

S&P Global Sustainable1 Assurance

SEREIT assurance statement: AA1000AS v3

S&P Global Sustainable1, a business of S&P Global Inc. (hereafter, “Sustainable1”) was engaged by Schroder Real Estate Investment Management Limited (“SREIM”) to provide Type 2 Moderate Assurance of the sustainability content to Schroder European Real Estate Investment Trust PLC’s (“SEREIT” or “the Company”) 2023 Annual report (the “Report”).

Intended users

The intended users of this assurance statement are the management and stakeholders of the Company.

Responsibilities of the Company and assurance provider

The management of the Company has sole responsibility for the preparation and content of the Report. Sustainable1’s statement represents its independent and balanced opinion on the content and accuracy of the information and environmental data held within.

Assurance standard

Sustainable1 undertook the assurance in accordance with AA1000AS v3 (2020) Type 2 moderate-level assurance, covering:

- ✓ Evaluation of adherence to the AA1000AP (2018) Principles of inclusivity, materiality, responsiveness and impact (the Principles)
- ✓ The reliability of specified environmental performance information (energy use, greenhouse gas emissions, water use and waste generated)

Sustainable1 used the EPRA Best Practice Recommendations for Sustainability Reporting (sBPR) 2017 3rd Edition to evaluate the Company’s performance information and adherence to the Principles.

Scope and limitations

Sustainable1 was engaged to provide assurance to the Company’s 2023 Annual report which is prepared for the year ending 30 Sep 2023, however the EPRA sustainability data reported and is part of this assurance pertains to the period 1 Apr 2022 to 31 Mar 2023. Sustainable1 was asked to assure reporting for specific KPIs.

Sustainable1 verified the KPIs, as calculated by the Company, within the table in the next column

(collectively the “Specified environmental performance information”).

- Absolute and Like-For-Like:
 - Electricity Consumption (kWh)
 - District Heating/cooling (kWh), if any
 - Fuels Consumption (kWh)
 - Water Consumption (m³)
 - Greenhouse Gas (GHG) Emissions (tCO₂e)
 - Waste (tonnes)
- Intensity Calculations:
 - Energy (kWh / m²)
 - GHG (kgCO₂e/m²)
 - Water (m³/m²)
- Energy rating coverage (%)
- Green Building Certification coverage (%)
- Alignment check of the Company’s reporting against EPRA sBPR 2017 guidelines.

Methodology

Sustainable1’s assurance activities included the following:

- Review of the processes by which the Company defines the sustainability issues that are relevant and material to its operations and its stakeholders
- Interviews with managers responsible for sustainability performance and data collection
- Assessment of the extent to which the Company’s sustainability activities adheres to the Principles
- Review of processes and systems used to gather and consolidate environmental data. The data sources that Sustainable 1 reviewed includes invoices, spreadsheets and other data points.

- Verification of data accuracy for a selection of sites, including an audit of conversion factors, and calculations

PRINCIPLE	COMMENTS
<p>Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability</p>	<p>Similar to last year, SREIM continues to work with their <i>Real Estate with IMPACT</i> approach and have identified several core stakeholders with respect to ESG including investors, suppliers, employees, tenants, local communities and industry associations. SREIM refreshes their Sustainability and EMS frameworks annually and thus the approach towards stakeholder engagement and inclusivity as well.</p> <p>Some of the stakeholder engagement activities in 2022 are listed below.</p> <ul style="list-style-type: none"> • Investor engagement - Mechanisms in place to engage with investors on ESG include formal reports (e.g. annual financial reports), webpages, presentations, meetings, responses to requests for proposals (RFPs), industry benchmarking initiatives (e.g. GRESB), where possible and appropriate. • Supplier engagement – Property managers are key suppliers to real estate investment entities and the engagement is ongoing and regular basis. SREIM have incorporated ESG requirements into Property Management Agreements, where possible. This includes ESG related performance KPIs. For its wider supplier-base, SREIM has a Supplier Code of Conduct, which also includes ESG requirements. • Tenant engagement – Investment and Property Managers are required to regularly engage with tenants on ESG. For all buildings, (actively managed as well as single-let buildings), engagement includes provision of guidance such as sustainable fit-out guides and occupier handbooks. For actively managed buildings, where possible and appropriate, engagement also includes: tenant meetings, events, satisfaction surveys and ‘building community’ web-sites. On a pilot basis, SREIM has launched an occupier engagement app in 2022 for one of its funds, and is exploring innovative solutions to further increase tenant engagement. • Local community engagement – Investment and Property Managers determine the level of community engagement appropriate to individual assets. In 2022, some of the community engagement initiatives included Charity donations, Community health and wellbeing initiatives, Enhancement programs for public spaces. • Employee engagement – SREIM employees are active participants in the SREIM ESG program and are required to feedback on what they believe to be key risks and opportunities. Internal training to the real estate team is ongoing through regular discussion on asset opportunities as well as regulatory requirements together with external consultants, the property managers and other advisers. There are regular real estate sustainability specific formal sessions each year run by Head of Sustainability and Impact Investment supported by Schroders Capital Real Estate Research and third party consultants. • Industry associations – SREIM is an active participant in many sustainability and real estate related industry associations. Schroders Capital Real Estate is a member of several industry bodies including the Better Buildings Partnership (BBP). In 2022 Schroders Capital joined the Urban Land Institute’s C-Change project to mobilise the European real estate industry to decarbonise.
<p>Materiality: determining the relevance and significance of</p>	<p>SREIM conducts a materiality refresh on an annual basis, and in 2022 this was done internally with sign-off from Real Estate Head of risk.</p> <p>This materiality analysis includes various elements:</p>

<p>an issue to an organization and its stakeholders</p>	<ul style="list-style-type: none"> • Legislation review – Understanding current and emerging regulations. • Peer review – Analysis of peer sustainability programs. • Technical competency – Both within leadership (SREIMs Head of Real Estate Sustainability and Impact Investment), through training across all levels of the employee-base, and through use of external sustainability consultants. • Review and application of best practice industry guidance and reporting frameworks including GRESB, INREV and UNPRI, • Stakeholder engagement (e.g. investors, investment managers, local communities, suppliers) • Participation in industry associations <p>This process captures the long list of sustainability risks, opportunities, and stakeholders. Risks and opportunities are prioritized into a short list, through application of several quantitative scoring criteria, including:</p> <ul style="list-style-type: none"> • impact (economic, reputation, regulation and environmental) • likelihood • influence • stakeholder interest
<p>Responsiveness: an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions and performance, as well as communication with stakeholders</p>	<p>SREIM remains responsive to all its stakeholders as well as any emerging ESG related topics and impacts. In 2022, SREIM continued their work on addressing climate related risks with their TCFD assessments and reporting, taking up thorough legislation compliance mapping across all the funds, preparatory work for upcoming regulations like SFDR etc., participating in voluntary initiatives like UN PRI Survey, GRESB, EPRA, INREV etc.</p> <p>SREIM has been actively working towards its Pathway to Net Zero and is committed to monitor, report and improve on its progress. The annual refresh of materiality and participation in various industry forums, ensures timely and relevant consideration of upcoming sustainability topics in the ESG strategy.</p> <p>Late 2022 the SREIM Sustainability Team was expanded with an Energy & Net Zero Carbon Lead joining to further strengthen SREIM's response to Net Zero Carbon.</p> <p>As explained above, the communication with stakeholders is achieved through various modes and the ESG topics are an important part of these considerations. Other than the wider quarterly and annual reports, there are regular newsletters which are sent out to the tenants with ESG related issues.</p>
<p>Impact: Organizations should monitor, measure and be accountable for how their actions impact broader ecosystems</p>	<p>SREIM measures, monitors and discloses their impacts through reporting within funds and companies' financial reports (aligned with INREV/EPRA requirements), which includes both quantitative and qualitative disclosures covering a range of ESG disclosures including legal compliance. Additionally, various other reporting and communication mechanisms, supporting integration into 'business as usual'.</p> <p>These include:</p> <ul style="list-style-type: none"> • Fund Strategy Statements dictate the fund ESG strategy for the year and include sustainability objectives. Issued internally on an annual basis, this acts as a statement of intent for the fund, confirms priorities and ensures buy-in from fund managers and requires Investment Committee approval. • Portfolio Sustainability Progress Reviews (completed in Spring and Autumn) are formal review meetings, including investment managers, fund managers, property managers, the Head of Real Estate Sustainability and Impact Investment and external sustainability consultants. Held internally on a six-monthly basis,

	<p>these sessions review progress and performance against recent objectives and agree forward-looking priorities.</p> <ul style="list-style-type: none">• Sustainability Action Plans (SAPs) are asset level action plans setting out agreed improvement initiatives, timescales, costs, and responsibilities. These are in place for managed assets. <p>Annual reporting also includes industry benchmarking initiatives such as GRESB, UNPRI and the BBP's Real Estate Environmental Benchmark (REEB). All of these reports have been or are being submitted for 2022 reporting year</p>
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Findings, conclusions and recommendations

The Principles:

Nothing came to Sustainable1's attention to suggest that the Company's Report does not adhere to the AA1000 Principles.

Data reliability:

The Company has implemented rigorous processes to collect and aggregate the Specified environmental performance information. Upon evaluating this system, Nothing came to Sustainable1's attention to suggest that data was not accurate overall. Any corrections were made as necessary.

Assurance provider

Sustainable1 has been researching, standardizing and validating corporate environmental performance data since 2000. Sustainable1's research team has the relevant professional and technical competencies and experience to conduct an assurance to the AA1000 standard.

Sustainable1 has conducted this assurance independently and impartially and in compliance with S&P Global's policies and procedures, including its Code of Business Ethics that provide a framework relating to ethical conduct, conflict of interest and compliance with law.

S&P Global Sustainable1, a business of S&P Global Inc.

London, November 2023



Richard Mattison
Vice-Chair, Sustainable1



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