



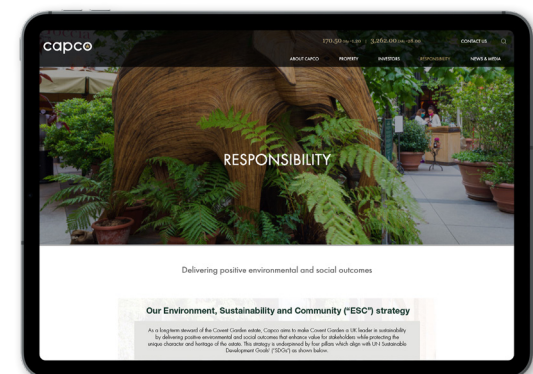
# 2021 EPRA Sustainability Best Practice Reporting Recommendations

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.

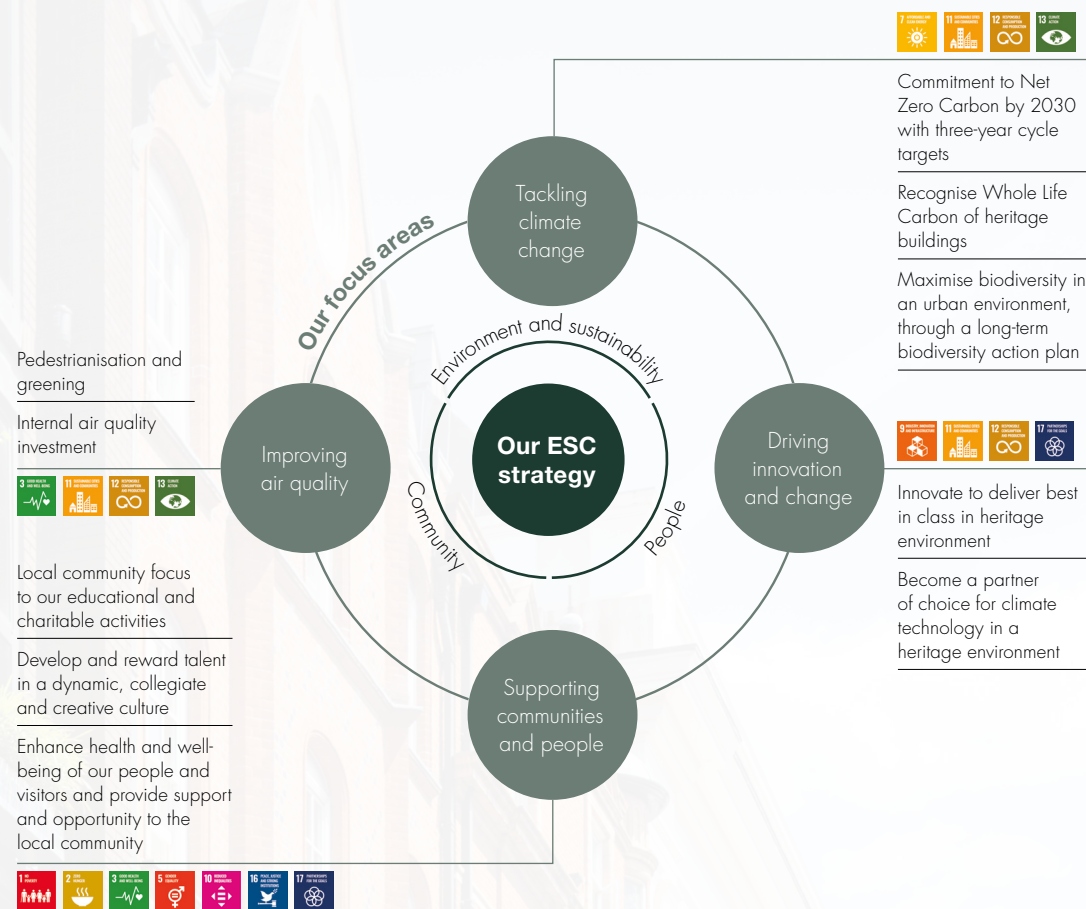
Capco's Environmental, Sustainability and Community (ESC) Strategy is underpinned by our four pillars which align with the UN Sustainable Development Goals: Tackling Climate Change, Improving Air Quality, Driving Innovation and Change, and Supporting Communities and People. A summary of our ESC Strategy 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: [www.capitalandcounties.com/responsibility](http://www.capitalandcounties.com/responsibility)

# 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 Goals<sup>1</sup> (“SDGs”) as shown below.



1. More information on the UN Sustainable Development Goals can be found at [sdgs.un.org](https://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.

Capco is in the process of joining the UN Race to Zero and is committed to securing validation of our Net Zero targets from the Science Based Targets initiative.



Capco continued to participate in the Global Real Estate Sustainability Benchmark (GRESB) in 2021. We improved our score and were awarded a green star.



In 2021 we remained a participant of the FTSE4Good Index, demonstrating that as a company we comply with globally recognised corporate responsibility standards.



During 2021 we continued our participation in the CDP Climate Change Programme and achieved an improved grade "B" rating.



We provided a submission to the S&P Global CSA in 2021 and received an improved 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 2021. 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 2021 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 2020.

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 (tCO<sub>2</sub>e), 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, as well as becoming Net Zero Carbon in our corporate activities by 2024. Our steps to achieve these targets are principally 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 2021.

## Energy Performance Measures

Total electricity consumption (Elec-Abs)	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2021	2020	2021	2020	2021	2020	
Total electricity consumption	kWh	<b>1,853,934</b>	1,762,953	<b>376,882</b>	816,507	<b>2,230,816</b>	2,579,460	-16%
Total electricity purchased from utility suppliers from non-renewable energy sources	kWh	<b>36,917</b>	41,411	<b>48,724</b>	43,459	<b>85,640</b>	84,870	1%
Total electricity purchased from utility suppliers from renewable energy sources	kWh	<b>1,817,017</b>	1,721,542	<b>328,158</b>	773,048	<b>2,145,176</b>	2,494,590	-16%
Total & proportion of electricity self-generated	kWh	<b>0 (0%)</b>	0 (0%)	<b>0 (0%)</b>	0 (0%)	<b>0 (0%)</b>	0 (0%)	0%

Like-for-like (Lfl) electricity consumption (EPRA ref. 4.2 Elec-Lfl)	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2021	2020	2021	2020	2021	2020	
Lfl electricity consumption	kWh	<b>1,234,402</b>	1,321,727	<b>376,572</b>	376,249	<b>1,610,974</b>	1,697,975	-5%
Lfl electricity purchased from utility suppliers from non-renewable energy sources	kWh	<b>0</b>	0	<b>48,664</b>	41,400	<b>48,664</b>	41,400	15%
Lfl electricity purchased from utility suppliers from renewable energy sources	kWh	<b>1,234,402</b>	1,321,727	<b>327,908</b>	334,849	<b>1,562,310</b>	1,656,575	-6%
Lfl Total & proportion electricity self-generated	kWh	<b>0 (0%)</b>	0 (0%)	<b>0 (0%)</b>	0 (0%)	<b>0 (0%)</b>	0 (0%)	0%

Total fuel consumption (Fuels-Abs)	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2021	2020	2021	2020	2021	2020	
Total fuel consumption (natural gas)	kWh	<b>2,163,641</b>	1,869,480	<b>391,875</b>	358,074	<b>2,555,517</b>	2,227,554	15%
Total fuel consumed or purchased from renewable sources	kWh	<b>2,163,641</b>	111,144	<b>0</b>	0	<b>2,163,641</b>	111,144	1,847%
Proportion of total fuel consumption from renewable sources	%	<b>100%</b>	6%	<b>0%</b>	0%	<b>85%</b>	5%	1,597%

## Energy Performance Commentary:

Overall electricity consumption fell by 16 per cent, driven primarily by a Lillie Square Estate reduction of 54 per cent as Phase 2 sales completed during 2020, offset by a 10 per cent increase on the Covent Garden estate. This arose mainly through one office void on King Street where the unit has been refurbished and is now being relet on an individual floor basis. This supply is fully renewably sourced. Both estates continue to see a small proportion of energy from non-renewable energy suppliers, this arises principally where tenancies expire with non-renewable supplies in place. The Group seeks to convert these at the earliest opportunity, current energy market disruption has meant that this cannot always be achieved on a timely basis. Capco aims to transfer all supplies to renewable supplies.

On a like-for-like basis, electricity consumption fell by more than 7 per cent at Covent Garden and was flat at Lillie Square, leading to a 5 per cent year-on-year reduction, through increased energy efficiency measures as well as improved use of automated metering.

Conversely gas consumption rose by 15 per cent, driven primarily by increased building occupancy in 2021 compared to 2020, giving rise to additional heating requirements. While many of the electrical systems are run at or close to full capacity when buildings are not fully occupied, the gas requirement scales with occupancy. The Covent Garden gas requirement is now fully renewably sourced, and the Group will look to transfer Lillie when energy markets allow.

## Environmental Performance Measures continued

Like-for-Like (Lfl) fuel consumption (Fuels-Lfl)	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2021	2020	2021	2020	2021	2020	
Lfl fuel consumption (natural gas)	kWh	1,841,221	1,613,774	391,875	358,074	2,233,097	1,968,490	13%
Lfl fuel consumed or purchased from renewable sources	kWh	1,841,221	111,144	0	0	1,841,221	111,144	1,557%
Proportion of Lfl fuel consumption from renewable sources	%	100%	7%	0%	0%	82%	6%	1,360%
Building Energy Intensity (Energy-Int)	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2021	2020	2021	2020	2021	2020	
Kilowatt-hours/per '000 square foot/per year	kWh	3.7	3.2	2.4	4.3	3.4	3.4	0.4%

### Energy Performance Commentary:

Like-for-like gas use is similarly driven by the increased building occupancy in 2021 following the higher incidence of pandemic-related lockdowns in 2020.

Overall energy intensity is broadly flat year on year, with Covent Garden showing an increase and Lillie Square a decrease, reflecting relative occupancy movements. 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. Capco is working towards full comparability with the targets set out in the Net Zero Carbon pathway. This requires additional area measurement, particularly of common parts, as well as full alignment of scope 3 (tenant) data.

- 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).

# Net Zero Pathway



**The five key actions within our Net Zero Pathway are:**

## **50% embodied carbon reduction**

to below 475kg CO<sub>2</sub>e per m<sup>2</sup> by 2030 by prioritising innovative refurbishment using sustainable materials and using Whole Life Carbon assessments

## **60% operational carbon reduction**

by 2030 to 90kWh/m<sup>2</sup>/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

# Greenhouse Gas (“GHG”) Emissions

Total direct GHG emissions (GHG-Dir-Abs)	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2021	2020	2021	2020	2021	2020	
Total direct GHG emissions (Natural gas)	tCO <sub>2</sub> e	414	360	72	66	486	425	14%
Total direct GHG emissions (F-gas)	tCO <sub>2</sub> e	0	0	0	0	0	0	–
Total direct GHG emissions (Fuels)	tCO <sub>2</sub> e	6.2	4.7	0.3	2.5	6.5	7.2	-10%
Total direct GHG emissions (Scope 1)	tCO <sub>2</sub> e	420	364	72	68	492	433	14%
Total indirect GHG emissions (GHG-indir-Abs)	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2021	2020	2021	2020	2021	2020	
Total indirect GHG emissions (location-based methodology)	tCO <sub>2</sub> e	378	426	80	190	458	617	-26%
Total indirect GHG emissions (market-based methodology)	tCO <sub>2</sub> e	11	4	9	8	20	12	69%
Building GHG emissions intensity (EPRA ref. 4.10 GHG-Int)	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2021	2020	2021	2020	2021	2020	
Tonnes of CO <sub>2</sub> equivalent/per square foot/per year (location-based)	tCO <sub>2</sub> e	0.0007	0.0007	0.0005	0.0011	0.0007	0.0007	-9%
Tonnes of CO <sub>2</sub> equivalent/per square foot/per year (market-based)	tCO <sub>2</sub> e	0.0004	0.0003	0.0003	0.0003	0.0004	0.0003	16%

## GHG Emissions Performance Commentary:

While direct GHG emissions show an increase based on the rise in gas discussed on page 5, as a result of increased building occupancy, the migration to green gas helps to mitigate the impact of this rise in consumption. The Group will continue to prioritise both heat efficiency and alternative heat sources in its innovative refurbishment activities.

We continue to reflect progress across indirect reported measures with the exception of total indirect GHG emissions (market-based methodology) (GHG-indir-Abs). This increase arises where previously let space is returned by tenants with an existing electricity supply with a higher emissions factor tariff than our own renewable tariffs. Capco policy is to seek to convert such supplies to renewable sources, but given the nature of tenant electricity procurement, some variability in this emissions data is expected over time. We anticipate this will reduce over time as more of the Group’s tenants are contracted under green leases.

Capco has offset total Scope 1&2 Emissions fully for the year ended 31 December 2021, and the above totals are included in the overall offset of 1,106 tCO<sub>2</sub>e. Capco has used nature-based Verified Carbon Scheme (“VCS”) projects in Indonesia and Brazil and has also matched these offsets with UK tree planting.

- GHG emission factors are sourced from the Government GHG Reporting Conversion Factors for 2020 and 2021.
- 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 2021 can be found in 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
		2021	2020	2021	2020	2021	2020	
<b>Total water consumption (Water-Abs)</b>								
Total water withdrawn	m <sup>3</sup>	<b>5,167</b>	10,359	<b>3,896</b>	3,759	<b>9,062</b>	14,117	-36%
	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2021	2020	2021	2020	2021	2020	
<b>Total water consumption (Water-LfL)</b>								
Total water withdrawn	m <sup>3</sup>	<b>4,922</b>	6,250	<b>3,783</b>	3,046	<b>8,704</b>	9,296	-6%
	Unit	Covent Garden		Lillie Square Estate		Capco Total		Change
		2021	2020	2021	2020	2021	2020	
<b>Building water consumption (Water-Int)</b>								
Total water withdrawn (m <sup>3</sup> per year/sq ft)	m <sup>3</sup>	<b>0.005</b>	0.009	<b>0.012</b>	0.014	<b>0.006</b>	0.010	-35%

## Water Performance Measures Commentary:

- Capco monitors water usage across the assets we control and incorporates water-efficient appliances and fittings into our refurbishment and development projects.
- During the pandemic, the 2020 usage in particular was subject to a high degree of estimation as meter readings were not performed for some of the larger water supplies. Consequently, while usage continues to fall, a number of supplies saw 2021 adjustments. The Group continues to prioritise automated meter reading across the portfolio as part of an updated metering strategy for all utilities.
- The increased water usage at Lillie Square reflects the completions at Phase 2 of the scheme.
- Like-for-like properties are those which fall within Capco's operational control and have consistently been in operation throughout the 2020 and 2021 reporting periods.
- 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 systems is not included as metering information is not available.

## Waste Performance Measures

Total weight of waste by disposal route (Waste-Abs)	Unit	Covent Garden		Change	2021 Proportion
		2021	2020		
Total waste reused	Tonnes	0	0	0%	0
Total waste recycled	Tonnes	279	142	97%	46%
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	324	199	63%	54%
Total waste landfilled	Tonnes	0	0	0%	0%
Total hazardous waste	Tonnes	0	0	0%	0%
Total waste removed	Tonnes	603	341	77%	100%

- The increase in waste represents broader estate usage from our tenants and increased footfall due to the reduction in pandemic lockdowns. The 2021 data represents a reduction of 25% compared to 2019, the last comparable year, and is c 5% lower than the long term average.



## Waste Performance Measures continued

Like-for-Like weight of waste by disposal route (Waste-LfL)	Unit	Covent Garden		Change	2021 Proportion
		2021	2020		
Total waste reused	Tonnes	0	0	0%	0
Total waste recycled	Tonnes	279	142	97%	46%
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	324	199	63%	54%
Total waste landfilled	Tonnes	0	0	0%	0%
Total hazardous waste	Tonnes	0	0	0%	0%
Total waste removed	Tonnes	603	341	77%	100%

### Waste Performance Measures Commentary:

- In partnership with our waste contractor, Veolia, and one of our tenants in the Market Building, we instigated a waste trial aimed at reducing overall waste volumes, increasing the proportion of waste recycled and reducing the amount sent to the “energy from waste” plant.
- We continue to divert 100 per cent of non-hazardous waste from the Covent Garden Market Building from landfill and 99 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 here on our corporate website.

During 2021, there was relatively limited capital activity across the Covent Garden estate. Notwithstanding this, two projects were completed in the year, both achieving a SKA Silver and an improved EPC rating. At Lillie Square, Phase 2 of the development achieved Code for Sustainable Homes Level 4 certification.

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
<b>Total building certification (Cert-Tot)</b>			
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
<b>Total building certification</b>	<b>16</b>	<b>36%</b>	<b>502,062</b>

The data presented in the table above is reflective of properties with certification as at 31 December 2021. It does not include assets that are in the process of obtaining certification.

The proportion of certified buildings across the estate has risen following addition of newly certified buildings and a full review. Conversely, one building with a BREEAM Excellent rating was sold during 2021.

In addition, the use of BREEAM In-use certification across our Covent Garden estate is being explored.

### Covent Garden Estate Energy Performance Certificates (EPCs)

	Certified Assets		
	Number of assets	% of total floor area	Floor Area Certified
<b>Total building certification (Cert-Tot)</b>			
EPC A	0	0%	0
EPC B	58	19%	209,725
EPC C	158	37%	401,559
EPC D	93	22%	234,238
EPC E	9	4%	39,386
EPC F & G	0	0%	0
In Development or EPC not required	185	19%	204,433
<b>Total building certification</b>	<b>503</b>	<b>100%</b>	<b>1,089,341</b>

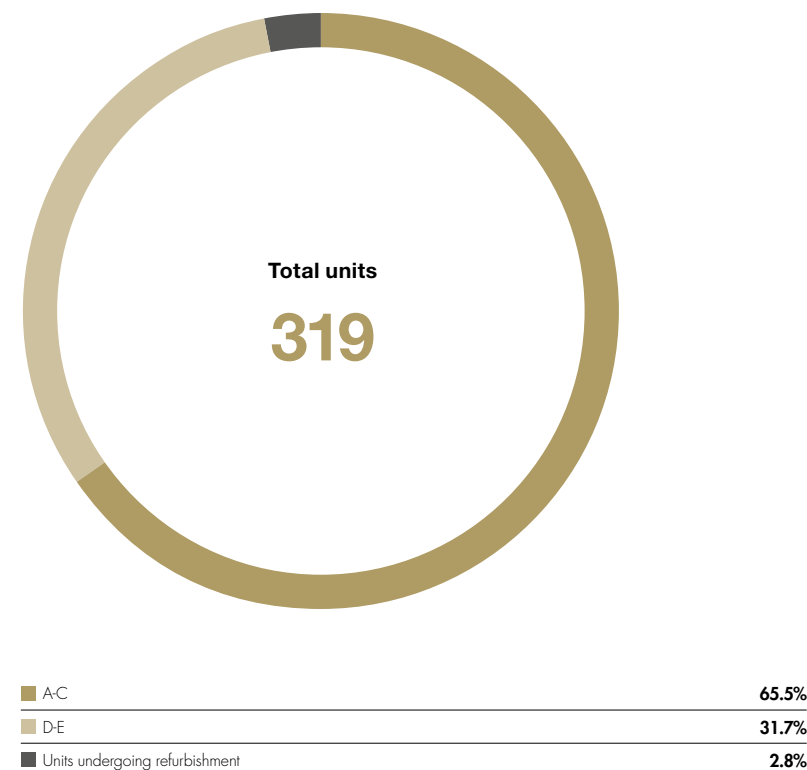
#### Covent Garden Energy Performance Certificates (EPCs) Commentary:

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 2021. A total of 319 demises 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 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 above total shows the full estate unit count for Covent Garden. Some 184 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 94 per cent of eligible units are assessed at level A-D, with a small number of the remaining units either at level E or in development. 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

Capco consolidated its head office into two floors at Regal House on our Covent Garden estate from December 2020. Capco's head office was previously located on Grosvenor Street, London.

Throughout the pandemic, Capco ensured that its offices remained COVID-secure and operated in line with government guidance. Whilst our people have now enjoyed a return to the office, there were periods during 2020 and 2021 where remote working practices were in place. As a result, the office operations used less energy and water and produced less waste during certain periods in 2020 and 2021.

Performance Measure	Unit	EPRA Reference	2021	2020	Change
<b>Energy:</b>					
Total electricity consumption	kWh	Elec-Abs	<b>111,679</b>	295,919	-62%
Like-for-like electricity consumption	kWh	Elec-LfL	<b>46,062</b>	41,757	10%
Total fuel consumption	kWh	Fuels-Abs	<b>109,707</b>	151,883	-28%
Like-for-like fuel consumption	kWh	Fuels-LfL	<b>38,692</b>	18,426	110%
Building energy intensity (kWh per sq ft)	kWh per sq ft	Energy-Int	<b>30</b>	30	-1%

Performance Measure	Unit	EPRA Reference	2021	2020	Change
<b>Greenhouse Gas Emissions:</b>					
Total direct GHG emissions	tCO <sub>2</sub> e	GHG-Dir-Abs	<b>20</b>	28	-28%
Like-for-like direct GHG emissions	tCO <sub>2</sub> e	GHG-Dir-LfL	<b>7</b>	3	109%
Total indirect GHG emissions (location-based)	tCO <sub>2</sub> e	GHG-Indir-Abs	<b>24</b>	63	-62%
Total indirect GHG emissions (market-based)	tCO <sub>2</sub> e	GHG-Indir-LfL	<b>0</b>	0	0%
GHG intensity from building energy consumption	tCO <sub>2</sub> e per sq ft	GHG-Int	<b>0.006</b>	0.006	-3%

Performance Measure	Unit	EPRA Reference	2021	2020	Change
<b>Water:</b>					
Total water consumption	m <sup>3</sup>	Water-Abs	<b>266</b>	1,263	-79%
Like-for-like water consumption	m <sup>3</sup>	Water-LfL	<b>52</b>	154	-66%
Building water intensity	m <sup>3</sup> per sq ft	Water-Int	<b>0.04</b>	0.09	-58%

## Head Office Commentary:

As part of our Net Zero Carbon Pathway, Capco committed to be carbon neutral in corporate activities by 2024.

In December 2020 Capco consolidated its head office into two floors at Regal House on the Covent Garden estate. Accordingly, the like-for-like data reflects the first floor at Regal House, which was used throughout 2020 and 2021, and the absolute reduction reflects the relocation from 15 Grosvenor Street offset by the addition of the second floor at Regal House.

As part of this consolidation we appointed Reyooz, a sustainable clearance firm, to support a reuse strategy for excess furniture and equipment to help achieve this. 12,906kg was diverted from landfill or incineration as a result, creating an embodied carbon saving of 32 tonnes and generating an estimated social value of over £51,000 as part of the process.

Performance Measure	Unit	EPRA Reference	2021	2020	Change
<b>Waste:<sup>1</sup></b>					
Total weight of waste by disposal route: Reuse	Metric Tonnes	Waste-Abs	<b>1</b>	13	-96%
Total weight of waste by disposal route: Recycling	Metric Tonnes	Waste-Abs	<b>1</b>	9	-92%
Total weight of waste by disposal route: Composting	Metric Tonnes	Waste-Abs	<b>0</b>	0	0%
Total weight of waste by disposal route: Materials Recovery Facility (MRF)	Metric Tonnes	Waste-Abs	<b>0</b>	0	0%
Total weight of waste by disposal route: Incinerated	Metric Tonnes	Waste-Abs	<b>0</b>	0	0%
Total weight of waste by disposal route: Incinerated with energy recovery	Metric Tonnes	Waste-Abs	<b>1</b>	2	-65%
Total weight of waste by disposal route: landfill	Metric Tonnes	Waste-Abs	<b>0</b>	0	0%
Total waste:	Metric Tonnes	Waste-Abs	<b>3</b>	24	-92%
Proportion of waste by disposal route: Reuse	Metric Tonnes	Waste-Abs	<b>24%</b>	54%	-56%
Proportion of waste by disposal route: Recycling	Metric Tonnes	Waste-Abs	<b>38%</b>	37%	1%
Proportion of waste by disposal route: Composting	Metric Tonnes	Waste-Abs	<b>0%</b>	0%	0%
Proportion of waste by disposal route: Materials Recovery Facility (MRF)	Metric Tonnes	Waste-Abs	<b>0%</b>	0%	0%
Proportion of waste by disposal route: Incinerated	Metric Tonnes	Waste-Abs	<b>0%</b>	0%	0%
Proportion of waste by disposal route: Incinerated with energy recovery	Metric Tonnes	Waste-Abs	<b>38%</b>	9%	316%
Proportion of waste by disposal route: landfill	Metric Tonnes	Waste-Abs	<b>0%</b>	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. Accordingly, the head office waste report has been estimated. 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.
- 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.
- GHG emission factors were sourced from the Government GHG Reporting Conversion Factors for 2021 and 2020.

# Social Performance Measures

Capco embraces diversity as a business. Diversity covers many characteristics, and Capco considers 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 an entrepreneurial, dynamic, collegiate and creative culture.

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. 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. 60 per cent of our workforce, and 64 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 can be downloaded from our corporate website [here](#).

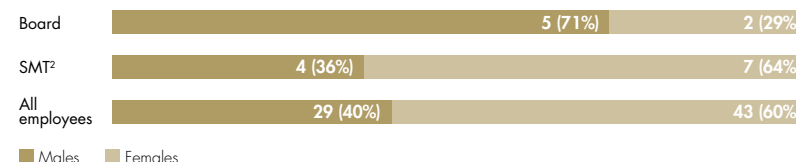
Direct employee gender diversity (Diversity-Emp)	Gender	2021	2020
Governance board	Female	29%	29%
	Male	71%	71%
Senior management (excluding Directors)	Female	64%	60%
	Male	36%	40%
All Employees	Female	60%	61%
	Male	40%	39%

## 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 2021. Please refer to the Directors' Remuneration Report on page 118 of in the Company's 2021 Annual Report for this information.

## Gender diversity<sup>1</sup>



1. As at 31 December 2021

2. Senior Management (excluding Directors)

## 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)	2021	2020	Change
Average number of hours training per employee	12.3	6.9	5.4
Average number of hours training undertaken by female employees	9.1	6.4	2.7
Average number of hours training undertaken by male employees <sup>1</sup>	15.9	12.7	3.2

1. Individual training and development needs notwithstanding gender continue to be identified and undertaken. During 2020 and 2021 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 2021, our employees recorded 852 hours of training activity. We sponsor individuals undertaking further professional qualifications, and encourage continuous learning, reflecting our commitment to a knowledge-based environment.

Employee performance appraisals (Emp-Dev)	2021	2020	Change
Total employees receiving performance review	100%	100%	0%

A new online performance management system was introduced at the end of 2020, building on our continuous performance and development culture in order to increase productivity and performance. Annual performance objectives for each employee are agreed at performance check-in meetings, which take place at the beginning of the calendar year. Ongoing performance check-in meetings take place regularly throughout the year. Performance is measured against objectives set for the previous year and individual performance underpins discretionary annual bonus awards.

Workforce	2021	2020	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	2021	2020 <sup>1</sup>	Change
Total number of new employees	11	6	5
Rate of new employee hires	15%	9%	70%
Total number of employee turnover	10	26	-16
Rate of employee turnover	14%	38%	-62%

1. Employee turnover during 2020 reflects headcount reductions following the disposal of the Group's interests in Earls Court. The turnover figures stated comprise full-time employees on a permanent or long-term contract basis.



## Health & Safety

We strive to achieve the highest standards of health, safety and well-being in all our activities our assets, our projects and our offices.

Employee Health and safety (H&S Emp)	2021	2020
Injury rate (IR) (direct employees) <sup>1</sup>	0	0
Accident Severity Rate (ASR)	LTIFR reported below	LTIFR reported below
Lost Time Incident Frequency Rate <sup>2</sup>	0.00	0.00
Work-related fatality (direct employees)	0	0
Absentee rate (AR) (direct employees)	0.23%	1.15%

1. Data comprises RIDDOR incidents that occurred during 2021 and 2020 and to direct employees.

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

The well-being of Capco's people continues to be of the utmost importance. Capco 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.

Health and safety assessments (H&S-Asset)	2021	2020
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)	2021	2020
Incidents of non-compliance with regulations and voluntary codes <sup>1</sup>	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)	2021	2020
Percentage of assets that have implemented local community engagement, impact assessments and/or development programmes (%)	100%	100%

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)	2021	2020
Number of Executive Board members	3	3
Number of Independent/Non-executive Board members	4	4
Average tenure on the governance body years	6.2 years	5.2 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 page 105 of our 2021 Annual Report for a detailed explanation of the Committee's activities during 2021. The terms of reference for the Board ESC Committee can be found on our corporate website [here](#).

Nominating and selecting the highest governance body (Gov-Select)	2021	2020
Process for nominating and selecting the highest governance body	Refer to the Nomination Committee Report on pages 98 to 100 inclusive in our 2021 Annual Report for a detailed explanation.	Refer to the Nomination Committee Report on pages 87 to 89 inclusive in our 2020 Annual Report for a detailed explanation.

Capco's Nomination Committee is Chaired by Henry Staunton, the Company Chairman. The terms of reference for the Nomination Committee can be found on our corporate website [here](#).

Process for managing conflict (Gov-Col)	2021	2020
Processes for managing conflicts of interest	Refer to "Conflicts of Interest and Time Commitments" sections found on pages 95 and 121 of our 2021 Annual Report.	Refer to "Conflicts of Interest and Time Commitments" section found on page 82 of our 2020 Annual Report.

# Appendix 1: Additional Disclosures

## Social:

### Percentage of corporate citizenship and/or philanthropic contributions

During 2021, Capco donated approximately £600,000 in value of time, in-kind contributions and cash to the local community in Covent Garden.

During 2021 we encouraged our employees to engage in responsibility initiatives by including an ESC objective in every employee's performance objectives. For 2022 we have committed to ensuring that our employees can contribute up to five hours during the year to the wider community, either through an ESC-related project or a match funded event.

Category	Percentage of Total Costs
Charitable Donations	83%
Community Investments	14%
Commercial Initiatives	3%
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 2021 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 Audit Committee Terms of Reference are available on the Company's corporate website [here](#).
- For the year ended 31 December 2021, 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 2021, there were no breaches Capco's Business Code of Practice. The Business Code of Practice is available on the Company's corporate 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 Financial Crime Policy is available on the Company's corporate website.

### Health & Safety:

- The number of staff trained on safety in 2021: To prioritise the safety of our people during COVID-19, while the UK government's social distancing and lockdown measures remained effective, physical training was paused. 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 or 2021.
- The LTIFR for employees only in 2021 was: 0.
- The LTIFR for contractors only in 2021 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 risks assessments continue to be undertaken on all new operations and projects.

