



RAVEN PROPERTY GROUP LIMITED

**Raven Property Group Limited
Corporate Responsibility Report**

Extracted from the 2019 Annual Report

CORPORATE RESPONSIBILITY

Social and Environmental Report

Corporate responsibility covers many different aspects of our business, from the activities undertaken within our head office in Guernsey to Siberia where our Novosibirsk warehouse is located, our 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 activities.

The Board considers 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. The Group's employees 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 2019 the Group invested £67,662 in supporting various causes including national and local charities and local community sports groups. No political donations were made during the year.

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. The Company has been reporting its green house gases usage now since the introduction of the regulations in 2013. Over this time we have enhanced our reporting to include all scopes of energy usage including own offices occupied and flight information. The energy consumption of our portfolio has over this time increased due to the energy demands of our clients, particularly with regard to energy intensive activities such as temperature controlled space and manufacturing rather than dry warehouse space.

Although tenants are the end users of the energy consumed, we consider this an important metric to measure. Energy efficiency makes our properties more attractive to tenants as well as being more environmentally responsible.

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. We are reviewing the means of energy production across the portfolio and where possible moving towards less carbon intensive methods of production. At our Noginsk site we have recently switched supplier to provide energy derived from hydro generation, moving away from natural gas. We are undertaking a review across the portfolio to consider further changes to suppliers to lessen the environmental impact of energy production.

We have a rolling capital improvement program which includes implementation of more efficient low energy lighting and changes to insulation materials in our warehouses. New developments are being assessed by BREEAM (Building Research Establishment Environmental Assessment Methodology), the world's 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.

During the year the Board agreed to adopt a carbon offsetting program for all business travel. We are working with a provider of carbon offsetting to agree a methodology and approach to follow during 2020. Other initiatives being considered include the introduction of a solar farm and bee hives to increase bio diversity at our project in Rostov-on-Don. Further information on our initiatives will be presented in our 2020 Annual Report.

Details of our energy consumption are set out below.

Greenhouse Gases

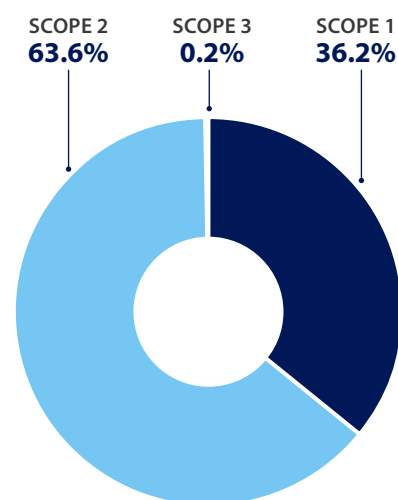
We commissioned Trucost to assist in compiling our report to comply with the Mandatory Greenhouse Gases Reporting Regulations (GHG). Energy consumption information was collated from all sixteen warehouses and three offices in the portfolio and our four offices in Moscow, St Petersburg, Cyprus and Guernsey. We also collected office car mileage and business travel for the Group's employees to report on Scope 1, Scope 2 and Scope 3 emissions. The report encompasses the impact of the entire property portfolio and not just those elements over which we have direct control. 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.

CORPORATE RESPONSIBILITY

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 seven years. In absolute terms, energy consumption has increased over the reporting period which coincides with growth of the property portfolio through acquisitions and construction, however the intensity measures have remained consistent over time.

| Data Point | Units | Quantity 2019 | Quantity 2018 | Quantity 2017 | Quantity 2016** | Quantity 2015 | Quantity 2014* | Quantity 2013 |
|--|---------------------------------|---------------|---------------|---------------|-----------------|---------------|----------------|---------------|
| Scope 1 | tonnes CO2e | 36,226 | 30,976 | 22,569 | 19,948 | 19,289 | 20,778 | 18,138 |
| Scope 2 (location-based) | tonnes CO2e | 63,643 | 62,605 | 56,420 | 54,008 | 56,914 | 53,664 | 44,589 |
| Scope 2 (market-based) | tonnes CO2e | 63,642 | 62,604 | 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 | 0.05 | 0.05 |
| Scope 3 | tonnes CO2e | 200 | 231 | 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 2019 conversion factor for cubic meters natural gas
- Diesel: DEFRA 2019 conversion factor for litres diesel
- LPG: DEFRA 2019 conversion factor for litres LPG
- Purchased electricity: UK Defra 2019, Russia and Cyprus, IEA Fuel Combustion 2018 and Foreign Electricity Emission Factors
- European market emission factors for electricity: AIB, European Residuals Mixes for 2018
- Office car: DEFRA 2019 conversion factor for kilometers of unknown fuel (average car)
- District heating: electricity factors were adjusted using same ratio as between UK electricity and district heating (from DEFRA 2019 conversion factors for UK electricity, and district heat and steam)
- Business travel:
- DEFRA 2019 GHG Conversion Factors for flights and rail travel
- Sawdust emissions calculated by Trucost using FAO and IPCC



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