RAVEN RUSSIA LIMITED

Raven Russia Limited
Corporate Responsibility Report

Extracted from the 2017 Annual Report

CORPORATE RESPONSIBILITY

Corporate responsibility

Corporate responsibility covers many different aspects of business but our primary focus is on the environmental impact of our activities and properties and the social impact in the jurisdictions in which the Group operates. It is the responsibility of the Board to manage the environmental, economic and social impact of the Group's business strategy.

The Board recognises that the way its investment properties are designed, built, managed and occupied can significantly influence their impact on the environment and the community in which they are located and it seeks to manage these issues. Although the Group is not required by statute to provide detailed reports on its environmental impact, the Board considers this an issue that must be monitored and warrants disclosure. In 2013 we started to disclose levels of greenhouse gas emissions and in 2014 we also included electricity consumption in our offices in Moscow, Cyprus and Guernsey, and business travel.

The Board also recognises the social impact of its operations in each of its key jurisdictions, Russia, Guernsey and Cyprus. In Russia, this is particularly evident in the employment opportunities that are created in the communities where the Group's properties are located. Staff are encouraged to participate in community and charitable activities and the Board has established a fund to support local causes or charities, which meet the corporate values of the Group. During 2017 the Group invested $33,500 in supporting various causes including national and local charities and local community sports groups. No political donations were made during the year.

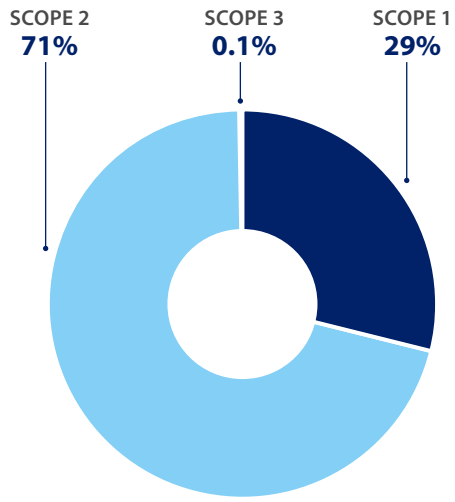
Greenhouse Gases

We commissioned Trucost to assist in compiling our report to comply with the Mandatory Greenhouse Gases Reporting Regulations (GHG). Energy consumption information was collated from all fifteen warehouses and three offices in the portfolio and our four offices in Moscow, Cyprus and Guernsey. We also collected office car mileage and business travel of the Group's employees to report on Scope 1, Scope 2 and Scope 3 emissions. The report covers 100% by warehouse floor area. In 2016 we started to report Scope 2 on a dual-reporting basis using location-based and market based approaches in accordance with the GHG Protocol Scope 2 Guidance released in January 2015. Since market-based emission factors are not available for any of our locations, residual emission factors were adopted for offices in Guernsey and Cyprus. Location-based emission factors were used for Russia due to unavailability of residual emission factors.

The table below sets out the emissions data collated and the intensity ratio agreed at tonnes per square metre of floor area for the last four years.

Data Point	Units	Quantity 2017	Quantity 2016**	Quantity 2015	Quantity 2014*	Quantity 2013
Scope 1	tonnes CO2e	22,569	19,948	19,289	20,778	18,138
Scope 2 (location-based)	tonnes CO2e	56,420	54,008	56,914	53,664	44,589
Scope 2 (market-based)	tonnes CO2e	56,423	54,347	56,919	53,666	n/a
Scope 1 + 2 Intensity (location based)	tonnes CO2e / floor space (sqm)	0.05	0.05	0.05	0.05	0.05
Scope 3	tonnes CO2e	194	184	219	342	n/a

GHG Emissions



*Quantity 2014 were restated in 2016 report given more accurate data available for the Guernsey office.

**Quantity 2016 were restated to include Konstanta.

Data collection and methodology protocol

The group used the Greenhouse Gas Protocol methodology for compiling its GHG data, and includes the following material GHG's: CO2, N2O and CH4. The Group used the following emission conversion factor sources:

- Direct energy: IPCC 2006 Guidelines for National Greenhouse Gas Inventories
- Natural gas: DEFRA 2017 conversion factor for cubic meters natural gas
- Diesel: DEFRA 2017 conversion factor for litres diesel
- LPG: DEFRA 2017 conversion factor for litres LPG
- Purchased electricity: UK Defra 2017, Russia and Cyprus, IEA Fuel Combustion 2017 and Foreign Electricity Emission Factors
- European market emission factors for electricity: AIB, European Residuals Mixes for 2016
- Office car: DEFRA 2017 conversion factor for kilometres of unknown fuel (average car)
- District heating: electricity factors were adjusted using same ratio as between UK electricity and district heating (from DEFRA 2017 conversion factors for UK electricity, and district heat and steam)
- Business travel:
  - DEFRA 2017 GHG Conversion Factors for flights and rail travel
  - For Eurostar journeys specifically (between London St Pancras and Paris) Eurostar specific emission factors are used as released by Eurostar (2017)
- Sawdust emissions calculated by Trucost using FAO and IPCC

Scope 1 emissions increased by 13%, 17%, 9% and 24% compared to 2016, 2015, 2014 and 2013, respectively. Scope 2 emissions (location-based) are 4%, 5% and 27% higher than in 2016, 2014 and 2013, respectively, and showed 1% decline in comparison to 2015. Overall GHG emissions in 2017 were 7% higher than in 2016 but alongside a 22% increase in floor space due to several property acquisitions in 2017 and accounting for Konstanta office which was not previously included in the reporting. A direct like-for-like comparison shows an overall decrease in GHG emissions of 6%.

Although tenants are the end users of the energy consumed, we consider this an important metric to measure. Not only does this make our buildings more attractive to tenants and funders but also the more energy efficient our buildings are the less greenhouse gas production occurs at our sites.

As our relations with key tenants become more established we are working with them to anticipate their requirements, with specifically designed buildings. In the case of energy intensive uses, such as cold storage, this allows a more efficient building to be constructed compared to the reconfiguration of a standard warehouse unit.

Other examples of increased efficiency include adopting low energy lighting in our new warehouses and more energy efficient lighting and air conditioning system in Guernsey office. New developments are being assessed by BREEAM (Building Research Establishment Environmental Assessment Methodology), the worlds longest established and most widely used method of assessing, rating and certifying the sustainability of buildings. Our aim is to reduce the environmental impact of our developments and use the results of BREEAM assessments to provide practical ideas for future and existing development projects.

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