

# Task Force on Climate-related Financial Disclosures (“TCFD”)

This is the first TCFD response for Shaftesbury Capital as a combined company. This disclosure is consistent with all eleven recommendations of TCFD and includes a summary of risks and opportunities with all information required by the listing rules, and the TCFD Annex all sector guidance and the supplemental guidance for materials and buildings. This report includes supplementary detail to further explain the risks and opportunities set out on pages 66 to 74 of our 2023 Annual Report at <https://shaftesburycapital.com>.

The merger has not changed the geographical concentration of our portfolio in the West End, and the combined business remains subject solely to the UK regulatory framework. Therefore, following due consideration, the physical and transitional climate risks and opportunities remain materially consistent with those identified by Shaftesbury and Capco.

The quantitative assessment of physical risk continues to rely on the scenario analysis undertaken using the GRESB Munich RE tool and aligns with CRREM scenarios. Shaftesbury Capital also has embedded processes designed to understand how changes in the regulatory environment may affect transition risk, using the pre-existing Shaftesbury qualitative analysis, which have continued to monitor relevant UK regulatory changes which could adjust our qualitative view of transition risk. There have been no material changes in either physical or transition risk.

We are committed to strengthening our approach to addressing climate-related risks and opportunities. Under the oversight of the Group’s Board level Environment, Sustainability, Community (“ESC”) Committee during 2023, we have continued to embed the TCFD recommendations into all our relevant practices. Going forward, climate risks and opportunities will be considered by the Audit Committee on behalf of the Board with day-to-day management through the Executive Committee. We outline our approach to identifying and managing climate change related issues, addressing both risks and opportunities relating to climate change.

During 2023, we re-confirmed our commitment to a comprehensive 1.5°C aligned Net Zero Carbon 2030 target (Scope 1, 2 and Scope 3 relevant to the Real Estate industry) and published our first combined pathway which sets out detail of the scope and boundaries of our commitment. This shows that the actions taken to mitigate our climate risk up to the date of publication had reduced GHG emissions by c. 15 per cent, exceeding the rate required to keep within a 1.5°C pathway. In 2023, we report a 45 per cent reduction on our published baseline driven primarily by embodied carbon movements. As set out in our Net Zero Carbon Pathway, we will update our published baseline during 2024. The Scope 1 and 2 carbon reduction targets set out by the pre-merger companies had been validated by the Science Based Targets initiative (“SBTi”) and during 2024 we will seek to re-validate these targets for Shaftesbury Capital. For more information on our 2024 priorities, please see page 80 in the 2023 Annual report.

## Governance

<p><b>Describe the Board’s oversight of climate-related risks and opportunities</b></p>	<p>The Board has ultimate oversight and responsibility for the management of climate-related risks and opportunities, overseeing the Group’s ESC Strategy and performance against our 2030 Net Zero Carbon target. Recognising the strategic importance of these matters to the business, the Board supports the Group’s climate-related initiatives and their reflection in our values.</p> <p>During the year, following recommendation from the Board ESC Committee (which comprises Executive and Non-executive Directors), the Board approved our combined Net Zero Carbon target and selection of the ESG related risks and opportunities, including those related to climate change. Both the Chief Executive and the Chair of the Board ESC Committee have relevant climate change and ESG experience. Further climate change and real estate expertise is provided to the Committee by our sustainability team.</p> <p>Consideration of climate-related risk is integrated into the Group’s risk management process overseen by the Executive Risk Committee. In line with the process set out on page 59 of the 2023 Annual Report, consideration of climate-related risks and opportunities are integrated into the Group’s risk management process, overseen by the Executive Risk Committee and these are monitored quarterly, and reported to the Board.</p> <p>In 2023, the Audit Committee considered the reporting of climate-related risks and opportunities including the financial year-end Greenhouse Gas and environmental data disclosures and this TCFD report.</p> <p>Each of the Executive Directors has ESG objectives under the annual bonus plan.</p> <p>Following the publication of our updated combined Net Zero Carbon pathway and the embedding of the sustainability team into the real estate investment management team, at our February 2024 Board meeting, the Board have agreed that, from the date of this report, oversight of ESC matters (including consideration of climate related risks and opportunities and implementation of the Group’s sustainability strategy and net zero pathway), should be a matter for consideration by the whole Board with Ian Hawksworth as Chief Executive having overall responsibility.</p> <p>► <i>More information on the Board ESC Committee, the Audit Committee, the Executive Risk Committee and ESC Management Committee, including the frequency of their meetings, can be found on pages 104 to 126 of the Annual Report.</i></p>
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<b>Describe management's role in assessing and managing climate-related risks and opportunities</b>	<p>During the year, the ESC Board Committee was supported by the ESC Management Committee, chaired by either the Chief Executive or Chief Operating Officer. The ESC Management Committee met at regular intervals and included representatives from across the organisation. The ESC Management Committee was responsible for monitoring the delivery of the Company's ESC Strategy, review of climate related risks and associated mitigating actions and ensuring progress towards becoming a Net Zero Carbon business by 2030.</p> <p>Following the embedding of sustainability within the Real Estate Investment Management team, from January 2024, the Executive Committee will take responsibility for reporting of ESC matters to the Board.</p> <p>Climate-related risks are considered by the Executive Risk Committee, as part of the Group's risk management process as further set out on pp 59-61, based on assessments submitted by the business units and the corporate sustainability leads.</p> <p>All employees have ESG targets as part of their annual bonus objectives, which include climate-related targets where appropriate.</p> <p>► <i>Further details on the matters considered by the ESC Board Committee and the frequency of its meetings can be found on pages 125 and 126 in the Annual report.</i></p>
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## Strategy

<b>Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term</b>	<p>In identifying and assessing the potential climate-related risks and opportunities that may impact the business, the following time horizons are considered, as these allow for appropriate financial planning to allow for the execution of strategies to address climate-related risks and action on opportunities.</p> <p><b>Short-term:</b> 0 – 3 years  <b>Medium-term:</b> 3 – 10 years  <b>Long-term:</b> 10 – 30 years</p> <p>The time horizons defined are also influenced by the rolling timing of lease events across the estate and support our financial planning and budgeting cycle. Further details surrounding risk and the Group's risk appetite can be found on pages 59 to 65.</p> <p>Our assets are wholly located in a relatively small geographical area from the perspective of climate risk, and under a single regulatory jurisdiction. This limits the scope of physical and transition risks that we face, however it may increase our exposure to a single event.</p> <p><b>Physical risk</b>  Our appraisal of risk has been informed by a high-level qualitative scenario analysis, undertaken in 2021, by Shaftesbury PLC and a quantitative climate risk scenario analysis using the GRESB tool undertaken by Capco in 2022 as more fully described below :</p> <ul style="list-style-type: none"> <li>- A qualitative approach used by Shaftesbury PLC. This considered a "low" (better than 2°) and "high" (4°) UK emissions pathway and considered three scenarios namely "balanced", "tailwinds" and "headwinds" and short (0-1 year), medium (1-5 years) and long-term (5-10 years) time horizons</li> <li>- A quantitative physical risk assessment on 10 individual assets using geospatial modelling, the Munich RE GRESB data model and three different pathways (less than 2°, 2.4° and 4.3°)</li> </ul> <p>The Group has determined that there has been no year-on-year material change in physical risk exposure, UK legislation or customer behaviour. The similarities in the pre-merger portfolios in respect of location, mixed-use, and heritage nature also mean that previous scenario analysis continues to sufficiently inform our identification and understanding of relevant material risks and opportunities.</p> <p>To deepen our understanding of the impact of this physical risk, during 2023, we have undertaken additional detailed CRREM analysis covering c. 14% of the portfolio by area. This work confirms our reported climate-related risks and opportunities and enhances our confidence in our approach. It also supports the estimates included in our financial planning, in particular in relation to the estimated sums required to implement mitigating actions, and the definition of appropriate KPIs and metrics as shown in the table on pages 12 to 14 of this report.</p> <p>The most significant physical risks arising in the medium and long-term remain: flood risk and extreme weather, including the impact of severe heat events in central London. We also recognise the risks of indirect physical impacts, such as damage to the London transport network that would inhibit the operations of our customers and visitors.</p> <p><b>Transition risk</b>  There are no year-on-year changes to the most significant transition risks which arise from:</p> <ol style="list-style-type: none"> <li>I. short-term risks relating to existing and emerging regulation including EPC and enhanced disclosures</li> <li>II. medium-term transition risk through customer demand for more sustainable assets faster than these can be delivered</li> <li>III. medium and long-term transition risk from inability to upgrade heritage buildings due to policy or building configuration</li> </ol>
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**Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term**  
Continued

We currently estimate a capital expenditure of approximately £30-35m to 2030 (10 per cent of current annual capital expenditure) to achieve energy efficiency improvement required for expected changes to Minimum Energy Efficiency Standards (“MEES”) regulation and which also contribute to meeting our decarbonisation targets. Our refurbishment scope already mandates a minimum Energy Performance Certificate (“EPC”) rating in line with proposed MEES regulations, therefore these sums are already included in our capital expenditure budgets for business planning. While this figure remains an estimate, it is informed by the detailed CRREM aligned audits and takes into account our progress to date with c. 56 per cent of the commercial portfolio ERV now holding an EPC rating of A-B.

Beyond the regulatory MEES (EPC) requirements, our CRREM aligned energy efficiency analysis to date demonstrates that our portfolio can be upgraded to meet our Net Zero Carbon commitments and we continue to expand the use of CRREM to refine the estimate of these costs. However, the analysis to date gives confidence that there is no requirement to change our long-term investment strategy, in terms of either building stock or location. In addition to the ranged estimates in this report, we will continue to publish anticipated costs identified through the CRREM exercise in future TCFD reporting.

**Climate-related opportunities**

Climate-related opportunities principally arise in the short-term from

- I. improved ability to attract and retain customers in energy efficient buildings
- II. consequent reduced energy costs and associated emissions.

Medium-term opportunity arises through demonstrating Whole-Life carbon benefit of heritage stock and the ability to leverage our expertise in the de-carbonisation of heritage buildings.

► *The summarised risks and opportunities are set out in the table on pages 12 to 14 of this report along with associated timelines, mitigations, business impact and metrics.*

**Supplementary detail**

	Approach	Time horizons
<b>Shaftesbury PLC</b>	<p>The climate scenarios used for the analysis for the legacy Shaftesbury PLC portfolio include ‘low’ (better than 2 degrees) and ‘high’ (4 degrees) emission pathways for the UK and consider ‘balanced’, ‘tailwinds’ and ‘headwinds’ pathways that will impact our transition risks.</p> <ul style="list-style-type: none"> <li>- Balanced pathway - this scenario has four key priorities up to 2035: Implementing new and upgrading existing energy efficiency measures in all commercial buildings; significantly scaling up the market for heat pumps as a critical technology for decarbonised space heating; expanding the rollout of low carbon heat networks in heat dense areas; and facilitating a potential role for hydrogen in heat.</li> <li>- Tailwinds Scenario: A scenario characterised by high levels of behavioural change, research &amp; development (R&amp;D) and implementation of low carbon technology. The UK’s climate goals are achieved well ahead of the 2050 target under this scenario.</li> <li>- Headwind Scenario: A scenario whereby the UK still meets its 2050 Net Zero target, but initial progress is slow; under this scenario, there is limited progress in behavioural change, energy efficiency measures and low carbon technology roll-out.</li> </ul>	<p><b>Short term:</b> 0-1 years</p> <p><b>Medium term:</b> 1-5 years</p> <p><b>Long term:</b> 5-30 years</p>
<b>Capital and Counties Properties PLC</b>	<p>During 2022, Capco undertook a physical climate risk assessment to assess the potential impact on the portfolio. Utilising geospatial modelling, the model provides over 14 exposure indices including flood risk, hail, drought, heat stress, fire weather stress, tsunamis and earthquakes. This allows the identification of physical risks, and how the exposure trends may change over time and future climate scenarios. Due to the geographical concentration of assets at Covent Garden and Lillie Square, ten individual properties were assessed on three pathways, RCP 2.6 (2.0°C), RCP 4.5 (2.4°C) and RCP 8.5 (4.3°C).</p>	<p><b>Short term:</b> 0-3 years</p> <p><b>Medium term:</b> 3-10 years</p> <p><b>Long term:</b> 10-30 years</p>

<p><b>Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term</b></p> <p><i>Continued</i></p>	<b>Supplementary detail</b>		
	<b>Physical Risks identified</b>	<b>Time horizon</b>	<b>Explanation</b>
	<p><b>Risk 1: Chronic Risk</b></p> <ul style="list-style-type: none"> <li>– changes in climate, flood risk and extreme weather events, including:</li> <li>– hotter summers increase costs for maintaining indoor building environments</li> <li>– localised flooding due to more severe storms and costs associated with designing/retrofitting buildings for increased resilience to more intense rainfall</li> <li>– increased disruption to the local energy and transport network due to extreme weather events, particularly a flood event combined with potential failure of the Thames Barrier</li> </ul>	<p><b>Medium-term</b></p> <p><b>Long-term</b></p>	<p>Scenario analysis indicated that assessed assets are likely to have medium exposure to drought related climate risks and low exposure to fire weather stress, heat stress and precipitation climate risks.</p> <p>The combined analysis concluded that the most material physical impacts result from increase in heatwaves and high precipitation causing flash flooding. These factors may have a modest impact on the portfolio in the medium to long-term albeit over short periods of time in each case.</p> <p>Our assets are not located in coastal or fluvial flood risk areas and consequently flood risk is limited to the risk of flash flooding.</p> <p>Our business relies on the functioning of the wider London infrastructure that may be more vulnerable to physical impacts of climate change.</p>
	<b>Transition Risks identified</b>	<b>Time horizon</b>	<b>Explanation</b>
	<p><b>Risk 2: Policy Risk</b></p> <ul style="list-style-type: none"> <li>– emerging regulation, including:</li> <li>– enhanced GHG emissions reporting requiring more detailed disclosures</li> <li>– evolving regulations such as Minimum Energy Efficiency Standards (“MEES”) become increasingly difficult to implement, especially in heritage buildings where we see a potential conflict between heritage and energy efficiency</li> <li>– energy performance in buildings continues to require improvements beyond that of MEES requirements for both domestic and commercial properties</li> <li>– the Group notes the Environment Act requirements on Biodiversity Net Gain (“BNG”) as well as the publication of the Task Force on Nature-related Financial Disclosures (“TNFD”). While these regulations will require additional analysis, it is not currently anticipated that these will be material to our business</li> </ul>	<p><b>Short-to medium term</b></p>	<p>The Energy Efficiency Regulations set out the Minimum Energy Efficiency Standards for domestic and non-domestic private rented property currently prohibit property with an EPC rating below an E from the grant or renewal of a lease for that property until works have been undertaken to improve the energy efficiency to an E or above. During 2023, the government delayed the timing of the requirements for commercial buildings. The business nevertheless aims to achieve a B rating for all commercial properties within the scope of MEES by 2030.</p> <p>As the transition towards a Net Zero Carbon economy continues, we anticipate accelerated and enhanced emission reporting regulations will potentially be implemented in response to meeting the UK carbon reduction targets, alongside existing requirements.</p> <p>Both companies have a long-standing commitment to increased biodiversity through our work with Wild West End which continues. In addition, the Group primarily refurbishes and retrofits buildings and accordingly increase of biodiversity is not considered material.</p>
<p><b>Risk 3: Market risk</b></p> <ul style="list-style-type: none"> <li>– changes in market trends, including:</li> <li>– customers seeking assets with greater sustainability credentials quicker than we are able to provide, leading to a decrease in revenues due to reduced demand for products and services. We are unable to meet current and prospective customers’ expectations for sustainable and energy efficient buildings</li> <li>– failure to adequately upgrade or certify our buildings makes our assets and portfolio less attractive to either debt or equity capital providers resulting in smaller pool of available capital or increased costs</li> </ul>	<p><b>Medium-term</b></p>	<p>Customers, investors and benchmarks used by equity analysts and markets are increasingly seeking to rate real estate portfolios based on specific sustainability building certifications. In the UK, the main certifications are BREEAM, LEED<sup>1</sup> and WELL<sup>2</sup>, with increasing use of NABERS<sup>3</sup>. These certifications are primarily designed for new buildings, consequently, there is a risk that due to lack of available certification, our assets or portfolio may be perceived as less attractive to customers, investors or capital providers.</p>	
<p><b>Risk 4: Asset Specific Risk</b></p> <ul style="list-style-type: none"> <li>– policy relating to the upgrade of heritage buildings, including:</li> <li>– heritage restrictions impeding application of energy efficiency measures.</li> <li>– adoption of lower carbon products and technologies is constrained by electrical supply to our buildings</li> </ul>	<p><b>Medium-term</b></p>	<p>Our portfolio is located in heritage areas and includes c. 27% listed assets, including grade 1, grade 2 and grade 2*. Where there is policy in place relating to the upgrades of heritage buildings. This may impact on our ability to influence the energy efficiency of assets.</p> <p>The Group notes that planners are increasingly aware of this issue and some consideration is being given by planning authorities to blanket permitting of certain types of intervention, provided certain conditions are met. The Group is supportive of this approach. This does not give rise to material additional cost.</p>	

1. 'Leadership in Energy and Environmental Design', a green building certification

2. 'Well Building Standard', a system for measuring and certifying features of a building that impact on human well-being

3. 'NABERS UK', a system for rating the energy efficiency of office buildings

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term <i>Continued</i>	Supplementary detail		
	Opportunity identified	Time horizon	Explanation
	<b>Opportunity 1: Revenue</b> <ul style="list-style-type: none"> <li>- attracting and retaining customers: providing energy-efficient and sustainability-certified buildings</li> </ul>	<b>Short-term</b>	<p>Through providing buildings with appropriate sustainability certifications and energy efficient measures in place customers will be attracted on the basis of their own sustainability requirements and reduced energy costs. Customer retention should also be aided.</p> <p>Our refurbishment projects of sufficient size target BREEAM Excellent or level appropriate to the heritage nature of the building. This cost is not separately identified but included in our capital expenditure budgets. The reputational benefit is also not quantified, but may be considered as we increase our proportion of certified buildings over time which may unlock access to new sources of capital.</p>
	<b>Opportunity 2: Market / Technology</b> <ul style="list-style-type: none"> <li>- increased energy efficiency of our portfolio results in reduced carbon emissions and energy cost</li> <li>- the increased energy efficiency and low embodied carbon of our portfolio makes it more desirable to customers</li> <li>- improved technologies enable an increased usage of onsite renewable energy generation</li> </ul>	<b>Short-term</b>	<p>Investment into increasing the energy efficiency of assets increases their attractiveness to customers through lower emissions and reduced energy costs. This is particularly important in the context of recent energy price volatility.</p> <p>The potential opportunity is illustrated through the recent publication of the CBRE Sustainability Index which suggests that better quality assets benefit from lower yields as well as increased rental competition.</p>
	<b>Opportunity 3: Reputational</b> <ul style="list-style-type: none"> <li>- demonstrating the Whole-Life Carbon benefit of our heritage stock and deliver leadership in improving the energy performance of heritage buildings</li> <li>- an increased recognition of the carbon benefit of retaining and refurbishing buildings increases the perceived value of our assets</li> </ul>	<b>Medium-term</b>	<p>Through leveraging our skill set and expertise in delivering Whole-Life carbon benefit in heritage stock and our leadership in improving the energy performance of heritage buildings.</p> <p>This deep carbon expertise may allow the group to acquire and successfully retrofit assets that other investors may find prohibitive in respect of incremental capital expenditure required to meet energy efficiency or carbon standards. This may allow for enhanced returns.</p>

<p><b>Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning</b></p>	<p>The impact of climate change on the whole business is considered by the Board both through our approach to risk management and wider organisational strategic planning. The effects of the risks and opportunities set out above were not specifically quantified at the time of our scenario analysis. However, our internally developed sustainable development tool ensures that climate-risk specific improvements and mitigations are scoped into our existing capital expenditure refurbishment budget. The detailed energy audits completed to date using the CRREM tool on c. 14 per cent of the portfolio by area supports this analysis. We intend to extend this exercise during the first half of 2024 as part of meeting our statutory Energy Savings Opportunity Scheme ("ESOS") regulatory requirement.</p> <p>Our understanding of current climate-related risks and opportunities does not indicate a material impact on our financial performance or financial position in the short to medium-term, either through an inability to generate income or through a negative impact on the underlying value of the portfolio. In this context, material impact is defined by reference to both individual asset value and by reference to overall portfolio value, for example the cost of MEES compliance is noted at c. £30-35m over 7 years, approximately 10 per cent of our annual refurbishment capital expenditure of 1 per cent of portfolio value.</p> <p>We are committed to long-term low-carbon investment in our assets, focusing on repurposing and refurbishment, rather than demolition and rebuilding. This maintains the heritage nature of our destinations, improves energy efficiency and minimises embodied carbon emissions associated with new development. It will also reduce the potential future liability associated with carbon offsetting and provides ancillary benefits in improved air quality.</p> <p>Our investment strategy aims to continuously improve the overall energy efficiency and climate resilience of our portfolio through our refurbishment programme. We currently spend approximately 0.1 per cent of portfolio value per year on energy efficiency upgrades. This enables us to adequately manage risks relating to proposed legislative changes such as MEES, which are material to the evolving needs of our customers and stakeholders. On this basis we currently expect to incur approximately £30-35m by 2030 to achieve energy efficiency improvements required for expected changes to MEES regulation and which also contribute to meeting our decarbonisation targets. These sums are already included in our capital expenditure budgets. We continue to refine our estimate of the incremental costs of delivering changes required to ensure assets are within a CRREM aligned 1.5°C Net Zero Carbon pathway. As we increase our CRREM coverage and confidence, we will include these in our targets and metrics.</p> <p>This year we have published a combined Net Zero Carbon Pathway, which sets out how we will deliver on our Net Zero Carbon commitment by 2030. Our 2023 Net Zero Carbon Pathway combines the baselines published by both businesses pre-merger. To date, we have reported a reduction of in-scope carbon emissions by 15 per cent against the combined baseline, which aligns with a 1.5°C trajectory. A re-baselining exercise will be undertaken in 2024, based on the first combined year of data for the year ended 31 December 2023. We define Net Zero Carbon as being when there is a balance between the amount of GHG emissions produced and the amount removed from the atmosphere.</p> <p>The Group sets a minimum EPC rating of B in its commercial refurbishment programmes. The initial CRREM analysis also shows that our investment in asset refurbishment presents opportunities as lower operational costs may result in improved commercial terms, reduced void periods and improved investment yields as assets meet customer and investor requirements.</p> <p>In our supply chain, we continue to prioritise partners and products which demonstrate high ethical and environmental standards. Our design scope prioritises climate resilience and adaptation for example in creating flash flooding capacity using water attenuation tanks. We continue to work with industry bodies and technology partners to invest in research and development to trial technologies which support our goals.</p> <p>As part of our Net Zero Carbon update in 2024, we will consider targets beyond 2030 to respond to longer-term risks and opportunities.</p>
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<b>Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning</b> <i>Continued</i>	<b>Supplementary detail</b>	
	<b>Physical Risks identified</b>	<b>Impact on financial planning and strategy</b>
	<b>Risk 1: Chronic Risk</b> Changes in climate, flood risk and extreme weather events.	<p>The assessment of physical climate risks provides a better understanding of the potential impacts on assets and provides the information necessary to implement appropriate mitigation and resilience measures.</p> <p>Therefore, the following activities are considered as part of relevant refurbishments in order to adapt to and mitigate this risk and improve future asset resilience: reducing water demand and implementing efficiency measures, integrating design measures to prevent overheating and incorporating sustainable urban drainage features to reduce exposure to precipitation impacts.</p> <p>These actions are incorporated into our adaptation activity in our combined Net Zero Carbon pathway. The financial impact of this analysis did not result in material additional capital expenditure requirements, in particular given that planning requirements take such risks into account.</p> <p>We already include climate adaptation and mitigation measures in design scope. We will review physical climate risk exposure every two years, or sooner if required, to update and inform asset strategies as appropriate. There is a modest cost to repeating the assessment periodically.</p>
	<b>Transition Risks identified</b>	<b>Impact on financial planning and strategy</b>
	<b>Risk 2: Policy Risk</b> Emerging regulation	<p>We have a proactive approach to EPC management, investing in progressively improving energy performance including internal reviews and target minimum rating outcomes for projects. We clearly set out our timeline for progress against proposed MEES regulation EPC rating requirements, notwithstanding government delay to the deadlines. The costs are included in our refurbishment capital expenditure, and consequently, there is no incremental cost. Our enhanced green lease structure ensures that customers do not undertake works which will reduce the EPC performance rating of the individual unit. We are reviewing our green lease structure given the recent release of the new Better Buildings Partnership Green Lease Toolkit.</p> <p>To achieve target MEES aligned EPC ratings, we currently estimate costs of £30-35m by 2030 to achieve energy efficiency improvement and support our drive to reduce operational carbon by 60 per cent by 2030. The business sets a minimum target of EPC B for commercial and C for residential assets.</p> <p>Detailed CRREM aligned energy audits undertaken to date demonstrate that our portfolio can be upgraded to meet future net zero requirements with current technology and at a relatively modest capital expenditure. This delivers a return through operational cost savings and reduced future carbon offsetting costs.</p> <p>Therefore, no change is required to our long-term investment strategy, in terms of either building stock or location.</p>
<b>Risk 3: Market risk</b> Changes in market trends.	<p>An inability to keep up with the market trends and sustainability building ratings risks our assets becoming undesirable to customers or investors. This may result in leasing challenges and reduced revenues. Commercial property valuers may adjust investment property yields to reflect this risk, though the Group has not to date seen any such adjustments or financial impact.</p> <p>We continue to increase the number of assets with sustainability credentials, with standards and targets in place which are embedded in our internal sustainable development scoping tool which supports the project scopes.</p>	
<b>Risk 4: Asset specific Risk</b> Policy relating to the upgrade of heritage buildings.	<p>Due to planning policy and nature of heritage listed buildings, the application of energy efficiency measures may require higher levels of capital expenditure to manage and engage with local planning authority, and specialist consultancy support. Each listed building requires a bespoke approach to deliver carbon efficiency measures appropriate to its heritage.</p>	

<b>Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning</b> <i>Continued</i>	<b>Opportunity identified</b>	<b>Impact on financial planning and strategy</b>	
	<b>Opportunity 1: Revenue</b> Attracting and retaining customers: providing energy-efficient and sustainability-certified buildings	Potential for reduction of void periods and improvement of investment yields as assets meet customer and investor requirements. Initial research, including the recently published CBRE Sustainability Index suggests a clear correlation across all asset classes between better rated assets and improved capital value performance driven by higher rents, better leasing assumptions and improved yields. The Group does not currently apply any forward differential in its business planning on this basis due to the inherent uncertainty, but will continue to monitor this opportunity.	
	<b>Opportunity 2: Market/Technology</b> Energy-efficient buildings: resulting in lower emissions and energy costs	We continue to implement energy efficiency measures in our properties and explore the impact of embodied carbon emissions by assessing the Whole-Life Carbon of buildings and implementing performance benchmarks set by industry guidance such as LETI <sup>1</sup> . Our early pilots, and our initial CRREM analysis show that existing optimisation technology and energy generation can have materially positive outcomes on our energy and carbon intensities. We continue to actively explore opportunities for use of new technology and practices at scale on our portfolio.	
	<b>Opportunity 3: Reputational</b> Demonstrating the Whole-Life Carbon benefit of our heritage stock and deliver leadership in improving the energy performance of heritage buildings	Expertise and skills may support the ability to buy property at a lower prices as competitors may be less able to apply cost effective intervention. The continuous process of acquiring experience and developing supply chain expertise on heritage stock, may open additional opportunities.  As set out at our Investor Day in November 2023, the Whole-Life carbon benefits of refurbishing buildings are clear. We continue assess the Whole-Life Carbon of buildings and are implementing performance benchmarks set by industry guidance such as LETI.	
<b>Summary of impact on our business planning or financials by area</b>			
	<b>Area</b>	<b>Details</b>	<b>Impact on financial strategy and planning</b>
	<b>Products and services</b>	<ul style="list-style-type: none"> <li>- design for longevity and flexibility throughout building life and end of life recoverability</li> <li>- work only with design and construction teams who are able to measure embodied carbon</li> <li>- conduct Whole-Life carbon assessments for new developments, refurbishments and retrofits at milestone project stages</li> </ul>	The delivery and management of assets to meet current and future regulations and potentially changing needs and demands of customers
	<b>Supply and/or value chain</b>	<ul style="list-style-type: none"> <li>- engaging with suppliers who can demonstrate ethical and environmental credentials</li> <li>- selecting products that are certified to industry standards (e.g. FSC<sup>2</sup> timber through our Timber Procurement Policy)</li> <li>- regular reviewing of our procurement related policies to maintain alignment with industry standards</li> </ul>	Regular reviews of procurement policies allow the Group to maintain a best practice approach
	<b>Adaptation and mitigation activities</b>	<ul style="list-style-type: none"> <li>- design for resilience and adaptation in our development, refurbishment and retrofit works</li> <li>- create flash flooding capacity through increased use of water attenuation tanks, with water collected used to service estate cleaning and plant water requirements</li> <li>- continued increase in green space and infrastructure across the portfolio reduces urban heat island effect</li> <li>- we recognise the role that carbon offset will have to play over the medium-term. As set out in our Net Zero Carbon Pathway, our carbon offsetting policy will be published in 2024</li> </ul>	Incorporation of resilience and adaptation into development refurbishment and retrofit as part of the long-term investment strategy for the portfolio will improve the life expectancy and durability of assets against potential physical climate impacts

1. LETI is a voluntary network of built environment professionals, previously known as the 'London Energy Transformation Initiative'  
 2. Forest Stewardship Council



<p><b>Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy and financial planning</b> <i>Continued</i></p>	<p><b>Summary of impact on our business planning or financials by area</b></p>		
	<b>Area</b>	<b>Details</b>	<b>Impact on financial strategy and planning</b>
	<b>Investment in research and development</b>	<ul style="list-style-type: none"> <li>- Investment in innovation to pioneer climate resilient urban buildings in a heritage setting</li> <li>- Identification of technologies that could improve the resource efficiency of our assets</li> <li>- The Group's valuers have regard to the individual climate-related risks and opportunities relevant to the assets in the context of RICS guidance and make adjustments where appropriate; the value impacts of sustainability where recognised are reflecting the valuers' understanding of how market participants include sustainability requirements in their bids and the impact on market valuations</li> <li>- The BBP has recently updated its Green Lease toolkit and we are incorporating the recommendations into our leases. We continue to engage with customers on environmental and sustainability matters</li> </ul>	The Group continues to allocate funds to pilot and trials of innovative technologies and solutions and where trials are successful, such innovation is included
	<b>Operations</b>	<ul style="list-style-type: none"> <li>- We identify opportunities within our operations to reduce GHG emissions, including energy efficiency within our offices and reviewing carbon impacts of business related travel</li> <li>- We will engage to support customer transition towards Net Zero</li> </ul>	<p>Ongoing EPC programme and use of building optimisation</p> <p>Ongoing customer engagement programme</p>
	<b>Acquisitions or divestments</b>	<ul style="list-style-type: none"> <li>- Our assessment of acquisitions includes consideration of Net Zero Carbon during due diligence, with an assessment of costs to implement transition. We are committed to provide such environmental information as is requested by purchasers when we dispose of buildings</li> </ul>	Data sourced or provided as part of due diligence
<b>Access to capital</b>	<ul style="list-style-type: none"> <li>- The Group has regard for the requirements of both equity and debt capital, and recognises that failure to meet their requirements may result in reduced access to capital. In this context, the Group reports and engages through recognised industry indices such as GRESB, CDP, EPRA and MSCI. In addition, the Group continues to consider the merits of a Sustainable Finance Framework</li> </ul>	Management resource for responding to and collating reporting	
<p><b>Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</b></p>	<p>We are committed to investing for the long term in the West End of London, continually improving our portfolio to deliver efficient and resilient buildings. We do not expect that the climate related issues identified will necessitate a significant change to our strategy, either asset classes or geographical location, in the medium term.</p> <p>We consider our mitigation actions to be effective and that the business should be resilient to the impacts of climate change that have been identified.</p> <p>Our climate change strategy is informed by a broad range of potential climate scenarios which improves the resilience of our decision making. The careful consideration of investments, ongoing improvement of our assets and the net zero carbon target will protect our long-term strategy from significant climate risk. Setting an ambitious net zero carbon target aligned with a 1.5-degree pathway puts our strategy in line with the latest climate science, reduces the risk that we will need to recalibrate our targets. We have clearly set out the level of decarbonisation required by 2030, so that the business can make resilient long-term decisions and individuals across the business and supply chain are aware of our commitments.</p> <p>Our combined qualitative and quantitative scenario analysis allow us to identify the core areas for focused action to reduce emissions and enhance the long-term resilience of the portfolio. We will continue to review and update the scenario analysis as appropriate.</p> <p>In addition to the scenario analysis described above, Shaftesbury Capital has completed CRREM aligned detailed Net Zero energy audits during 2023, and is expanding their use during 2024. The findings identified both interventions and estimated related costs. Some of these interventions can be implemented with our customers in situ. Others would need to be undertaken when properties are vacant. Our CRREM analysis undertaken to date has helped refine our estimate of costs and related operational and carbon savings associated with our refurbishment programmes. We are committed to transparency around this as we develop this data further.</p>		

## Risk management

<p><b>Describe the organisation's processes for identifying and assessing climate-related risk</b></p>	<p>Our process of identifying and assessing climate-related risks uses the same methodology as all business risks and these risks are incorporated into the Group's principal risks.</p> <p>Climate-related risk has been identified as a principal risk. To assess the relative significance of the principal risks (which are detailed on pages 61 to 65 of our Annual Report), each has been assigned a likelihood and impact score from which a risk ranking is allocated. More information about the process for assessing the size and scope of risks can be found on page 60 of our Annual Report.</p> <p>► <i>Please see page 64 in our Annual Report</i></p> <p>Detail can also be found on the whether the risk is increasing, decreasing or stable, which is a useful mechanism for risk prioritisation.</p>
<p><b>Describe the organisation's processes for managing climate-related risk</b></p>	<p>We have an Executive Risk Committee, comprising the Executive Directors, members of the Executive Committee, General Counsel, the Joint Group Financial Controllers, the Director of Sustainability and Technology and Head of Sustainability, which is the executive level management forum for the review and discussion of risks, controls and mitigation measures. Senior management from each business function identify and manage risks for their division and complete and maintain a risk register. Climate-related risks and opportunities are presented to the Board.</p> <p>Physical risks are managed and mitigated through our ongoing programme to improve the energy efficiency of our buildings and our investment in increasing green space across our portfolio.</p> <p>We have carbon reduction targets for Scope 1 and 2 emissions and a comprehensive Net Zero Carbon 2030 target, which will be the foundation of our carbon emissions reduction strategy over the next seven years. We will seek science-based target revalidation of these targets during 2024 based on the first year of combined data for the Group.</p> <p>► <i>Principal risks have been mapped to the most relevant strategic priority which can be found on pages 61 to 65.</i></p>
<p><b>Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management</b></p>	<p>The Board has overall responsibility for the Group's risk management, determining risk appetite and reviewing principal risks and uncertainties regularly, together with the actions taken to mitigate them. Awareness of climate-related risks is integrated into the organisation via a programme of staff engagement and training. For certain areas of responsibility, specific job-related individual training is delivered for example relating to matters such as EPCs, gathering of data and embodied carbon calculations.</p> <p>The Director and Head of Sustainability are members of the Executive Risk Committee and are responsible for highlighting climate risks in the context of wider business risk discussions.</p> <p>The Executive Risk Committee meets quarterly and reviews significant risks to the business, operational and financial, including sustainability-related risks. A risk report is produced by the Executive Risk Committee and is submitted to the Board, this is not publicly available. Principal risks are disclosed in the Interim Results and Annual Report.</p>

## Metrics and targets

<p><b>Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process</b></p>	<p>Key metrics used to assess climate-related risk and progress against our Net Zero Carbon targets are set out in the summary risks and opportunities table on pages 12 to 14.</p>
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**Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets**

The key metrics used to assess climate-related risk and progress against our Net Zero Carbon targets are summarised in our 2023 Annual Report TCFD disclosures on pages 66 to 74 and more fully set out below:

**Metric 1: Performance against Net Zero Carbon 2030 target and science-based targets**

KPI	Reporting period	2023 progress update	More information
Reducing operational carbon by 60 per cent by 2030 from a 2018/19 baseline year	Annual / cumulative	45% Scope 1, 2 and 3 reduction on baseline year, split will be updated in our revised Net Zero Carbon pathway	Sustainability Data Report 2023 Net Zero Carbon pathway (2024 update)
Reducing embodied carbon by 50 per cent by 2030 from a 2018/19 baseline year	Annual / cumulative	45% Scope 1, 2 and 3 reduction on baseline year, split will be updated in our revised Net Zero Carbon pathway	Sustainability Data Report 2023 Net Zero Carbon pathway (2024 update)
5% annual reduction in Scope 1 & 2 emissions,	Annual	6% year-on-year reduction 31% cumulative reduction from baseline year	Sustainability Data Report 2023 See SECR statement on page 88 of the 2023 Annual Report: We have limited third party verification for our GHG emissions
Total direct and indirect greenhouse gas emissions (tonne CO <sub>2</sub> e), including customer emissions, but removing embodied carbon due to annual volatility depending on the refurbishment programme Annual reduction target 5-6%	Annual	45% Scope 1, 2 and 3 reduction on baseline year, split will be updated in our revised Net Zero Carbon pathway	Sustainability Data Report 2023 Net Zero Carbon pathway (2024 update)
Electricity purchased by the company (Scope 2) via renewable energy sources Target 100%	Annual	>90% renewable electricity consumption	Sustainability Data Report 2023

**Metric 2: Performance against key legislative targets**

Metric	Reporting period	2023 progress update	More information
Building Certification - BREEAM and SKA rating (number of assessments and total area assessed in m <sup>2</sup> ); for relevant refurbishment schemes	Annual / cumulative	To be updated in Sustainability Data Report 2023	Sustainability Data Report 2023
EPC performance for MEES (% breakdown on EPC ratings by ERV); Refurbishments to achieve minimum Grade B EPC (commercial) and Grade C (residential) rating	Annual / cumulative	80% of the portfolio by ERV is EPC A-C, an increase of 12% from last year	Sustainability Data Report 2023

**Metric 3: Implementation of Climate adaptation measures**

KPI	Reporting period	2023 progress update	More information
Biodiversity (green features area in m <sup>2</sup> ); / Monitoring of biodiversity through ecological survey; No current targets	Annual / cumulative	11% annual increase New target to be developed	Sustainability Data Report 2023

**Metric 4: Reputational measures**

KPI	Reporting period	2023 progress update	More information
We disclose to CDP (Carbon Disclosure Project) Target B	Annual	Capco A- SHB B-	Sustainability Data Report 2023

**Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks**

A detailed breakdown of Scope 1, Scope 2 and Scope 3 GHG emissions is disclosed on page 87 of our 2023 Annual Report, and the methodology for the calculations can be found on page 230. In line with Streamlined Energy and Carbon Reporting ("SECR") requirements, energy use and an intensity metric are disclosed on page 88.

## Risk summary

Risk type	Risk Description	Timeline	Impact on business strategy & financial planning	Mitigation	Metrics & Targets <sup>1</sup>
<b>Physical</b>	<p><b>Chronic long-term climate change, flood risk and extreme weather including:</b></p> <ul style="list-style-type: none"> <li>- hotter summers → higher costs to maintain indoor temperatures</li> <li>- localised flooding and storms → cost and time associated with building design and retrofit for increased rainfall resilience</li> <li>- disruption to local energy and transport network from extreme weather, in particular combining a flood with a possible failure of the Thames Barrier</li> </ul>	<p><b>Medium-term</b> <b>Long-term</b></p>	<ul style="list-style-type: none"> <li>- inclusion of mitigations in our refurbishment scope. These are included at design stage and consequently do not result in material additional capital expenditure requirements</li> <li>- CRREM aligned Net Zero energy audits being undertaken on a representative sample of buildings across the portfolio to inform mitigation design now and at next lease event. Costs are scoped into refurbishment budgets</li> <li>- these requirements are supported by the planning framework in central London where we operate which generally requires that these risks are considered. Therefore, the incremental costs above planning considerations are modest</li> <li>- we will formally update our asset exposure to physical climate risk at least every two years based on latest science-based scenarios and modelling. The costs of this exercise are modest and are incurred through administration costs</li> </ul>	<ul style="list-style-type: none"> <li>- scenario analysis indicates medium exposure to drought-related risk and low exposure to fire weather and heat stress and precipitation risks</li> <li>- assets not located in coastal or fluvial flood risk areas, risk limited to flash flooding</li> <li>- refurbishment scope considers the following to mitigate risk and enhance future asset resilience: <ul style="list-style-type: none"> <li>- reduced water demand and efficiency measures</li> <li>- design measures to prevent overheating</li> <li>- incorporation of sustainable urban drainage features</li> </ul> </li> <li>- inclusion of these actions into our adaptation activities in our combined Net Zero Carbon Pathway</li> </ul>	<ul style="list-style-type: none"> <li>- continued reduction in GHG intensity from building energy use (2024, 2027 and 2030 operational intensity targets in our Net Zero Carbon pathway)</li> <li>- reduce absolute water use through efficiency and harvesting by 3% per annum</li> <li>- biodiversity increase target being developed</li> <li>- operational carbon reduction (60% by 2030 with interim intensity targets)</li> <li>- embodied carbon reduction target (50% by 2030 with interim intensity targets)</li> <li>- removal of all gas boilers (under our control) by 2030</li> <li>- 100% renewable energy procurement</li> </ul>
<b>Transition</b>	<p><b>Policy risk from emerging regulation:</b></p> <ul style="list-style-type: none"> <li>- enhanced GHG emissions reporting</li> <li>- evolving real estate specific regulations, such as Minimum Energy Efficiency Standards (MEES)</li> <li>- potential conflict between heritage requirements and energy efficiency</li> <li>- improvement required beyond MEES requirements</li> <li>- potential impact of nature-related regulation including the Environment Act requirements on Biodiversity Net Gain and the Task Force on Nature-related Financial Disclosures</li> </ul>	<p><b>Short-term</b> <b>Medium-term</b></p>	<ul style="list-style-type: none"> <li>- new GHG requirements which may not be available result in increased cost or longer void periods</li> <li>- unexpected new regulation results in longer planning or refurbishment period</li> <li>- increased costs to analyse and meet new requirements</li> <li>- inability to meet nature requirements results in financial or reputational loss</li> </ul>	<ul style="list-style-type: none"> <li>- proactive approach to EPC and MEES management</li> <li>- detailed existing GHG reporting which goes beyond current statutory requirements, including all Scope 3</li> <li>- CRREM exercise completed to date on 14% of assets and being expanded during H1 2024</li> <li>- committed programme to enhance data collection with timelines included in our Net Zero Carbon Pathway</li> <li>- regular review and internal reporting of upcoming climate regulation and updates from professional advisers</li> </ul>	<ul style="list-style-type: none"> <li>- continued reporting of asset EPC performance with detailed EPC targets by ERV in our Net Zero Carbon pathway (2030 - commercial 100% B or above and residential 100% C or above)</li> <li>- enhanced data coverage and accuracy targets and accelerated timeline as set out in the Net Zero Carbon pathway</li> <li>- monitoring and reporting of biodiversity coverage and annual increase</li> <li>- regular formal review of regulatory requirements and internal reporting at least twice a year</li> </ul>

1. Shaftesbury Capital has set metrics against all risks and opportunities. For some of these, targets are being refined and we will disclose these in due course.

Risk type	Risk Description	Timeline	Impact on business strategy & financial planning	Mitigation	Metrics & Targets <sup>1</sup>
Transition	<b>Market risk of changes in market trends:</b> <ul style="list-style-type: none"> <li>customers seeking assets with greater sustainability credentials may reduce revenues if requirements cannot be met</li> <li>less sustainable buildings may not meet debt or equity market requirements resulting in reduced access to capital</li> </ul>	Medium-term	<ul style="list-style-type: none"> <li>failure to meet market expectations would result in loss of asset value, rental income, prolonged void period. Therefore, impact on financial planning is to include as standard in our refurbishment scopes appropriate sustainability, energy efficiency and other credentials including BREEAM<sup>2</sup></li> <li>no yield adjustments are currently included in our business planning, but our viability assessment includes the impact of potential yield movements howsoever caused</li> </ul>	<ul style="list-style-type: none"> <li>regular monitoring of industry research (for example CBRE Sustainability Index)</li> <li>use of internally developed Sustainable Development tool to ensure that each refurbishment maximises its ability to achieve sustainability credentials</li> <li>continued budget allocation to research and innovation using proptech and behavioural innovation to ensure assets are best placed to meet market needs</li> </ul>	<ul style="list-style-type: none"> <li>reporting of proportion of buildings by area with sustainability credentials</li> <li>aim to achieve BREEAM rating on all relevant refurbishments</li> </ul>
Transition	<b>Asset Specific risk:</b> <ul style="list-style-type: none"> <li>evolving risk in relation to the potential conflict between heritage buildings and energy efficiency</li> <li>heritage restrictions impede energy efficiency measures resulting in market risks above</li> <li>adoption of fossil fuel removal and technologies is constrained by electrical supply capacity to our buildings</li> </ul>	Medium-term Long-term	<ul style="list-style-type: none"> <li>consideration of technology appropriate to heritage buildings (for example PV tiles)</li> <li>drive behavioural change to use buildings as designed and maximise benefits</li> <li>working group to scope and implement commercial electric cooking and fossil fuel removal</li> <li>estate modelling to understand timing and quantum of electrical capacity bottle necks</li> </ul>	<ul style="list-style-type: none"> <li>participation in appropriate industry research and lobbying on the balance between heritage and energy efficiency</li> <li>research and inclusion of scalable heritage appropriate energy efficiency measures in our internal refurbishment scoping tool</li> <li>inclusion of heritage and listed buildings in our detailed CRREM exercise to determine costs, returns and understand related planning risk</li> </ul>	<ul style="list-style-type: none"> <li>tracking of EPC and asset performance includes listed status, listed units not scoped out of 2030 EPC targets</li> <li>proportion of gas (fossil fuel) boilers both in our and our customer demise is tracked and performance managed through the REIM and managing agent team</li> </ul>

## Opportunities summary

Opportunity type	Opportunity Description	Timeline	Impact on business strategy & financial planning	Actions to leverage opportunity	Metrics & Targets <sup>1</sup>
Transition	<b>Revenue:</b> <ul style="list-style-type: none"> <li>sustainability certified and energy efficiency enhanced buildings lead to better rents and capital values</li> </ul>	Short-term	<ul style="list-style-type: none"> <li>potential to reduce budget void periods and improve investment yields for assets with higher energy efficiency and sustainability credentials. Note that this is not yet applied in forward business planning</li> </ul>	<ul style="list-style-type: none"> <li>continue to increase EPC ratings and building certification coverage</li> <li>track and evidence rent, incentive package and void differences across central London to support any changes in pricing and incorporate into budget and forecasting as trends emerge</li> <li>provide evidence to valuers</li> </ul>	<ul style="list-style-type: none"> <li>percentage of projects (major refurbishments) to achieve certification</li> <li>monitoring of rent per square foot pricing across different asset uses by sustainability rating</li> </ul>

1. Shaftesbury Capital has set metrics against all risks and opportunities. For some of these, targets are being refined and we will disclose these in due course

2. Building Research Establishment Environmental Assessment Methodology

Opportunity type	Opportunity Description	Timeline	Impact on business strategy & financial planning	Actions to leverage opportunity	Metrics & Targets <sup>1</sup>
<b>Physical / Transition</b>	<p><b>Market/Technology:</b></p> <ul style="list-style-type: none"> <li>- lower energy costs and emissions from more energy-efficient buildings through existing and new technology</li> <li>- reduced emissions and low embodied and operational carbon increase portfolio attractiveness to customers</li> <li>- improved technology enables use of onsite energy generation, supporting our use and freeing up constrained electrical grid capacity</li> </ul>	<b>Short-term</b>	<ul style="list-style-type: none"> <li>- increased exploration and apportionment of budgetary sums to research into low energy clean tech (c. £1 million per annum)</li> <li>- demonstration of lower embodied carbon and operation energy use and costs in the leasing market allows increased competitive tension in leasing process for prospective customers</li> <li>- self-generated renewable energy and increased energy efficiency help create headroom when modelling estate electricity requirements</li> </ul>	<ul style="list-style-type: none"> <li>- regular market review of available low energy climate tech</li> <li>- systematic pilots of new technology and processes to ensure scalable and inclusion in standard refurbishment scopes where applicable</li> <li>- estate wide review of renewable energy generation capability to identify opportunities that free grid capacity</li> </ul>	<ul style="list-style-type: none"> <li>- annual investment in new tech</li> <li>- proportion of pilots included in standard refurbishment scope (aim for 50% of pilots to be included in standard scope)</li> <li>- proportion of self-generated renewable power (to increase year-on-year by 5%)</li> </ul>
<b>Transition</b>	<p><b>Reputational:</b></p> <ul style="list-style-type: none"> <li>- demonstrate Whole-Life carbon benefit of heritage stock and lead in energy performance of heritage buildings</li> <li>- increased recognition of carbon benefit of retention and refurbishment increases value and attractiveness of our assets to customers, purchasers and investors</li> </ul>	<b>Medium-term</b>	<ul style="list-style-type: none"> <li>- internal and external communication strategy to demonstrate the Whole-Life carbon benefits of heritage buildings.</li> <li>- Whole-Life carbon assessments on relevant projects are undertaken on all refurbishment projects of sufficient scale</li> <li>- engage with heritage organisations, local authorities and industry bodies to champion the Whole-Life carbon benefits of energy efficient heritage buildings</li> </ul>	<ul style="list-style-type: none"> <li>- Whole-Life carbon assessments</li> <li>- internal and external communications including stakeholder engagement across customers, local authorities and investors</li> <li>- identification of acquisition opportunities which may offer enhanced returns based on our ability to complete low cost, low carbon refurbishments</li> </ul>	<ul style="list-style-type: none"> <li>- proportion of Whole-Life carbon assessments undertaken</li> <li>- ability to accurately benchmark and forecast Whole-Life carbon for smaller projects</li> <li>- increase engagement with industry and heritage bodies year-on-year</li> </ul>

1. Shaftesbury Capital has set metrics against all risks and opportunities. For some of these, targets are being refined and we will disclose these in due course