# Real Estate ESG Responsibility Report 2024

Federated Hermes
Private Markets

www.federatedhermes.com/real-estate
For professional investors only

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# Welcome

**At Federated Hermes, we believe real estate can help facilitate dynamic and positive change across our society – a view that has informed our approach to enduring, responsible wealth creation since our origin in 1983.**

This report reflects our deeply held belief that exceptional placemaking is about building thriving communities and prioritising the wellbeing of both people and planet.

We recognise that delivering resilient real estate that is relevant to its local market is the best way to manage risk and improve positive long-term outcomes for both our clients and the communities in which we work.

**Chris Taylor, Chairman**
**Federated Hermes Real Estate**

At Federated Hermes Real Estate, we are deeply committed to embedding best-in-class ESG principles across every facet of our business – whether in investment, asset management or development. This commitment is not an end in itself but is driven by a clear purpose: to create better outcomes for the people who use the spaces we design and manage, and for the clients who entrust us with their capital.

Over the past year, our teams have delivered market-leading initiatives that advance these priorities, setting new standards for sustainability and responsible investment. We are proud of the progress made and invite you to explore the highlights in this report.

**Mark Russell, CIO**
**Federated Hermes Real Estate**

Real estate has a critical role to play in shaping a more resilient and equitable future. Our approach is investing with purpose on behalf of our clients and is guided by three foundational pillars: a Connected Approach to investment, a commitment to being Nature Positive, and a focus on long-term Social Impact. The physical risks posed by climate change, from supply chain disruption to rising insurance costs, are no longer abstract. They are real, material, and urgent. Ignoring them undermines future value. As we move forward, we will continue to share our progress and insights, demonstrating how sustainability helps preserve and unlock long-term value in our assets.

**Katerina Papavasileiou, ESG and Responsibility Director**
**Federated Hermes Real Estate**

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# We specialise in purpose-led regeneration and placemaking that delivers for occupiers, visitors and investors

## Who we are

We are a global leader in active, responsible investment with over $845 billion of assets under management, including almost $17bn in Private Markets, as of 30 September 2025.

Since 1983, we have driven the evolution of best-practice stewardship and have become one of the world's largest providers of engagement and stewardship services.

## Caretaking, not just placemaking

We specialise in purpose-led regeneration and placemaking that delivers for occupiers, visitors and investors. By enhancing local environments and strengthening communities, we create vibrant, inclusive spaces that support wellbeing, growth and opportunity while ensuring the creation of resilient assets that will deliver on our client's investment objectives.

As a **fund manager**, we oversee performance and strategy at the fund level, including investment transactions, portfolio management, risk management, governance and the delivery of client-led solutions for our investors.

As an **asset and investment manager,** we oversee performance at property level, including operational strategy, tenant leasing transactions and capital expenditure, refurbishment and active management programmes in line with our clients' objectives. We work closely with stakeholders such as local authorities, occupiers, schools and residents to ensure each place reflects community priorities.

As a **development manager,** through MEPC, our specialist development platform, we build futurist places that deliver positive environmental, social and economic impact. MEPC is a values-driven, forward-thinking developer with a heritage that stretches back over 75 years.

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# Our real estate expertise

Our real estate team includes specialists in regeneration, placemaking and thematic investments. Our aim is to always create resilient, relevant real estate solutions for our clients.

**1983**
Our first investment in real estate

**60**
Number of team members

**20**
Average years' experience

**£4.1bn**
Assets under management

**Office**
£1.6bn

**Retail**
£0.7bn

**Industrial**
£1.0bn

**Residential**
£0.6bn

**Other**
£0.2bn

Data as of 30th September 2025

# Progress Highlights

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## Net Zero

### 25% reduction in Energy Use Intensity (EUI) by 2025

**27%**

reduction in absolute emissions compared to our 2018 baseline

### Develop asset level Net Zero Transition Plans for 100% of the managed portfolio

**53%**

of the portfolio has a Net Zero Audit

### Achieve maximum generation of renewable energy on site

**20%**

increase in on-site renewable energy production since 2023

### Increase Scope 3 data collection

**36%**

increase in Scope 3 tenant utility data

## Biodiversity and Nature

### New and ambitious requirements for all development projects

Core Biodiversity Requirements and new targets included in our Design Innovation Standard, used for all development projects

### Identify new ways to incorporate nature

Urban farm walls installed in all build-to-rent assets

## Key

— Target

— Progress

## Social Impact

### Expand school engagement programme

Paradise, Birmingham was the fourth of our sites to begin continuous and meaningful school engagement

### Continue measuring and reporting Social Value data

**£1,892,371** of Social and Local Economic Value was delivered at Wellington Place

**£493,888** in Social and Local Economic Value has been delivered at NOMA

## Climate Resilience

### Undertake climate risk assessments

- Completed detailed physical climate scenario analysis
- Calculation of the value at risk due to climate and obsolescence risk

## Green Certifications

### Maintain Green Building Certifications (GBCs) and investigate the new certifications

**24**

GBCs maintained and achieved on new and operational buildings

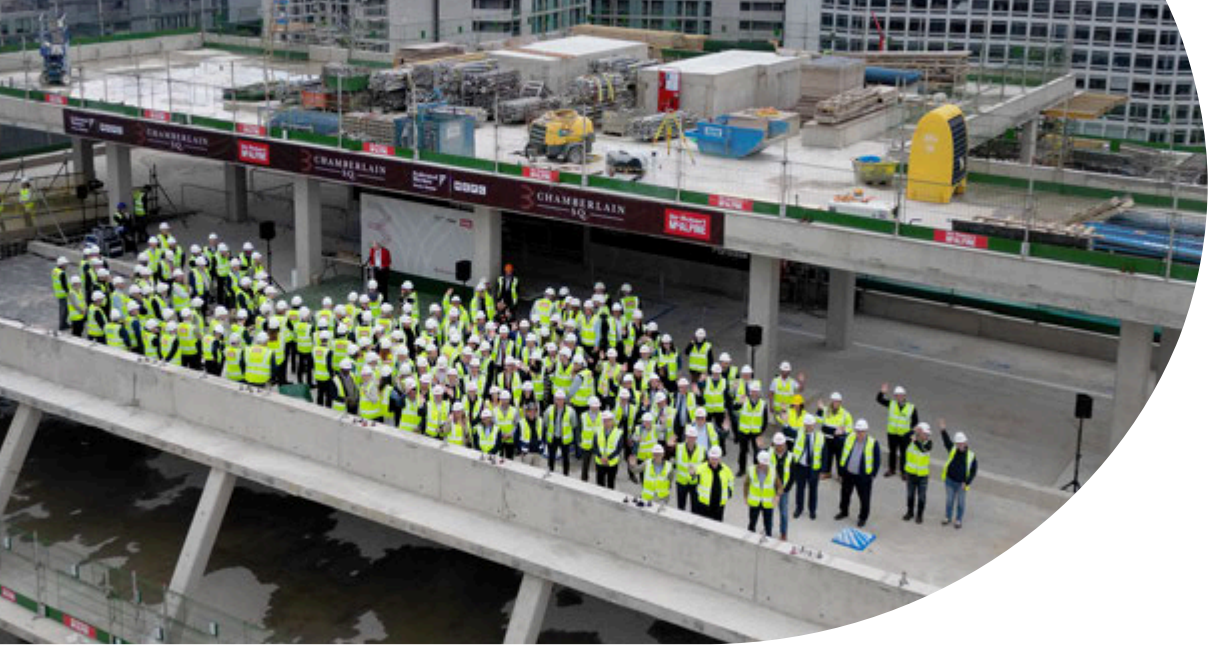
Wellesbourne, Brighton was the first residential scheme in the UK to achieve new sustainable transport certification, ModeScore

## Industry Engagement

### Actively participate in industry bodies sharing expertise and lessons learnt

Hosted the Better Buildings Partnership (BBP) members at NOMA, Manchester

Attendance and contribution at leading industry events such as UKREiiF



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# Driving progress towards our ESG goals

We have a robust governance model that ensures clear ownership, accountability, and structured processes to achieve our targets. We invest in sustainability training for our people and have developed market-leading tools to enable our teams in delivering on our commitments. A key example of this is our newly updated Design Innovation Standard.

## Key new features include:

- ✓ **Expanded biodiversity and social value targets and tracking**
- ✓ **Built-in ESG sign-off process** to ensure oversight and accountability
- ✓ **Project-stage tracking** with clear metrics, KPIs and responsibilities
- ✓ **Improved flexibility** for different asset types

## Our Design Innovation Standard - how we embed sustainability into our developments

Originally launched in 2021 for development and asset managers, our Design Innovation Standard (DIS) ensures that ESG principles are embedded throughout our developments and that our ambitious targets are met.

In 2025, the standard was comprehensively updated to reflect new legislation, industry standards and team feedback. The latest version merges our original DIS and Refurbishment Guide into a single, dynamic platform. Designed for practical use across all project types from new builds to tenant fit-outs, the DIS tracks ESG commitments and targets, alongside clear deliverables and responsibilities.

The standard ensures strong governance and risk management. By standardising ESG tracking across developments, the DIS enhances confidence in data quality, making it easier to compare and evaluate performance.

The DIS has driven success in projects like Three Chamberlain Square, achieving low embodied carbon (449kg$CO_2$/m$^2$) and enhanced wellbeing through smart design.

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# Our Three Pillars

## 1 Nature Positive

**Create a positive impact on nature**

Climate Resilience
- Become net zero in developments and operations by 2035
- Map and plan to mitigate our physical and transitional climate risk

Enhance Biodiversity
- Achieve a net-positive impact on biodiversity
- Reduce deforestation risk throughout operations and supply chain

Embed Circularity
- Promote adaptability and ensure that our assets are fully utilised, reused and repurposed
- Incorporate circularity principles in developments and operations

## 2 Social Impact

**Create places where people thrive and feel happy, to help create resilient assets in desirable locations**

Equality of opportunity
- Inclusive regional growth and affordability
- Employment and skills
- Just transition

Enhance communities
- Targeted approach based on local area needs
- Create opportunities for social innovation and ground-up initiatives to flourish
- Resilient and healthy communities

Responsible procurement
- Influence our supply chain

## 3 Connected Approach

**Making our assets part of the solution**

Purposeful partnerships
- Develop impactful partnerships for climate and community resilience
- Collaborate with our occupiers and supply chain to work towards our mutual sustainability ambitions

Deploy our real assets and expertise to solve global challenges
- Create and adopt new processes and / or products that add value to our portfolio and the wider industry
- Support academic research and industry participation

# 1. Nature Positive

# We believe nature must thrive for people and places to prosper

We aim to have a positive impact on the environment, strengthening climate resilience, enhancing biodiversity and working toward net zero carbon by 2035. We're focused on developing regenerative assets and ecosystems that contribute more than they consume.

Built environments face unprecedented challenges due to nature loss and climate change, which will become progressively more severe over coming decades. As such, it is vital to prioritise nature's role when designing, building, and managing both new and existing assets. Careful consideration of the impact of Real Estate on biodiversity is essential to mitigate environmental degradation and to preserve long-term asset value and resilience. Biodiversity loss directly affects the functionality and desirability of real estate assets. Declining ecosystem services such as flood regulation and air purification can lead to increased operational costs, reduced tenant satisfaction, and heightened physical risks.

Moreover, assets located in areas of ecological degradation may face regulatory constraints, reputational risks, and diminished investor appeal. Creating and managing places gives us a great opportunity to enhance nature to not only benefit the environment but occupiers and visitors engaging with the place.

"The Responsibility Office has been shaping Federated Hermes' biodiversity strategy, working closely with investment teams to integrate nature-related impacts and dependencies into our processes, guided by the Taskforce on Nature-related Financial Disclosures' recommendations. Our Real Estate team has led the way, embedding nature considerations across new developments and operational assets. Recognising and managing nature-related risks and opportunities is essential not only for protecting long-term value and improving risk-adjusted returns, but also for supporting resilient, thriving communities."

**Sinthuja Yogarajah, Associate Director - ESG Integration**
**Federated Hermes**

# Progress towards our Net Zero Commitment

In 2019 we set out a Net Zero target in line with the Better Buildings Partnership definition. This includes embodied and operational carbon neutrality, Energy Use Intensity for assets on the Carbon Risk Real Estate Monitor (CRREM) pathway, and Energy Performance Certificate (EPC) ratings of B or above as minimum.

We continue to monitor and advance progress towards our target of being net zero by 2035 with the key commitments below. As of 2024, there are no changes to the initial scope of emissions in the original published Net Zero Pathway.

"Over the last year, progress has been made with new developments which have been designed and delivered fossil-fuel free. We have increased EPC ratings and reduced buildings' Energy Use Intensity through good stakeholder engagement and smart technology deployment. The Net Zero target remains at the heart of planning and implementation for our real estate portfolio in both the short and long term."

**Alistair Purdy, ESG & Sustainability Manager, Federated Hermes Real Estate**

| Target Metrics | Year | | | |
|---|---|---|---|---|
| | 2018 (Baseline year) | 2022 | 2023 | 2024 |
| 1. % of fossil fuel free assets | 16% | 15% | 39% | 36% |
| 2. % of renewables (on-site) already and estimated potential for PVs*: | | | | |
| 2.1. % of assets with existing PV | 2% | 6% | 7% | 10% |
| 2.2. % of total kWh electricity from existing PV | 0.10% | 0.20% | 7.30% | 6.80% |
| 2.3. % of total from PV estimated potential | 27% | 22% | 23% | 53% |
| 3. % of portfolio that meets CRREM* EUI target | 0% | 4% | 8% | 18% |

December 2024 *PV – Photovoltaic (solar energy) * CRREM – Carbon Risk Real Estate Monitor

**Commentary**

Over the last twelve months we have continued to decarbonise our portfolio, decreasing its Energy Use Intensity (EUI) from 2018 and increasing photovoltaic (PV) production.

There was a slight reduction in the number of fossil fuel free assets in 2024 compared to the previous year. This was due to assets moving out of the portfolio. The increase in the percentage of the portfolio that meets the CRREM EUI target in 2024 is due to increased real data collection and work through refurbishments to remove gas and replace with electrical heating to meet the industry CRREM target set for particular asset types.

# Removal of fossil fuels

2024 has seen a reduction in scope 1 and 2 emissions by 1,385t CO2e in absolute terms. The breakdown by scopes is detailed in the table below.

| Scope | 2023 GHG Emissions | | 2024 GHG Emissions | |
|---|---|---|---|---|
| | t CO2e | % | t CO2e | % |
| Scope 1 | 5,867 | 15.4 | 4,313 | 10.4 |
| Scope 2 | 9,926 | 26.1 | 10,095 | 24.4 |
| Scope 3 | 22,148 | 58.4 | 27,052 | 65.2 |
| Total emissions | 37,941 | 100 | 41,460 | 100 |

Based on market and worldwide emission factors
Source: Deepki

**Commentary**
The increase in Scope 3 emissions in 2024 is due to the expansion in data coverage. This has been achieved by increased tenant engagement and the enhanced coverage of anonymised electricity data. In 2024, 96% of our directly managed portfolio was on a verified net zero electricity tariff.

**Meeting the embodied carbon targets in new development and refurbishments**
In 2024, we have been working to reduce embodied carbon at our new developments. Highlights include the commercial building at 3 Chamberlain Square in Birmingham achieving a class-leading upfront embodied carbon figure of 449 $kgCO_2/m^2$ and residential new developments ranging from 415 - 933 $kgCO_2/m^2$. In addition, the use of glued laminated timber in place of structural steel resulted in a reduction of up to 98 $kgCO_2/m$ at a new research and development workspace in Milton Park.

**Achieving EPC B rating or higher**
The amount of area covered by an Energy Performance Certificate (EPC) rated A to B has continued to increase over the last twelve months as areas are refurbished and new buildings are brought into operation.

| Rating | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| A – B | 31.20% | 32.80% | 32.60% | 37.30% | 38.70% |
| C – G | 68.80% | 67.20% | 67.40% | 62.70% | 61.30% |

Source: Deepki

## Achieving an EUI below the UKGBC Advancing Net Zero threshold

Our managed portfolio's Energy Use Intensity (EUI) demonstrated a positive reduction in 2024 from 116kwh/m2 to 111kwh/m2 (Source: Deepki). This was achieved due to the increase of actual data coverage and energy saving implementation, behaviour change and smart technology.

## Case study: Piloting the new UK Net Zero Carbon Building Standard

The UK Net Zero Carbon Building Standard (NZCBS) is a technical standard that sets mandatory requirements for designing, constructing and operating buildings to meet net zero carbon goals. It provides a unified, industry-agreed methodology that includes limits for both operational and embodied carbon emissions.

During 2024, we put two assets forward to take part in the UK NZCBS pilot to test how these assets performed against new industry leading targets for areas such as embodied carbon and renewable energy generation. We look forward to using the new standard on all future development projects.

"It was a pleasure to engage in the Net Zero Carbon Building Standard pilot scheme and contribute to the development of this evolving framework. The collaborative consultation process provided valuable insight into the direction of the standard and continues our commitment to supporting broader sustainability goals."

**Miles Jones, Development Director, MEPC**

## Case Study: Using IBOS technology to accelerate energy savings

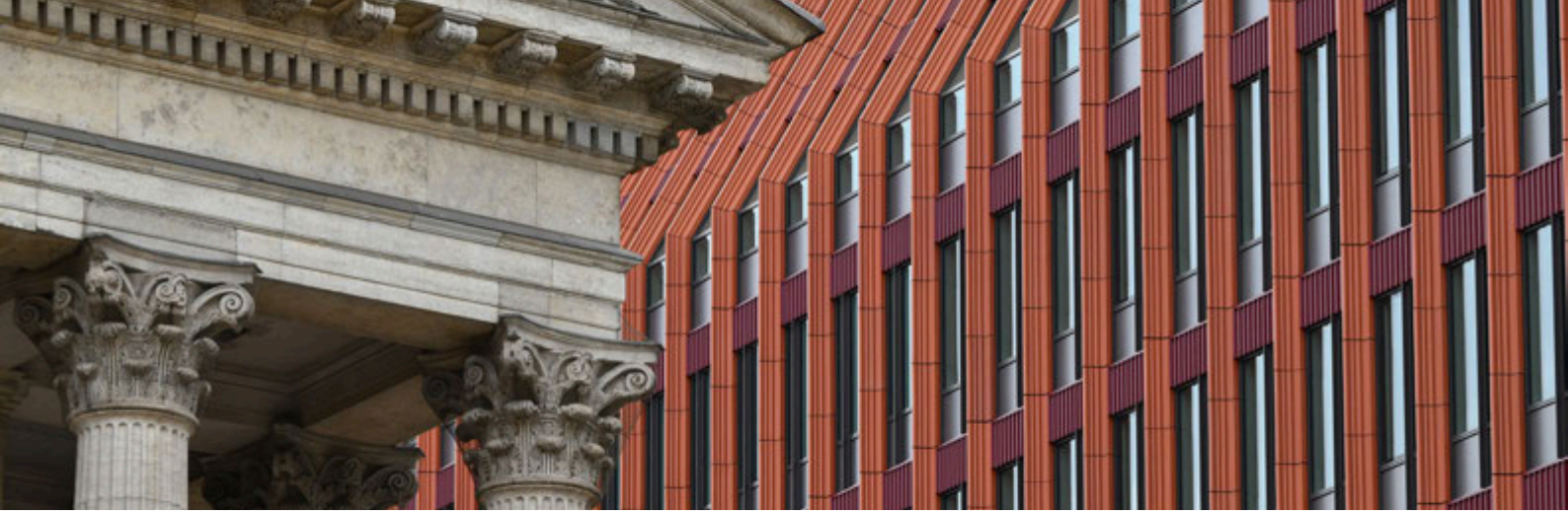
The Intelligent Building Operating System (IBOS) enables buildings to run more efficiently, accelerating energy savings, cutting costs and advancing progress on the path to net zero.

During 2024, IBOS was used across five assets: One Croydon, City Place, Hammersmith Grove, Wimbledon Bridge House and Citygate. Below is a summary of the energy savings achieved at these sites by using IBOS during the year.

| | |
|---|---|
| **15%** average energy saving | **1,358,149** kWh of energy saved |
| **£241,646** in energy cost savings | **296,380** kgCO2e emission savings |

## Case study: Leveraging smart technology at Two Chamberlain Square

Two Chamberlain Square is a 180,000 sq ft office building in the centre of Birmingham. From October 2023 to December 2024, our use of smart technology at the site helped to **achieve 88,601 kWh of electricity savings and 489,346 kWh savings in gas.**



## Three Chamberlain Square: A benchmark in sustainable development

Three Chamberlain Square is a flagship Grade A office building located in the heart of Birmingham. Achieving sectional completion in May 2025, the development marks a major milestone in a project that was designed at the height of the Covid-19 pandemic and broke ground in May 2023.

Catering for the changing nature of office settings, the 190,000 square foot building was built around the themes of sustainability, wellbeing and place.

**Designed with low-carbon principles, it achieved a class-leading upfront embodied carbon figure of 449kg$CO_2$/m². The building secured an EPC A rating, BREEAM Outstanding and is on track to achieve NABERS 5 Stars, WiredScore Platinum and ActiveScore Platinum certifications.**

Key sustainability features include a lean structural design, recycled access flooring, 200 cycle spaces and an 80% recycled aluminium façade.

As of spring 2025, 75% of space is currently secured across three blue-chip tenants. Once completed, these lettings are expected to set a new prime rent benchmark for Birmingham.

"Three Chamberlain Square delivers much needed grade A accommodation to the market and sets a new bench-mark for sustainable development in Birmingham. Built in a prime location, it's inherently low energy and low carbon, whilst being filled with all the amenities and facilities expected by today's occupier."

**Alex Housden,**
**Senior Development Manager, MEPC**

"Three Chamberlain Square is Birmingham's most sustainable office building and, as such, meets CBRE's commitment to decarbonise its operations by 2040. The range of amenities at Paradise and the opportunity to join a community of like-minded, aspirational businesses proved irresistible."

**Will Ventham,**
**Managing Director, CBRE (Birmingham office)**

# Hestia: a platform for sustainable urban living

Our residential platform Hestia invests in homes within neighbourhoods where people aspire to live. Each asset is guided by a strong operational track record, which embeds sustainability all the way from design and development through to management.

All our residential developments including affordable rent, shared ownership and build-to-rent (BTR) homes follow ambitious, detail-orientated development project tracking via our Design Innovation Standard in line with our ESG strategy, targets and legislation.

## Hestia overview

- Over 1.5m sq ft and 2,000 homes created
- Buildings include 1,586 cycle spaces
- Average of 121% BNG (Biodiversity Net Gain) delivered across the portfolio
- High demand for what we are building, showcased by stabilisation after 9 months for MWME (Mercer West Madison East) in Leeds vs. the market average of 12 months
  - Our stabilised portfolio has an occupancy rate of 97.3%
  - Resident retention rate is 58%, ahead of market 53%


"I moved to The Cargo Building in 2020 and feel it's the best rented accommodation I've ever lived in. The best thing about the Cargo is the staff: the team makes the effort to regularly create fun and original community events, really cementing a sense of unity amongst the residents and building."

**Ben, resident at The Cargo Building, Liverpool**

'The Federated Hermes team working on the Hestia platform fully embrace the need for innovation and they strive for the marginal gains which support real word performance beyond just green certifications. This leadership in driving physical change is clearly helping to push them beyond the benchmark demonstrating action is better than simply reporting."

**Hedley Jones, Head of ESG – Refurbishment & Development at Workman LLP**

# Case study: Wellesbourne, Brighton

Wellesbourne, a 229-apartment Built-to-Rent scheme in Brighton, sets a new benchmark for sustainable urban living. It achieved a 35% Biodiversity Net Gain via biodiverse landscaped spaces and is the first residential building in Brighton to install a Square Mile Farm, connecting residents to the local food system. The scheme also generates renewable electricity on-site and the buildings are all electric.

Wellesbourne is also the first UK residential development to achieve ModeScore certification, earning Gold. This recognises its strong sustainable travel offering, including excellent public transport links, secure parking for over 400 bicycles, car club access, EV charging points and nearby cycle hire facilities.

Furthermore, the scheme enhances resident experience with generous shared spaces for socialising and working, complemented by events and communications that embed sustainability into residents' everyday life.


## Introducing urban farming

We have partnered with Square Mile Farms (SMF) to introduce sustainable urban farming across all our UK Build-to-Rent schemes. This exciting initiative aims to bring fresh, locally grown produce directly to residents through the installation of 'living walls', vertical indoor farms that use advanced hydroponic technology to cultivate herbs and grow vegetables year-round.


"City residents are often disconnected from the food system and urban farming offers a creative solution to boost wellbeing and empower more sustainable lifestyles. We hope this innovative initiative brings residents together in a unique and healthy way that enables some creative cooking at home!"

**Ellie Stonestreet, ESG Manager**
**Federated Hermes Real Estate**

"We are excited to be partnering with Federated Hermes to bring this pioneering solution to their residents. By growing in the places where people live, we are helping reconnect them with food and with each other. It's like having an allotment in your home that is growing and thriving every day of the year."

**Patrick Dumas, Founder and CEO**
**Square Mile Farms**

## Managing physical climate risk

Assessing and managing physical climate risk is essential for protecting long-term asset value. As we start to see the increasing effects of climate change and extreme weather worsen, real estate portfolios face increasing threats. Data-driven tools help us to assess our exposure and support more resilient, forward-looking investment decisions.

Our team uses the Climate X platform, which combines global climate models with local defence strategies to evaluate asset-level exposure under different future climate scenarios.

"Climate X is proud to work alongside Federated Hermes to embed physical climate risk into the heart of investment decision-making. Through the Spectra platform, their central ESG team equips fund managers with the data and insight needed to protect value and create sustainable growth."

**Lukky Ahmed, CEO and Co-Founder Climate X**

## Mapping risk

To assess the future risks buildings and places may face, several factors need to be considered. These include geographic location, timescale of the risk and the rate of climate change which will affect weather events, as well as associated affects such as the drying of soils leading to subsidence.

The use of a dynamic tool to assess and visualise acute hazards such as heat, surface flooding and drought, as well as chronic risks like coastal flooding, extreme heat and subsidence, enables management interventions to be formulated and built into asset management plans – reducing risk and protecting capital investment.

"The adoption of the Climate X platform enhances our climate resilience strategy, protecting our communities, supporting regulatory compliance and informing long-term sustainable investment decisions in a changing world."

**Alistair Purdy, ESG and Sustainability Manager Federated Hermes Real Estate**

# Cultivating regeneration at Lauriston Farm in Edinburgh

Lauriston Farm is a 100-acre agroecological urban farm in Edinburgh that integrates food growing, biodiversity and community education. Prior to its establishment in 2019, the site was intensively managed and had suffered significant biodiversity loss.

The sponsorship has contributed to important infrastructure work at the farm, encouraging regenerative practices and supporting community engagement. It's estimated that the social value of the contribution to local communities and ecosystems so far is at least five times greater than the original investment.

Despite a turbulent farming year, the farm significantly expandedits operations in 2024. Cultivated land increased from 3.5 to 13.5 acres, supporting 272 vegetable varieties and the farm's first field-scale grain harvest.

Community growing expanded to 166 households, supported by a new Community Navigator role to tackle participation barriers. A community-built kitchen and pizza oven, crafted from on-site clay, became a vibrant social hub.

Habitat restoration advanced with nearly 14,000 trees and hedgerows planted to date, boosting biodiversity – evidenced by increased bird species and moth recovery.

## Measuring our impact

Understanding Lauriston Farm's unique characteristics is essential to appreciating its full impact. We've developed a bespoke measurement framework to capture robust data across social, environmental and economic outcomes. Through partnerships with researchers and the use of targeted tools, we assess key indicators such as biodiversity enhancement, carbon reduction and improved community wellbeing. These insights help guide future regenerative strategies and ensure that the farm's contribution is both measurable and meaningful.

"It was a privilege to work with Federated Hermes for Lauriston Farm, a project that is both local to us and clearly delivering measurable social and environmental benefits. Through our Social Return on Investment analysis and the development of bespoke KPIs, we demonstrated that **every £1 invested generated over £5 in social value.** This work illustrates how rigorous measurement of impact enables investors to understand and amplify the long-term value their support creates for communities and the natural environment."

**Fran van Dijk, CEO**
**One Stone Advisors**

Lauriston Farm has earned national recognition, including selection as a finalist for BBC Scotland's Food Hero Award.

"The support from Federated Hermes has been essential in us achieving our impact to date. We hope that their visionary investment strategy will be adopted by others in order to foster regenerative approaches to land use that work to increase community connection to land, nature and their food and in doing so improve the health of our communities as well as our ecosystems."

**Lisa Houston, Director and Community Growing Coordinator, Lauriston Farm**

# 2. Social Impact

**We create places where people can thrive. We harness the potential of our assets and places to deliver meaningful social impact by responding to local needs and aligning with community and regional priorities.**

## Partnering with HACT to develop our residential social impact strategy

Our Hestia platform provides ongoing residential management expertise to 14 assets globally with an expose of circa £550m.

We partnered with HACT, the leading social housing charity, to explore how social value can be further understood, applied and embedded within our living portfolio which includes both build-to-rent and affordable schemes.

We worked collaboratively with HACT to develop a clear framework with targets and recommendations to deliver the most impact, from design through to construction and operation.

We will now use this framework to embed targets into our Design Innovation Standard and start tracking the social impact of our schemes using HACT's Social Value Insights Tool (SVI). This is a combination of quantitative data collection via existing data from developments and completing resident surveys.

"We're really pleased to have supported Federated Hermes to build on its extensive track record of delivering tangible social value. We've worked closely with the team to enhance social impact measurement capabilities, implement new frameworks and deliver strategies which drive and deliver real impact for local communities from both current and future developments."

**Andrew van Doorn OBE**
**Chief Executive, HACT**

"We embed a sense of community into everything we do. Doing good is part of our values but it's also good for business. By tracking and understanding metrics, we make sure we get it right. It's a constant evolution."

**Matthew Chillingworth**
**Fund Management Director**
**Federated Hermes Real Estate**

## Centre:MK – a hub for culture, community and commerce

At the heart of Milton Keynes since 1979, Centre:MK continues to deliver meaningful social value far beyond retail. From the outset, we have played a central role in shaping the centre's long-term vision: to be an inclusive, vibrant destination that supports people, place and prosperity.

In 2024, we commissioned independent consultancy Hatch to complete an economic and social impact assessment of the centre to assess the role it plays within Milton Keynes and the wider region.

In 2025, Centre:MK received the Social Value Management Certificate Level 2: Implement, from Social Value International, a global network dedicated to changing how the world accounts for social, environmental and economic impact. It is the only retail, hospitality and city centre destination worldwide to hold this recognition.

## Highlights

| | |
|---|---|
| **4,900** | FTE jobs in the UK |
| **£120m+** | of investment over the last 10 years |
| **£480m** | in Gross Value Added (GVA) in South East of England and London |
| **200+** | days of cultural and community events throughout the year |
| **8,000+** | plants and trees, and first carbon-neutralising shopping centre roof in the UK |
| **107** | apprentices and traineeships supported in 2023 across 132 on-site retailers |
| **£688,300** | in social value generated - a curated 'open to all' strategy helped the Centre:MK win the Revo Respect Award. |

"The 40th Anniversary of Centre:MK in 2019 highlighted that it is ingrained into the DNA of residents born and brought up in Milton Keynes as the focal point for the centre of the city and the community."

**Edward Sellick, Director of Investment Management, Federated Hermes Real Estate**

"Centre:MK is exceptionally valuable to the city – not just in terms of the retail offer it has, but also how it goes about attracting people and inward investment from large retail brands."

**Councillor Peter Marland, Leader, Milton Keynes City Council**

# Journey of Change – from exclusion to empowerment

Journey of Change is a transformative programme we founded in 2018, designed to tackle inequality and unlock opportunity for young people across the UK. It is a targeted initiative to support young people who were at risk of becoming NEET (Not in Education, Employment or Training). These students often faced a complex mix of challenges, from low academic attainment, limited career guidance, and mental health struggles.

Working in partnership with UK-based social impact consultancy Ahead Partnership and local schools, the programme brings students to modern workplaces to meet mentors from diverse backgrounds. From apprentices to CEOs, professionals across different sectors such as law, hospitality, and engineering, shared their journeys, helping students see what was possible.

**In each location, the programme adapts to local needs while staying true to its core purpose: building confidence, broadening horizons and inspiring ambition.**

We support students from Key Stage 2 (ages 7–11) through to Key Stage 4 (ages 14–16), offering multiple engagement activities throughout their education. These repeated touchpoints with businesses and role models provide students with a wealth of advice and guidance from real working professionals within their community.

"At its heart, Journey of Change is about inclusion, opportunity and aspiration. Thanks to Federated Hermes and MEPC's long-term outlook and commitment, thousands of young people across the UK are now walking a different path, one filled with possibility, purpose, and pride."

**Megan Lipp,**
**Head of Growth,**
**Ahead Partnership**

"We believe real estate is about more than bricks and mortar, it's about creating vibrant, inclusive environments where people and communities can truly thrive. The Journey of Change embodies our commitment to inclusive growth, and through our programmes with Ahead Partnership, we're proud to unlock potential, inspire ambition and help shape brighter futures for young people across the UK."

**Dominique Murray,**
**Associate Marketing Director,**
**Federated Hermes Real Estate**

**To date, Journey of Change has:**

- **supported 5,767 young people**
- **engaged 542 volunteers**
- **involved 131 businesses**
- **partnered with 30 schools**

**Student feedback shows that:**

- **90% felt more confident after attending workshops**
- **93% discovered new opportunities**
- **88% felt motivated to try harder at school**


## Case Study: Paradise, Birmingham

The newly launched 'Paradise Unlocked' programme introduced young people to local employers. The Future Skills Unlocked event combined masterclasses, workplace visits and a creative design sprint challenge.

**146** young people participated in four events

**95%** increased their knowledge about roles in the world of work

## Case Study: Milton Park, Oxfordshire

The 'Explore Milton Park' programme offered a series of ten engagement activities designed to boost local students' awareness of STEM (Science, Technology, Engineering and Mathematics) careers. A key highlight was a sustainability event demonstrating the range of roles in green skills and showcasing entry routes into these careers.

**94%** of students said the experience helped them consider their goals after school

**87%** said the programme improved their self-belief and confidence

"We make it easy for occupiers to get involved with their communities and this creates a real sense of belonging."

**Anna Fletcher, Senior Marketing and Communications Manager, Milton Park**

## Volunteer feedback

Volunteers from the businesses involved with Journey of Change were overwhelmingly positive, with 100% willing to take part again. They particularly valued the chance to engage with underrepresented groups and act as role models.

"I haven't participated in an event like this before. I didn't know what to expect but the young people I spoke to were inspirational."

**Volunteer (occupier)**

## Measuring our social impact

We are dedicated to creating meaningful social impact through our placemaking schemes. We currently use the Social Value Portal to measure the difference our neighbourhood initiatives are making on the ground via the TOM's (Themes, Outcomes, Measures) framework.

## Measuring social impact at NOMA, Manchester

NOMA is a 20-acre, mixed-use neighbourhood in Manchester city centre that blends restored heritage architecture with modern and sustainable design principles.

In total, £493,888 in Social and Local Economic Value has been delivered at NOMA in 2024: a 61% growth year-on-year vs 2023.

Click here to learn more

## Top 5 TOMs: delivery overview

**248,234** – Innovative measures to enable healthier, safer and more resilient communities

**£135,518** – Donations or in-kind contributions to local community projects (£ + materials)

**£26,795** – Resources dedicated to green spaces, biodiversity or ecosystems

**£23,650** – Initiatives to support older, disabled and vulnerable people with community networks

**180** – No. of hours supporting unemployed people into work

## Case Study: Altogether Otherwise – Creativity and community at NOMA

Altogether Otherwise, a creative community space at NOMA, has welcomed thousands of people to over 480 free activities in its first year. The initiative transformed a disused printing house into a thriving 'hobby-house' that fosters wellbeing, creativity and connection.

Highlights include 2,000 hours of community-led creativity, 1,000 meals prepared for those facing food poverty and 6,000km clocked by the 'Eat the Frog' running club.

Local businesses benefit from free space and support, while initiatives like the Evening Gardening Club have turned a former car park into a vibrant urban garden.

Click here to learn more

"It means so much to celebrate 12 months of Altogether Otherwise. Our endless activities provide a much-needed escape from the results-orientated efficiency that has burrowed into every part of our lives. We're a place to simply be".

**Ben Young, Founder**
**Altogether Otherwise and creative urbanist**

Federated Hermes
Private Markets

## Measuring social impact at Wellington Place, Leeds

Wellington Place is a hub of state-of-the-art offices, independent restaurants, events and public realm steeped in history – all just a short walk from Leeds railway station.

In total, **£1,892,371** of Social and Local Economic Value was delivered at Wellington Place in 2024.

Click here to learn more

## Top 5 TOMs: delivery overview

**£1.78M** – Innovative measures to enable healthier, safer and more resilient communities

**£60,162** – Donations or in-kind contributions to local community projects (£ & materials)

**£30,251** – Innovative measures to promote local skills and employment

**£7,876** – Initiatives to engage the community in health or wellbeing initiatives

**£6,579** – Innovative measures to safeguard the environment

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# Case study: Restoring the Wagon Lifting Hoist at Wellington Place

In May 2024, we completed a £1.5m restoration of the historic Wagon Lifting Hoist at Wellington Place – transforming a disused Grade II listed structure into a dynamic cultural and educational hub.

Originally built in 1850, the hoist once played a vital role in the operation of Leeds Central Station. Today, it stands proudly as the Wagon Lifting Hoist Mini Museum and plays a key role in preserving the city's heritage.

The museum's design was shaped using local knowledge and features original station signage, replica steam engine headboards, film installations and an immersive soundscape. More than 20,000 visitors have explored the free museum since its opening, boosting footfall and spend at nearby businesses.

This work exemplifies how heritage-led regeneration can bring historic structures back to life – delivering long-term social value.

"(The Wagon Lifting Hoist) has been loved from afar by local people and you've done the work to allow them to get back into it. It's a really nice feeling."

**Local Resident**

Click here to learn more

## *Before*

## *After*

## Enhancing community safety through responsible asset management

Driven by our Real Estate team and rolled out by our property managers at JLL, our Defibrillator initiative is part of a comprehensive programme to enhance community safety beyond the physical boundaries of our property portfolio. This initiative involved the installation of Automated External Defibrillators (AEDs) across a number of properties.

Each device has been registered with The Circuit, the UK's national defibrillator network, and was supported by awareness campaigns to ensure wider public accessibility. The project's impact was immediately demonstrated when a defibrillator was used on an industrial estate within a week of installation.

This potentially life-saving initiative reflects our commitment to enhancing community safety through responsible asset management.

The initiative was recently recognised with a Gold Award in the 'Property & Estate Management, Community Commitment' category at the International CSR Excellence Awards.

# 3. Connected Approach

# We unite people, purpose and expertise to drive impact across our real estate portfolio. Through strategic partnerships, we collaborate with stakeholders to achieve shared sustainability goals.

## Measuring health and wellbeing with TRUUD

This year, we partnered with TRUUD (Tackling Root causes upstream of Unhealthy Urban Development), a £10 million initiative led by the University of Bristol with a consortium of six leading UK universities. The project aims to embed health considerations into urban planning and investment decisions.

TRUUD piloted a comprehensive evaluation tool across two major developments – St Mary Le Port in Bristol and Paradise in Birmingham. The goal was to strengthen the evidence base for healthier, socially sustainable cities and foster a shared public-private approach to urban regeneration.

**Robust measurement**

TRUUD has created an economic valuation model Health Appraisal of Urban Systems, ('HAUS') that allows developers or planners to consider and adjust a range of health factors. HAUS estimates unit costs for more than 70 health outcomes. The HAUS model incorporates medical and demographic data to estimate the societal costs or benefits of urban design choices – enabling more informed and considered planning. The TRUUD team evaluated health impacts by analysing factors such as air quality, transport accessibility and green space provision.

"Working together with academics and the public sector, **TRUUD is an outstanding case study** in how collaboration and partnership between private and public sectors can provide both policy makers and investors with evidence of how the built environment can deliver an **enhanced quality of life** for all. By applying the HAUS model, we now have **data-backed evidence** to demonstrate that **thoughtful, human-centric design** drives lasting value creation for the people interacting with the place, wider society and our investors. We are honoured to partner with TRUUD on this **pioneering initiative**, which sets a powerful precedent for how the real estate sector can **integrate and prioritise health** into investment decision making."

**Chris Taylor, Chairman,**
**Federated Hermes Real Estate**

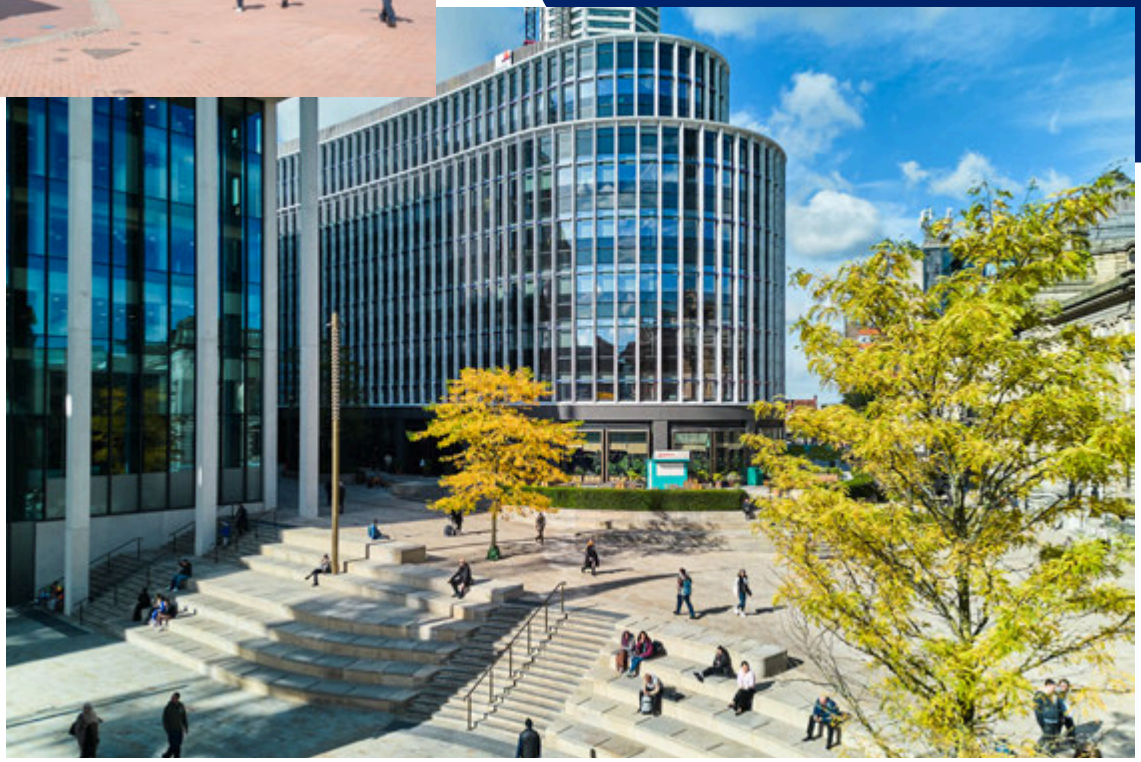
## Case study: Paradise, Birmingham

Paradise is a major regeneration scheme featuring ten new buildings and three public squares in central Birmingham. The masterplan seeks to revitalise underused urban space, expand the public realm and reconnect the city's civic heart.

**Together, these improvements bring the scheme's total projected value to £43 million over 25 years – 85% above the Local Plan scenario.**

*Before*

*After*



## Key findings from TRUUD's evaluation

Phase 2 is projected to deliver:

- £25.7 million in benefits for residents.
- £6.45 million for commuters, driven by improved walkability and safety.
- £6.68 million in averted health costs (35% more value than Local Plan targets).

Phase 3 adds further value through new green spaces:

- £11 million in additional health benefits.
- £8.86 million specifically for residents.

## Case study:
## St Mary Le Port, Bristol

Bristol's City Centre Development Plan aims to revitalise three declining areas: Broadmead, Castle Park and the Old City. The St Mary Le Port site plays a central role in this transformation, with plans for vibrant, mixed-use spaces.

TRUUD's analysis suggests our proposals could save the area nearly £13 million in health-related costs.

"We wanted to know how our new model, HAUS, could inform real estate investors about the long-term health of communities through their asset management development decisions. Our robust new data fills an important gap to spearhead a change of approach for real estate investments. I hope that the real estate investment community look at these examples and investigate how they can apply similar thinking to their own projects.

"Directing capital towards urban settings where health is a more significant part of decision making will help reduce spatial inequalities. We are very grateful for the access to Federated Hermes sites and development teams. Our research evaluation is examining the expected changes to the firm's decision-making, the potential for the research to inform strategy across its asset portfolios and application in financial appraisal."

**Kathy Pain, Professor of Real Estate Development, University of Reading Henley Business School and lead for TRUUD's real estate intervention.**

Click here to learn more

Access the full reports here:
Paradise, Birmingham
St Mary Le Port, Bristol

# Nebula: Pioneering an exciting future for sustainable R&D spaces

Nebula is a £40m new development of seven units across three buildings at Milton Park in Oxfordshire, delivering a high-tech research and development (R&D) workspace of over nearly 80,000 square feet.

**Building in sustainability**

Nebula has been designed to be as sustainable as possible, incorporating features such as glue-laminated (glulam) timber structural beams in place of steel. The total upfront embodied carbon savings of this change in material alone was significant, amounting to 686 tonnes.

## The embodied carbon savings are equivalent to:

52 trips around the equator (25,000 miles in an average UK car)

196 economy class return flights from London to Hong Kong

9,667,054 mugs of tea made with cows' milk

Inclusive facilities such as unisex 'superloos' and accessible WC / showers were incorporated into every unit. By combining modern construction methods, Nebula sets a new benchmark for sustainable and inclusive R&D workspaces in the UK.

"Incorporating glulam structural timber beams in place of steel is believed to be a UK-first for a R&D workspace. We're looking forward to seeing all the buildings in use and welcoming future occupiers to the Milton Park community."

**Kathryn Andrew,**
**Development Manager, MEPC**

"Nebula's new development of large-scale innovation space will support a range of growing industries, helping businesses to get off the ground and progress, and in turn supporting this Government's number one mission of economic growth."

**Lord Vallance, Science Minister and Oxford-Cambridge Innovation Champion**

Click here to learn more

## Creating "neighbourhood magic"

As part of our collaborative approach, we are committed to sharing insights with the industry and leveraging the assets we manage to tackle shared industry challenges. We host site visits like this to foster collaboration, share knowledge, inspire future thinking and spark new ideas.

In June 2024, we hosted a tour for Better Buildings Partnership (BBP) members at the 20-acre NOMA Manchester scheme.

"It was a fascinating and insightful tour, showcasing to BBP members the 'neighbourhood magic' created with incredible passion, encompassing a variety of sites from listed assets to development plots designed for diverse occupiers.

The forward-thinking and creative planning in the design of each unique space was truly inspiring. It is clear that much thought has gone into reimagining a vibrant, inclusive mixed-use community across the estate."

**Jonathan Hulbert, Head of Programme Management, Better Buildings Partnership**

BBP | BETTER BUILDINGS PARTNERSHIP

# Award-winning places

Our leadership in delivering responsible, sustainable places was recognised in 2024 through the following industry awards.

**Wellington Place, Leeds**

WINNER: *'Chairs Award'* at The British Council for Offices (BCOs) Awards

WINNER: *'ESG New-Build Project of the Year – Large'* at Property Week ESG Edge Awards

Highly Commended: *'Excellence in Community Engagement'* at Excellence in Community Engagement

WINNER: 'Refurbishment/Renovation of the Year' at Insider Yorkshire Property Awards

WINNER: 'Social Space' at Northern Design Awards

WINNER: 'Business Engagement Project of the Year' at Modeshift National Sustainable Travel Awards

Highly Commended: 'Energy Saving' at The Green Apple Environmental Awards

**Centre:MK, Milton Keynes**

GOLD: *'Cardon Reduction - Green Roof Project'* at The Green Apple Environmental Awards

Commendation: 'Planting Scheme' at The Green Apple Environmental Awards

WINNER: *'Awarded for 'The Place Between' exhibition'* at International CSR Award

**Milton Park, Oxfordshire**

WINNER: *'Environmental sustainability - other activities'* at UKSPA 40th Anniversary Awards

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Private Markets

**Paradise, Birmingham**

WINNER: *'Commercial Workplace for One Centenary Way'* at The British Council for Offices (BCOs) Awards

WINNER: '*Rob Groves - Chairman's Award*' at The British Council for Offices (BCOs) Awards

**MEPC**

WINNER: *'Chairs Award'* at The British Council for Offices (BCOs) - Northern Awards

**Crystal Peaks, Sheffield**

WINNER: *'Diversity and Inclusion Scheme of the Year'* at Sceptre Awards

**Baskerville House, Birmingham**

SILVER: *'LED Lighting project'* at The Green Apple Environmental Awards

**2 Chamberlain Square, Birmingham**

SILVER: '*Hank / BMS Improvement programme'* at The Green Apple Environmental Awards

**Capital Square, Edinburgh**

SILVER: '*Enhancing environmental sustainability through responsible waste management'* at The Green Apple Environmental Awards

COMMENDATION: '*Energy management and smart systems setting new standards for sustainable building practice'* at The Green Apple Environmental Awards

**33 Glasshouse Street, London**

COMMENDATION: *'Strong sustainability initiatives at the building and inspiring change to drive impact'* at The Green Apple Environmental Awards

# Looking ahead

Throughout 2024 and 2025, we remained dedicated to achieving our strategic objectives. We will soon release our new Nature and Biodiversity strategy, which sets out strong commitments in both our developments and ongoing asset management. We continue to work on decarbonising our existing assets and working on climate adaptation based on identified physical climate risks.

We are developing and accelerating sustainability and social impact across our living portfolio, including innovative new ways to engage with residents. Our collaborative work with property managers is also evolving to ensure our ESG strategy and targets are being met, with clear priorities for every site to help drive real impact on the ground.

# Performance Data

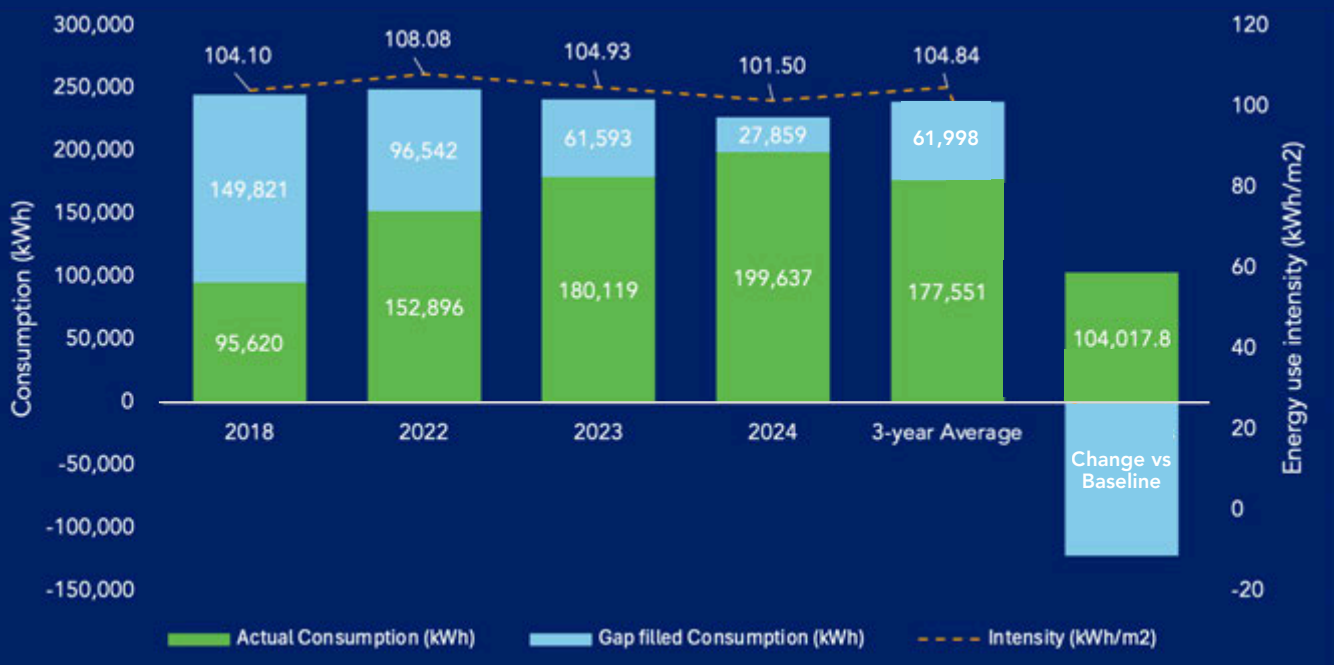
## Improving our data

We have streamlined our sustainability reporting, prioritising assets for action and providing insights for key stakeholders. Having cleansed and validated our energy consumption data back to 2018, our EPC data is also now complete, alongside detailed insights at building, unit and tenant levels.

We benchmark the assets against similar buildings, supporting key investment decisions and CapEx budgeting plans.

## Portfolio Data

**Energy consumption and intensity progress**



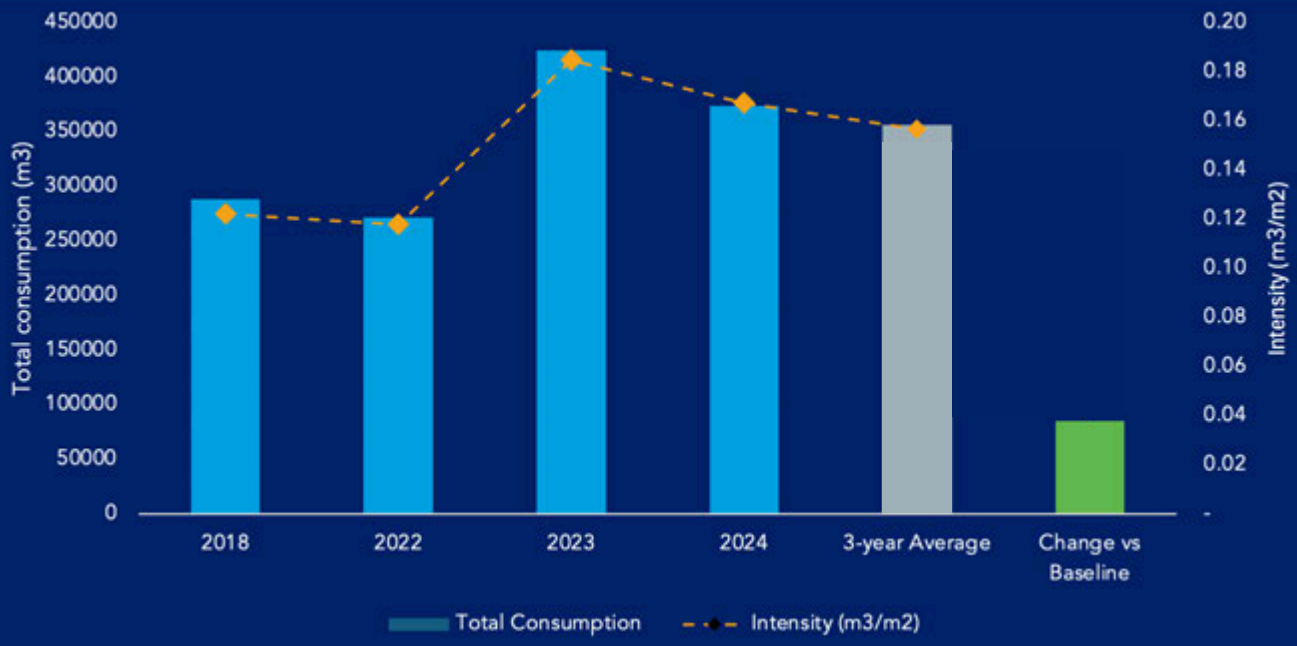

*Gap-filled consumption: Where data sets are not complete, we use Deepki's estimation methodology to increase data coverage using a combination of extrapolation, regression and benchmarking.*

Gap filling has increased as Deepki updated its methodology to increase reliability. The increase in energy consumption can also be attributed to the increased tenant utility data collection through both direct contact and the use of data scrapping tools such as Electralink for electricity consumption.

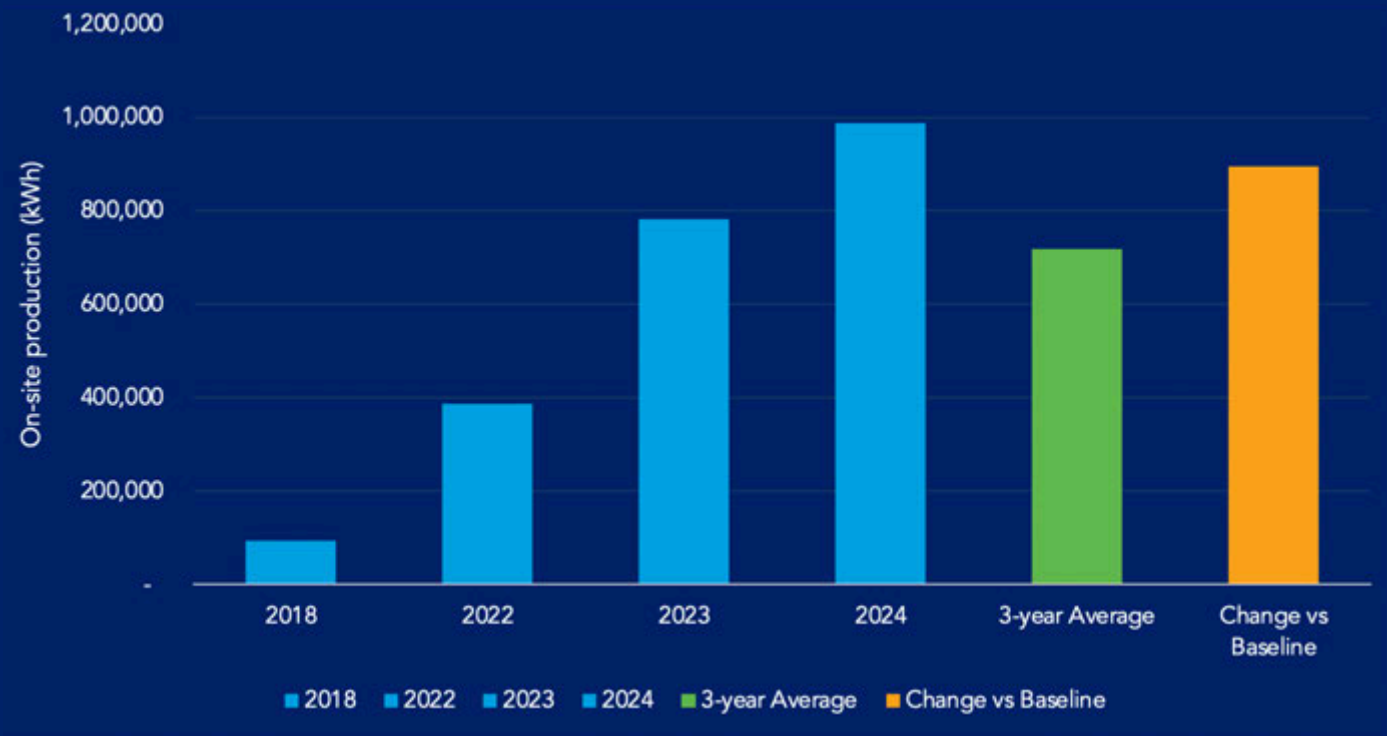
## Portfolio like-for-like emissions


*Gap-filled emissions: Calculated by applying relevant emissions factors to gap-filled consumptions.*

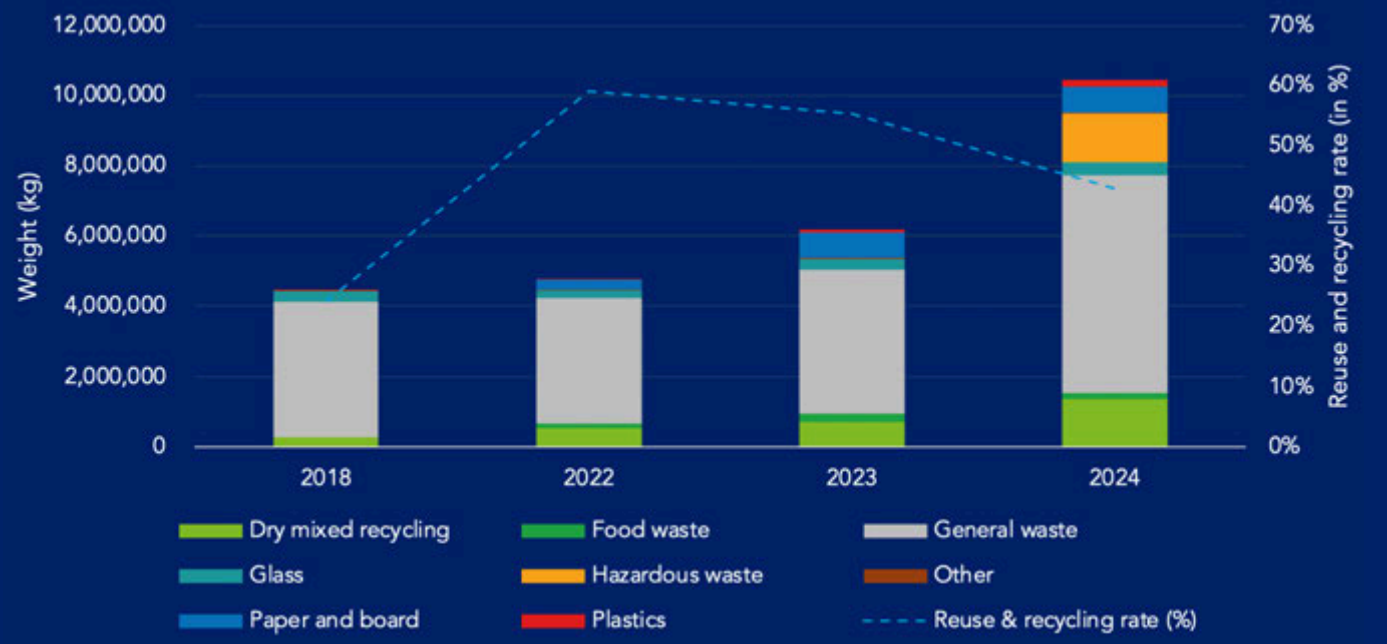
## Water consumption and intensity



## On-site renewable electricity production




## Waste production, waste type, and recycling rates



# Governance

# Governance

- We set targets on a range of ESG considerations and more specifically on carbon emissions, energy intensity, biodiversity and social value as appropriate. A comprehensive monitoring programme is in place to measure, monitor and report on our ESG performance against our targets.
- All data used in ESG reporting is verified and assured by a third party in accordance with the relevant industry standards.
- Detailed progress on our net zero pathway is released publicly on an annual basis.
- UNPRI score in 2023[2]: 98/100 (5/5 stars).
- All our 11 funds (all buildings and joint venture developments) were submitted to GRESB in 2024.
- Progress is reported to our Responsibility office and Governance committee.
- Executive committee and Investment committee have overall responsibility.

## Data governance

In 2024, several projects were undertaken to enhance the collection and management of our ESG data. They included the implementation of a new data platform and a review of all assets, meters and associated certifications. All historic data was transferred to the new platform, allowing our team to track progress. We also completed a project to review the seventeen different data sources used in our management of ESG, compiling the primary source, type and definition of the data collected and stored. This will ensure data sources are transparent and that data boundaries are understood when used to measure progress and inform strategies and investment decisions.

As in previous years, we submitted data to the Real Estate Environmental Benchmark (REEB), run by the Better Buildings Partnership. In 2024, data was submitted for 107 assets, covering energy, waste and water.

"More broadly, Federated Hermes continues to implement enterprise data governance and has improved data maturity year on year across all critical domains. Data ownership and steward models are in place for specialist areas such as ESG and responsibility data which support our strategic goals of effective data management and developing our subject matter expertise."

**Sally Bashuan, Head of Global Data Governance, Federated Hermes**

[2] Reporting was not completed in 2024 due to the reporting requirements already being met.

# Appendices

## Appendix A: 2024 Progress

### Achieve Net Zero by 2035

| Target | Progress in 2024 | Progress update |
|---|---|---|
| 25% reduction in Energy Use Intensity (EUI) by 2025, based on 2018 baseline. | • 27% reduction in absolute emissions compared to our 2018 baseline.<br>• 5% reduction in EUI in 2024 vs 2023. | *In progress* |
| Develop Asset Level Net Zero Transition Plans for 100% of the managed portfolio. | Net Zero Audits completed across 53% of our portfolio. | *In progress* |
| Phase out fossil fuels by 2035. | • Replacing gas boilers with electric, when feasible.<br>• All electric new buildings. | *On track* |
| Achieve EPC B rating or above. | • 81% of EPCs gained in 2024 were rated B or above.<br>• 40% of EPCs by area are rated B or above. | *In progress* |
| Ensure 100% procurement of green electricity for landlord areas. | 96% of our directly managed portfolio was on a verified net zero electricity tariff. | *On track* |
| Decrease energy demand. | • Trialled the use of smart technology in six commercial office buildings.<br>• Occupier engagement to encourage behaviour change. | *In progress* |
| Achieve maximum generation of renewable energy on site. | • 20% increase in on-site renewable energy production since 2023.<br>• Identifying feasibility to increase generation across the portfolio. | *In progress* |
| Develop embodied carbon targets in development and operations. | Aligned to industry targets. | *Achieved* |
| Achieve industry aligned targets for embodied carbon. | • 3 Chamberlain Square in Birmingham achieved 449 $kgCO_2/m^2$.<br>• New residential developments ranged from 415 - 933 $kgCO_2/m^2$. | *Achieved* |
| Increase Scope 3 data collection. | • Increased engagement with occupiers via property management teams to gain more tenant data.<br>• Used data scrapping solutions via Deepki such as Electralink to improve electricity data coverage.<br>• 36% increase in tenant utility data, by area covered. | *In progress* |
| Installation of Electric Vehicle Charging Points (EVCP). | • Feasibility studies and occupier engagement required to check demand at site level.<br>• Install of EVCPs for all new developments. | *In progress* |

## Biodiversity and Nature

| Target | Progress in 2024 | Progress update |
|---|---|---|
| Develop Biodiversity & Nature Strategy. | Developed in partnership with Greengage, the strategy encompasses three core objectives, targets for operational assets and developments and Core Biodiversity Requirements. | *Completed* |
| Roll out the use of new Contractor Landscaping Guidelines. | Property management teams incorporated this into their new tenders and contracts for landscaping providers used. | *Completed* |
| Include a new section with our guidelines for nature and biodiversity in the update of our Design Innovation Standard (DIS). | Core Biodiversity Requirements and new targets included in our DIS for all development projects and asset types. | *Completed* |
| Identify new ways to incorporate nature. | Installed urban farms with Square Mile Farms into all build-to-rent assets. | *In progress* |

## Climate Resilience

| Target | Progress in 2024 | Progress update |
|---|---|---|
| Undertake climate risk assessments that cover both physical and transitional risks to assess current and future impacts from climate-related impacts on portfolio strategy and financial planning. | • Detailed physical climate scenario analysis using screening tool 'Climate X'.<br>• Calculation of value at risk due to climate and obsolescence risk, using benchmark data.<br>• Annual flood risk assessments at asset level. | *In progress* |

## Green Building Certifications

| Target | Progress in 2024 | Progress update |
|---|---|---|
| Maintain Green Building Certifications (GBCs) and investigate the new certifications. | • Maintained and achieved 24 GBCs on operational and new buildings.<br>• Used new GBC 'ModeScore' to encourage active and green travel options. | *In progress* |

## Social Impact

| Target | Progress in 2024 | Progress update |
|---|---|---|
| Develop our framework for residential. | Developed in partnership with HACT. | *Completed* |
| Expand school engagement programme in collaboration with The Ahead Partnership. | Paradise, Birmingham was the fourth of our sites to begin continuous and meaningful school engagement, the first flagship event was in July 2024. | *In progress* |
| Continue measuring and reporting Social Value data for NOMA and Wellington Place. | • £1,892,371 of Social and Local Economic Value was delivered at Wellington Place in 2024.<br>• £493,888 in Social and Local Economic Value has been delivered at NOMA in 2024. | *Completed* |
| Identify assets for Social Value assessments. | Completed Social Audits for Fleets Corner Business Park, Poole and Fareham Reach, Gosport. | *In progress* |

## Reporting

| Target | Progress in 2024 | Progress update |
|---|---|---|
| Ensure compliance with ESOS, SECR and MEES regulation. | • Two submissions completed for SECR.<br>• Two submissions completed for ESOS.<br>• Ongoing compliance with MEES regulations. | *Completed* |

## Industry Engagement

| Target | Progress in 2024 | Progress update |
|---|---|---|
| Actively participate in industry bodies sharing expertise and lessons learnt. | • Hosted the Better Buildings Partnership (BBP) members at NOMA, Manchester.<br>• Attendance and contribution at leading industry events such as UKREiiF.<br>• Joining working groups hosted by the BBP, UK GBC and more. | *In progress* |
| Support research projects. | Began work with university consortium 'TRUUD' to incorporate health and wellbeing into urban development investment decision making. | *In progress* |

# Appendix B: Reporting Methodology

## Report coverage, material aspects and boundaries

Our ESG Responsibility Report for real estate is designed to show how we integrate responsibility throughout our portfolio, including governance, strategy, risk assessment and management. We focus on issues which are material to both our business and our stakeholders.

We actively engage with investors on the sustainability performance of our indirectly held property portfolios and incorporate feedback from the Global Real Estate Sustainability Benchmark (GRESB).

We have made no significant changes to the scope of the materiality assessment since publishing our last annual report. In this report, we describe both directly managed assets and indirectly held assets in our portfolio globally for the period from 1 January to 31 December 2024.

We report key environmental and social data for UK assets over which we have management control for the same period.

Engaging with stakeholders and supply chain is critical to our success. These stakeholders include the investors who own the assets, the contractors we appoint through direct service agreements to work on our properties, the tenants that occupy our assets, and the wider communities in which our properties are based.

We also screen all our new suppliers in the UK across environmental, social, human rights and modern slavery criteria. To date, we have no evidence of potential social harm in our directly controlled supply chain. We also work with selected real estate and financial sector organisations to help transform the industry and engage with policymakers in the UK and the European Union.

For more details on our ESG activities, please visit: www.hermes-investment.com

# Appendix C: Verco data verification statement

Independent Limited Assurance Report

Verco Advisory Services Limited ("Verco") have been engaged by Federated Hermes Ltd ("FHL") to provide limited assurance on selected non-financial information disclosed in their 2025 Global Real Estate Sustainability Benchmark ("GRESB") submission (the "Report") for the year ended December 31, 2024.

### Scope

The subject matter of our limited assurance engagement includes the following specified performance indicators for the period 01/01/2024 to 31/12/2024, as defined by FHL:

- Energy consumption, Water consumption, Waste generation, Solar PV energy generation, GHG emissions (Scope 1 and Scope 2).

The assurance covers FHL's UK real estate investment funds on an operational control basis.[3]

### Reporting Criteria

The Report has been prepared by FHL in accordance with the GRESB reporting criteria.

### Respective Responsibilities

FHL's Responsibilities: The management of FHL is responsible for the preparation and presentation of the disclosed information in accordance with the applicable criteria, and for maintaining adequate internal control relevant to the preparation of the Report to ensure it is free from material misstatement.

Verco's Responsibilities: Our responsibility is to express a limited assurance conclusion on the subject matter based on the procedures performed and the evidence obtained.

### Our Approach

The assurance engagement was performed in a limited level, referencing the below standards:

- ISAE 3000 (Revised), Assurance Engagement Other than Audits or Reviews of Historical Financial Information (2013).
- ISO 14064-3:2019 Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas statements.

A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence to support a conclusion. Our work included, but was not limited to:

- Inquiries with relevant personnel at corporate and site levels to understand the data collection and reporting processes;
- Examination, on a sample basis, of source data and other information used to prepare the reported indicators;
- Analytical review of data and trends;
- Recalculation of selected metrics; and
- Review of the GRESB submission for consistency with the assured data.

[3] Excluding: BTPS (waste); FHPUT (waste); MetroPut (waste); Paradise (waste); Silverstone (GHG).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Limitations of the Engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. Our assurance scope did not include:

- The completeness or accuracy of data not subject to assurance;
- Forward-looking statements;
- Any activities outside the defined assurance period;
- Site visits.

### Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the specified performance indicators, as defined under the subject matter above, for the year ended 31 December 2024, has not been prepared, in all material respects, in accordance with the applicable reporting criteria.

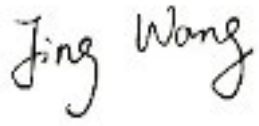
### Our independence, impartiality and quality control

VERCO applies a Code of Practice and related policies founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest.

Our certified management systems (ISO 9001, ISO 14001, ISO27001), cover independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

### Restriction on Use

This report is intended solely for the use of FHL and its stakeholders, and should not be used for any other purpose without our prior written consent.



Jing Wang
Head of Assurance

Bath, United Kingdom
27th June 2025
**Verco Advisory Services Limited**

# Appendix D: 2024 Data Tables[4]

## UK Direct Property

| | 2018 | 2022 | 2023 | 2024 | 3-year Average | Change vs Baseline |
|---|---|---|---|---|---|---|
| **Energy** | | | | | | |
| **Absolute** | | | | | | |
| No. assets | **130** | **131** | **133** | **134** | | |
| Consumption (kwh) | 144,150,111.82 | 143,850,075.91 | 140,807,236.33 | 130,956,497.31 | 138,537,936.52 | (13,193,614.51) |
| Intensity (kwh/m2) | 122.82 | 122.63 | 116.45 | 106.02 | 115.03 | (16.80) |
| **Like-for-like** | | | | | | |
| No. assets | **95** | **95** | **95** | **95** | | |
| Consumption (kwh) | 123,059,720.50 | 118,195,447.04 | 114,286,204.74 | 103,717,310.53 | 112,066,320.77 | (19,342,409.96) |
| Intensity (kwh/m2) | 131.52 | 126.32 | 122.15 | 110.85 | 119.77 | (20.67) |
| **Emissions** | | | | | | |
| **Absolute** | | | | | | |
| Total Emissions (kgCO2e) | 38,308,242.51 | 29,714,464.18 | 29,621,902.49 | 27,891,619.09 | 29,075,995.26 | (10,416,623.42) |
| Intensity (kgCO2e/m2) | 32.64 | 25.33 | 24.50 | 22.58 | 24.14 | (10.06) |
| **Like-for-like** | | | | | | |
| Total Emissions (kgCO2e) | 32,872,358.33 | 24,457,750.45 | 24,062,713.73 | 20,253,717.24 | 22,924,727.14 | (12,618,641.09) |
| Intensity (kgCO2e/m2) | 35.13 | 26.14 | 25.72 | 21.65 | 24.50 | (13.49) |
| **Water** | | | | | | |
| **Absolute** | | | | | | |
| Total Consumption (m3) | 204,155.74 | 188,170.09 | 301,636.93 | 279,634.60 | 256,480.54 | 75,478.86 |
| Intensity (m3/m2) | 0.17 | 0.16 | 0.25 | 0.23 | 0.21 | 0.05 |
| **Like-for-like** | | | | | | |
| Total Consumption (m3) | 174,736.13 | 154,838.41 | 271,683.94 | 179,662.86 | 202,061.74 | 4,926.73 |
| Intensity (m3/m2) | 0.19 | 0.17 | 0.29 | 0.19 | 0.22 | 0.01 |
| **Waste** | | | | | | |
| **Absolute** | | | | | | |
| Total Production (kg) | 2,496,260.21 | 2,527,054.25 | 4,117,642.43 | 6,124,112.45 | 4,256,269.71 | 3,627,852.24 |
| Intensity (kg/m2) | 2.13 | 2.15 | 3.41 | 4.96 | 3.51 | 2.83 |
| **Like-for-like** | | | | | | |
| Total Production (kg) | 2,377,445.06 | 2,100,941.95 | 3,325,696.82 | 4,563,620.61 | 3,330,086.46 | 2,186,175.56 |
| Intensity (kg/m2) | 2.55 | 2.25 | 3.57 | 4.89 | 3.57 | 2.34 |

**Commentary:**

Since 2022, UK Direct Property has seen consistent reductions in energy consumption and GHG emissions in both absolute and like-for-like terms. This reflects the overall strategy to improve efficiency. Increases in water consumption demonstrate a significant improvement in data coverage in the reporting period, with only a small change in water intensity.

Increases in water consumption demonstrate a significant improvement in data coverage in the reporting period, with only a small change in water intensity.

[4] As of 31 December 2024.

# Centre:MK, Milton Keynes

| | 2018 | 2022 | 2023 | 2024 | 3-year Average | Change vs Baseline |
|---|---|---|---|---|---|---|
| **Energy** | | | | | | |
| **Absolute** | | | | | | |
| No. assets | 5 | 4 | 4 | 4 | | |
| Consumption (kwh) | 35,588,143.91 | 33,172,067.95 | 29,888,208.21 | 25,198,270.13 | 29,419,515.43 | (10,389,873.78) |
| Intensity (kwh/m2) | 247.98 | 258.29 | 232.72 | 196.20 | 229.07 | (51.78) |
| **Like-for-like** | | | | | | |
| No. assets | 2 | 2 | 2 | 2 | | |
| Consumption (kwh) | 35,087,234.95 | 33,158,617.95 | 29,874,762.41 | 25,184,677.63 | 29,406,019.33 | (9,902,557.32) |
| Intensity (kwh/m2) | 327.61 | 309.60 | 278.94 | 235.15 | 274.56 | (92.46) |
| **Emissions** | | | | | | |
| **Absolute** | | | | | | |
| Total Emissions (kgCO2e) | 9,962,161.95 | 6,858,860.81 | 6,331,267.94 | 4,985,490.69 | 6,058,539.81 | (4,976,671.26) |
| Intensity (kgCO2e/m2) | 69.42 | 53.40 | 49.30 | 38.82 | 47.17 | (30.60) |
| **Like-for-like** | | | | | | |
| Total Emissions (kgCO2e) | 9,812,490.35 | 6,856,060.52 | 6,328,379.78 | 4,982,647.14 | 6,055,695.81 | (4,829,843.21) |
| Intensity (kgCO2e/m2) | 91.62 | 64.01 | 59.09 | 46.52 | 56.54 | (45.10) |
| **Water** | | | | | | |
| **Absolute** | | | | | | |
| Total Consumption (m3) | 43,832.82 | 24,128.45 | 42,565.99 | 40,770.20 | 35,821.55 | (3,062.62) |
| Intensity (m3/m2) | 0.31 | 0.19 | 0.33 | 0.32 | 0.28 | 0.01 |
| **Like-for-like** | | | | | | |
| Total Consumption (m3) | 22,808.72 | 23,619.12 | 42,565.99 | 40,770.20 | 35,651.77 | 17,961.48 |
| Intensity (m3/m2) | 0.21 | 0.22 | 0.40 | 0.38 | 0.33 | 0.17 |
| **Waste** | | | | | | |
| **Absolute** | | | | | | |
| Total Production (kg) | 776,705.00 | 1,277,310.00 | 1,402,510.00 | 1,127,291.21 | 1,269,037.07 | 350,586.21 |
| Intensity (kg/m2) | 5.41 | 9.95 | 10.92 | 8.78 | 9.88 | 3.37 |
| **Like-for-like** | | | | | | |
| Total Production (kg) | 776,705.00 | 1,277,310.00 | 1,402,510.00 | 1,127,291.21 | 1,269,037.07 | 350,586.21 |
| Intensity (kg/m2) | 7.25 | 11.93 | 13.10 | 10.53 | 11.85 | 3.27 |

**Commentary:**

The Centre:MK now collects electricity network data, meaning we can report a significant improvement of around 10m KWh in 2024 vs 2018.

In 2024, water and waste data coverage improved, leading to higher reported figures than previously.

# Hestia Residential Portfolio (UK assets)

| | 2018 | 2022 | 2023 | 2024 | 3-year Average | Change vs Baseline |
|---|---|---|---|---|---|---|
| **Energy** | | | | | | |
| **Absolute** | | | | | | |
| No. assets | 2 | 5 | 6 | 7 | | |
| Consumption (kwh) | 4,594,399.77 | 4,678,738.28 | 5,246,163.53 | 5,516,854.85 | 5,147,252.22 | 922,455.08 |
| Intensity (kwh/m2) | 160.83 | 64.02 | 69.38 | 54.66 | 62.69 | (106.18) |
| **Like-for-like** | | | | | | |
| No. assets | 2 | 2 | 2 | 2 | | |
| Consumption (kwh) | 4,594,399.77 | 4,324,994.29 | 3,765,358.66 | 3,963,266.23 | 4,017,873.06 | (631,133.54) |
| Intensity (kwh/m2) | 160.83 | 151.40 | 131.81 | 138.74 | 140.65 | (22.09) |
| **Emissions** | | | | | | |
| **Absolute** | | | | | | |
| Total Emissions (kgCO2e) | 1,372,806.65 | 974,113.31 | 1,125,524.35 | 1,145,380.40 | 1,081,672.69 | (227,426.25) |
| Intensity (kgCO2e/m2) | 48.06 | 13.33 | 14.89 | 11.35 | 13.19 | (36.71) |
| **Like-for-like** | | | | | | |
| Total Emissions (kgCO2e) | 1,372,806.65 | 900,463.81 | 808,799.04 | 829,115.29 | 846,126.05 | (543,691.36) |
| Intensity (kgCO2e/m2) | 48.06 | 31.52 | 28.31 | 29.02 | 29.62 | (19.03) |
| **Water** | | | | | | |
| **Absolute** | | | | | | |
| Total Consumption (m3) | | 1,336.00 | 21,519.55 | 86,669.88 | 36,508.48 | 86,669.88 |
| Intensity (m3/m2) | - | 0.02 | 0.28 | 0.86 | 0.39 | 0.86 |
| **Like-for-like** | | | | | | |
| Total Consumption (m3) | | 1,336.00 | 19,230.43 | 20,926.70 | 13,831.04 | 20,926.70 |
| Intensity (m3/m2) | - | 0.05 | 0.67 | 0.73 | 0.48 | 0.73 |
| **Waste** | | | | | | |
| **Absolute** | | | | | | |
| Total Production (kg) | 2,512.20 | 150,511.95 | 186,523.40 | 383,345.37 | 240,126.91 | 380,833.17 |
| Intensity (kg/m2) | 0.09 | 2.06 | 2.47 | 3.80 | 2.77 | 3.71 |
| **Like-for-like** | | | | | | |
| Total Production (kg) | 2,512.20 | 150,511.95 | 186,523.40 | 153,724.00 | 163,586.45 | 151,211.80 |
| Intensity (kg/m2) | 0.09 | 5.27 | 6.53 | 5.38 | 5.73 | 5.29 |

**Commentary:**

The inclusion of new assets has led to increases in absolute energy consumption and emissions. However, good like-for-like improvements can be seen at the Cargo Building and Pomona Wharf. Please note, the number of assets includes two affordable schemes and one PSBA scheme where there was limited data availability in 2024.

# Milton Park, Oxfordshire

| | 2018 | 2022 | 2023 | 2024 | 3-year Average | Change vs Baseline |
|---|---|---|---|---|---|---|
| **Energy** | | | | | | |
| **Absolute** | | | | | | |
| No. assets | **56** | **56** | **55** | **54** | | |
| Consumption (kwh) | 68,615,511.34 | 63,812,302.20 | 64,248,813.07 | 62,059,488.15 | 63,373,534.47 | (6,556,023.20) |
| Intensity (kwh/m2) | 80.90 | 75.24 | 76.60 | 74.09 | 75.31 | (6.81) |
| **Like-for-like** | | | | | | |
| No. assets | **43** | **43** | **43** | **43** | | |
| Consumption (kwh) | 54,779,006.48 | 52,208,996.97 | 52,656,865.66 | 51,061,881.52 | 51,975,914.71 | (3,717,124.96) |
| Intensity (kwh/m2) | 68.60 | 65.38 | 65.94 | 63.95 | 65.09 | (4.66) |
| **Emissions** | | | | | | |
| **Absolute** | | | | | | |
| Total Emissions (kgCO2e) | 18,680,127.37 | 13,325,470.82 | 13,521,730.72 | 12,176,348.05 | 13,007,849.87 | (6,503,779.32) |
| Intensity (kgCO2e/m2) | 22.02 | 15.71 | 16.12 | 14.54 | 15.46 | (7.49) |
| **Like-for-like** | | | | | | |
| Total Emissions (kgCO2e) | 15,054,930.55 | 10,961,208.40 | 11,112,814.11 | 10,108,925.55 | 10,727,649.35 | (4,946,004.99) |
| Intensity (kgCO2e/m2) | 18.85 | 13.73 | 13.92 | 12.66 | 13.43 | (6.19) |
| **Water** | | | | | | |
| **Absolute** | | | | | | |
| Total Consumption (m3) | 29,826.02 | 31,482.84 | 43,877.92 | 20,298.41 | 31,886.39 | (9,527.62) |
| Intensity (m3/m2) | 0.04 | 0.04 | 0.05 | 0.02 | 0.04 | (0.01) |
| **Like-for-like** | | | | | | |
| Total Consumption (m3) | 29,826.02 | 31,482.84 | 43,877.92 | 20,061.41 | 31,807.39 | (9,764.62) |
| Intensity (m3/m2) | 0.04 | 0.04 | 0.06 | 0.03 | 0.04 | (0.01) |
| **Waste** | | | | | | |
| **Absolute** | | | | | | |
| Total Production (kg) | | 362,565.00 | 131,462.00 | 1,798,257.90 | 764,094.97 | 1,798,257.90 |
| Intensity (kg/m2) | - | 0.43 | 0.16 | 2.15 | 0.91 | 2.15 |
| **Like-for-like** | | | | | | |
| Total Production (kg) | | 362,565.00 | 131,462.00 | 1,451,617.90 | 648,548.30 | 1,451,617.90 |
| Intensity (kg/m2) | - | 0.46 | 0.17 | 1.83 | 0.82 | 1.83 |

**Commentary:**

Strong performance can be seen at Milton Park across energy, emissions and water consumption – both in absolute and like-for-like terms. 23 assets in the fund are collecting electricity data from the network operator, meaning we have high data coverage for energy and emissions.

# NOMA, Manchester

| | 2018 | 2022 | 2023 | 2024 | 3-year Average | Change vs Baseline |
|---|---|---|---|---|---|---|
| **Energy** | | | | | | |
| **Absolute** | | | | | | |
| No. assets | **9** | **10** | **11** | **11** | | |
| Consumption (kwh) | 2,521,248.03 | 4,963,566.99 | 5,300,621.23 | 5,822,473.16 | 5,362,220.46 | 3,301,225.13 |
| Intensity (kwh/m2) | 45.50 | 89.22 | 71.49 | 78.52 | 79.74 | 33.02 |
| | | | | | | |
| **Like-for-like** | | | | | | |
| No. assets | **8** | **8** | **8** | **8** | | |
| Consumption (kwh) | 2,521,248.03 | 4,963,566.99 | 4,814,075.63 | 4,509,852.46 | 4,762,498.36 | 1,988,604.43 |
| Intensity (kwh/m2) | 48.41 | 95.31 | 92.44 | 86.60 | 91.45 | 38.18 |
| | | | | | | |
| **Emissions** | | | | | | |
| **Absolute** | | | | | | |
| Total Emissions (kgCO2e | 692,691.34 | 1,019,163.64 | 1,120,646.64 | 1,186,300.28 | 1,108,703.52 | 493,608.94 |
| Intensity (kgCO2e/m2) | 12.50 | 18.32 | 15.11 | 16.00 | 16.48 | 3.50 |
| | | | | | | |
| **Like-for-like** | | | | | | |
| Total Emissions (kgCO2e | 692,691.34 | 1,019,163.64 | 1,016,136.65 | 911,700.03 | 982,333.44 | 219,008.69 |
| Intensity (kgCO2e/m2) | 13.30 | 19.57 | 19.51 | 17.51 | 18.86 | 4.21 |
| | | | | | | |
| **Water** | | | | | | |
| **Absolute** | | | | | | |
| Total Consumption (m3) | | 256.45 | 13,279.12 | 15,154.91 | 9,563.50 | 15,154.91 |
| Intensity (m3/m2) | - | 0.00 | 0.18 | 0.20 | 0.13 | 0.20 |
| | | | | | | |
| **Like-for-like** | | | | | | |
| Total Consumption (m3) | | 256.45 | 12,991.42 | 13,736.91 | 8,994.93 | 13,736.91 |
| Intensity (m3/m2) | - | 0.00 | 0.25 | 0.26 | 0.17 | 0.26 |
| | | | | | | |
| **Waste** | | | | | | |
| **Absolute** | | | | | | |
| Total Production (kg) | 20,355.50 | 14,788.00 | 105,031.80 | 120,959.40 | 80,259.73 | 100,603.90 |
| Intensity (kg/m2) | 0.37 | 0.27 | 1.42 | 1.63 | 1.10 | 1.26 |
| | | | | | | |
| **Like-for-like** | | | | | | |
| Total Production (kg) | 20,355.50 | 11,337.00 | 70,786.60 | 108,240.20 | 63,454.60 | 87,884.70 |
| Intensity (kg/m2) | 0.39 | 0.22 | 1.36 | 2.08 | 1.22 | 1.69 |
| | | | | | | |

**Commentary:**

Data coverage has improved significantly for the NOMA fund since 2018. Small reductions are typically seen across energy and emissions consumption in both absolute and like-for-like terms. Waste data coverage has also greatly increased since 2022.

# Paradise, Birmingham

| | 2022 | 2023 | 2024 | 3-year Average |
|---|---|---|---|---|
| **Energy** | | | | |
| **Absolute** | | | | |
| No. assets | **2** | **3** | **3** | |
| Consumption (kwh) | 9,613,884.98 | 10,682,977.75 | 13,502,042.82 | 11,266,301.85 |
| Intensity (kwh/m2) | 254.27 | 168.24 | 212.64 | 211.72 |
| **Emissions** | | | | |
| **Absolute** | | | | |
| Total Emissions (kgCO2 | 1,967,907.03 | 2,246,419.66 | 2,696,614.53 | 2,303,647.07 |
| Intensity (kgCO2e/m2) | 52.05 | 35.38 | 42.47 | 43.30 |
| **Water** | | | | |
| **Absolute** | | | | |
| Total Consumption (m3) | 1,799.00 | 5,627.00 | 8,075.43 | 5,167.14 |
| Intensity (m3/m2) | 0.05 | 0.09 | 0.13 | 0.09 |
| **Waste** | | | | |
| **Absolute** | | | | |
| Total Production (kg) | 561,041.00 | 846,950.90 | 167,876.00 | 525,289.30 |
| Intensity (kg/m2) | 14.84 | 13.34 | 2.64 | 10.27 |

**Commentary:**

2024 saw a reduction in energy and emissions consumption compared with 2022. One Centenary Way became operational part-way through 2023, meaning 2022 is a more useful comparison.

# Silverstone Park, Towcester

| | 2018 | 2022 | 2023 | 2024 | 3-year Average | Change vs Baseline |
|---|---|---|---|---|---|---|
| **Energy** | | | | | | |
| **Absolute** | | | | | | |
| No. assets | **15** | **17** | **17** | **17** | | |
| Consumption (kwh) | 5,907,864.40 | 11,083,584.94 | 10,620,053.13 | 10,268,015.83 | 10,657,217.97 | 4,360,151.43 |
| Intensity (kwh/m2) | 62.06 | 92.88 | 89.00 | 86.05 | 89.31 | 23.99 |
| **Like-for-like** | | | | | | |
| No. assets | **13** | **13** | **13** | **13** | | |
| Consumption (kwh) | 5,486,365.20 | 8,280,868.14 | 7,468,848.03 | 7,138,599.55 | 7,629,438.57 | 1,652,234.35 |
| Intensity (kwh/m2) | 72.29 | 109.11 | 98.41 | 94.06 | 100.53 | 21.77 |
| **Emissions** | | | | | | |
| **Absolute** | | | | | | |
| Total Emissions (kgCO2 | 1,762,902.08 | 2,313,807.11 | 2,286,733.45 | 2,152,444.01 | 2,250,994.86 | 389,541.92 |
| Intensity (kgCO2e/m2) | 18.52 | 19.39 | 19.16 | 18.04 | 18.86 | (0.48) |
| **Like-for-like** | | | | | | |
| Total Emissions (kgCO2 | 1,639,325.92 | 1,724,076.75 | 1,604,308.56 | 1,493,395.03 | 1,607,260.11 | (145,930.90) |
| Intensity (kgCO2e/m2) | 21.60 | 22.72 | 21.14 | 19.68 | 21.18 | (1.92) |
| **Water** | | | | | | |
| **Absolute** | | | | | | |
| Total Consumption (m3 | 447.00 | | 5,076.41 | 3,660.19 | 4,368.30 | 3,213.19 |
| Intensity (m3/m2) | 0.00 | - | 0.04 | 0.03 | 0.02 | 0.03 |
| **Like-for-like** | | | | | | |
| Total Consumption (m3 | 447.00 | | 5,076.41 | 3,575.61 | 4,326.01 | 3,128.61 |
| Intensity (m3/m2) | 0.01 | - | 0.07 | 0.05 | 0.04 | 0.04 |
| **Waste** | | | | | | |
| **Absolute** | | | | | | |
| Total Production (kg) | 45,300.00 | 44,700.00 | 94,730.00 | 133,314.55 | 90,914.85 | 88,014.55 |
| Intensity (kg/m2) | 0.48 | 0.37 | 0.79 | 1.12 | 0.76 | 0.64 |
| **Like-for-like** | | | | | | |
| Total Production (kg) | 45,300.00 | 44,700.00 | 94,730.00 | 100,810.00 | 80,080.00 | 55,510.00 |
| Intensity (kg/m2) | 0.60 | 0.59 | 1.25 | 1.33 | 1.06 | 0.73 |

**Commentary:**

Silverstone Park saw greater electricity data coverage in 2024: 8 out of the 17 assets are now collecting network operator data. This data is not available for 2018, which is why increases in energy intensity are seen over this period.

Similarly with water and waste, data coverage improved in 2024 leading to higher reported consumption.

# Wellington Place, Leeds

| | 2018 | 2022 | 2023 | 2024 | 3-year Average | Change vs Baseline |
|---|---|---|---|---|---|---|
| **Energy** | | | | | | |
| **Absolute** | | | | | | |
| No. assets | 8 | 9 | 10 | 10 | | |
| Consumption (kwh) | 9,927,921.46 | 11,191,927.09 | 10,550,000.29 | 11,110,724.08 | 10,950,883.82 | 1,182,802.62 |
| Intensity (kwh/m2) | 103.94 | 99.40 | 73.40 | 77.30 | 83.37 | (26.64) |
| **Like-for-like** | | | | | | |
| No. assets | 7 | 7 | 7 | 7 | | |
| Consumption (kwh) | 9,011,878.66 | 6,933,878.34 | 5,831,860.47 | 5,339,018.78 | 6,034,919.19 | (3,672,859.88) |
| Intensity (kwh/m2) | 108.54 | 83.51 | 70.24 | 64.31 | 72.69 | (44.24) |
| **Emissions** | | | | | | |
| **Absolute** | | | | | | |
| Total Emissions (kgCO2 | 2,590,762.30 | 2,276,327.16 | 2,200,380.50 | 2,141,338.67 | 2,206,015.44 | (449,423.63) |
| Intensity (kgCO2e/m2) | 27.12 | 20.22 | 15.31 | 14.90 | 16.81 | (12.23) |
| **Like-for-like** | | | | | | |
| Total Emissions (kgCO2 | 2,348,616.21 | 1,410,096.60 | 1,212,008.72 | 1,001,185.59 | 1,207,763.64 | (1,347,430.62) |
| Intensity (kgCO2e/m2) | 28.29 | 16.98 | 14.60 | 12.06 | 14.55 | (16.23) |
| **Water** | | | | | | |
| **Absolute** | | | | | | |
| Total Consumption (m3 | 20,411.67 | 20,391.90 | 21,237.67 | 29,230.64 | 23,620.07 | 8,818.96 |
| Intensity (m3/m2) | 0.21 | 0.18 | 0.15 | 0.20 | 0.18 | (0.01) |
| **Like-for-like** | | | | | | |
| Total Consumption (m3 | 19,929.67 | 13,076.14 | 13,147.64 | 12,094.23 | 12,772.67 | (7,835.44) |
| Intensity (m3/m2) | 0.24 | 0.16 | 0.16 | 0.15 | 0.15 | (0.09) |
| **Waste** | | | | | | |
| **Absolute** | | | | | | |
| Total Production (kg) | | 149,279.60 | 203,205.20 | 236,505.50 | 196,330.10 | 236,505.50 |
| Intensity (kg/m2) | - | 1.33 | 1.41 | 1.65 | 1.46 | 1.65 |
| **Like-for-like** | | | | | | |
| Total Production (kg) | | 106,175.00 | 118,778.00 | 130,047.50 | 118,333.50 | 130,047.50 |
| Intensity (kg/m2) | - | 1.28 | 1.43 | 1.57 | 1.43 | 1.57 |

**Commentary:**

Wellington Place saw decreases in all like-for-like metrics, except for waste where data coverage has steadily improved, leading to higher reported consumption.

Like-for-like energy and emissions show particular improvement, highlighting continued efficiency gains and good operational management.

# FHPUT (Federated Hermes Property Unit Trust)

| | 2018 | 2022 | 2023 | 2024 | 3-year Average | Change vs Baseline |
|---|---|---|---|---|---|---|
| **Energy** | | | | | | |
| **Absolute** | | | | | | |
| No. assets | **96** | **82** | **80** | **69** | | |
| Consumption (kwh) | 41,124,058.71 | 40,955,774.62 | 37,665,658.75 | 35,044,403.67 | 37,888,612.35 | (6,079,655.04) |
| Intensity (kwh/m2) | 69.26 | 80.32 | 84.76 | 98.91 | 88.00 | 29.64 |
| **Like-for-like** | | | | | | |
| No. assets | **37** | **37** | **37** | **37** | | |
| Consumption (kwh) | 30,304,750.61 | 29,159,691.18 | 27,616,275.02 | 26,512,727.22 | 27,762,897.81 | (3,792,023.38) |
| Intensity (kwh/m2) | 113.13 | 108.86 | 103.09 | 98.98 | 103.64 | (14.16) |
| **Emissions** | | | | | | |
| **Absolute** | | | | | | |
| Total Emissions (kgCO2 | 11,272,038.54 | 8,482,931.00 | 7,944,859.52 | 6,949,504.02 | 7,792,431.51 | (4,322,534.52) |
| Intensity (kgCO2e/m2) | 18.99 | 16.64 | 17.88 | 19.61 | 18.04 | 0.63 |
| **Like-for-like** | | | | | | |
| Total Emissions (kgCO2 | 8,366,068.80 | 6,006,035.71 | 5,826,911.17 | 5,263,590.63 | 5,698,845.84 | (3,102,478.17) |
| Intensity (kgCO2e/m2) | 31.23 | 22.42 | 21.75 | 19.65 | 21.27 | (11.58) |
| **Water** | | | | | | |
| **Absolute** | | | | | | |
| Total Consumption (m3 | 36,234.15 | 43,333.97 | 64,178.84 | 45,019.59 | 50,844.13 | 8,785.44 |
| Intensity (m3/m2) | 0.06 | 0.08 | 0.14 | 0.13 | 0.12 | 0.07 |
| **Like-for-like** | | | | | | |
| Total Consumption (m3 | 20,621.99 | 10,997.24 | 40,823.80 | 38,818.48 | 30,213.17 | 18,196.49 |
| Intensity (m3/m2) | 0.08 | 0.04 | 0.15 | 0.14 | 0.11 | 0.07 |
| **Waste** | | | | | | |
| **Absolute** | | | | | | |
| Total Production (kg) | 1,562,009.56 | 1,029,414.96 | 734,937.02 | 1,746,741.44 | 1,170,364.48 | 184,731.88 |
| Intensity (kg/m2) | 2.63 | 2.02 | 1.65 | 4.93 | 2.87 | 2.30 |
| **Like-for-like** | | | | | | |
| Total Production (kg) | 1,389,823.06 | 586,162.06 | 520,308.60 | 1,651,588.54 | 919,353.07 | 261,765.48 |
| Intensity (kg/m2) | 5.19 | 2.19 | 1.94 | 6.17 | 3.43 | 0.98 |

**Commentary:**

FHPUT has benefited significantly from the recent availability of electricity data from the distribution system operator, which allows us to access data from 2020 onwards. 17 assets now have access to this data, explaining the increases in absolute energy and emissions intensity but significant decreases from a like-for-like perspective.

Asset sales account for the different number of assets in the absolute vs like-for-like data sets.

# HCLLP (Hermes Central London Limited Partnership)

| | 2018 | 2022 | 2023 | 2024 | 3-year Average | Change vs Baseline |
|---|---|---|---|---|---|---|
| **Energy** | | | | | | |
| **Absolute** | | | | | | |
| No. assets | 2 | 2 | 2 | 2 | | |
| Consumption (kwh) | 2,534,020.68 | 2,150,248.38 | 1,892,346.13 | 1,457,837.75 | 1,833,477.42 | (1,076,182.93) |
| Intensity (kwh/m2) | 149.85 | 127.16 | 111.91 | 86.21 | 108.43 | (63.64) |
| **Like-for-like** | | | | | | |
| No. assets | 1 | 1 | 1 | 1 | | |
| Consumption (kwh) | 795,525.81 | 1,206,420.69 | 1,210,754.25 | 1,353,946.58 | 1,257,040.51 | 558,420.77 |
| Intensity (kwh/m2) | 158.19 | 239.89 | 240.75 | 269.23 | 249.96 | 111.04 |
| **Emissions** | | | | | | |
| **Absolute** | | | | | | |
| Total Emissions (kgCO2 | 647,032.81 | 453,023.58 | 395,093.33 | 285,276.77 | 377,797.89 | (361,756.05) |
| Intensity (kgCO2e/m2) | 38.26 | 26.79 | 23.36 | 16.87 | 22.34 | (21.39) |
| **Like-for-like** | | | | | | |
| Total Emissions (kgCO2 | 216,685.50 | 246,976.33 | 254,813.12 | 267,474.50 | 256,421.32 | 50,789.00 |
| Intensity (kgCO2e/m2) | 43.09 | 49.11 | 50.67 | 53.19 | 50.99 | 10.10 |
| **Water** | | | | | | |
| **Absolute** | | | | | | |
| Total Consumption (m3 | 922.19 | 2,714.92 | 3,562.02 | 1,580.56 | 2,619.17 | 658.37 |
| Intensity (m3/m2) | 0.05 | 0.16 | 0.21 | 0.09 | 0.15 | 0.04 |
| **Like-for-like** | | | | | | |
| Total Consumption (m3 | 922.19 | 2,070.31 | 2,061.43 | 1,480.58 | 1,870.77 | 558.39 |
| Intensity (m3/m2) | 0.18 | 0.41 | 0.41 | 0.29 | 0.37 | 0.11 |
| **Waste** | | | | | | |
| **Absolute** | | | | | | |
| Total Production (kg) | | 11,170.00 | 8,964.00 | 10,450.00 | 10,194.67 | 10,450.00 |
| Intensity (kg/m2) | - | 0.66 | 0.53 | 0.62 | 0.60 | 0.62 |
| **Like-for-like** | | | | | | |
| Total Production (kg) | | 11,170.00 | 8,964.00 | 10,450.00 | 10,194.67 | 10,450.00 |
| Intensity (kg/m2) | - | 2.22 | 1.78 | 2.08 | 2.03 | 2.08 |

**Commentary:**

The sale of Haymarket House in early 2024 explains the large reduction in absolute and like-for-like consumption.

Improved data coverage at 100 Regent Street also explains the increase in like-for-like consumption.

# Appendix E: GRI Index

This report is aligned to the GRI Sustainability Reporting Guidelines at the core level. A detailed GRI index for material indicators is provided below.

| GRI Section | GRI Areas | Scope of application | Report Section Title |
|---|---|---|---|
| 2-1 | Organizational details | Portfolio wide | About us |
| 2-2 | Entities included in the organization's sustainability reporting | Portfolio wide | Appendix B – Reporting Methodology |
| 2-3 | Reporting period, frequency and contact point | Portfolio wide | Appendix B: Reporting Methodology |
| 2-4 | Restatement of information | Portfolio wide | No restatement required in this reporting period |
| 2-5 | External assurance | Portfolio wide | Appendix D: Verco data verification statement |
| 2-6 | Activities, value chain and other business relationships | Portfolio wide | About us |
| 2-7 | Employees | Portfolio wide | About us |
| 2-29 | Approach to stakeholder engagement | Direct managed portfolio | About us |
| 301-1 | Materials used by weight or volume | Portfolio wide | Performance data |
| 301-2 | Recycled input materials used | Portfolio wide | Performance data |
| 302-1 | Energy consumption | Portfolio wide | Performance data |
| 302-3 | Energy intensity | Portfolio wide | Performance data<br>Appendix D: 2024 Data Tables |
| 302-4 | Reduction of energy consumption | Portfolio wide | Performance data<br>Appendix D: 2024 Data Tables |
| 303-3 | Water withdrawal | Direct managed portfolio | Performance<br>Appendix D: 2024 Data Tables |
| 305-1 | Direct (Scope 1) GHG emissions | Direct managed portfolio | Performance |
| 305-2 | Indirect (Scope 2) GHG emissions | Direct managed portfolio | Performance |
| 306-1 | Waste generated | Direct managed portfolio | Performance<br>Appendix D: 2024 Data Tables |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Portfolio wide | Social Impact |

# Appendix F: GRESB Scores

### 2025 Results (2024 data)

Global Real Estate Sustainability Benchmark (GRESB) scoring results for 2025 (2024 data) are tabulated below.

| Submission | Standing Investments Score/100 | Standing Investments star rating | Development score/100 | Development star rating |
|---|---|---|---|---|
| **UK Direct Property** | 85 | 4 | 91 | 3 |
| **Centre:mk** | 86 | 4 | - | - |
| **Hestia** | 86 | 4 | 89 | 3 |
| **Milton Park** | 82 | 3 | 92 | 3 |
| **NOMA** | 82 | 3 | - | - |
| **Paradise** | 85 | 4 | 95 | 4 |
| **Silverstone Park** | 85 | 4 | 87 | 2 |
| **Wellington Place** | 92 | 5 | - | - |
| **FHPUT** | 74 | 2 | - | - |
| **HCLLP** | 88 | 4 | - | - |

**Commentary:**

Building on the foundation for the updated GRESB benchmark methodology in 2024, the 2025 submissions increased data coverage and there was continual improvement in utility efficiency. We also focussed on management and risk which increased the scores.

**2024 Results (2023 data)**

Global Real Estate Sustainability Benchmark (GRESB) scoring results for 2024 (2023 data) are tabulated below.

| Submission | Standing Investments score /100 | Standing Investments star rating | Development score /100 | Development star rating |
|---|---|---|---|---|
| **UK Direct Property** | **79** | **3** | **92** | **3** |
| **Centre:mk** | **85** | **4** | **-** | **-** |
| **Hestia** | **78** | **3** | **82** | **2** |
| **Milton Park** | **60** | **1** | **78** | **2** |
| **NOMA** | **80** | **3** | **95** | **4** |
| **Paradise** | **86** | **4** | **93** | **4** |
| **Silverstone Park** | **68** | **2** | **84** | **2** |
| **Wellington Place** | **87** | **4** | **95** | **4** |
| **FHPUT** | **70** | **2** | **-** | **-** |
| **HCLLP** | **87** | **4** | **-** | **-** |
| **MetroPUT** | **62** | **1** | **-** | **-** |

**Commentary:**

GRESB 2024 was updated from the previous scoring methodology to ensure the standard stays relative to the continuing development of sustainability by the participants. There were several changes made including the benchmarking used in the standard and the time limit on green building certifications. This reset coupled with some updating of data coverage for certain assets resulted in a suppression of scores.

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