

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Ordinary share of Life Sciences REIT plc

**Legal entity identifier:** 213800RG7JNX7K8F7525

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?** *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

**Yes**                        **No**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>
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**What environmental and/or social characteristics are promoted by this financial product?**



The environmental characteristic promoted by the company is a carbon emissions reduction strategy for its assets.

No index has been designated as a reference benchmark for the purposes of meeting the environmental and/or social characteristics promoted by this financial product.

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental characteristic by the company, the investment adviser will disclose annual progress on the two indicators below:

Scope 1 & 2 GHG emissions intensity = tonnes CO2e / m2

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable. The company does not make sustainable investments.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable. The company does not make sustainable investments.

— — *How have the indicators for adverse impacts on sustainability factors been taken into account?*

— — *How are the sustainable investments aligned with the OECD Guidelines for*

*[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

*Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable. The company does not make sustainable investments.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**Does this financial product consider principal adverse impacts on sustainability factors?**



Yes

No



**What investment strategy does this financial product follow?** *[provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis]*

#### Investment Objective

The Company's investment objective is to provide Shareholders with an attractive level of total return. The target is to deliver a total accounting return of 10% pa through a combination of NAV growth and dividends. The Company focuses on properties which are leased, or intended to be leased to occupiers in the life sciences sector.

#### Investment Strategy

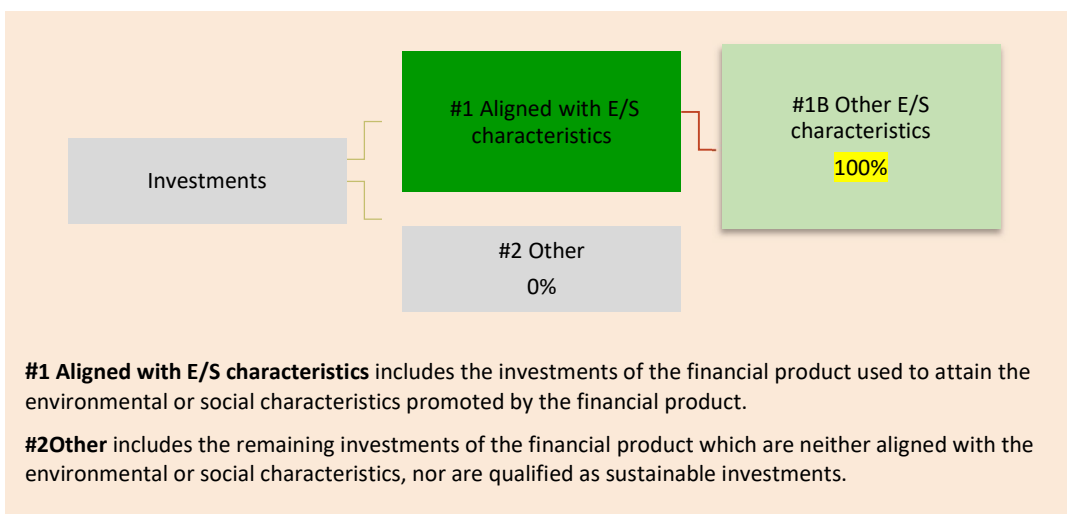
The Company is constructing a portfolio focused on the UK's growing life science sector with occupiers diversified across the broader life sciences spectrum. The Company predominantly buys properties where it can add value through long term active asset management, including the conversion of office to laboratory or hybrid space and may acquire individual buildings or entire science parks. The Company primarily targets the "Golden Triangle" (London, Cambridge and Oxford) but may consider opportunities in other emerging clusters around the UK. The Company addresses the demand-supply imbalance for space in its target locations by forward-funding developments and acquiring land to develop.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The company's asset management approach includes:

- Data driven carbon reduction programmes - identifying ways to improve energy efficiency and reduce carbon emissions associated with the portfolio relating to both the Company's own and its occupiers emissions; this includes introducing energy

**Asset allocation** describes the share of investments in specific assets.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

efficient and low carbon interventions and switching to renewable sources of energy where possible.

- Tenant engagement - consulting with tenants to identify mutual well-being of sustainable agendas as well as collaborating to reduce carbon emissions;
- Refurbishing and developing responsibly using the Board approved Sustainable Strategy - targeting best in class building standards such as BREEAM to create sustainable spaces which appeal to modern life sciences occupiers, and reducing emissions and running costs for the benefit of both the Company and its tenants.

**What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

- Not applicable

● **What is the policy to assess good governance practices of the investee companies?**

Not applicable as the Company invests in real estate assets rather than investee companies.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**What is the asset allocation planned for this financial product?**



The Company invests in UK properties that are leased or intended to be leased to tenants operating in the life science sector.

The Company expects that a minimum of 100% of its property assets will meet the environmental characteristics promoted.

The Company may hold cash on deposit and may invest in cash equivalent instruments, which may include short-term investments in money market type funds (“Cash and Cash Equivalents”). There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have significant Cash and Cash Equivalents position. It is further noted that it is anticipated that at all times the Company will maintain a net debt position, recognising the Company’s use of debt instruments to fund the acquisition of properties.

The Company has a designated Green Loan, secured on two of its buildings which are either rated BREEAM Excellent or EPC A.

● ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The Company will not use derivatives to attain environmental characteristics promoted. The Company may utilise derivatives for efficient balance sheet management only. In particular, the Company may engage in full or partial interest rate hedging to mitigate the risk of interest rate increases on borrowings in place which are in accordance with the Company’s Financing Strategy.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Company does not align their investments with the EU Taxonomy


Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

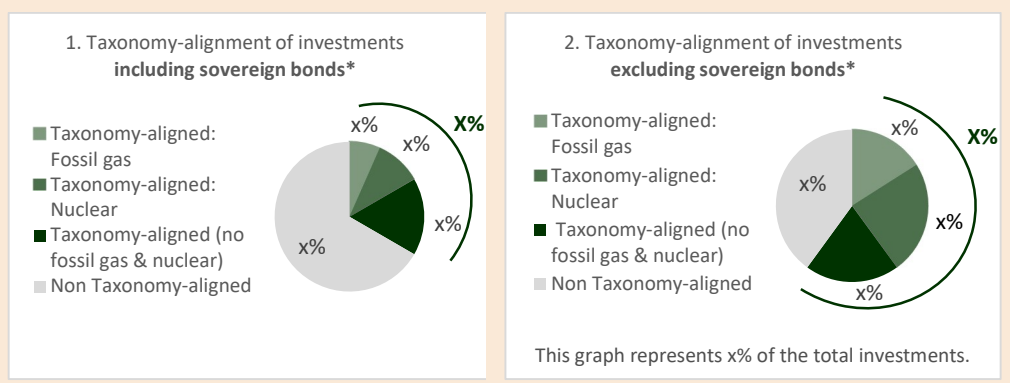
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes: *[specify below, and details in the graphs of the box]*
- In fossil gas     In nuclear energy
- No


*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

The Company does not align their investments with the EU Taxonomy and similarly do not intend to track any transitional and enabling activities.

 **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy**

The Company does not make environmentally sustainable investments.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



### What is the minimum share of socially sustainable investments?

The Company does not make socially sustainable investments.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

#2 Other investments relate to cash management.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No specific index is being referenced.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



### Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://lifesciencereit.co.uk/>