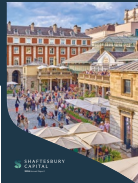


2040 Net Zero Carbon Pathway

March 2025



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Annual Report 2024



[www.shafesburycapital.com/
annual_report_2024.pdf](http://www.shafesburycapital.com/annual_report_2024.pdf)



TCFD report



[www.shafesburycapital.com/en/
responsibility/policies-and-reports.html](http://www.shafesburycapital.com/en/responsibility/policies-and-reports.html)



EPRA sustainability data report



[www.shafesburycapital.com/en/
responsibility/policies-and-reports.html](http://www.shafesburycapital.com/en/responsibility/policies-and-reports.html)



Introduction

We are pleased to update our Net Zero Carbon commitment to align with the Science Based Target initiative (SBTi) requirements and maintain our focus on achieving significant reductions in Greenhouse Gas (GHG) emissions across our operations.

Our Pathway has been developed in line with the requirements of the Better Building Partnership (BBP) Net Zero Carbon Pathway Framework and SBTi. It sets out how we will achieve our SBTi verified Net Zero Carbon science-based target by 2040, supporting the Paris Agreement goal to limit global temperature rise to 1.5-degrees. Our 2030 and 2040 science-based emissions reduction targets also have been approved by the SBTi.

A commitment to sustainability is nothing new for Shaftesbury Capital. We have placed sustainability at the core of our business, future-proofing West End heritage buildings and focusing efforts on low-carbon retrofit and refurbishment. This approach improves energy efficiency while minimising embodied carbon associated with new construction.

Following the merger of Shaftesbury PLC and Capital & Counties Properties PLC in 2023, Shaftesbury Capital published its first combined Net Zero Carbon pathway in 2023, building on commitments made by the pre-merger companies in 2021. In this

updated roadmap, we have reset our Net Zero Carbon commitment to reflect that the SBTi no longer considers the business to be an SME. This has required us to meet an obligation to set a long-term Net Zero Carbon target for a 90 per cent reduction in emissions and formally validate our scope 3 emissions target. In line with SBTi rules, we will only claim Net Zero Carbon status once we have achieved a 90 per cent reduction in emissions from our baseline.

Therefore, we commit to a long-term 90 per cent reduction in our emissions across all scopes by 2040. In line with the SBTi methodology, we will achieve this reduction in our emissions before utilising high quality offsets to claim formal Net Zero Carbon status.

In addition, we have updated our near-term, 2030, targets to align our Scope 3 emissions target at a 50 per cent reduction from a 2019 base year. This reflects the SBTi requirement to have a single target for scope 3 emissions. Our Scope 1 and 2 near-term target remains a 60 per cent reduction by 2030, from a 2019 base year.

Relevant carbon emissions covered by our commitment remains the same as set out in 2023.

The adoption of a Net Zero Carbon 2040 target will enable us to continue to focus on the decarbonisation of our operations, recognising the importance of addressing underlying energy and carbon efficiency before any residual emissions are offset with high quality removal credits.

In addition, we remain committed to investing in nature-based carbon removal credits for all Scope 1 & 2 emission from 2025. This is set out in more detail on page 8.

Committing to Net Zero Carbon is a key element of our aspiration to be recognised as a UK leader in sustainability for heritage properties. Our Net Zero Carbon commitment underpins the decisions and actions we take, across every aspect of our business. Our ambitious targets will deliver long-term carbon efficient operations and buildings which drive sustainable value for all stakeholders.

A formal review of this Pathway against changes to the portfolio and sector practice will be conducted at least every three years.

Ian Hawksworth
Chief Executive

13 March 2025



Our approach

Our Net Zero Carbon approach is to first reduce GHG emissions from our buildings and operations by at least 90 per cent before offsetting any unavoidable residual emissions. We recognise that our heritage buildings represent a significant long-term store of carbon, and we remain focused on the Whole Life Carbon of our developments. Whole Life Carbon comprises the embodied carbon required to bring a building into operation, much of which is already in our heritage buildings, the operational carbon through the lifecycle of the building, and the end-of-life carbon associated with disassembly.

We adopt circular economy principles, prioritising low carbon refurbishment of assets over new build and retaining as much of the original structure as is feasible.

Low carbon, energy efficient refurbishment of our heritage buildings extends their useful life whilst meeting the needs of customers for sustainable and healthy places to live, work and visit.

Whilst we prioritise the reduction in energy demand, we also continue to decarbonise our energy, both through the electrification of buildings and the installation of onsite renewables. This enables us to increasingly benefit from ongoing decarbonisation of the UK energy grid.

In addition to energy efficiency, our improvements will enhance climate adaptation and the overall resilience of our portfolio.

Success requires more innovative and sustainable ways of working and includes our supply chain partners across development and operational disciplines, and our occupiers, as well as our corporate actions.

» *More on our approach is set out on pages 16 to 17.*

We will report progress against our targets annually in our Annual Report and Sustainability Data Report.



Updates to our commitment in 2025

This 2025 Pathway update presents our Net Zero Carbon commitments and revised baseline using recent best practice methodologies.

SBTi approved near-term 2030 targets

Shaftesbury Capital PLC commits to reduce absolute Scope 1 and 2 GHG emissions by 60 per cent by 2030 from a 2019 base year. Shaftesbury Capital PLC also commits to reduce absolute Scope 3 GHG emissions by 50 per cent within the same timeframe.

As part of our commitment, we have verified our targets with SBTi. The SBTi requires that we have a single reduction target covering all our Scope 3 emissions. Our previous target had set a 60 per cent reduction target for operational emissions and a 50 per cent reduction for embodied emissions from the baseline year by 2030.

We have decided to align Scope 3 targets at the 50 per cent reduction. This remains well ahead of the required reduction rate and reflects the potential for variability in our embodied carbon emissions due to annual changes in our refurbishment operations. We remain committed to reducing carbon emissions from across our portfolio as quickly as practical.

SBTi approved long-term 2040 targets

Shaftesbury Capital PLC commits to reduce absolute Scope 1 and 2 GHG emissions by 90 per cent by 2040 from a 2019 base year. Shaftesbury Capital PLC also commits to reduce absolute Scope 3 GHG emissions by 90 per cent within the same timeframe.

With 2030 fast approaching, we want to look beyond the near-term to continue our carbon reduction efforts. In line with the approach required by the SBTi, we have set a long-term Net Zero Carbon target to achieve 90 per cent reduction in emissions across all scopes by 2040. This remains 10 years ahead of the minimum SBTi target of 2050 for when a 90 per cent reduction is to be achieved.

Setting a Net Zero Carbon target of 2040 also enables us to continue to focus on the decarbonisation of our portfolio and prepare for effective carbon offsetting in an evolving market where the focus is increasingly on the integrity of credits. We have set out our approach to carbon offsetting in more detail on page 8.

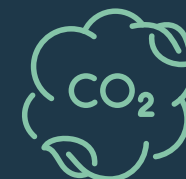
The scope of our commitment remains the same and is set out in appendix 2.

Carbon intensity

We continue to work towards the development of bespoke carbon intensity targets for our operations and refurbishment projects. In the near-term we will continue to track and report our carbon intensity, including the industry standard targets that we adopted in our 2023 Net Zero Carbon Roadmap.

Pathway actions

Our Pathway actions are set out on page 10, near-term actions (to 2030) are consistent with those we committed to in 2023. In line with the development of our long-term targets, we have added actions for 2040.



Key commitments

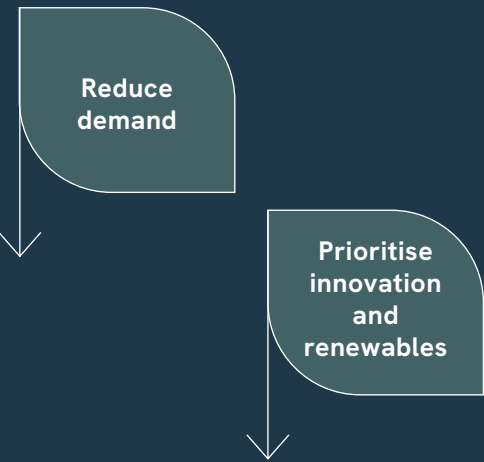
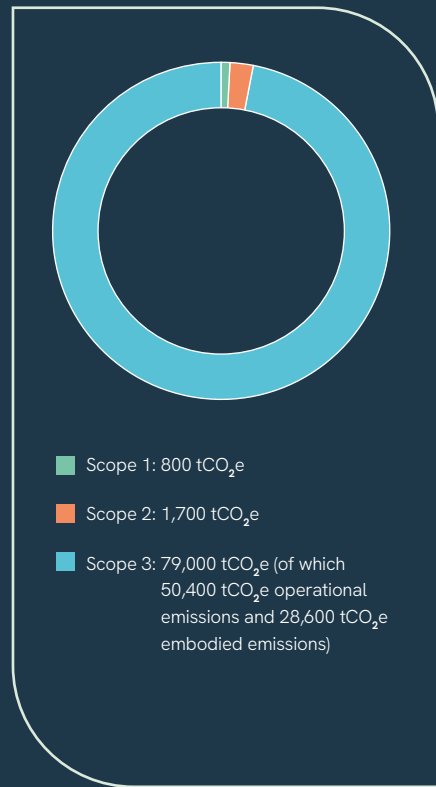
- Net Zero Carbon 2040
- Phase out fossil fuels
- Reduce emissions at a rate consistent with a 1.5°C science-based target pathway
- Report annually on carbon emissions within scope and progress against our milestones
- 60 per cent reduction in Scope 1 & 2 emissions by 2030, from a 2019 base year
- 50 per cent reduction in Scope 3 emissions by 2030, from a 2019 base year
- 90 per cent reduction in Scope 1, 2 & 3 emissions by 2040, from a 2019 base year
- Offset all Scope 1 & 2 emissions from 2025
- Offset all residual emissions from 2040

Our pathway to Net Zero Carbon

81,500
tCO₂e

60%
reduction for
Scope 1 and 2

90%
reduction across
all scopes



50%
reduction for
Scope 3



2019
Base year

2025
Offset Scope 1 and 2 emissions

2030
Near term SBT

2040
Long term SBT

Figures have been rounded

Defining Net Zero

We are committed to industry best practice and therefore are aligning with the SBTi definition of Net Zero Carbon.

We will have achieved Net Zero Carbon when our carbon emissions have been reduced by at least 90 per cent from our 2019 baseline and for the remaining 10 per cent an equivalent volume of carbon has been permanently removed from the atmosphere.

This includes:

- Scope 1, 2, and 3 emissions
- Use of location-based emissions, only considering green energy procurement when additionality can be demonstrated
- Carbon offsetting only being considered for residual emissions

As we move forward, we will consider evolving guidance from the UK Net Zero Carbon Building Standard and the SBTi Building Standard, adopting suitable carbon intensity targets for different tenures, ensuring that we continue to set challenging targets for the business.

Our scope

We confirm that the scope of our commitment remains the same as 2023, aligning with the methodology set out by the Better Buildings Partnership Climate Commitment. We include Scope 1 and 2 emissions, along with relevant Scope 3 emissions, including the emissions relating to our occupiers' use of energy in our buildings and embodied carbon associated with our refurbishment operations.

The boundary for our Net Zero Carbon target has been set following sector best practice and in line with the Greenhouse Gas (GHG) Protocol Corporate Standard and SBTi. In setting our scope, we have followed the methodology laid out in the Better Buildings Partnership (BBP) Climate Commitment, with a few limited exceptions which are set out in appendix 2.



Reducing embodied carbon

Actions summary

We continue to drive energy efficiency improvements across the portfolio. Focus remains on the reduction in operational energy consumption and embodied carbon before we consider the benefits of onsite renewables or carbon offsetting for residual emissions.

Embodied carbon represents the total carbon emissions generated during the creation of a product. Including the extraction, manufacture, transportation, processing, assembly, replacement and deconstruction of the materials required to create the product. In 2024, these emissions were 15.5 per cent of the total scope 1, 2 and 3 reported.

Our long-established strategy is to preserve and improve our heritage buildings through refurbishment, which extends their useful economic life at relatively low levels of capital expenditure, whilst continuing to meet the evolving demands of our occupiers and consumers.

Our buildings, many of which are at least 150 years old, are already long-term stores of carbon. In our refurbishment activities, we seek to minimise the introduction of new embodied carbon, and it is this which we are targeting to reduce by 50 per cent by 2030.

We will:

- Prioritise refurbishment using sustainable materials
- Retain building fabric/façade wherever possible
- Encourage reuse of materials and consider the end-of-life treatment of materials
- Prioritise recycled and reused materials
- Use Whole Life Carbon assessments and circular economy principles in our refurbishments and retrofits at milestone stages. This ensures that materials and products used can be reused or recycled whilst minimising waste and extraction of raw or virgin materials
- Undertake whole life carbon audits on any major (above £250k capital value) refurbishments
- Track and report embodied carbon data for refurbishment projects to enhance our understanding of emissions and where to target future interventions
- Initially target an embodied carbon of below 350kg CO₂e per m² by 2030 (major commercial) as we develop a more suitable bespoke target
- Enhance and expand our existing carbon pricing approach for the whole organisation including benchmarking



Reducing operational emissions

Actions summary

Operational emissions relate to both the energy use in our buildings and emissions from procurement of third-party services. In 2024, these emissions were 84.5 per cent of the total reported scope 1, 2 and 3 emissions.

We undertake a rolling programme of energy efficiency retrofits, addressing approximately 10 per cent of the portfolio annually. In addition to fabric efficiency, we are implementing low carbon technologies and recognise the importance of engagement with our customers to reduce emissions.

We will:

- Deliver energy efficient retrofit including moving to low carbon heating and cooling. This focuses on design for reduced carbon emission performance by minimising absolute kWh energy consumption, and trialling new technology to manage and reduce carbon emissions
- Develop CRREM-aligned energy reduction pathways for our largest buildings
- Improve data collection with ongoing roll-out of smart meters and an energy management platform
- Increase the electrification of buildings with an ongoing collaboration with restaurant occupiers to promote the electrification of cooking
- Procure renewable energy from REGO-backed or certified sources
- Develop a complete, real-time robust data model through use of green leases, smart meters and technology
- Broaden occupier engagement including a collaborative best practice engagement programme, and year-on-year growth in data sharing leases as part of our green lease renewals
- Explore data sharing agreements with existing occupiers where there is no near-term renewal date
- Engage with occupiers to support the development of their own carbon targets and deliver on their own carbon reduction plans



Our approach to carbon offsetting

Whilst our focus remains on reducing our GHG emissions in line with our science-based targets, there will remain some emissions after 2040. These will need to be offset before we can reach a position of being Net Zero Carbon.

We recognise that the carbon offset market is still evolving and we have adopted an approach that enables us to meet our initial commitment to offset our Scope 1 & 2 emissions from 2025 whilst maintaining flexibility over our longer-term Scope 3 offsets.

In 2024, we undertook an in-depth review of the carbon offset market. In partnership with industry experts and an internal working group drawn from people across the organisation, we increased our understanding of the offsetting market and set out an approach that aligns with our business objectives and processes.

We will initially offset all Scope 1 & 2 emissions from 2025, reflecting the commitment we made in 2023. From 2040, we will offset all residual emissions to achieve Net Zero Carbon status.

Given the ongoing evolution of the offset market, regulation and best practice, we will continue to review and develop our long-term strategy.

In this roadmap, we commit to:

- Prioritise emissions reduction before offsetting
- Prioritise high-integrity, quality carbon credits that demonstrate genuine GHG removal and do not harm the environment or impacted communities
- Seek offset credits that have co-benefits in line with our broader sustainability goals
- Source credits endorsed by the International Carbon Reduction and Offset Accreditation (ICROA) which ensure that all credits are additional, permanent, unique and protected against leakage
- Embed strong governance and due diligence process - work towards accreditation such as ISO14086
- Clearly report on all carbon offset credits purchased

Offsetting Scope 1 & 2 emissions from 2025

We commit to reducing Scope 1 & 2 emissions in line with our Science-Based Target and offsetting residual emissions from 2025. All Scope 1 & 2 offsets will be carbon removal offset schemes, in line with ICROA and registered with a reputable carbon credit methodology such as Gold Standard. We will seek to align with ISO14086 and therefore will not claim 'carbon neutrality' despite all residual Scope 1 & 2 emissions being offset.

Initially credits will be purchased from the spot market, but we will work towards longer-term investment in offset projects. Credits retired each year will be detailed as part of our annual sustainability reporting.

Offsetting for Net Zero Carbon from 2040

From 2040 we will invest in carbon offset removal credits for all Scope 1, 2 & 3 emissions covered by our commitment in line with industry best practice, including ISO14068 (or best practice equivalent).

This will enable us to claim full carbon neutrality and Net Zero Carbon in line with SBTi. Further detail on the type of removal credits and our strategy for investing in carbon offsetting initiatives will be considered going forward to ensure a cost-effective supply of carbon credits is in place ahead of 2040.

Prioritise innovation and renewables

We will continue to seek out and prioritise innovative partners and approaches to monitor, measure, reduce carbon and deliver our Net Zero Carbon ambition.

Renewable energy generation is core to the transition to a low carbon economy and as UK-wide electrification continues, there will be rising demand for renewable energy. We will continue to procure REGO-certified energy and investigate the potential for onsite renewable energy generation and storage throughout the estate.

We will:

- Trial and implement new technologies and working practices that support our carbon goals
- Publish case studies to share knowledge on technologies and working practices to accelerate and support overall sector knowledge. Prioritise working with supply chain partners who want to transition to Net Zero Carbon
- Seek to maximise the estate's renewable energy generation capability
- Identify opportunities which enable smarter use of grid electricity, including the potential for battery storage
- Develop a KPI to report on the proportion of renewable energy generated



Pathway timeline

2025-2027 and 2028-2030 targets are aligned with those published in 2023, with the exception of minor updates including the final Net Zero Carbon date in line with SBTi requirements.

2025-2027

- First zero carbon refurbishment completed
- Net Zero Carbon pathway audits and plan for major assets covering all asset classes
- Continue complete data coverage for landlord emissions and achieve >75 per cent coverage for occupier emissions
- Achieve 75 per cent (by spend) of supply chain commitment to Net Zero Carbon
- Implementation of further renewable energy schemes on applicable development projects
- First battery storage
- Aim for EPC B on 75 per cent of commercial units by ERV
- Enhance occupier engagement programme to increase proportion of occupiers implementing Net Zero Carbon strategies including procuring renewable energy
- Promote occupier and operational vehicle consolidation and develop appropriate reduction targets
- Design all retrofit and refurbishment projects to include fossil fuel-free carbon heating and cooling
- Incorporate Net Zero Carbon commitment into our leasing process

2028-2030

- All development and refurbishment projects are Net Zero Carbon
- Achieve 100 per cent of occupier carbon data coverage
- Achieve 100 per cent supply chain commitment to Net Zero Carbon for major suppliers
- Reach embodied carbon limit of 350kg CO₂e/m² on major commercial refurbishments
- Reach commercial office operational carbon target of 90 kWh/m²
- Removal of all gas boilers (under SHC's control)
- Full estate MEEES compliance (EPCs: Commercial B, Residential C)
- Continued occupier engagement programme on use of renewable energy and best practice implementation
- Establish regular reporting to occupiers on their energy consumption, including individual asset scoring against benchmarks, to encourage low carbon behaviours
- Hold regular supplier and customer forums to promote carbon reduction and share best practice

2030-2040

- Net Zero Carbon achieved across Shaftesbury Capital by 2040
- Publication of our carbon offset investments to deliver credits in 2040 and beyond
- Formally embed carbon targets in our supplier selection criteria and increase the number of our suppliers that have validated science-based targets
- Adopt increasingly ambitious carbon intensity targets in line with industry best practice for refurbishment activities and operational emissions
- Increase the integration of new technology and innovative approaches to decarbonisation and report outcomes

Governance, monitoring & reporting

Our commitment to being Net Zero Carbon by 2040 is core to our business strategy. To support this, we have a robust governance framework to ensure that progress against our Net Zero Carbon Pathway is closely monitored and reported to the Board.

Day-to-day implementation is the responsibility of our Sustainability team, supported by the Environment, Sustainability and Community (“ESC”) Management Committee – a management level committee, which reports and co-ordinates the sustainability, environmental management, community engagement and charitable activities of the business. The Committee reports to the Executive Committee (“ExCo”) and the Board.

Our Net Zero Carbon Pathway is a live plan and progress against the actions outlined on page 10 will be monitored by the ESC Management Committee on a quarterly basis with updates to the ExCo and the Board at least annually.

Our overarching targets and specific actions required to achieve the necessary decarbonisation are set out in various internal policies, contractual requirements with our supply chain and in our lease agreements.

We will report our carbon emissions and progress against our targets annually in our corporate Annual Report, with more detail provided in the Sustainability Data Report, available on our website.

We participate in GRESB and CDP and have achieved EPRA Gold for sustainability reporting. Our climate change risks and opportunities are set out in our annual TCFD report. We will report externally on progress against our targets at least annually.

A formal review of the Pathway against changes to the portfolio and sector practice will be conducted at least every three years. Our Net Zero Carbon commitment will continue to be incorporated into our existing sustainability frameworks and policies.

Our talented and committed team has a vital role to play in achieving our ambitious target. We will continue to provide support to allow them to gain the skills and knowledge they need to deliver against the Pathway. All employees have an ESC target within their annual reward metrics.





Appendices

Appendix 1: Detailed investment boundary

Area	Inclusions	Exclusions	Comments
Commercial Assets	<ul style="list-style-type: none"> - Assets directly managed by Shaftesbury Capital - Refurbishments and developments - Asset classes, other than residential (see below) - This will include activities across our estates including Shaftesbury Capital managed indoor, and outdoor public areas 	<ul style="list-style-type: none"> - Assets where Shaftesbury Capital has a minority interest and/or voting rights, or does not exercise operational or management control 	<ul style="list-style-type: none"> - Where Shaftesbury Capital does not exercise operational or management control, such emissions may not be able to be reduced in line with our targets. There are currently no such assets. In such circumstances, Shaftesbury Capital will seek to influence both through choice of partner and engagement
Residential Assets	<ul style="list-style-type: none"> - Newly developed or refurbished residential units whether for sale or rent - Residential units for rent 	<ul style="list-style-type: none"> - Residential units held under long leases 	<ul style="list-style-type: none"> - Shaftesbury Capital has limited control or influence over residential units held under long leases. We will engage with long leaseholders on projects intended to improve carbon efficiency of common parts or their demises towards Net Zero Carbon with a menu of potential improvements and by sharing our experience
Owner & Occupier	<ul style="list-style-type: none"> - Energy consumption in owner and occupier controlled areas - Incorporation of Net Zero Carbon commitment to occupier selection criteria 	<ul style="list-style-type: none"> - Occupier supply chain and business model - Embodied carbon of occupier fit-outs 	<ul style="list-style-type: none"> - Shaftesbury Capital has limited control over the carbon impact of occupiers' business models. We will seek over time to support, influence and work with our occupiers to help them leverage our own experience and collaborative estate best practice to reduce their carbon footprint
Acquisitions & Disposals	<ul style="list-style-type: none"> - Acquisitions will include Net Zero Carbon in the due diligence. Operational emissions from new acquisitions will be immediately included in our footprint, with an intention to have a full Net Zero Carbon asset plan within 12 months 	<ul style="list-style-type: none"> - Disposals made during the course of any financial year - Embodied carbon of acquired properties 	<ul style="list-style-type: none"> - A transitional period of up to 12 months from the date of acquisition will be allowed to determine a net zero asset plan

Appendix 2: Scope of commitment and alignment with the GHG protocol

The table below sets out the scope of the SHC Net Zero Carbon commitment in alignment with the BBP Climate Commitment and GHG Protocol.

Business area	Sub-Area	GHG Protocol Reporting Category	Carbon Scope	Inclusion in BBP Commitment	Inclusion in Shaftesbury Capital's NZC Commitment
Corporate	Head office energy use	Company facilities	1 & 2	x	✓
	Company vehicles	Company vehicles	1	x	✓
	Business travel (excluding commuting)	Business travel	3	x	✓
	Purchased goods and services	Purchased goods and services	3	x	✓
	Operational waste generated	Waste generated in operations	3	x	✓
	Operational water use	Purchased goods and services	3	x	✓
	Employee commuting	Employee commuting	3	x	✓
Direct Real Estate Holdings (including JVs with management control)	Landlord purchased energy (electricity & fuels)	Purchased electricity, heat and steam	1, 2 & 3	✓	✓
	Occupier purchased energy (electricity & fuels)	Downstream leased assets	3	✓	✓ ¹
	Landlord refrigerants	Purchased goods and services	1	✓	✓
	Occupier refrigerants	Occupier Scope 3	3	x	x
	Landlord purchased water	Purchased goods and services	3	✓	✓
	Occupier purchased water	Occupier Scope 3	3	x	x
	Landlord managed operational waste	Waste generated in operations	3	✓	✓
	Occupier managed operational waste	Occupier Scope 3	3	x	x
	Occupier transport emissions	Occupier Scope 3	3	x	x
	Occupier supply chain emissions	Occupier Scope 3	3	x	x
	Landlord purchased capital goods & services (M&E & property management services) ²	Purchased goods and services	3	✓	✓

1. Excluding long leasehold.

2. This relates to services procured by the landlord to service and maintain the space e.g. property management, service charge recoverable items and minor capital expenditure.

Appendix 2: Scope of commitment and alignment with the GHG protocol *continued*

Business area	Sub-Area	GHG Protocol Reporting Category	Carbon Scope	Inclusion in BBP Commitment	Inclusion in Shaftesbury Capital's NZC Commitment
Investments (Indirect Real Estate Holdings, e.g. where investments are managed by a third party such as JVs with no management control or investments in other real estate investment vehicles) ¹	Landlord purchased energy (electricity & fuels)	Investments (proportional to the investment)	3	✓	Not Applicable
	Occupier purchased energy (electricity & fuels)	Investments (proportional to the investment)	3	✓	Not Applicable
	Landlord refrigerants	Investments (proportional to the investment)	3	✓	Not Applicable
	Occupier refrigerants	Occupier Scope 3	3	×	Not Applicable
	Landlord purchased water	Investments (proportional to the investment)	3	✓	Not Applicable
	Occupier purchased water	Occupier Scope 3	3	×	Not Applicable
	Landlord managed operational waste	Investments (proportional to the investment)	3	✓	Not Applicable
	Occupier managed operational waste	Occupier Scope 3	3	×	Not Applicable
	Visitors transport emissions	Occupier Scope 3	3	×	Not Applicable
	Occupier supply chain emissions	Occupier Scope 3	3	×	Not Applicable
	Landlord purchased capital goods & services (M&E & property management services) ²	Purchased goods and services	3	✓	Not Applicable
Development	New development (including those where funding is being provided)	Purchased goods and services	3	✓	✓
	Refurbishments	Purchased goods and services	3	✓	✓
	Fit-out (landlord controlled)	Purchased goods and services	3	✓	✓
	Fit-out (occupier controlled)	Occupier Scope 3	3	✓	×
	End of life	End of life treatment of sold products	3	×	×

1. For indirect investments carbon emissions are attributed as a % ownership of the investment.

2. This relates to services procured by the landlord to service and maintain the space e.g. property management, service charge recoverable items and minor capital expenditure.

Appendix 3: Detailed delivery strategy

The table below sets out how Shaftesbury Capital will deliver and report against the outcomes and aims that we have set out to achieve.

Topic	Outcomes / Aims	Delivery / Management Strategy	Reporting Metric
Embodied carbon	<ul style="list-style-type: none"> Reduce the embodied carbon of all developments, refurbishments, retrofits and corporate activities by 50 per cent by 2030 Incentivise delivery of low carbon schemes through design and decision-making process 	<ul style="list-style-type: none"> Implement Whole Life Carbon Assessments for projects in excess of £250,000 and a continued low carbon approach on smaller projects Incentivise carbon saving through project life cycle and allocate funds for future retrofit and offsets Work with suppliers who share a commitment to Net Zero Carbon and are able to measure embodied carbon, using enhanced supply chain management Innovate through circular economy principles using recycled and re-used materials designed for end of life recoverability and material tracking Engage with occupiers on embodied carbon of fit-out using sustainable occupier fit-out guide and green leases, establishing ways to support occupiers to reduce fit-out carbon and offset where appropriate Identify and implement opportunities for additional energy capture at source, such as heat recovery systems 	<ul style="list-style-type: none"> Carbon intensity (kgCO₂/m²GIA) Proportion of materials reused or recycled through projects
Operational carbon (energy, water and waste)	<ul style="list-style-type: none"> 60 per cent reduction in Scope 1 & 2 operational energy carbon and 50 per cent reduction in scope 3 operational intensity by 2030 (kgCO₂/m²GIA/year) All units to comply with MEES and future In-use requirements by 2030 Embed Net Zero Carbon through supply chain Full occupier carbon coverage and reduce occupier operational carbon by 50 per cent on our baseline year 	<ul style="list-style-type: none"> Identify and implement replacement technologies for gas heating throughout the portfolio Specify low carbon heating and cooling on applicable developments, refurbishments and retrofits Enhance completeness and granularity of operational energy and water consumption data across landlord and occupier space by modernising all meter and installation of AMR (Automated Meter Reading) or additional sub-metering where required Prioritise working with supply chain partners who are committed to Net Zero Carbon, incorporating this into contracts and monitoring Develop and establish tailored energy efficiency five-year asset management and maintenance programmes for our properties Enhance occupier engagement programme to prioritise energy, waste and water data through use of green leases, including through use of the Community Charter where appropriate Work with occupiers to drive reduced on-estate vehicle movements through delivery and waste consolidation Through regular review of the waste production and recycling figures, set reduction targets and monitor ongoing performance 	<ul style="list-style-type: none"> Energy intensity (kWh/m²/year) Carbon intensity (kgCO₂/m²GIA/year) Proportion of suppliers with Net Zero targets Proportion of occupiers on green leases and with Net Zero Carbon targets Reduction in m³ water used Percentage waste recycled
On-site generation	<ul style="list-style-type: none"> Seek to maximise estate renewable energy generation New technologies identified for renewable power generation in heritage environment 	<ul style="list-style-type: none"> Complete in depth feasibility study to identify assets or public areas with practical renewable energy generation potential Leverage learnings from existing renewable energy generation trials Engage with innovators to identify and trial renewable energy technologies which increase the proportion of on-site energy generation, reducing reliance on grid 	<ul style="list-style-type: none"> kWh of on-site generation Location and market-based emissions (tCO₂e)

Appendix 3: Detailed delivery strategy continued

Topic	Outcomes / Aims	Delivery / Management Strategy	Reporting Metric
Renewables Procurement	<ul style="list-style-type: none"> Ensure all energy procured by Shaftesbury Capital is renewable in line with UKGBC guidance Maximise proportion of occupier energy procurement through REGO suppliers 	<ul style="list-style-type: none"> Mandate the use of 100% REGO-backed electricity from additional sources, and source Renewable Gas Guarantee of Origin ("RGGO") backed gas for residual gas requirements Investigate the potential of PPA-style agreements with UK-based renewable energy supplier for use across the estate and occupiers Engage with occupiers to encourage and incentivise use of REGO and RGGO-backed renewable power 	<ul style="list-style-type: none"> Proportion of Shaftesbury Capital portfolio on REGO and RGGO renewable energy contracts Proportion of occupier portfolio on renewable energy contracts
Adaptation and Resilience	<ul style="list-style-type: none"> Maximise asset resilience by design to identified climate resilience scenario risks 	<ul style="list-style-type: none"> Complete climate adaptation and resilience scenario stress testing analysis for developments and refurbishments Identify and implement resilience measures focusing initially on extreme heat and flash flooding Develop a core skillset to identify and cost any incremental resilience measures through building acquisition due diligence 	<ul style="list-style-type: none"> Proportion of buildings with assessments undertaken and measures implemented
Offsetting	<ul style="list-style-type: none"> All residual emissions are offset through certified scheme Carbon capture opportunities identified and implemented 	<ul style="list-style-type: none"> Quantify and offset all residual development, operational and corporate emissions in line with the offset criteria of UKGBC and sector best practice Innovate on carbon offsetting opportunities in a heritage built environment Encourage and incentivise use of carbon offsetting through occupier engagement programme 	<ul style="list-style-type: none"> Proportion of carbon offset Reducing total year-on-year on both location- and market-based bases
Third-party verification; industry standards and certification	<ul style="list-style-type: none"> Incorporate robust third-party verification of carbon emissions and offsets Regular review and monitoring of Net Zero Pathway against SBTi and BBP standards Reporting transparency using EPRA sBPR, and throughGRESB, CDP and other indices 	<ul style="list-style-type: none"> Consider approach to incorporate measurement and verification of Net Zero Carbon work into our non-financial assurance process Incorporation of Net Zero Carbon and carbon reporting into our rolling internal audit programme Developments to achieve an appropriate sustainability certification through SKA, BREEAM (Building Research Establishment Environment Assessment Method, published by the Building Research Establishment) or others Enhanced reporting of MEES (Energy Performance Certificates, EPCs) asset status and increase proportion of estate covered by In use certification (e.g. BREEAM In use) Commitment to work with existing and major indices to improve visibility 	<ul style="list-style-type: none"> Verification certificates Proportion of verified buildings Reported Index scores

Appendix 4: Glossary / key terms

BBP	The Better Buildings Partnership is a collaboration of the UK's leading commercial property owners who are working together to improve sustainability of existing commercial building stock.
CO₂e, Carbon Dioxide equivalent	A measure used to compare the emissions from different greenhouse gases on the basis of their global-warming potential (GWP).
Carbon Efficient	A process, building or operation designed to operate with reduced or no associated carbon emissions.
Carbon Emissions	The release of carbon and carbon equivalents into the atmosphere associated with any form of activity.
Circular Economy	A design and manufacturing approach which targets minimal waste through reuse, repair and recycling of materials and may include reuse of existing assets in development, designing new buildings for eventual recoverability of materials upon disassembly, or a construction process which designs out waste.
CRREM	The Carbon Risk Real Estate Monitor, a global standard and initiative for operational decarbonisation of real estate assets.
Embodied Carbon	The total carbon emissions generated during the creation of a product. Including the extraction, manufacture, transportation, processing, assembly, replacement and deconstruction of the materials required to create the product.
ESC	Shaftesbury Capital has an Environment, Sustainability & Community strategy as set out on our website which is overseen by the Board.
GHG Protocol	A widely recognised corporate accounting and reporting standard published by the World Resources Institute, pursuant to which organisations report their greenhouse gas emissions.
GRESB	Global Real Estate Sustainability Benchmark.
MEES	Minimum Energy Efficiency Standard, required to be met pursuant to the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (SI 2015/962).
Net Zero Carbon	Shaftesbury Capital will achieve Net Zero Carbon when there is a balance between the amount of GHG emissions produced and the amount removed from the atmosphere. Our approach aims to first reduce GHG emissions resulting from our buildings and operations by at least 90 per cent from our baseline year in line with SBTi, then offset any unavoidable residual emissions. This will mean we have achieved Net Zero Carbon.
PPAs	Power Purchase Agreements, which are contracts for the purchase of electricity from one or more generation projects, typically between 5 and 20 years in length.
Residual Emissions	Remaining carbon emissions which, after all mitigating activities, continue to be associated with a particular activity or asset.
Renewable Energy Guarantees of Origin (REGO)	A certification scheme administered by Ofgem, which certifies that power supplied to the consumer comes from a renewable source.
Renewable Gas Guarantee of Origin (RGGO)	A certification scheme administered by Ofgem, which certifies that gas supplied to the consumer is from an authentic green source and has not been sold to anyone else.
Science Based Targets initiative (SBTi)	The Science Based Targets initiative drives ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets.
Scope 1 emissions	Direct GHG emissions from an organisation's building, vehicles and plant, including the combustion of fuel.
Scope 2 emissions	Indirect GHG emissions from the generation of purchased electricity or other energy.
Scope 3 emissions	Other indirect emissions consequential to the activities of the business, which occur from sources not owned or controlled by the business, including energy use by occupiers, embodied carbon of materials used in developments and refurbishments, third-party procured goods and services.
SKA	The SKA rating is a Royal Institute of Chartered Surveyors (RICS) environmental assessment method, benchmark and standard for non-domestic fit outs. It helps landlords and occupiers assess fit out projects against a set of sustainability good practice criteria known as good practice measures.
Task Force on Climate-Related Financial Disclosures (TCFD)	The TCFD developed a framework to help companies more effectively disclose climate-related risks and opportunities through existing reporting processes.
UK Green Building Council (UKGBC)	A charitable organisation within the property sector, which campaigns for a sustainable built environment.
Whole Life Carbon	The total embodied and operational emissions that occur over the lifetime of a building, including the carbon associated with decommissioning at end of life.