

ESG Targets

Updated November 2020

Strategy Area	Target Area	Target
Being a Responsible Employer	Valuing Employees	We actively encourage employee input into how Clipstone is run. We are committed to being a Real Living Wage employer. We ensure that all directly employed staff are paid above the London Living Wage, as well as all contractors who work at Clipstone's offices or for Clipstone.
Being a Responsible Employer	Training and Personal Objectives	Relevant staff will receive ESG training. More widely, we are committed to supporting staff's continued professional development, either through training provided by Clipstone or enabling staff to attend external courses and events.
Environmental	Landlord Energy Usage	<ol style="list-style-type: none"> 1. In 2020/21 we will start collecting the data required to calculate the landlord-controlled energy usage on all our estates and provide a statistic for portfolio energy intensity and GHG emissions. 2. Using this baseline, we will aim to reduce our energy intensity and GHG emissions. We will set an ambitious but achievable goal for a percentage reduction over the next five years once we know our baseline usage. 3. We will formalise and begin working towards a Net Zero Carbon strategy. 4. We will aim to generate or purchase sufficient renewable electricity to cover over 95% of landlord-controlled electricity consumption. 5. We aim to increase the percentage of our portfolio with smart meters. This will help us closely monitor our energy usage.
Environmental	Tenant Energy Usage	<ol style="list-style-type: none"> 1. We aim to increase our level of collection of energy usage data from our tenants. 2. We will aim to increase the proportion of our tenants using 100% renewal electricity.
Environmental	CIML Carbon Footprint	<ol style="list-style-type: none"> 1. In 2020/21 we will collect data on energy, water, waste at our head office, and other metrics such as staff travel, to enable us to calculate the carbon footprint at a corporate level. 2. We will offset our carbon footprint to become a carbon neutral business. 3. We will ensure that 100% of our purchased energy comes from 100% renewable sources. 4. We will put in place incentive schemes for staff to promote greener travel choices, and to achieve ESG targets for our business.

Environmental	Building Credentials	<p>We will continue to assess sustainability risks and opportunities of our portfolio (including new investments) to ensure assets are future proofed and environmental risks are mitigated and properly priced in by:</p> <ol style="list-style-type: none"> 1. Reducing the percentage of our portfolio where EPC rating is below D, with a view to increasing this target to at least a C or B where economically viable in advance of changes in Minimum Energy Efficiency Standards (MEES) legislation. 2. Risk rating all assets, including an assessment of the risks of climate change. 3. For estates at risk, create improvement plans and implement strategies to mitigate risks. 4. For new investments, identify ESG risks (and opportunities) and associated future actions and costs potentially required to mitigate risks. 5. Target at least BREEAM Very Good on any large development projects and greater consideration of biodiversity, embodied carbon and potential positive environmental impacts at developments. 6. Include relevant environmental and social information into occupier marketing materials. 7. We aim to decrease the number of properties using gas heated boilers in favour of renewable sourced heating. 8. The above goals will be amended as necessary to enable the implementation of our net zero strategy.
Social Responsibility	Contractors and Suppliers	<p>We will require all contractors and regular suppliers to adhere to our Modern Slavery and Supplier Code of Conduct.</p> <p>We will monitor compliance with this Code of Conduct and our Responsible Procurement Policy.</p> <p>We will establish sustainability criteria for refurbishments and developments to include within procurement tenders.</p> <p>Despite not being required to by law, we will produce a Modern Slavery Annual Statement, setting out the steps we have taken to ensure our business and our portfolios are free from Modern Slavery.</p>
Good Governance	Diversity and Inclusion	<p>We require all staff to abide by our Diversity and Inclusion Policy.</p> <p>We acknowledge that CIML is currently not a diverse company and commit to improving this. We will maintain statistics on our diversity in terms of gender, ethnicity, and socio-economic background. We aim to</p>

		<p>improve these statistics and will build this into our hiring process.</p> <p>We will also aim to do our bit to improve diversity within the property industry by undertaking outreach and educational and work experience programs with local underrepresented groups of young people.</p>
Good Governance	Reporting and Benchmarking	<p>We will aim by 2025 to report in line with EPRA in our REIT annual report.</p> <p>We will look to join UKGBC to gain knowledge and help with our ambitions to be a more sustainable real estate business.</p>