

A vertical farming system consisting of multiple stacked white circular trays. Each tray contains several small white pots with green leafy plants, likely chard or similar greens, growing in a nutrient-rich medium. The system is illuminated from above, and the background shows more of the same system, creating a sense of depth and scale.

2022 EPRA Sustainability Best Practice Reporting Recommendations

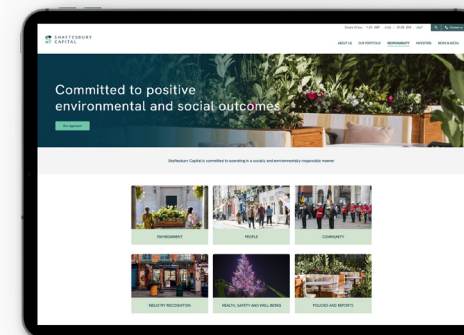
Capital & Counties Properties PLC

Delivering positive environmental and social outcomes

Capital & Counties Properties PLC (Capco) is one of the largest listed property companies in central London. Our key asset is the landmark Covent Garden estate. We create and grow value through a combination of creative asset management and strategic investment.

On 6 March 2023, the merger of Capital & Counties Properties PLC ("Capco") and Shaftesbury PLC ("Shaftesbury") completed. On the same date, Capco changed its name to Shaftesbury Capital PLC. This report relates only to Capco's activities and approach for the financial year ended 31 December 2022 and does not include information on Shaftesbury. All page references included in this response relate to the 2022 Annual Report for Capital & Counties Properties PLC, dated 28 February 2023, and published on 3 March 2023, which was in advance of the merger.

Capco's Environmental, Sustainability and Community (ESC) Strategy is underpinned by our four pillars which align with the UN Sustainable Development Goals: Tackling Climate Change, Improving Air Quality, Driving Innovation and Change, and Supporting Communities and People. A summary of our ESC Strategy can be found in the diagram on the following page.



Further information on the activities carried out in relation to each of the four pillars in our ESC Strategy can be found on our corporate website: <https://www.shaftesburycapital.com/en/responsibility/our-approach.html>

Our Environment, Sustainability and Community (“ESC”) strategy

As a long-term steward of the Covent Garden estate, Capco aims to make Covent Garden a UK leader in sustainability by delivering positive environmental and social outcomes that enhance value for stakeholders while protecting the unique character and heritage of the estate. This strategy is underpinned by four pillars which align with UN Sustainable Development Goals¹ (“SDGs”) as shown below.



Underpinned by a commitment to

The highest standards of health and safety

Ethical practices and transparent reporting

Well-being

1. More information on the UN Sustainable Development Goals can be found at sdgs.un.org

Our transparent reporting approach

Capco takes a responsible and forward-looking approach to environmental and social issues and the principles of sustainability. We are committed to transparent reporting of our performance and to reporting clearly and in line with the latest sector guidance.

Capco continues to participate in industry performance benchmarks including the FTSE4Good Index, CDP climate change programme, Global Real Estate Sustainability Benchmark (GRESB) and S&P Global Corporate Sustainability Assessment (CSA). In addition, Capco is a supporter of the Task Force on Climate-Related Financial Disclosures (TCFD) and a member of the UK Green Building Council. Capco was awarded a Prime ESG Corporate Rating by ISS during 2021 and was recognised in the second annual edition of the Financial Times Europe's Climate Leaders Special Report 2022.

During 2022 Capco joined the UN Race to Zero and supporting our commitment to becoming Net Zero by 2030 by securing Science Based Targets initiative ("SBTi") validation of our targets.



Capco continued to participate in the Global Real Estate Sustainability Benchmark (GRESB) and further improved our score in 2022.



In 2022 we remained a participant of the FTSE4Good Index, demonstrating that as a company we comply with globally recognised corporate responsibility standards.



During 2022 we held our "B" rating in the CDP Climate Change Programme reflecting that we are taking coordinated action on climate issues.



We reported under the S&P Global CSA in 2022 and maintained our score.



EPRA sBPR Reporting Approach

In this report Capco provides details of the Group's environmental and social performance in line with the European Public Real Estate Association (EPRA) Sustainability Reporting Best Practice Recommendations (sBPR). The EPRA sBPR provide a guidance framework for reporting environmental and social performance and aim to bring greater consistency and clarity to companies' disclosures. Capco recognises the importance of reporting performance in line with industry standards and we continue to align our reporting to the core recommendations of the EPRA sBPR. The reporting period covered in this report is the year ended 31 December 2022. Data is presented in line with the Capco business model, reflecting our key asset of the landmark estate at Covent Garden, alongside our investment at Lillie Square and our head office at Regal House in Covent Garden.

Capco engaged Carbon Footprint Limited to provide independent verification of the calculation of Capco's 2022 GHG emissions assertion, in accordance with the industry recognised standard ISO 14064-3. The verification can be found on our corporate website here.

For each relevant EPRA sBPR performance measure, data is presented for our landmark estate at Covent Garden, our investment at Lillie Square and for our head office at Regal House in Covent Garden.

Capco consolidates data using the 'operational control' approach, as defined by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) GHG Protocol.

Data is reported in two ways; on an 'absolute' and on a 'like-for-like' basis:

- Absolute data includes all properties where Capco has operational control, where we procure energy or appoint a third-party to procure energy on our behalf.
- 'Like-for-like' data does not include properties where Capco does not have operational control; properties in development or properties that have been acquired or sold since 1 January 2021.

Energy data is sourced from both automated and manual meter readings managed by a bureau service provider, as well as waste and maintenance contractors and financial ledgers. Activity data is measured based on metered consumption, purchased quantities of commercial fuels and records of all refrigerants moved in and out of refrigeration and air-con (RAC) equipment.

The UK Government Conversion Factors for Company Reporting are used to convert this data into tonnes of carbon dioxide equivalent (tCO₂e), a standard unit for measuring greenhouse gas emissions. Processes are in place to ensure that data is as complete and accurate as possible. However, should the need for estimation arise, three main estimation techniques are employed: direct comparison, pro-rata calculation or application of an average consumption value per square foot.

The report does not include performance data for indicators relating to district heating and cooling (DH&C-Abs and DH&C-Lfl) as this performance measure is not relevant to the Capco portfolio in the year being reported on in this report. Intensity related indicators are calculated using floor area data.



Environmental Performance Measures

Capco recognises the urgent responsibility to tackle climate change, and this is reflected in our target to become Net Zero Carbon by 2030. Our interim 2024 and 2027 steps to achieve this target are set out in our Net Zero Carbon Pathway which can be found on our website.

This report aligns with EPRA Sustainability Best Practice recommendations and provides additional detail and commentary on our operational carbon measures to complement the data set out in our Annual Report and Accounts for the year ended 31 December 2022.

Energy Performance Measures

	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2022	2021	2022	2021	2022	2021	
Total electricity consumption (Elec-Abs)								
Total electricity consumption	kWh	1,758,137	1,809,697	706,976	376,882	2,492,113	2,186,579	14%
Total electricity purchased from utility suppliers from non-renewable energy sources	kWh	0	36,917	0	48,724	0	85,640	-100%
Total electricity purchased from utility suppliers from renewable energy sources	kWh	1,758,137	1,772,781	706,976	328,158	2,492,113	2,100,939	19%
Total & proportion of electricity self-generated	kWh	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0%

	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2022	2021	2022	2021	2022	2021	
Like-for-like (Lfl) electricity consumption (EPRA ref. 4.2 Elec-Lfl)								
Lfl electricity consumption	kWh	1,660,863	1,658,395	706,976	376,572	2,367,839	2,035,277	16%
Lfl electricity purchased from utility suppliers from non-renewable energy sources	kWh	0	0	0	48,724	0	48,724	-100%
Lfl electricity purchased from utility suppliers from renewable energy sources	kWh	1,660,863	1,658,395	706,976	327,908	2,367,839	1,986,303	19%
Lfl Total & proportion electricity self-generated	kWh	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0%

	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2022	2021	2022	2021	2022	2021	
Total fuel consumption (Fuels-Abs)								
Total fuel consumption (natural gas)	kWh	2,366,213	2,283,842	488,715	391,875	2,854,928	2,555,517	7%
Total fuel consumed or purchased from renewable sources	kWh	2,366,213	2,283,842	488,715	0	2,854,928	2,283,842	25%
Proportion of total fuel consumption from renewable sources	%	100%	100%	100%	0%	100%	85%	18%

Energy Performance Commentary:

Overall electricity consumption has risen by 14 per cent. This is driven primarily by a significant 88 per cent increase at Lillie Square, as the clubhouse fully reopened following the pandemic related closures during 2020 and 2021. At Covent Garden, consumption fell by 1.4 per cent, on an absolute basis, this is partly due to Covent Garden asset disposals during 2021. On a like-for-like basis, Covent Garden consumption is broadly flat. Given increased consumption resulting from the full estate reopening, increased consumption during the summer 2022 heatwave and the number of gas boilers switched, this reflects both operational and physical energy efficiency measures taken. In 2022, all Capco electricity was purchased from renewable supplies. The Group aims to procure all energy from renewable supplies, and is trialling energy generation in a heritage environment.

Conversely, gas consumption increased by 3.6 per cent at Covent Garden and by 24.7 per cent at Lillie Square. This reflects both increased post-pandemic occupancy and, for one asset in particular, catch up billing for a period when meters could not be read. In the context of low and falling numbers of gas supplies as we electrify, some volatility can be expected due to low volumes with a long-term downward trend. All gas supplies were renewably sourced during 2022, and the Group aims to continue this where possible in context of energy market volatility.

Environmental Performance Measures continued

Like-for-Like (Lfl) fuel consumption (Fuels-Lfl)	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2022	2021	2022	2021	2022	2021	
Lfl fuel consumption (natural gas)	kWh	1,855,607	1,856,373	488,715	391,875	2,344,322	2,248,248	4%
Lfl fuel consumed or purchased from renewable sources	kWh	1,855,607	1,856,373	488,715	0	2,344,322	1,856,373	26%
Proportion of Lfl fuel consumption from renewable sources	%	100%	100%	100%	0%	100%	82%	21%

Building Energy Intensity (Energy-Int)	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2022	2021	2022	2021	2022	2021	
Kilowatt-hours/per '000 square foot/per year	kWh	3.8	3.8	3.8	2.4	3.8	3.5	10.1%

Building Energy Intensity (Energy-Int) – Net Zero Carbon Pathway tracker	Unit	Covent Garden			
		2022	2024	2027	2030
Commercial Assets	kWh/m ²	155.2	120	110	90
Residential Assets	kWh/m ²	120.8	75	60	35

Energy Performance Commentary:

Like-for-like gas use at Covent Garden is flat reflecting increased occupancy, offset by a number of gas heating supplies being converted to electric across the estate. The Lillie Square increase reflects the increased use for the fully reopened clubhouse.

Overall, energy intensity has increased during the year primarily driven by Lillie Square with Covent Garden intensity showing as no change, which reflects the number of different assets and variables. It is considered that, in the context of full re-opening a flat performance at Covent Garden shows significant improvement in energy efficiency driven by gas conversion to electricity and energy saving measures on the estate.

Developing and driving data quality in these intensity metrics is core to progressing towards the operational carbon targets set out in our Net Zero Pathway. The Group continues to work to increase data quality and transparency by increasing the overall quantum of automated meter readers across energy and water supplies.

- Fuel consumption includes natural gas and diesel used in generators and owned vehicles.
- Capco does not source any heat or cooling from district networks (DH&C-Abs and DH&C-Lfl).
- Certain numbers in relation to 2021 in the above have been revised to reflect updated meter readings and may not tie fully to the EPRA report for the period ended 31 December 2021.

Net Zero Pathway

The five key actions within our Net Zero Pathway are:

50% embodied carbon reduction

to below 475kg CO₂e per m² by 2030 by prioritising innovative refurbishment using sustainable materials and using Whole Life Carbon assessments

60% operational carbon reduction

by 2030 to 90kWh/m²/GIA per annum (commercial) by driving down energy demand in all our activities

Prioritise innovation and renewables

through new technologies and energy initiatives as well as working with an innovative supply chain

Enhance climate adaptation

to improve building resilience

Residual emission offsetting

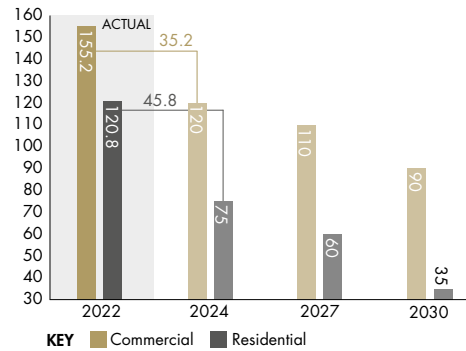
using certified schemes

COVENT GARDEN

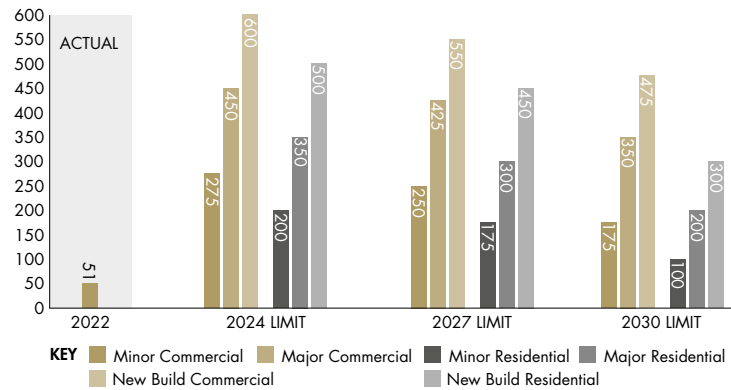
Net Zero Carbon Pathway progress

The charts below show our 2022 performance compared to the limits set out in the Capco Net Zero Carbon Pathway, which is available on our website.

Operational Carbon – kWh/m²



Embodied Carbon – kgCO₂e/m² GIA





Greenhouse Gas (“GHG”) Emissions

	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2022	2021	2022	2021	2022	2021	
Total direct GHG emissions (GHG-Dir-Abs)								
Total direct GHG emissions (Natural gas)	tCO ₂ e	447	415	89	72	536	487	10%
Total direct GHG emissions (F-gas)	tCO ₂ e	0	0	0	0	0	0	–
Total direct GHG emissions (Fuels)	tCO ₂ e	3.1	6.2	0	0.3	3.1	6.5	-52%
Total direct GHG emissions (Scope 1)	tCO ₂ e	450	421	89	72	539	493	9%
Total indirect GHG emissions (GHG-indir-Abs)								
Total indirect GHG emissions (location-based methodology)	tCO ₂ e	385	381	137	80	522	461	13%
Total indirect GHG emissions (market-based methodology)	tCO ₂ e	17	11	14	9	31	20	52%
Building GHG emissions intensity (EPRA ref. 4.10 GHG-Int)								
Tonnes of CO ₂ equivalent/per square foot/per year (location-based)	tCO ₂ e	0.0008	0.0007	0.0007	0.0005	0.0008	0.0007	11%
Tonnes of CO ₂ equivalent/per square foot/per year (market-based)	tCO ₂ e	0.0004	0.0004	0.0003	0.0003	0.0004	0.0004	11%

GHG Emissions Performance Commentary:

Direct GHG emissions show an increase based on the increase in gas consumption discussed on page 5, as a result of increased building occupancy. The migration to green gas partly mitigates this increase, however as set out in the Net Zero Carbon Pathway, the Group continues to move away from gas to electric heating. The Group has now disposed of all remaining diesel vehicles and all Covent Garden street cleaners are now fully electric.

The absolute GHG emissions have increased across both direct and indirect emissions. However, these increases are significantly lower than expected following increased post-pandemic occupancy and reflect progress in energy efficiency and removal of gas. The Net Zero Carbon commitment means that we continue to improve energy efficiency over time as well as improving data quality. The Group has fully offset its Scope 1 & 2 emissions for the last two years using verified, nature-based carbon offsets. The number of landlord supplies and volumes remain relatively low, therefore as interventions are made and data quality improves, these figures may not move uniformly towards 2030.

As noted above, the Group fully offset Scope 1 & 2 emissions fully for the year ended 31 December 2022, and the above totals are included in the overall offset of 1,106 tCO₂e. Capco has used nature-based Verified Carbon Scheme (“VCS”) projects in Indonesia and Brazil and has additionally matched these offsets with UK tree planting.

- GHG emission factors are sourced from the Government GHG Reporting Conversion Factors for 2021 and 2022.
- Indirect location-based emissions have been calculated using the Government GHG Conversion Factors. Indirect market-based emissions have been calculated using emission factors sourced directly from suppliers.
- The GHG emissions have been independently verified by Carbon Footprint Limited in accordance with the industry recognised standard ISO14064-3. The verification statement related to 2022 can be found on our corporate website here.
- The intensity calculation is measured using total Net Internal Floor Area and is not currently adjusted for occupancy.



Water Performance Measures

	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2022	2021	2022	2021	2022	2021	
Total water consumption (Water-Abs)								
Total water withdrawn	m ³	6,452	5,167	74,272	3,896	80,724	9,063	791%
Total water consumption (Water-Lfl)								
Total water withdrawn	m ³	1,375	1,400	74,122	3,783	75,497	5,183	1,357%
Building water consumption (Water-Int)								
Total water withdrawn (m ³ per year/sq ft)	m ³	0.006	0.005	0.237	0.012	0.058	0.007	792%

Water Performance Measures Commentary:

- Capco notes significant variability in water data, this reflects the low volume of supplies being particularly prone to metering and bill estimation and consequently significant usage adjustments are made by suppliers retrospectively. This means that meaningful commentary is not provided.
- Through rainwater harvesting and new street cleaners, Capco reduced the Covent Garden cleaning and plant watering demand by over 50 per cent.
- The Group continues to prioritise automated meter reading across the portfolio as part of an updated metering strategy for all utilities.
- The large increase in Lillie square usage was a combination of catch-up metered billing, and requirement to empty and refill the clubhouse swimming pool ahead of re-opening. This may be required periodically going forward and we are exploring options to reduce this impact.
- The intensity calculation is measured using Net Internal Floor (NIA) areas.
- Water supplies that are under the sole control of our tenants have been excluded.
- Water usage from rainwater harvesting will be included for future periods as data becomes available.

Waste Performance Measures

Total weight of waste by disposal route (Waste-Abs)	Unit	Covent Garden			2022 Proportion
		2022	2021	Change	
Total waste reused	Tonnes	0	0	0%	0
Total waste recycled	Tonnes	220	279	-21%	48%
Total waste composted	Tonnes	0	0	0%	0%
Total waste sent to materials recovery facility	Tonnes	0	0	0%	0%
Total waste sent to recovery	Tonnes	0	0	0%	0%
Total waste incinerated	Tonnes	0	0	0%	0%
Total waste incinerated with energy recovery	Tonnes	238	324	-27%	52%
Total waste landfilled	Tonnes	0	0	0%	0%
Total hazardous waste	Tonnes	0	0	0%	0%
Total waste removed	Tonnes	459	604	-24%	100%

– Overall waste continues to fall based on improved operational practices and recycling throughout the estate. The 2022 total waste removed represents a reduction of 43 per cent compared to 2019, the last comparable year, and is 28 per cent lower than the long term average. The above data includes central waste collection only on the estate, and not local authority public or tenant waste collection. Waste collection relating to Capco's Head Office is shown on page 16.



Waste Performance Measures continued

Like-for-Like weight of waste by disposal route (Waste-LfL)	Unit	Covent Garden			2022 Proportion
		2022	2021	Change	
Total waste reused	Tonnes	0	0	0%	0
Total waste recycled	Tonnes	220	279	-21%	48%
Total waste composted	Tonnes	0	0	0%	0%
Total waste sent to materials recovery facility	Tonnes	0	0	0%	0%
Total waste sent to recovery	Tonnes	0	0	0%	0%
Total waste incinerated	Tonnes	0	0	0%	0%
Total waste incinerated with energy recovery	Tonnes	238	324	-27%	52%
Total waste landfilled	Tonnes	0	0	0%	0%
Total hazardous waste	Tonnes	0	0	0%	0%
Total waste removed	Tonnes	459	604	-24%	100%

Waste Performance Measures Commentary:

- We continue to divert 100 per cent of non-hazardous waste from the Covent Garden Market Building from landfill and 99.7 per cent of project and development waste was diverted from landfill.
- Waste data is not available for the Lillie Square estate, as waste is collected by the local authority which does not provide reports detailing the waste collected or how the waste is treated. Residents have dedicated recycling and mixed waste bins.
- At Covent Garden, waste is collected for a number of properties on the estate. Waste data is provided by the waste contractor, Veolia. As most tenants have their own waste collection arrangements in place, the data does not represent all of the estate.
- We continue to work to raise awareness of recycling opportunities across the estate to support our aim of improving recycling rates across the Covent Garden portfolio, in addition to the two food waste recycling facilities on the estate.
- Within our offices, we continue to raise awareness of recycling and all excess IT or furniture equipment continues to be diverted for refurbishment or re-use through our charitable partners.



Responsible development and sustainability building certifications

In 2021, Capco published an updated Sustainability Framework for Projects and Development, which sets out the detailed minimum standards required for our construction and major refurbishment contracts, and in addition to our Net Zero Carbon Pathway, sets clear short and medium-term embodied carbon targets to help us reach our Net Zero Carbon commitment by 2030.

We require a minimum SKA level of ‘Silver’ on all major projects and refurbishments and target an EPC “B” rating on all developments where heritage buildings allow.

A copy of Capco’s Sustainability Framework for Projects and Development is published on our corporate website.

During 2022, while activity in Covent Garden did increase, there were no new certified completions and consequently, there is no movement due to limited capital activity across the Covent Garden Estate.

We regularly review the suitability of other sustainability building certifications, such as the Home Quality Mark and WELL building standard, to enhance the performance of our projects. Capco remains an active member of the UK Green Building Council.

Sustainability Certification

	Certified Assets		
	Number of assets	% of total floor area	Floor Area Certified
Total building certification (Cert-Tot)			
BREEAM (Excellent rating)	2	1%	19,231
BREEAM (Very Good rating)	5	9%	133,212
SKA (Silver rating)	3	4%	53,825
SKA (Gold rating)	3	1%	15,202
Code for Sustainable Homes (Level 4)	3	20%	280,592
Total building certification	16	36%	502,062

The data presented in the table above is reflective of properties with certification as at 31 December 2022. It does not include assets that are in the process of obtaining certification.

The proportion of certified assets remains the same. We continue to explore the use of BREEAM In-use certification across the Group.

Covent Garden Estate Energy Performance Certificates (EPCs)

	Certified Assets		
	Number of assets	% of total floor area	Floor Area Certified
Total building certification (Cert-Tot)			
EPC A	1	1%	5,439
EPC B	68	24%	249,381
EPC C	151	36%	372,092
EPC D	96	21%	216,651
EPC E	0	0%	0
EPC F & G	0	0%	0
In Development or EPC not required	181	19%	204,267
Total building certification	497	100%	1,047,830

Covent Garden Energy Performance Certificates (EPCs) Commentary:

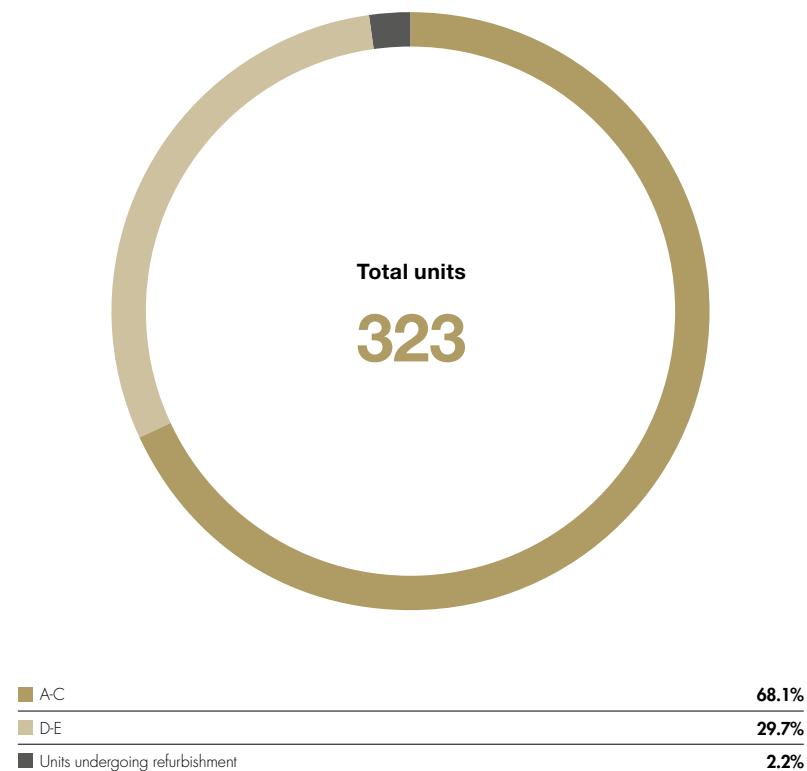
We are committed to transparent environmental reporting of the Covent Garden estate and the adjacent graph sets out the EPC performance of our Covent Garden estate as at 31 December 2022. A total of 323 units are required to be assessed for EPC purposes. This excludes residential properties where the rental level is below the MEES threshold (primarily long leasehold) as well as other units including outdoor barrows, storage, electric substation and other ancillary units.

The Minimum Energy Efficiency Standards (MEES) regulations set out minimum level certification required for all new lettings on an accelerating basis from 2023. Our objective is to improve EPC performance whenever we undertake any works to our assets, and we target a minimum rating of B. We have set accelerated targets around this in our Net Zero Carbon Pathway. Our green lease structures also ensure that tenants do not undertake works which will reduce the rating of the individual unit.

The EPC figures set out in the above table show the full estate unit count for Covent Garden. Some 181 of these units are not required to hold EPC certification for a variety of reasons, mainly long lease residential units which fall below the rental threshold as well as other units including outdoor barrows, storage, electric substation and other ancillary units.

Currently 100 per cent of eligible units are assessed at level A-D, ahead of the 2023 requirement to be rated E or above. Our long-term management of EPC performance means we are well-placed to meet our targets ahead of statutory regulation timelines.

Energy Performance Certificates (EPC) by number



Our Head Office Operations – Environmental Performance Disclosure

Throughout the pandemic, Capco ensured that its offices remained COVID-secure and operated in line with government guidance. From 2022 onwards, the office was much more fully occupied as our people enjoyed a return to the office. There were periods during 2021 where remote working practices were in place, and consequently in 2021 office operations used less energy and water and produced less waste.

Performance Measure	Unit	EPRA Reference	2022	2021	Change
Energy:					
Total electricity consumption	kWh	Elec-Abs	123,551	111,679	11%
Like-for-like electricity consumption	kWh	Elec-LfL	72,523	75,212	-4%
Total fuel consumption	kWh	Fuels-Abs	120,924	109,707	10%
Like-for-like fuel consumption	kWh	Fuels-LfL	63,230	81,294	-21%
Building energy intensity (kWh per sq ft)	kWh per sq ft	Energy-Int	33	30	10%

Performance Measure	Unit	EPRA Reference	2022	2021	Change
Greenhouse Gas Emissions:					
Total direct GHG emissions	tCO ₂ e	GHG-Dir-Abs	22	20	10%
Like-for-like direct GHG emissions	tCO ₂ e	GHG-Dir-LfL	12	15	-21%
Total indirect GHG emissions (location-based)	tCO ₂ e	GHG-Indir-Abs	15	20	-29%
Total indirect GHG emissions (market-based)	tCO ₂ e	GHG-Indir-LfL	0	0	0%
GHG intensity from building energy consumption	tCO ₂ e per sq ft	GHG-Int	0.005	0.006	-17%

Performance Measure	Unit	EPRA Reference	2022	2021	Change
Water:					
Total water consumption	m ³	Water-Abs	190	266	-28%
Like-for-like water consumption	m ³	Water-LfL	190	109	74%
Building water intensity	m ³ per sq ft	Water-Int	0.02	0.04	-37%

Head Office Commentary:

The Group continues to make progress in energy consumption at head office with both GHG energy intensity and water intensity showing reductions. The 2022 increases relate primarily to increased office use in 2022 compared to 2021 which included pandemic lockdown interruptions and the office was more fully occupied in 2022. Following the move from Grosvenor street in December 2020, Capco occupied two floors at Regal House, for the whole of 2021 and 2022. This data is now shown as fully like-for-like

Our Head Office Operations – Environmental Performance Disclosure continued

Performance Measure	Unit	EPRA Reference	2022	2021	Change
Waste:¹					
Total weight of waste by disposal route: Reuse	Metric Tonnes	Waste-Abs	0	1	-100%
Total weight of waste by disposal route: Recycling	Metric Tonnes	Waste-Abs	44	1	5764%
Total weight of waste by disposal route: Composting	Metric Tonnes	Waste-Abs	0	0	0%
Total weight of waste by disposal route: Materials Recovery Facility (MRF)	Metric Tonnes	Waste-Abs	0	0	0%
Total weight of waste by disposal route: Incinerated	Metric Tonnes	Waste-Abs	0	0	0%
Total weight of waste by disposal route: Incinerated with energy recovery	Metric Tonnes	Waste-Abs	3	1	296%
Total weight of waste by disposal route: landfill	Metric Tonnes	Waste-Abs	0	0	0%
Total waste:	Metric Tonnes	Waste-Abs	47	3	2248%
Proportion of waste by disposal route: Reuse	%	Waste-Abs	0%	24%	-100%
Proportion of waste by disposal route: Recycling	%	Waste-Abs	94%	38%	150%
Proportion of waste by disposal route: Composting	%	Waste-Abs	0%	0%	0%
Proportion of waste by disposal route: Materials Recovery Facility (MRF)	%	Waste-Abs	0%	0%	0%
Proportion of waste by disposal route: Incinerated	%	Waste-Abs	0%	0%	0%
Proportion of waste by disposal route: Incinerated with energy recovery	%	Waste-Abs	6%	38%	-83%
Proportion of waste by disposal route: landfill	%	Waste-Abs	0%	0%	0%

1. Waste resulting from Capco's head office activities at Regal House is collected as part of the wider waste collection on the Covent Garden estate. This waste consolidation approach reduces the number of vehicles on the estate supporting our important commitment to prioritise air quality improvements on and around the estate. All non-hazardous waste collected is diverted from landfill and is taken to a waste to energy plant.

Head-Office Environmental Performance Disclosure Commentary:

- Capco's head office is located on our Covent Garden estate at Regal House, 14 James Street, London, WC2E 8BU.
- The increased waste figures result from working with our waste contractor to properly apportion waste within the Group. While this resulted in a significant increase, it shows a very high level of recycling at 94 per cent.
- Within our offices, we continue to raise awareness of recycling and all excess IT or furniture equipment is diverted for refurbishment or re-use through our charitable partners.
- GHG emission factors were sourced from the Government GHG Reporting Conversion Factors for 2021 and 2022.



Social Performance Measures

Capco embraces diversity as a business, and this is reflected throughout our team. Diversity covers many characteristics, and we consider these as a whole. The Board recognises that diversity of experience and perspective can bring benefits across the business.

A key pillar of our ESC strategy relates to supporting communities and people. People are key to Capco’s success and we aim to develop careers by promoting talented individuals to positions of leadership. We develop and reward talent in a collegiate, supportive and inclusive culture. Our culture is also high-performance and entrepreneurial and we work as a team to deliver our strategy.

Capco continues to work to the benefit of the communities in which we operate and to support our chosen charities.

Gender Diversity

We believe that every person in the Company has a part to play in generating value and we understand fully the benefits of a diverse workforce. Diversity is considered when making appointments at all levels, and an inclusive and diverse culture forms part of our values. We are keen to develop female talent cross the business and provide executive coaching to our senior leadership team. We are proud that we have strong representation from female employees across the business. 59 per cent of our workforce, and 54 per cent of our senior management, is female; a great achievement, which has been recognised by the FTSE Women Leaders Review.

Capco’s Board Diversity and Inclusion policy is available upon request from the company. The updated Shaftesbury Capital policy is on our website.

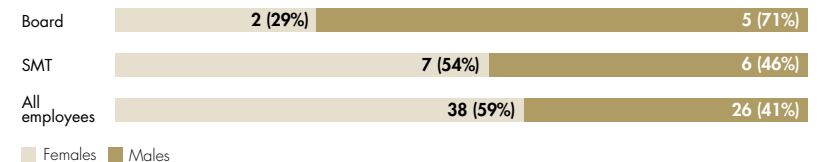
Direct employee gender diversity (Diversity-Emp)	Gender	2022	2021
Governance board	Female	29%	29%
	Male	71%	71%
Senior management (excluding Directors)	Female	54%	64%
	Male	46%	36%
All Employees	Female	59%	60%
	Male	41%	40%

Gender pay ratio (Diversity-Pay)

Capco has fewer than 250 employees and is therefore not obliged by the Equality Act 2010 (Gender Pay Gap Information) Regulations to disclose gender pay information.

Capco voluntarily disclosed the Chief Executive pay ratio compared with the 25th, median and 75th percentile employee within the Group, for the year ended 31 December 2022. Please refer to the Directors’ Remuneration Report on page 124 of in the Company’s 2022 Annual Report for this information.

Gender diversity¹



1. As at 31 December 2022

Employee Performance

People are key to our success. We aim to develop careers by promoting talented individuals to positions of leadership. Capco's training and development programmes are designed to strengthen our teams and challenge aspiring leaders.

Employee training and development (Emp-Training)	2022	2021	Change
Average number of hours training per employee	19.7	12.3	7.4
Average number of hours training undertaken by female employees	13.0	9.1	3.9
Average number of hours training undertaken by male employees ¹	29.6	15.9	13.7

1. Individual training and development needs notwithstanding gender continue to be identified and undertaken. During 2022 certain male employees transitioned into new roles within the business, pursuant to which additional training needs were identified, reflecting the higher average number of hours undertaken.

Capco training and development programmes are designed to strengthen our teams and challenge aspiring leaders. We make training available to all employees, and individual training and development needs are identified and discussed at performance review meetings with line managers. During 2022, our employees recorded 1,288 hours of training activity, an increase of 48 per cent. We sponsor individuals undertaking further professional qualifications, and encourage continuous learning, reflecting our commitment to a knowledge-based environment.

Employee performance appraisals (Emp-Dev)	2022	2021	Change
Total employees receiving performance review	100%	100%	0%

Annual performance objectives for each employee are agreed at performance check-in meetings, which take place at the beginning of the calendar year. On-going performance check-in meetings then take place regularly throughout the year, building upon our continuous performance and development culture and driving productivity. This is supported by our online performance management system. Performance is measured against objectives set for the previous year and individual performance underpins discretionary annual bonus awards.

Workforce	2022	2021	Change
Percentage of total workforce who are contractors or engaged on a temporary contract	0%	0%	0%

All employees of the Group are engaged on a permanent or fixed-term contract basis. A small number of contractors or consultants are engaged from time to time, but are not employed by the Group.

Emp-Turnover: Employee turnover and retention	2022	2021	Change
Total number of new employees	5	11	-6
Rate of new employee hires	8%	15%	-48%
Total number of employee turnover	10	10	0
Rate of employee turnover	15%	14%	7%



Social Performance Measures continued

Health & Safety

Ensuring the highest standards of health, safety and well-being is at the forefront of all our activities and operations.

Employee Health and safety (H&S Emp)	2022	2021
Injury rate (IR) (direct employees) ¹	0	0
Accident Severity Rate (ASR)	LTIFR reported below	LTIFR reported below
Lost Time Incident Frequency Rate ²	0.00	0.00
Work-related fatality (direct employees)	0	0
Absentee rate (AR) (direct employees) (%)	0.72%	0.23%

1. Data comprises RIDDOR incidents that occurred during 2022 and 2021 and to direct employees.

2. The Lost Time Incident Frequency Rate stated is related to Capco's development project sites and not direct employees.

During 2022, the Company continued to ensure that health and well-being were given equal consideration with safety. The Company has a wide range of health, well-being and lifestyle initiatives in place to eliminate excessive working hours and promote a healthy work life balance for directly employed employees of the Group. During 2021, in recognition of the impact of the third COVID-19 lockdown, Capco offered all employees three additional fully paid well-being days during the second quarter of the year. In 2022, we undertook an employee survey to assess our people's well-being and the survey results were above the benchmark standard.

Health and safety assessments (H&S-Asset)	2022	2021
Percentage of assets for which health and safety impacts are assessed or reviewed for compliance or improvement (%)	100%	100%

Asset Health and safety compliance (H&S Comp)	2022	2021
Incidents of non-compliance with regulations and voluntary codes ¹	0	0

1. Data comprises RIDDOR incidents that occurred during the period, either on one of Capco's estates or involving employees of our contractors working on our development projects.

Community engagement, impact assessments and development programmes (Comty-Eng)	2022	2021
Percentage of assets that have implemented local community engagement, impact assessments and/or development programmes (%)	100%	100%



Governance

The Board of Capital & Counties Properties PLC is committed to high standards of corporate governance. The Board ensures that Capco delivers the Company's strategy in a responsible manner, and that the way we do business reflects Capco's culture and values.

Composition of the highest governance body (Gov-Board)	2022	2021
Number of Executive Board members	3	3
Number of Independent/Non-executive Board members	4	4
Average tenure on the governance body years	7.2 years	6.2 years
Number of Independent/Non-executive Board members with competencies relating to environmental and social topics	4	4

Capco has established a Board ESC Committee, to oversee ESC matters on behalf of the Board. The Board ESC Committee is chaired by Charlotte Boyle, an independent Non-executive Director. Refer to the Board ESC Committee Report on pages 103 and 104 of our 2022 Annual Report for a detailed explanation of the Committee's activities during 2022. The terms of reference for the Capco Board ESC Committee are available upon request from the company. The updated Shaftesbury Capital terms of reference are on our website.

Nominating and selecting the highest governance body (Gov-Select)	2022	2021
Process for nominating and selecting the highest governance body	Refer to the Nomination Committee Report on pages 96 to 98 inclusive in our 2022 Annual Report for a detailed explanation.	Refer to the Nomination Committee Report on pages 98 to 100 inclusive in our 2021 Annual Report for a detailed explanation.

Capco's Nomination Committee is chaired by Henry Staunton, the Company Chairman. The terms of reference for the Capco Nomination Committee are available upon request from the company. The updated Shaftesbury Capital terms of reference are on our website.

Process for managing conflict (Gov-Col)	2022	2021
Processes for managing conflicts of interest	Refer to "Conflicts of Interest and Time Commitments" sections found on pages 93 and 128 of our 2022 Annual Report.	Refer to "Conflicts of Interest and Time Commitments" section found on pages 95 and 121 of our 2021 Annual Report.

Appendix 1: Additional Disclosures

Social:

Percentage of corporate citizenship and/or philanthropic contributions

During 2022, Capco donated approximately £580,000 in value of time, in-kind contributions and cash to the local community in Covent Garden.

During 2022 we encouraged our employees to engage in responsibility initiatives by including an ESC objective in every employee's performance objectives.

Category	Percentage of Total Costs
Charitable Donations	81%
Community Investments	15%
Commercial Initiatives	4%
Total	100%



Compliance:

- Capco has a broad range of robust internal controls to minimise risk of non-compliance with external legislation or Capco policy. However, in the event that an instance of non-compliance is identified, the business has procedures in place to investigate and follow-up appropriately. As described in more detail in the Company's Annual Reports, the Audit Committee monitors and reviews the effectiveness of the internal controls and regularly reports to the Board on its work and conclusions. No significant failings or weaknesses were identified in the review process for the year ended 31 December 2022 and the Audit Committee was satisfied that such internal controls were operating effectively and that systems are in accordance with prevailing Financial Reporting Council guidance. The Capco Audit Committee terms of reference are available upon request from the company. The updated Shaftesbury Capital terms of reference are on our website.
- For the year ended 31 December 2022, there were no claims or incidents of non-compliance or any fines or settlements for ESG issues.
- Capco has not incurred any fines or settlements related to anti-competitive business practices in any of the past five financial years.
- Capco has a Business Code of Practice, which sets out Capco's strong and long-term commitment to high standards of ethics across the business (akin to a code of conduct). Should a breach of the Business Code of Practice occur, information would be reported accordingly. For the year ended 31 December 2022, there were no breaches Capco's Business Code of Practice. The Capco Business Code of Practice is available upon request from the company. The updated Shaftesbury Capital Code of Practice is on our website.
- In compliance with Capco's Financial Crime Policy, there were no contributions to political campaigns, political organisations, lobbyists or lobbying organisations, or any other tax-exempt groups in the past five fiscal years. The Capco Financial Crime Policy is available upon request from the company. The updated Shaftesbury Capital policy is on our website.
- All Terms of Reference link to Shaftesbury Capital Terms of Reference, The historic Capco Terms of Reference are available from the company upon request.

Health & Safety:

- The number of staff trained on safety in 2022: Physical training was paused during the pandemic, to prioritise the safety of our people. The training programme has now resumed, including the structured Health & Safety IOSH Leading Safety and IOSH Managing Safety programmes. Our training programme ensures a strong health and safety culture remains embedded in our organisation and is communicated to our supply chain.
- There were zero work-related contractor fatalities in 2019, 2020, 2021 or 2022.
- The LTIFR for employees only in 2022 was: 0.
- The LTIFR for contractors only in 2022 was: 0.
- Should a health or safety incident occur, Capco would look to implement time-specific, quantitative targets to reduce such incidents and would disclose performance and progress against such targets where applicable.
- Capco undertakes risk assessments for certain eventualities related to our people as relevant. Examples include: A range of COVID-19 related risk assessments, risk assessments when employees are required to travel abroad for work-related purposes, when employees are required to undertake lone working and also when certain social events are organised for employees.
- Health and safety risk assessments continue to be undertaken on all new operations and projects.

