

**THE TRAFFORD CENTRE LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Financial instruments

The Company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from its trading activities, all of which are carried out in sterling. The company does not enter into any formally designated currency hedging transactions. There is some exposure to interest rate risk through the use of borrowings with variable rates, but these are well managed and the Directors consider the level of risk to be acceptable. The financial risk management principles are considered in detailed in note 5 to the accounts.

Section 172 compliance statement

The Directors of the Company understand their duties as directors, in particular those contained in section 172 of the UK Companies Act 2006. Section 172 of the UK Companies Act 2006 requires each director to "act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long term;
- The interests of the company's employees;
- The need to foster the company's business; relationships with suppliers, customers and others
- The impact of the company's operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the company."

Each Director can access professional advice on duties and responsibilities, either from the Company Secretary or an external legal advisor.

The Directors are acutely aware of the range of stakeholders involved with the Company, the most significant non-shareholder stakeholders being providers of debt finance, employees of those service providers which ensure the ongoing operation of The Trafford Centre, employees of tenants at The Trafford Centre and the general public, as visitors to The Trafford Centre. The Covid-19 pandemic and the financial position of the Company inherited out of the failure of its former ultimate parent company has brought into sharp focus the absolute need for the Company to address long term issues in a manner which is supportive and respectful of the positions of all stakeholders and the community which is served by The Trafford Centre.

As is noted later in this Strategic Report, during the year under review the energy consumption and greenhouse gas ("GHG") emissions of the Company were significantly lower than in the prior year. However, this includes a period of significant Covid-19 lockdown. In the current year and future years the Company will be looking to maintain lower levels of GHG emissions than in calendar year 2019, whilst also driving the business of The Trafford Centre back up to its fullest capacity.

The following paragraphs summarise how the Directors fulfil their duties:

Risk Management

As we grow, our business and our risk environment also become more complex. We therefore work to effectively identify, evaluate, manage and mitigate the risks we face and that we continue to evolve our approach to risk management.

Our People

The Company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients, investors, communities and with society as a whole. People are at the heart of our specialist services. For our business to succeed we need to manage our people's performance and develop and bring through talent while ensuring we operate as efficiently as possible. We identify and celebrate the common values which we share and use these to inform and guide our behaviour so we achieve our goals in the right way.

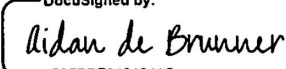
Business Relationships

We want to grow our business with our occupiers, cross selling and up-selling services to existing clients and bringing in new occupiers and service providers in an ever-changing retail market. To do this, we need to develop and maintain strong client relationships. We value all of our suppliers and have multi-year contracts with our key suppliers. Thanks to the hard work of our colleagues, working from home and from our offices, we were able to maintain our high level of service for our clients during the global pandemic.

Community and Environment

The Company's approach is to use the visibility of our position to create positive change for the people and communities with which we interact. We want to leverage our expertise and enable colleagues to support the communities around us.

Approved by the Board of Directors on 26th November 2021.

DocuSigned by:

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Mr A de Brunner
Director
Date: 26th November 2021

**THE TRAFFORD CENTRE LIMITED
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Streamline Energy & Carbon Reporting Disclosure

1. Reporting Methodology

This report was prepared in line with the Streamlined Energy & Carbon Reporting (SECR) guidance for the period covering January to December 2019 and 2020, using 2019 as the baseline year. The report considers an operational control approach for The Trafford Centre Limited, which operates a shopping complex in Greater Manchester.

Energy Consumption

SECR requires to include, "as a minimum purchased electricity, natural gas and transport". The Company has covered the SECR requirements by disclosing purchased electricity, natural gas and transport, but it also uses diesel fuel for sprinkler pumps and refrigerants. Due to limitations in data availability, diesel fuel for sprinkler pumps and refrigerants data for 2019 and 2020 is currently unavailable. In accordance with the SECR guidance, which states that "the party responsible for the consumption of energy should take the responsibility for reporting of it under this legislation", all tenant direct consumption was excluded from this report. Below is a detailed description of how energy consumption data was collated for the Company:

- Electricity and natural gas: the Company provided actual meter readers for natural gas and half- hourly metering data for electricity. The Stark Portal was used as a source for meter readings for 2019 and 2020. No data estimates were included.
- Company vehicles: the Company travel manager and the property management provided mileage records to calculate energy consumption and emissions for 4 pick-up trucks. Energy consumption data was estimated for 3 small scissor lifts, for which tank capacity and estimated fuel consumption was provided. The Company also has 8 more vehicles (Harried, Honda, Kubota vehicles, Yanmar tractor, road sweepers and Combi 400) used for landscaping and external areas, for which there is no record of fuel consumption and no estimates were included.
- Expensed mileage: in 2020, the Company had no fuel purchased for business travel using employees' vehicles. In 2019, fuel purchased by the Company for business travel using employees' vehicles was recorded by intu's group using a central system, which does not provide a break for the expensed mileage incurred directly by the Company; therefore, it was not feasible to obtain this data for 2019.

Data Analysis

Savills has performed the following data analysis techniques:

- Analysis of monthly consumption trends and year on year variances;
- Comparison of consumption between overlapping data sources;
- Investigation of anomalies to identify root cause;
- Communication with property managers to contextualise observed data trends.

GHG Emissions

The Company has used an operational control approach and has calculated the Scope 1 and 2 GHG emissions. GHG emissions for Scope 3 are not included as the Company has no fuel purchased for business travel using employees' vehicles for 2020, and for 2019 there were data limitations, as explained in the Energy Consumption section. The Company has calculated emissions from the following energy sources:

- Scope 1: natural gas and company vehicles
- Scope 2: purchased electricity

The methodology used to calculate emissions followed the guidance from the revised edition of the GHG Protocol Corporate Accounting and the Reporting Standard and the UK Government Guidance on SECR.

The Company reports Scope 2 GHG emissions using both location-based and market-based emissions factors. Calculating market-based emissions allows companies to show the benefit of sourcing and using renewable energy whilst using location-based emissions reflects the average emissions intensity of grids on which energy consumption occurs.

Location-based GHG emissions were calculated using conversion factors from the UK Government Department for Business, Energy & Industrial Strategy (BEIS) Conversion Factors for Company Reporting for the respective reporting periods. Scope 2 market-based GHG emissions were calculated using a zero- emissions factor for the Renewable Energy Guarantees of Origin (REGO) backed electricity supplies, which applied to electricity purchased from April 2019. There was no on-site renewable energy generation to account for in the period covered in this report.

The Company applied a standardised intensity ratio to allow easier comparison between yearly results, expressed as CO₂e emissions per net lettable floor area.

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2. Energy and GHG emissions

In 2020, the energy consumption decreased by 22%, which is presented in Table 1. The major reduction was observed in gas (-27%), followed by the reduction in electricity consumption (-20%). The reduction in gas was due to the decrease in the use of the shopping centre as a consequence of imposed COVID-19 restrictions. Purchased electricity reduction was due to a change to LED lighting as well as the decrease in the use of the shopping centre as a consequence of imposed COVID-19 restrictions.

Both location-based and market-based emissions decreased in 2020, as shown in Table 2 and Table 3. Scope 1 and Scope 2 emissions showed similar reductions (-27% and 26%, respectively). As with energy consumption, the decrease in GHG emissions can be linked to the decrease in the use of the shopping centre due to COVID-19 restrictions. Scope 2 market-based emissions reflected the impact of certified renewable energy purchases, introduced from April 2019.

Energy Source	Unit	2020	2019	%
Natural gas	MWh	3,838	5,270	-27%
Electricity	MWh	10,022	12,552	-20%
Transport fuel	MWh	44	49	-10%
Total	MWh	13,904	17,871	-22%

Intensity metrics	Unit	2020	2019	%
GHG emissions (location-based)	kg CO ₂ e/sq. ft	1.7565	2.3720	-26%
GHG emissions (market-based)	kg CO ₂ e/sq. ft	0.3987	1.0124	-61%

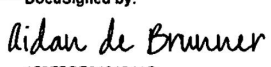
Note: CO₂e equals Carbon dioxide equivalent.

3. Energy Efficiency Actions

Despite the ongoing administration processes, the Company has implemented several initiatives to improve energy efficiency and reduce the associated GHG emissions.

- In April 2019, Intu Properties Plc switched to procuring electricity backed with REGO certificates.
- By October 2020, 90% of the lighting across the whole shopping centre was changed to LED, which has been an ongoing initiative during both reporting periods.
- In 2021 a proposal to change the 4 pick-up trucks to electric vehicles has been raised and is currently under consideration.

This report was approved by the Board of Directors on 26th November 2021 and signed in its behalf by:

DocuSigned by:

 153FBBE9424941C
 Mr A de Brunner
 Director
 Date: 26th November 2021

By order of the Board.