



Ireland's Premier Property Fund

IPUT plc

**Sustainability Report
2018**

About IPUT

IPUT is the longest established commercial property fund in Ireland and is the largest owner of office buildings in Dublin.

As a core income fund, our principal objective is to provide institutional investors with a consistent income yield from commercial real estate.

IPUT has a proven track record in delivering superior returns and delivered a Total Shareholder Return of 8.3% in 2018.




The IPUT portfolio comprises 470,000 sq m (5 million sq ft) of institutional grade, prime commercial real estate and includes large scale offices, retail and logistics assets with a focus on offices in Dublin’s core central business district.

Our team has multi-cycle experience and seeks to maximise shareholder returns through targeted exposure to added value projects, underpinned by the Fund’s core income generating properties.

More information online:

Visit our dedicated investor section of our website to access a wide range of company information:
www.iput.com/investor-relations

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Pictured from left to right:

A selection of our South Docklands offices; Riverside Two, Riverside One, 33-34 Sir John Rogerson's Quay and the Tropical Fruit Warehouse

2018 PERFORMANCE HIGHLIGHTS



WELL Certified™ Gold

IPUT's office became the first office in Dublin to be WELL Certified™ Gold.



Energy Reduction

In 2018 we saw a 7% reduction in electricity use at 1 Grand Canal Square, which is our highest consuming asset.

GRESB Performance

We improved our GRESB score to 67, a 20% increase on our 2017 score and a 3 star Green Star rating.



Tenant Satisfaction

We undertook our first formal survey in 2018 with over 100 participants. Over 80% of survey respondents found the services in IPUT buildings to be of an excellent standard.



Social and Cultural Support

Over the course of 2018 we continued to engage with the wider Dublin Community in a broad range of activities alongside environmental improvements.



LEED Certifications

LEED Gold achieved at 40 Molesworth Street & The Exchange and LEED Platinum achieved at 10 Molesworth Street.



Green Energy

IPUT have sourced renewable energy supply from green energy providers associated with 75% of Scope 2 emissions.



Chief Executive's Foreword

Sustainability is now well embedded in how we manage our portfolio. In 2016 we embarked on our first ever formalised sustainability strategy which sought to establish key structures and governance with regards to data collection, energy management and responsible development and portfolio management. 2018 marked the end of the scope of this strategy and so the time has come for both a review and a fresh look forward at how we responsibly invest in, develop and manage our portfolio.

We were delighted to see some visible success during 2018 from our investment in sustainable initiatives and policies during the preceding two years. There have been notable achievements from both a development and portfolio management perspective. Our commitment to social responsibility has gained momentum and is now much broader in focus and outlook. Our team now naturally integrate responsible, socially considerate practices and activity in all of their work, ensuring it is a common value evident in our outputs.

From a development perspective, we were delighted to see three developments complete in 2018 with LEED certifications – LEED Platinum at 10 Molesworth Street and LEED Gold at 40 Molesworth Street & The Exchange. We have placed great emphasis on quality of design to enhance the occupier experience in an IPUT developed building. We have focused on light, air quality and the creation of great spaces to meet, work and enjoy. Developing buildings focused around people is important to us. A key highlight therefore, was our own office at 47-49, St. Stephen's Green receiving WELL Certified™ Gold, setting a new

benchmark for us and the Dublin office market. Our new developments currently in train will all be WELL ready for our occupants, should they wish, being certified to shell and core level.

From a portfolio management perspective, we saw great progress in our governance and policy development. Our key benchmark, GRESB, measures our approach to environmental, social and governance issues and we were delighted to see our GRESB score rise to a 3 star Green Star rating and achieve a 20% improvement on the previous year. We are extremely proud of this achievement and our team are focused on making further improvements, particularly in the area of tenant engagement and environmental monitoring. Our new Asset Services division, which will directly manage our multi-let portfolio, will be a key vehicle in achieving further success in this area.

The future is uncertain from an environmental perspective and we have a responsibility to ensure we continue to do our part to mitigate the impact on climate change. This will be a key focus of our sustainability strategy over the next few years and we have already made commitments, including adoption of the Intergovernmental Panel on Climate Change recommendation to limit warming to 1.5°C. We have an objective to be net zero carbon in operations by 2022 and are adopting the UN Sustainable Development Goals as a foundation for our new strategy. We foresee a challenging few years ahead from an environmental perspective and we look forward to working with our key stakeholders to demonstrate further leadership in this important area.



Niall Gaffney
Chief Executive



15

of our directly managed buildings
source 100% of their electricity
from renewables



3

815,000

hours have been worked
on IPUT developments with
only one recordable accident



7%

reduction in electricity use
at 1 Grand Canal Square



€17,700

energy savings at
Riverside Two in 2018



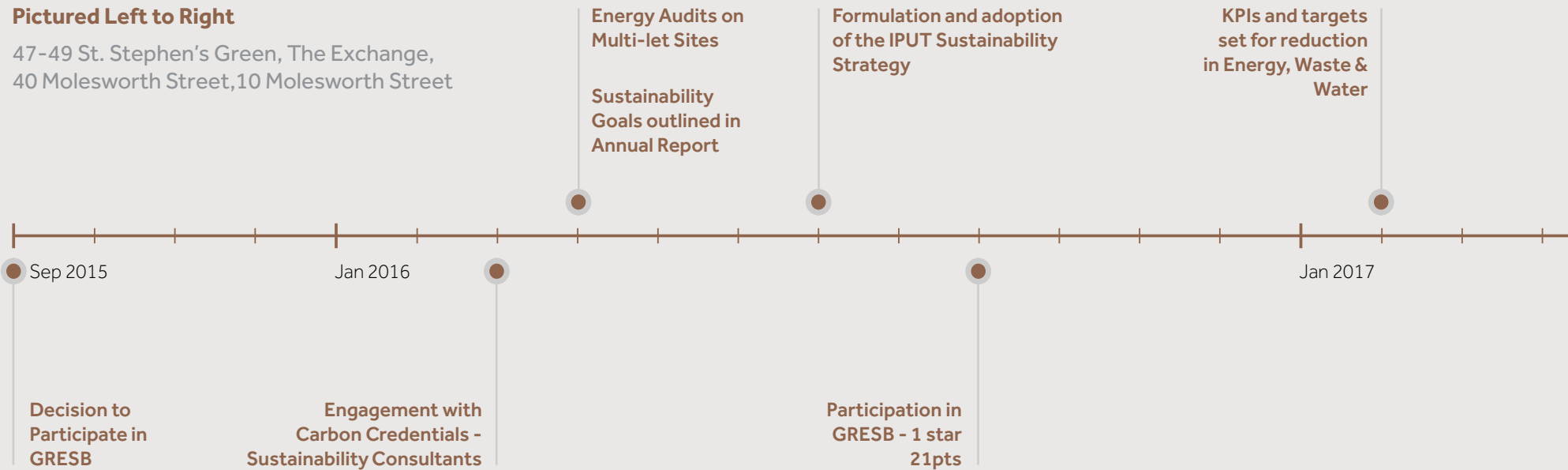
Our Sustainability Journey

Sustainability has always been inherent in IPUT's approach to good estate management and how we operate our buildings. Our quality assets and long-term hold strategy lends itself to a culture of stewardship. In 2016, we began to implement a dedicated sustainability strategy and approach sustainability as a specific portfolio management activity.



Pictured Left to Right

47-49 St. Stephen's Green, The Exchange,
40 Molesworth Street, 10 Molesworth Street

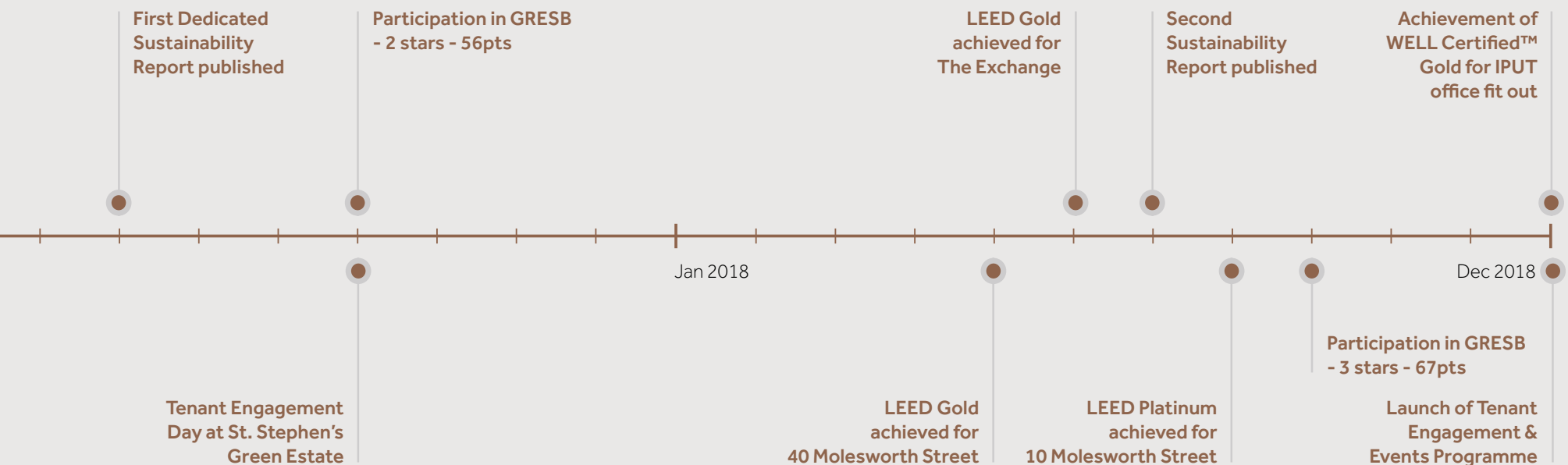


THE 2016 SUSTAINABILITY STRATEGY

The 2016 sustainability strategy was focused on implementing an explicit sustainability programme aligned with best practice. The key focus of our initial strategy was to establish governance, responsibilities, data collection and KPIs to measure performance against

our goals. Designed to be reviewed and updated in 2019, it put together foundations to enhance IPUTs approach to responsible management of our assets and strong focus on environmental aspects of sustainability.

We understand the importance of communicating with our stakeholders and our annual sustainability report and participation in the GRESB benchmark, in which we have achieved our target scores, form key components of this.



20% Improvement in GRESB Performance

In 2018, IPUT participated in the Global Real Estate Sustainability Benchmark (GRESB) for the third year in a row. We improved our GRESB score to 67, a 20% increase on our 2017 score.

We use the GRESB benchmark to measure and communicate the progress of IPUT's sustainability journey to investors. As we are committed to continually improving sustainability in our business, we were delighted with the 20% improvement in our 2018 GRESB performance, maintaining our leading position in the Irish market.

While we are immensely proud of our achievements to date, we remain focused on using the insight this process provides us with, to improve our sustainability programme.

In 2018, we met our target to achieve a 3 star Green Star rating, and performed above our peer group average in a number of areas including management, policy & disclosure and performance indicators.

We intend to take the learnings from GRESB participation to push beyond benchmarking and build upon aspects of sustainability that are most important to our business values and occupants. During 2019, we believe our new sustainability strategy will drive increased focus on occupier and stakeholder engagement.



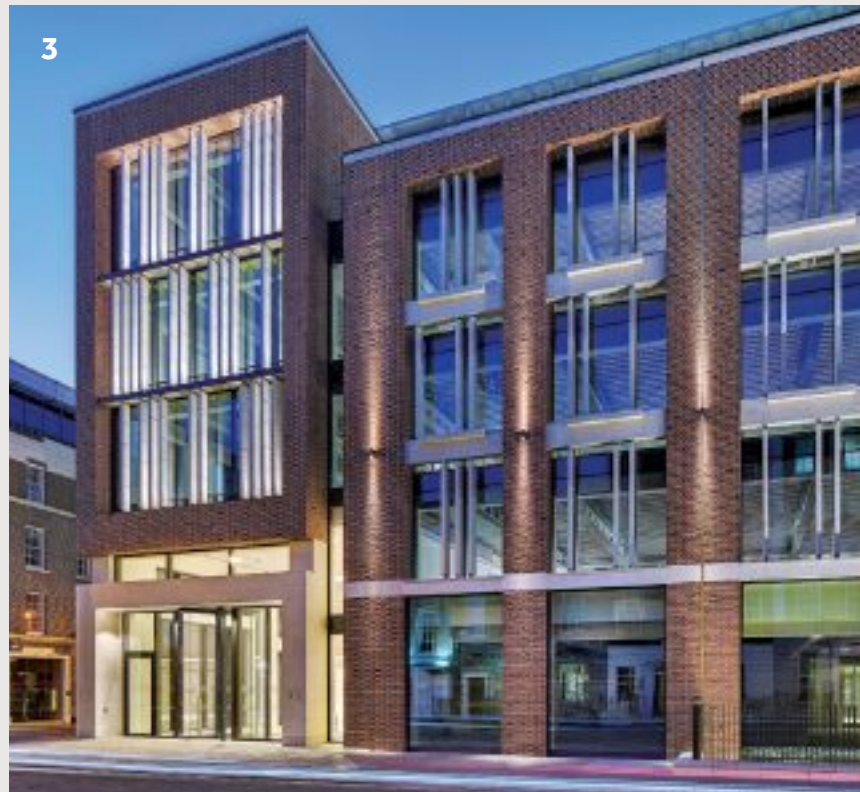


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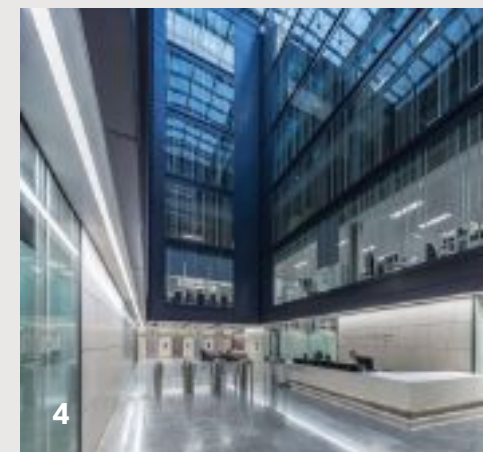


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7



3



4



5



6

- 1 Riverside One, Sir John Rogerson's Quay, Dublin 2
- 2 25-28 North Wall Quay, IFSC, Dublin 1
- 3 10 Molesworth Street, Dublin 2
- 4 The Exchange, IFSC, Dublin 1
- 5 Riverside Two, Sir John Rogerson's Quay, Dublin 2
- 6 1 Grand Canal Square, Dublin 2

Tenant Engagement & Wellbeing

Positive tenant relationships and high quality service are core to our success as a business. In 2018, IPUT's office became the first WELL Certified™ Gold office in Dublin and only the second in Ireland. In 2019, we will continue to actively engage with our occupiers to ensure our buildings meet their needs and operate efficiently to support wellbeing.



WELL Certification

In 2018, IPUT's new office at 47-49 St. Stephen's Green became the first WELL Certified™ Gold office in Dublin. The WELL Building Standard is delivered by The International WELL Building Institute™ (IWBI™) and is the leading standard for benchmarking buildings and interior spaces on their commitment to human health and wellness. The WELL standard is based around seven categories of building performance: air, water, nourishment, light, fitness, comfort and mind. Our office space has been designed with collaboration and comfort in mind including flexible working spaces, interactive areas, acoustic design and access to roof gardens.

Our new developments also include aspects of WELL standard readiness so our occupiers can choose to implement the standard efficiently.

This accomplishment reflects our ambition to provide optimum environments for our occupants as stated by our Chief Executive, Niall Gaffney:



"By focusing on the health and wellbeing of people we can create spaces that are more comfortable and productive to work in. Achieving WELL Certified™ Gold for our new office reflects the ambition of the business to deliver the highest quality design in our buildings."

Niall Gaffney, Chief Executive, IPUT

Pictured:
IPUT's office at
47-49 St. Stephen's
Green which
achieved WELL
Certified™ Gold.



Tenant Engagement Survey

We undertook our first formal tenant engagement survey in 2018 to understand how we can continue to improve workplaces for our occupiers and provide excellent service. Over one hundred tenants from across our portfolio responded to the survey, providing us with strong insight into both our strengths and areas for improvement as property owners.

The results indicated high levels of tenant satisfaction with 75% of responding tenants indicating highly favourable feedback. We were delighted

that over 80% of survey respondents found the services such as reception, security or maintenance staff in IPUT buildings to be of an excellent standard.

However, it has also helped us to identify areas for increased focus in the future, such as improving how we engage with tenants on environmental matters. We also identified opportunities to improve health and wellbeing at specific buildings, where central plant and controls could be refined to provide a better work environment for building occupants.

Building on the success of our WELL Certified™ Gold rating and the results from the occupier survey, creating and managing spaces which positively contribute to occupants' health and well-being is a key focus for our new sustainability strategy. We will develop

this throughout 2019 by expanding our programme of engagement events. This will enable us to foster strong relationships and help to increase occupier participation in our sustainability programme.

Over 80%

of survey respondents found the services in IPUT buildings to be of an excellent standard

FOSTERING TENANT ENGAGEMENT

In December 2018 we held our "Merry Midday Mingle" event at our Shelbourne Buildings Estate. The event brought together staff members from across the multiple occupiers, fostering stronger community spirit between our tenants. As well as being a social occasion, we also took the opportunity to provide educational information about waste segregation and reduction, to help engage our occupiers in reducing their environmental impact.



Social Responsibility:

SUPPORTING THE ARTS

IPUT remain committed to delivering a positive social and cultural impact for the wider Dublin community. Ensuring we deliver social benefits alongside environmental improvement is a core part of our sustainability strategy.

We continue to engage with the wider Dublin community through our involvement in a broad range of activities including support of:

- Young Musician of the Year
- The Irish Architectural Archive
- The Lir Academy
- The National Concert Hall
- Joseph Walsh 'Making In' Event

SUPPORTING LOCAL ARTISTS: SPONSORING 'MAKING IN' EVENT

IPUT sponsored a series of conversations about Irish art and the thinking that informs the choices made in the creative process. Architects, designers, artists and makers today have an expanding myriad of possibilities in realising their work.

Making In asks why makers remain committed to mastery: what is the motivation that goes into the sometimes extraordinary commitment necessary to realise a work to incredibly high standards? In IPUT's architecture for instance, the materials used can have a significant impact of the environment, the wellbeing of those living within the spaces, the longevity of the structure.

The event asked: What is the impact of quality architecture, architecture of the place? What informs one particular approach over another?

IPUT's support for this event enabled the continued expansion and appreciation of the work of the Joseph Walsh Studios, increasingly recognised as culturally important both in Ireland and internationally.



Pictured:
Magnus V

Pictured:
The making of Magnus V,
Joseph Walsh Studios, Cork



Social Responsibility:

BIODIVERSITY

As our city develops it is also important that it grows sustainability and integrating nature in our estate is part of this growth.

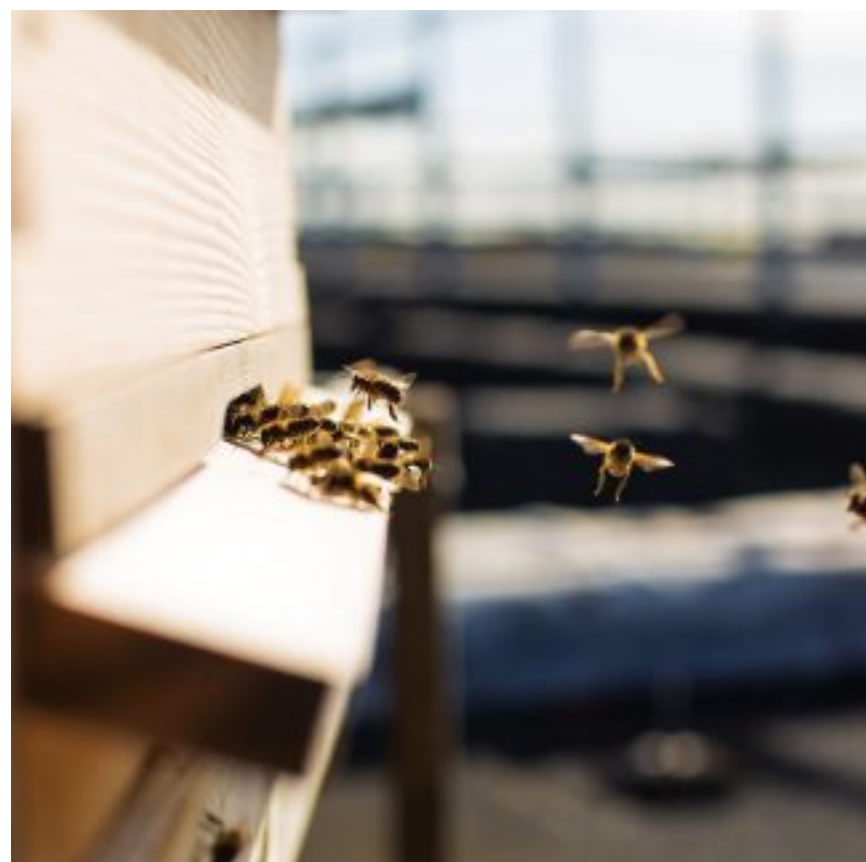
SUPPORTING THE INTEGRATION OF NATURAL HABITATS WITHIN OUR CITY: IPUT'S BEEHIVES

Our beehive project is one of the ways we contribute to this development; IPUT placed two beehives on the roof of our office building at St. Stephen's Green in 2017 and the bees have been thriving ever since.

Each hive contains about 50,000 bees in the height of the summer, made up of worker bees, drones and the queen. With a wide variety of trees and flowers from which to forage pollen and nectar, they gathered a staggering 60 Kilograms of delicious honey in the summer of 2018.

The hives are tended to by IPUT's Head of Property Management, Niall Ringrose, who incidentally also keeps a couple of hives on the roof of Buswells Hotel, on Molesworth Street!

IPUT's urban beehive project very much supports our aspiration to integrate natural habitats within a fast-developing city, helping to create a healthy and vibrant environment for Dublin's citizens to enjoy. It has also created a great opportunity for IPUT to engage with its many stakeholders, as the harvested honey is bottled and distributed amongst the IPUT team, building occupiers and visitors to the office.



Left to right:

1. An IPUT jar of honey from hives at St. Stephen's Green.
2. Bees returning to the hive.
3. IPUT's Head of Property Management, Niall Ringrose tending the hive.



Development Pipeline

IPUT is a long term investor in prime Dublin real estate and we continually review opportunities to regenerate assets within our portfolio. Over the past number of years we have embarked on a development phase to modernise and renew assets to enhance the tenant experience and support long term income growth. We have a stated ambition of developing our assets to the highest levels of LEED certification and were pleased that in 2018 three developments achieved LEED certification – LEED Platinum at 10 Molesworth Street and LEED Gold at 40 Molesworth Street and The Exchange, IFSC. As part of the regeneration of our portfolio IPUT also invests in the public realm across our estate and this reflects an acknowledgment that businesses must look solely beyond short-term financial returns and consider the social impact we have in the areas which we live and work.

IN 2018 IPUT COMPLETED THE FOLLOWING DEVELOPMENTS:

- 40 Molesworth Street
LEED Gold
- The Exchange, IFSC
LEED Gold
- 10 Molesworth Street
LEED Platinum
- 5 Earlsfort Terrace
LEED Platinum (Targeted)

THERE ARE FOUR IPUT PROJECTS CURRENTLY AT CONSTRUCTION STAGE AT THE END OF 2018:

- One Wilton Park
LEED Platinum (Targeted)
- 30/ 32 Sir John Rogerson's Quay
LEED Gold (Targeted)
- Earlsfort Centre –
Plaza Public Realm works

THERE ARE FOUR IPUT PROJECTS CURRENTLY AT DESIGN/PLANNING STAGE:

- Carrickmines (Mixed use Retail / Leisure development)
- Styne House Reception and façade upgrade
- Waterside – Blocks 6, 7 & 8
- Two-Four Wilton Park



HEALTH & SAFETY AND SITE APPEARANCE

The welfare and safety of all who work with IPUT is a priority. We set the highest standards of Health and Safety, providing a safety culture and work environment where everybody is respected and safe from injury.



CRAFTSMANSHIP

IPUT is committed to designing buildings that are great to work in and will enhance the city's built environment. IPUT Buildings will be completed using the finest quality materials, assembled with great care, dedication and craftsmanship.



GOOD NEIGHBOUR

IPUT aims to be a trusted and respected member of the local community. We are committed to informing, respecting and showing courtesy to those affected by the construction of IPUT projects.



SUSTAINABILITY

IPUT develop sustainable buildings with the most appropriate design criteria. We aim to make buildings healthier and more productive for its occupants, reduce their impact on the environment and offer enhanced operational value by cultivating energy and improving efficiency.

USING CERTIFICATION TO COMMUNICATE ASSET QUALITY

ONE WILTON PARK, DUBLIN 2

IPUT is focused on driving long-term income growth and shareholder returns. IPUT identified Fitzwilton House, owned by the Fund since 1982, as a redevelopment opportunity which would drive strong net rental income growth and capital values for shareholders

IPUT commenced redevelopment of the site during 2018 and will deliver a 152,000 sq ft Grade A office building, One Wilton Park, in Q4 2020. One Wilton Park will be one of the leading prime office assets in Dublin. The development was awarded a WiredScore 'Platinum' digital connectivity rating, the highest possible WiredScore rating, placing it among the best-connected buildings in the world. It will also meet the highest sustainability and efficiency credentials in the market – designed for LEED 'Platinum' certification and a WELL Certified™ Gold rating.

Consistent with a commitment to de-risk the Fund's development pipeline, One Wilton Park was pre-let to LinkedIn, the world's leading professional network and a subsidiary of the Microsoft Corporation on a long-term lease.

IPUT has also strategically assembled ownership of the entire Wilton Park Estate which includes the adjacent Wilton Park House, Gardner House and their associated public spaces. IPUT has submitted a planning application to develop an additional 450,000 sq ft of prime office space and which will create a new 600,000 sq ft mixed use city quarter in the heart of Dublin's CBD.



Pictured:

CGI of One Wilton Park,
Dublin 2, 152,000 sq ft City
Centre Office Development

Health and Safety

In 2018, almost 815,000 hours were worked on IPUT developments with only one recordable accident. This is equivalent to 0.12 LTA per 100,000 hours worked, which compares favourably to industry-best practice for incident rates.

We are tracking safety performance across our projects, using contractors' progress reports and IPUT's own online development H&S tracking portal. We are monitoring the number of

recordable accidents in line with the Health & Safety Authority requirements. Our one recordable accident was a "lost time accident (LTA) greater than 3 days". The operative made a full recovery.

In line with our firm belief in 'Safety First', we aim to learn from any incidents that do occur, to enable us to further improve our safety performance.

2018 SAFETY STATISTICS

IPUT Site	Hours Worked	Positive Behaviours	Negative Behaviours	External Audits & Inspections	Lost time Accidents
10 Molesworth Street	149,226	279	148	2	0
30-32 SJRQ Office Development	5,565	0	0	6	0
40 Molesworth Street	5,112	0	0	0	0
47-49 St. Stephen's Green (3rd floor)	32,545	17	19	0	0
47-49 St. Stephen's Green (4th floor)	14,970	15	11	2	0
5 & 6 Earlsfort Terrace	127,439	180	212	13	0
One Wilton Park	454,758	81	28	14	0
Unit 103 Northwest Business Park	25,000	0	0	1	1
Total	814,614	572	418	38	1



Pictured:
Reception at 5 Earlsfort Terrace

The 2019 Strategy

Sustainability and responsible management is now a key component of the IPUT building brand.

We recognise the importance of being a sustainability leader; it makes for a better business, stronger stakeholder relationships, improves our buildings and most importantly, ensures we play our part in addressing climate

change. For this reason, our 2019 strategy is designed to increase our ambition and explore how IPUT can deliver excellent buildings that maximise occupier wellbeing and minimise our carbon footprint.

MATERIALITY REVIEW

Prior to formulating our new 2019 strategy, we wanted to understand what our priorities should be. We therefore conducted a Materiality Review in 2018. A Materiality Review identifies and prioritises the most relevant sustainability issues for an organisation, using feedback provided by the organisation’s key stakeholders.

Grounding our strategy in our material issues ensures that our actions have impact and are aligned with our business objectives. Through engagement with investors, staff and occupiers, IPUT developed a clear understanding of what aspects of sustainability were most important to stakeholders and what was relevant in the context of our portfolio investment strategy.

Recognising the importance of alignment with the global ambition of our investors, tenants and partners, our 2019 strategy used the UN Sustainable Development Goals as a foundation.

IPUT’S SUSTAINABLE DEVELOPMENT GOALS



WHAT OUR STAKEHOLDERS TOLD US

Board members and senior team

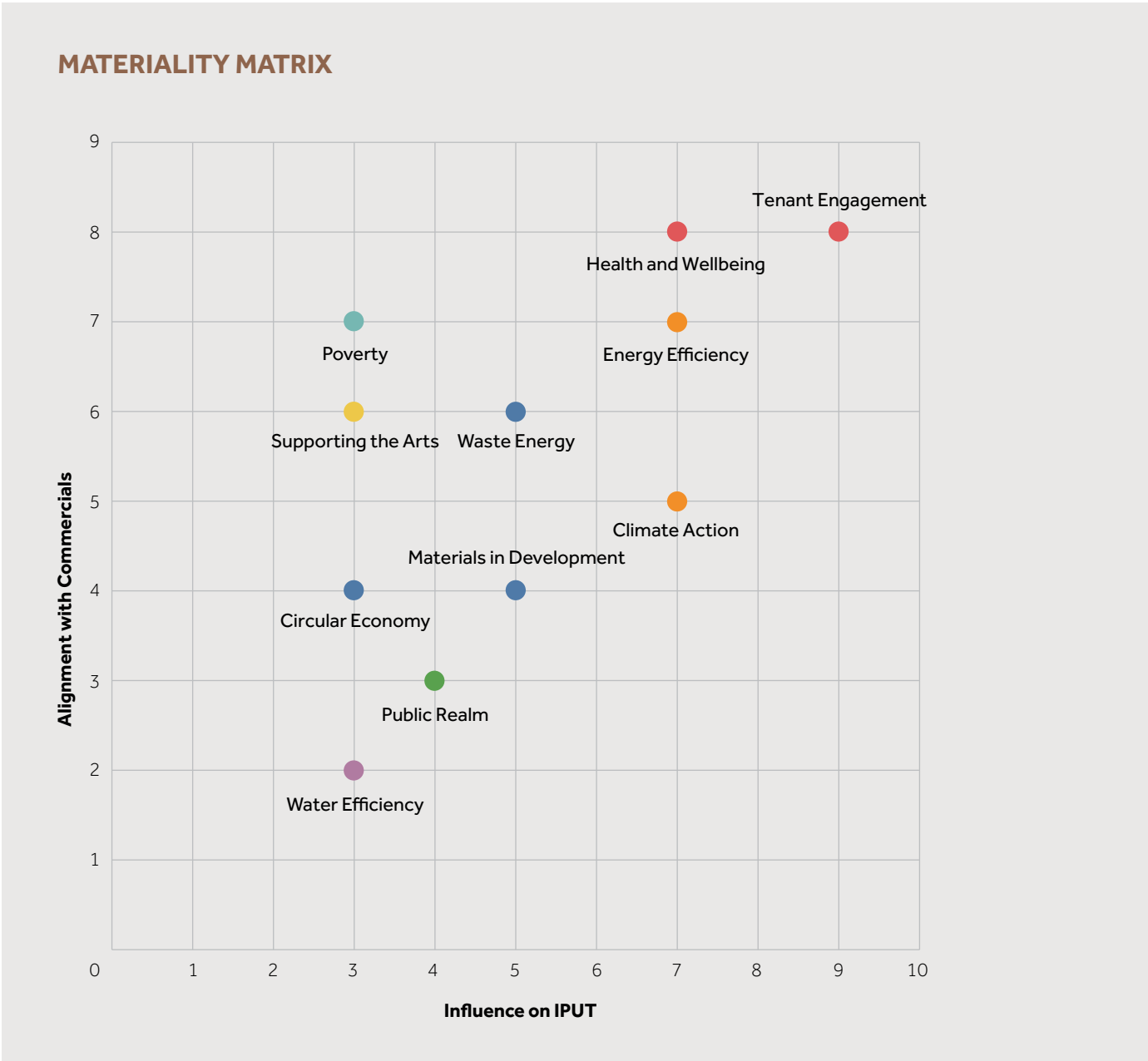
Our senior leaders highlighted the importance of having clear plans for communicating our sustainability commitments and embedding these in our day to day operational activities. This is to ensure we are both transparent and ambitious in managing sustainability risks and realising opportunities.

Investors

Our investors clearly articulated the need for a proactive approach to mitigate our impact on climate change and managing future physical and financial risks.

Occupiers

Our occupiers agreed with the need for efficient buildings and management of climate risks, but also highlighted the need to maintain buildings which promote health and wellbeing, aligning with the IPUT brand. The importance of shared values between the owner and occupier also arose in our discussions, as it provides the basis for long term relationships, supporting shared purpose and sustainability interests.



Pictured:
Reception at The Exchange,
IFSC, Dublin 1

Our 2022 Ambitions

The Materiality Review allowed us to properly recognise the role we play as an investment vehicle, employer and owner. Through this engagement we were able to understand what our stakeholders expect of us. The process validated our desire to be ambitious about how we approach sustainability and we have identified three areas of focus for our new strategy.





1. NET ZERO OPERATIONAL EMISSIONS BY 2022

At a policy level, IPUT is committing to achieve emissions reductions in line with limiting warming at 1.5°C, as set out by the Intergovernmental Panel on Climate Change. Our goal for 2019 will be to establish new carbon targets aligned with this pathway and formally adopt a methodology to embed a measurable Net Zero emissions target.

By 2022 we will have Net Zero “Scope 1” and “Scope 2” emissions. In order to achieve this we will reduce energy demand across our business and increase sourcing of renewable energy from green suppliers to reduce the carbon intensity in our electricity. We recognise that a major challenge between now and 2022 is reducing the carbon impacts of our “Scope 1” emissions, and we will be investigating how we do this in alignment with formal Net Zero methodologies. Over time we will expand our Net Zero strategy to include material “Scope 3” value chain emissions over which we have influence.

Pictured:
CGI of One Wilton Park, Dublin 2,
152,000 sq ft City Centre Office Development



2. CIRCULAR ECONOMY

At a policy level, IPUT is committing to developing a circular economy approach to both developments and operations. The circular economy concept centres on building an industrial system that is restorative by design, eliminating waste to achieve an optimised cycle of disassembly and reuse. This strategy will consider how we design buildings and choose materials which have a clear end of use, durability, adaptability and recyclability. It will also incorporate our commitment towards responsible waste management and the development of increased reuse and recycling policies in our operations. The circular economy is important to IPUT as it encompasses our business aim; to make buildings designed to be great places for the long term.



3. IMPROVE HEALTH AND WELLBEING WITHIN OUR BUILDINGS

We recognise that creating great buildings comes down to how people experience them. A focus on the health and wellbeing of the occupants of our buildings is a key pillar of our in-house management strategy being delivered by our Asset Services division. We want to enhance our buildings to make them even better, healthier spaces to occupy, which are actively managed in a way which places user experience at the forefront of the service delivery model.

In 2018 we achieved a WELL Certified™ Gold rating for our new office at 47/49 St. Stephen’s Green. Through this process, we learned a lot about how to design wellbeing into workplaces. Although much of the health and wellbeing features within a workplace are associated with an occupier’s fit-out or operations, we can design wellness in to shell and core design and construction, as well as in to our management strategies. A focus on improved health and wellbeing reflects the partnership we have with our occupiers to deliver highly productive and excellent workplaces. We want people to be better for working in an IPUT building.

Performance

IPUT has established an ongoing energy reduction programme and in 2018 we set targets on all directly managed assets.

Much of IPUT’s emissions relate to shared services within multi-tenanted buildings, such as reception space, lifts and HVAC systems. The cold weather in March and the heatwave in

July both had an impact on our energy performance this year, with increases in heating required in the spring, and additional cooling required during the summer. For this reason, net energy

increased on the like-for-like portfolio and is a demonstrable example of the impact extreme weather events can have on day-to-day operations of a large property portfolio.

	2017	2018	Percentage change
Scope 1 - emissions from natural gas combustion and refrigerant top ups	1,628 t CO _{2e}	1,736 t CO _{2e}	7%
Scope 2 - emissions from purchased electricity and district steam	3,101 t CO _{2e}	3,430 t CO _{2e}	11%
Total Scope 1 and 2	4,729 t CO_{2e}	5,166 t CO_{2e}	9%
Scope 3 - emissions from third parties	1,755 t CO _{2e}	1,791 t CO _{2e}	2%
Total Scopes 1, 2 and 3	6,484 t CO_{2e}	6,957 t CO_{2e}	7%

IPUT is committed to continuing to make reductions, regardless of the weather. We are learning from this experience and looking at ways of better managing central plant. At Riverside 2 our CAPP programme, which keeps routine review over controls and set points in the BMS, delivered an 11% reduction in energy costs over 2018 which equated to an energy bill saving of €17,700 for the year. We were

also pleased to see a 7% reduction in electricity use at 1 Grand Canal Square, which is our highest consuming asset. Most importantly, we are initiating metering and tenant engagement programmes to better understand how energy is being used across our buildings, at both landlord and occupier consumption levels, and discuss how to make improvements. Our engagement

with tenants within our materiality review has shown that our tenants are keen to engage with us on energy matters, in order to reduce overall consumption and emissions. As a responsible landlord, this is an exciting opportunity to further improve how our buildings run.

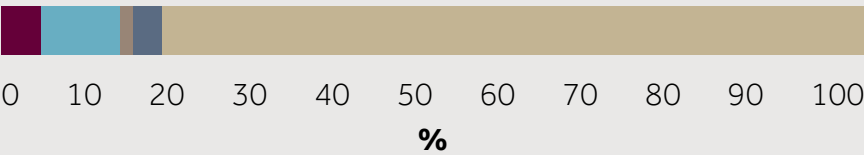
Green Energy Supply

While we calculate our greenhouse gas emissions using the standard grid emissions factor for electricity and the Greenhouse Gas Protocol's "Location Based" Scope 2 methodology, for 2018 we have additionally calculated our Scope 2 emissions using the "Market Based" approach, which is disclosed within the INREV performance charts. This demonstrates the reduced emissions associated with our choice of energy suppliers. In 2018, IPUT used green energy suppliers for 15 of our directly managed assets, who source 100% of their electricity from renewables associated with 75% of Scope 2 emissions. As a part of the 2019 Sustainability Strategy, IPUT will be targeting further reductions in Scope 1 and 2 emissions and this will include increasing coverage of renewable energy supply going forward.

15
of our directly managed
assets, source 100% of
their electricity from
renewables

SCOPE 3 COVERAGE AND ENGAGEMENT

Within our greenhouse gas emissions inventory for 2018 (which does not include Scope 3 emissions from embodied carbon in developments), an estimated 84% of emissions are related to tenant's own emissions, including all single let buildings where our management control is limited. The Scope 3 emissions reported in relation to tenant usage was collected across 15 sites, 10 of which are like-for-like and have data for complete calendar years 2017 and 2018. The actual tenant data collected represents approximately 3% of modelled Scope 3 emissions. We estimate that our total Scope 3 footprint is about 30,500 tCO_{2e}, based on a model using intensity benchmarks.



Pictured:
1 Grand Canal Square, Dublin 2

- Scope 1 (5%)
- Scope 2 (9%)
- Scope 3, Other (1%)
- Scope 3, tenants data collected (3%)
- Scope 3, tenant data, modelled without data collection (82%)

Embodied Carbon

As a part of our 2019 Sustainability Strategy, IPUT will be looking at ways to record and report on the embodied carbon of our developments in the future. We recognise this is an important part of our emissions inventory, but it is a complicated one. We're determined to put it in the reporting infrastructure to make sure that we can not only report on embodied carbon, but also take progressive steps to reduce it, without compromising the quality of our assets.

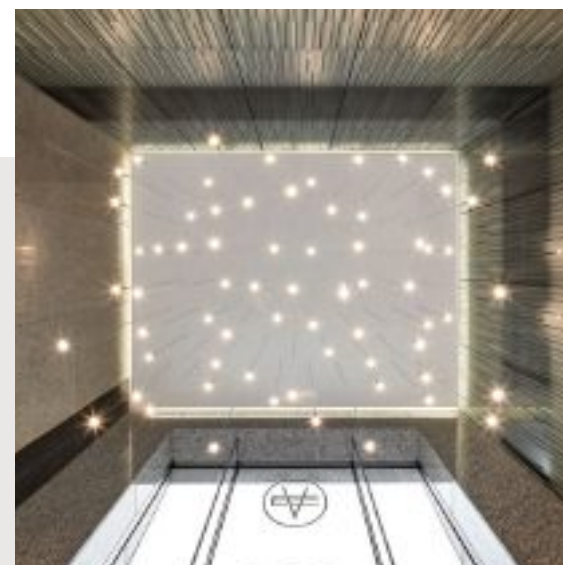


WATER EFFICIENCY PROJECT

IPUT regularly seek to identify opportunities at both a portfolio and individual property level to reduce the impact our buildings have on the environment. During the summer of 2018, IPUT worked with one of our managing agents, JLL, on an initiative at buildings they managed which identified water savings of 2.8 million litres of water per annum, the

equivalent of 18,667 baths, across the various properties.

The project involved water saving devices being fitted to all toilets and urinals in both landlord and tenant spaces and resulted in significant reductions in water consumption and also savings in associated water rates costs for each building.



Pictured Above:
40 Molesworth Street
Atrium in 5 Earlsfort Terrace

Pictured Right:
5 Earlsfort Terrace new floors



INREV Performance Charts

ABSOLUTE PERFORMANCE

		2015	2016	2017	2018	Percentage change
Electricity	Total electricity consumption	7,996 MWh	13,120 MWh	10,264 MWh	11,250 MWh	10%
	Under IPUT Operational Control	7,996 MWh	7,913 MWh	7,430 MWh	8,301 MWh	12%
	Available tenant data		5,207 MWh	2,834 MWh	2,949 MWh	4%
	Number of Assets Included		28	23	24	
Natural Gas	Total natural gas consumption	8,494 MWh	8,856 MWh	9,103 MWh	9,510 MWh	4%
	Under IPUT Operational Control	8,494 MWh	8,602 MWh	8,839 MWh	9,434 MWh	7%
	Available tenant data		254 MWh	264 MWh	75 MWh	-71%
	Number of Assets Included	27	28	17	19	
Direct greenhouse gas emissions	Scope 1 - emissions from natural gas combustion and refrigerant top ups	1,896t CO _{2e}	1,583t CO _{2e}	1,628t CO _{2e}	1,736t CO_{2e}	7%
Indirect greenhouse gas emissions	Scope 2 - emissions from purchased electricity and district steam (Location-Based)	3,479t CO _{2e}	3,394t CO _{2e}	3,101t CO _{2e}	3,430t CO_{2e}	11%
Indirect greenhouse gas emissions	Scope 2 – emissions from purchased electricity and district steam (Market-Based)			487t CO _{2e}	724t CO_{2e}	48%
Indirect greenhouse gas emissions	Scope 3 - emissions from third parties in value chain	504t CO _{2e}	2,845t CO _{2e}	1,755t CO _{2e}	1,791t CO_{2e}	2%
Scope 1 and 2 intensity figure	Offices: tonnes CO ₂ / floor area	0.270	0.257	0.287	0.304	6%
	Retail: tonnes CO ₂ / floor area	0.070	0.085	0.178	0.188	6%

LIKE-FOR-LIKE PERFORMANCE

		2015	2016	2017	2018	Percentage change
Electricity	Total electricity consumption	7,562 MWh	11,498 MWh	7,290 MWh	7,710 MWh	6%
	Under IPUT Operational Control		7,405 t CO _{2e}	6,107 MWh	6,136 MWh	0%
	Available tenant data	7,562 MWh	4,093 MWh	1,183 MWh	1,574 MWh	33%
	Number of Assets Included		22	14	14	
Natural Gas	Total natural gas consumption	8,213 MWh	8,088 MWh	6,258 MWh	7,015 MWh	12%
	Under IPUT Operational Control		7,834 MWh	6,258 MWh	7,015 MWh	12%
	Available tenant data	8,213 MWh	254 MWh	0 MWh	0 MWh	0%
	Number of Assets Included		22	11	11	
Direct greenhouse gas emissions	Scope 1 - emissions from natural gas combustion and refrigerant top ups	1,844t CO _{2e}	1,442t CO _{2e}	1,152t CO _{2e}	1,290t CO _{2e}	12%
Indirect greenhouse gas emissions	Scope 2 - emissions from purchased electricity and district steam	3,290t CO _{2e}	3,176t CO _{2e}	2,548t CO _{2e}	2,534t CO _{2e}	-1%
Indirect greenhouse gas emissions	Scope 3 - emissions from third parties in value chain	464t CO _{2e}	2,306t CO _{2e}	899t CO _{2e}	1,033t CO _{2e}	15%

INREV Performance Charts

WATER USE

		2015	2016	2017	2018	Percentage change
Absolute	Total Water Consumption (m3)	97,578 m ³	81,853 m ³	98,223 m ³	135,614 m³	38%
	Under IPUT Operational Control	97,578 m ³	81,853 m ³	98,223 m ³	135,614 m³	38%
	Available tenant data	0 m ³	0 m ³	0 m ³	0 m³	
	Number of assets reporting water usage	15	15	16	17	6%
Like-for-Like	Total Water Consumption (m3)	97,192 m ³	78,984 m ³	92,978 m ³	100,729 m³	8%
	Under IPUT Operational Control	97,192 m ³	78,984 m ³	92,978 m ³	100,729 m³	8%
	Available tenant data	0 m ³	0 m ³	0 m ³	0 m³	
	Number of assets reporting water usage	13	12	13	13	0%

WASTE AND RECYCLING

		Absolute tonnes				% diverted from landfill	
		2015	2016	2017	2018	2017	2018
Absolute	Under IPUT Operational Control	97,578 m ³	882 tonnes	1,497 tonnes	1,512 tonnes	100%	100%
	Available tenant data	97,578 m ³	0 tonnes	0 tonnes	0 tonnes	–	–
	Total IPUT Waste	0 m ³	882 tonnes	1,497 tonnes	1,512 tonnes	100%	100%



Pictured:
Night Gates, 10 Molesworth Street, Dublin 2

Data Qualifying Notes

OVERALL SCOPES 1 AND 2 BOUNDARY

IPUT is reporting to Greenhouse Gas Protocol reporting standard, using the Operational Control boundary and our Scope 2 emissions are calculated using the Location Based methodology. Scopes 1 and 2 of our greenhouse gas inventory includes all directly managed assets, unless otherwise stated. Emissions have been calculated using the applicable International Energy Agency (IEA) emissions factors that were released in 2018.

SCOPE 1 INCLUDES NATURAL GAS CONSUMPTION AND REFRIGERANT TOP UPS.

Scope 2 includes electricity use - the IEA emission factor for Ireland decreased by 1% from 2017 to 2018, having a negligible impact on IPUT's electricity emissions. There is no district heating supplied to the IPUT portfolio. Sites in the Docklands do, however, have the infrastructural capability to use district steam and may therefore begin to use this source in future years.

For 2018 reporting we are also reporting our Scope 2 emissions using the market-based approach, alongside the location-based approach. The market-based approach uses a supplier specific emissions factor where possible and thus reflects the emissions from electricity that IPUT has purposefully chosen. If a supplier specific emissions factor is unavailable, a residual mix emissions factor is then used, and as a last option the location-based grid emissions factor is used.

OVERALL SCOPE 3 BOUNDARY AND TREND

Scope 3 includes all exclusively metered and sub-metered tenant consumption, as well as electricity grid 'transmission and distribution losses', tenant electricity grid 'transmission and distribution losses, water consumption, waste and business air travel. There is a 0% increase in absolute Scope 3 emissions, and a 15% increase in the like-for-like Scope 3 emissions. The increase is largely due to an increase in tenant electricity consumption at Styne House which accounts for 22% of the like-for-like Scope 3 emissions in 2018.

We cannot report Scope 3 before 2016 as we did not collect any tenant data at that time.

Upstream Scope 3 related to developments, including embodied carbon of materials, development logistics and actual construction activities has not been calculated and are not included but are considered significant. IPUT will be developing a process for reporting these in the future.

Air travel data, spanning the past 2 years, has been included in the figures for the first time in 2018. The 12% decrease in electricity transmission and distribution losses is due to a significant decrease in the emission factor, which is produced by IEA instead of DEFRA from 2018 onwards. An increase in business travel is due to working practices and increased staff numbers.

TENANT EMISSIONS COVERAGE

Tenant natural gas consumption coverage is typically low in Ireland where assets usually have 1 main meter under the landlord's responsibility without separate metering for the rented spaces. IPUT has, however, collected tenant natural gas consumption for Swords Business Campus (up to its disposal in Q1 2018) owing to its unusual metering arrangement.

ABSOLUTE ELECTRICITY CONSUMPTION TREND

IPUT reports a 10% increase in total absolute electricity consumption, largely due to the inclusion of The Exchange and Gardner House, which together account for 14% of the total electricity consumption in 2018 and have been reported for the full year for the first time in 2018.

LIKE FOR LIKE ELECTRICITY COVERAGE

Of the 24 assets reporting electricity consumption in 2018, 14 are like-for-like. Like-for-like electricity consumption has increased by 6%, due to increases from a number of sites including Iveagh Building, Riverside Two and Styne House.

ON SITE RENEWABLE ELECTRICITY COVERAGE

Pavilions Shopping Centre, 10 Molesworth Street and 40 Molesworth Street generate renewable energy. The amount of energy generated is not known and offsets local tenant energy use, directly removing grid demand.

GREEN ENERGY SUPPLIER COVERAGE

Of the 24 directly managed sites for which we reported electricity consumption in 2018, 15 sourced their electricity from suppliers who procure 100% renewable energy. As a result of this, our absolute market-based Scope 2 emissions were 78% lower than our absolute location-based Scope 2 emissions in 2017.

ABSOLUTE NATURAL GAS CONSUMPTION

There has been a 4% increase in total absolute natural gas consumption which correlates with the 7% increase at Pavilions Shopping Centre, which accounts for 20% of the gas consumption within the Directly Managed portfolio. Pavilions Shopping Centre gas consumption increased significantly due to weather variations in 2018.

LIKE FOR LIKE NATURAL GAS COVERAGE

Of the 19 assets reporting natural gas consumption in 2018, 11 are like-for-like.

WATER USAGE COVERAGE

Water data is collected for 17 sites in 2018. Water consumption has increased by 38%, partly due to improved data, including Waterside 5 which was reported for the first time in 2018 and accounts for 22% of the total consumption. There was also increased year-on-year consumption across the 5 largest consuming sites.

WASTE COLLECTION COVERAGE

Waste data is collected across 8 of the directly managed assets in 2018, compared to 16 assets in 2017. This is due to data access issues. Waste accounts for <1% of IPUT's GHG emissions. Waste output has increased by 1%.

Waste data collection began in 2017, reflective of 2016 and no waste data is available from 2015 or prior.

GREENHOUSE GAS VERIFICATION

The IPUT environmental data that is in scope for this reporting has achieved "Limited Assurance" to the ISO 14064-3 Greenhouse Gas Verification Standard.

Verification Statement

Carbon Credentials Energy Services Ltd (Carbon Credentials) has been contracted by IPUT plc (IPUT), of 47-49 St. Stephen's Green, Dublin 2, D02 W634, Ireland for the independent third party verification of direct and indirect carbon dioxide equivalent emissions (CO_{2e}) and the underlying activity data, as provided in the company annual report and accounts 2018 to a limited level of assurance. This verification exercise has been performed against the ISO 14064-3 standard.

ROLES AND RESPONSIBILITIES

The management of IPUT is responsible for the organisation's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information.

It is Carbon Credentials' responsibility to express an independent GHG verification opinion on the emissions as provided in the IPUT Sustainability Report 2018 for the period 1st January 2018 – 31st December 2018.

DESCRIPTION OF ACTIVITIES

The organisational boundary was established following the operational control approach on an international basis. The scope of this engagement covered the assessment of emission sources and underlying energy, water, waste, and refrigerant top-up data reported from:

SCOPE 1 EMISSIONS

- Emissions arising from the combustion of natural gas and operations of any facility and the use of refrigerant gas

SCOPE 2 EMISSIONS

- Emissions arising from purchased electricity

SCOPE 3 EMISSIONS

- Emissions arising from waste disposal, tenant electricity and natural gas (where available), electricity transmission and distribution and the distribution and treatment of water

OBJECTIVES

The objectives of this verification exercise were, by review of objective evidence, to confirm whether any evidence existed that the GHG emissions as declared in the organisation's GHG assertion were not: accurate, complete, consistent, transparent and free of material error or omission in accordance with the criteria outlined below.

CRITERIA

Criteria against which the verification assessment was undertaken:

I. REPORTING STANDARD:

- Scope 1 emissions: WRI/WBCSD: Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol)
- Scope 2 emissions: WRI: GHG Protocol Scope 2 Guidance: An Amendment to the GHG Protocol Corporate Standard
- Scope 3 emissions: World Resources Institute/ World Business Council for Sustainable Development Greenhouse Gas Protocol: Corporate Value Chain (Scope 3)

II. REFERENCE CALCULATION METHODOLOGIES:

- DEFRA (2013) Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance
- INREV (2017) Sustainability Reporting Guidelines

LEVEL OF ASSURANCE AND MATERIALITY

The level of assurance agreed is that of limited assurance. A materiality level of 5% was applied. Note that assessment of compliance and materiality was undertaken against the stated reporting standard calculation methodology.

CONCLUSION & VERIFICATION OPINION

We planned and performed our work to obtain the information, explanations and evidence that we considered necessary to provide a limited level of assurance based on the process and procedures conducted.

We conducted our verification with regard to the GHG assertion of IPUT, which included assessment of the company GHG information system and monitoring and reporting methodology. This assessment included the collection of evidence supporting the reported data and multiple checks relative to the provisions of the legislation, reporting standard and calculation methodologies referenced in the verification criteria. This statement shall be interpreted with the GHG assertion of IPUT as a whole.

Carbon Credentials' approach is risk-based, drawing on an understanding of the risks associated with calculating GHG emission information and the controls in place to mitigate these risks. Our examination included assessment, on a limited sample basis, of evidence relevant to the reporting of emission information.

Based on the data and information provided by IPUT and the processes and procedures conducted, Carbon Credentials concludes with limited assurance there is no evidence that the GHG assertion:

- is not materially correct;
- is not a fair representation of the GHG emissions data and information; and
- is not prepared in accordance with the criteria listed above.

It is our opinion that IPUT has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

The consumption and GHG information for the period 01/01/2018 – 31/12/2018 is verified by Carbon Credentials to a limited level of assurance, consistent with the agreed verification scope, objectives and criteria. 100% of emissions by scope are verified as follows:

OBSERVATIONS

Reporting Period: 01/01/2018 – 31/12/2018		
Like-for-like Natural Gas	Like-for-like Electricity	Like-for-like tenant data:
Reported consumption: 7,015 MWh	Reported consumption: 7,393 MWh	Reported consumption: 1,258 MWh
Scope 1	Scope 2 (location-based approach)	Scope 3
Reported Emissions: 1,736 tonnes of CO _{2e}	Reported Emissions: 3,430 tonnes of CO _{2e}	Reported Emissions: 1,651 tonnes of CO _{2e}

- Based on our work, Carbon Credentials considers that material GHG sources are appropriately identified and reported on.
- All material errors in reported data identified during the verification process have been duly corrected.

ATTESTATION:



Oliver Smallman, Lead Verifier

On behalf of Carbon Credentials Energy Services Ltd



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