F&C Commercial Property Trust Limited

2017 Responsible Property Investment Report

BMO We're here to help.™

Contents

Common acronyms 4

Foreword from the Chairman 5

1. About this RPI report 6

2. About the company 7

- Management 7
  - Key to terms used in this report 7
- Portfolio 8

3. RPI strategy and priorities 9

- Developing our RPI strategy 9
  - The BMO Real Estate Partners approach to responsible property investment 9
- Progress against our RPI commitments 10

SPOTLIGHT on 71-77 Wigmore Street, London 15

4. ESG performance data for 2017 16

- Scope 16
  - EPRA sBPR codes 16
- Environmental 17
  - Energy 17
  - Emissions 19
  - Water 20
  - Waste 21
  - Sustainability certification 21
  - Environmental summary 21
- Social 23
  - Scope 23
  - Gender equality 23
  - Health & Safety 23
  - Community engagement 23
- Governance 24

5. ESG risk profile **25**

- Asset classifications 25
- Fire risk 26
- Flood risk 27

SPOTLIGHT on 2-4 King Street, London **28**

- EPC ratings 29
- Other RPI risk metrics 31
  - Current contamination risk 31
  - HCFC coolants 31
  - Groundwater source protection zones 33
  - Statutory wildlife designations 33
  - Building manager ESG training 33
  - Green building certification 33
  - Building user guides 33
  - Environmental management system 33

Appendix 1: Notes on environmental data **34**

- Scope 34
- Estimates 38
  - Estimation of data 38
- Conversion factors 38
  - DEFRA conversion factors (kg CO^2e per kWh) 38
- Third party assurance 38
- Normalisation 38
- Data coverage 38
  - Coverage water data 39
- Flood risk assessment methodology 39
  - Data limitations 39
  - BGS natural environment research council disclaimer 39

Common acronyms

BMO REP	BMO Real Estate Partners
BREEAM	Building Research Establishment Environmental Assessment Method
DEFRA	Department for Environment, Food and Rural Affairs
EPC	Energy Performance Certificate
EPRA	European Public Real Estate Association
ESG	Environment, Social, Governance
FCCPH	F&C Commercial Property Holdings Limited (a subsidiary of FCPT)
FCPT	F&C Commercial Property Trust Limited
FRI	Full repairing and insuring (lease type)
GAV	Gross Asset Value
GRI	Global Reporting Initiative
MEES	Minimum Energy Efficiency Standards, as enforced by The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (Principal Regulations) as amended by The Energy Efficiency (Private Rented Property) (England and Wales) (Amendment) Regulations 2016.
NLA	Net lettable area
RPI	Responsible Property Investment
sBPR	Sustainability Best Practices Recommendations
SCP	SCP Estate Limited (the holding entity for St Christopher's Place Estate and subsidiary of FCPT)

Corporate information

Directors (all non-executive)
Chris Russell (Chairman)
Trudi Clark
Martin Moore
Peter Cornell
David Preston
John Wythe
Paul Marcuse

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 Managers
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 the first dedicated Responsible Property Investment (RPI) Report for the F&C Commercial Property Trust, which provides insight and transparency on our approach to, and performance on, a range of Environmental, Social & Corporate Governance (ESG) factors.

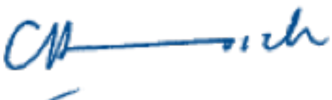
This builds upon the disclosures in the most recent of the Group's Annual Report & Accounts and is presented alongside the 2018 Interim Report. It provides an overview of our approach, our progress against our RPI commitments, and transparency on the performance and key ESG characteristics of the Group's portfolio of property assets.

We have always taken our ESG responsibilities very seriously, an ethos we share with our Property Manager, BMO Real Estate Partners (BMO REP). We are clear that proper attendance to material ESG factors is entirely consistent with the fiduciary duty owed to our shareholders, because it protects and enhances investment returns in the long-term.

This is recognised in the continuing increased emphasis given to ESG factors by our shareholders, other stakeholders, and the market more broadly in recent years.

Accordingly, we have introduced greater momentum and precision into our RPI approach in a manner consistent with our purpose and investment strategy. This seeks to ensure that material ESG factors are integrated into our investment decision-making and asset management processes, and that we remain focused on the challenges and opportunities posed by the rapidly changing and increasingly urbanised world around us.

My fellow Board members and I would be very pleased to discuss our approach and our performance with any of our key stakeholders, and we look forward to any feedback you might have on our first RPI Report.



Chris Russell Chairman

1. About this RPI report

This is the first F&C Commercial Property Trust Limited (FCPT or 'the Company') annual Responsible Property Investment (RPI) Report.

This RPI Report:

- Describes the Company's RPI strategy and related priorities, including the process for determining these and the progress against them so far.
- Presents key Environmental, Social and Governance (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 first RPI Report is being published alongside the 2018 Interim Report of F&C Commercial Property Trust Limited. The description of progress against the RPI commitments of the Company in Section 3 is therefore current to the half-year ending 30 June 2018. However, the ESG performance data set out in Section 4 relates to the financial year ending 31 December 2017, and is therefore presented as information parallel to the 2017 Annual Report and Consolidated Accounts of F&C Commercial Property Trust Limited.

We plan to publish future annual RPI Reports alongside our Annual Report & Accounts in order to ensure full alignment between our financial and non-financial disclosures.

The ESG data section of the report is written in accordance with the latest European Public Real Estate Association's (EPRA) Sustainability Best Practices Recommendations (sBPR),[1] which in turn are aligned principally with the Global Reporting Initiative (GRI) standards.

This RPI 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" and "our" throughout the report refers to FCPT. 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 F&C 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

F&C 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: FCPT.

Management

The FCPT Board has appointed BMO Investment Business Limited (BIBL) as the Company's investment managers and BMO Real Estate Partners Asset Management plc 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 RPI, 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 RPI 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: F&C Commercial Property Trust Limited (FCPT)

The Property Managers: BMO Real Estate Partners Asset Management plc (BMO REP)

The Investment Managers: BMO Investment Business Limited (BIBL)

Portfolio

FCPT is an investment trust for investors who wish to gain exposure to prime UK commercial property. At the end of 2017, the FCPT property portfolio had a total value of £1,418,612,000 which grew to £1,450,035,000 at 30 June 2018.

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.

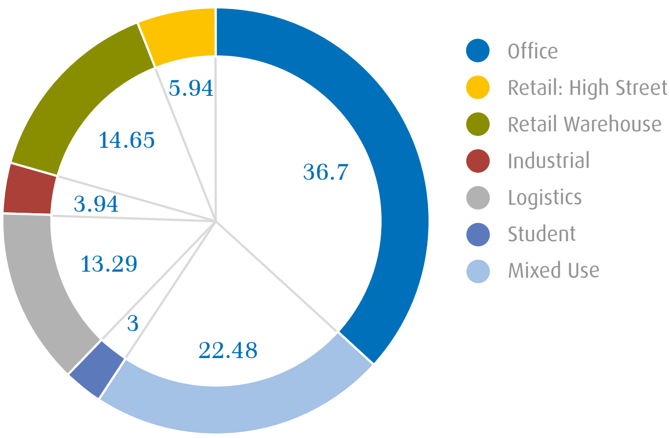
The portfolio is dominated by core assets, which we hold for the long-term. More than 80% of the portfolio has an anticipated hold period (the amount of time an asset is held by an investment owner before being sold) of five years or more, with over 50% likely to be held for over 10 years. This means 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.

Measured by number of assets, around three quarters of the portfolio is directly managed, meaning that there is a degree of landlord control in most assets. The extent of the landlord services provided varies and this has a bearing on the extent to which our Property Manager is able to influence or control certain activities, such as waste management. More tellingly, when measured by total floor area, directly managed properties account for little over a third of the portfolio. This means that, as landlord, and when measured by the most meaningful intensity metric for key environmental performance measures such as energy consumption and greenhouse gas emissions, we have no direct control over the way in which the majority of the portfolio is managed.

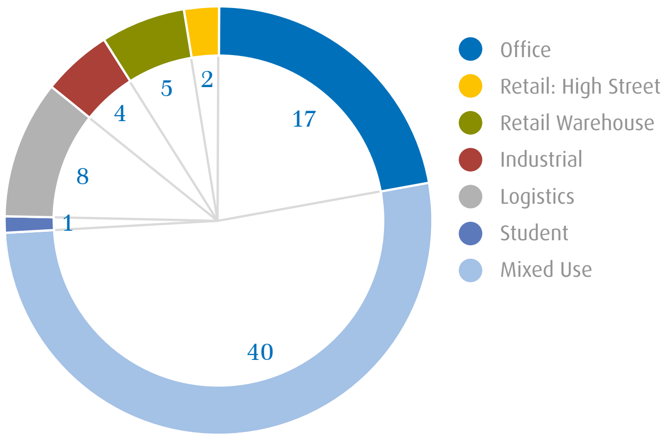
The assets of the Group are held by a number of subsidiary companies, the results of which are consolidated within the Group financial statements (separately published). Similarly, the ESG Risk Profile set out in Section 5 of this RPI Report relates to the consolidated portfolio for the Group as a whole, as do certain elements of the ESG Performance Data for 2017 provided in Section 4. However, 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 operational control. As such, these exclude all the assets held by Prime Four Limited, Winchester Burma Limited and Leonardo Crawley Limited, and some of those held by SCP Estate Limited and F&C Commercial Property Holdings Limited. This is explained in more detail in Appendix One.

Figure 1: Portfolio composition

Percentage of portfolio capital value



Property type (number of assets)



Note: The number of assets quoted in the 2017 Annual Report & Accounts and the 2018 Interim Report is 37 and 38 respectively. These figures treat St Christopher's Place, a mixed-use quarter nestled between Oxford Street and Marylebone in central London, as a single asset. For this RPI Report, St Christopher's Place has been divided into its 40 constituent properties, albeit marked as Mixed Use in entirety, resulting in 77 total assets for the portfolio.

Management status (absolute)

	Capital Value (£)	Number of Assets	NLA (sq ft)
Directly managed	983,985,000	58	1,564,941
Indirectly managed	466,050,000	19	2,740,989

Management status (percentage)

	Capital Value %	Assets %	NLA %
Directly managed	67.86%	75.32%	36.34%
Indirectly managed	32.14%	24.68%	63.66%

3. RPI strategy and priorities

Developing our RPI strategy

In 2017, the Company strengthened its focus on Environmental, Social and related corporate Governance (ESG) matters by developing a formal Responsible Property Investment (RPI) Strategy. The development of the Strategy was driven by the FCPT Board of Directors and builds on the strong foundations established by the Property Managers' approach to ESG integration throughout all key investment and property management activities.

The process for defining and prioritising the Company's material RPI issues included:

- Appointment of a specialist consultant, Hillbreak, to provide strategic advice on the process.
- Close involvement of the whole Board, led by the Chairman.
- Engagement with key shareholders, collectively accounting for 52% of the shareholding interest in the Company, through a combination of survey and interviews conducted independently by Hillbreak.
- Dialogue and cooperation with the Property Manager, BMO REP.
- Use of the robust BMO REP approach to RPI (see Box 1, right) as a foundation for FCPT, particularly in relation to the integration of material ESG considerations into investment decision-making processes, throughout the management lifecycle.

The BMO Real Estate Partners approach to Responsible Property Investment

As Property Managers for FCPT, the BMO REP approach to Responsible Property Investment was used as the foundation for the development of FCPT's own Strategy.

The BMO REP RPI 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 Governance and Sustainable Investment Team and its reference to the BMO GAM Responsible Investment Advisory Council – monitors and reviews the RPI approach and performance.

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

https://www.bmorep.com/wp-content/uploads/2018/10/cm16109-bmo-rep-responsible-property-investment.pdf

The process described above led to the development of a focused RPI approach, bespoke to the FCPT portfolio, investment strategy and business model, and centred on four key pillars:

1. **Leadership & effectiveness –** measures through which we will demonstrate effective governance in relation to ESG criteria, a theme that is particularly pertinent to our shareholders in the context of our outsourced investment and property management arrangements.
2. **Procedures through which we integrate –** procedures through which we integrate ESG into the investment process, ensuring that material factors are central to investment decision-making and property management so that relevant risks to income and long-term performance are addressed in a timely and efficient manner.
3. **Portfolio –** attendance to and optimisation of material ESG performance and risk factors across the portfolio, with a particular emphasis on resource efficiency and renewable energy, occupier wellbeing and satisfaction, managing the implications of new regulations concerning minimum energy standards for leased properties, and ensuring that our properties are not used by organisations connected to Controversial Weapons activities.
4. **Transparency –** approach to investor reporting and public disclosure on relevant ESG factors, including participation in recognised industry reporting initiatives and through alignment to applicable standards of best practice.

Progress against our ESG commitments

The FCPT ESG commitments and targets set out below address each of the four pillars of our RPI approach.

These commitments and targets were set 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 June 2018 is described, along with an explanation of notable outcomes, many of which are further elaborated in later sections of this RPI Report.

The Company will continue to drive ahead with its RPI Strategy during the remainder of 2018 and beyond, and will provide shareholders with regular updates of progress.

ESG commitment	Status	Review of progress
Leadership & effectiveness – measures through which FCPT will demonstrate effective governance in relation to ESG criteria.		
Meet the Hampton-Alexander recommendation of having at least 33% female representation on our Board by 2020.	In progress and on track	Through its approach to succession planning, the Board will seek to improve the gender balance of the Board in line with the Hampton-Alexander recommendations. As a first step, the Board will require a minimum of 50% of potential candidates nominated at the initial selection stage to be women, as the Directors begin the search for a new non-Executive Director to join the Board in advance of Chris Russell's retirement in 2019.
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.	Fulfilled	We have submitted our inaugural response to the 2018 GRESB Survey, for which the results were released in September 2018, shortly before the publication of this RPI Report. We achieved a score of 47 out of 100, resulting in a one-star rating and placing us seventh out of nine diversified listed UK participants. This provides a platform on which we will seek to build in future years, having achieved a solid first-time outcome.

Fulfilled (including those that are ongoing) In progress and on track Not on track or at risk Not achieved

ESG commitment	Status	Review of progress
Investment process – procedures through which FCPT integrates ESG into the investment process.		
Confirm classification of all assets within the manager's Asset Classification System[2] by procuring EPC assessments for those assets for which an EPC is not in place. Implement routine of Asset & Property Management actions according to the classification of each asset and the manager's corresponding RPI Requirements for Asset Managers and Property Managers.		We have completed EPC assessments for all assets enabling us to complete the classification of all assets according to the BMO REP Asset Classification System. The distribution of properties and capital value according to the System is shown in Section 5. The distribution of energy ratings for the portfolio is also shown and explained in Section 5. This shows that approximately 5.4% of income (corresponding to 3.6% of total floor area) is associated with F- or G-rated properties, with the high street retail segment having an especially pronounced proportion. Our approach to managing these issues is explained in Section 5 but it is worth noting that assessments completed recently which indicate an F- or G-rating have not been formally lodged on the National EPC Register, pending consideration of potential improvement options within the asset business planning process. Training has been provided to all asset and property managers on the BMO REP RPI Requirements for Asset Managers and Property Managers respectively, whilst specific training on Minimum Energy Efficiency Standards has also been provided to property management teams by our retained solicitors, Forsters LLP.
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.		RPI Appraisals have been completed for all assets in relation to most of the issues that we have determined to be potentially material to future investment performance, such as EPC ratings, green building certification coverage and contamination. A comprehensive, desk-based screening of the exposure of all assets to flood risk, using a range of up-to-date public and proprietary modelled data, has also been undertaken. The aggregated profile of the key ESG risk metrics arising from these RPI Appraisals is disclosed and discussed in Section 5. Completed RPI Appraisals are being used to inform the asset business planning process and will be subject to ongoing annual review. A wider array of criteria will also be assessed by our Property Manager so that we can build a more complete picture of the ESG profile of the standing portfolio.
Undertake RPI Appraisals[3] 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.		The Company has acquired one asset since adopting its enhanced approach to ESG integration in the due diligence process: One Cathedral Square in Bristol. A pre-acquisition RPI Appraisal was completed, through which no material investment risks pertaining to ESG factors were identified. On the contrary, the property boasts a number of positive features, including a high EPC rating (B), LED lighting, a large living wall, extensive facilities for cyclists and runners, a modern VRF system, and high levels of natural daylight.

ESG commitment	Status	Review of progress
Portfolio – attendance to material ESG performance and risk factors across the portfolio.		
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.	✓	This RPI Report provides the first Portfolio ESG Profile, as presented and explained in Section 5.
Establish year-on-year intensity-based energy, carbon, water and waste reduction targets for landlord services against an appropriate baseline.	✓	Building on the steps that have already been taken with the support of Carbon Credentials to develop and implement an environmental monitoring protocol, a comprehensive third-party analysis of data robustness for energy and carbon has been completed by Verco Advisory Services Limited for the whole of the portfolio, covering annual data for both 2017 and 2016. From this, the relative energy efficiency and absolute landlord-procured energy consumption of each asset has been determined, allowing assets to be classified according to the relative materiality of their in-use energy performance attributes. Following this process, Verco Advisory Services Limited provided advice on the establishment of a long-term target for reducing energy consumption across the portfolio, using a methodology consistent with the goal of the Paris Agreement on Climate Change to limit global warming to less than 2˚C above pre-industrial levels. Informed by the long-term framework, we have established asset-specific energy reduction targets for 2017-18 ranging from 2.7% to 4.0%, depending on energy efficiency relative to the BBP Real Estate Environmental Benchmark. These aggregate to an average reduction target for the FCCPH portfolio of 2.7% for the year and 4.0% for SCP. In addition, we have set a portfolio-wide water use reduction target for 2018 of 1% for directly managed assets. We continue to make efforts to improve the collection of waste data to enable us to determine an appropriate suite of waste management targets.
Reduce landlord energy consumption on a like-for-like basis during 2018 by 2.7% for FCCPH and by 4.0% for SCP.	NEW	Progress against this new target will be reported in our 2018 RPI Report.
Reduce water consumption in directly managed assets by 1.0% on a like-for-like basis during 2018.	NEW	Progress against this new target will be reported in our 2018 RPI Report.
Set a long-term (2030 or beyond) target for energy (and carbon) reduction according to a recognised science-based targets methodology.	✓	Based on advice from Verco Advisory Services Limited, the FCPT Board has agreed to adopt a target of reducing the energy intensity of the portfolio by 20% per square meter by 2031, against a 2016 baseline. This target exceeds the science-based Sectoral Decarbonisation Approach pathway and has been used to frame the establishment of asset-specific energy reduction targets for 2017-18, which range from 2.7% to 4.0%.

ESG commitment	Status	Review of progress
Reduce the energy intensity of the portfolio by 20% per square meter by 2031, against a 2016 baseline, for landlord-procured energy.	NEW	Progress against this new target will be reported in our 2018 RPI Report and annually thereafter.
Establish a basis for measuring occupier wellbeing and satisfaction across the portfolio and set targets by 2020 for improved performance in this regard.		This is a commitment which we intend to progress during the second half of 2018, with a view to confirming a 2020 target in our next Annual Report.
Have in place 100% renewable electricity supplies for all landlord procured power by the end of 2018.		The renewal of our electricity supply contracts is currently in hand and we are on track to secure 100% green electricity supplies before the end of 2018.
Prohibit new lease contracts with organisations connected to the production, storage, distribution or use of Controversial Weapons.[4] Monitor the tenant mix of the Company on a regular basis and exercise discretion when considering leasing to organisations involved in other controversial activities and engage regularly with investors on their expectations in this regard.		BMO REP has prepared and enacted a Policy on Controversial Weapons and other controversial activities, drawing on the resources available to its parent, BMO Global Asset Management, to actively screen organisations based on their association of their activities with a range of ethical criteria, including Controversial Weapons. The Policy and its implementation support our commitment, and ensure that we have the necessary processes in place to address the criteria at each relevant stage of the property investment and management cycle. We 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. At the period ending 30 June 2018, 0% (zero percent) of rental income was attributed to organisations that appear on the exclusions list managed by BMO Global Asset Management. In addition to the exclusionary screening of companies linked to Controversial Weapons, and the discretion we apply to entering into contracts with organisations based on a range of additional ethical criteria, we have also enacted enhanced standard lease clauses in England & Wales, based on the models of good practice established by the Better Buildings Partnership, to address environmental performance and risk. In particular, we have instructed our retained solicitors to incorporate, wherever possible within new leases, requirements on both the Company and the tenant to share in-use environmental performance data, whilst also prohibiting the implementation of alterations that would weaken an EPC rating.
Transparency – approach to investor reporting and public disclosure on relevant ESG factors.		
Submit the Minimum tier questionnaire of the CDP General Climate module in 2019 and the Full tier from 2020 onwards, whilst investigating the potential to submit across the Water and Supply Chain modules.		The Property Manager has completed the CDP General Climate module questionnaire, a full year ahead of the target date set by the Board in the 2017 Annual Report & Accounts. The results will be shared with our shareholders when they become available.

ESG commitment	Status	Review of progress
Align Non-Financial Reporting to the 3rd Edition of the EPRA Sustainability Best Practice Recommendations. Include a summary of performance measures in the 2018 Annual Report, linked to full ESG disclosure on the FCPT website.		Ahead of our 2018 commitment, we have prepared this first RPI Report, with the inclusion of ESG data for the 2017 financial year, setting out our performance against a range of ESG metrics. This is aligned to the latest EPRA Sustainability Best Practice Recommendations. The 2017 ESG Performance Data, detailed in Section 4, shows positive like-for-like trends for the investment portfolio for 2016-2017, including a 3% reduction in power consumption, a 1% reduction in gas consumption and a reduction in overall energy intensity of 3%. This is complemented by GHG emissions (Scope 1 & 2) intensity reduction of 17%. However, water intensity increased by 1%. Some of these headline performance trends vary from those presented in the previous Annual Report because they are based on data that has been updated. This has included the replacement of estimated data for the last quarter of 2017 with actual consumption figures. A more detailed explanation of the changes to the data can be found in Appendix One. However, as the report illustrates, we recognise that we have work to do to increase the extent of the portfolio for which we hold data, especially for environmental metrics. Our priorities for the remainder of 2018 include extending the scope of the data captured, as well as preparing for third party assurance of our non-financial data to take effect in next year's report, which we intend to publish alongside the 2018 Annual Report & Accounts.
Produce in the 2018 Annual Report a 'routemap' towards financial reporting in line with the recommendations of the Financial Stability Board (FSB) Task Force on Climate-Related Financial Disclosures (TCFD).		Many of the activities described above are relevant to improving our understanding of the risks and opportunities we face in relation to climate change, and their materiality to financial and operational performance. The Board has taken an active role in considering and signing-off on our ESG commitments, including those relating specifically to climate change. The Board will be receiving a quarterly progress report from the Property Manager at its Board meetings throughout 2018 on the ongoing assessment of our climate change risk and opportunity. The process of assessing and, where possible, quantifying climate change risks and opportunities (both transitional and physical) will be overseen by the ESG Committee of the Property Manager. Continued dialogue with key shareholders is also envisaged as part of this process. The Board intends that the 2018 Annual Report will be aligned to the recommended disclosures of the TCFD and will, where applicable, identify those disclosures for which further analysis and management action will be required in future.
Provide six-monthly dashboard and commentary updates to shareholders on key ESG attributes for the portfolio.		This, our first RPI Report, establishes a baseline against which we will report to shareholders on a six-monthly basis the evolving profile of ESG characteristics that will occur as a result of portfolio churn, management action and changing external circumstances.

Spotlight on 71-77 Wigmore Street, London

An £8 million mixed-use redevelopment in the West End of London, consisting of 1,059m^2 of high-quality residential accommodation, including six single-storey and two duplex penthouse apartments, together with 558m^2 of high-quality, flexible retail space.

Sustainable by design

The design – developed in close conjunction with RES sustainability consultants and Westminster City Council planning department – took account of the character and appearance of the surrounding Stratford Conservation Area and the eclectic mix of local architectural styles, as well as addressing the sensitivity of the surrounding public areas and circulation routes. Key features include:

- A comprehensive energy strategy that ensured sustainable technologies were central to the building design, resulting in a level of carbon reduction over the standards required by national Building Regulations of 36.2%.
- The development is car free, with car club membership and cycle storage provided for residential units.
- Biodiverse green roofs to the north, east and west create a natural air filter, helping to mitigate the effects of solar gain and reducing rainwater run-off, as well as significantly improving visual amenity for residents.
- All ground floor trading units and all residential units have level access, with lift access to all apartments and fully accessible WC facilities.
- The Code for Sustainable Homes was used to guide the design process, with a design intent of meeting Level 4 and a target score of 68.43%.

Energy supply and efficiency

Each apartment has a photovoltaic (PV) system installed at roof level, supplying renewable solar energy that directly reduces electricity imported from the grid and provides significant reductions in fuel costs and carbon emissions. Any surplus electricity from the PV systems is sold back into the National Grid as part of the feed-in tariff scheme. To reduce the carbon footprint of the development where grid-sourced electricity is needed:

- Energy efficiency measures were incorporated, including highly efficient LED lamps and tape light throughout, well-insulated building fabric and high efficiency gas fired combi boilers.
- Visual display units in each apartment were provided, enabling end users to track and monitor their energy use in real time. This increases bill accuracy and encourages smarter decisions about energy use.
- Each apartment has been fitted with state-of-the-art air-source heat pump systems, providing heating, cooling and hot water from a single unit. This offers a significant reduction in fuel costs and lower carbon emissions compared to a traditional domestic heating system.
- Heat recovery ventilation systems were provided to supply filtered fresh air into all habitable spaces without the need to open windows, reducing energy loss in exchange for minimal running costs and a significant reduction of carbon emissions.

Water efficiency

The domestic hot and cold-water systems were designed and installed to meet the lowest water consumption target under BREEAM standards, achieving a reduction of around 30% water use over a standard property in the UK. Larger apartments are fitted with local grey water harvesting systems to further reduce water consumption and save on water bills.

4. ESG performance data for 2017

The ESG data section of this RPI 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.

Scope

BMO REP has taken responsibility for providing the data held within this report.

FCPT has an overall investment in real estate of £1.419 billion as at 31st December 2017. Data on energy and water consumption has been analysed for this report where there is landlord-obtained supply of water, electricity and/or natural gas. These utilities may be consumed in shared spaces only or by tenants in their leased demises. Properties on which a full repairing and insuring (FRI) lease is held are outside the scope of this RPI Report, as tenants are responsible for property management, including the procurement of utility supplies, in these cases.

Thus, the organisational boundary used for the environmental data in this report is based upon operational control, as opposed to a financial control or equity-share approach. As such, the only FCPT subsidiaries within scope (and only partially so) are F&C Commercial Property Holdings Ltd (FCCPH) and SCP Estate Ltd (SCP).

This is explained in more detail in the notes on environmental data contained in Appendix One, including a full and detailed schedule of the data obtained for each asset within each subsidiary entity.

In addition to the investment properties held by FCPT, we have included disclosures within this RPI Report pertaining to the Head Office of BMO REP. Although FCPT is an Investment Trust listed on the FTSE with no employees or premises, we consider it appropriate and in the spirit of the EPRA sBPR to refer to the environmental footprint associated with the operational activities of our Property Manager in the form of a proxy for our own impacts. BMO REP is responsible for the management of several listed and non-listed property funds and is resourced accordingly. Nevertheless, the disclosures herein include the total energy consumption, Scope 1 and 2 greenhouse gas emissions, and water consumption of the BMO REP Head Office.

EPRA sBPR code	Code meaning	Table number	GRI standard and CRESD indicator code
Elec-Abs (4.1)	Total electricity consumption	1,2,3	302-1
Elec-LfL (4.2)	Like-for-like total electricity consumption	1,2,3	302-1
DH&C-Abs (4.3)	Total district heating and cooling consumption	Excluded	302-1
DH&C-Lfl (4.4)	Like-for-like total district heating and cooling consumption	Excluded	302-1
Fuel-Abs (4.5)	Total fuel consumption	1,2,3	302-1
Fuels-LfL (4.6)	Like-for-like total fuel consumption	1,2,3	302-1
Energy-Int (4.7)	Building energy intensity	1,2,3	CRE1
GHG-Dir-Abs (4.8)	Total direct greenhouse gas emissions	4,5,6	305-1
GHG-Indir-Abs (4.9)	Total indirect greenhouse gas emissions	4,5,6	305-2
GHG-Int (4.10)	Greenhouse gas emissions intensity from building energy consumption	4,5,6	CRE3
Water-Abs (4.11)	Total water consumption	7,8	303-1
Water-LfL (4.12)	Like-for-like total water consumption	7,8	303-1

EPRA sBPR code	Code meaning	Table number	GRI standard and CRESD indicator code
Water-Int (4.13)	Building water intensity	7,8	CRE2
Waste-Abs (4.14)	Total weight of waste by disposal route	No data	306-2
Waste-Lfl (4.15)	Like-for-like total weight of waste by disposal route	No data	306-2
Cert-Tot (4.16)	Type and number of sustainably certified assets	9	CRE8
Diversity-Emp (5.1)	Employee gender diversity	11	405-1
Diversity-Pay (5.2)	Gender pay ratio	11	405-2
Emp-Training (5.3)	Training and development	N/A	404-1
Emp-Dev (5.4)	Employee performance appraisals	N/A	404-3
Emp-Turnover (5.5)	Employee turnover and retention	N/A	401-1
H&S- Emp (5.6)	Employee health and safety	N/A	403-2
H&S-Asset (5.7)	Asset health and safety assessments	N/A	416-1
H&S-Comp (5.8)	Asset health and safety compliance	N/A	416-2
Comty-Eng (5.9)	Community engagement, impact assessments and development programmes	N/A	413-1
Gov-Board (6.1)	Composition of the highest governance body	13	102-22
Gov-Select (6.2)	Nominating and selecting the highest governance body	12	102-24
Gov-Col (6.3)	Process for managing conflicts of interest	12	102-25

Environmental

Energy

In FY16 and FY17, BMO REP contracted Carbon Credentials, a third-party environmental data services provider, to collect energy data on its behalf for those FCCPH and SCP assets for which where there is a landlord-obtained energy supply. The following tables show the results of the in-house analysis of this data, covering the energy consumption and intensities (energy use by Net Lettable Area) of relevant FCCPH and SCP assets, as well as of BMO REP's head office.

Absolute measures refer to the total amount of landlord electricity consumed over a full reporting year. Like-for-like measures refer to the electricity consumption of a portfolio that has been consistently in operation, and not under development, during the most recent two full reporting years and allows for meaningful comparison and trends analysis.

The landlord does not purchase renewable energy, however supply contracts are to be renewed in 2018 with the remit that all electricity purchased by the landlord will come from 100% renewable sources.

EPRA sBPR codes DH&C-Abs and DH&C-LfL are excluded as no district heating and cooling is implemented within the portfolio.

Table 1: FCCPH energy consumption[5]

Measure (units)	EPRA code		Industrial	Offices	Retail	Retail warehouse	Grand total
Electricity consumption (kWh)	Elec-Abs	2017	44,448	6,892,926	272,493	156,435	7,366,302
		2016	41,024	7,215,194	274,727	165,633	7,696,578
Change in electricity consumption (kWh/%)	Elec-LfL	2017	31,598	6,544,994	272,493	149,959	6,999,044
		2016	30,655	5,702,138	274,727	154,614	6,162,133
		%	3% ↑	15% ↑	-1% ↓	-3% ↓	14% ↑
Natural gas consumption (kWh)	Fuel-Abs	2017	144,232	4,889,878	N/A	0	5,034,110
		2016	152,037	4,938,313	N/A	7,209	5,097,560
Change in natural gas consumption (kWh/%)	Fuel-LfL	2017	144,224	4,889,878	N/A	0	5,034,102
		2016	143,548	4,938,313	N/A	0	5,081,861
		%	0.5% ↑	-1% ↓	N/A N/A	0% ↔	-1% ↓
Energy intensity (kWh/m² NLA)	Energy-Int	2017	19.29	183.07	9.69	5.62	95.86
		2016	19.24	190.14	10.02	6.05	99.49
Change in energy intensity (%)			0.3% ↑	-3.7% ↓	-3.2% ↓	-7.2% ↓	-3.7% ↓

Table 2: SCP energy consumption

Measure (units)	EPRA code		Mixed use
Electricity consumption (kWh)	Elec-Abs	2017	463,026
		2016	414,164
Change in electricity consumption (kWh/%)	Elec-LfL	2017	463,026
		2016	414,164
		%	12% ↑
Natural gas consumption (kWh)	Fuel-Abs	2017	N/A
		2016	N/A
Change in natural gas consumption (kWh/%)	Fuel-LfL	2017	N/A
		2016	N/A
		%	N/A N/A
Energy intensity (kWh/m² NLA)	Energy-Int	2017	190.31
		2016	170.22
Change in energy intensity (%)			12% ↑

Table 3: BMO REP head office energy consumption

Measure (units)	EPRA code		Head office
Electricity consumption (kWh)	Elec-Abs	2017	111,347
		2016	136,961
Change in electricity consumption (kWh/%)	Elec-LfL	2017	111,347
		2016	136,961
		%	-19% ↓
Natural gas consumption (kWh)	Fuel-Abs	2017	126,782
		2016	70,267
Change in natural gas consumption (kWh/%)	Fuel-LfL	2017	126,782
		2016	70,267
		%	80% ↑
Energy intensity (kWh/m² NLA)	Energy-Int	2017	304
		2016	310
Change in energy intensity (%)			-2% ↓

Emissions

Data collected by Carbon Credentials from properties where there is landlord-procured energy were used to calculate emissions, reported here 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 inaccessibility of relevant data for the reporting year.

The following tables report on the emissions from relevant FCCPH and SCP assets, and from BMO REP's head office.

Table 4: FCCPH emissions[5]

Measure (units)	EPRA code		Industrial	Offices	Retail	Retail warehouse	Grand total
Emissions from Scope 1 consumption (kg CO^{2}e)	GHG-Dir-Abs	2017	26,562	778,399	N/A	0	804,961
		2016	27,975	908,650	N/A	1,326	937,951
Change in emissions from Scope 1 consumption (%)			-5%	-14%	N/A	-100%	-14%
Emissions from Scope 2 consumption (kg CO^{2}e)	GHG-Indir-Abs	2017	15,626	2,423,277	95,798	54,996	2,589,697
		2016	16,904	2,973,021	113,201	68,249	3,171,375
Change in emissions from Scope 2 consumption (%)			-8%	-19%	-15%	-19%	-18%
Emissions intensity for Scope 1 & 2 (kg CO^{2}e/m^2 NLA)	GHG-Int	2017	7.97	66.23	3.41	1.97	34.69
		2016	8.47	80.30	4.13	2.50	41.99
Change in emissions intensity from Scope 1 & 2 consumption (%)			-6%	-18%	-18%	-21%	-17%

Table 5: SCP emissions

Measure (units)	EPRA code		Mixed use
Emissions from Scope 1 consumption (kg CO^{2}e)	GHG-Dir-Abs	2017	N/A
		2016	N/A
Change in emissions from Scope 1 consumption (%)			N/A
Emissions from Scope 2 consumption (kg CO^{2}e)	GHG-Indir-Abs	2017	162,781
		2016	170,656
Change in emissions from Scope 2 consumption (%)			-5%
Emissions intensity for Scope 1 & 2 (kg CO^{2}e/m^2 NLA)	GHG-Int	2017	66.90
		2016	70.14
Change in emissions intensity from Scope 1 & 2 consumption (%)			-4.6%

Table 6: BMO REP head office emissions

Measure (units)	EPRA code		Head office
Emissions from Scope 1 consumption (kg CO^2e)	GHG-Dir-Abs	2017	23,349
		2016	12,929
Change in emissions from Scope 1 consumption (%)			81%
Emissions from Scope 2 consumption (kg CO^2e)	GHG-Indir-Abs	2017	39,145
		2016	56,435
Change in emissions from Scope 2 consumption (%)			-31%
Emissions intensity for Scope 1 & 2 (kg CO^2e/m^2 NLA)	GHG-Int	2017	117
		2016	130
Change in emissions intensity from Scope 1 & 2 consumption (%)			-10%

Water

The following two tables report on the water consumption and intensities of FCCPH assets and BMO REP's head office. These are the results of the in-house analysis of data from invoices for properties for which there is landlord-obtained supply.

Table 7: FCCPH water consumption

Measure (units)	EPRA code		Offices	Retail	Retail warehouse	Grand total
Water consumption (m^3)	Water-Abs	2017	29,222	175	98	29,494
		2016	28,929	175	122	29,226
Change in water consumption (m^3/%)	Water-LfL	2017	29,222	175	98	29,494
		2016	28,929	175	122	29,226
		%	1%	0%	-20%	1%
Water intensity (m^3/m^2 NLA)	Water-Int	2017	0.73	0.0084	0.0060	0.41
		2016	0.72	0.0091	0.0075	0.40
Change in water intensity (%)			1%	-8.3%	-20.1%	0.9%

Table 8: BMO REP head office water consumption

Measure (units)	EPRA code		Head office
Water consumption (m^3)	Water-Abs	2017	459
		2016	570
Change in water consumption (m^3/%)	Water-Lfl	2017	459
		2016	570
		%	-19%
Water intensity (m^3/m^2 NLA)	Water-Int	2017	0.9
		2016	1.1
Change in water intensity (%)			-19%

Waste

BMO REP arranges for waste collection and disposal at seven properties, equating to 10.8% of the whole portfolio by floor area. At present the data collected is not sufficient to report on absolute values of waste produced from these sites, but steps are being taken to ensure that data for all waste for which the landlord is responsible will be collected for future reporting years.

Sustainability certification

The following table presents the percentage of sustainably certified assets by gross asset value (GAV) 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 9: Type and percentage of sustainably certified assets by GAV

EPRA code: Cert-tot	% of properties certificate exists for		Ratings summary	
Company	**EPC**	**BREEAM**	**EPC**	**BREEAM rating (& scheme version)**
F&C Commercial Property Holdings Ltd	99%	6%	96% E rating or higher	Very Good (2008)
SCP Estate Ltd	99%	6%	96% E rating or higher	Very Good (2008)
Winchester Burma Ltd	99%	0%	94% E rating or higher	N/A
Prime Four Ltd	100%	100%	100% E rating or higher	Very Good (2008)
Leonardo Crawley Ltd	100%	100%	100% E rating or higher	Excellent (R2011)

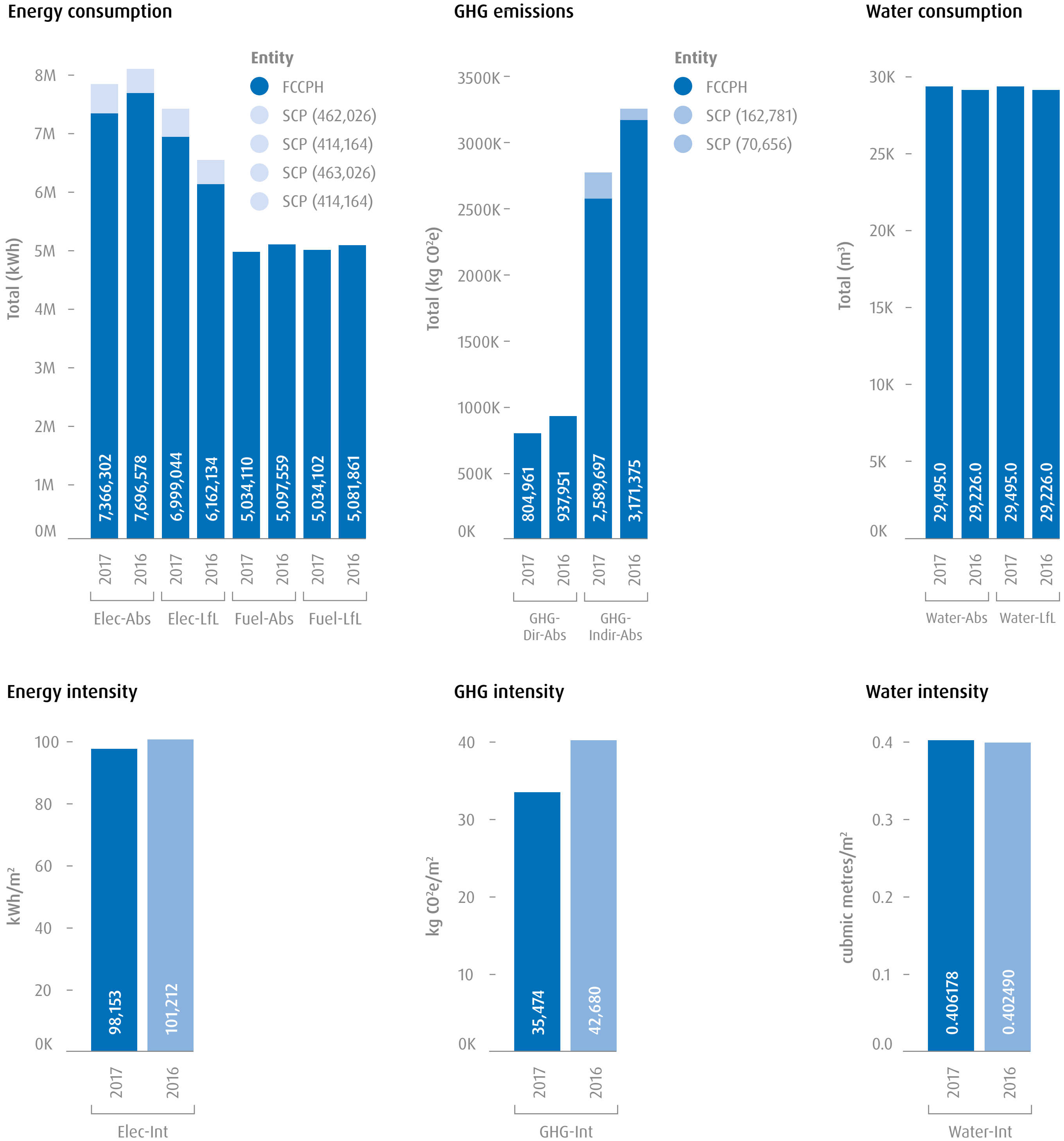
Environmental summary

Table 10 and Figure 2 show key data for properties within the fund that were relevant given the organisational boundary.

Table 10: Key environmental results

	2016	2017	% Change
Like-for-like electricity usage (kWh)	6,576,298	7,462,070	13%
Like-for-like fuel usage (kWh)	5,081,861	5,034,102	-1%
Carbon emissions (kg CO^2e)	4,279,982	3,557,439	-17%
Like-for-like water usage (m^3)	29,226	29,494	1%

Figure 2: Absolute & like-for-like trends (investment portfolio)



Social

Scope

As Property Manager for 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.

With regards to the EPRA sBPR guidelines, the Company has no direct employees and therefore cannot 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

As the Company has no direct employees, Table 11 discloses gender equality data pertaining solely to the Company's board. As one member (Peter Niven) left mid-year, proportions are shown both before and after he retired.

Table 11: EPRA sBPR for reporting on gender equality

EPRA code	Social performance measure	Company response
Diversity-Emp	Percentage of male and female employees in the Company's governance body.	There is one woman on the board, Trudi Clark, who represents 14% and 17% of the board before and after the retirement of Peter Niven.
Diversity-Pay	Ratio of remuneration of men to women (gender pay ratio).	It is our Policy that all directors are paid the same with the Chairman, Audit Chair and Senior directors receiving additional payment commensurate with their enhanced responsibilities. As Audit Committee chair, the remuneration of Trudi Clark was 106% and 104% that of the average salary of men on the board before and after retirement of Peter Niven.

Health & safety

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

- 100% undergo regular review in respect of health and safety performance and opportunities for improvement.
- 100% undergo fire risk assessments.
- 74% (those under the Company's control) undergo a water hygiene assessment, including assessment of potable water management and risk of legionella.

Further to these assessments, and in light of the Grenfell Tower tragedy, an additional analysis of all FCPT properties has been undertaken from a fire risk and liquidity perspective. This is discussed in more detail in Section 5.

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

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). 7% of assets by net lettable area engage with the community through One Great Day,[6] a UK-wide fundraising day to support the Great Ormond Street Hospital Children's Charity, and other children's charities close to the heart of communities which support the host shopping complexes. The 2017 event at Saint Christopher's Place (which makes up the 7%) took place on June 8, 2017.

Governance

BMO REP has a strong governance structure that enables its operations to focus on 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 local legislation.

The Company's board nomination (Gov-Select) and conflict management (Gov-Col) processes are discussed in detail in the 2017 Annual Report and Consolidated Accounts.[7] References to the relevant section in the Annual Report are shown in Table 12 below, or where reference can be made, explanation is provided.

Table 12: EPRA sBPR for reporting on governance performance measures

EPRA code	Reference
Gov-Select	Governance Report - Corporate Governance Statement - page 34
Gov-Col: cross-board membership	Governance Report - Corporate Governance Statement - page 33
Gov-Col: cross-shareholding with suppliers and other stakeholders	Governance Report - Corporate Governance Statement - page 33
Gov-Col: existence of controlling shareholder	Director's Report - page 30
Gov-Col: related party disclosure	Notes to the accounts - note 15

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

Table 13: EPRA sBPR for reporting on composition of the highest governance body

Gov-Board	Number
Number of executive board members	0
Number of independent non-executive board members	6
Average tenure on the governance body	4.2 years
Number of independent non-executive board members with competencies relating to environmental and social topics	0

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 FCPT portfolio at 30 June 2018 with respect to issues such as environmental management, flood risk, energy performance and contamination.

Asset classifications

It is important that our approach to ESG is proportionate in the context of each asset's impact and the degree to which we have management control. This is particularly the case for energy, in relation to which both regulatory and performance-related risks to value can materialise. We have therefore devised a classification system to enable resources to be directed at those assets for which the risks and potential enhancement opportunities are likely to be greatest.

Asset classification	Energy rating		Energy spend
TBC	Any asset where there are unknown EPC ratings		
Level 1	EPC Rating of F or G	and/or	Total annual landlord energy spend ≥£50,000+
Level 2	EPC Rating of E	and/or	Total annual landlord energy spend >£0 and <£50,000+
Level 3	EPC Rating of A+ to D	and	No landlord energy spend (typically FRI assets)

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 an individual asset will quite likely change over time, as its energy rating(s) or performance attributes evolve. So, for example a level 1 FRI asset may be reclassified to Level 3 if there is an improvement in its EPC rating, or a directly managed asset may move to level 1 to level 2 if energy consumption increases.

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

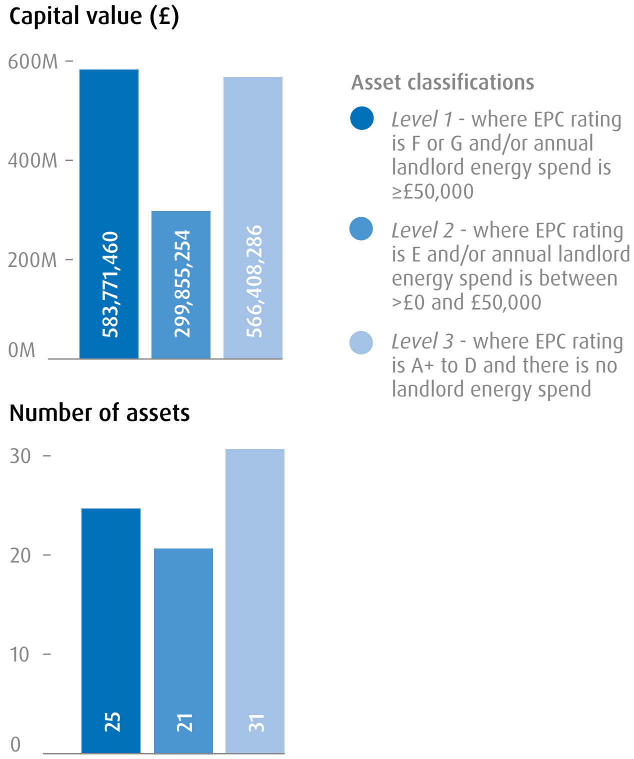
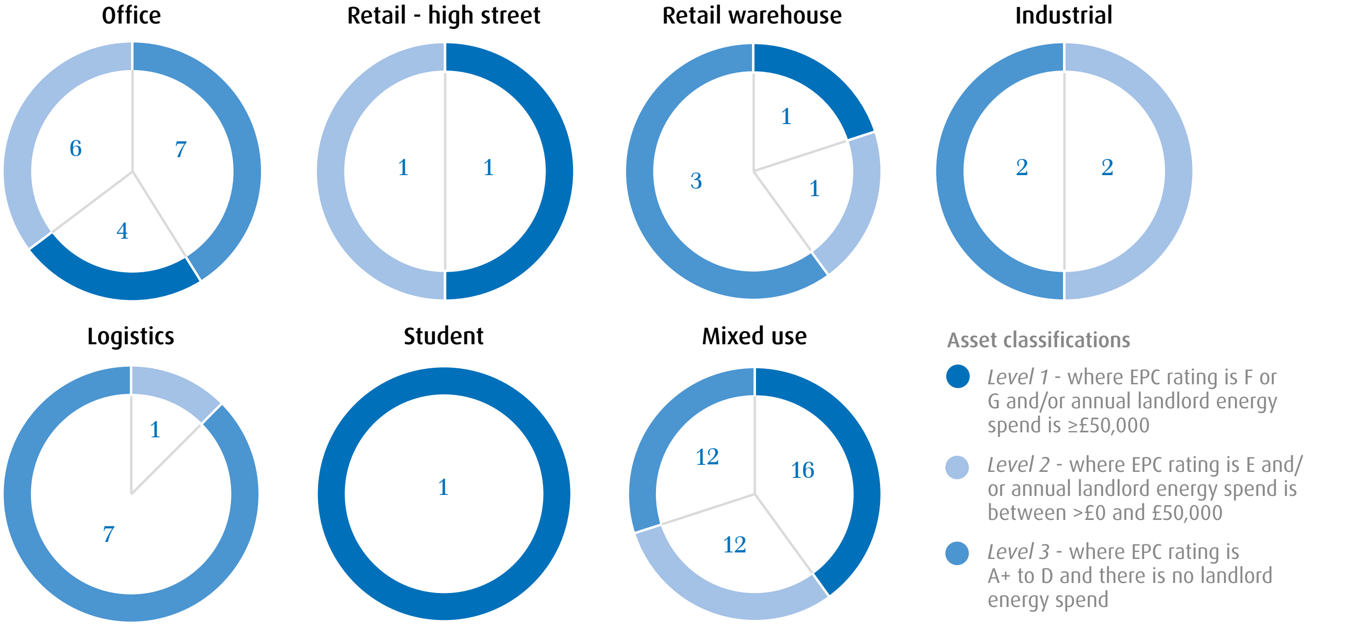


Figure 3 (continued): Asset classifications by property type



Fire risk

The tragic Grenfell Tower fire in 2017 underlined the very human cost of inadequate fire protection measures and catalysed an increased focus on this issue throughout the real estate sector.

We have always paid close attention to fire risk at our properties through a combination of due diligence processes and by implementing fire risk strategies at all directly managed assets. In 2017, BMO REP undertook a further comprehensive review of fire risk across the entire portfolio, drawing upon input from a number of independent building construction specialists and overseen by its Investment Committee. This was to determine the extent of any residual risk presented to our properties and was based upon a proprietary methodology for risk assessment. This generated a risk profile for each asset determined by a combination of the following considerations: the use of the property for residential purposes; the presence of composite cladding panels; the setting of such panels against demised areas; and the height of the building.

BMO REP's assessments concluded there is no unacceptable fire risk to our properties or the people living in or using them, primarily due to the limited presence of residential and high-rise assets. We have communicated the detailed results of the review with shareholders and will maintain an ongoing focus on assessing and minimising fire risk across our portfolio.

Flood risk

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 only 2.2% of capital value at high risk of flooding from this source. Groundwater flood risk is similarly limited, with less than 2% of capital value deemed to be at high risk. The higher levels of risk are confined to a small number of logistics and retail properties.

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

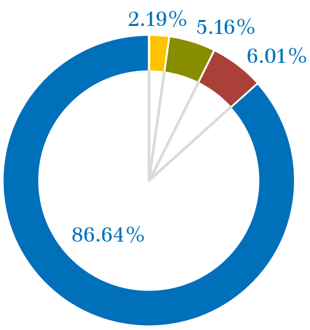
The principal elements of our approach to managing flood risk include:

- Undertaking annual 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.
- 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: Flood risk

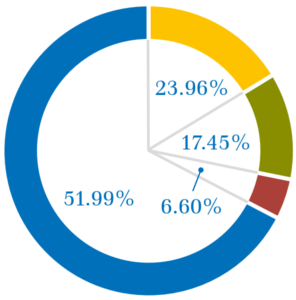
Fluvial flood risk

Distribution of risk ratings as a proportion of total Capital Value



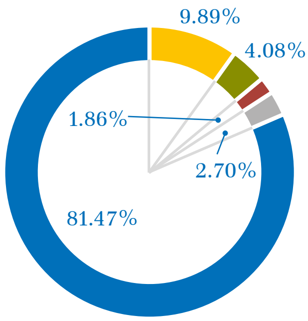
Surface water flood risk

Distribution of risk ratings as a proportion of total Capital Value



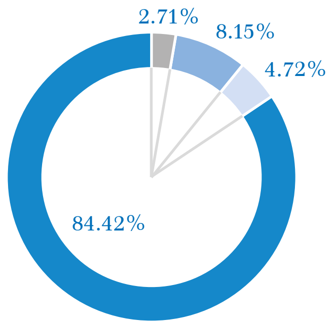
Groundwater flood risk

Distribution of risk ratings as a proportion of total Capital Value



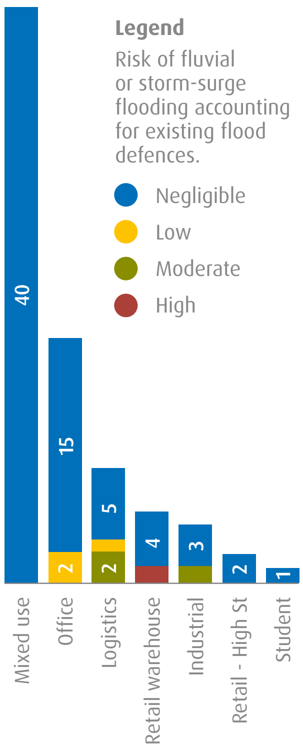
Historic flooding

Distribution of historic flood incidents in relation to total Capital Value



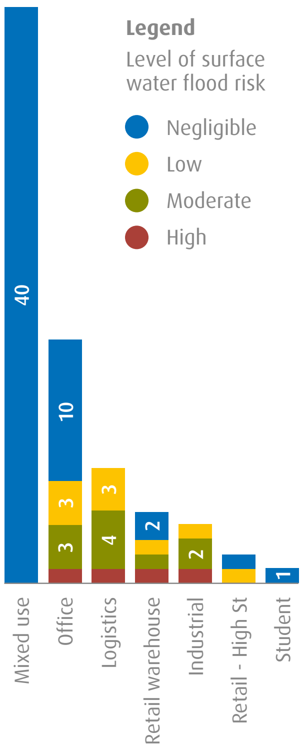
Fluvial flood risk by sector

Distribution of risk ratings by number of assets



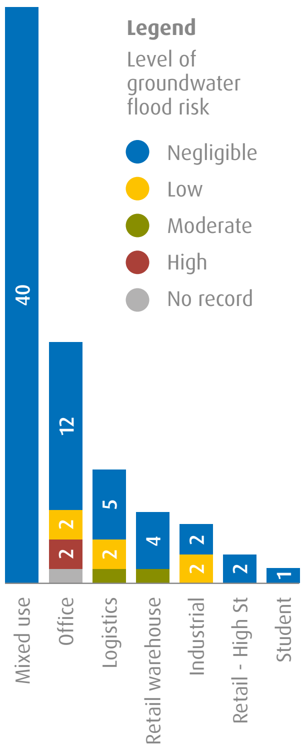
Surface water risk by sector

Distribution of risk ratings by number of assets



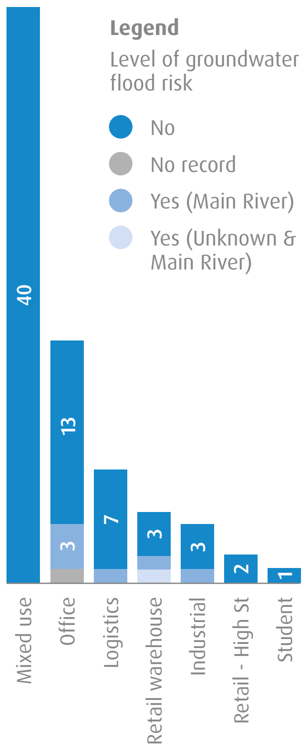
Groundwater risk by sector

Distribution of risk ratings by number of assets



Historic flooding by sector

Distribution of risk ratings by number of assets



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%]

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 risk with [>1% liklihood]
- Negligible with [<1% liklihood]

Spotlight on 2-4 King Street, London

2-4 King Street includes more than 622m^2 of refurbished office space. At the heart of the busy West End of London, the property is conveniently located close to Piccadilly Circus and Green Park underground stations.

Key features

- Highly efficient LED lighting.
- Variable air conditioning enables independent, efficient control of heating and cooling across individual spaces.
- Green roof terrace offers a communal space where tenants can work, meet and relax.
- Fully accessible raised floor entrance and lift access to all floors.
- Bike racks, lockers, showers and drying cabinets make it easy for employees to cycle to work.
- Offices benefit from excellent natural light.

EPC ratings

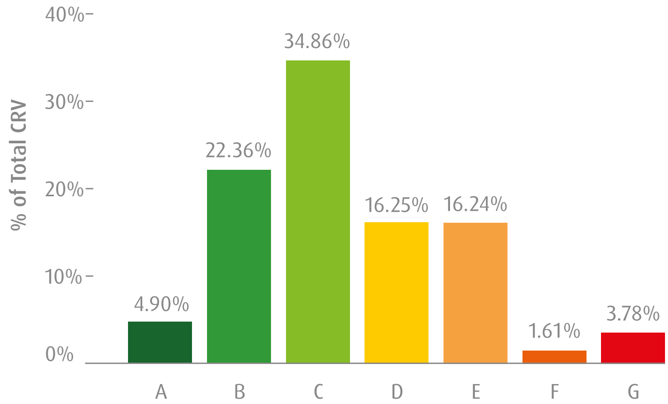
The dashboard below provides a summary of the profile of Energy Performance Certificate (EPC) ratings for the portfolio. The majority of the whole UK portfolio - from both a rental value and floor area perspective - achieves higher EPC ratings of A to C, indicating a good level of modeled energy performance for the portfolio. Indeed, the two lowest ratings apply in combination to only 5.4% of rental value and 2.4% of the total lettable floor area respectively. This compares to a national average of just over 18% of EPCs lodged on the National Register being F or G rated.

When benchmarked within individual property types, High Street Retail assets 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.

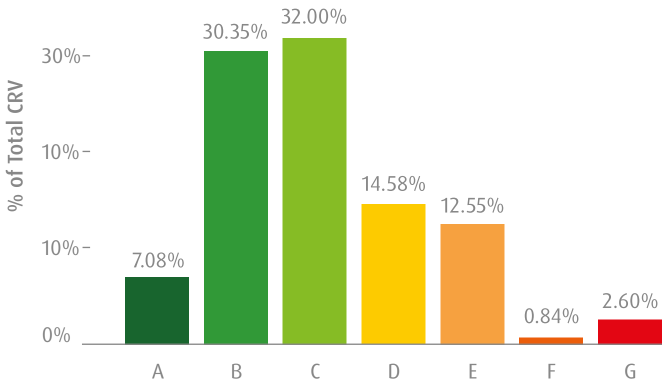
When viewed specifically within the context of our properties located in England & Wales, the jurisdiction within which regulations pertaining to Minimum Energy Efficiency Standards (MEES) apply, the proportion of rental value that is associated with F- and G-ratings is marginally higher than the wider portfolio, at a little over 6%.

Figure 5: Profile of EPC ratings

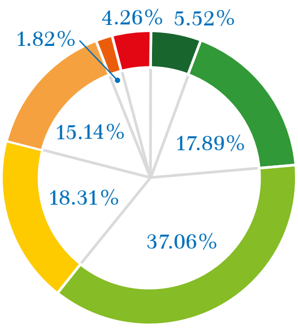
EPC ratings by rental value
Whole portfolio - including assets in Scotland



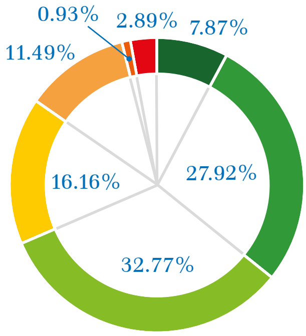
EPC ratings by net lettable area
Whole portfolio - including assets in Scotland



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



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

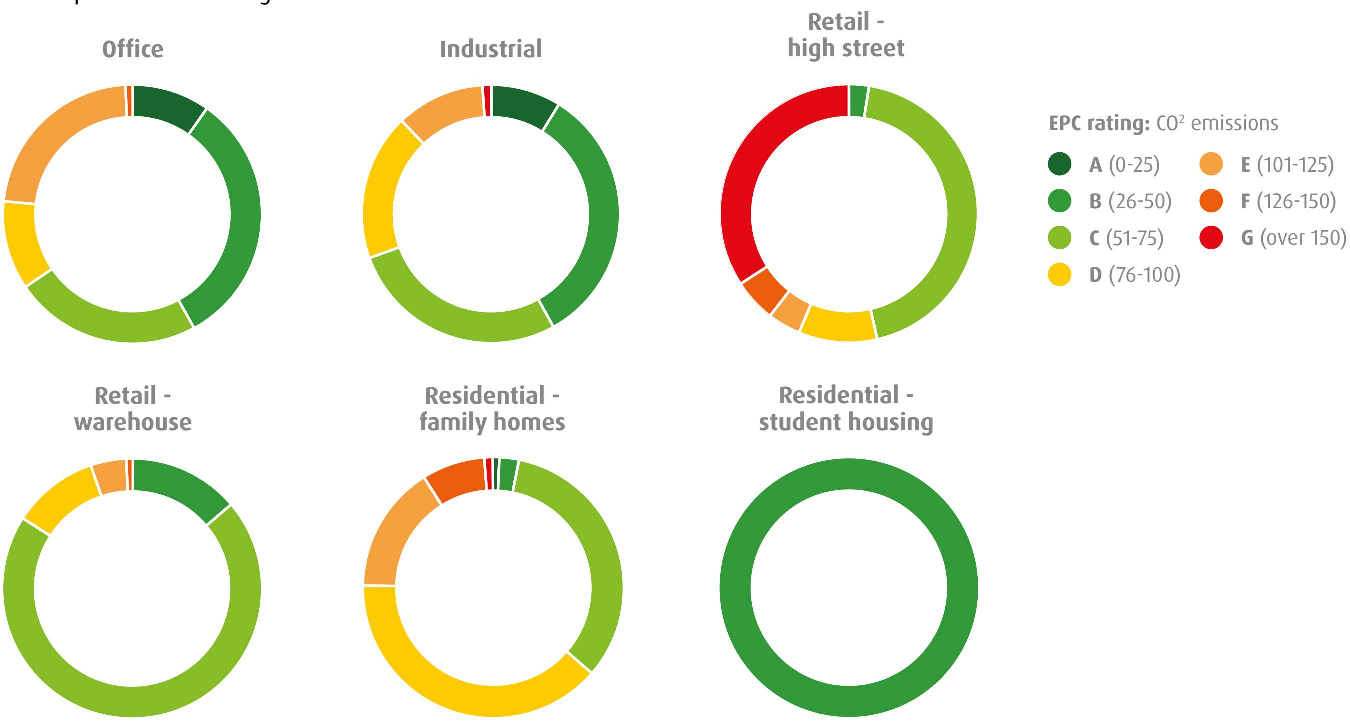


EPC rating: CO^2 emissions

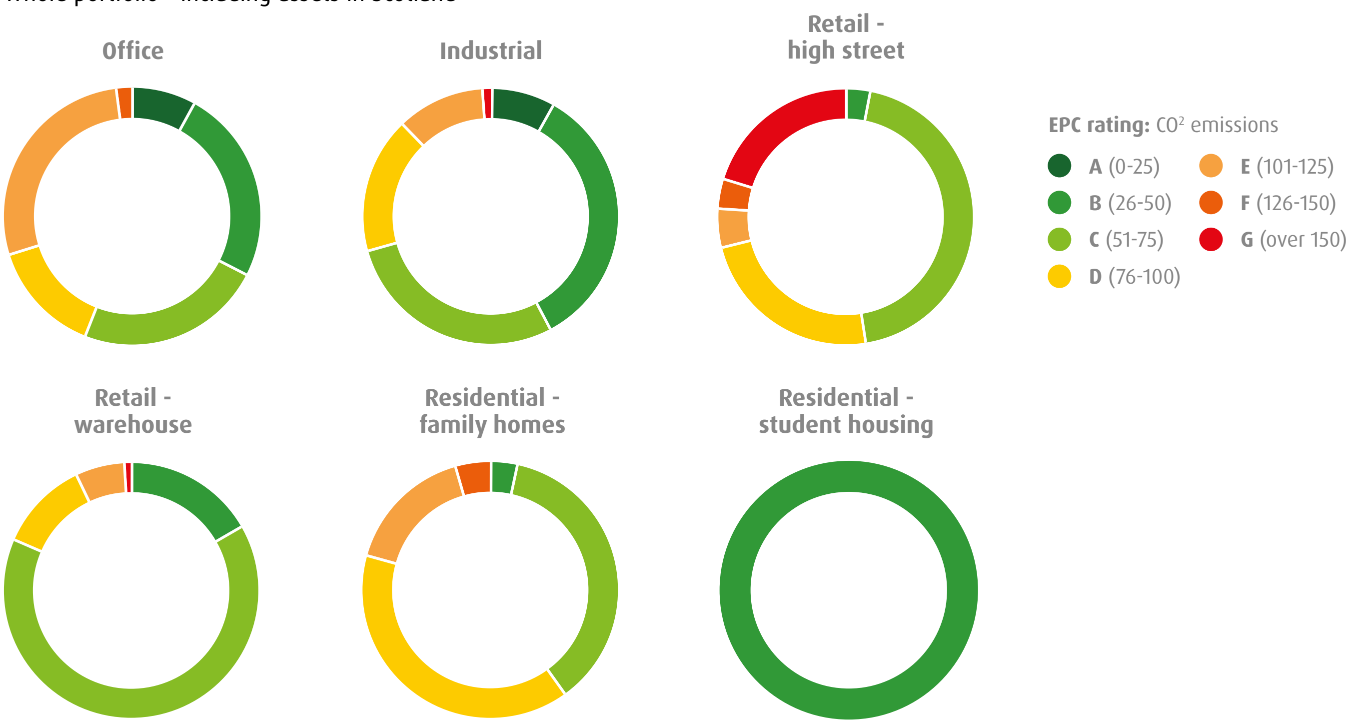
- **A** (0-25)
- **B** (26-50)
- **C** (51-75)
- **D** (76-100)
- **E** (101-125)
- **F** (126-150)
- **G** (over 150)

Figure 5 (continued): 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 Values shown are Contracted Rental Value (CRV) except for void units and those few (de minimis) commercial leases for which CRV data is not available, for which Estimated Rental Values (ERV) have been used.

2 The consolidated CRC data for Property PQ0001 has been pro-rated on a flood area (NLA) basis across the individual demised units to provide an estimate of the distribution of relevant EPC ratings by value.

3 A notional ERV of £50/sq ft has been applied to all residential and holiday let units at St Christopher's Place in the absence of precise rental data.

4 St Christopher's Place, noted elsewhere in this report as a Mixed Use asset of 40 properties, has been dividied into its individual leased demises for the purpose of the EPC analysis, accounting for the fact that the MEES Regulations are separate for domestic and non-domestic properties.

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 FCPT 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

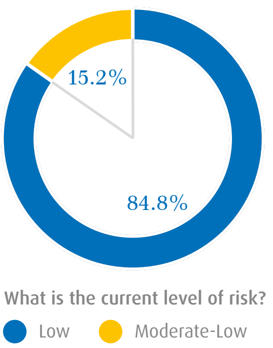
With reference to capital value, the majority (85%) of the portfolio is at low risk of contamination, whilst the reminder is at the modestly elevated level of Moderate-Low risk. Contamination is an 'investment critical' criteria within our RPI Appraisal process when considering potential acquisitions. 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

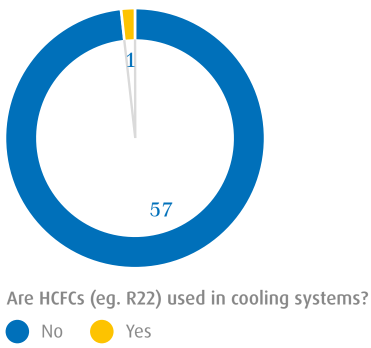
Only one office asset within the portfolio has air-conditioning equipment that utilises a hydrochlorofluorocarbon (type R-134) coolant which is subject to the European F-Gas Regulations for the phasing out of ozone depleting substances. The Regulations prohibit the use of 'recycled' and 'reclaimed' HCFCs 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

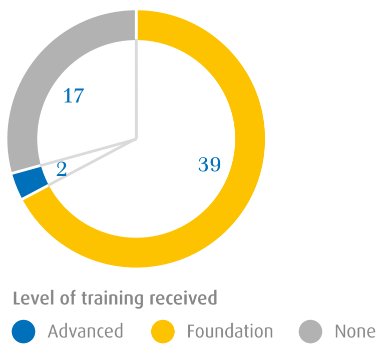
Current contamination risk
Distribution of risk ratings as a proportion of total Capital Value



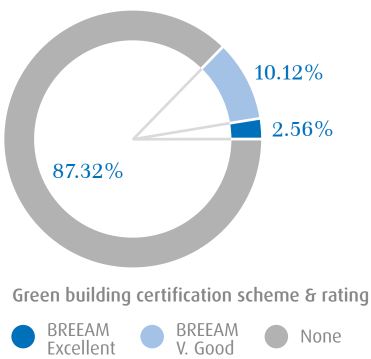
HCFC coolants
No. of directly managed assets in which HVAC systems using HCFCs are present



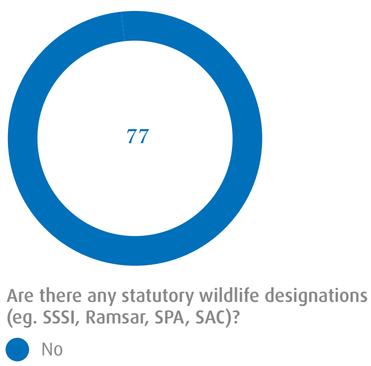
Building manager ESG training
Directly managed assets for which Building Managers have received ESG training



Green building certification
Distribution of green building ratings with reference to Net Lettable Area



Statutory wildlife designations
Assets to which statutory nature conservation designations apply



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

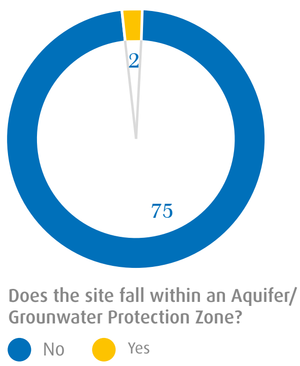
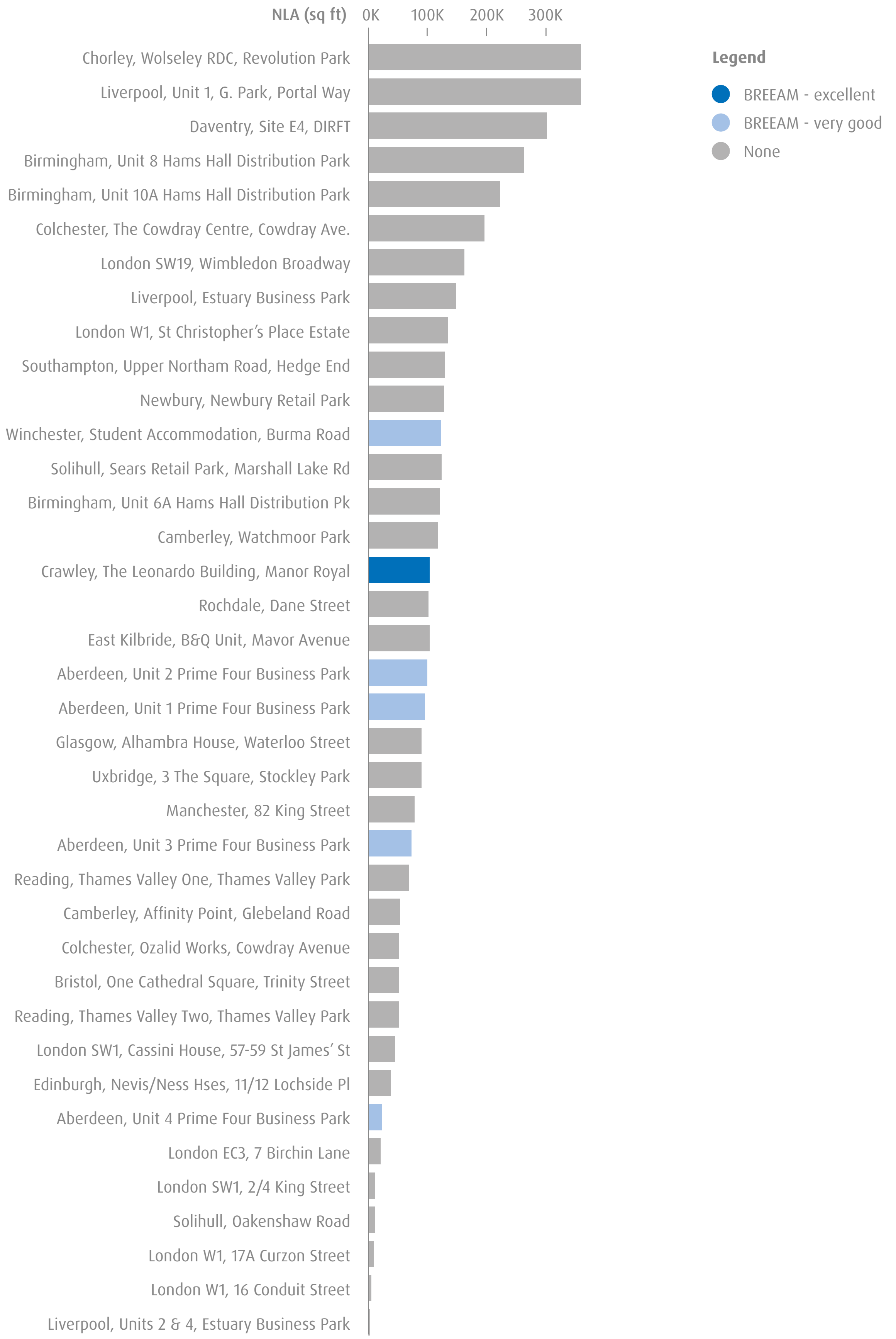


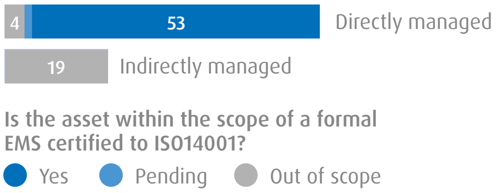
Figure 6 (continued): Green building certification by asset

Distribution of green building ratings with reference to net lettable area



Building user guides
Management

Environmental management systems
Management



Groundwater source protection zones

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. It is important that our pollution prevention measures are particularly effective in these areas of elevated risk.

Statutory wildlife designations

None of our properties are affected by statutory wildlife designations.

Building manager ESG training

All building managers employed directly by BMO REP have received a basic level of training on relevant ESG matters, commensurate with the enhanced RPI Protocols for Asset & Property Management that have been put in place.
This training has been delivered by the Property Manager's dedicated sustainability professionals. Two building managers have received more advanced training, which has been delivered by specialist third-party providers.

The directly managed assets at which building managers are engaged but have not received formal training relate to outsourced building management services provided by our Managing Agents, Eddisons. The BMO REP ESG Training Programme will be extended to these building managers over the course of the next year.

Green building certification

Six properties have attained a formal BREEAM rating, all of which pertain to new construction or major refurbishment projects. Collectively, these account for around 12.5% of the total Net Lettable Area of the property. This will be complemented by the pending completion of our refurbishment of 71-77 Wigmore Street (see Spotlight on page 15).

Building user guides

Building User Guides, which provide information on the safe and efficient running of properties, are in place at 41 assets. These cover aspects including:

- The principles of the building design and how these influence its operation.
- Procedures for operating heating, lighting and cooling systems.
- Means of access and transport information, including in relation to cycling provision, local public transport, car sharing schemes etc.
- Security and safety systems.
- Channels available for reporting problems or concerns, and how these should be dealt with by the building manager.

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:

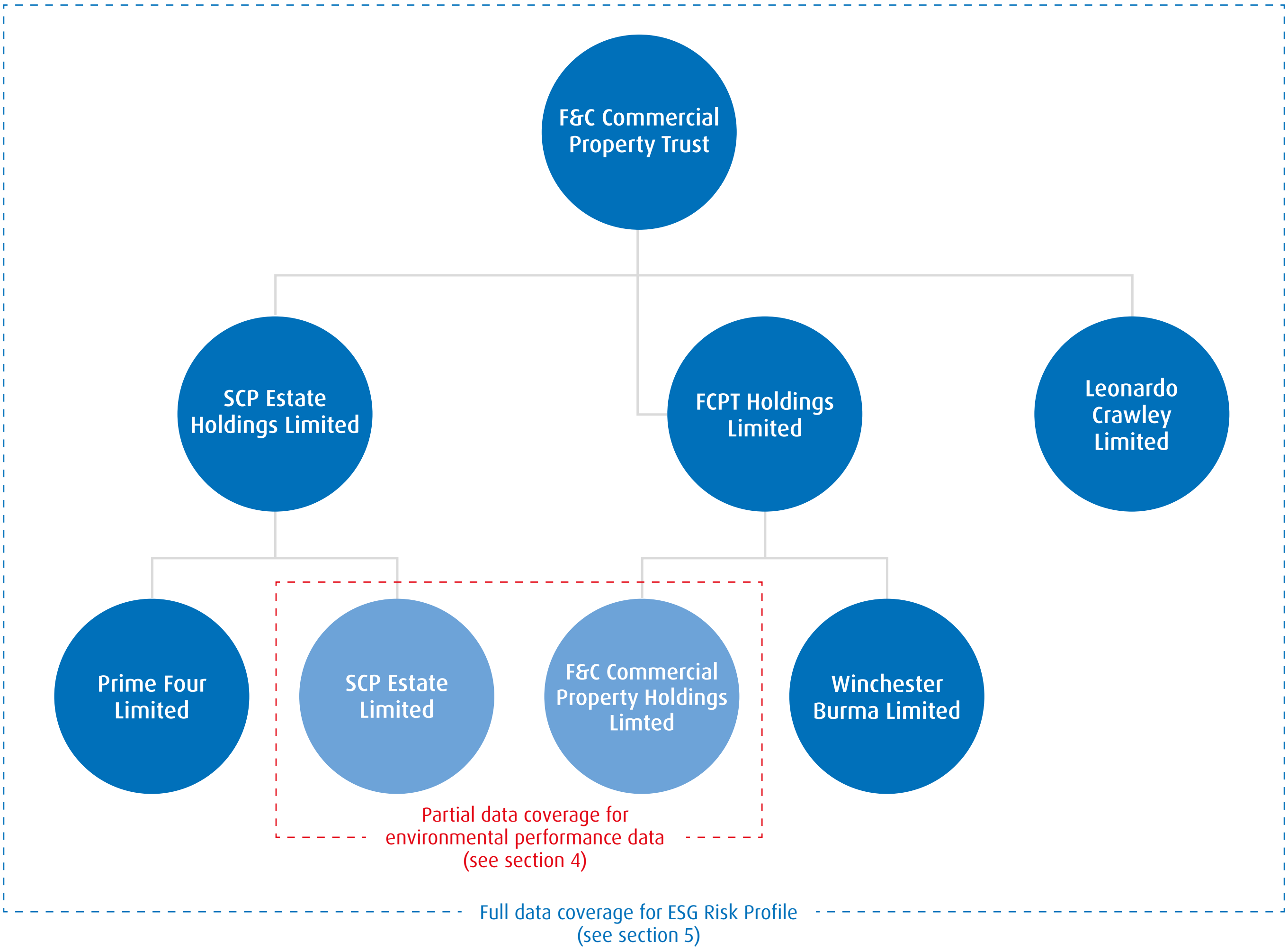
- One Cathedral Square, Bristol (Office), which was acquired within the last twelve months. The property is included within the next audit cycle for the ongoing maintenance of the BMO REP EMS, and it is therefore anticipated that the property will be within the scope of the EMS from 2019.
- 16 Conduit Street, London (Retail – High Street), Thames Valley Park, Reading (Office) and The Cowdray Centre, Colchester (Industrial), all of which are considered de minimis in terms of the landlord's environmental impact. The only landlord services relate to lighting a stairwell, void consumption of a vacant FRI property, and landscape maintenance respectively.
- Ozalid Works, Colchester (Industrial), which has been conditionally exchanged to sell but remains with the portfolio at the time of reporting.

Appendix 1: Notes on environmental data

Scope

The assets of the Group are held by a number of subsidiary companies, as illustrated in Figure A below.

Figure A: Group structure and data scope



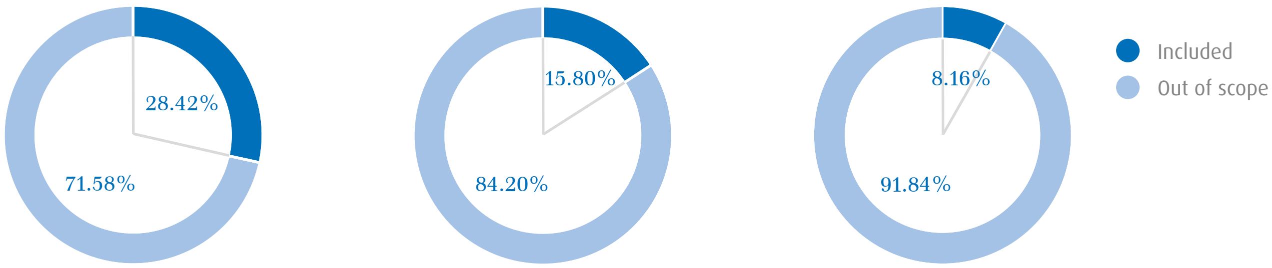
The results of these entities are consolidated within the Group financial statements (separately published). Similarly, the ESG Risk Profile set out in Section 5 of this RPI Report relates to the consolidated portfolio for the Group as a whole, as do some elements of the ESG Performance Data for 2017 provided in Section 4. However, 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. As such, these exclude the assets held by Prime Four Limited, Winchester Burma Limited and Leonardo Crawley Limited, and some of those held by SCP Estate Limited and F&C Commercial Property Holdings Limited. The precise scope of the ESG Performance Data held for each entity and asset are listed in Figures B and C respectively.

Figure B: ESG data coverage by entity

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)



Energy & GHG emissions
as a percentage of floor area (NLA)

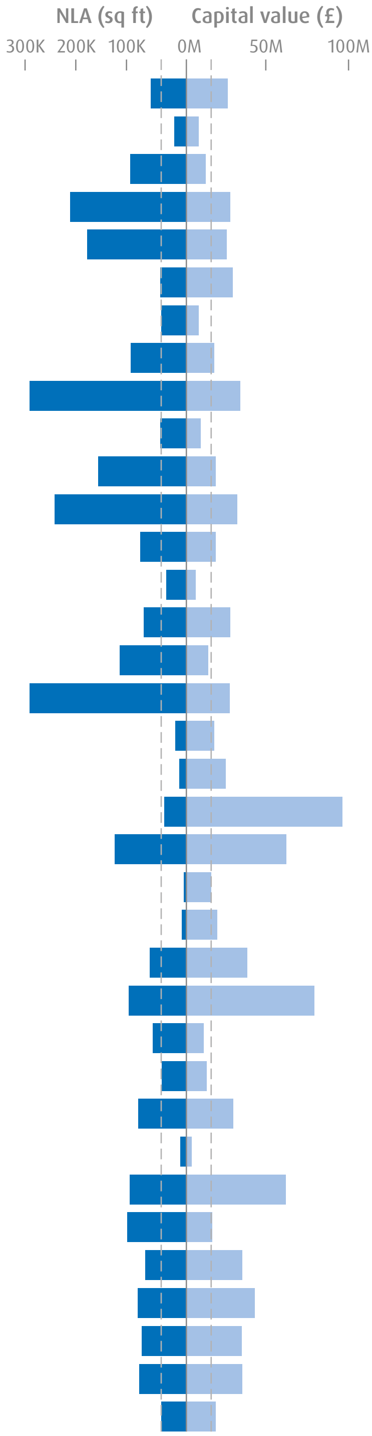
Water consumption
as a percentage of floor area (NLA)

Waste management
as a percentage of floor area (NLA)

Note: The significant majority of water consumption and waste management control occurring at SCP is under the jurisdiction of tenant occupiers and the local authority, however a small residual element falls to the landlord for which data is to be collected but is not currently available.

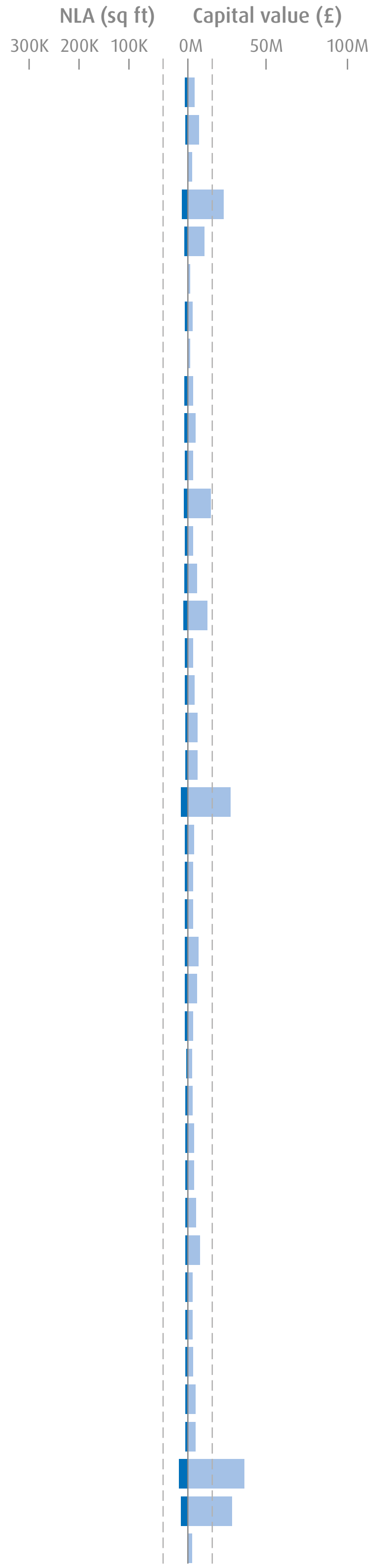
Figure C: ESG data coverage by asset

Subsidiary	Property name	ESG data (energy & GHG)	ESG data (water)	ESG data (waste)	ESG data (other)
FCCPH	Aberdeen, Unit 3 Prime Four Business Pk	Out of scope	Out of scope	Out of scope	Included
	Aberdeen, Unit 4 Prime Four Business Pk	Out of scope	Out of scope	Out of scope	Included
	Birmingham, Unit 6A Hams Hall Distribution Pk	Out of scope	Out of scope	Out of scope	Included
	Birmingham, Unit 8 Hams Hall Distribution Pk	Out of scope	Out of scope	Out of scope	Included
	Birmingham, Unit 10A Hams Hall Distribution Pk	Out of scope	Out of scope	Out of scope	Included
	Bristol, One Cathedral Square, Trinity St	Included	Included	Out of scope	Included
	Camberley, Affinity Point, Glebeland Rd	Out of scope	Out of scope	Out of scope	Included
	Camberely, Watchmoor Pk	Out of scope	Out of scope	Out of scope	Included
	Chorley, Wolseley RDC, Revolution Pk	Out of scope	Out of scope	Out of scope	Included
	Colchester, Ozalid Works, Cowdray Ave	Included	Out of scope	Included	Included
	Colchester, The Cowdray Centre, Cowdray Ave	Included	Out of scope	Out of scope	Included
	Daventry, Site E4, DIRFT	Out of scope	Out of scope	Out of scope	Included
	East Kilbride, B&Q Unit, Mavor Ave	Out of scope	Out of scope	Out of scope	Included
	Edinburgh, Nevis/Ness Hses, 11/12 Lochside Pl	Out of scope	Out of scope	Out of scope	Included
	Glasgow, Alhambra House, Waterloo St	Included	Included	Included	Included
	Liverpool, Estuary Business Pk	Out of scope	Out of scope	Out of scope	Included
	Liverpool, Unit 1, G. Park, Portal Way	Out of scope	Out of scope	Out of scope	Included
	London EC3, 7 Birchin Lane	Included	Included	Out of scope	Included
	London SW1, 2/4 King St	Included	Included	Out of scope	Included
	London SW1, Cassini House, 57-59 James' St	Included	Included	Included	Included
	London SW19, Wimbledon Broadway	Included	Included	Out of scope	Included
	London W1, 16 Conduit St	Included	Out of scope	Out of scope	Included
	London W1, 17A Curzon St	Included	Included	Included	Included
	Manchester, 82 King St	Included	Included	Included	Included
	Newbury, Newbury Retail Pk	Included	Included	Out of scope	Included
	Reading, Thames Valley One, Thames Valley Pk	Included	Out of scope	Out of scope	Included
	Reading, Thames Valley Two, Thames Valley Pk	Included	Included	Included	Included
	Rochdale, Dane St	Out of scope	Out of scope	Out of scope	Included
	Solihull, Oakenshaw Rd	Out of scope	Out of scope	Out of scope	Included
	Solihull, Sears Retail Park, Marshall Lake Rd	Included	Out of scope	Out of scope	Included
	Southampton, Upper Northam Rd, Hedge End	Out of scope	Out of scope	Out of scope	Included
	Uxbridge, 3 The Square, Stockley Pk	Out of scope	Out of scope	Out of scope	Included
Leonardo	Crawley, The Leonardo Building, Manor Royal	Out of scope	Out of scope	Out of scope	Included
Prime Four	Aberdeen, Unit 1 Prime Four Business Pk	Out of scope	Out of scope	Out of scope	Included
	Aberdeen, Unit 2 Prime Four Business Pk	Out of scope	Out of scope	Out of scope	Included
Winchester	Winchester, Student Accommodation, Burma Road	Out of scope	Out of scope	Out of scope	Included



NLA (sq ft) Capital value (£) ----- Average

Subsidiary	Property name	ESG data (energy & GHG)	ESG data (water)	ESG data (waste)	ESG data (other)
SCP	London W1, 1 Barrett St	Included	Out of scope	Out of scope	Included
	London W1, 1-5 St Christopher's Place	Out of scope	Out of scope	Out of scope	Included
	London W1, 2 Barrett St	Out of scope	Out of scope	Out of scope	Included
	London W1, 3-5 Barrett St	Included	Out of scope	Out of scope	Included
	London W1, 6-8 St Christopher's Place	Out of scope	Out of scope	Out of scope	Included
	London W1, 7 Gees Court	Out of scope	Out of scope	Out of scope	Included
	London W1, 8 Gees Court	Out of scope	Out of scope	Out of scope	Included
	London W1, 9 Gees Court	Out of scope	Out of scope	Out of scope	Included
	London W1, 9 St Christopher's Place	Out of scope	Out of scope	Out of scope	Included
	London W1, 10 Gees Court	Included	Out of scope	Out of scope	Included
	London W1, 10 St Christopher's Place	Out of scope	Out of scope	Out of scope	Included
	London W1, 10/12 James St	Included	Out of scope	Out of scope	Included
	London W1, 11 St Christopher's Place	Out of scope	Out of scope	Out of scope	Included
	London W1, 11/12 Gees Court	Included	Out of scope	Out of scope	Included
	London W1, 12-14 St Christopher's Place	Included	Out of scope	Out of scope	Included
	London W1, 14 James St	Out of scope	Out of scope	Out of scope	Included
	London W1, 20 James St	Out of scope	Out of scope	Out of scope	Included
	London W1, 21 Barrett St	Out of scope	Out of scope	Out of scope	Included
	London W1, 22 Barrett St	Included	Out of scope	Out of scope	Included
	London W1, 23-32 St Christopher's Place	Included	Out of scope	Out of scope	Included
	London W1, 23 Barrett St	Included	Out of scope	Out of scope	Included
	London W1, 24 James St	Out of scope	Out of scope	Out of scope	Included
	London W1, 26 James St	Out of scope	Out of scope	Out of scope	Included
	London W1, 28/30 James St	Included	Out of scope	Out of scope	Included
	London W1, 32 James St	Out of scope	Out of scope	Out of scope	Included
	London W1, 34 James St	Out of scope	Out of scope	Out of scope	Included
	London W1, 36 James St	Out of scope	Out of scope	Out of scope	Included
	London W1, 38 James St	Out of scope	Out of scope	Out of scope	Included
	London W1, 40 James St	Included	Out of scope	Out of scope	Included
	London W1, 42 James St	Out of scope	Out of scope	Out of scope	Included
	London W1, 44 James St	Out of scope	Out of scope	Out of scope	Included
	London W1, 46/48 James St	Included	Out of scope	Out of scope	Included
	London W1, 50 James St	Out of scope	Out of scope	Out of scope	Included
	London W1, 54 James St	Out of scope	Out of scope	Out of scope	Included
	London W1, 56 James St	Out of scope	Out of scope	Out of scope	Included
	London W1, 67 Wigmore St	Out of scope	Out of scope	Out of scope	Included
	London W1, 69 Wigmore St	Included	Out of scope	Out of scope	Included
	London W1, 71/73/75 & 77 Wigmore St	Out of scope	Out of scope	Out of scope	Included
	London W1, 372/374 Oxford St	Included	Out of scope	Out of scope	Included
	London W1, Greengarden House	Included	Out of scope	Out of scope	Included



NLA (sq ft) Capital value (£) Average

Estimates

The proportions of estimates for the portfolio are shown in the table below, by asset class. Estimates were calculated through extrapolation from prior or subsequent year data for the same month(s). The proportions of estimates were based on both the floor area and the time interval for which data was estimated. The exception to this was any estimation of electricity consumption for outdoor spaces, where floor area is not a relevant denominator and so the proportion estimated was based only on time interval.

Estimation of data

	2016			2017		
	Electricity	Gas	Water	Electricity	Gas	Water
Offices	0%	0%	0%	0%	0%	12%
Industrial	2%	0%	-	1%	0%	-
Retail	0%	0%	0%	negligible	0%	0%
Retail Warehouse	0%	-	0%	0%	-	0%

Conversion Factors

Emissions were calculated in kg CO^2 equivalent using the DEFRA GHG Conversion Factor Guidelines for 2016 and 2017. In line with DEFRA recommendations, the 2016 figures have not been restated using the 2017 conversion factors. Due to the decarbonisation of the UK's national grid (an increasing percentage input from non-fossil fuel derived electricity), a natural reduction in emissions will be seen if energy usage remains consistent. The conversion factors from DEFRA for 2016 and 2017 are presented in the following table.

A further conversion factor used was for reporting of energy intensities. Following the Better Buildings Partnership's 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.

DEFRA conversion factors (kg CO^2e per kWh)

	2016	2017
Electricity	0.41205	0.35156
Natural Gas	0.184	0.18416

Third party assurance

The Company has not obtained any third-party verification of the data gathered by Carbon Credentials or the analytics completed by BMO REP for 2017. However, Carbon Credentials undertook an internal audit of the 2016 data as part of the process for the 2016 submission to the Carbon Reduction Commitment.

Normalisation

Intensities (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:

- High street retail assets.
- Mixed use assets (as in the case of St Christopher's Place).
- Two office buildings that were highlighted as outliers due to their small size and nature.

In these cases, the common parts areas (CPA) were used as the denominator; these are 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 at 32% of NLA based on known data from St Christopher's Place.

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 fund intends to correct for degree days in future reports of this kind.

Data coverage

Energy and emissions data from landlord-procured energy is reported for all assets within the organisational boundary of operational control. This represents disclosure of 64% of the Company's total £1.419 billion investment in real estate. Exceptions are as follows:

- Where a tenant within one of these properties procures their own energy separate to the building energy supply for shared spaces, this data is considered scope 3 emissions and was not obtained due to inaccessibility of such data for the reporting year.

- In a few instances, water data was not gathered from these properties as procurement of water is under the responsibilities of the occupier. Coverage of water data by gross asset value (GAV) gathered within the organisational boundary therefore represents disclosure of 32% of the Company's total £1.419 billion investment in real estate and was as follows:

Coverage water data

		Industrial		Offices		Retail		Retail Warehouse		Grand Total for Whole Portfolio	
		2016	2016	2016	2017	2016	2017	2016	2017	2016	2017
Water-Abs	No. of applicable properties	0 of 2	0 of 2	8 of 9	9 of 10	1 of 3	1 of 3	1 of 2	1 of 2	10 of 16	11 of 17
	% coverage by GAV	0%	0%	95%	96%	17%	17%	43%	43%	47%	51%
Water-LfL	No. of applicable properties	0 of 2	0 of 2	8 of 9	8 of 9	1 of 3	1 of 3	1 of 2	1 of 2	10 of 16	10 of 16
	% coverage by GAV	0%	0%	95%	95%	17%	17%	43%	43%	47%	47%
Water-Int	No. of applicable properties	0 of 2	0 of 2	8 of 9	9 of 10	1 of 3	1 of 3	1 of 2	1 of 2	10 of 16	11 of 17
	% coverage by GAV	0%	0%	95%	96%	17%	17%	43%	43%	47%	51%

Clarification

An initial review of data shortly following the 2017 year-end led to the results presented in the 2017 Annual Report and Accounts. This included estimated data for the last quarter of 2017. Since then, actual consumption data for the final quarter of 2017 was collected, resulting in higher consumption for the year than was originally estimated. Furthermore, some properties were included in the data which were actually fully tenanted and hence were not within scope for the purpose of this RPI Report (the scope being limited to landlord-controlled areas). Finally, some further refining has since taken place to better understand the floor areas related to each individual meter for a more consistent, accurate and meaningful energy intensity figure. This has resulted in a smaller gradient in the energy intensities for 2017 and the previous year than was initially calculated. Moving forward, a third party will be verifying our data collection and analysis on an annual basis. This will provide reviewers with limited assurance of the environmental data in future.

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 34 assets are included within this report (in the following sections) with an overview map and answers to each of the 8 questions. 31 of the assets were analysed in November 2017 and 3 assets were analysed in August 2018. 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 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.

F&C Commercial Property Trust Limited

Directors (all non-executive)
Chris Russell (Chairman)
Trudi Clark
Martin Moore
Peter Cornell
David Preston
John Wythe
Paul Marcuse

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

fccpt.co.uk

Alternative Investment Fund Manager ('AIFM') and Investment Managers
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 7BA

Registered Office
PO Box 255
Trafalgar Court
Les Banques
St. Peter Port
Guernsey
Channel Islands GY1 3QL

Tel: 01481 745001

BMO® We're here to help.™

[1] European Public Real Estate Association (2017) EPRA Sustainability Best Practices Recommendations Guidelines: Third Version, September 2017. Published at http://www.epra.com/sustainability/sustainability-reporting/guidelines
[2] An Asset Classification System based on regulatory and performance-related energy risks has been devised by the manager as a means of prioritising and targeting resources at those assets for which the ESG risks and potential enhancement opportunities are likely to be greatest.
[3] The RPI Appraisal Tool developed for BMO REP has been established to enable investment and asset managers to collect ESG information pertinent to individual assets, both at acquisition stage and as an ongoing asset management discipline.
[4] Including cluster munitions, anti-personnel mines and biochemical weapons as covered by the 1972 Biological and Toxic Weapons Convention, the 1997 Chemical Weapons Convention, the 1999 Anti-Personnel Mine Ban Convention, and the 2008 Convention on Cluster Munitions.
[5] Some increases or decreases are not apparent in the figures due to rounding.
[6] The One Great Day. 2017. One Great Day. [ONLINE] Available at: http://www.theonegreatday.com/. [Accessed 22 February 2018].
[7] The Annual Report and Consolidated Accounts can be found on the company website: http://www.bmogam.com/commercial-property-trust/