WAREHOUSE REIT

THINKING INSIDE THE BOX

Warehouse REIT plc
Sustainability Report 2025

SUSTAINABILITY REPORT

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WE ARE LEARNING HOW WE CAN DECARBONISE OUR OPERATIONS AND DELIVER THIS OVER A REALISTIC TIME FRAME

Aimée Pitman
Chair of the Sustainability Committee

INTRODUCTION

Investors will be reassured that we have continued to make good progress against all areas of our sustainability strategy. We are reporting more comprehensively on our activities and this increased disclosure has supported an improvement in our MSCI rating to a BBB. In addition, we have again achieved an EPRA sBPR Gold award for sustainability reporting. For a company and a team of our size, these are important achievements and a positive endorsement of our commitment to sustainability.

In 2023, we worked with Savills to estimate our scope 1 and 2 emissions and from this baseline, set a target to be net zero in both by 2030. We continue to make progress on this through a combination of green energy procurement, energy efficient interventions and removing gas wherever the opportunity arises. However, scope 1 and 2 emissions account for only a small proportion of our total carbon footprint, and therefore we have been working hard, with the support of Savills, to more accurately measure occupier, or building-related scope 3 emissions.

We now have insight into occupier energy consumption covering 48.0% of the current portfolio and have worked with Savills to set a baseline for the whole portfolio.

Based on likely energy efficient interventions to be delivered across the portfolio, we are setting an interim target to reduce building-related scope 3 emissions by at least 25% by 2030, at least 80% by 2040, and to be net zero by 2050, in line with the UK Government's plans. This profile of reductions takes into account lease expiries and typical retention rates and aligns closely with the work we are doing across the portfolio to improve our EPC ratings. Our refurbishment programme targets a minimum EPC B rating which we are achieving by capping gas connections and delivering energy savings initiatives such as LED lighting.

Our high level EPC target is for the entire portfolio to be EPC A+ to B rated by 2030, in line with proposed (but not yet enacted) MEES legislation. While historically, we have also targeted a fixed quantum of space to improve year-on-year, we do not always have control over *when* we can deliver refurbishments as the timing of lease events, and occupier renewal rates, can mean that the volume of space available for refurbishment is less than anticipated. Rather than adhering strictly to a fixed quota of ratings improvements each year, we are retaining the flexibility to invest in our portfolio where the returns are most attractive vs our cost of capital and where it is likely to be in the best interests of our shareholders. So going forward, we will

OUR LONG-TERM ESG GOALS

01 Creating a resilient portfolio

- Reducing EPC risk
- Reducing climate-related risks in the portfolio
- Targeting green building certifications

02 Reducing our footprint

- Implementing our net zero carbon pathway for scope 1 and 2 emissions
- Reducing scope 3 carbon emissions
- Increasing energy and resource efficiency
- Reducing waste and resource consumption

03 Supporting our occupiers

- Engaging with occupiers to understand their net zero carbon goals
- Supporting occupiers' wellbeing and providing a safe environment for all building users
- Integrating sustainability criteria into lease clauses

04 Responsible business

- Implementing robust governance and oversight of ESG risks
- Being transparent in disclosure and participation in investor benchmarks and indices

SUSTAINABILITY REPORT CONTINUED

monitor progress based on our percentage of space rated EPC rated A+ to B. This year we successfully moved 38 units from C or below to B or better over the year. The portfolio is now 24.3% A+ to B rated and 68.7% A+ to C rated.

Our net zero pathway and EPC progress are two key priorities for the Board and were topics at this year's Board training, delivered by third-party experts, Savills and MEES Solutions respectively, alongside a regulatory update from JLL.

We continue to look for opportunities to add PV panels to our roofs, providing our occupiers with access to cheaper and greener electricity. This can be challenging for a portfolio where occupiers have responsibility for the roof space, but we were pleased that two projects completed in the year and we have another in the viability stage, so we are making progress towards our target of 10% of the portfolio by 2030.

This year's occupier survey gave all occupiers on the portfolio the opportunity to provide feedback on their space, the service they receive, future requirements, ESG priorities and their concerns at a macro level. While the majority are positive on the quality of space and service we provide, there are opportunities to engage more on ESG initiatives and to go further in improving our occupier amenities. Some of our assets offer more potential to deliver this than others, with a greater provision of outdoor space, for example at Bradwell Abbey, Milton Keynes, where this year we have added outdoor seating and tables, footpaths and cycle facilities. In addition, 24 electric vehicle ("EV") charging provisions were added in the year, taking the total to 43.

Recognising our responsibility to have a positive impact in the areas in which we operate, we have focused our efforts on Milton Keynes, where two of our largest assets are located and where we believe we can make the most difference. Continuing our partnership with Bus Shelter, a charitable organisation tackling homelessness in the area, we have made a donation to support the building of therapy rooms and are helping source professional advice for this project. In addition, two of the senior management team at Tilstone participated in the Milton Keynes CEO sleepout, raising money and awareness of homelessness locally and more of the team have volunteered at a homeless café in the town.

In summary, ESG is well embedded into our business; we recognise the value it can add to our assets and the important role it can play in attracting new occupiers to our places. The more relevant energy and emissions data we collect, the better placed we are to understand how we can decarbonise our operations and deliver this over a realistic time frame. We recognise this will be a challenge given so much of our carbon emissions are outside of our control, but we benefit from an excellent relationship with our occupiers, and we have established a clear protocol for steady investment into our portfolio, making it more energy efficient over time.

Aimée Pitman
Chair of the Sustainability Committee

10 June 2025

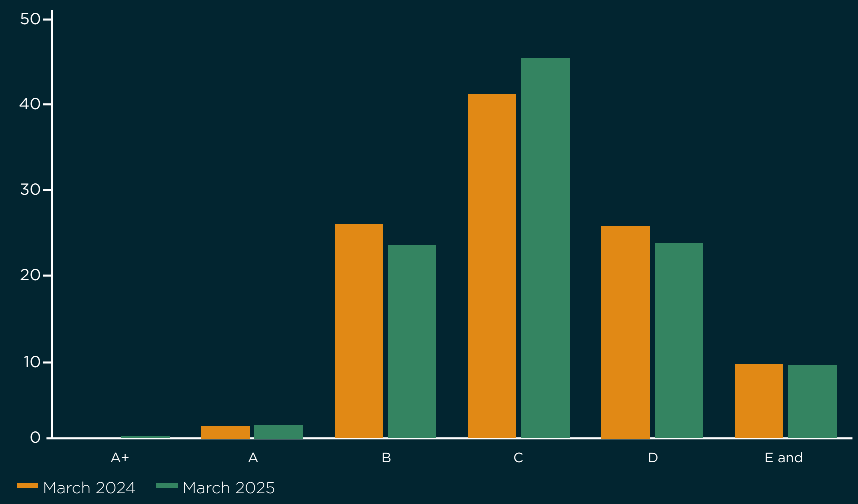
CREATING A RESILIENT PORTFOLIO

01

2025 target	Progress
EPC improvement programme to ensure all in-scope properties have a valid EPC and target a further 25% reduction of D and E rated properties	In FY24 we achieved a 25.7% reduction in D and E rated space subject to MEES requirements (in England and Wales). This year, we have delivered a further 21.9% reduction, just below our target but taking the cumulative reduction in D and E rated space to over 40% compared to our FY23 baseline. 68.7% of the total portfolio is now EPC A+ to C rated (FY24: 66.6%) and 24.3% is A+ to B rated (FY24: 26.5%). The reduction in A+ to B rated space reflects capital activity in the year, notably the sale of Barlborough Links, Chesterfield, a 500,000 sq ft EPC B rated property. 74.3% of the England and Wales portfolio is EPC A+ to C rated (FY24: 71.6%) The portfolio is fully compliant with existing EPC regulations.
Deliver mitigation plans for assets identified as higher risk through TCFD climate change scenario analysis	The assets in the portfolio are either at low risk from climate change even under the most extreme climate change scenarios or mitigating plans are being delivered. Read more in our TCFD report on pages 49 to 58.
£100,000 earmarked to cover ESG-related investment	£29,500 spent in the year. Key initiatives investment in occupier amenities, including outdoor seating and tables, footpaths and cycle facilities

INVESTMENT PORTFOLIO - ALL REGIONS

EPC PERFORMANCE



DELIVERING EPC IMPROVEMENTS

Our approach

Delivering EPC improvements is an integral part of our asset management approach (see page 19). We refurbish buildings at lease events in line with our Environmental Refurbishment and Development Standards which formally target a minimum EPC B.

Energy efficiency initiatives include upgrading lighting to LEDs, disconnecting gas, replacing boilers and radiators with electric panel heaters and introducing air source heat pumps for the office space. Annual capex is typically 0.75% of GAV of which c.20% is allocated to EPC improvement-related initiatives.

Having the opportunity to deliver energy-efficient improvements is a key driver of progress. Where a unit falls vacant, this is straightforward, but our retention rate of 62.9%, means that occupiers frequently renew their leases meaning that refurbishments are not always possible. Where possible, we work with our occupiers to deliver improvements while they are in occupation.

68.7%
A+ to C rated as at March 2025

74.3%
A+ to C rated in England & Wales as at March 2025

REDUCING OUR FOOTPRINT

02

2025 target	Progress
Progress ambition to achieve net zero on scope 1 and 2 by 2030	Like-for-like reduction in scope 1 and 2 emissions of 30.8%, but this comparison comprised just two assets for scope 1 and 13 for scope 2 meaning that changes at single assets can significantly skew the overall percentage Scope 1 and 2 emissions increased by 5.2% on an absolute basis.
Increase visibility over occupier energy usage by at least another 10%	Occupier energy usage is our primary source of scope 3 emissions. Working with Savills, coverage of occupier electricity consumption is now 48.0% of the investment portfolio, based on the year-end position; this compares to an estimated 39.4%[1] in FY24. All new leases include green clauses with 91% having absolute provisions on sharing environmental data
Target PV on a minimum of 10% of the portfolio by 2030	Two PV projects completed in the year at Walton Road Industrial Estate in Stone and Witan Park Industrial Estate in Witney, taking the total area covered to 51,100sq ft One further asset is at the viability stage, covering 188,000 sq ft and is expected to complete in FY26. Three assets are in the pipeline, covering 221,800 sq ft. Fitted and potential space covered represents c.7% of the current portfolio
Ensure 100% of directly procured electricity from renewable contracts	100% of landlord-procured electricity contracts are REGO-backed tariffs at year-end

1. FY24 coverage figure restated for more detailed information (see EPRA disclosure page 144)

PROGRESSING NET ZERO

Scope 1 & 2

Our existing target is to be net zero in scope 1 and 2 emissions by 2030. Following analysis undertaken this year, we are reaffirming this and further committing to eliminating fossil fuel use beyond 2040, which should enable us to be net zero in scope 1 and 2 emissions without the need to offset. Until the complete phase-out of fossil fuels, any residual emissions will be offset to meet our net zero commitment.

Scope 3

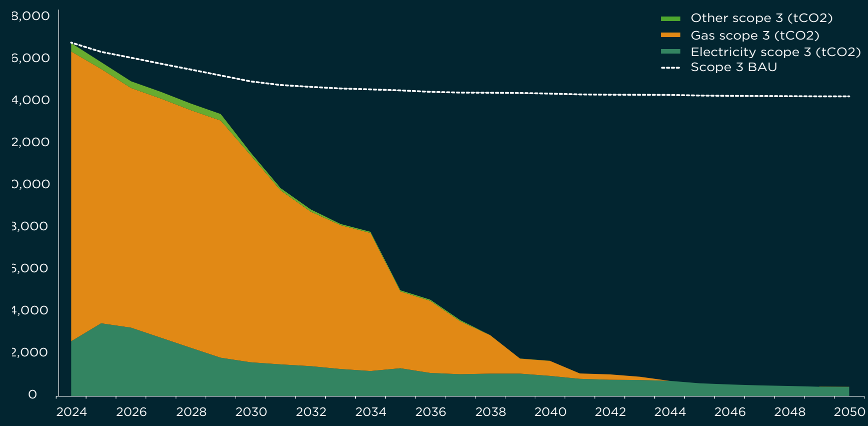
Working with Savills Earth, we have measured our carbon baseline as at 31 December 2024 using the collated metered energy data referenced to the left, which indicates that scope 3 emissions account for c. 96% of our total GHG emissions. In this context, scope 3 refers only to emissions from building operations, and excludes other scope 3 categories such as supply chain and transport.

Based on the following key interventions to be delivered over the coming years, we expect to be able to reduce building-related scope 3 emissions by at least 25% by 2030; at least 80% by 2040 and to be net zero by 2050, in line with the government's target.

- Upgrading all lighting to energy-efficient LEDs by 2040
- Enhancing older buildings' thermal performance through improved insulation
- Replacing fossil fuel heating with heat pumps and hot water systems with electric systems by 2045
- Installation of PV panels, targeting 10% coverage by units by 2030 and 30% by 2050

We will monitor and review the progress made on delivering these interventions and provide updates as part of our regular reporting.

NET ZERO PATHWAY

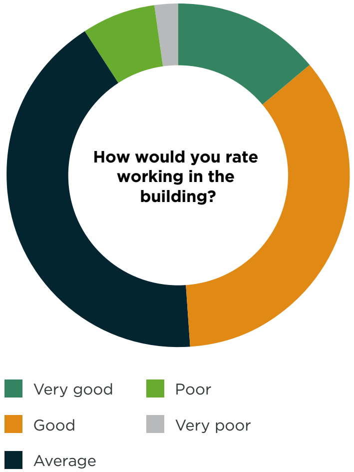


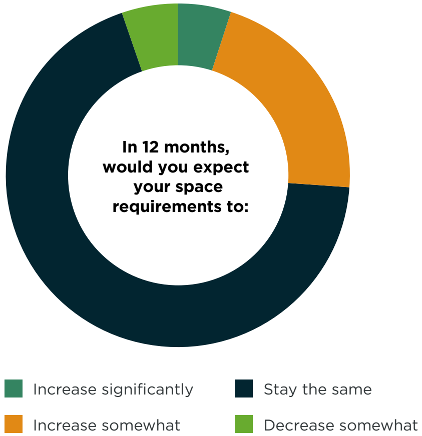
SUPPORTING OUR OCCUPIERS

03

2025 target	Progress
Annual occupier survey	All occupiers surveyed on a broad range of topics, including feedback on their space, future requirements, ESG priorities and macroeconomic concerns. See below.
Respond to feedback from FY24 survey • Increase EV charging provision • Site specific amenities at key multi-let assets • Share insights to improve energy efficiency and reduce costs	24 EV chargers fitted in the year, taking the portfolio total to 43 with 20% of estates having at least some EV charging provision Outdoor tables and seating delivered at Bradwell Abbey, Milton Keynes; follows launch of café and management office last year. Progressing plans for an extensive outside amenity provision at Boulevard Industrial Park, Speke Our occupier survey demonstrated an appetite to work with us to improve energy efficiency, but portfolio-wide meter upgrades are required to identify insights at scale, which we are addressing through our refurbishment programme.

FEEDBACK FROM OUR OCCUPIER SURVEY






Well-maintained outside space, Bradwell Abbey, Milton Keynes

OCCUPIER SURVEY

This year we worked with Savills to do a comprehensive occupier survey in which all occupiers had the opportunity to participate. Overall, occupiers provided positive feedback on the buildings: over 90% of respondents rated them between average and very good, with 49% rating them good or very good. The overall quality of the units scored 3.6 out of 5.

93% said that sustainability was important or very important to their business and 48% had already introduced energy-saving initiatives to managed increased energy costs. Health and wellbeing ranked as the key sustainability objective and reinforces our focus on improving the amenities at our assets and providing a high-quality environment outside of our buildings.

In terms of more macro themes, 40% were slightly or very optimistic about the outlook for the UK economy in 2025, which is encouraging given the survey was conducted in January 2025, following the budget. However, rising costs were cited as the key business concern this year. Despite this, 68% said they expected their space requirements to stay the same, with a further 26% expecting to require more space.

RESPONSIBLE BUSINESS FOUNDATIONS

04

2025 target	Progress
Improve performance in sustainability benchmarks	MSCI ESG rating improved to a BBB from a BB EPRA sBPR Gold award maintained for the fourth year
Progress community programme	£16,300 charitable donations across Warehouse REIT and Tilstone Partners, including Bus Shelter, Aylesbury Women's Aid and match funding for the Milton Keynes CEO sleep out Participated in Pathways to Property for the second year, including hosting an intern at Tilstone Partners
Deliver Board and Investment Advisor training	Board training delivered including sessions from Savills on our Net Zero Pathway, MEES Solutions on existing and forthcoming EPC regulations and JLL on the wider regulatory environment
Develop approach to biodiversity	Trial ecological assessment undertaken at Midpoint 18, Middlewich with learnings for the wider portfolio identified

HOMELESSNESS IN MILTON KEYNES

We have focused our efforts on helping organisations tackle homelessness in and around Milton Keynes, where two of our major assets are located.

We are working with Bus Shelter, an organisation providing food and shelter for homeless people, and support them in their search for accommodation, work and medical care. Our donation will go towards building a space for confidential meetings and we are helping source professional advice for this project.

In addition, two of the Tilstone team participated in the Milton Keynes CEO sleep out, raising £3,310, and more of the Tilstone team have volunteered at a café for homeless people in Milton Keynes, in association with Unity MK.

FUTURE COMMITMENTS

THE FOLLOWING ARE SPECIFIC COMMITMENTS FOR THE YEAR AHEAD

THESE SIT ALONGSIDE OUR BUSINESS-AS-USUAL INTERVENTIONS WHICH SUPPORT OUR LONG-TERM GOALS.

01 Creating a resilient portfolio

- £100,000 earmarked to cover ESG-related investment
- All units subject to MEES requirements, to be rated EPC A+ to B by 2030

02 Reducing our footprint

- Progress ambition to achieve net zero on scope 1 and 2 emissions by 2030
- Net zero by 2050 with interim targets to reduce building-related scope 3 emissions by at least 25% by 2030 and at least 80% by 2040
- Target PV on a minimum of 10% of the portfolio by 2030

03 Supporting our occupiers

- Perform annual occupier survey
- Respond to feedback from FY25 survey, including site-specific amenities at key multi-let assets and engagement on ESG matters

04 Responsible Business

- Improve performance in sustainability benchmarks
- Progress community programme
- Deliver Board and Investment Advisor ESG training
- Deliver biodiversity initiatives in line with pilot ecological assessment

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