


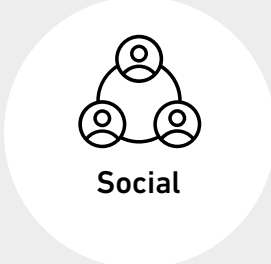

Our ESG targets



Sustainability Strategy to 2030

Our Sustainability strategy maps the journey CLS will take up to 2030, with the key targets and milestones set appropriately to reflect the position we are starting from against each material element. Our strategy is summarised below.

We believe that sustainable outcomes and shareholder returns are not a zero-sum game. Properly valuing and integrating sustainability risks and opportunities into our business strategy provides resilience to future disruption and unlocks potential for future growth. Building a resilient business means taking steps to prepare and adapt before regulation requires it, or the environment and our customers demand it. A sustainable operating model and strategy reduces material risks to our reputation and balance sheet. Crucial to this is our commitment to being a Net Zero Carbon business by 2030.

 <p>Environmental</p>	 <p>Social</p>	 <p>Governance</p>
<p>A positive environmental impact We will invest in our properties and collaborate with occupiers to sustainably manage natural resources, support local environments and build resilience to climate risks; delivering future-ready assets.</p> <p>Net Zero Carbon Pathway See page 58 of Annual Report & Accounts 2022</p>	<p>Creating shared value We will create and share value with our stakeholders by engaging collaboratively with our occupiers, supporting local communities and partnering with our supply chain.</p> <p>Social Value Framework See page 78 of Annual Report & Accounts 2022</p>	<p>Being a responsible business Strong governance and transparency will provide the basis for demonstrating our values, supporting people and working with our stakeholders to uphold high standards.</p> <p>Monitoring and regulatory reporting See page 90 of Annual Report & Accounts 2022</p>

Targets

(for more detail see our Sustainability Strategy document on our website)
www.clsholdings.com/sustainability/our-perspective



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Our ESG targets

Environment

Our Strategy – A positive environmental impact

We will invest in our properties and collaborate with occupiers to sustainably manage natural resources, support local environments and build resilience to climate risks, delivering future-ready assets

UN SDGs Covered

UN Goal	Applicable Target	Applicable Indicator
 Affordable and clean energy	7.2	7.2.1
	7.3	7.3.1
 Responsible consumption and production	12.5	12.5.1
	12.6	12.6.1
 Climate action	13.2	13.2.2
 Life on land	15.5	15.5.1

Long-Term Targets

Net Zero

Our properties and operations will be Net Zero Carbon by 2030 at least in line with Science Based Targets and CRREM pathways

BREEAM

All new developments to achieve a minimum of BREEAM 'Excellent' (or equivalent)

Reduce water consumption

Like-for-like portfolio reduction in potable water consumption of 20% from 2019 by 2030

Rewild

Rewild 10% of maintained grassland under management by 2025

2023 Focus Areas

- Reduce carbon emissions and energy use in line with the Net Zero Carbon Pathway (4% like-for-like) and complete planned energy efficiency and PV projects
- Reduce energy intensity in top 15 energy-consuming buildings by 5% or more compared to 2022
- Maintain or improve EPC (or country equivalent) ratings and the plans to upgrade all D-rated buildings in the UK
- Undertake pilot assessments on embodied and whole life carbon for achieving net zero carbon buildings
- Increase smart meter roll out for all utilities to >80% coverage
- Undertake waste education initiatives at assets covering >80% waste generation
- Release Biodiversity Net Gain and Rewilding Plan and commence implementation
- Start update to BREEAM In-use V6 whilst maintaining ratings and clear plans to reach at least 'Very Good'



Our ESG targets

Social

Our Strategy – Creating shared value

We will create and share value with our stakeholders by engaging collaboratively with our tenants, supporting local communities and partnering with our supply chain.

UN SDGs Covered

UN Goal	Applicable Target	Applicable Indicator
 1 No poverty	1.2	1.2.2
 4 Quality education	4.4	4.4.1
 5 Gender equality	5.1	5.1.1
	5.5	5.5.2
 8 Decent work and economic growth	8.6	8.6.1
 10 Reduced inequalities	10.2	10.2.1
 11 Sustainable cities and communities	11.7	11.7.1

Long-Term Targets

Promote Health & Wellbeing

Design and manage our properties to promote the health, wellbeing and satisfaction of our tenants

Tenant satisfaction surveys across our managed portfolio will measure progress.

Invest in Communities

Invest in our local communities and provide support to disadvantaged groups and charitable causes, with a commitment to publish the Social Value of our business in our 2025 Group Annual Report.

Achieve Living Wage Foundation accreditation by 2025

Invest in People

Invest in the development, wellbeing and mental health of our employees.

Every employee will have access to:

- a multi-disciplinary health and wellness programme
- a dedicated training and development budget

2023 Focus Areas

- Improve occupier engagement and experience including piloting online occupier portals, refreshed handbooks and welcome packs
- Grow our social value, focusing on measures under 'Improved employability of young people' outcome
- Improve social value measurement further by covering more measures from our framework in line with National Themes, Outcomes and Measures (TOMs)
- Deepen key charity and community partnerships aligned to Social Value Framework
- Gain and maintain Living Wage Foundation accreditation
- Continue implementation of new Diversity, Equity and Inclusion plan



Our ESG targets

Governance

Our Strategy – Being a responsible business

Strong governance and transparency will provide the basis for demonstrating our values, supporting people, and working with our stakeholders to uphold high standards.

Reporting, Benchmarking & Commitment Frameworks

A fundamental part of our sustainability strategy is to be transparent and follow recognised and widely accepted voluntary standards for reporting and benchmarking our sustainability impacts, performance, risks and opportunities as well as regulatory reporting requirements.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



TCFD

TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

Long-Term Targets

Responsible procurement

Promote the ethical procurement of goods and services across our value chain and adopt an enhanced Responsible Procurement Policy across our supply chain

Prompt payment

Meet the Prompt Payment Code target with 95% of invoices from SMEs paid within 30 days

ESG-linked loans

50% of Group debt comprised of ESG-linked loans by 2030

Investment

Further integrate sustainability into our investment and financing strategies

2023 Focus Areas

- Improve compliance with prompt payment code focusing particularly on % SMEs paid within 30 days
- Increase % of Group debt comprised of ESG-linked loans above current c.20%
- Provide 90% of employees with 4 hours or more of job-specific training in sustainability
- Create more non-financial incentives (awards & recognition) to encourage employee action on sustainability