRA Sustainability</td>
<td>![✓]</td>
<td>This 2019 Responsible Investment Report and the disclosures within it are aligned with the 3rd Edition of the EPRA Sustainability Best Practice Recommendations. Furthermore the absolute energy and emissions data was subject to independent assurance by Lucideon in accordance with ISO 14064-3.</td>
</tr>
<tr>
<td>Best Practice Recommendations. Include a summary of performance measures in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>the 2019 Annual Report, linked to full ESG disclosure on the BCPT website.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Produce in the 2018 Annual Report a ‘routemap’ towards financial reporting in</td>
<td>![✓]</td>
<td>We have continued to advance our approach to addressing climate risk across our portfolio and through our investment processes during 2019. Disclosures aligned to the TCFD recommendations are set out in Appendix 3 of this Report, along with a statement of intended actions for 2020 and beyond which are intended to further develop the precision of our analysis of, and response to, climate risks and opportunities.</td>
</tr>
<tr>
<td>line with the recommendations of the Financial Stability Board (FSB) Task</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Force on Climate-Related Financial Disclosures (TCFD).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provide six-monthly dashboard and commentary updates to shareholders on key</td>
<td>![✓]</td>
<td>Our 2017 Responsible Property Investment Report established a baseline against which we will report to shareholders on the evolving profile of ESG characteristics that will occur as a result of portfolio churn, management action and changing external circumstances. This ESG Report provides shareholders with an update across the full range of ESG metrics. Thereafter, a summary of notable changes will be presented to shareholders alongside the 2020 Interim Report.</td>
</tr>
<tr>
<td>ESG attributes for the portfolio.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Background design
On expiry of the previous tenant’s lease, terms were agreed with Diageo for them to relocate their Headquarters under a new 16-year lease of the building. A key priority was to investigate a range of measures to optimise the energy efficiency of the building as well as enhance occupier health, wellbeing and overall user experience. Key interventions included the installation of highly efficient building services, thermal upgrades and maximising natural light.

The project included replacement of the roof cladding, provision of new curtain walling, new entrance annexes and the replacement of the mechanical and electrical services, two new lifts and new raised access floors within the office areas.

Sustainability and wellbeing
Sustainability and wellbeing aspects were central design considerations during the shell and core and refurbishment stages of the project. Key features included:

- Introduction of high levels of fresh air to increase amount of natural ventilation, delivered through new roof-mounted air handling units and new ventilation ductwork throughout the scheme; critical to providing suitable environments from which to support the health and wellbeing of occupants.
- Rooftop photovoltaic panels feeding renewable electricity to the building’s electrical infrastructure.
- Heat recovery within the air handling units together with a system of air source heat pumps providing heating and cooling each contributing to the building’s high energy efficiency rating.
- The building’s energy efficiency rating has improved significantly as evidenced by the change in Energy Performance Certificate rating from the original E to B+; whilst the BREEAM Very Good rating underlines the scheme’s sustainability credentials.

Future proofing
The following key features were realised:

- New showers added to each floor of the building’s two cores to help encourage and facilitate physical activity amongst occupants, including accessible facilities and locker storage.
- Water saving devices such as flow controls to showers and dual flush toilets have been fitted in the communal toilets.
- Four electric vehicle charging stations have been installed adjacent to the building entrance.
- Car park lighting has been upgraded to include highly efficient LED lighting and associated controls.

Spotlight on Ness & Nevis Houses
11-12 Lochside Place, Edinburgh

A multi-million pound shell and core plus refurbishment of a 1990’s office building extending to circa 44,000 square feet of net lettable area formed over three levels.
A high-level summary of ESG performance for the period ending 31 December 2019 is provided below. A more detailed analysis of the data is included in Appendix 1 and is presented in accordance with the European Public Real Estate Association’s (EPRA) sustainability Best Practice Recommendations (sBPR).

**Environmental**

**Scope**

The Company had an overall investment in real estate of £1.342 billion as at 31 December 2019. Whilst approximately two thirds of this capital value is considered to be in directly managed property, the extent of landlord operational control varies significantly, impacting on the extent of data that can be established. The Company intends to expand on data coverage to include increasing coverage of occupier data in future years.

The extent of data coverage this year is detailed in Appendix 1.

**Energy**

Since October 2018 the Company has purchased renewable electricity for all properties where the landlord is responsible for energy procurement, with the exception of residential units at St Christopher’s Place, where an external managing agent procures some but not all electricity from renewable tariffs.

The Property Manager continues to engage the services of Carbon Intelligence (formerly Carbon Credentials), a third-party environmental data services provider, to collect energy data on those assets in the fund where there is a permanent landlord-controlled energy supply. The figures presented below show the outcome of BMO REP’s analysis of this data, and include properties for which there has been some landlord responsibility during the reporting period from transient supplies, typically those associated with vacant premises.

Absolute energy figures were independently verified by Lucideon, for which the Verification Statement can be found in Appendix 4.

These intensities compare well against industry benchmarks. The UK Green Buildings Council, for example, published a table of suggested interim targets towards a 2035-2050 energy intensity aligned with the UNFCCC Paris agreement. Its suggested target intensity for 2020-2025 was 90 kWhe/m² NLA for base building. Where the landlord procures energy for base building the energy intensity is below this value and progressing towards the next interim target. For whole building consumption, the Company will be engaging and collaborating with occupiers to reduce the energy intensity in line with current scientific understanding.

During the reporting year both gas and electricity consumption in the managed portfolio increased on a like-for-like basis, however, absolute energy and energy intensity reductions were observed. The following changes in the year led to the like-for-like increase:

- Up to October 2018 the offices at Cathedral Square in Bristol had not reached full occupation which meant lower energy requirements in 2018 compared to 2019;
- From July 2019 the occupier at Alhambra House in Glasgow requested longer plant run times to maintain a cool office environment for those working later into the evening during a hot summer. The second and fourth quarters of 2019 also saw higher demand on the building heating system compared to the previous year equivalents due to a higher number of heating degree days; and
- Two vacant floors at the multi-let offices on Birchin Lane in London became occupied from mid-2019, creating a higher demand on electricity requirements.

### Table 1: Summary of energy data

<table>
<thead>
<tr>
<th></th>
<th>Current year 2019</th>
<th>Prior year 2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Like-for-like electricity usage (kWh)</td>
<td>4,459,669</td>
<td>4,018,441</td>
<td>11%</td>
</tr>
<tr>
<td>Like-for-like natural gas usage (kWh)</td>
<td>3,273,299</td>
<td>2,797,936</td>
<td>17%</td>
</tr>
<tr>
<td>Energy intensity (kWhe/m²)</td>
<td>76.1</td>
<td>86.2</td>
<td>-12%</td>
</tr>
</tbody>
</table>
Emissions

Whilst the Company has committed to procuring 100% of landlord electricity supplies from renewable sources (that is, not derived from greenhouse-gas-emitting fossil fuels), it was considered more appropriate, for better comparison purposes, to adopt location-based conversion factors provided by the UK Government to calculate the respective emissions as opposed to market-based, which would take into account this purchase of renewable energy.

The greenhouse gas (GHG) emissions are reported here as kilograms of carbon dioxide equivalent (kg CO₂e). The following table reports on:
- Scope 1 emissions – resulting from the burning of natural gas in a boiler on-site
- Scope 2 emissions – resulting from the procurement and use of electricity from the National Grid

Table 2: Summary of emissions data

<table>
<thead>
<tr>
<th></th>
<th>Current year 2019</th>
<th>Prior year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total carbon emissions (kg CO₂e)</td>
<td>2,133,908</td>
<td>2,516,176</td>
</tr>
<tr>
<td>Emissions intensity for Scope 1 and 2 (kg CO₂e/m²)</td>
<td>23.2</td>
<td>27.9</td>
</tr>
</tbody>
</table>

Water

The following table reports on water consumption and intensity, and covers the limited extent of landlord control within the portfolio.

Table 3: Summary of water data

<table>
<thead>
<tr>
<th></th>
<th>Current year 2019</th>
<th>Prior year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Like-for-like water usage (m³)</td>
<td>26,561</td>
<td>22,160</td>
</tr>
<tr>
<td>Water intensity (m³/m²)</td>
<td>0.7</td>
<td>0.5</td>
</tr>
</tbody>
</table>

The increase in like-for-like water consumption can be attributed to 82 King Street in Manchester, Alhambra House in Glasgow and the offices in Cathedral Square in Bristol where full occupation was established from October 2018.

Waste

The Property Manager began collecting detailed waste data in 2018. Waste produced in properties under the landlord’s responsibility for two consecutive years is reported in the following table in terms of proportion recycled, incinerated for energy and sent to landfill.

Table 4: Summary of waste data

<table>
<thead>
<tr>
<th>Like-for-like waste by disposal route</th>
<th>Current year 2019</th>
<th>Prior year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Materials Recycling Facility (MRF)</td>
<td>55%</td>
<td>52%</td>
</tr>
<tr>
<td>Incineration with energy recovery</td>
<td>37%</td>
<td>40%</td>
</tr>
<tr>
<td>Landfill (see comment below)</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Ahead of the Company’s target of zero waste to landfill by the end of 2020, all waste under landlord control collected from sites since August 2019 was successfully diverted from landfill. The Company seeks to maintain this standard going forward through close engagement with waste carriers.

At present, all properties which generate waste streams under the landlord’s jurisdiction are controlled through site management procedures which are aligned to ISO14001 standards. This accreditation ensures proper management and removal of both hazardous and non-hazardous waste from site.
Figure 2: Absolute and like-for-like portfolio trends

Energy Consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>Elec-Abs</th>
<th>Elec-LfL</th>
<th>Fuel-Abs</th>
<th>Fuel-LfL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>5,884,362</td>
<td>4,016,461</td>
<td>4,620,156</td>
<td>2,727,336</td>
</tr>
<tr>
<td>2019</td>
<td>5,325,904</td>
<td>4,459,669</td>
<td>4,203,775</td>
<td>3,172,399</td>
</tr>
</tbody>
</table>

GHG Emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>GHG-Dir-Abs</th>
<th>GHG-Indir-Abs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>849,924</td>
<td>849,924</td>
</tr>
<tr>
<td>2019</td>
<td>772,607</td>
<td>830,671</td>
</tr>
</tbody>
</table>

Water Consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>Water-Abs</th>
<th>Water-LfL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>22,016</td>
<td>22,016</td>
</tr>
<tr>
<td>2019</td>
<td>28,681</td>
<td>28,681</td>
</tr>
</tbody>
</table>

Energy Intensity

<table>
<thead>
<tr>
<th>Year</th>
<th>Energy-Int</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>86</td>
</tr>
<tr>
<td>2019</td>
<td>76</td>
</tr>
</tbody>
</table>

GHG Intensity

<table>
<thead>
<tr>
<th>Year</th>
<th>GHG-Int</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>28</td>
</tr>
<tr>
<td>2019</td>
<td>23</td>
</tr>
</tbody>
</table>

Water Intensity

<table>
<thead>
<tr>
<th>Year</th>
<th>Water-Int</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0.53</td>
</tr>
<tr>
<td>2019</td>
<td>0.49</td>
</tr>
</tbody>
</table>


Social

Scope
Through its Property Manager, the Company takes a responsible approach to corporate citizenship, both through engagement with industry and corporate stakeholders, and through the positive impact it seeks to generate in the communities around its managed assets.

The Company has no direct employees, however, a number of Building Managers are employed directly by BMO REP and are required to achieve a minimum 50 hours of Continuing Professional Development (CPD) each year.

Gender equality
The Company has no direct employees, and therefore the table disclosing gender equality data (Table 6, Appendix 1) pertains solely to the Company’s board.

Health & Safety
The Property Manager ensures that all legislative requirements connected with maintaining safety and security at premises are met where it has operational control. This includes, but is not necessarily restricted to, undertaking regular reviews of Health and Safety status and performance, undertaking fire risk assessments, and maintaining robust procedures for the control of water hygiene.

Community engagement
Much of the Property Manager’s supply chain management is delivered through the properties’ ISO 14001 accreditation (see page 29). This is applicable to all managed assets. Property managers at these sites are given the responsibility to select and manage contractors servicing the sites. They follow the BMO REP supply chain strategy to hire locally and ensure all Health and Safety and ISO 14001 standards are adopted.

Where the Company has an opportunity to do so, it organises community engagement initiatives at its directly managed properties. Details of these can be found in Appendix 1 and on the next page (page 19).

Governance
The Property Manager has a strong governance structure that ensure its activities are undertaken in the best interests of the Company. Its robust operating procedures and policies ensure the risks associated with illegal practices such as bribery and corruption are in line with local legislation and expectation. The Property Manager’s parent organisations, BMO Global Asset Management and the Bank of Montreal, provide detailed oversight of the arrangements, which includes the requirement for mandatory annual training and declaration for all employees. More detailed explanations of governance structures can be found in the Annual Report and Accounts.
Community & supply chain engagement at St. Christopher’s Place

St Christopher’s Place Estate (SCP), with its charming collection of shops and restaurants set back from London’s Oxford Street, continues to inspire its management team to build a more socially impactful destination.

In the last year, SCP has guaranteed all cleaning and security staff are paid the London Real Living Wage. For cleaning staff, this came as part of a new contract tender, with the successful company being selected for their environmentally and socially conscious agenda that includes use of environmentally friendly cleaning products and electric vehicles, and an English learning programme for employees for whom it is not a first language.

In 2019 SCP has continued to liaise with Westminster Council on solutions to rough sleeping in the West End. This included supporting the Council to raise awareness on World Homelessness Day with a marquee in the main square of the estate.

SCP has also partnered with the New West End Company and AccessAble® to bring SCP into the online sphere of destinations that are accessible to everyone. The AccessAble® webpage and app allow those with disabilities to find places, including shops and restaurants, that are accessible for them. In 2019, 12 audits took place at premises within SCP to approve them as accessible places that people can now find through the AccessAble® platform.
5. ESG risk profile

The ESG Risk Profile described in this section presents key data collated by BMO REP as part of its ongoing process of appraising all held assets using its RPI Appraisal system. It provides a picture of the key ESG characteristics of the BCPT portfolio at 31 December 2019 with respect to issues such as environmental management, flood risk, energy performance and contamination.

Asset classifications

We have devised a classification system that enables resources to be directed at those assets for which the risks and potential enhancement opportunities are likely to be greatest.

Importantly, the classification of an asset determines the frequency and extent to which its ESG characteristics and performance are monitored within the asset and property management process. For example, the relevant Asset Manager should review Property Manager reports on environmental performance against targets, as well as progress against Asset Action Plans, for Level 1 assets on a quarterly basis. For Level 2 assets, the frequency of the review is reduced to six months, whereas for Level 3 assets, where there is no landlord energy spend, there is no requirement to review consumption on a regular basis.

BMO REP has in place clear procedural guidelines to assist asset and property managers in this regard.

The classification of individual assets has changed: firstly reflecting differences in energy ratings, and secondly reflecting complete landlord energy spend data.

The charts to the right and overleaf show the distribution of asset classifications across the portfolio, with reference to number of assets, capital value and by property type.

---

**Figure 3: Asset classification**

**Capital value (£) 2018 v 2019**

**Number of Assets 2018 vs 2019**

**Asset classifications**

*Level 1* – where EPC rating is F or G and/or annual landlord energy spend is >£50,000

*Level 2* – where EPC rating is E and/or annual landlord energy spend is between £0 and £50,000

*Level 3* – where EPC rating is A+ to D and there is no landlord energy spend
The exposure of the portfolio to the principal sources of flood risk is shown in the Flood Risk Dashboard (figure 4). This shows that, taking account of flood defences, the vast majority of the portfolio is at negligible or low risk of flooding from rivers or seas, with just over 5% of capital value at high risk of flooding from this source. Groundwater flood risk is similarly limited, with just over 2% of capital value deemed to be at high risk. The higher levels of risk are confined to a small number of office, logistics and retail warehouse assets.

Surface water flood risk is more significant, commensurate with the urban context of the majority of the assets that we hold. Nevertheless, over 75% of capital value is found to be at negligible or low risk.

Any changes to flood risk ratings, first recorded in 2017, are as a consequence of updated data sets used to determine this risk. For further information on the flood risk methodology, see Appendix 1.

The principal elements of our approach to managing flood risk include:

- Undertaking regular flood risk assessments of all held assets to keep our overview of portfolio risk exposure under regular review.
- Undertaking flood risk assessments, including an assessment of repairing obligations within lease terms, at the pre-acquisition stage for all assets in which we consider investing and taking account of any material issues in investment decisions and subsequent asset business planning.
- Analysis of future changes in flood risk exposure under different climate change scenarios, as described in more detail in Appendix 3.
- Ensuring that we have adequate insurance cover in place.
- In areas of higher risk, maintain a watching brief on insurance premiums and planning decisions for development work, including in relation to change of use decisions which may be pertinent to future asset strategy.
- For assets subject to higher levels of direct risk, review asset files, including purchase reports, to ensure that detailed flood risk information is held by the fund.
- For directly managed assets in areas of high and moderate indirect risk, prepare operational contingency plans so that anticipatory and responsive measures can be put in place effectively to deal with local disruption, and ensure that tenants are engaged in this process.
- Engage with our tenants in those assets that are not directly managed but to which higher levels of risk apply, to ensure that they can be prepared for a possible future flood event.
- Ensuring that flood resilience is a feature of our approach to sustainable development and refurbishment.
Figure 4: 2019 Flood risk comparison

Fluvial flood risk
Distribution of risk ratings as a proportion of total Capital Value

Surface water flood risk
Distribution of risk ratings as a proportion of total Capital Value

Groundwater flood risk
Distribution of risk ratings as a proportion of total Capital Value

Historic flooding
Distribution of historic flood incidents in relation to total Capital Value

Risk definitions
Fluvial & tidal (defended) flood extents
- High (>3.3% event]
- Moderate [between 3.3% & 1%]
- Low [between 1% and 0.1%]
- Negligible [<0.1%]

Surface water flood risk
Level of flood risk
- Negligible
- Low
- Moderate
- High

Groundwater flood risk
Level of flood risk
- High
- Moderate
- Low
- Negligible

Historic flooding
Level of flood risk
- No
- No record
- Yes (Unknown & Main River)
- Yes (Main River)

Legend
Risk of fluvial or storm-surge flooding accounting for existing flood defences.
- Negligible
- Low
- Moderate
- High

Legend
Level of surface water flood risk
- Negligible
- Low
- Moderate
- High

Legend
Level of groundwater flood risk
- Negligible
- Low
- Moderate
- High

Legend
Level of fluvial or storm-surge flooding accounting for existing flood defences.
- Negligible
- Low
- Moderate
- High

Legend
Level of surface water flood risk
- Negligible
- Low
- Moderate
- High

Legend
Level of groundwater flood risk
- Negligible
- Low
- Moderate
- High

Risk definitions
Pluvial (surface water) flood extent
- High (>1% event, where flood depths >1m]
- Moderate (>1% event, where flood depths between 40cm to 1m]
- Low (>1% event, where flood depths between 20cm to 40cm]
- Negligible (>1% event, where flood depths <20cm]

Risk definitions
Groundwater flood extent
- High
- Moderate
- Low (>1% likelihood]
- Negligible [<1% likelihood]
Background design

The scheme encompassed the full refurbishment of the vacant first and second floors, the communal entrance reception, common circulation areas and basement facilities. The key objective was to revitalise the building by providing exceptional workspace commensurate with a sought-after Mayfair setting. This has been achieved by employing a palette of classic and sophisticated materials that are subtly carried throughout the building. The new materials take inspiration from original features which have been exposed and restored.

Original walnut parquet flooring has been restored to its former glory and has influenced the bespoke walnut panelling to the reception. The new brushed brass to the reception desk and pendant light fittings are mirrored by brushed brass fittings in the newly created ablutions facilities at first floor level whilst new tea-point facilities have been added on each floor. The existing Crittall windows have been overhauled and refurbished throughout and the existing terrazzo basement stair has been repaired and restored.

The project also included replacement and upgrading of the existing heating and cooling systems to the office floors, with these services being housed into minimal plasterboard bulkheads wrapped around the core. This strategy enabled the ceiling heights to the main office spaces to be maximised to increase the sense of space and natural daylighting. The reliability and efficiency of the existing passenger lift has been improved through overhaul and modernisation.

Sustainability and wellbeing

The design team were challenged to bring forward a scheme that would not only make the commercial space more appealing to occupiers, but would take the opportunity to improve the building’s sustainability credentials and bring key characteristics into line with modern day standards and expectations:

- The office floors remain naturally ventilated via the large Crittall windows, but a heat pump system with heat recovery was also introduced to the first and second floors to provide highly efficient heating and cooling to these spaces.
- New low-energy LED light fittings have been utilised throughout the refurbished areas with lighting efficiencies in excess of 100 lumen/Watt exceeding current Building Regulations standards.
- Automatic lighting controls were added to all areas in order to minimise energy wastage and ensure appropriate lighting levels throughout the course of the day.
- Low water consuming fittings have been adopted within the newly formed first floor toilet accommodation.
- The rear flat roof area has been enhanced by relocating existing ductwork and external condenser units from immediate sight lines, and planting the entire area with sedum, providing a natural outlook from the office and encouraging biodiversity on the site to contribute towards the wellbeing of building occupiers.
- To encourage cycling, the refurbishment included the provision of new secure bicycle storage, a new bicycle repair station and two new shower units with associated changing facilities located in the basement.
- One electric vehicle charging point with smart phone payment app has also been installed to the basement car park.

Future proofing

The following key features were introduced:

- Careful consideration was given to the positioning of air conditioning fan coil units and electrical services to ensure that future tenants have maximum capability to reconfigure their space to suit their individual needs.
- The lighting installation to first and second floor office suites are arranged through ‘plug in’ control boxes to enable simpler alteration or reconfiguration to the space in future. This principle is expanded with a continuous linear grill being incorporated into the ceiling bulkhead to facilitate simpler direction of air into partitioned spaces to suit a tenant’s current and future operational layouts.
EPC ratings

The dashboard below provides a summary of the profile of Energy Performance Certificate (EPC) ratings for the portfolio. The majority of the whole UK portfolio - from both a rental value and floor area perspective - achieves higher EPC ratings of A to C, indicating a good level of modeled energy performance for the portfolio. Indeed, the two lowest ratings F and G apply in combination to only 8.58% of rental value and 4.55% of the total lettable floor area respectively. When benchmarked within individual property types, high street retail assets and alternatives have the greatest proportion of income and floor area ascribed to these lower ratings. This is fairly consistent with the wider market, where retail tenant fit-outs are renowned for having a detrimental effect on energy ratings.

When viewed specifically within the context of our properties located in England & Wales, the jurisdiction within which regulations pertaining to Minimum Energy Efficiency Standards (MEES) apply, the proportion of rental value that is associated with F- and G-ratings is marginally higher than the UK-wide portfolio, at a little over 9.98%. By number, this is 10%, compared to an average of just over 14% of commercial EPCs lodged on the register for England and Wales. The Company is well positioned to further its efforts in this continually evolving area and recognises that the MEES regulations are currently the subject of Government consultation. Through its Property Manager’s involvement with the Better Buildings Partnership, the Company will keep the implications of this consultation under close scrutiny.

Figure 5: 2018 and 2019 profile of EPC ratings

Distribution of EPC ratings by rental value
Assets in England & Wales only

<table>
<thead>
<tr>
<th>EPC rating: CO₂ emissions</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>A (0-25)</td>
<td>16.95%</td>
<td>20.03%</td>
</tr>
<tr>
<td>B (26-50)</td>
<td>24.58%</td>
<td>41.75%</td>
</tr>
<tr>
<td>C (51-75)</td>
<td>38.70%</td>
<td>41.75%</td>
</tr>
<tr>
<td>D (76-100)</td>
<td>6.76%</td>
<td>16.44%</td>
</tr>
</tbody>
</table>

Distribution of EPC ratings by NLA
Assets in England & Wales only

<table>
<thead>
<tr>
<th>EPC rating: CO₂ emissions</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>A (0-25)</td>
<td>9.63%</td>
<td>15.96%</td>
</tr>
<tr>
<td>B (26-50)</td>
<td>16.67%</td>
<td>43.80%</td>
</tr>
<tr>
<td>C (51-75)</td>
<td>43.80%</td>
<td>48.64%</td>
</tr>
<tr>
<td>D (76-100)</td>
<td>8.07%</td>
<td>8.76%</td>
</tr>
</tbody>
</table>
Over the reporting period, 30 replacement EPCs were obtained. Four of these were successful refurbishments that brought F or G rated demises at St Christopher’s Place to B or C ratings. The majority (20) were replacements of EPCs that expired during the year, most of which maintained the same rating as the previous assessment, however some saw a rating deterioration given the inability to undertake physical improvement in the context of hardening standards. Where new EPCs were obtained after works carried out by the Company, the ratings improved, or remained the same in the case of three C-rated EPCs.
Figure 5 (continued): 2019 profile of EPC ratings

Sector distribution of EPC ratings (NLA)
Whole portfolio – including assets in Scotland

Sector distribution of EPC ratings (by rental value)
Whole portfolio – including assets in Scotland

Notes
1 Data used for rental value are estimated rental values (ERV) except for a few (de minimis) commercial leases for which ERV data is not held, for which current rental values (CRV) have been used.
2 A notional ERV of £50/sq ft has been applied to all short term residential let units at St Christopher’s Place in the absence of precise rental data.
We have in place a comprehensive policy and strategy for managing the risks associated with MEES, with particular emphasis on ensuring that:

- We maintain comprehensive records that are kept up-to-date to ensure clear visibility on related risks.
- We procure high-quality EPC assessments from best-in-class providers so that the ratings we hold are accurate and the information supporting them is useful for managing performance.
- We are well-sighted on energy performance risk when acquiring assets and when preparing for and executing lease transactions.
- We have robust processes in place to ensure that EPC ratings are optimised through development, refurbishment and routine property management activities.
- We have in place comprehensive information to support sales when we choose to bring properties to the market.

These measures enable us to take timely and cost-effective action to address energy ratings ahead of a legislative restriction on transactions, as well as ensuring we future-proof our assets to changing regulations and standards – delivering occupational benefits for our customers and sustainable returns for our shareholders in the long-term.

**Other RPI risk metrics**

The profile of the portfolio with reference to a range of additional ESG attributes is shown in Figure 6, below. This indicates that the exposure of BCPT assets to various environmental risk criteria is limited, whilst other metrics convey the extent to which certain management actions have been fulfilled.

**Current contamination risk**

There is no change in status from the previous year. With reference to capital value, the majority (75%) of the portfolio is at low risk of contamination, whilst the reminder is at the modestly elevated level of moderate-low risk. Contamination is an ‘investment critical’ criteria within our RPI Appraisal process when considering potential acquisitions. FRI assets over which we have no direct management control benefit from an annual inspection by an asset manager, whilst directly managed assets have the benefit of our Environmental Management System, certified to the ISO 14001 standard, of which the prevention and management of contamination is part.

**HCFC coolants**

Seven assets within the portfolio have air-conditioning equipment, under landlord control, that utilise hydrochlorofluorocarbons coolant which are subject to the European F-Gas Regulations for the phasing out of ozone depleting substances. This number has increased since the last report on account of uncovering further data. The Regulations prohibit the use of ‘recycled’ and ‘reclaimed’ HCFCs to top up or service existing equipment and we manage the implications of this through the asset business plan.

**Figure 6: Other RPI risk metrics**

- **Current contamination risk**
  Distribution of risk ratings as a proportion of total Capital Value
  - Low: 74.92%
  - Moderate-Low: 25.08%

- **HCFC coolants**
  No. of directly managed assets in which HVAC systems using HCFCs are present
  - Low: 7
  - Moderate-Low: 22
  - High: 25

- **Building manager ESG training**
  Directly managed assets for which Building Managers have received ESG training
  - Advanced: 2
  - Foundation: 2
  - None: 50

- **Statutory wildlife designations**
  Assets to which statutory nature conservation designations apply
  - No: 75

- **Aquifer protection zones**
  No. of assets which are situated in Acquifer/Groundwater Protection Zones
  - No: 73

**Green building certification**

Distribution of green building ratings with reference to Net Lettable Area

- BREEAM Excellent: 3%
- BREEAM Very Good: 12%
- None: 85%

**Are HCFCs (eg. R22) used in cooling systems?**
- Tenant Responsibility: No
- Yes: 7

**Are there any statutory wildlife designations (eg. SSSI, Ramsar, SPA, SAC)?**
- No: 74.92%
- Yes: 25.08%

**Level of training received**
- Advanced: 2
- Foundation: 2
- None: 50

**Does the site fall within an Aquifer/ Groundwater Protection Zone?**
- No: 73
Figure 6 (continued): Green building certification by asset

Distribution of green building ratings with reference to net lettable area

Legend

- BREEAM - excellent
- BREEAM - very good
- None

Chorley, Wolseley RDC, Revolution Park
Liverpool, Unit 1, G. Park, Portal Way
Daventry, Site E4, DIRFT
Birmingham, Unit 8 Hams Hall Distribution Pk
Birmingham, Unit 10a Hams Hall Distribution Pk
Colchester, The Cowdray Centre, Cowdray Ave
Newbury, Newbury Retail Park
London SW19, Wimbledon Broadway
London W1, St Christopher’s Place Estate
Liverpool, Estuary Business Park
Southampton, Upper Northam Road, Hedge End
Winchester, Student Accommodation, Burma Road
Birmingham, Unit 6a Hams Hall Distribution Pk
Solihull, Sears Retail Park, Marshall Lake Rd
Camberley, Watchmoor Park
Crawley, The Leonardo Building, Manor Royal
East Kilbride, BBQ Unit, Mavor Avenue
Aberdeen, Unit 2 Prime Four Business Park
Rochdale, Dane Street
Aberdeen, Unit 1 Prime Four Business Park
Liverpool, Units 2 & 4, Estuary Business Park
Glasgow, Alhambra House, Waterloo Street
Uxbridge, 3 The Square, Stockley Park
Manchester, 82 King Street
Aberdeen, Unit 3 Prime Four Business Park
Camberley, Affinity Point, Glebeland Road
Colchester, Ozalid Works, Cowdray Avenue
Bristol, One Cathedral Square, Trinity Street
London SW1, Cassini House, 57-59 St James’ St
Edinburgh, Nevis / Ness Hsae, 11/12 Lochside Pl
Aberdeen, Unit 4 Prime Four Business Park
London EC3, 7 Birchin Lane
London SW1, 2/4 King Street
Solihull, Oakenshaw Road
London W1, 17A Curzon Street
London W1, 16 Conduit Street
Groundwater source protection zones

Consistent with the position last year, two properties – Newbury Retail Park and Portal Way, Liverpool (Logistics) – fall within Groundwater Source Protection Zones. These are designated zones around public water supply abstractions and other sensitive receptors that signal there are particular risks to the groundwater source they protect. We strive to ensure that pollution prevention measures are kept under close attention in these areas of elevated risk.

Statutory wildlife designations

None of our properties are affected by statutory wildlife designations.

Building manager ESG training

Building managers appointed by BMO REP have received foundation training on relevant ESG matters whilst instruction and direction on ESG matters is provided to our external managing agents so that aspirations and interventions are aligned.

Green building certification

Eight properties have attained a formal BREEAM rating, all of which pertain to new construction or major refurbishment projects. This is two more than reported last year as the refurbishment of Cassini House London and Nevis & Ness Houses Edinburgh achieved a BREEAM Very Good. Collectively, these account for around 15% of the total Net Lettable Area of the portfolio.

Environmental Management System

An Environmental Management System (EMS) accredited to the ISO 14001 standard and covering energy, water, waste and the control of hazardous substances has been established by BMO REP and applies to all directly managed assets with some limited exceptions. These exceptions are:

- 16 Conduit Street, London (high street retail) and Watchmoor Park, Camberley (office), which are considered de minimis in terms of the landlord’s environmental impact.
Appendix 1: EPRA sBPR performance data to 31 December 2019

This section of the ESG Report has been written in accordance with the European Public Real Estate Association’s (EPRA) sustainability Best Practices Recommendations (sBPR), which are principally aligned with the Global Reporting Initiative (GRI) standards. BMO REP has taken responsibility for providing the data held within this report.

Scope

BCPT had an overall investment in real estate of £1.34 billion as at 31st December 2019.

Where there is a landlord-obtained supply of water, electricity and/or natural gas, the respective data on water and energy consumption has been analysed for this report. BMO REP also arranges for waste collection and disposal at eight properties, equating to 11% of the whole portfolio by floor area.

Landlord-procured utilities may be consumed in the whole building, in shared spaces only, or by tenants in their leased demises. Properties where a full repairing and insuring (FRI) lease is in place are outside the scope of this RPI Report, as the respective occupiers are responsible for property management, including the procurement of utility supplies.

Thus, the organisational boundary used for the environmental data in this report is based upon operational control. This is explained in more detail in the notes on environmental data contained in Appendix 2.

BCPT has no employees or premises, however, the Company believes it to be appropriate to refer to the environmental footprint associated with the operational activities of our Property Manager as a form of proxy for our own impacts. BMO REP manages several listed and non-listed property funds and is resourced accordingly.

<table>
<thead>
<tr>
<th>EPRA sBPR code</th>
<th>Code meaning</th>
<th>Table number</th>
<th>GRI standard and CRESD indicator code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elec-Abs (4.1)</td>
<td>Total electricity consumption</td>
<td>1</td>
<td>302-1</td>
</tr>
<tr>
<td>Elec-LfL (4.2)</td>
<td>Like-for-like total electricity consumption</td>
<td>1</td>
<td>302-1</td>
</tr>
<tr>
<td>DH&amp;C-Abs (4.3)</td>
<td>Total district heating and cooling consumption</td>
<td>Excluded</td>
<td>302-1</td>
</tr>
<tr>
<td>DH&amp;C-LfL (4.4)</td>
<td>Like-for-like total district heating and cooling consumption</td>
<td>Excluded</td>
<td>302-1</td>
</tr>
<tr>
<td>Fuel-Abs (4.5)</td>
<td>Total fuel consumption</td>
<td>1</td>
<td>302-1</td>
</tr>
<tr>
<td>Fuels-LfL (4.6)</td>
<td>Like-for-like total fuel consumption</td>
<td>1</td>
<td>302-1</td>
</tr>
<tr>
<td>Energy-Int (4.7)</td>
<td>Building energy intensity</td>
<td>1</td>
<td>CRE1</td>
</tr>
<tr>
<td>GHG-Dir-Abs (4.8)</td>
<td>Total direct greenhouse gas emissions</td>
<td>2</td>
<td>305-1</td>
</tr>
</tbody>
</table>
### EPRA sBPR codes

<table>
<thead>
<tr>
<th>EPRA sBPR code</th>
<th>Code meaning</th>
<th>Table number</th>
<th>GRI standard and CRESD indicator code</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG-Indir-Abs (4.9)</td>
<td>Total indirect greenhouse gas emissions</td>
<td>2</td>
<td>305-2</td>
</tr>
<tr>
<td>GHG-Int (4.10)</td>
<td>Greenhouse gas emissions intensity from building energy consumption</td>
<td>2</td>
<td>CRE3</td>
</tr>
<tr>
<td>Water-Abs (4.11)</td>
<td>Total water consumption</td>
<td>3</td>
<td>303-1</td>
</tr>
<tr>
<td>Water-LfL (4.12)</td>
<td>Like-for-like total water consumption</td>
<td>3</td>
<td>303-1</td>
</tr>
<tr>
<td>Water-Int (4.13)</td>
<td>Building water intensity</td>
<td>3</td>
<td>CRE2</td>
</tr>
<tr>
<td>Waste-Abs (4.14)</td>
<td>Total weight of waste by disposal route</td>
<td>4</td>
<td>306-2</td>
</tr>
<tr>
<td>Waste-LfL (4.15)</td>
<td>Like-for-like total weight of waste by disposal route</td>
<td>4</td>
<td>306-2</td>
</tr>
<tr>
<td>Cert-Tot (4.16)</td>
<td>Type and number of sustainably certified assets</td>
<td>6</td>
<td>CRE8</td>
</tr>
<tr>
<td>Diversity-Emp (5.1)</td>
<td>Employee gender diversity</td>
<td>7</td>
<td>405-1</td>
</tr>
<tr>
<td>Diversity-Pay (5.2)</td>
<td>Gender pay ratio</td>
<td>7</td>
<td>405-2</td>
</tr>
<tr>
<td>Emp-Training (5.3)</td>
<td>Training and development</td>
<td>N/A</td>
<td>404-1</td>
</tr>
<tr>
<td>Emp-Dev (5.4)</td>
<td>Employee performance appraisals</td>
<td>N/A</td>
<td>404-3</td>
</tr>
<tr>
<td>Emp-Turnover (5.5)</td>
<td>Employee turnover and retention</td>
<td>N/A</td>
<td>401-1</td>
</tr>
<tr>
<td>H&amp;S- Emp (5.6)</td>
<td>Employee health and safety</td>
<td>N/A</td>
<td>403-2</td>
</tr>
<tr>
<td>H&amp;S-Asset (5.7)</td>
<td>Asset health and safety assessments</td>
<td>Page 36</td>
<td>416-1</td>
</tr>
<tr>
<td>H&amp;S-Comp (5.8)</td>
<td>Asset health and safety compliance</td>
<td>Page 36</td>
<td>416-2</td>
</tr>
<tr>
<td>Comty-Eng (5.9)</td>
<td>Community engagement, impact assessments and development programmes</td>
<td>Page 36</td>
<td>413-1</td>
</tr>
<tr>
<td>Gov-Board (6.1)</td>
<td>Composition of the highest governance body</td>
<td>9</td>
<td>102-22</td>
</tr>
<tr>
<td>Gov-Select (6.2)</td>
<td>Nominating and selecting the highest governance body</td>
<td>8</td>
<td>102-24</td>
</tr>
<tr>
<td>Gov-Col (6.3)</td>
<td>Process for managing conflicts of interest</td>
<td>8</td>
<td>102-25</td>
</tr>
</tbody>
</table>

### Environmental

#### Energy

Since FY16 BMO REP has contracted Carbon Intelligence (formerly Carbon Credentials), a third-party environmental data services provider, to collect energy data on its behalf in respect of those BCPT assets for which there is a permanent landlord-obtained energy supply. The following tables show the results of the BMO REP analysis of this data as well as that of properties for which there has been some landlord responsibility during the reporting period from transient supplies. The output covers the energy consumption and intensities (energy use by respective area) of relevant assets.

Since October 2018, the Company has been purchasing renewable electricity for where, as landlord, it is responsible for the procurement of utility supplies. The 2019 absolute energy figures for the Company were verified by an independent external party, Lucideon. The conclusion of the verification can be found in Appendix 4.

EPRA sBPR codes DH&C-Abs and DH&C-LfL are excluded as no district heating and cooling is provided within the portfolio.
## Table 1: Energy consumption

<table>
<thead>
<tr>
<th>Measure (units)</th>
<th>EPRA code</th>
<th>Industrial</th>
<th>Offices</th>
<th>Retail (Inc. SCP)</th>
<th>Retail warehouse</th>
<th>Alternative</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity consumption (kWh)</td>
<td>Elec-Abs</td>
<td>2019</td>
<td>44,934</td>
<td>4,428,317</td>
<td>539,854</td>
<td>91,015</td>
<td>221,784</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>59,124</td>
<td>4,852,416</td>
<td>554,605</td>
<td>170,372</td>
<td>249,845</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2019</td>
<td>100%</td>
<td>100%</td>
<td>81%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>37%</td>
<td>25%</td>
<td>19%</td>
<td>28%</td>
<td>25%</td>
</tr>
<tr>
<td>Change in electricity consumption (kWh/%)</td>
<td>Elec-LfL</td>
<td>2019</td>
<td>13,281</td>
<td>3,609,108</td>
<td>524,481</td>
<td>91,015</td>
<td>221,784</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>12,806</td>
<td>3,042,816</td>
<td>542,602</td>
<td>170,372</td>
<td>249,845</td>
</tr>
<tr>
<td></td>
<td></td>
<td>%</td>
<td>3.71%</td>
<td>18.61%</td>
<td>-3.34%</td>
<td>-46.58%</td>
<td>-11.23%</td>
</tr>
<tr>
<td>Natural gas consumption (kWh)</td>
<td>Fuel-Abs</td>
<td>2019</td>
<td>16,762</td>
<td>4,109,763</td>
<td>65,933</td>
<td>9,916</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>109,924</td>
<td>4,411,834</td>
<td>98,398</td>
<td>-</td>
<td>N/A</td>
</tr>
<tr>
<td>Change in natural gas consumption (kWh/%)</td>
<td>Fuel-LfL</td>
<td>2019</td>
<td>0</td>
<td>3,197,450</td>
<td>65,933</td>
<td>9,916</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>0</td>
<td>2,710,257</td>
<td>87,679</td>
<td>-</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>%</td>
<td>N/A</td>
<td>17.98%</td>
<td>-24.80%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Energy intensity (kWh/m²)</td>
<td>Energy-Int</td>
<td>2019</td>
<td>3.9</td>
<td>114.1</td>
<td>88.7</td>
<td>5.0</td>
<td>403.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>8.0</td>
<td>121.0</td>
<td>100.4</td>
<td>11.0</td>
<td>307.6</td>
</tr>
<tr>
<td>Change in energy intensity (%)</td>
<td></td>
<td></td>
<td>-50.65%</td>
<td>-5.74%</td>
<td>-11.66%</td>
<td>-54.21%</td>
<td>31.09%</td>
</tr>
</tbody>
</table>
Emissions

Data collected from properties where there is landlord-procured energy was used to calculate emissions, reported here on a located-based methodology as kilograms of carbon dioxide equivalent (kg CO\(_2\)e). The following tables report on:

- **Scope 1 emissions** – resulting from the burning of natural gas in a boiler on site.
- **Scope 2 emissions** – resulting from the acquisition and use of electricity from the National Grid.
- **Scope 3 emissions** – (emissions from tenant-acquired and consumed energy) are not reported here due to unavailability of relevant data for the reporting year.

The following tables report on the emissions from relevant BCPT assets.

**Table 2: BCPT emissions**

<table>
<thead>
<tr>
<th>Measure (units)</th>
<th>EPRA code</th>
<th>Industrial</th>
<th>Offices</th>
<th>Retail (inc. SCP)</th>
<th>Retail warehouse</th>
<th>Alternative</th>
<th>Grand total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions from Scope 1 usage (kg CO(_2)e)</td>
<td>GHG-Dir-Abs</td>
<td>2019</td>
<td>3,082</td>
<td>753,580</td>
<td>12,122</td>
<td>1,823</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>20,222</td>
<td>811,601</td>
<td>18,101</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>Change in emissions from Scope 1 usage (%)</td>
<td></td>
<td>-85%</td>
<td>-7%</td>
<td>-33%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Emissions from Scope 2 usage (kg CO(_2)e)</td>
<td>GHG-Indir-Abs</td>
<td>2019</td>
<td>11,485</td>
<td>1,131,878</td>
<td>137,987</td>
<td>23,264</td>
<td>56,688</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>16,736</td>
<td>1,373,573</td>
<td>156,992</td>
<td>48,227</td>
<td>70,724</td>
</tr>
<tr>
<td>Change in emissions from Scope 2 usage (%)</td>
<td></td>
<td>-31%</td>
<td>-18%</td>
<td>-12%</td>
<td>-52%</td>
<td>-20%</td>
<td>-18%</td>
</tr>
<tr>
<td>Emissions intensity for Scope 1 &amp; 2 (kg CO(_2)e/m(^2))</td>
<td>GHG-Int</td>
<td>2019</td>
<td>1.1</td>
<td>35.5</td>
<td>23.5</td>
<td>1.3</td>
<td>103.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>2.9</td>
<td>40.0</td>
<td>29.6</td>
<td>3.1</td>
<td>128.6</td>
</tr>
<tr>
<td>Change in emissions intensity from Scope 1 &amp; 2 usage (%)</td>
<td></td>
<td>-62%</td>
<td>-11%</td>
<td>-21%</td>
<td>-57%</td>
<td>-20%</td>
<td>-17%</td>
</tr>
</tbody>
</table>
Water
The following tables report on the water consumption and intensities of BCPT assets. These are determined from BMO REP analysis of data from invoices for properties where there is landlord-obtained supply.

Table 3: Water consumption

<table>
<thead>
<tr>
<th>Measure (units)</th>
<th>EPRA code</th>
<th>Industrial</th>
<th>Offices</th>
<th>Retail</th>
<th>Retail - Warehouse</th>
<th>Alternative</th>
<th>Grand total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption (m³)</td>
<td>Water-Abs</td>
<td>2019</td>
<td>40</td>
<td>27,744</td>
<td>897</td>
<td>N/A</td>
<td>212</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>283</td>
<td>20,756</td>
<td>977</td>
<td>N/A</td>
<td>195</td>
</tr>
<tr>
<td>Change in water consumption (m³/%)</td>
<td>Water-LFl</td>
<td>2019</td>
<td>-</td>
<td>25,664</td>
<td>897</td>
<td>N/A</td>
<td>212</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>-</td>
<td>21,418</td>
<td>742</td>
<td>N/A</td>
<td>195</td>
</tr>
<tr>
<td>Water intensity (m³/m²)</td>
<td>Water-Int</td>
<td>2019</td>
<td>0.2</td>
<td>0.7</td>
<td>0.4</td>
<td>N/A</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>1.8</td>
<td>0.5</td>
<td>0.4</td>
<td>N/A</td>
<td>0.4</td>
</tr>
<tr>
<td>Change in water intensity (%)</td>
<td></td>
<td>-86%</td>
<td>43%</td>
<td>-8%</td>
<td>N/A</td>
<td>9%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Waste
BMO REP began collecting site waste data in 2018. The Company has set an ambition of zero waste to landfill by the end of 2020 and to achieve this will be ensuring the appointment of waste carriers across the portfolio who can account for the total waste removed from site and its waste streams. At this time, BMO REP cannot provide weight data for hazardous waste but this is due to be captured moving forward in line with the 2020 target. At present, all properties in the portfolio with waste streams under landlord jurisdiction are controlled by site management procedures which align with and confer ISO14001 accreditation. This accreditation ensures proper management and removal of waste (both hazardous and non-hazardous) from site.

The landlord is not responsible for any waste removal from any high street retail or industrial and logistics properties.

Table 4: Waste production

<table>
<thead>
<tr>
<th>Measure (units)</th>
<th>EPRA code</th>
<th>Industrial</th>
<th>Offices</th>
<th>Retail - High St.</th>
<th>Retail - Warehouse</th>
<th>Grand total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total weight of waste by disposal route (tonnes)</td>
<td>Waste-Abs</td>
<td>2019</td>
<td>15</td>
<td>12</td>
<td>N/A</td>
<td>Unknown</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>20</td>
<td>15</td>
<td>N/A</td>
<td>Unknown</td>
</tr>
<tr>
<td>Recycling</td>
<td>2019</td>
<td>0</td>
<td>58</td>
<td>N/A</td>
<td>Unknown</td>
<td>58</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>0</td>
<td>53</td>
<td>N/A</td>
<td>Unknown</td>
<td>53</td>
</tr>
<tr>
<td>Materials Recycling Facility</td>
<td>2019</td>
<td>12</td>
<td>72</td>
<td>N/A</td>
<td>Unknown</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>15</td>
<td>73</td>
<td>N/A</td>
<td>Unknown</td>
<td>87</td>
</tr>
<tr>
<td>Incineration with energy recovery</td>
<td>2019</td>
<td>0</td>
<td>36</td>
<td>N/A</td>
<td>Unknown</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>0</td>
<td>36</td>
<td>N/A</td>
<td>Unknown</td>
<td>36</td>
</tr>
<tr>
<td>Landfill</td>
<td>2019</td>
<td>0.3</td>
<td>0</td>
<td>N/A</td>
<td>Unknown</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>0.3</td>
<td>0</td>
<td>N/A</td>
<td>Unknown</td>
<td>0</td>
</tr>
<tr>
<td>Change in weight of waste by disposal route (tonnes)</td>
<td>Waste-LFl</td>
<td>2019</td>
<td>0</td>
<td>5</td>
<td>N/A</td>
<td>Unknown</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>0</td>
<td>5</td>
<td>N/A</td>
<td>Unknown</td>
<td>5</td>
</tr>
<tr>
<td>Recycling</td>
<td>2019</td>
<td>0</td>
<td>40</td>
<td>N/A</td>
<td>Unknown</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>0</td>
<td>36</td>
<td>N/A</td>
<td>Unknown</td>
<td>36</td>
</tr>
<tr>
<td>Materials Recycling Facility</td>
<td>2019</td>
<td>0</td>
<td>27</td>
<td>N/A</td>
<td>Unknown</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>0</td>
<td>28</td>
<td>N/A</td>
<td>Unknown</td>
<td>28</td>
</tr>
<tr>
<td>Incineration with energy recovery</td>
<td>2019</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>Unknown</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>Unknown</td>
<td>0</td>
</tr>
<tr>
<td>Landfill</td>
<td>2019</td>
<td>27</td>
<td>142</td>
<td>N/A</td>
<td>3</td>
<td>173</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>34</td>
<td>140</td>
<td>N/A</td>
<td>3</td>
<td>178</td>
</tr>
<tr>
<td>Total weight of waste (tonnes)</td>
<td></td>
<td>2019</td>
<td>27</td>
<td>142</td>
<td>N/A</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>34</td>
<td>140</td>
<td>N/A</td>
<td>3</td>
<td>178</td>
</tr>
<tr>
<td>Number of site for which there is hazardous waste</td>
<td></td>
<td>1</td>
<td>2</td>
<td>N/A</td>
<td>N/A</td>
<td>3</td>
</tr>
</tbody>
</table>
BMO Real Estate Partners’ head office

In August 2018 BMO REP relocated to a newly refurbished single floor in a multi-tenanted building. This significantly improved the water and energy efficiency of the managing agent’s office function. Head office unaudited data aligned with EPRA reporting for energy, emissions and water can be found below. Due to the office move, like-for-like data is not provided for this reporting year. BMO REP hope to extend this reporting to waste for the next reporting year, pending sufficient data shared by the building’s property manager.

Table 5: Head office environmental performance

<table>
<thead>
<tr>
<th>Measure (units)</th>
<th>EPRA Code</th>
<th>Head Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity consumption (kWh)</td>
<td>Elec-Abs</td>
<td>2019 21,703</td>
</tr>
<tr>
<td>With proportion of estimated data</td>
<td></td>
<td>2018 86,658</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2019 0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018 18%</td>
</tr>
<tr>
<td>Natural gas consumption (kWh)</td>
<td>Fuel-Abs</td>
<td>2019 55,991</td>
</tr>
<tr>
<td>With proportion of estimated data</td>
<td></td>
<td>2018 64,902</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2019 10%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018 42%</td>
</tr>
<tr>
<td>Energy intensity (kWhe/m²)</td>
<td>Energy-Int</td>
<td>2019 83.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018 211.3</td>
</tr>
<tr>
<td>Change in energy intensity (%)</td>
<td></td>
<td>-60%</td>
</tr>
<tr>
<td>Emissions from Scope 1 usage (kg CO₂e)</td>
<td>GHG-Dir-Abs</td>
<td>2019 10,294</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018 11,939</td>
</tr>
<tr>
<td>Change in emissions from scope 1 usage (%)</td>
<td></td>
<td>-14%</td>
</tr>
<tr>
<td>Emissions from scope 2 usage (kg CO₂e)</td>
<td>GHG-Indir-Abs</td>
<td>2019 5,547</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018 24,530</td>
</tr>
<tr>
<td>Change in Emissions from scope 2 usage (%)</td>
<td></td>
<td>-77%</td>
</tr>
<tr>
<td>Emissions intensity for scope 1 and 2 (kg CO₂e/m²)</td>
<td>GHG-Int</td>
<td>2019 30.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018 68.4</td>
</tr>
<tr>
<td>Change in emissions intensity from scope 1 &amp; 2 usage (%)</td>
<td></td>
<td>-56%</td>
</tr>
<tr>
<td>Water consumption (m³)</td>
<td>Water-Abs</td>
<td>2019 201</td>
</tr>
<tr>
<td>With proportion of estimated data</td>
<td></td>
<td>2018 375</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2019 10%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018 50%</td>
</tr>
<tr>
<td>Water intensity (m³/m²)</td>
<td>Water-Int</td>
<td>2019 0.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018 0.7</td>
</tr>
<tr>
<td>Change in water intensity (%)</td>
<td></td>
<td>-46%</td>
</tr>
</tbody>
</table>

*Intensity metrics use old office floor area.

Sustainability certification

The following table presents the percentage of sustainably certified assets by net lettable area (NLA) in the portfolio at the end of the reporting year, including energy performance certificates (EPCs) and Building Research Establishment Environmental Assessment Method (BREEAM) certification.

Table 6: Type and percentage of sustainably certified assets by NLA

<table>
<thead>
<tr>
<th>EPRA code: Cert-tot</th>
<th>% of properties certificate exists for</th>
<th>Ratings summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company</td>
<td>EPC</td>
<td>BREEAM</td>
</tr>
<tr>
<td>Cert-tot</td>
<td>100%</td>
<td>14%</td>
</tr>
</tbody>
</table>
Social

Scope

Through its Property Manager, the Company, BMO REP takes a responsible approach to corporate citizenship, both through engagement with industry and corporate stakeholders, and through the positive impact it seeks to generate in the communities around its managed assets.

In respect of the EPRA sBPR guidelines, the Company has no direct employees and is therefore unable to report on the following EPRA social performance measures: Emp-Training, Emp-Dev, Emp-Turnover and H&S-Emp.

However, Building Managers who are employed directly by BMO REP are required to achieve a minimum of 50 hours of Continuing Professional Development (CPD) each year.

Gender equality

The Company has no direct employees, therefore the following table discloses gender equality data pertaining solely to the Company’s board.

Table 7: EPRA sBPR for reporting on gender equality

<table>
<thead>
<tr>
<th>EPRA code</th>
<th>Social performance measure</th>
<th>Company response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity-Emp</td>
<td>Percentage of male and female employees in the Company’s governance body.</td>
<td>There are two women on the board, Trudi Clark and Linda Wilding, representing 40% of the Board.</td>
</tr>
<tr>
<td>Diversity-Pay</td>
<td>Ratio of remuneration of men to women (gender pay ratio).</td>
<td>The remuneration of Trudi Clark and Linda Wilding was 84% of that of the average salary of men on the Board. Roles and remuneration details can be found in the 2019 Annual Report.</td>
</tr>
</tbody>
</table>

Health & safety

With regards to the EPRA sBPR guidelines on health and safety assessments (H&S-Asset), of the 42 assets directly managed by the Company:

• 100% undergo regular review in respect of health and safety controls and performance.
• 100% undergo fire risk assessments
• 74% (of assets directly managed by the Company) undergo a water hygiene assessment, including assessment of potable water management and risk of legionella

In terms of asset Health & Safety compliance (H&S-Comp), there were no breaches of compliance with legislation in the reporting period for assets owned by BCPT.

Community engagement

EPRA sBPR guidelines suggest reporting the proportion of assets under management that have implemented community engagement, impact assessments and development programmes (Comty-Eng). Community engagement was undertaken in relation to two key assets, representing 8% of the portfolio by net lettable area, in 2019. The Company’s Wimbledon leisure complex provided public tennis screenings of the world-renowned tournament whilst multiple initiatives, as detailed on page 19, occurred at St. Christopher’s Place.

Governance

BMO REP has a strong governance structure that ensures its activities are undertaken in the best interests of the Company. Its robust operating procedures and policies ensure the risks associated with illegal practices such as bribery and corruption are managed appropriately and in line with relevant legislation.

The Company’s board nomination (Gov-Select) and conflict management (Gov-Col) processes are discussed in detail in the 2019 Annual Report and Consolidated Accounts. References to the relevant section in the Annual Report are shown in Table 7 below, or where reference cannot be made, an explanation of whether conflicts of interest are disclosed to stakeholders has been provided.
Table 8: EPRA sBPR for reporting on governance performance measures

<table>
<thead>
<tr>
<th>EPRA code</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov-Select</td>
<td>Corporate governance statement – page 34</td>
</tr>
<tr>
<td>Gov-Col: cross-board membership</td>
<td>Corporate governance statement – page 34</td>
</tr>
<tr>
<td>Gov-Col: cross-shareholding with suppliers and</td>
<td>Corporate governance statement – page 34</td>
</tr>
<tr>
<td>other stakeholders</td>
<td></td>
</tr>
<tr>
<td>Gov-Col: existence of controlling shareholder</td>
<td>Director’s Report – page 32</td>
</tr>
<tr>
<td>Gov-Col: related party disclosure</td>
<td>Notes to the accounts – note 16</td>
</tr>
</tbody>
</table>

The composition of the Company’s board (Gov-Board) is reported by various indicators in the following table.

Table 9: EPRA sBPR for reporting on composition of the highest governance body

<table>
<thead>
<tr>
<th>Gov-Board</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of executive board members</td>
<td>0</td>
</tr>
<tr>
<td>Number of independent non-executive board members</td>
<td>5</td>
</tr>
<tr>
<td>Average tenure on the governance body</td>
<td>2.9 years</td>
</tr>
</tbody>
</table>
| Number of independent non-executive board members with competencies relating to environmental and social topics | 0  
The Board has received a comprehensive in-person briefing delivered by Hillbreak, the Property Manager’s strategic ESG training and advisory partner.
Appendix 2: Notes on environmental data

Scope
Much of the environmental performance data within Section 4, particularly those relating to utilities and related greenhouse gas emissions, are limited to those assets on which we have relevant operational control. The precise scope of the ESG Performance Data held for each asset is listed in Figure B.

Figure A: ESG data coverage
Group data coverage – Energy & GHG emissions as a percentage of floor area (NLA)
Group data coverage – Water consumption as a percentage of floor area (NLA)
Group data coverage – Waste management as a percentage of floor area (NLA)
### Figure B: ESG data coverage by asset

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Property Name</th>
<th>ESG data (energy &amp; GHG)</th>
<th>ESG data (water)</th>
<th>ESG data (waste)</th>
<th>ESG data (other)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aberdeens, Unit 3 Prime Four Business Park</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Aberdeens, Unit 4 Prime Four Business Park</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Birmingham, Unit 6A Hams Hall Distribution Pk</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Birmingham, Unit 8 Hams Hall Distribution Pk</td>
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<td>Out of scope</td>
<td>Out of scope</td>
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<td></td>
</tr>
<tr>
<td>Birmingham, Unit 10a Hams Hall Distribution Pk</td>
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<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Bristol, One Cathedral Square, Trinity Street</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Camberley, Affinity Point, Glebeland Road</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Camberley, Watchmoor Park</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Chorley, Wolseley RDC, Revolution Park</td>
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<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Colchester, Otis Works, Cowdray Avenue</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Colchester, The Cowdray Centre, Cowdray Ave.</td>
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<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Daventry, Site E4, DIRFT</td>
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<td>Out of scope</td>
<td>Out of scope</td>
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<td></td>
</tr>
<tr>
<td>East Kilbride, B&amp;Q Unit, Mavor Avenue</td>
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<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Edinburgh, Nevis/Ness Hses,15/12 Lochside Pl</td>
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<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Glasgow, Alhambra House, Waterloo Street.</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Liverpool, Estuary Business Park</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Liverpool, Unit 1, G. Park, Portal Way</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>London EC3, 7 Birchin Lane</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>London SW1, 2/4 King Street</td>
<td>Included</td>
<td>Included</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>London SW1, Cassini House, 57-59 St James’ St</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
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</tr>
<tr>
<td>London SW19, Wimbledon Broadway</td>
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</tr>
<tr>
<td>London W1, 16 Conduit Street</td>
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<td>Out of scope</td>
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<td></td>
</tr>
<tr>
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<td>Included</td>
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</tr>
<tr>
<td>Manchester, 82 King Street</td>
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</tr>
<tr>
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<td>Included</td>
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<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Rochdale, Dane Street</td>
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<td>Out of scope</td>
<td>Out of scope</td>
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<td></td>
</tr>
<tr>
<td>Solihull, Oakenshaw Road</td>
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<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Solihull, Sears Retail Park, Marshall Lake Rd</td>
<td>Included</td>
<td>Out of scope</td>
<td>Not available</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Southampton, Upper Northam Road, Hedge End</td>
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<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Winchester, 3 The Square, Stockley Park</td>
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<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Winchester, Student Accommodation, Burma Road</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
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</tr>
<tr>
<td>Prime Four</td>
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<td>Out of scope</td>
<td>Included</td>
</tr>
<tr>
<td>Aberdeen, Unit 2 Prime Four Business Park</td>
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<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Leonardo Crawley</td>
<td>Crawley, The Leonardo Building, Manor Royal</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Out of scope</td>
<td>Included</td>
</tr>
<tr>
<td>Liverpool, Units 2 &amp; 4, Estuary Business Park</td>
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<td>Out of scope</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Property Name</td>
<td>ESG data (energy &amp; GHG)</td>
<td>ESG data (water)</td>
<td>ESG data (waste)</td>
<td>ESG data (other)</td>
</tr>
<tr>
<td>-----------</td>
<td>---------------------------------------</td>
<td>-------------------------</td>
<td>------------------</td>
<td>------------------</td>
<td>------------------</td>
</tr>
<tr>
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</tr>
<tr>
<td>SCP</td>
<td>London W1, 23 - 32 St Christopher’s Place</td>
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</tr>
<tr>
<td>SCP</td>
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</tr>
<tr>
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</tr>
<tr>
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</tr>
<tr>
<td>SCP</td>
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<tr>
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<tr>
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<td>SCP</td>
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</table>
Estimates

The proportions of estimates used for portfolio energy and water by asset class are shown in the table below. Estimates were calculated by pro-rating available data to missing periods. The proportions of estimates were based on both the floor area and the time interval for which data was estimated.

Estimation of data

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
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<tbody>
<tr>
<td>Electricity</td>
<td>0.0%</td>
<td>0.6%</td>
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<tr>
<td>Gas</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Water</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Waste</td>
<td>0.0%</td>
<td>0.0%</td>
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</table>

Conversion factors

Emissions were calculated in kg CO\textsubscript{2} equivalent using the DEFRA GHG Conversion Factor Guidelines for 2019 and 2018. The conversion factors from DEFRA for 2019 and 2018 are presented in the following table.

DEFRA conversion factors (kg CO\textsubscript{2}e per kWh)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>0.2556</td>
<td>0.28307</td>
</tr>
<tr>
<td>Natural Gas*</td>
<td>0.18385</td>
<td>0.18396</td>
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</table>

*Where the conversion factor used is for gross calorific value as opposed to net.

A further conversion factor was used for reporting of energy intensities. Following the Better Buildings Partnership’s (BBP) Real Estate Environmental Benchmark (REEB) methodology, intensities are reported using numerators in units of kWh electricity equivalent (kWhe). One kWh of electricity is 1kWhe, whereas gas has been converted using a factor of 0.4kWhe/1kWh. This is recommended due to a thermodynamic difference between electricity and gas.

Normalisation

Intensities (for energy, emissions and water) have been calculated per square meter of space for each individual property, normalising the data for comparability to other properties. As a general rule, all properties have been normalised using a denominator based on net lettable area (NLA).

The exceptions to the rule are as follows:

- Assets for which the landlord does not procure energy for the whole building
- Assets for which there is no indoor energy procured by the landlord

In the first scenario the common parts area (CPA) was used as the denominator; CPA is considered to be a more appropriate basis for relating landlord consumption to the areas served, and, as a result, a more meaningful measure of efficiency.

These were estimated using an estimate of 5% of building NLA. For energy provided to outdoor areas this was estimated from floor plans in the case of outdoor walkways, but where the energy supply is to car park lighting the number of car parking spaces multiplied by 25m\textsuperscript{2} (per BBP REEB recommendation) was used.

It should be noted that while the intensities were normalised for floor area, there was no normalisation carried out for degree days. This is when heating data is corrected according to weather patterns. The Company intends to correct for degree days in future reports.

Data coverage

The table below highlights the data coverage for each asset level performance measure in terms of number of assets within the organisational boundary (where the landlord has operational control) that were included. Where these are not 100%, this is the result of the following:

- Where the landlord does not have responsibility for procurement of any energy at a directly managed property. Energy data disclosed represents 91% by gross asset value (GAV) where the landlord has operational control.
- In some instances, water data was not gathered where procurement of water is under the responsibility of the occupier. Within the organisational boundary (where the landlord has operational control), water data disclosed represents 50% by GAV.
- Waste data was not gathered from the portfolio where responsibility for waste removal sits with the occupier. Within the organisational boundary, waste data disclosed represents 33% by GAV.

Out of scope would be demised spaces where a tenant procures their own energy separate to the building supply for shared spaces; these scenarios are considered the same terms as FRI tenants and data was not obtained due to unavailability of such data for the reporting year.
Flood risk assessment methodology

The methodology required to satisfy the project scope included the use of ArcGIS software packages and complex scripting models to prepare each set of Asset data and analysis.

Further review and checking of each report was undertaken by an experienced GeoSmart Consultant.

The datasets used to inform each of the key questions for each Asset were GeoSmart’s Groundwater Flood Risk Data, Environment Agency datasets and Ambiental’s UKFloodMap4™ Flood data. The industry focused and accepted datasets have been produced using the most up to date methodology to ensure suitable Risk Screening for key assets.

Each of the 41 Assets are included within this report with an overview map and answers to each of the 8 questions. More detailed analysis could be undertaken on an Asset specific basis for those Assets at the highest risk. This additional work would incorporate more detailed flood level and depth datasets, to provide suitable recommendations of mitigation measures, to reduce the overall risks of flooding at each Asset.

Data limitations

The data and information which GeoSmart interprets in Reports is obtained by GeoSmart from third parties including the British Geological Survey, BlueSky, Ordnance Survey and the Environment Agency. The data, information and related records supplied can only be indicative and should not be taken as a substitute for specialist interpretations, professional advice and/ or detailed site investigations. Geological observations are made according to the prevailing understanding of the subject at the time. The quality of such observations may be affected by subsequent advances in knowledge or improved methods of interpretation.

FloodSmart and SuDSmart reports make use of BGS data within the GeoSmart Groundwater Flood Risk Map (GW5) and SuDS Infiltration Map (SD50), for which the following disclaimer applies:

BGS Natural Environment Research Council Disclaimer

Disclaimer (Clause 7.9): Some of the responses contained in this report are based on data and information provided by the Natural Environment Research Council (NERC) or its component body the British Geological Survey (BGS). Your use of any information is at your own risk. Neither NERC nor BGS gives any warranty, condition or representation as to the quality, accuracy or completeness of such information and all liability (including liability for negligence) arising from its use is excluded to the fullest extent.

### Coverage of data

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<thead>
<tr>
<th></th>
<th>Industrial</th>
<th>Offices</th>
<th>Retail – High Street</th>
<th>Retail – Warehouse</th>
<th>Alternative</th>
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<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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<tr>
<td>Water-Abs</td>
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<tr>
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## Appendix 3: TCFD Disclosures

<table>
<thead>
<tr>
<th>Recommended Disclosure</th>
<th>Current arrangements</th>
<th>Planned activity and timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe the board’s oversight of climate-related risks and opportunities</td>
<td>BMO Real Estate Partners’ Sustainability Team provides regular progress reports to the Fund Manager who in turn formally updates the Board on salient matters at quarterly Board Meetings. On occasion, typically twice annually, the Board will invite the Company’s retained ESG Advisor, Hillbreak, to provide a report and presentation on topical matters and their potential impact on the Company’s activities. Recently this has included particular emphasis on climate-related transition risks and opportunities, linked to our work on setting long-term targets for the portfolio aligned to the goals of the Paris Agreement on Climate Change in line with a recognised science-based targets methodology. Progress on ESG matters, including on climate change, are highlighted in the Fund’s Annual Report and the aligned ESG Report, both of which are reviewed and signed-off by the Board in discussion with the Fund Manager and Hillbreak.</td>
<td>The Board will continue to receive regular updates across the full range of material ESG factors to which the Company is attending, including climate change. This will include receiving reports from the Fund Manager on progress against the annual and long-term energy reduction targets, as well as updates on external factors which may prompt the need to review those targets. Furthermore, during 2020, the Board will receive a report on the exposure of the portfolio to, and the potential financial implications of, physical climate risk factors, such as future changes in the frequency and severity of extreme weather events. The project timeline for this piece of work was extended to allow time for a more extensive review of risks and opportunities at asset level, that will ultimately feed into Asset Sustainability Plans. The Board will be looking to direct the Fund Manager to take appropriate action in the context of the findings of the analysis.</td>
</tr>
<tr>
<td>Describe management’s role in assessing and managing climate-related risks and opportunities.</td>
<td>As part of its ESG programme, the Property Manager is responsible for ensuring that climate-related risks and opportunities are integrated into operational processes and asset management decisions, including by monitoring relevant performance and risk metrics, making recommendations to the Board on appropriate objectives and targets, and arranging for the implementation of measures necessary to fulfil these. These responsibilities include making sure that the Company has adequate technical and strategic expertise on climate-related risks and opportunities at its disposal. In addition to the retained role of the strategic ESG advisor, this has included procuring analysis and advice from energy management specialist, Verco Advisory, to set a pathway for energy and carbon reduction in line with the Paris Agreement on Climate Change. Further, in 2019 the Company engaged with climate specialists from WSP who are currently in the process of assessing the potential impacts on the portfolio of the physical risks and opportunities presented by climate change. The Property Manager also has an established ESG Committee which convenes on a quarterly basis to oversee its work in this area, including keeping the relevant regulatory, climate science and market changes under review, as well as monitoring the progress of environmental training delivered to asset and building managers. In recent years, this has included specific refresher sessions, delivered by lawyers, on the implications of Minimum Energy Efficiency Standards for leased properties, a key transition risk factor that requires diligent management.</td>
<td>In 2019, with the help of climate change specialists WSP, the Company has been further analysing the potential impacts of climate-related risks and opportunities, particularly with respect to physical risk factors in the short, medium and long-term. This project has extended from looking at risks and opportunities at fund level to investigating these at asset level. This scenario-based risk modelling will be completed in 2020 with the findings incorporated in the future investment strategy of the Company following proper consideration by the Board.</td>
</tr>
</tbody>
</table>
### Recommended Disclosure

#### Current arrangements

The two principal forms of climate-related risk pertinent to the Company are from the potential exposure of its portfolio to the physical effects of climate change and from the growing regulatory and market demands associated with the transition to a low-carbon economy. The relevance of these factors is heightened by the relatively long-term nature of our typical holding periods.

In the short-term, the key risks arise from changes to levels of flood risk (for which we update asset-level flood risk screening analysis regularly) and from the restrictions on property transactions associated with building energy performance regulations in England & Wales and, separately, in Scotland. Changes in the risk profile of the portfolio for these factors are confirmed at least annually and will be documented in the next ESG Report.

In respect of medium-term risks and opportunities, work has been completed to understand the extent of the measures that would need to be implemented by 2031 across the portfolio to ensure that energy and carbon reduction levels were reduced in line with the goal of keeping global warming to less than 2°C above pre-industrial levels, in line with the Paris Agreement on climate change. Taking account of reasonable assumptions for grid decarbonisation and future churn in the portfolio, we have ascertained that annual energy reduction needs to be of the order of 2.7% for FCCPH and 4.0% for SCP, the two subsidiaries of BCPT where the landlord has some control over energy consumption.

In 2019, with the help of climate change specialists WSP, the Company has been further analysing the potential impacts of climate-related risks and opportunities, particularly with respect to physical risk factors in the short, medium and long-term. This project has extended from looking at risks and opportunities at fund level to investigating these at asset level. This scenario-based risk modelling will be completed in 2020 with the findings incorporated in the future investment strategy of the company following proper consideration by the Board.

#### Planned activity and timeframe

A priority action is to complete the analysis of the exposure of the portfolio to physical risks in the short, medium and longer term. During 2019, the Property Manager instructed experienced climate experts, WSP, to undertake physical risk modelling using the latest UK Climate Projects 2018 data, that was released under the Met Office Hadley Centre Climate Programme.

### Strategy

**Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.**

The two principal forms of climate-related risk pertinent to the Company are from the potential exposure of its portfolio to the physical effects of climate change and from the growing regulatory and market demands associated with the transition to a low-carbon economy. The relevance of these factors is heightened by the relatively long-term nature of our typical holding periods.

In the short-term, the key risks arise from changes to levels of flood risk (for which we update asset-level flood risk screening analysis regularly) and from the restrictions on property transactions associated with building energy performance regulations in England & Wales and, separately, in Scotland. Changes in the risk profile of the portfolio for these factors are confirmed at least annually and will be documented in the next ESG Report.

In respect of medium-term risks and opportunities, work has been completed to understand the extent of the measures that would need to be implemented by 2031 across the portfolio to ensure that energy and carbon reduction levels were reduced in line with the goal of keeping global warming to less than 2°C above pre-industrial levels, in line with the Paris Agreement on climate change. Taking account of reasonable assumptions for grid decarbonisation and future churn in the portfolio, we have ascertained that annual energy reduction needs to be of the order of 2.7% for FCCPH and 4.0% for SCP, the two subsidiaries of BCPT where the landlord has some control over energy consumption.

**Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.**

A core principle of our approach to ESG is to ensure portfolio resilience. In that regard, we seek to:

- Identify and address environmental and social risks through effective asset planning and property management.
- Deliver operational efficiencies and strengthen the appeal of assets under management through smart and efficient use of resources.
- Understand and respond to the changing (and in most respects, strengthening) expectations of occupiers, regulators and investors.

To date, the level of short-term risk facing the portfolio from physical climate risks has not been deemed to have a substantive financial or strategic impact; most assets face low or negligible flood risk, whilst insurance cover, contingency planning and property management arrangements are considered adequate in this current context.

We continue to monitor changes in the extent of asset and portfolio-level flood risk on a regular basis. This year, based on our flood consultant’s review of various data sources, the level of risk has increased in some cases, particularly in the case of surface water flooding. This is shown and explained in section 5 of this report. Our judgement continues to be that the overall level of risk is comfortable, albeit that more detailed analysis will be undertaken for those limited number of assets at which the level of risk has risen to high.

Our Strategy and asset business planning has evolved to take account of transition risks associated with energy performance ratings and consumption. This is explained in Section 5 of this report.

In summary, this involves classifying assets based on the materiality of their energy performance characteristics, putting in place energy reduction plans (as part of our ISO-14001-accredited Environmental Management System) for those assets where landlord energy consumption is significant, with these plans forming part of the operational business planning and budgets for each asset.
## Recommended Disclosure

<table>
<thead>
<tr>
<th>Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</th>
</tr>
</thead>
</table>

## Current arrangements

<table>
<thead>
<tr>
<th>Climate risks are integrated into multi-disciplinary company-wide risk identification, assessment, and management processes and are considered at each key stage of the property investment process, including:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Enhanced due diligence assessments when looking at potential real estate acquisitions, including consideration of multiple flood risk factors, energy efficiency, metering and ratings.</td>
</tr>
<tr>
<td>• Regular (annual) reappraisal of the ESG (including climate-related) characteristics of assets held by the Company, including reclassifying assets according to changes in their energy risk profile in order to determine the frequency and extent of asset management routines and interventions.</td>
</tr>
</tbody>
</table>

## Planned activity and timeframe

<table>
<thead>
<tr>
<th>The findings of our scenario-based analysis of physical climate risks, currently under analysis, together with an assessment of the resilience of the Company’s strategy in the context of the findings, will be set out in future Annual Reports and aligned ESG Reports. It is our intention to make our first disclosure under this Recommended Disclosure in our 2020 Annual Report.</th>
</tr>
</thead>
</table>

## Risk Management

<table>
<thead>
<tr>
<th>Describe the organisation’s processes for identifying and assessing climate-related risks.</th>
</tr>
</thead>
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<table>
<thead>
<tr>
<th>Climate risks are integrated into multi-disciplinary company-wide risk identification, assessment, and management processes and are considered at each key stage of the property investment process, including:</th>
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## Current arrangements

<table>
<thead>
<tr>
<th>Ultimate responsibility for managing climate-related risks across the portfolio rests with the Fund Manager, using the intelligence gained from enhanced due diligence and annual reappraisal of climate characteristics at the individual asset level. Of particular note in this regard, are the following core risk management features of our asset and property management procedures:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For all assets:</strong></td>
</tr>
<tr>
<td>• Making sure that information and recommendations compiled by the ESG Appraisal process, either during acquisition or as a routine of the asset and property management process, are utilised when preparing and signing-off on Asset Business Plans. Incorporating appropriate actions to mitigate climate-related risks and capture related opportunities into Asset Business Plans.</td>
</tr>
<tr>
<td>• Safeguarding the transition and physical risk resilience credentials of a property when negotiating leases and considering applications for alterations, especially in relation to energy performance ratings.</td>
</tr>
<tr>
<td>• Targeting optimal performance and resilience outcomes when undertaking development or refurbishment work. These core requirements are applied across all of our assets, although the frequency and depth of certain actions is proportionate to the circumstances of each asset, as defined by the Property Manager’s Asset Classification System.</td>
</tr>
</tbody>
</table>

## Planned activity and timeframe

<table>
<thead>
<tr>
<th>From 2020, we intend to enhance our acquisition due diligence approach to take fuller account of longer-term climate risk factors, including:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sensitivity to potential changes in the cost and availability of insurance cover.</td>
</tr>
<tr>
<td>• Potential effects of physical climate risks including in relation to overheating and cooling demand, storm damage, soil shrinkage and heightened flood risk.</td>
</tr>
<tr>
<td>This will complement the current undertaking of comprehensive scenario-based analysis of physical risk exposure of the standing portfolio and will inform the ongoing advancement of our approach to investment decision-making.</td>
</tr>
</tbody>
</table>

## Current arrangements

<table>
<thead>
<tr>
<th>Pending the completion of the scenario-based analysis of physical risk exposure of the standing portfolio, we expect to incorporate specific climate-related considerations into our investment criteria for acquisitions, hold/sell and CapEx decisions, recognising that:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Options for improving the resilience of assets for which a long-term hold is envisaged could be highly cost-effective, give rise to ancillary benefits (such as improved occupier comfort) and should therefore be prioritised.</td>
</tr>
<tr>
<td>• In some situations, it may be advantageous to the Company to exit its position on an individual asset that is exposed to a material climate-related risk that cannot be cost-effectively mitigated within the context of our investment strategy.</td>
</tr>
<tr>
<td>• Recycling of capital can be a useful way of reducing risk exposure of the portfolio over time.</td>
</tr>
</tbody>
</table>
Recommended Disclosure

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.

Ownership and management of all risks, including climate-related risks, is the responsibility of the Fund Manager. The Fund Manager, reporting to the Board, is responsible for ensuring the operating effectiveness of the internal control systems, whilst Asset Managers, supported by the Property Manager’s sustainability team, are responsible for implementing key risk mitigation plans. Climate-related risks are included in this process.

Planned activity and timeframe

Following the completion of the scenario-based analysis of physical risk exposure of the standing portfolio, we expect to deliver briefing and training sessions to asset and property managers on the results, as well as the recommended actions for improving the resilience of assets to those risks.

Metrics & Targets

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Financial category: Expenditures (Energy/Fuel)
- Total electricity consumption (kWh)
- Like-for-like total electricity consumption (kWh/%)
- Total fuel consumption (kWh)
- Like-for-like total fuel consumption (kWh/%)
- Building energy intensity (kWh/m² NLA)

Financial category: Expenditures (GHG emissions)
- Emissions from Scope 1 consumption (kg CO₂e)
- Change in emissions from Scope 1 consumption (%)
- Emissions from Scope 2 consumption (kg CO₂e)
- Change in emissions from Scope 2 consumption (%)
- Emissions intensity for Scope 1 & 2 (kg CO₂e/m² NLA)
- Change in emissions intensity from Scope 1 & 2 consumption (%)

Financial category: Expenditures (Water)
- Water consumption (m³)
- Change in water consumption (m³/%)
- Water intensity (m³/m² NLA)
- Change in water intensity (%)

Financial category: Assets (Location)
- Flood risk distribution of portfolio for fluvial flooding, pluvial flooding, groundwater flood risk (% capital value, # assets)
- Historic flooding (% capital value, # assets)

Financial category: Assets (Risk Adaptation & Mitigation)
- Proportion of assets that are BREEAM rated (% NLA)
- Distribution of EPC ratings (% rental value, % NLA)
- Number of assets in which HVAC systems use HCFC coolants (# assets)

During 2020, we may refine the suite of metrics we use to monitor our exposure to climate risk and opportunity, particularly as a result of the scenario analysis of physical risks. This may include the addition of Risk Adaptation and Mitigation Metrics pertaining to revenues and expenditures.

To be disclosed in our 2019 Responsible Property Investment Report, which will be published following the completion of independent verification on our GHG emissions data by Lucideon.

To be disclosed annually in the Annual Report & Accounts from 2020.

Describe the targets used by the organisation to manage climate-related risks and opportunities and against targets.

Short-term:
- We have established annual targets to reduce landlord energy consumption on a like-for-like basis during 2018 by 2.7% for FCCPH and by 4.0% for SCP.
- In parallel, we established a target of having renewable electricity supplies for all landlord-procured power by the end of 2018. This was largely achieved, with the exception of some de-minimis supplies that are to be addressed in 2019.

Medium-term:
- We worked with Verco Advisory to set a target for reducing the energy intensity of the portfolio by 20% per square meter by 2031 against a 2016 baseline, for landlord-procured energy. These targets go beyond what might have been determined by the market, as the Fund would have achieved with no intervention because of forecasted decarbonisation of the grid. Using the location-based method the Fund’s science-based targets will therefore be based on energy-consumption rather than emissions-production.

During 2020, the Company will be looking to set a pathway for achieving net zero carbon emissions, in line with the collective climate change commitments made by member organisations within the Better Buildings Partnership.
Appendix 4: Independent Assurance in accordance with ISO 14064-3

Verification of BMO Commercial Property Trust Limited’s 2019 Greenhouse Gas Emissions

Lucideon CICS Limited was contracted to undertake the actions necessary to provide limited assurance in verification of GHG emissions reported in the “2019 Environmental, Social and Governance Report” for the period 1 January 2019 to 31 December 2019. The verification was carried out against the requirements of the CDP based on ISO14064-3.

Organisational Boundary
The boundaries for the corporate wide emission inventory were developed on the basis of operational control. As a real estate business, the scenarios for operational control may vary from building to building therefore further explanation on how this has been handled can be found in the Inventory Management procedure. In summary, only energy that is directly the responsibility of the fund is included, anything that is a tenant responsibility is outside of the boundary for the purposes of the report.

Conclusion
Lucideon CICS Limited has verified the reported emissions with the “2019 Environmental, Social and Governance Report” from the operations of BMO Commercial Property Trust Limited consistent with the requirements of ISO14064-3 and provides limited assurance that the CO₂ emissions for the 2019 reporting year are verifiable.

Yours sincerely

Sorcha Anderson
Lead Verifier
BMO Commercial Property Trust Limited
Environmental, Social and Governance Report 2019

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