URBAN LOGISTICS
REIT PLC

DRIVING SUSTAINABILITY

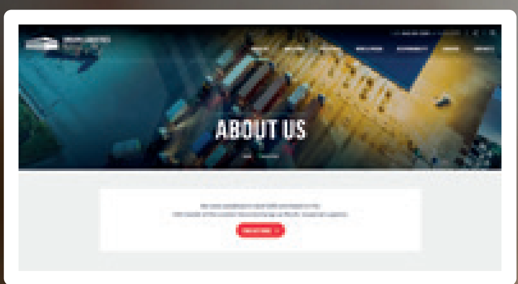
Urban Logistics REIT plc

SUSTAINABILITY REPORT 2022

CONTENTS

SUSTAINABILITY REPORT pages 1 to 8

SUPPLEMENTARY INFORMATION pages 9 to 15



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OUR PURPOSE

OUR PURPOSE IS TO ACQUIRE AND MANAGE HIGH QUALITY, SINGLE LET, LOGISTICS ASSETS TO GENERATE BOTH INCOME AND CAPITAL GROWTH FOR OUR SHAREHOLDERS.

OUR VISION

TO BE THE LEADER IN UK URBAN LOGISTICS WAREHOUSING.

SUSTAINABILITY REPORT

> We firmly believe that there is no tension between our environmental agenda and our pursuit of shareholder wealth – instead we believe them to be inextricably linked.

Heather Hancock
Chair of ESG Committee

Introduction

Over the past year Urban Logistics' property portfolio valuation has doubled, and we have moved from the AIM to the Main Market of the London Stock Exchange. In step with this growth, we have extended our sustainability approach; commitments and reporting. Sustainability is a core part of business operations and has always been central to how we have done business. We are now committing to new strategic sustainability programmes to manage our growing portfolio in line with best practice.

The UK's Climate Change Act places obligations on the UK Government to decarbonise the economy by 2050 and to manage the impacts of climate change. The regulation growing from this increasingly affects the operations of our sites, and our tenants' customer expectations, whether commercial or at the consumer level are firmly focused on enhanced sustainability. That's why we see consistency between managing climate risks and enhancing the value of our Company. Recognising the significance of the climate crisis and our contribution to the UK's response, we have adopted a programme to address sustainability risks.

Urban Logistics operates in the last mile or "mid-box" sector of the logistics market, with a focus on assets between 20,000 and 200,000 sq ft. The buildings we acquire range from new developments to older buildings which are still an essential part of the national infrastructure. The greatest influence we can have in making buildings more sustainable is to develop and refurbish buildings to a high standard and work with our tenants to support their endeavours.

Our focus is:

- addressing climate change:
  - improve the environmental performance and quality of our buildings as measured by EPC ratings. This "fabric first" approach to building aligns with best practices in addressing climate change, but also recognises our core responsibility in providing tenants with highly efficient buildings;
  - achieve operational net zero on our Scope 1 and 2 emissions in 2024. To do this, we will need to change the way we procure electricity and ensure that we account for fossil fuel-based heating where it exists in our buildings; and
  - develop a longer-term Scope 3 decarbonisation target in the coming years. To do this we will continue to engage with our tenants to support existing decarbonisation programmes, but also to collect baseline data and help them to understand how to operate buildings better.
- increasing the space for nature across the estates in our portfolio. This promotes biodiversity and can mitigate flood risk and improve the wellbeing of the people who work in and live near our sites; and
- transparent reporting on our activities. We are aligned with the EPRA sustainability best practice reporting guidelines, and are preparing for a fresh detailed assessment of our climate risks, in line with the recommendations of the TCFD. We are reporting our initial assessment of these risks within this report.

SUSTAINABILITY REPORT CONTINUED

Introduction continued

Our commitments reflect the multiple benefits that sustainability provides; high-quality buildings which are more efficient to operate, attracting the high-quality tenants we want to work with and enabling more favourable debt terms. By improving the quality of our stock, we are reducing our exposure to regulatory constraints, climate risks and operating costs, and at the same time are supporting the ongoing transition of the UK economy towards net zero.

How we manage sustainability at Urban Logistics

Our business model is focused on building a portfolio of high-quality assets and providing sustainable, efficient space and customer service to our tenants. Practically, sustainability has always played a core part of how the fund operates, making sure our assets are fit for the future and that we are serving our tenants' needs. Our role is in implementing the vision and strategy set out by the Board, and ESG is no different. We take on the Board's requirements for management of environmental and social issues, in particular climate-related risks and opportunities. Our approach to sustainability reflects a cost-effective approach to managing the diversity of buildings and tenant requirements.

To date we have achieved some notable successes in delivering high-quality, future-proofed buildings:

- over the past twelve months we have gone from 21% of the portfolio with an EPC of A or B to 31% on a like-for-like basis[1], and all assets with EPCs of C or below have upgrade plans in place;
- our developments at Exeter DC3 and 4, Castle Donnington and Optimus Point, which have completed in the year, have achieved BREEAM Very Good or Excellent and EPCs of A, which are the standard for how we develop and position new buildings;
- 12% of assets by floor area have EV chargers installed on site;
- we have appointed CBRE to provide strategic and technical support in how we manage our buildings and report on the progress of our sustainability initiatives;
- all staff have had sustainability training to deepen our understanding of sustainability topics, and we have a programme of integrated sustainability leads across our business. We believe this approach will maintain an integrated approach to sustainability in practice;
- 26% of our leases have green clauses, a core part of how we can integrate sustainability into our operations; and
- 9% of our assets by floor area have plans for or are actively considering solar PV installations, which will take our total coverage up to 12%.

There are other ways our business can play a part in the ESG agenda. Following the Russian invasion of Ukraine, we worked with our tenants to collect equipment to donate to the humanitarian effort. We used some of our vacant warehouse space to store the donations, before one of our logistics tenants transported it to the area. We'd like to take this opportunity to thank our tenants and team members for their response to our appeal.

We firmly believe that there is no tension between our environmental agenda and our pursuit of shareholder wealth – instead we believe them to be inextricably linked. The market will decarbonise, and our ability to manage this transition effectively will help us attract tenants, remain competitive and manage exposure to climate-related risks. This year we saw COP26 meet in Glasgow, with a commitment to keep the goal of 1.5 degrees of global warming alive. As a significant owner of commercial property, we are committed to act decisively to accelerate progress in our business and in the wider sector.

Our material impacts

Our targets and objectives have been established based on the following sustainability themes which we consider to be the most pressing to Urban Logistics, the key themes when considering risks to property value, and the needs of our tenants and other stakeholders:

- energy performance;
- climate change mitigation;
- climate adaptation;
- on-site energy generation; and
- promoting nature on our sites.

1. Based on floor area of portfolio held on 31 March 2021 and held on 31 March 2022.

Objectives and targets

TARGETS	PERIOD	METRIC	OUR PLAN FOR 2022
Reduce the environmental impact of our buildings	2021-2028	EPC coverage: 100% B or better	Develop fully costed asset management plans across all buildings currently less than a B.
Achieve net zero in terms of Scope 1 and Scope 2 emissions	2021-2024	Net zero Scope 1 and 2	Ensure that all energy procured is zero carbon, where possible.
Engage with our tenants on decarbonising operations in our buildings	2022-2024	Develop a systematic programme to engage tenants to decarbonise	Develop engagement plans which will promote and support tenant decarbonisation in our estate. This is central to reducing our overall carbon footprint, as well as to improve the EPCs of buildings. Include green clauses in all new leases, supporting our aim of providing consistent sustainability standards across an estate with a diverse range of buildings and tenant needs.
Increase on-site renewable energy	2022-2024	Solar PV capacity	Increase our PV capacity. Our buildings can provide a platform for renewable energy, and we already have PV cells fitted to a number of our buildings, including our new developments. To support our objective of increasing renewable generation of energy, we will aim to fit PV cells to 10% of our buildings by floor area by 2024.
Make more space for nature on our sites	2022-2024	Trees planted, biodiverse areas protected, grass areas introduced	Develop a plan for further enhancing the biodiversity of the sites we operate. This is not only good for nature, but we know that it will promote wellbeing for the tenants who occupy our estates.
Promote transparency on ESG disclosures	2022	GRESB score, EPRA sBPR ratings	Achieve a GRESB score above 55, and a Gold rating on EPRA sBPRs. Review resilience and climate risk management within our operations, in line with the recommendations of the TCFD.

Greenhouse gas reporting

We report greenhouse gases ("GHG") as Scope 1 and 2, which are acquired by us, and which we have control over. We are proud to launch our own net zero targets in relation to these emissions in this report.

Scope 3 GHG is emitted by our tenants through the operation of our buildings, and we are working towards decarbonisation targets for these emissions in due course, in partnership with our tenants.

SECR REPORTING: TONNES OF CO_2E FOR FOOTPRINT

Performance Measure	Unit	Source	2022	2021
Total energy consumption	kWh	Landlord-obtained electricity	**674,233**	943,349
		Landlord-obtained natural gas	**63,826**	265,655
		Fuel used in the Manager's vehicles	**Unavailable**	Unavailable
		Head office of the Manager	**19,893**	17,587
Total			**757,950**	1,109,026
Energy Intensity	kWh/m²/year	Landlord Energy Intensity	**9.26**	16.48
Total greenhouse gas emissions	tCO_2e	Landlord-obtained electricity	**143**	220
		Landlord-obtained natural gas	**12**	49
		Fuel used in the Manager's vehicles	**Unavailable**	Unavailable
		Head office of the Manager	**4**	4
Total			**159**	273
Greenhouse gas emissions intensity	tCO_2e/m^2 /year	Scope 1 & 2 Intensity	**0.0019**	0.0036

For further information on the methodology used for these calculations, and a narrative on performance, please see supplementary information on pages 9 to 15.

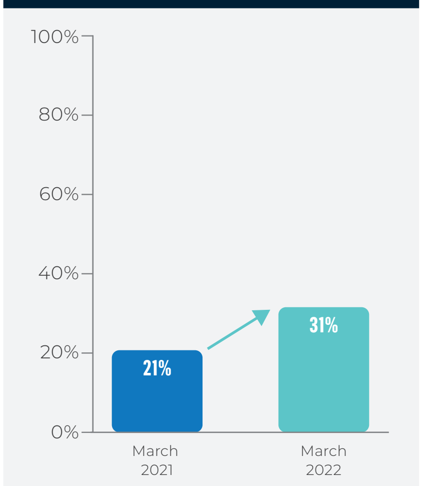
EPC improvement programme

Given that a large portion of GHG emissions are emitted through the operations of our buildings, measuring and improving EPCs is a key metric in our sustainability agenda. We firmly believe we do more good from acquiring a poor-performing building and improving it than in only acquiring buildings which already have a strong EPC performance. For this reason, our key metric on EPCs is the movement over the twelve-month period on a "like-for-like" basis.

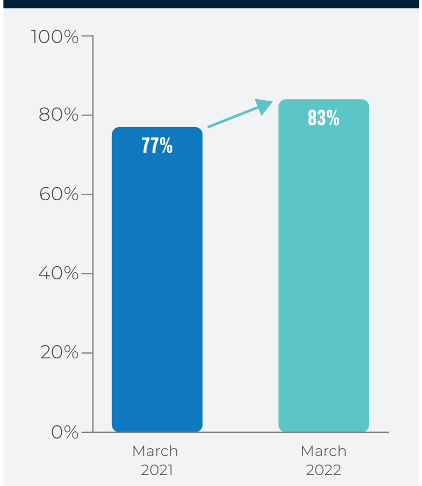
EPC ratings – like-for-like portfolio progression

Like-for-like EPC data looks at all assets owned on 31 March 2021, which were also owned on 31 March 2022, to compare like-for-like EPC movements.

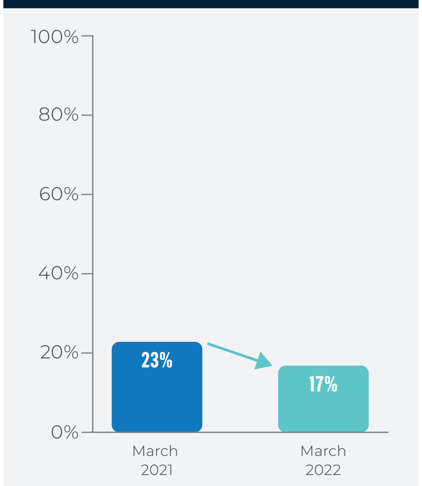
% A-B



% A-C



% D OR BELOW



NEW DEVELOPMENT: EXETER DC3

In April 2021 construction started on a new unit at Exeter Gateway Logistics Park, in partnership with developer Stoford. The building was completed in March 2022, and is let to DHL.

Just outside of Exeter, the building was constructed to the highest environmental standards, and has achieved a BREEAM rating of Very Good and an EPC of A. Environmental sustainability was built into the project at every level, and the building features solar panels on the roof to provide carbon-free power for the occupier, EV charging points to support the decarbonisation of the transport network, and market-leading insulation to ensure energy efficiency.

The local community also benefited, as not only were 151 jobs created on site when DHL took occupation, but we also included tree planting and installed an outdoor gym for the community to use.

This environmental impact also had a positive financial impact – with a total spend of £11.4 million, at the year end the building was revalued to £14.6 million – a 28% uplift.

EPC A

VERY GOOD:
BREEAM

£14.6M
Capital Value

MAJOR REFURBISHMENT: 228 OLD LONDON ROAD COLCHESTER

228 Old London Road, Colchester was acquired in July 2020, with a number of units in place with EPCs ranging from C to D.

Improving the site from a sustainability perspective meant working with the tenants in place, as it took extensive refurbishment to install a new roof, new cladding, LED lighting throughout and solar panels on the roof.

In addition to this, a protected biologically diverse wildlife area was established, creating a space for nature on the site.

The effect of this work was to move EPCs from C/D to A/B for all units, and in doing so move the valuation of the properties on significantly, resulting in a £5.4 million revaluation surplus, a 32% increase.

EPC A/B

£32,000
Spent on protecting ecosystems

£22.3 M
Capital Value

WORKING WITH TENANTS: LEIGH B, LEIGH, MANCHESTER

Leigh B is an 80,000 sq ft parcel building, operated by XPO Logistics. The property is of 1990s construction, and was acquired by way of a sale and leaseback.

During acquisition due diligence, a number of sustainability deficiencies were identified, and the asset management team worked with the tenant to find solutions.

At the time of the transaction a commitment was received by the tenant to improve the performance of the building, including installing LED lighting throughout.

The work has now been carried out, and the EPC of the building has moved from a C to an A. At the same time, the valuation of the property has moved from £6.7 million to £8.45 million – a 26% uplift.

EPC A

26%
Valuation uplift

£8.5M
Capital Value

Task Force on Climate-related Financial Disclosures ("TCFD")

We recognise the value and importance of managing climate risks, and will continue to strengthen our reporting in line with the TCFD recommendations in 2022.

REQUIREMENT	PROGRESS
Governance	The ESG Committee, chaired by Heather Hancock, is the governance body responsible for the oversight of ESG activities, including the management of climate risks. The responsibility for the direct and day-to-day oversight of ESG activities, including the management of climate risks, is delegated to the Investment Manager, with regular reporting of performance against targets and objectives. The Investment Manager is tasked with the responsibility for integrating climate risks into the operations of the assets. This is set out through our annual sustainability targets, which are incorporated into asset manager responsibilities.
Strategy	Urban Logistics will be conducting a review of climate-related risks and responsibilities in line with the TCFD framework in 2022. At this time, we have prioritised management of legislative risks, principally addressing the expected changes to the UK's Minimum Energy Efficiency Standards ("MEES") legislation, with the aim of upgrading our assets to an EPC of B or better by 2028, two years in advance of the proposed legislative requirements. In 2022 we will develop a more detailed account of climate-related risks, in line with the TCFD recommendations.
Risk management	Climate risks and other ESG-related risks are identified and assessed by the Investment Manager, and reported to the Board through the Audit Committee, chaired by Bruce Anderson, who is responsible for risk management. We have been primarily focused on climate risks as presented through legislation and compliance, specifically exposure to the updates to the Minimum Energy Efficiency Standards ("MEES") anticipated in 2022, and related costs to reduce emissions and improve energy efficiency. Alongside this, we have been monitoring our tenants' evolving demands in this area, recognising the risks in changing behaviours. We have long been aware of the physical risk of flooding, which has been considered within asset plans, but recognise the need for longer-term forecasting of this acute physical risk. Over the course of 2022 we will develop more specific climate risk management processes, which we will summarise next year in our sustainability reporting.
Metrics and targets	Urban Logistics has collated Scope 1, 2 and 3 emissions, including the estimation of the complete portfolio footprint, which can be found in the Supplementary Information section on page 11. This includes data from our largest emissions source, those Scope 3 emissions from the operations of our tenants, which account for over 95% of our carbon impacts. We view the lack of direct control over these emissions as the primary challenge in how we manage our climate risks. For this reason, we have engaged with our tenants to support their decarbonisation activities and gather data, which will inform our Scope 3 GHG targets in the coming years. While our Scope 1 and 2 emissions are not a significant proportion of our footprint, we believe our aim to be net zero by 2024 to be a significant commitment. Alongside this, transitioning our portfolio in line with UK climate legislation represents a significant transition risk to our business, and we are tracking EPCs to ensure we are well positioned against the upcoming MEES legislation. We have a target to achieve the legislation's anticipated requirements of EPC B or better, but in 2028, two years in advance of the target. Currently, 75% of our EPCs are below EPC B, representing 73% by floor area.

SUPPLEMENTARY INFORMATION

EPRA Aligned Supplementary Sustainability Information and Index of Indicators

We have chosen to report our material environmental, social and governance data in alignment with EPRA Sustainability Best Practices Recommendations ("sBPR"). We describe our assessment of materiality in the "Our Material Impacts" section on page 2. This will enable a comparison against our peers and help set clear benchmarks for the Company moving forwards.

Our reporting response has been split into three sections:

- overarching recommendations;
- environmental performance measures; and
- social and governance performance measures.

EPRA overarching recommendations

Organisational boundaries

Our EPRA reporting covers the properties owned by the Group, which at 31 March 2022 included a portfolio of 113 industrial and logistics properties. An operational control approach has been adopted for greenhouse gas foot printing as it reflects the REITs ability to effect change implement operating policies. Urban logistics REIT has no direct employees and is externally managed by the investment management team from PCP2 Ltd. The PCP2 Ltd investment management team receives instructions from the Board of the REIT to establish and implement policies including for ESG issues, and as such, has been included for this reporting within the operational control approach.

The reporting of Scope 3 emissions from tenant-obtained energy consumption is additional to EPRA's Core requirements. We chose to do so because we recognise that as our portfolio comprises of FRI assets, emissions from tenant-obtained energy supplies are the most significant to our carbon footprint. We will continue to communicate and work collaboratively with tenants on carbon emissions, as this will be fundamental to improving the data coverage of our portfolio and helping to identify key opportunities to minimise our carbon footprint.

We do not yet have data for embodied carbon associated with development works completed in the reporting year and so are unable to report it.

In 2021/22, Urban Logistics has reported absolute performance for GHG emissions. 2020/21 is the base year for reporting on GHG emissions and is used for like-for-like data comparison.

Coverage

All our properties within our direct and indirect operational control are included within this report. We state the data coverage for Environmental Performance Measures by floor area in our data notes for each of the performance measures reported below.

Estimation of landlord and tenant utility consumption

Where data is not available for the full reporting period, then the missing data has been estimated to fill the gaps. These estimates were made using known consumption for the supply in question in the preceding periods and annualising the data on a pro rata basis.

Landlord-obtained energy and water data has been estimated using known consumption where data gaps exist, typically between last invoice and tenant taking occupation or last invoice and year end. No like for like Landlord-obtained energy performance measures have been estimated.

The following proportion of tenant data is estimated for the period ended 2022:

- electricity 17%;
- fuels 17%;
- GHG 17%; and
- water 14%.

Head office energy was estimated using floor areas and the Better Building Partnership's Real Estate Environmental Benchmark (REEB) Typical Conditioned Office Benchmark 2021.

Third-party assurance

All data is subject to review by our ESG consultants, CBRE's Investor ESG team, but we do not currently have third-party verification in place.

EPRA Aligned Supplementary Sustainability Information and Index of Indicators continued

EPRA overarching recommendations continued

Boundaries – reporting on landlord and occupier consumption

Performance measures reported as Landlord-obtained refers mostly to properties that are vacant and includes one property where the landlord procures 100% of the energy and water which consumed by the tenants, this property does not have an active fuel supply. Landlord-obtained energy supplies are provided to 13 assets within the portfolio covering 84,523 sq m (11%) of the total floor area of the REIT.

All other properties are leased to single occupiers on FRI (Full Repairing and Insuring) leases which obtain all their own energy, water and waste supplies independent of the landlord. All lease agreements within the portfolio are FRI leases, only one site had a service charge including utility consumption throughout the reporting period. The Manager of Urban Logistics actively engages with tenants on ESG, and so in keeping with good practice, we are disclosing tenant-obtained consumption from these FRI sites where tenants have replied to data sharing requests. The reporting of tenant-obtained performance measures is additional to EPRA's Core requirements, we chose to do so because we recognise that as our portfolio comprises wholly of FRI assets, tenant-obtained emissions are the most significant to our environmental performance. We will continue to communicate and work collaboratively with tenants on ESG issues, as this will be fundamental to improving the data coverage of our portfolio and helping to identify key opportunities to minimise our environmental impact.

In 2021/22, Urban Logistics has reported absolute performance for energy and water consumption for areas under the landlord's operational control. 2020/21 is the base year for reporting on energy and water consumption and is used for like-for-like data comparison.

Normalisation

We normalise all data by floor area, using the square meter (m^2) area for the whole building at unit level as this is considered most appropriate for the portfolio.

Segmental analysis – by property type, geography

Our portfolio is located entirely in the UK and consists of a single asset type. For this reason, analysis by sector or geography is not considered appropriate.

Disclosure on own offices

Urban Logistics is an externally managed REIT – managed by PCP2 Limited (the Investment Manager) – and therefore does not have a Head Office or direct employees. However, Urban Logistics has a high degree of influence over the Investment Manager's operations and so Urban Logistics REIT plc has instructed the Investment Manager to provide data on its Head Office and Employee Performance Measures for those employees who are engaged on working for the Investment Manager.

Narrative on performance

We provide commentary on past performance and plans for managing future performance throughout this report. We explain additional factors affecting consumption trends where appropriate including in the "Narrative on performance" sections in the Environmental and Social Performance Measure tables below.

Location of EPRA Sustainability Performance Measures

All EPRA sBPR 2017 environmental performance measures are included on page 11 except 'Cert-Tot, which is on page 13, and, all social and governance performance measures are included on page 14.

Reporting period

The reporting period is from 1 April 2021 to 31 March 2022. Like-for-like performance measures are reported for the two most recent years that we are able to collect consumption data (2021 and 2020).

Data materiality

We have excluded a number of metrics from our reporting, where a review has shown them to be wholly immaterial. The following have been excluded:

- district heating or cooling ("DH&C")-absolute & DH&C-like for like: No DH&C is procured across our portfolio; and
- H&S-Asset and H&S-Comp: Due to the nature of our lease arrangements, all health and safety assessments are conducted by our tenants and Urban Logistics REIT does not have operational oversight.

Environmental performance measures

EPRA code	Performance measure	Unit	Scope	Absolute 2022	Absolute 2021	like-for-like 2022	like-for-like 2021	% change like-for-like
Elec-Abs; Elec-LfL	Total electricity consumption	kWh	Landlord-obtained electricity	**674,233**	943,349	**295,939**	311,208	(5)%
			Tenant-obtained electricity	**10,433,876**	4,945,763	**4,833,435**	4,945,763	(2)%
			Head office of the Manager	**14,792**	13,078	**N/A**	N/A	N/A
Total				**11,122,900**	5,902,190	**5,129,374**	5,256,971	(2)%
Fuels-Abs; Fuels-LfL	Total fuel consumption	kWh	Landlord-obtained fuels	**63,826**	265,565	**N/A**	N/A	N/A
			Tenant-obtained fuels	**5,706,541**	1,328,885	**1,387,782**	1,328,885	4%
			Head office of the Manager	**5,356**	4,735	**N/A**	N/A	N/A
Total				**5,775,723**	1,599,185	**1,387,782**	1,328,885	4%
Waste-Abs; Waste-LfL		kg	Landlord waste	**—**	—	**N/A**	N/A	N/A
		kg	Tenant waste	**505**	569	**301**	314	(4)%
		kg kg	Head office of the Manager	**—**	—	**N/A**	N/A	N/A
Total				**505**	569	**301**	314	(4)%
Energy-Int	Energy intensity	kWh/ m^2/year	Building energy intensity	**108**	147	**145**	147	(1)%
GHG-Dir-Abs	Total direct greenhouse gas emissions	t CO_2e	Scope 1	**13**	50	**N/A**	N/A	N/A
GHG-Indir-Abs	Total indirect greenhouse gas emissions (Scope 2)	tCO_2e m^2/year	Scope 2	**146**	223	**63**	73	(14)%
GHG-Indir-Abs	Total indirect greenhouse gas emissions from tenant-obtained energy (Scope 3)	tCO_2e	Scope 3	**3,261**	1,397	**1,280**	1,397	(8)%
GHG-Int	Greenhouse gas (GHG) emissions Intensity from landlord-obtained energy	tCO_2e/ m^2/year	GHG Intensity	**0.02**	0.03	**0.03**	0.03	(0)%
Water-Abs; Water-LfL	Total water consumption	m^3	Landlord-obtained water	**1,193**	496	**328**	494	(34)%
		m^3	Tenant-obtained water	**20,049**	6,018	**3,309**	6,018	(45)%
		m^3	Head office of the Manager	**2,890**	2,555	**N/A**	N/A	N/A
Total				**24,132**	9,069	**3,637**	6,512	(44)%
Water-Int	Water intensity	m^3/ m^2/year		**0.24**	0.24	**0.13**	0.24	(46)%

EPRA Aligned Supplementary Sustainability Information and Index of Indicators continued

Environmental performance measures continued

Data notes

- Absolute landlord-obtained environmental data is reported for following percentages of total floor area: electricity 11.0%, fuels 4.6%, water 2.1% and waste 0%. Like-for-like landlord-obtained electricity and water data is reported for one property, 0.5% of floor area. The natural gas supply to this property was capped off in 2019 and so no like-for-like landlord-obtained fuel consumption is reported.
- Absolute tenant-obtained environmental data has been reported for the following percentages of total floor area: electricity 19.7%, fuels 19.7%, water 11.1% and waste 1.9%. Like-for-like tenant-obtained data is reported for following percentages of total floor area: electricity 7.0%, fuels 5.8%, water 3.5% and waste 0.5%. Tenant data collection is ongoing and further coverage is likely to be reported to GRESB.
- Data has been estimated in line with the processes described in the "Estimation of landlord and tenant utility consumption" section above. Estimates are only made for a small part of the reporting year and have been applied to the following parts of the data:
  - Landlord-obtained data: ten units which represent 6.6%% of the whole portfolio by floor area, and 60.0% by floor area of the assets for which data has been reported.
  - Tenant-obtained data: four units, which represent 2.4% of the whole portfolio by floor area, and 12.4% by floor area of the assets for which tenant data has been reported.
- No off-site renewable sources have been identified for landlord-obtained Energy Performance Measures. Solar panels have been installed at 3% of our sites and reduce tenant-obtained electricity impacts.
- Greenhouse gas emissions have been calculated using UK government conversion factors from BEIS and the Corporate Greenhouse Gas Protocol location-based methodology.
- Water and Energy Intensities are calculated based on units for which complete twelve month data is available.

Commentary

The reduction in landlord-obtained absolute energy consumption is predominantly caused by the letting of vacant properties. Like-for-like landlord-obtained electricity consumption fell by 4.9% due to a nine-month vacancy in one unit.

The increase in tenant-obtained absolute energy consumption is predominantly caused by the expansion of the portfolio through acquisition. The reduction in like-for-like tenant-obtained electricity is supported by significant reductions in consumption at three large units. The increase in like-for-like tenant-obtained fuels is caused by an 18.8% increase in consumption at the largest unit for which like-for-like data is available.

No landlord-obtained waste supplies exist within the portfolio. The increase in absolute waste production results from increased data availability. Tenant-obtained like-for-like data is only available for one site which has seen a reduction in waste production of 13.26 tonnes.

The increase in landlord-obtained and tenant-obtained absolute water consumption is predominantly caused by the expansion of the portfolio through acquisition. The substantial reduction in tenant-obtained like-for-like water consumption is caused by an 86% reduction at one asset which resulted from a water leak which has now been resolved.

Total landlord (Scope 1 & 2) GHG emissions have fallen because of reduced landlord electricity consumption and grid-electricity GHG intensity reductions. Absolute Scope 3 GHG emissions have increased primarily through acquisition but like-for-like has decreased as a result of reduced tenant electricity consumption and reduced grid electricity intensity.

We are committed to reducing our energy consumption and GHG emissions through a combination of EPC aligned retrofits, development of high performing new assets and the installation of solar photovoltaic panels at our sites. We look forward to reporting more fully on this in coming years.

Building certifications

BREAAM Green certificates for new developments are an important performance indicator for us, but are only applicable for new developments. As developments are a small part of our total portfolio, the majority of the portfolio does not have BREAAM certification.

BREEAM Rating	Excellent	Very Good
Number of certificates	1	6
Floor area coverage	0.2m sq ft	0.3 sq ft
Percentage of portfolio by floor area	2.1 %	3.7%

EPC ratings by band

The below table provides an overview of the EPC ratings of the portfolio. All reporting is based on lodged and valid ratings. The portfolio includes some assets in Scotland, which are reported using the EPC Band they would have achieved if assessed using the EPC methodology for England and Wales. The EPC totals sum to more than the number of assets in the portfolio as some sites require multiple EPCs per asset.

	Count (March-22)	Count (March-21)	**Floor area (m^2) (March-22)**	Floor area (m^2) (March-21)	**% of Floor area (March-22)**	% of Floor area (March-21	LFL Count		
							March-22	March-21	% change
A	**15**	6	**55,062**	18,387	**7%**	4%	**9**	6	50%
B	**24**	9	**155,235**	73,641	**20%**	17%	**17**	9	89%
C	**70**	49	**375,516**	255,593	**49%**	57%	**44**	49	(10)%
D	**45**	18	**179,603**	94,427	**23%**	21%	**13**	18	(28)%
E	**2**	2	**4,673**	2,764	**1%**	1%	**1**	2	(50)%
F	**—**	—	**—**	—	**—**	—	**—**	—	
G	**—**	—	**—**	—	**—**	—	**—**	—	
Unknown	**—**	—	**—**	—	**—**	—	**—**	—	

EPRA Aligned Supplementary Sustainability Information and Index of Indicators continued

Social and governance performance measures

Urban Logistics REIT considers good governance to be fundamental to its business and so discloses here with the aim of providing transparency on its specific processes.

In the near term, Urban Logistics REIT assesses social performance on a monitor and report basis. This follows our materiality review and the nature of our assets.

EPRA code	Performance measure	Unit	Result
Diversity-Emp	Employee gender diversity	Gender ratio of the Board as a percentage	Male: 83% Female: 17%
		Gender ratio of the managing company as a percentage	Male: 53% Female: 47%
Diversity-Pay	Salary ratio of men to women	Gender pay gap %	48%
Emp-Training	Employee training and development	Average hours/year/employee	24
Emp-Dev	Employee performance appraisals	%	100%
Emp-Turnover	New hires and turnover	Total number of new employee hires Rate of new employee hire	3 20%
		Total number of employee turnover Rate of employee turnover	1 7%
H&S-Emp	Employee health and safety	Absentee rate	0.005
H&S-Asset	Asset health & safety assessments	% of assets	N/A
H&S-Comp	Asset health & safety compliance	%	N/A
Comty-Eng	Community engagement, impact assessments and development programmes	% of assets that have implemented community engagement	7%
Gov-Board	Composition of highest governance body	Number of executive Board members	0
		Number of non-executive Board members	6
		Average tenure on the governance body (years)	5.2
		Number of non-executive Board members with competencies relating to ESG topics	1
Gov-Select	Process for nominating and selecting the highest governance body		Please refer to page 65 in the Annual Report
Gov-Col	Process for managing conflicts of interest		Please refer to page 64 in the Annual Report

Data notes

In line with Urban Logistics REIT PLC's ability to control operating policies of the Investment Manager, we disclose the Manager's Social Performance Measures for all EPRA sBPR Employee Social Performance Measures.

Urban Logistics REIT PLC does not have direct employees. Instead all employees of the Invesment Manager who work wholly on the REIT are considered as employees for the disclosure of Social Performance Measures. This means that the employee related Performance Measures are based on the 17 employees of the Investment Manager who dedicate 100% of the time they are contracted to working on the REIT.

Diversity-Pay is calculated from basic salary. The Manager is structured as a partnership, and any drawings taken from the partnership are treated as salary in these calculations. All team members have either a share-based or a profit share based additional pay, which is not included in these calculations.

As explained above, Social Performance Measures H&S-Asset and H&S-Comp are not applicable to our assets which are held entirely on FRI leases.

Reconciliations between the non-GAAP financial information disclosed in the Annual Report to the nearest comparable IFRS measurement, where appropriate, are disclosed. The definition of each of the non-GAAP financial information can be found in the Glossary of Terms.

Narrative on Performance

This is the first time we have disclosed our Social Performance. We are actively recruiting for the Board and in a way that is mindful of Board diversity and appropriate FCA guidance. For further information see the Report of the Nomination Committee on page 65 in the Annual Report. We are also mindful of the importance of the diversity of the investment management team and the need to address the gender pay gap.

Our community engagement efforts have included installing an outdoor gym for community use as part of a new development and raising and distributing aid for Ukraine. We are committed to monitoring our Social and Governance Performance Measures going forward and will keep our performance in this area under continual review.

Reconciliations between the non-GAAP financial information disclosed in the Annual Report to the nearest comparable. IFRS measurement, where appropriate, are disclosed. The definition of each of the non-GAAP financial information can be found in the Glossary of Terms.

URBAN LOGISTICS
REIT PLC

3rd Floor, Bond House
19-20 Woodstock Street
London W1C 2AW

+44(0)20 7591 1600

www.urbanlogisticsreit.com