

# EPRA sBPR Disclosures

## EPRA Sustainability Best Practices Recommendations (sBPR) Report

### Introduction

This report contains Supermarket Income REIT plc's (LSE: SUPR) EPRA sBPR disclosures (Sustainability Performance Measures and Overarching Recommendations) for the reporting period **1 July 2022 to 30 June 2023**. These disclosures are intended to supplement the sustainability disclosures made in SUPR's most recent annual Sustainability Report (for the period 1 July 2022 to 30 June 2023) which was published in September 2023, alongside SUPR's Annual Report and Accounts.<sup>1</sup>

### About us

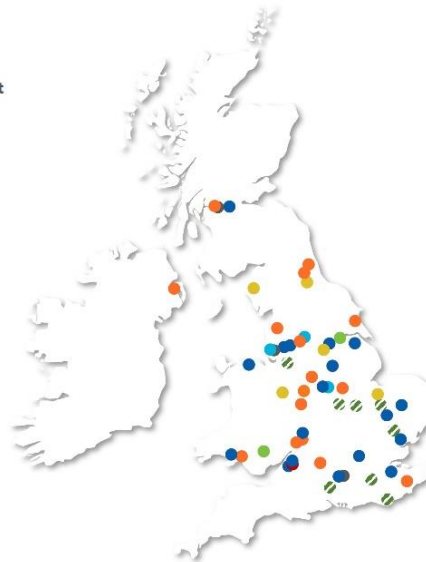
SUPR is dedicated to investing in supermarket property forming a key part of the future model of grocery. SUPR aims to provide investors with a combination of attractive, secure and growing income with potential for long-term capital growth.

### Our portfolio

SUPR has built a unique portfolio of supermarkets, diversified both by geography and tenant. The below map shows SUPR's supermarket exposure (portfolio weighted by value based on 30 June 2023 valuation plus acquisitions at cost).

Map key and supermarket exposure by value<sup>(1)</sup>

- Tesco 49%
- Sainsbury's 30%
- Morrisons 6%
- Waitrose 5%
- Asda 2%
- Aldi 1%
- M&S 1%
- Iceland <1%



<sup>1</sup> SUPR's next annual sustainability report is planned to be published in September 2024.

## Overarching recommendations

The table below highlights how SUPR has made a focused effort to implement the overarching sBPR recommendations into its reporting.

*Table 1: How SUPR has addressed the overarching recommendations.*

Overarching recommendations	How SUPR integrate these recommendations
Organisational boundaries	<p>As at 30 June 2023, the value of SUPR's real estate portfolio was £1.7 billion.</p> <p>SUPR's approach to organisational boundaries is based on the Operational Control approach (as defined by the Greenhouse Gas (GHG) Protocol<sup>2</sup>). This means that operational emissions are categorised as Scope 1 and 2 emissions and tenant emissions are categorised as Scope 3 (emissions within SUPR's value chain, but not directly controlled by SUPR). 100% of SUPR's portfolio is represented within this organisational boundary.</p> <p>The principal activity of SUPR (the Company) and its subsidiaries (the Group) is investment in property. The Company and its subsidiaries operate as a UK Group REIT. As at 30 June 2023, the Group comprised the Company and its wholly owned subsidiaries. Subsidiaries are those entities including special purpose entities, directly or indirectly controlled by the Company.<sup>3</sup></p>
Coverage	<p>SUPR's sustainability performance measure reporting covers 100% of the assets within its portfolio, of which the following total consumption figures are actuals/estimated:</p> <ul style="list-style-type: none"> <li>• Electricity: 22%/78%.</li> <li>• Fuels: 25%/75%</li> <li>• Water: 100% estimated.</li> </ul> <p>The method of estimation used is disclosed alongside each environmental performance disclosure, where relevant. SUPR aims to improve data coverage and completeness overtime through engagement with tenants and improving data collection processes.</p>
Estimation of landlord-obtained utility consumption	<p>26% of landlord-obtained electricity consumption was estimated; 100% of landlord-obtained liquid fuel was estimated; 37% of landlord-obtained natural gas was estimated.<sup>4</sup></p>
Third party assurance	<p>SUPR has not sought third-party assurance for this reporting year. However, an assurance process is currently in progress for the following reporting year.</p>

<sup>2</sup> Organisational boundaries for asset level performance measures as defined by the GHG Protocol include Operational Control, Financial Control and Equity-share.

<sup>3</sup> The full list of subsidiary entities directly and indirectly owned by the Company is disclosed in the Group financial statements within SUPR's Annual Report and Accounts for the year ended 30 June 2023.

<sup>4</sup> This refers to the energy consumption at SUPR-controlled communal areas which falls under Scope 2.

Boundaries	All landlord and available tenant data is reported. Estimations were used to gap-fill data so that 100% of consumption is reported.
Normalisation	MWh / m <sup>2</sup> is used to measure intensity.
Segmental analysis	This report covers the property assets within SUPR's portfolio for the financial year 1 July 2022 to 30 June 2023.  During this period, SUPR engaged in a single segment business, namely, investment in the United Kingdom in supermarket property assets; the non-supermarket properties are ancillary in nature to the supermarket property assets and are therefore not segmented.
Disclosure on own offices	SUPR is an externally managed real estate investment trust (REIT) and therefore does not have any employees or office premises.
Narrative on performance	An overview is provided for each topic in this report and further sources are highlighted where required.
Location of EPRA Sustainability Performance Measures	EPRA Sustainability Performance Measures are included in the tables on the following pages.
Reporting period	Financial year 1 July 2022 to 30 June 2023.
Materiality	SUPR conducted its first formal materiality assessment in September 2021. The aim of this assessment was to identify the priority ESG areas for the Company based on the importance to the business and the significance to SUPR's stakeholders. SUPR has more recently conducted a materiality review as part of the refinement of its Sustainability Strategy.

## Environmental performance

The environmental data on which SUPR's emissions are calculated comes from electricity, liquid fuel and natural gas. There is no consumption of district heating and cooling at SUPR sites. Waste and water data were estimated based on Better Buildings Partnership (BBP) Benchmarks<sup>5</sup>, Global Real Estate Sustainability Benchmark (GRESB) 2020 Benchmarks<sup>6</sup> and Department for Environment, Food & Rural Affairs (Defra) waste statistics<sup>7</sup>, and do not contribute to the GHG emissions.

SUPR has calculated and reported GHG emissions from 1 July 2021. Focused efforts have been made to improve data quality through tenant engagement. This has resulted in continued reductions in estimations required, to provide a more accurate picture of SUPR's consumption and emissions.

<sup>5</sup> BBP (2021) 2020 Real Estate Environmental Benchmarks, [2020 Real Estate Environmental Benchmarks\\_2.pdf \(betterbuildingspartnership.co.uk\)](https://www.betterbuildingspartnership.co.uk/2020-Real-Estate-Environmental-Benchmarks-2.pdf)

<sup>6</sup> GRESB (2020) Environmental performance data, [Asset Portal guide - GRESB](#)

<sup>7</sup> Defra (2023) Local Authority Collected Waste Statistics – Local Authority data [UK statistics on waste - GOV.UK \(www.gov.uk\)](https://www.gov.uk/uk-statistics-on-waste)

Below is a summary of SUPR's environmental data and a more in-depth analysis by topic, including Energy, GHG emissions, Waste and Water and Sustainably certified assets.

*Table 2: SUPR's environmental performance measures*

Impact Area	EPRA code	Environmental performance measures	Performance
Energy	Elec-Abs	Total electricity consumption	139,320 MWh
	Elec-Lfl	Like-for-like total electricity consumption	*
	DH&C-Abs	Total district heating and cooling consumption	N/A
	DH&C-Lfl	Like-for-like total district heating and cooling consumption	*
	Fuels-Abs	Total fuel consumption	49,010 MWh
	Fuels-Lfl	Like-for-like total fuel consumption	*
	Energy-Int	Building energy intensity	0.2 MWh/ m <sup>2</sup>
GHG emissions	GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	10 tCO <sub>2</sub> e
	GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	81,007 tCO <sub>2</sub> e
	GHG-Int	GHG emissions intensity from building energy consumption	See breakdown below
Water & Waste	Water-Abs	Total water consumption	639,277 m <sup>3</sup>
	Water-Lfl	Like-for-like total water consumption	*
	Water-Int	Building water intensity	0.8 m <sup>3</sup> / m <sup>2</sup>
	Waste-Abs	Total weight of waste by disposal route	See breakdown below
	Waste-Lfl	Like-for-like total weight of waste by disposal route	*
Sustainably certified assets	Cert-Tot	Type and number of sustainably certified assets	See breakdown below

\*Like-for-like calculations are not possible due to changes in SUPR's portfolio size.

## Energy and GHG emissions

Between 1 July 2022 and 30 June 2023, SUPR calculated Scope 1, 2 and 3 GHG emissions.

Scope 3 emissions reported include:

1. Category 1: Purchased Goods and Services
2. Category 2: Capital Goods
3. Category 3: Fuel-and-energy-related-activities (FERA)
4. Category 9: Downstream Leased Assets.

This is the second year SUPR has reported its GHG emissions. Additionally, in 2023, SUPR committed to reach net-zero by 2050 and developed and submitted science-based emissions reductions targets.

SUPR has set both a near-term and long-term target which have been validated and approved by the Science Based Target initiative (SBTi):

Near-term target:

- SUPR commits to reduce absolute Scope 1 and 2 GHG emissions 42% by FY2030 from a FY2023 base year.

Long-term target:

- SUPR commits to reduce absolute Scope 1, 2 and 3 GHG emissions 90% by FY2050 from a FY2023 base year.

As part of its decarbonisation roadmap, SUPR has identified a number of key objectives including:

- 1) Implementation of energy efficient LED lighting in communal areas and expanding onsite solar electricity at sites where SUPR has operational control, to meet the near-term target.
- 2) Engagement and collaboration with SUPR’s tenants on energy efficiency opportunities to reduce energy consumption and energy waste, and ultimately reduce Scope 3 emissions.
- 3) When developing new buildings, ensuring, as far as possible, that these new builds have low carbon intensities, and high energy efficiency/EPC ratings.
- 4) Engagement with SUPR’s suppliers to encourage suppliers to set SBTs and to measure and reduce their emissions.

The tables below provide energy consumption and GHG emissions for SUPR’s assets for the reporting year: 1 July 2022 – 30 June 2023. Emissions and associated consumption data reported below follow a location-based approach, meaning that whilst solar PV was accounted for, market-instruments to procure renewable energy were not.

In relation to floor area coverage, 30% of the floor area of properties is landlord managed and accounted for in Scope 1 and 2 emissions; 70% of floor area of properties is tenant managed and included in Scope 3 downstream leased assets.

*Table 3: SUPR’s Energy impact area performance*

EPRA code	Indicator	Metric	1 July 22 – 30 June 23
Elec-Abs	Electricity	Total electricity consumption – landlord obtained	521 MWh

		% of floor coverage	30%
		Total electricity consumption – tenant obtained	138,799 MWh
		% of floor coverage	70%
		% of landlord-obtained electricity from renewable sources	0%
		% of tenant-obtained electricity from renewable sources	1%
		Total electricity consumption	139,320 MWh
		% of floor coverage	100%
		% of electricity estimated	78%
DH&C-Abs	District Heating & Cooling	Total heating & cooling – landlord obtained	N/A*
		Total heating & cooling – tenant obtained	N/A*
		% of heating & cooling from renewable sources – landlord	N/A*
		% of heating & cooling from renewable sources – tenant obtained	N/A*
Fuels-Abs	Fuels	Total fuels – landlord obtained	53 MWh
		% of floor coverage	30%
		Total fuels – tenant obtained	48,957 MWh
		% of floor coverage	70%
		% of landlord obtained fuels from renewable sources	0%
		% of tenant obtained from renewable sources	0%
		Total fuel consumption	49,010 MWh
		% of floor coverage	100%
		% of fuels estimated	75%
Energy-Int	Energy intensity	Energy intensity per m2	0.2 MWh / m2

\*No district heating & cooling used in buildings

Table 4: SUPR's GHG emissions impact area performance

EPRA code	Indicator	Metric	1 July 22 – 30 June 23
GHG-Dir-Abs	Direct	Scope 1	10 tCO <sub>2</sub> e*
		% of floor area coverage	30%
GHG-Indir-Abs	Indirect	Scope 2	101 tCO <sub>2</sub> e*
		% of floor area coverage	30%
		Scope 3	80,906 tCO <sub>2</sub> e*
		% of floor area coverage	70%
GHG-Int	GHG emissions intensity	Scope 1 and 2	0.0004 tCO <sub>2</sub> e/m <sup>2</sup> *
		Scope 3	0.1362 tCO <sub>2</sub> e/m <sup>2</sup> *

\*Location-based emissions reported

## Water and waste

The table below provides water and waste consumption values for SUPR's assets for the reporting year: 1 July 2022 – 30 June 2023.

Water and waste were estimated this year using BBP Benchmarks<sup>5</sup>, GRESB 2020 Benchmarks<sup>6</sup> and Defra waste statistics<sup>7</sup>. SUPR aim to improve on this next year by increasing the actual data on water and waste provided by tenants.

Table 5: SUPR's Water and Waste impact area performance

EPRA code	Indicator	Metric	1 July 22 – 30 June 23
Water-Abs	Water consumption	Total water consumption	639,277 m <sup>3</sup>
		% of floor area coverage	100%
		% of water estimated	100%
Water-Int	Water Intensity	Building water intensity	0.8 m <sup>3</sup> / m <sup>2</sup>
Waste-Abs	Total waste	Total waste sent to landfill	13,663 t
		Total waste diverted from landfill	154,506 t
		% of floor area coverage	100%
		% of waste estimated	100%

## Sustainably certified assets

The table below provides a breakdown of the commercial Energy Performance Certificate (EPC) ratings for SUPR's assets for the reporting year: 1 July 2022 – 30 June 2023. SUPR's assets include 53 supermarkets, 121 ancillary units and 18 communal areas.

SUPR has set a target to have all owned properties at EPC C or above by 2028 and EPC B or above by 2030.

*Table 6: SUPR's commercial EPC certifications by percentage of the portfolio's total value and level of certification attained*

EPRA code	Metric	1 July 22 – 30 June 23
Cert-Tot	No. of buildings with an EPC Rating Certifications <sup>8</sup>	161
	A	1%
	B	37%
	C	50%
	D	12%
	E	0%
	F	0%
	G	0%

## Social performance

Below is an overview of SUPR's social performance data and a more in-depth analysis by topic, including Diversity, Employees<sup>9</sup>, Health & Safety and Community Engagement.

*Table 7: An overview of SUPR's social performance.*

EPRA code	Indicator	Metric	1 July 22 – 30 June 23
Diversity-Emp	Employee gender diversity	Percentage of male & female employees	N/A: SUPR does not have any employees.
Diversity-Pay	Gender pay ratio	Pay ratio	

<sup>8</sup> EPC ratings total metric excludes 8 Scottish EPCs (due to different methodology) and communal areas.

<sup>9</sup> SUPR is an externally managed REIT and does not have any employees. Therefore, the employee related performance measures are not applicable.



Emp-Training	Employee training and development	Average number of hours	N/A: SUPR does not have any employees.
Emp-Dev	Employee performance appraisals	Percentage of total workforce	
Emp-Turnover	New hires and turnover	Total number and rate of new employee hires and turnover	
H&S-Emp	Employee health and safety	Injury rate, lost day rate, absentee rate and work-related fatalities	N/A: SUPR does not have any employees.
H&S-Asset	Asset health and safety assessments	Percentage of assets	19% of the supermarket portfolio
H&S-Comp	Asset health and safety compliance	Number of incidents	132 incidents of non-compliance across 10 assets.
Comty-Eng	Community engagement, impact assessments, development programmes	Percentage of assets	100% of supermarket assets.

Table 8: A detailed breakdown of SUPR's Diversity social performance.

EPRA code	Indicator	Unit	1 July 22 – 30 June 23
Diversity-Emp	Governance body (SUPR Board of Directors)	% male	50%
		% female	50%
	Directors	% male	N/A: SUPR does not have any employees.
		% female	
	Line managers	% male	
		% female	
	Other employees	% male	
		% female	

Table 9: A detailed breakdown of SUPR's Employees social performance.

EPRA code	Indicator	Unit	1 July 22 – 30 June 23
Emp-Training	Employee training and development	Average hours of training per male employee	N/A: SUPR does not have any employees.

		Average hours of training per female employee	N/A: SUPR does not have any employees.
Emp-Dev	Employee performance appraisals	Percentage of male employees with regular performance review	
		Percentage of female employees with a regular performance review	
Emp-Turnover	New hires and turnover: males	Total number of employee hires	
		Rate of employee hires	
		Total number of employee turnover	
		Rate of employee turnover	
	New hires and turnover: females	Total number of employee hires	
		Rate of employee hires	
		Total number of employee turnover	
		Rate of employee turnover	

Table 10: A detailed breakdown of SUPR’s Health and Safety social performance.

EPRA code	Indicator	Unit	1 July 22 – 30 June 23
H&S-Emp	Employee health and safety	Rate of employee turnover	N/A: SUPR does not have any employees.
		Injury Rate	
		Lost day rate	
		Absentee rate	
H&S-Asset	Asset health and safety assessments	Percentage of assets of which H&S impacts are assessed or reviewed	Assets that fall under the responsibility of the occupiers are excluded from this Performance Measure. Therefore, this indicator only applies to the following 10 assets:  <ol style="list-style-type: none"> <li>1. Morrisons, Telford</li> <li>2. The Peel Centre, Wisbech</li> <li>3. Weeke, Winchester</li> </ol>

			<ol style="list-style-type: none"> <li>4. Balloo Retail Park, Bangor</li> <li>5. Queens Drive Retail Park, Liverpool</li> <li>6. Derwent Howe Retail Park, Workington</li> <li>7. Minor Centre, Maidstone</li> <li>8. Chineham Shopping Park</li> <li>9. West End Retail Park, Glasgow</li> <li>10. The Willow Brook Centre, Bradley Stoke</li> </ol> <p>This represents 19% of the supermarket portfolio.<sup>10</sup></p>
H&S-Comp	Asset health and safety compliance	Number of incidents of non-compliance	This indicator only applies to assets noted above. In total there were 132 incidents of non-compliance across the 10 assets during the reporting year.

*Table 11: A detailed breakdown of SUPR's Community Engagement performance.*

EPRA code	Indicator	Unit	1 July 22 – 30 June 23
Comty-Eng	Community engagement, impact assessments, development programmes	Percentage of assets	100% of supermarket assets. The supermarket tenants of SUPR's assets (namely, Tesco, Sainsbury's, Asda, Morrisons, Waitrose, M&S and Aldi) all have established formal community engagement programmes as part of their corporate policies.

## Governance performance

Below is an overview of SUPR's governance performance data.

*Table 12: An overview of SUPR's Governance.*

EPRA code	Performance measures	1 July 22 – 30 June 23
Gov-Board	Composition of highest governance body	<p>The Board is composed of six non-executive Directors.</p> <p>Gender diversity: three male and three female members.</p> <p>Minority Ethnic diversity: one member is from an ethnic minority.</p>
Gov-Selec	Nominating and selecting the highest governance body	The recruitment process followed in relation to Board appointments is designed to be independent and transparent. The recruitment criteria are focused on merit with reference to the candidates' experience and their alignment with the skill and experience gaps

<sup>10</sup> 53 supermarket assets in total portfolio.

		<p>identified by both the AIC and the FRC Guidance on Board effectiveness. Based on these criteria the Investment Adviser (IA) would initially identify a long list of candidates, with contributions from the IA Group, Board members and their respective advisers. The IA would then coordinate a series of interviews with members of the Board and the IA to identify a preferred candidate. Following this recruitment process, the Company's Nomination Committee would then recommend to the Board the appointment of a new member. The Company's process has since evolved further to engage an external Board recruitment company to assist with the succession planning of the Board.</p> <p>Each Director is appointed for an initial three-year term subject to annual re-election at the Company's AGM. Directors are typically expected to serve two three-year terms but may be invited by the Board to serve for an additional period.</p> <p>During the reporting period the Board appointed one additional non-executive director, Sapna Shah.</p>
<p>Gov- Process for managing conflicts of interest</p>	<p>Process for managing conflicts of interest</p>	<p>The Directors declare any conflicts or potential conflict of interest to the Board which has the authority to approve such situations. The Company Secretary maintains the Register of Directors' Conflicts of Interests which is reviewed at each quarterly board meeting, and when changes are notified. The Directors advise the Company Secretary and Board as soon as they become aware of any conflicts of interest. Directors who have conflicts of interest do not take part in discussions which relate to any of their conflicts. The Investment Adviser also has a Conflicts of Interest Policy which applies to all employees, contractors and interns in respect of all business activities in relation to Eligible Counterparties and Professional Clients undertaken by the Investment Adviser. The Investment Adviser's policy has been prepared for compliance with the FCA's rules and regulations. It is not possible to identify all the potential conflicts of interest which may arise. The purpose of the Investment Adviser's Conflict of Interest policy is to serve as an explanatory guide for how the Investment Adviser actively manages and deals with conflicts in the course of day-to-day business and provide controls and relevant monitoring programmes that can be adapted to manage the detail of the specific conflicts as they arise. The policy contains controls to minimise this risk of potential damage to clients and forms an important element in protecting and enhancing the Investment Adviser's reputation. The policy may not cover all eventualities and all circumstances that may be encountered but is regularly reviewed.</p>