

Hibernia REIT

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Independent Assurance Statement

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TO: THE STAKEHOLDERS OF HIBERNIA REIT

Independent assurance statement by Upstream Sustainability Services, JLL (“Upstream”) to the stakeholders of Hibernia REIT concerning the data used in its 2021 Sustainability Report

SCOPE OF WORK

Hibernia REIT engaged Upstream to provide independent assurance of its EPRA sBPR energy, water and waste performance information, greenhouse gas (GHG) emissions, and social and governance performance measures relevant to its 2021 Sustainability Report. The engagement was Type 2 moderate assurance in accordance with the AA1000AS v3 standard which consisted of:

- A. Evaluation of Hibernia REIT’s adherence to the AA1000 AccountAbility Principles (AA1000AS v3) of inclusivity, materiality, responsiveness and impact;
- B. Evaluation of the reliability of the specified sustainability performance information and associated data collection and management processes and systems, as well as a review of Hibernia REIT’s social and governance performance measures.

RESPONSIBILITY

The management of Hibernia REIT is responsible for the completion of the 2021 Sustainability Report and all statements and figures contained therein. Upstream’s responsibility was to complete the assurance process, prepare this assurance statement and to provide a report on its findings for the management of Hibernia REIT.

METHODOLOGY

Upstream undertook the following assurance activities:

- Interviewed the following employees about the principles of inclusivity, materiality, responsiveness and impact:
 - Neil Menzies – Sustainability Manager
 - Thomas Edwards-Moss – CFO
 - John Cairns – Asset Manager
 - Dan Boyd – Head of Occupier Services
- Reviewed internal and publicly available information relating to the principles of inclusivity, materiality and responsiveness and drew upon information gathered in 2021 through interviews conducted with Hibernia REIT staff;
- Discussed data, evidence and data issues with Hibernia REIT’s sustainability manager;
- Reviewed the approach to data collection, management and reporting.

LEVEL OF ASSURANCE AND LIMITATIONS

Upstream provided a moderate level of assurance which included desktop review, management and property level data verification and evidence gathering from internal sources and third parties. The verification did not include financial data, technical descriptions of or information relating to buildings or other information not related to sustainability.

The scope of our data testing was limited to the 2020 calendar year. We tested a sample of 288 data points from a total of 24 data sources (e.g. meters or waste disposal routes) from 10 properties within Hibernia REIT that are reporting environmental data in their 2021 Sustainability Report. In addition, we also reviewed 10 EPRA social and governance performance indicators (Diversity-Emp, Diversity-Pay, Emp-Training, Emp-Dev, Emp-Turnover, H&S-Emp, H&S-Asset, H&S-Comp, Comty-Eng and Gov-Board).

A: EVALUATION OF - HIBERNIA REIT'S ADHERENCE TO THE AA1000 ACCOUNTABILITY PRINCIPLES (AA1000AS v3) OF INCLUSIVITY, MATERIALITY, RESPONSIVENESS, AND IMPACT

Based on the scope of work described above, nothing has come to our attention to suggest that Hibernia REIT did not adhere to the majority of the criteria under the principles of inclusivity, materiality, responsiveness and impact for 2020.

INCLUSIVITY - HOW THE ORGANISATION ENGAGES WITH STAKEHOLDERS AND ENABLES THEIR PARTICIPATION IN IDENTIFYING ISSUES AND FINDING SOLUTIONS

In January 2020 Hibernia appointed its first dedicated Sustainability Manager, whose role involves the management and delivery of their ambitious sustainability programme. Hibernia's sustainability strategy and associated policies are reviewed at board level. Input is provided from other areas of the business, including support from the CFO. There is also opportunity for bottom-up input from other team members and stakeholders. Hibernia also continue to make use of their sustainability committee who meet on a quarterly basis.

Stakeholder engagement at all levels continues to be of primary importance as Hibernia work towards their ESG ambitions. A formal commitment to stakeholders is set out within their annual sustainability reports which are published via the company website. By highlighting achievements and performance over the previous year, as well as targets and a trajectory for the upcoming year(s), a means of accountability is demonstrated to both internal and external stakeholder groups. Key stakeholder groups identified by Hibernia include employees, customers, suppliers, communities, and sector peers. Tenants and investors have also been highlighted specifically as providing valuable input to sustainability related decision making. 2020-21 has seen a greater focus from these parties around issues of sustainability, particularly a growing interest in net zero carbon, sustainable finance measures and an emphasis on healthy buildings. Engagement is used as a means of filtering down overarching strategy to an asset level. Training on ESG is conducted with employees and members of the board to drive best practice.

Stakeholders are engaged via a range of methods with approaches tailored to different stakeholder groups. As of 2020, annual occupier surveys have begun to include a section specifically relating to sustainability. Surveys are used to gain insight into relevant issues and provide an opportunity to gather feedback on the implementation of asset specific sustainability measures. Processes of engagement vary dependent between occupiers. Meetings with tenants regularly take place where possible and Hibernia staff are available on an ad-hoc basis to assist in finding solutions to potential issues as they arise. Restrictions and lockdowns during 2020 in relation to the COVID-19 pandemic have created challenges in terms of face-to-face engagement. Stakeholder participation continues however to be of primary importance to Hibernia. Where possible, engagement has been moved online. Sustainability newsletters were issued to tenants for the first time in 2020 as a means of promoting best practice and providing an update on ongoing initiatives. In addition to continuing engagement with employees,

customers, suppliers and sector peers, Hibernia actively involve stakeholders within the communities in which the business operates. Primary examples of this practice during 2020 include supporting local artists and making their work accessible through community events, supporting a number of charitable causes including fundraising for the Shine a Light fundraising campaign for homeless persons, and hosting health care professionals free of charge in vacant apartments, enabling them to return to Ireland to work in a local hospital. News and case studies are shared online via the company website and on various social media platforms.

MATERIALITY – HOW THE ORGANISATION DETERMINES THE RELEVANCE AND SIGNIFICANCE OF AN ISSUE TO ITSELF AND TO ITS STAKEHOLDERS

During 2020 Hibernia undertook their first formal materiality assessment, this process has been used as a method of identifying and prioritizing sustainability related issues that are of material importance to the business and its associated stakeholders. Hibernia intend to conduct materiality assessments every 2 years to ensure that strategy is responsive, and that alignment of responses to identified issues remains high. The results of these assessments will help form the basis of sustainability strategy as it develops over time. Areas of focus, and progress against targets continue to be disclosed as part of Hibernia's annual sustainability reporting. As part of the assessment process, a desktop review of sector specific real-estate sustainability themes was conducted in order to identify areas of focus. Once key subject areas were identified, feedback was sought from stakeholders and used to rank topics based on importance and potential impact. Based on the priority of these identified issues, KPIs and measurable targets have been set, narratives have been incorporated into reporting, and topics of interest will continue to be monitored and managed internally. Hibernia appreciate that areas of focus will change depending on business activity, particularly in relation to new acquisitions and developments.

Maintaining an ongoing evaluation of the relevance key sustainability issues is considered a priority of Hibernia staff interviewed. Sustainability strategy is reviewed every year in order to understand and improve sustainability performance. Topics from a broad range of sources are considered including industry standards, peer trends and legislative requirements.

RESPONSIVENESS – HOW THE ORGANISATION RESPONDS TO STAKEHOLDER ISSUES AFFECTING SUSTAINABILITY THROUGH ITS PERFORMANCE, ACTIONS, DECISIONS AND COMMUNICATION

During 2020-21 Hibernia has refocused its sustainability strategy, this change was based on the findings of the Materiality Assessment detailed above. The previous five principles have been simplified and consolidated into three. This change, and the pathway of implementation, is communicated within 'Transforming Dublin Responsibly', Hibernia's sustainability statement of intent. This document was published in 2021 and will be used to set the course of Hibernia's sustainability strategy over the coming years. The key principles core to this, are to "*become a net zero carbon and climate resilient business by 2030; provide spaces that prioritize the environment, health and wellbeing; and create long-term positive social impact through our operations*". These objectives have been aligned with the United Nation's Sustainable Development Goals and feed into Hibernia's ambition to become the most sustainable property company in Ireland. Hibernia have committed to becoming a Net Zero Carbon business by 2030 ahead of the deadline stipulated within the Irish government's climate bill. By doing

so, Hibernia demonstrate a clear understanding of the impact and prioritization of sustainability issues in formulating an appropriate response to stakeholder expectations. This decision was made as a result of active engagement with stakeholders, and a consideration of climate risk and associated impacts on the business.

The sustainability strategy is filtered down to an asset level, where Hibernia continues to respond to sustainability issues by employing a forward-thinking approach. Future-proofing buildings is a key priority, so that the performance of individual assets contribute towards achieving broader company goals at a portfolio level. Examples of this practice include phasing out the use of gas, and considering the long-term impacts of maintenance decisions, where greater efficiency is sought by updating plant equipment, rather than replacing them like-for-like. In their consideration of response to the challenges associated with the COVID-19 pandemic Hibernia have cemented their notion of clustering buildings to offer more services to occupiers, particularly in relation to wellbeing and a focus on improving air quality.

Hibernia respond to stakeholder issues and incorporate bottom up input by maintaining a close relationship with occupiers and providing clarity on high level strategy through weekly tenant meetings where applicable. This process is supported by the publication of ESG policy, demonstrating a best practice approach.

IMPACT – HOW THE ORGANISATION MONITORS AND MEASURES THE EFFECTS OF ITS BEHAVIOR AND PERFORMANCE ON THE ECONOMY, THE ENVIRONMENT, AND THE SOCIETY.

Hibernia's impact is quantified through a range of different means, and performance is communicated both internally and externally on a regular basis. This ensures that all relevant stakeholders are kept informed on both positive and negative impacts of business functions. Key indicators of performance such as utility consumption and greenhouse gas emissions are monitored and made available through the publication of annual reports. The data that feeds into this reporting is independently assured to maximize stakeholder confidence in communications. Transparency of reporting and fair representation of impact is ensured in part, through the use of EPRA sBPR and reporting guidelines which are informed by the GRI Standard. These guidelines cover environmental, social and governance impact categories. Hibernia now respond to the CDP and have been awarded their first classification this year. In addition, they are also participants in the Global Real Estate Sustainability Benchmark (GRESB), allowing them to measure performance indicators, management and policies against peers. In 2020 Hibernia were awarded four green stars with an overall score of 80%, which was 5pp higher than the previous year. By benchmarking and improving performance year on year Hibernia demonstrates a clear commitment to adopting behavior which positively impacts on its ESG performance. Hibernia have also begun modelling projected carbon emissions to 2030, to quantify future risks and opportunities associated with climate change and to provide another means of quantifying impact. Hibernia also measures the sustainability of its developments through the green building standard LEED.

At an asset level, the installation of automated meter reading technology has been implemented to gather real time data across the portfolio. This enables Hibernia to target areas of improvement and gain a greater understanding of environmental performance data at a granular level. Social impact is also measured and is currently quantified primarily in terms of financial contribution to charitable causes. Hibernia continue to donate to charities through fundraising efforts, and also support and

engage with local community focused groups by hosting events open to the public. Hibernia appreciate the need to continue to develop their approach to meaningfully measuring social impact.

OBSERVATIONS & RECOMMENDATIONS

- Hibernia's approach to inclusivity and stakeholder engagement is well defined. Communication is embedded within company culture, allowing Hibernia to deliver long term value to its stakeholders.
- The methods used for identification and prioritization of Hibernia's material issues are well considered, enabling stakeholders at various levels to influence the course of sustainability strategy. This also helps ensure that topics from a wide range of sources are considered and accounted for.
- Hibernia remain responsive to stakeholder issues and have developed a robust means of capturing and communicating their actions as they work towards the core principles of their sustainability strategy.
- Multiple measures exist to accurately quantify and evaluate ESG performance in a way that is transparent and can be externally validated.
- As part of ongoing efforts to understand social value of the business it is recommended that Hibernia develop a formal approach to community engagement to assist in validating their response to external as well as internal stakeholder groups.
- As Hibernia begin to conduct regular materiality assessments, it recommended that the strategy and its alignment to key issues continues to be reviewed on an annual basis. Where possible any changes in priority could be documented to help ensure that the feedback gathered from engagement conducted between assessments, is incorporated into the identification of new areas of focus.
- It is recommended that a formal process is created to document the occurrence of stakeholder conflicts in relation to issues of sustainability. This will help ensure that all stakeholders are equally considered when deciding course of action.

The above recommendations and additional observations will be presented to the management of Hibernia REIT in a more detailed management report.

B: EVALUATION OF THE RELIABILITY OF THE SPECIFIED SUSTAINABILITY PERFORMANCE INFORMATION AND ASSOCIATED DATA COLLECTION AND MANAGEMENT PROCESSES AND SYSTEMS

Based on the scope of work described above, nothing has come to Upstream's attention that causes it to believe that the specified 2020 energy, water and waste performance information, GHG emissions and Social Governance KPI are not fairly stated for Hibernia REIT.

DATA ASSURED

Environmental Performance Data:

Energy: 11,649,879 kWh

Water: 18,412 m³

Waste: 307 tonnes

GHG: Scope 1 – 1,470 tCO₂e
Scope 2 – 1,129 tCO₂e
Scope 3 – 12,556 tCO₂e

EPRA Social and Governance Performance Measures:

Diversity-Emp: 36% (exec staff)
29% (all senior levels and Board)

Diversity-Pay: 136% (exec staff)
207% (all senior levels and Board)

Emp-Training: 18 (hours)

Emp-Dev: 100%

Emp-Turnover: 10% (new hires)
10% (turnover)

H&S-Emp: 0 (injury rate)
0 (lost day rate)
0.75% (absentee rate)

0 (fatalities)

H&S-Asset: 100% (office portfolio)
100% (residential portfolio)

H&S-Comp: No instances of non-compliance (office portfolio)
No instances of non-compliance (residential portfolio)

Comty-Eng: 23% (office portfolio)
N/A (residential portfolio)

Gov-Board: 2 (total number of executive members)
7 (total number of independent members)
5 (average tenure in years)
5 (total number with competencies relating to environmental and social topics)

OBSERVATIONS & RECOMMENDATIONS

Environmental Performance Data:

- All evidence was provided promptly and in a format that was straightforward to understand, Hibernia staff were responsive and collaborative towards queries and requests for additional evidence/explanation.
- Some of the data presented was hardcoded, reducing the efficiency of the assurance team to follow the methodologies used, particularly in relation to scope 1 & 2 GHG emission calculations. This was however resolved by referring to the data tables provided as part of last years assurance project.
- It is essential that data is finalised and remains frozen once the assurance process has begun to ensure that the sample stays representative of the data being assured. Any changes to the data must be agreed prior to enacting them and clearly communicated.

EPRA Social and Governance Performance Measures:

- Data was presented clearly and in a format that was straightforward to understand, Hibernia staff were responsive and collaborative to queries and evidence requests. There were however instances where methodology was less clear to follow and some figures were hardcoded. It is recommended that when data is presented for assurance, that associated methodology is also made available, hardcoding of figures should be avoided where possible.
- It is recommended that the sources of data used in calculations are clearly noted when presenting data tables, this will help improve the efficiency of evidence requests.
- Please ensure that all sources of data are provided in relation to the figures presented.

The above recommendations and additional observations will be presented to the management of Hibernia REIT in a more detailed management report.

INDEPENDENCE OF ASSURANCE

Due to our expertise and experience with non-financial information, sustainability management and social and environmental issues, we have the competencies required to conduct this independent assurance engagement. We are bound by the JLL Code of Business Ethics and are independent as defined by AA1000AS v3.

Upstream is a consultant to Hibernia REIT and provides support on their environmental, social and governance programme. The assurance team has not been involved in the delivery of these other services for Hibernia REIT and we do not consider that there is any conflict of interest between these other services and this verification engagement.

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