# Sustainability Data Report 2022

Shaftesbury

# Contents

# 1 Introduction

This section sets out the overall principles, boundaries, scope and methodologies applied when reporting sustainability data in the sustainability section of the 2022 Annual Report and this Data Report

## 1.1 Scope

The report covers the period from 1 October 2021 to 30 September 2022.

Data is reported where Shaftesbury has operational or management control, this includes all assets 100% owned by Shaftesbury. Data is also included for the joint venture at Longmartin. This covers 100% of the portfolio by value.

It should be noted that it is not possible to report performance data for the portfolio broken down by use (offices, retail, restaurant and residential) as:

- Each village has a mix of uses which are often in the same building with shared landlord-controlled areas and services, hence it is not possible to attribute energy, water and waste data to the specific use classes.
- The portfolio is divided into villages i.e. Carnaby, Soho, Opera Quarter (including Fitzrovia and Coliseum), Seven Dials and Chinatown managed by CBRE who supply data for the portfolio. Historically, the portfolio was divided between two managing agents and for this reason, the data for Covent Garden is reported separately as Seven Dials and Opera Quarter. In August 2021, CBRE became the sole managing agent for the portfolio.

Data is reported for all refurbishment projects above £250,000 capital value, which represents 78% of the total construction cost of the commissioned projects in the reporting period. In addition, all projects below the threshold are issued with our policies as part of the contractors' tender pack. The energy consumption at refurbishment projects below the criteria would be captured within the common parts data reported by managing agents.

Data from properties acquired during the reporting period are reported from the date of purchase. In 2022 the total investment portfolio comprised by floor area:

| | |
|---|---|
| Hospitality & Leisure | 34% |
| Retail | 23% |
| Offices | 24% |
| Residential | 19% |
| **Total** | **100%** |

All the portfolio is located in central London.

Environmental performance data is reported on a like-for-like basis in line with EPRA reporting guidelines.

The detailed scope, boundaries, calculation methodologies and data are provided within each data reporting section.

## 1.2 Company overview

| Use Category | Area Sq. Feet |
|---|---|
| Hospitality & Leisure | 746,000 |
| Retail | 505,000 |
| Offices | 575,000 |
| Residential | 437,000 |
| **Total** | **2,263,000** |

## 1.3 Reporting standards

### 1.3.1 European Real Estate Association

Relevant environmental data has been reported, where possible, following the European Real Estate Association Best Practice Recommendations on Sustainability Reporting, September 2017 (EPRA sBPR). Below is the list of the EPRA Sustainability Performance measures and where these are reported.

EPRA Sustainability Performance Measures, Definitions, Issues and Rationale are aligned with Global Reporting Initiative's (GRI) Reporting Standards (2016 edition) and Construction and Real Estate Sector Disclosures (CRESD).

| Code | Performance Measure | Reporting Location |
|---|---|---|
| **Environmental Sustainability Performance Measures** | | |
| Elec - Abs | Total Electricity Consumption | Section 3.1.1 |
| Elec - LfL | Like for like Electricity Consumption | Section 3.1.2 |
| DH&C- Abs | Total District Heating & Cooling Consumption | None within Shaftesbury's operations |
| DH&C - LfL | Like for like District Heating & Cooling Consumption | None within Shaftesbury's operations |
| Fuels - Abs | Total fuel consumption | Section 3.1.1 for natural gas only as no other fuel used |
| Fuels -LfL | Like for like total fuel consumption | Section 3.1.2 for natural gas only as no other fuel used |
| Energy Int | Building energy intensity | Section 3.1.8 |
| GHG-Dir- Abs | Total direct greenhouse gas (GHG) emissions | Section 3.1.10 |
| GHG – Indir- Abs | Total indirect direct greenhouse gas (GHG) emissions | Section 3.1.10 |
| GHG – Dir -LfL | Like for like total direct greenhouse gas (GHG) emissions | Section 3.1.7 |
| GHG – Indir - LfL | Like for like total indirect greenhouse gas (GHG) emissions | Section 3.1.7 |
| GHG - Int | Greenhouse gas intensity from building energy consumption | Section 3.1.8 |
| Water - Abs | Total water consumption | Section 3.4 |
| Water - LfL | Like for like total water consumption | Section 3.4 |
| Water - Int | Building of water intensity | Section 3.4 |
| Waste - Abs | Total weight of waste by disposal route | Section 3.3.1 |
| Waste – LfL | Like for like total weight of waste by disposal route | Section 3.3.1 |
| Cert - Tot | Type and number of sustainably certified assets | Section 3.2 |
| **Social Performance Measures** | | |
| Diversity-Emp | Employee gender diversity | Section 4.1 |
| Diversity-Pay | Gender pay ratio | Not reported |
| Emp-Training | Employee training and development | Section 4.1 |
| Emp-Dev | Employee performance appraisals | Section 4.1 |
| Emp-Turnover | New hires and turnovers | Section 4.1 |
| H&S-Emp | Employee Health and Safety | Section 4.2 |
| H&S-Asset | Asset Health and Safety assessment | Section 4.2 |
| H&S-Comp | Asset Health and Safety compliance | Section 4.2 |
| Comty-Eng | Community engagement, impact assessments and development programs | Section 4.4 |
| **Governance Performance Measures** | | |
| Gov-Board | Composition of the highest governance body | Section 5 |
| Gov-Selec | Process for nominating and selecting the highest governance body | See Annual Report (Corporate Governance) |
| Gov-Col | Process for managing conflicts of interest | See Annual Report (Directors' Report) |

### 1.3.2 UN Global Compact and Sustainable Development Goals (SDGs)

We support the 10 principles of the UN Global Compact on human rights, labour, environment and anti-corruption. The 2030 Agenda for Sustainable Development, adopted by all United Nations member states in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which are an urgent call for action by all countries, developed and developing, in a global partnership. They recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth, all while tackling climate change and working to preserve our oceans and forests. The UK is a signatory to these goals. The UK Government has developed its own agenda for delivering these goals and companies are encouraged to adopt this framework. With this in mind we have mapped our performance against the goals within section 2.0.

## 1.4 Environmental reporting

### 1.4.1 Organisational boundaries for reporting

The operational control approach is adopted for reporting which includes the wholly owned portfolio, the joint venture at Longmartin and properties undergoing refurbishment.

The following parameters have been used to determine what is included within the reporting boundaries in terms of landlord and tenant consumption:

- All properties where Shaftesbury has sole ownership and operational control through the managing agent - CBRE. In August 2021, CBRE took over sole management of the portfolio. Longmartin is a 50% equity share but all the data is included within the overall calculations.
- Any gas boilers that provide heating to both common and tenanted areas have been included where the heating plant is within the control of the managing agents working for Shaftesbury. These are identified within the relevant data tables.
- All electricity supplies that serve plant e.g. lifts, common area lighting and power where the equipment is within the control of Shaftesbury rather than the occupier. In some cases, the meters supply occupied areas as well as landlord areas. This is not sub metered so is recorded as part of Shaftesbury's consumption and is identified as whole building. Buildings that include external lighting consumption are also included.
- Data for usage of air conditioning units, where installed, is supplied for all landlord-controlled parts of the portfolio.
- Water supplies that supply common and tenanted areas of the property where Shaftesbury has responsibility for the water supply.
- Waste collected from properties where Shaftesbury controls the waste collection rather than the occupier.
- Head office data for energy and water at 22 Ganton Street. The waste at 22 Ganton Street is included within the Carnaby Court waste information.
- Refurbishment site data for material use, energy data and waste generation. Energy data was reported for 16[1] out of 16 sites, with water data reported for 16 of the 16 properties and waste reported 13 of the 16 properties. The remaining three refurbishment schemes are still ongoing and will be completed during the following year. Thus, waste at these sites would be reported in the following year
- The sites which have not reported on the remaining KPIs have only just started on site and will report on these in the following year.
- Biodiversity data is collected for 100% of the portfolio.
- Where gas consumption was given in $m^3$ and no invoice was available a conversion calculation was carried out to provide consumption in kWh. The Gross Calorific Value (GCV) factor is taken from the National Inventory data used for UK reporting. The calculation was as follows:
  - $m^3$ Gas x 39.1612 (GCV factor for 2019) = MJ Gas
  - MJ Gas x 1.02264 (correction factor) = MJ Gas (corrected)
  - MJ Gas x 0.28 (conversion factor to kWh) = kWh Gas
- Where possible, coverage has been detailed within the reporting breakdown tables for each category. For the portfolio, energy consumption information has been sought for all buildings.
- With particular attention to energy and water, where accurate meter readings were not available, estimated consumption has been calculated from bills and available meter readings. Total estimated consumption, where more than 2-months[2] of data has been estimated at a property, equates to 32,204 kWh for electricity across Carnaby, Soho and Seven Dials, and 1,773 kWh for gas at Chinatown. This is approximately 1% of the total electricity and gas consumption. In addition, 547 $m^3$ of water has been estimated across Carnaby, Fitzrovia and Seven Dials.

### 1.4.2 Greenhouse Gas reporting

**Scope 1 – Direct Emissions**
These are the direct emissions resulting from our activities that are within our control and relate to the emissions associated with the use of natural gas and refrigerant gasses that fall within landlord-controlled areas.

**Scope 2 – Indirect Emissions**
These are the indirect emissions associated with the electricity that a company purchases and uses. Emissions are created during the generation of the energy. For Shaftesbury this includes all landlord purchased electricity within landlord-controlled areas including common areas and shared services.

**Scope 3 – Other Indirect Emissions**
These emissions are those that relate to activities occurring from sources out of the ownership or control of the organisation. These can be separated into 15 main categories as below. We have increased our coverage of scope 3 emissions in the reporting year in line with our commitment to setting a Science Based Target.

1 Energy data for five refurbishment properties has been reported within the landlord consumption boundaries.

2 The 2021 GRESB Real Estate Reference Guide states that where utility data is only partially available or unreliable, the consumption can be estimated. However, the missing data should not exceed 20% of the total period for which the actual data is reported (e.g. no more than 2-months estimated for a 12-month period).

| Scope 3 Category | Applicability | Inclusion | Scope of inclusion |
|---|---|---|---|
| Purchased goods and services | Yes | Not yet reported. | We are actively looking into the emissions associated with our purchased goods and services but have not disclosed these emissions within this year's data report. |
| Capital goods | Yes | Not yet reported. | Not currently reported in our data report but would be included within purchased goods and services. |
| Fuel and energy related activities | Yes | Yes | Calculated in relation to scope 1 and 2 emissions using UK Government emission conversion factors for greenhouse gas company reporting. |
| Upstream Transportation and Distribution | Yes | Yes | Calculated in relation to scope 1 and 2 emissions using UK Government emission conversion factors for greenhouse gas company reporting. |
| Waste generated in operations | Yes | Yes | Calculated using UK Government emission conversion factors for greenhouse gas company reporting for landlord-controlled waste rather than tenant-controlled areas. |
| Business travel | Yes | Yes | Calculated using UK Government emission conversion factors for greenhouse gas company reporting for flights, rail, taxi and hotel stays. |
| Employee commuting | Yes | Not yet reported. | Not currently reported in our data report. We will look to increase our coverage in the next reporting period. |
| Upstream leased assets | Yes | Yes | Reported as part of our Scope 1 & 2 emissions. |
| Downstream Transportation and Distribution | No | N/A | Shaftesbury develop and manage real estate properties which we then lease to our customers. There are no relevant scope 3 emissions associated with our operations to report under this category. |
| Process of sold products | No | N/A | Shaftesbury develop and manage real estate properties which we then lease to our customers. There are no relevant scope 3 emissions associated with our operations to report under this category. |
| Use of sold products | No | N/A | Shaftesbury develop and manage real estate properties which we then lease to our customers. There are no relevant scope 3 emissions associated with our operations to report under this category. |
| End-of-Life treatment of sold products | No | N/A | Shaftesbury develop and manage real estate properties which we then lease to our customers. There are no relevant scope 3 emissions associated with our operations to report under this category. |
| Downstream leased assets | Yes | Not yet reported. | We are currently working with our tenants to gain a complete inventory of energy consumption information across our whole portfolio. Although we are making good progress with this we have not reported this emission in this year's data report. |
| Franchises | No | N/A | Shaftesbury develop and manage real estate properties which we then lease to our customers. There are no relevant scope 3 emissions associated with our operations to report under this category. |
| Investments | No | N/A | Shaftesbury develop and manage real estate properties which we then lease to our customers. There are no relevant scope 3 emissions associated with our operations to report under this category. |

### 1.4.3 Intensity normalisation

- Properties are only included in intensity measures where they provide both consumption data for the entire reporting year and a robust denominator i.e. floor area.
- For the energy purchased by Shaftesbury, the amount is identified by the managing agents. Historically apportioning this to specific floor areas is difficult due to the common part areas not generally being measured and in some cases the energy consumption figures also include shared services such as external lighting, Christmas lighting and CCTV which potentially distorts attempts at normalisation. Since 2013, progressive measurement of the portfolio means that the actual floor areas for a number of properties are now available across the managed portfolio. A total of 79 (including 10 at Longmartin) properties have accurate measured floor area. Where floor areas are not available an estimated landlord area of 10% has been assumed compared to the tenant Net Lettable Area (NLA) giving a total of 132 properties, for which the common parts floor area can be used as an intensity metric.
- Any buildings that have data for whole building consumption can be assessed against the Gross Internal Area (GIA) measure.
- Any buildings that include external lighting or other shared services within the reporting do not have an intensity measure determined for them.
- Total Scope 1 and 2 emissions are measured against revenue.

### 1.4.4 Third party verification

EcoAct are acting as independent verifiers for the GHG verification. Appendix 2 contains the limited verification statement covering the reporting period.

RPS Consulting UK & Ireland (RPS) are retained as our sustainability advisors and undertake a programme of audits of our operations including:

- Annual review of all data collated for third party verification;
- Site audit of a minimum of 10% of refurbishment sites above £250,000.

In addition, all sites above £250,000 are required to register with the Considerate Constructors' Scheme and as such are subject to third party audit by the scheme's assessors.

### 1.4.5 Data restatement

The absolute energy and greenhouse gas (GHG) emissions for the 2021 reporting period have required no restatement.

### 1.4.6 Climate change risk and opportunities

We recognise that climate change will have an impact on our business. We have outlined our current approach to identifying and managing our most significant climate change risks in our 2022 annual report on pages 76-79. This is line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Since our initial disclosure in 2020, we have undertaken a scenario analysis of physical and transitional risks and opportunities, the outcomes of which are considered in this disclosure.

We have developed a robust process to ensure that climate risks are considered in all relevant business decisions and the ongoing development of our corporate strategy. As a property company we are exposed to both physical and transition climate change risks and opportunities.

### 1.4.7 Streamlined energy and carbon reporting (SECR)

Energy and carbon consumption, as reported within the Annual report, are detailed in the below table which confirm 2020-21 and 2021-22 energy consumption (kWh) and carbon emissions ($tCO_2e$). Additional detail relating to energy and carbon performance can be found within section 3 of this report. Our SECR disclosure is set out on pages 80-81 of our 2022 annual report.

| | UK GHG emissions 2022 ($tCO_2e$) | UK GHG emissions 2021 ($tCO_2e$) | UK Energy consumption 2022 (kWh) | UK Energy Consumption 2021 (kWh) |
|---|---|---|---|---|
| **Scope 1[1]** | **152** | **198** | | |
| Natural gas | 142 | 164 | 779,348 | 893,758 |
| Refrigerant losses | 9 | 34 | | |
| **Scope 2 location-based (electricity)** | **685** | **708** | 3,545,756 | 3,339,144 |
| **Scope 2 market-based (electricity)** | **126** | **103** | | |
| **Total (location-based)** | **837** | **906** | | |
| Intensity metric | $tCO_2e$/£M | $tCO_2e$/£M | kWh/£M | kWh/£M |
| **Total emissions and energy/£M revenue** | **6.8** | **8.0** | **35,135** | **37,559** |

1 Shaftesbury does not have any fleet or company cars hence no emissions are reported from transport fuel or other energy sources in scope 1 as not applicable

### 1.4.8 Energy Savings Opportunity Scheme

Where feasible, we have undertaken energy efficiency improvements in line with our 2019 Energy Savings Opportunities Scheme (ESOS) Report. The table below details a number of energy saving opportunities identified in the report. We have continued to progressively increase the coverage of light-emitting diodes (LED) lighting in our properties as well as the addition of some motion sensors in buildings. This reporting year a potential saving of 10.5 $tCO_2e$ is anticipated due to the replacement of non-LED lights with energy efficient LED lights. We have also undertaken ongoing improvements and upgrades through refurbishment programmes to improve energy efficiency.

| Recommendation | Annual Electricity Savings (kWh) | Annual Gas Savings (kWh) | Payback in years | Carbon Saving ($tCO_2$) |
|---|---|---|---|---|
| Continue replacing all non-LED lights with energy efficient LED lights | 284,179 | - | 4 | 80.4 |
| Consider re-setting all buildings heating/cooling controls to suit the current tenant's requirement | 230,695 | 17,836 | 0 | 68.5 |
| Improve staff and tenant awareness and involvement with energy campaign activity and workshops. 2.5% Electricity and gas savings assumed | 102,126 | 21,800 | 2 | 33 |
| Continue replacing old and inefficient equipment | - | 122,876 | 7 | 23 |
| **Total** | **617,200** | **162,512** | **2.4** | **204.7** |

## 1.5 Community investment and charitable contribution

### 1.5.1 Measurement and benchmarking

Shaftesbury joined Business for Societal Impact (B4SI), previously known as the London Benchmarking Group (LBG) in 2009. B4SI seeks to ensure a consistent approach in the measurement and benchmarking of community investment. We have followed the B4SI framework, and the principles adopted in relation to our reporting as set out below.

### 1.5.2 Inputs

At the end of the year, we have a total of 52 employees. As the number of employees varied throughout the year, we have also used a calculated figure of 54 employees which gives a better representation of the number of employees for the purpose of some of our comparisons.

The majority of the contributions are:

**Cash**
We predominantly support charities and not for profit organisations which are located in our local areas of the boroughs of Westminster and Camden. This enables us to establish long term and effective relationships that reflect our aim of supporting young people and communities in Westminster and Camden.

**Time**
Where employees contribute time during working hours, this is recorded on a financial cost basis rather than actual salary with two tiers of costs used, depending on the seniority of employees. We have continued our policy of enabling volunteering leave during the year and this cost is included here.

**Management costs**
We allocate an amount relating to the time spent by the Community Investment Committee and the Community Engagement Manager on these activities.

**In-kind**
We often provide space for not-for-profit organisations, charities or educational establishments in vacant properties. This can be for one-off 'pop-up' events or for longer periods of time. We account only for the cost of providing services to these spaces and not for the rent that would have been incurred if the organisation was paying the market rate for the space. We allocate an B4SI agreed benchmark cost per square foot per day.

### 1.5.3 Value of contributions

The value of our contributions is presented as a percentage of EPRA pre-tax profit.

### 1.5.4 Outputs and impacts

Because we support many smaller causes, it is often difficult to capture the outputs and impacts made as a result of our contributions. We have adopted the B4SI guidance where possible as below.

**Leverage**
We have, where possible, reported resources contributed to community organisations and activities that come from outside of Shaftesbury as a result of our own direct contributions, encouragement and/or support.

**Community investment not included in the B451 benchmark**
We have taken into account the two key principles identified within the B4SI methodology when deciding whether or not to include activity in the benchmark data. Only activity that is both voluntary and charitable in nature is included. Activity that falls outside these parameters is recorded separately.

**Mandatory contributions**
Where a contribution is mandated by a third party, such as local planning authority via Section 106 Agreements, it is excluded from the B4SI Benchmark data but we report it in our overall figures separately in this report.

# 2 Overview of key performance indicators

| Performance Area | Key Performance Indicator | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|
| Stakeholder Engagement | Listing on FTSE4Good | Yes 91% Percentile | Yes 89% Percentile | Yes 95% Percentile | Yes 96% Percentile | Yes |
| | Participation in Carbon Disclosure Project | Yes Score C | Yes Score B | Yes Score B | Yes Score C | Yes Score C |
| | Participation in Global Real Estate Sustainable Benchmarking | Yes 69% 9th of 11 in peer group | Yes 75% 5th of 7 in peer group | Yes 64% 3rd of 7 in peer group | Yes 71% 4th of 7 in peer group | Yes 74% 5th of 7 in peer group |
| | EPRA sBPR | Gold | Gold | Gold | Gold | Gold |
| | Dow Jones Sustainability Indices | | | European DJSI Member | European DJSI Member | DJSI Europe Member |
| Employees | Proportion of Employee that are female | 63% | 68% | 67% | 69% | 71% |
| | Proportion of females in managerial grade | 57% | 66% | 63% | 63% | 71% |
| | Proportion of females on the Board | 30% | 30% | 22% | 40% | 33% |
| | Proportion of employees having an annual Professional Development Review (PDR) | 100% | 100% | 100% | 100% | 100% |
| | Employee turnover (excluding retirement) | 0 | 2.8% | 7.7% | 7.3% | 6.2% |
| | Number of training hours per employee per year | 19 | 20 | 12.52[2] | 57 | 25.12 |
| Carbon | Total greenhouse gas emissions for landlord consumption in wholly owned portfolio (including Head Office travel) and Longmartin in tonnes $CO_2e$ (all scopes) | 1,630.12 | 1,450.76 | 1,261.41 | 1,233.42 | 1,181.98 |
| | Normalised data (tonne $CO_2e/m^2$) for sample common parts of tenanted portfolio | 0.05 | 0.05 | 0.05 | 0.04 | 0.03 |
| | Performance against our science-based target. 50% reduction in scope 1 and 2 by 2030, compared with 2018 | | | | -22.13% | -28.1% |
| Environment | Number of prosecuted environmental incidents within the portfolio | 0 | 0 | 0 | 0 | 0 |
| | Reuse of existing brownfield sites | 100% | 100% | 100% | 100% | 100% |
| | Tenant waste recycled and composted as proportion for Carnaby and Seven Dials (40% of portfolio)[1] | 59% | 59% | 59% | 54% | 55% |
| | Percentage of waste by volume/ weight recycled or reused on refurbishment schemes | All 12 schemes that reported achieved minimum of 80% recycling and/or reuse | All 12 schemes that reported achieved minimum of 80% recycling and/or reuse | All 16 schemes achieved a minimum of 95% recycling and/or reuse | All 14 schemes achieved a minimum of 95% recycling and/or reuse | All 13 schemes that reported achieved a minimum of 95% recycling and/or reuse |
| | Performance against requirements of Considerate Constructor Scheme | 35.6/50 | 38/50 | 38/50 | 38/50 | 40/45 |
| | Percentage of assessed schemes since 2019 that achieved target 35/50 | 100% | 100% | 100% | 100% | 100% |
| | Proportion of timber certified with Chain of Custody documentation | 96% (89% FSC) | 97% (86% FSC) | 98% (58% FSC) | 90% (48% FSC) | 91% (85% FSC) |
| Health & Safety | Number of days/1000 employees lost to accidents | 0 | 0 | 0 | 0 | 0 |
| | Number of days per employee lost to absenteeism | 1.6 | 2.19 | 2 | 0.79 | 0.48 |
| | Number of notifiable health & safety incidents in refurbishment projects | 0 | 0 | 0 | 0 | 0 |
| | Number of notifiable incidents in managed portfolio | 0 | 0 | 0 | 0 | 0 |
| Community Investment | Total value of community investment and charitable giving (assessed against B4SI) | £889,600 | £816,650 | £865,622 | £1,157,795 | £985,586 |
| | S106 contribution | £1,653,500 | £197,258 | £459,517 | £5,955 | £65,096 |
| | Overall total | £2,543,100 | £1,013,908 | £1,325,139 | £1,163,750 | £1,050,682 |

1 including compostable waste recycled on site

2 including wellbeing programmes offered during Covid-19 restrictions

## 2.1 Performance against key targets

**Strategic goal:**

- Invest in Shaftesbury's community


| Support young people and local community groups. Be proactive in identifying and working with charitable and other non-profit organisations | Continue membership of Business for Societal Impact (or equivalent organisation) | All projects registered with Considerate Constructors' Scheme achieve a minimum score of 35 out of 50 |
|---|---|---|
| **2022 Progress**<br>Ongoing support of our nominated charities.<br>Community engagement purpose continued to focus on young people and local communities in Camden and Westminster.<br>Community Investment Committee continued to ensure fair and consistent allocation of funds in line with its purpose.<br>Established the Shaftesbury Property Programme and Sustainability Incubator competition | **2022 Progress**<br>The value of our community contributions equates to 5.1% of EPRA pre-tax earnings.<br>Community investment totalled £1.0 million (2021: £1.2 million), which reflects reduced in-kind space available for charity and not-for-profit organisations as tenant occupancy has increased post lockdown.<br>We have increased employee participation in volunteering projects during company time by 81%. | **2022 Progress**<br>Average CCS score for the year was 40.1 out of 50. |
| **Future action 2023**<br>Continue to support local grassroots organisations and identify new community partnerships to support young people and local communities in Camden and Westminster.<br>More closely integrate Community Investment Committee with our Sustainability Committee | **Future action 2023**<br>Continue membership of B4SI to monitor contributions.<br>Increase cash contributions to support food poverty programmes and commitment to University of Westminster | **Future action 2023**<br>Achieve a minimum score of 37 out of 50 (above 'satisfactory'). |

**Strategic goals:**

- Invest in the welfare and development of our people
- Conduct our business with integrity at all times
- Build and maintain successful relationships with a wide range of stakeholders based on respect, trust and mutual benefit


| Operate free from reportable health and safety accidents/incidents throughout the portfolio | Ensure compliance with anti-bribery and corruption policy | Ensure London Living Wage is paid through the supply chain, where within our control | Invest in training and development of our employees. Create a diverse and inclusive environment |
|---|---|---|---|
| **2022 Progress**<br>No reportable Health & Safety incidents in 2021-22 across our operations and refurbishment projects.<br>Health and Safety Committee has representation from across the business.<br>We engaged an external consultancy to help bolster our H&S procedures. | **2022 Progress**<br>No policy breaches reported. | **2022 Progress**<br>Maintained accreditation to Living Wage Foundation and requirement continues for the payment of Living Wage to be included in new contracts, or London Living Wage where appropriate.<br>Supplier Code issued to principal suppliers.<br>Modern slavery training required for all employees. | **2022 Progress**<br>Established a Board level sustainability Committee.<br>Offered executive coaching opportunities across the business<br>Ongoing CPD opportunities have been provided, including a property course for our finance team<br>Management essential workshop for our people managers |
| **Future action 2023**<br>Continue to strengthen the health and wellbeing offering to stakeholders. | **Future action 2023**<br>Monitor the implementation of our related policies and procedures to maintain full compliance. | **Future action 2023**<br>Maintain accreditation to Living Wage Foundation.<br>Promote the adoption of the London Living Wage by tenants, managing agents and contractors across our villages. | **Future action 2023**<br>Transition and change workshops offered to all employees.<br>Other training opportunities will be identified throughout the year. |

**Strategic goal:**

- Operate in an environmentally sustainable manner and achieve long term net zero carbon targets through the sustainable re-use and management of buildings


| Work with other stakeholders to investigate and promote solutions to reduce air pollution in the West End | Design, develop and refurbish sustainable buildings and minimise the environmental impact of construction operations. | Increase the EPC rating of properties being refurbished |
|---|---|---|
| **2022 Progress**<br>We continue to promote the adoption of traffic free areas and opportunities to promote spaces for people over cars.<br>Working with Camden Council on traffic reduction in Seven Dials.<br>Continued membership of West End wide 'Zero Emissions Working Group' of local landowners and BIDs, identifying opportunities to improve air quality in the West End. | **2022 Progress**<br>Total number of schemes certified under BREEAM to at least Very Good is now 27 and 12.8% by floor area.<br>Reuse of timber maximised throughout all refurbishment schemes.<br>Over 90% of timber has been confirmed as sustainably sourced with full Chain of Custody. | **2022 Progress**<br>96.5% of properties are now EPC A-E.<br>A small number of properties are also exempt.<br>Of the EPCs assessed after completion of refurbishment above the £250,000 threshold, all 7 demises achieved Grade D or above.<br>Develop an initial cost estimate for achieving expected MEES compliance requirements by 2030. |
| **Future action 2023**<br>Work with neighbouring landowners and local authorities to implement air quality solutions and delivery consolidation strategy.<br>Continued membership of working groups and contributions towards funding of the activities of the Zero Emissions Working Group. | **Future action 2023**<br>Continue to maximise the proportion of timber that is reused.<br>Source a minimum of 100% of all timber from certified sources (FSC and PEFC) and ensure all timber is purchased from legal sources.<br>Continue to target BREEAM Very Good for all of our larger developments and review potential to achieve Excellent where appropriate. | **Future action 2023**<br>Extend the useful life of buildings and improve their sustainability by raising the EPC rating of properties being refurbished.<br>Target EPC B on all non-domestic refurbishments and EPC C on all residential refurbishments.<br>Develop a holistic approach to EPC improvements across the portfolio. |

**Strategic goal:**

- Operate in an environmentally sustainable manner and achieve long term net zero carbon targets through the sustainable re-use and management of buildings


| Improve energy efficiency across the portfolio and procure renewable energy for common parts | Minimise the environmental impact of the buildings that we operate and encourage tenants to adopt sustainable practices | Improve biodiversity appropriate to the Group's urban location Increase green space and biodiversity | Track performance against annual and long-term net zero carbon targets and increase resilience to climate change risks |
|---|---|---|---|
| **2022 Progress**<br>All wholly owned, landlord- controlled portfolio has sourced 100% renewable electricity.<br>7.6% year on year reduction in scope 1 & 2 carbon emissions. | **2022 Progress**<br>41.1% of tenants' waste recycled or composted.<br>Remainder of all waste diverted from landfill.<br>99.99% diversion from landfill on refurbishment sites (including hazardous and contaminated waste). | **2022 Progress**<br>Continued membership of Wild West End.<br>Biodiverse area covered increased by 12% from 17,077 sq ft to 19,094 sq ft.<br>Achieved over 135% increased coverage of biodiversity features against 2016 baseline. | **2022 progress**<br>Net zero carbon commitment for 2030 approved by the Board in September 2021 and launched in November 2021.<br>Improved TCFD disclosure to include consideration of a range of climate scenarios.<br>Initiated a project to review the embodied carbon associated with our development projects. |
| **Future action 2023**<br>Continue to purchase green tariff electricity.<br>Achieve a minimum 4.2% annual reduction in carbon emissions (scope 1 and 2) and continue to reduce emissions in line with our science-based targets.<br>Engage with tenants on their own emissions and procurement of renewable energy.<br>Develop energy use intensity targets. | **Future action 2023**<br>Aim for 50% recycling across the portfolio.<br>Divert 99% of construction waste from landfill, excluding contaminated and hazardous waste.<br>Continue to engage with tenants to improve recycling and reduce the use of single use plastics. | **Future action 2023**<br>Continue membership of Wild West End.<br>Determine a new biodiversity target to include improvement in biodiverse space as well as increase absolute area | **Future action 2023**<br>Continue to assess the embodied carbon in refurbishment projects and define a bespoke target based on research to date.<br>Publish an annual update for the net zero carbon roadmap.<br>Continue to evolve our TCFD disclosures with explanation of how our risks and opportunities change under different climate change scenarios. |

# 3 Environment

## 3.1 Energy

### 3.1.1 Energy Consumption

**EPRA Elec-Abs**

Electricity for Portfolio (kWh)

| | Portfolio | Total number of properties 2022 | 2018 | 2019 | 2020 | 2021 | 2022 | 2021-2022 % change |
|---|---|---|---|---|---|---|---|---|
| Usage (KWh) | Head Office | 1 | 99,549 | 147,657 | 155,661 | 118,898 | 81,875 | |
| | Carnaby | 80 | 1,651,297 | 1,660,707 | 1,433,328 | 1,452,434 | 1,382,312 | |
| | Seven Dials | 55 | 647,921 | 611,138 | 426,125 | 429,162 | 545,941 | |
| | Chinatown | 43 | 223,618 | 221,267 | 198,247 | 227,729 | 430,527 | |
| | Opera Quarter | 45 | 166,433 | 190,812 | 160,978 | 174,835 | 194,078 | |
| | Soho | 30 | 46,716 | 92,952 | 133,524 | 95,123 | 74,183 | |
| | Longmartin | 12 | 468,760 | 447,005 | 489,108 | 511,902 | 477,477 | |
| | Longmartin (Solar) | | 2,705 | 1,392 | 1,874 | 3,372 | 1,842 | |
| | **Total** | **266** | **3,306,999** | **3,372,930** | **2,998,845** | **3,013,455** | **3,188,235** | **5.80%** |
| | **Total (without Longmartin Solar)** | **266** | **3,304,294** | **3,371,538** | **2,996,971** | **3,010,083** | **3,186,393** | **5.86%** |
| **Proportion of landlord supply for the wholly owned Managed Asset electricity sourced from renewables** | | | 100% | 100% | 71%* | 100% | 100% | |

* All landlord consumption across the wholly owned managed portfolio is confirmed to be from certified renewable suppliers. Longmartin did not have full coverage for 2020.

**EPRA Fuels-Abs**

Natural Gas Consumption for Portfolio (kWh)

| | Portfolio | Total number of properties 2022 | 2018 | 2019 | 2020 | 2021 | 2022 | 2021-2022 % change |
|---|---|---|---|---|---|---|---|---|
| Usage (KWh) | Carnaby | 17 | 644,500 | 590,982 | 577,512 | 622,528 | 631,691 | |
| | Seven Dials | 2 | 163,836 | 39,618 | 143,057 | 174,985 | 82,903 | |
| | Chinatown | 2 | 0 | 492 | 43,547 | 18,572 | 2,749 | |
| | Opera Quarter | 0 | 237,414 | 254,906 | 249,641 | 11,156 | 0 | |
| | Longmartin | 1 | 79,967 | 123,659 | 67,310 | 66,512 | 62,005 | |
| | **Total** | **22** | **1,125,717** | **1,009,657** | **1,081,067** | **893,753** | **779,348** | **-12.80%** |
| **Proportion of managed asset gas sourced from renewables** | | | 0% | 0% | 0% | 0% | 0% | |

* Soho and Head office excluded as no property contains gas.

**Data commentary**

As detailed in section 1.4.1 above, reporting of energy consumption is limited to the landlord operated areas of our portfolio which includes the common parts and shared services. Total reported electricity consumption across the portfolio has seen an increase of 5.80%, however, there is a lot of variation across the portfolio. In a number of locations, there has been an increase in line with increased occupancy post-pandemic (i.e. Seven Dials, Chinatown and Opera Quarter). Although there is a general increase in electricity consumption, it shows a slight decrease when compared to pre-pandemic levels in 2019. The exceptions are Soho and Carnaby, which are still showing a year-on-year decrease in electricity consumption. There has been a 22% year-on-year decrease in consumption at Soho, primarily a result of occupancy changes at 61 Old Compton St which accounted for a decrease of 19,914 kWh this year. Electricity consumption at Carnaby has decreased as a result of consumption at Kingly Court, which is showing a significant decrease compared with pre-pandemic levels in 2019. This can be attributed to some units becoming vacant in April 2022, with reduced usage of communal systems (e.g. lighting and lift), and fit out works at two units. There is a notable reduction at head office which is likely attributed to primarily the changes in working patterns that have now embedded within the office, although it is planned that this will be monitored over the coming year.

Gas consumption has seen a large decrease (12.80%), which can, for the most part, be attributed to occupancy changes at Seven Dials, specifically 39 Earlham St, which has experienced vacant offices during the reporting year leading to an 80,174 kWh decrease. This decrease in gas consumption can also be attributed to the refurbishment of 19-20 Gerrard St in Chinatown and the removal of the gas connection at 11-13 Charlotte St in Opera Quarter.

### 3.1.2 Like for Like Energy Consumption

**EPRA Elec-LfL**

| | Site | Number of properties reported on 2021 | Number of properties reported on 2022 | 2021 | 2022 | Difference | 2021-2022 % change |
|---|---|---|---|---|---|---|---|
| Electricity Usage (KWh) | Head Office | 1 | 1 | 118,898 | 81,875 | -37,023 | -31.14% |
| | Carnaby | 64 | 64 | 828,277 | 1,042,139 | 213,862 | 25.82% |
| | Seven Dials | 43 | 43 | 368,730 | 430,803 | 62,073 | 16.83% |
| | Chinatown | 40 | 40 | 217,020 | 342,669 | 125,650 | 57.90% |
| | Opera Quarter | 45 | 45 | 154,133 | 157,922 | 3,789 | 2.46% |
| | Soho | 30 | 30 | 69,409 | 53,990 | -15,419 | -22.21% |
| | Longmartin | 12 | 12 | 511,902 | 477,477 | -34,425 | -6.72% |
| | **Total Electricity** | **235** | **235** | **2,268,369** | **2,586,875** | **318,506** | **14.04%** |

**EPRA Fuel- LfL**

| | Site | Number of properties reported on 2021 | Number of properties reported on 2022 | 2021 | 2022 | Difference | 2021-2022 % change |
|---|---|---|---|---|---|---|---|
| Gas Usage (KWh) | Carnaby | 12 | 12 | 471,263 | 479,332 | 8,070 | 1.71% |
| | Seven Dials | 1 | 1 | 34,747 | 22,839 | -11,908 | -34.27% |
| | Longmartin | 1 | 1 | 66,512 | 62,005 | -4,507 | -6.78% |
| | **Total** | **14** | **14** | **572,522** | **564,177** | **-8,345** | **-1.46%** |

**Data Commentary**

Like-for-Like electricity for the portfolio has seen a general increase over the reporting year (14.04%) compared with 2021, which can be primarily attributed to the increases in occupancy following the period of the Covid-19 Pandemic as a result of the ceasing of lockdown and restrictions. Like-for-like electricity consumption at Chinatown has increased by 57.9%, which can be primarily attributed to occupancy increases at Newport Sandringham, as well as occupancy changes at 21 Newport Court and 37/38 Gerrard St. Where properties have remained in full ownership across this and last reporting periods and no alterations to the operation of the property or refurbishments have taken place in the past 24 months these have been treated as like-for-like. Like-for-Like coverage for electricity in this reporting year is approximately 88.3% (235/266) of directly managed assets.

In terms of like-for-like gas consumption, year on year performance has seen a slight 1.46% decrease which can be primarily attributed to the reduced occupancy within 39 Earlham St at Seven Dials due to vacant offices.

**Air Conditioning**

| | Total $CO_2e$ Tonnes | | | | |
|---|---|---|---|---|---|
| | 2018 | 2019 | 2020 | 2021 | 2022 |
| Carnaby | 11.96 | 3.55 | 11.69 | 23.39 | 0.96 |
| Seven Dials | 0.88 | 0.88 | 0 | 2.08 | 0 |
| Chinatown | 0.2 | 0 | 0 | 0.13 | 0.08 |
| Head Office | 1.69 | 0 | 0 | 0 | 0 |
| Longmartin | 1.15 | 1.15 | 0 | 8.25 | 8.25 |
| **Totals** | **15.89** | **5.58** | **11.69** | **33.84** | **9.28** |

**Data Commentary**

The air conditioning emission data overall has decreased significantly. Whilst there was a top up of refrigerant at a property in Longmartin, there has been a significant decrease at Carnaby due to no major servicing being undertaken, leading to a decrease of 22.43 $tCO_2e$ across this portfolio. For properties where service reports have not been provided, the DEFRA average annual leakage rate has been assumed, leading to small associated emissions at Carnaby and Chinatown. For the remaining air conditioning units within areas under operational control it has been confirmed through yearly services reports that no refrigerant has been leaked across the reporting year, thus, no top up has been required.

### 3.1.3 Energy Use at Refurbishment Sites

| | Electricity (kWh) | Gas (kWh) |
|---|---|---|
| **Totals** | **357,521.25** | **0** |

#### Data Commentary

Data was obtained for energy consumption at all (16 out of 16) applicable refurbishment projects. Energy data was collected for eleven refurbishment projects where separate metering was in place, whilst five refurbishment properties have been reported within the landlord consumption. The refurbishment project at 72 Broadwick Street is the largest contributor with a consumption of 292,176 kWh across the reporting year.

#### Green Tariff Electricity

| | Energy supplier | Proportion of renewably sourced electricity | Renewable Mix |
|---|---|---|---|
| **Head Office** | Good Energy | 100% | Hydro-electric, solar, offshore and onshore wind |
| **Chinatown** | Good Energy & Total Energies | 100% | Hydro-electric, solar, and wind |
| **Soho** | Total Energies | 100% | Hydro-electric, solar and wind |
| **Seven Dials** | Good Energy | 100% | Hydro-electric, solar, offshore and onshore wind |
| **Carnaby** | Total Energies | 100% | Hydro-electric, solar and wind |
| **Opera Quarter** | Good Energy | 100% | Hydro-electric, solar and wind |

#### Data Commentary

Use of green tariffs for landlord supply across the wholly owned portfolio is assessed according to financial viability and has extended across the portfolio as detailed. All of the wholly owned portfolio including the head office, is using 100% green tariff electricity. Longmartin, which is a joint venture, also uses 100% green tariff electricity.

### 3.1.4 Greenhouse Gas (GHG) Emissions for Portfolio

Scope 1, 2 and 3 greenhouse gas emissions resulting from energy consumption for the portfolio are reported in accord with EPRA Total Direct and Total Indirect GHG emissions. The factors used for all the GHG emission calculations are listed below.

#### DEFRA Conversion Factors

##### EPRA GHG-Dir-Abs

| Scope | Energy Type | Year | Conversion Factor |
|---|---|---|---|
| **1** | **Gas - kWh (kg $CO_2e$)** | **2022** | **0.18254** |
| | | 2021 | 0.18316 |
| | | 2020 | 0.18387 |
| | | 2019 | 0.18385 |
| | | 2018 | 0.18396 |

GHG-Indir-Abs

| Scope | Energy Type | Year | Conversion Factor |
|---|---|---|---|
| **2** | **Electricity - kWh (kg $CO_2e$)** | **2022** | **0.19338** |
| | | 2021 | 0.21233 |
| | | 2020 | 0.23314 |
| | | 2019 | 0.2556 |
| | | 2018 | 0.28307 |
| **3** | **Electricity - Transmission and Distribution - kWh (kg $CO_2e$)** | **2022** | **0.01769** |
| | | 2021 | 0.01879 |
| | | 2020 | 0.02005 |
| | | 2019 | 0.0217 |
| | | 2018 | 0.02413 |
| | **Electricity - WTT- UK electricity T&D** | **2022** | **0.00423** |
| | | 2021 | 0.00489 |
| | | 2020 | 0.00277 |
| | | 2019 | 0.00303 |
| | | 2018 | 0.00358 |
| | **Electricity - WTT- UK electricity (generation)** | **2022** | **0.04625** |
| | | 2021 | 0.05529 |
| | | 2020 | 0.03217 |
| | | 2019 | 0.03565 |
| | | 2018 | 0.04198 |
| | **Gas - WTT** | **2022** | **0.0311** |
| | | 2021 | 0.03135 |
| | | 2020 | 0.02391 |
| | | 2019 | 0.02391 |
| | | 2018 | 0.02557 |

Source - https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting

Total Greenhouse Gas Emissions Managed Portfolio

| Scope 1 | 2018 | 2019 | 2020 | 2021 | 2022 | 2021-2022 % difference |
|---|---|---|---|---|---|---|
| **Air Conditioning (tonnes $CO_2e$)** | 15.89 | 5.58 | 11.69 | 33.84 | 9.28 | |
| **Gas (tonnes $CO_2e$)** | 207.09 | 185.63 | 198.78 | 163.70 | 142.26 | |
| **Total** | **222.97** | **191.21** | **210.47** | **197.54** | **151.54** | **-23%** |

| Scope 2 | Portfolio | 2018 | 2019 | 2020 | 2021 | 2022 | 2021-2022 % difference |
|---|---|---|---|---|---|---|---|
| **Location Based Emissions (tonnes $CO_2e$)** | Head Office | 28.18 | 37.74 | 36.29 | 25.25 | 15.83 | |
| | Carnaby | 467.43 | 424.48 | 334.17 | 308.40 | 267.31 | |
| | Seven Dials | 183.41 | 156.21 | 99.35 | 91.12 | 105.57 | |
| | Chinatown | 63.30 | 56.56 | 46.22 | 48.35 | 83.26 | |
| | Opera Quarter (Electricity) | 47.11 | 48.77 | 37.53 | 37.12 | 37.53 | |
| | Soho | 13.22 | 23.76 | 31.13 | 20.20 | 14.35 | |
| | Longmartin | 132.69 | 114.25 | 114.03 | 108.69 | 92.33 | |
| | **Total** | **935.3** | **861.9** | **698.7** | **639.1** | **616.2** | **-4%** |

| Scope 3 | Portfolio | 2018 | 2019 | 2020 | 2021 | 2022 | 2021-2022 % difference |
|---|---|---|---|---|---|---|---|
| **Electricity and Gas Emissions (tonnes $CO_2e$)[1]** | Head Office | 6.94 | 8.92 | 8.56 | 9.39 | 5.58 | |
| | Carnaby | 115.08 | 100.27 | 78.82 | 114.72 | 94.23 | |
| | Carnaby (Gas) | 16.48 | 14.13 | 13.81 | 19.52 | 19.65 | |
| | Seven Dials | 45.15 | 36.90 | 23.43 | 33.89 | 37.22 | |
| | Seven Dials (Gas) | 4.19 | 0.95 | 3.42 | 5.49 | 2.58 | |
| | Chinatown | 15.58 | 13.36 | 10.90 | 17.98 | 29.35 | |
| | Chinatown (Gas) | 0.00 | 0.01 | 1.04 | 0.58 | 0.09 | |
| | Opera Quarter (Electricity) | 11.60 | 11.52 | 8.85 | 13.81 | 13.23 | |
| | Opera Quarter (Gas) | 6.07 | 6.09 | 5.97 | 0.35 | 0.00 | |
| | Soho | 3.26 | 5.61 | 7.34 | 7.51 | 5.06 | |
| | Longmartin (Electricity) | 32.67* | 26.99 | 26.90 | 40.42 | 32.55 | |
| | Longmartin (Gas) | 2.04 | 2.96 | 1.61 | 2.09 | 1.93 | |
| | **Total** | **259.06** | **227.71** | **190.65** | **265.73** | **241.45** | **-9%** |

1 Figures include: Electricity - Transmission and Distribution; Electricity - Well to Tank UK electricity T&D; Electricity - WTT- UK electricity (generation); and Gas - WTT - kWh (Gross CV)

| Scope 3 | | 2018 | 2019 | 2020 | 2021 | 2022 | 2021-2022 % difference |
|---|---|---|---|---|---|---|---|
| **Business Travel GHG (T $CO_2e$)** | Hotel Stays | 0.98 | 0.74 | 0.35 | 0.00 | 0.34 | |
| | Taxi Journeys | 0.78 | 0.68 | 0.31 | 0.13 | 0.86 | |
| | Flight | 80.59 | 38.43 | 18.38 | 0.00 | 5.05 | |
| | Rail | 0.86 | 0.08 | 0.04 | 0.00 | 0.11 | |
| | **Total** | **83.20** | **39.94** | **19.08** | **0.14** | **6.36** | **4,523%** |
| **Managed Asset Waste Data GHG (T $CO_2e$)** | Head Office | 0.06 | 0.10 | 0.00 | 0.00 | 0.00 | |
| | Longmartin | 13.65 | 13.83 | 8.41 | 4.16 | 8.91 | |
| | Carnaby* | 46.25 | 41.69 | 20.38 | 15.68 | 30.06 | |
| | Seven Dials* | | | | | 3.39 | |
| | Chinatown | 41.15 | 24.69 | 18.08 | 10.97 | 23.66 | |
| | **Total** | **101.11** | **80.30** | **46.87** | **30.81** | **66.01** | **114%** |
| **Managed Asset Water Data GHG (T $CO_2e$)** | Head Office | 0.26 | 0.25 | 0.16 | 0.04 | 0.10 | |
| | Carnaby | 10.13 | 7.27 | 6.80 | 2.03 | 2.23 | |
| | Seven Dials | | | | | 0.54 | |
| | Chinatown | 0.00 | 5.61 | 2.72 | 1.05 | 2.36 | |
| | Soho | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| | Longmartin | 7.80 | 5.26 | 3,38 | 1.36 | 1.29 | |
| | Opera Quarter | 1.04 | 0.00 | 1.42 | 0.37 | 0.13 | |
| | **Total** | **19.24** | **18.38** | **14.48** | **4.85** | **6.64** | **37%** |
| **Head office Paper usage GHG (T $CO_2e$)** | **Total** | **1.49** | **0.86** | **0** | **0.27** | **0.26** | **-1%** |

* Carnaby and Seven Dials waste and water data has been historically reported together, however, both the waste and water at these portfolios are reported separately from 2022 onwards.

### 3.1.5 Scope 2 market based emissions

All our landlord electricity consumption from wholly owned assets, Longmartin JV and head office is confirmed to be from 100% renewably sourced energy suppliers. However, the electricity used within our refurbishment sites is not green tariff. We have calculated our residual scope 2 market-based emissions for our landlord consumption in the reporting period using the European Residual Mixes 2021 Association of Issuing Bodies factor for Great Britain (351g$CO_2$/kWh).

| Scope 2 | Portfolio | 2021 | 2022 | 2021-2022 % difference |
|---|---|---|---|---|
| **Market Based Emissions (tonnes $CO_2$)** | Head Office | 0 | 0 | |
| | Carnaby | 0 | 0 | |
| | Seven Dials | 0 | 0 | |
| | Chinatown | 0 | 0 | |
| | Opera Quarter (Electricity) | 0 | 0 | |
| | Soho | 0 | 0 | |
| | Longmartin (JV) | 0 | 0 | |
| | Refurbishment | 102.92 | 125.55 | |
| | **Total** | **102.92** | **125.55** | **22%** |

### 3.1.6 Greenhouse gas (GHG) emissions for refurbishments

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2021-2022 % difference |
|---|---|---|---|---|---|---|
| Scope 1 ($tCO_2e$) | 0.0000 | 0.0018 | 0.0752 | 0.0009 | 0.0000 | |
| Scope 2 Electricity ($tCO_2e$) Location Based | 5.97 | 24.20 | 65.59 | 69.15 | 69.14 | |
| Scope 3 Electricity ($tCO_2e$) | 1.72 | 5.72 | 15.47 | 25.72 | 24.37 | |
| Scope 3 Gas ($tCO_2e$) | 0.0000 | 0.0002 | 0.0098 | 0.0002 | 0.0000 | |
| **Total ($tCO_2e$)** | **27.95** | **29.92** | **81.07** | **94.87** | **93.51** | **-1%** |

**Data Commentary**
Absolute scope 1 emissions have seen a 23% decrease due to vacant offices within a property at Seven Dials, refurbishment of 19-20 Gerrard St in Chinatown, and the removal of the gas connection at 11-13 Charlotte St in Opera Quarter. This reduction can also be attributed to the limited major air conditioning servicing across the portfolios, with only one property within Longmartin requiring a top up of refrigerant. This has led to a significant decrease in emissions associated with air conditioning, compared to 2021. Absolute scope 2 (location based) reductions can be attributed predominantly to the continued decarbonisation of the grid.

Within the reporting year, business travel has dramatically increased, which can be attributed to the lifting of travel restrictions following the Covid-19 pandemic. Increases in the quantity of waste collected and variations in water consumption across the portfolios have also contributed to scope 3 increases. Once again, this reflects the transition following the pandemic, with waste quantities and water consumption increasing towards pre-pandemic levels (2019).

Scope 3 electricity and gas emissions have decreased by 9% as a result of the decreased emission factors of well-to-tank electricity transmission and distribution, and generation in comparison with the previous year.

GHG emissions across the refurbishment properties has remained fairly consistent with the previous reporting year. The large development at 72 Broadwick St is predominantly responsible for the associated refurbishment GHG emissions, representing over 81% of the total refurbishment electricity consumption.

Scope 2 Market based emissions have increased by 22% compared with the previous reporting year, which can be attributed to the increase in the AIB Great Britain Residual Mix Factor compared with the previous year.

### 3.1.7 GHG Like for Like

EPRA GHG-Dir-LfL

| Scope 1 | Number of properties | 2021 | 2022 | Difference | 2021 -2022 % difference |
|---|---|---|---|---|---|
| Carnaby (Gas) | 12 | 86.3 | 87.5 | 1.2 | 1.37% |
| Seven Dials (Gas) | 1 | 6.4 | 4.2 | -2.2 | -34.49% |
| Longmartin (Gas) | 1 | 12.2 | 11.3 | -0.9 | -7.09% |
| **Total** | **14** | **104.86** | **102.98** | **-1.9** | **-1.79%** |

GHG-Indir -LfL

| | | Number of properties | 2021 | 2022 | Difference | 2021 -2022 % difference |
|---|---|---|---|---|---|---|
| **Scope 2 (location based)** | Head Office | 1 | 25.2 | 15.8 | -9.4 | -37.28% |
| | Carnaby | 64 | 175.9 | 201.5 | 25.7 | 14.59% |
| | Seven Dials | 43 | 78.3 | 83.3 | 5.0 | 6.41% |
| | Chinatown | 40 | 46.1 | 66.3 | 20.2 | 43.81% |
| | Opera Quarter | 45 | 32.7 | 30.5 | -2.2 | -6.69% |
| | Soho | 30 | 14.7 | 10.4 | -4.3 | -29.16% |
| | Longmartin | 12 | 108.7 | 92.3 | -16.4 | -15.05% |
| | **Total** | **235** | **481.6** | **500.2** | **18.6** | **3.86%** |

| | Scope 3 | Number of properties | 2021 | 2022 | Difference | 2021-2021% difference |
|---|---|---|---|---|---|---|
| **Emissions (tonnes $CO_2e$)** | Head Office (Elec) | 1 | 9.39 | 5.58 | -3.81 | -40.56% |
| | Carnaby (Elec) | 64 | 65.41 | 71.04 | 5.63 | 8.61% |
| | Carnaby (Gas) | 12 | 14.77 | 14.91 | 0.13 | 0.90% |
| | Seven Dials (Elec) | 43 | 29.12 | 29.37 | 0.25 | 0.86% |
| | Seven Dials (Gas) | 1 | 1.09 | 0.71 | -0.38 | -34.79% |
| | Chinatown (Elec) | 40 | 17.14 | 23.36 | 6.22 | 36.30% |
| | Chinatown (Gas) | 0 | 0 | 0 | 0 | - |
| | Opera Quarter (Gas) | 0 | 0 | 0 | 0 | - |
| | Opera Quarter (Electricity) | 45 | 12.17 | 10.77 | -1.41 | -11.55% |
| | Soho (Elec) | 30 | 5.48 | 3.68 | -1.80 | -32.85% |
| | Longmartin (Gas) | 1 | 2.09 | 1.93 | -0.16 | -7.52% |
| | Longmartin (Electricity) | 12 | 40.42 | 32.55 | -7.88 | -19.48% |
| | **Total Electricity** | **235** | **179.13** | **176.35** | **-2.79** | **-1.56%** |
| | **Total Gas** | **14** | **17.95** | **17.55** | **-0.40** | **-2.24%** |

**Data Commentary**

Like-for-like comparison of GHG shows a decrease in scope 1 emissions of 2% and an increase in scope 2 (location-based) emissions of 4%. Like-for-like performance of gas over the reporting period has been impacted by the vacant unit within Seven Dials, as well as the decrease of emission factor for gas. Variations across the portfolio due to occupancy changes following the Covid-19 Pandemic has affected like-for-like performance of electric over the reporting period.

It is not possible to compare like-for-like performance across refurbishment sites due to the variation in duration of works at each site year on year.

### 3.1.8 Emissions Intensity Measurement

EPRA Energy-Int and GHG-Int

| Reporting year | No. Properties | Floor area ($m_2$) | kWh | kg $CO_2e/m_2$ |
|---|---|---|---|---|
| **2018** | 120 | 7,713.48 | 1,388,432 | 46.01 |
| **2019** | 126 | 8,504.13 | 1,543,585 | 46.39 |
| **2020** | 126 | 8,467.78 | 1,308,420.18 | 39.49 |
| **2021** | 131 | 8,678.46 | 1,217,265.11 | 35.85 |
| **2022** | **132** | **8,514.48** | **1,480,341.60** | **33.62** |

### Emissions Intensity for Common Parts Only

| | No. Properties | Common Parts Floor Area ($ft^2$) | Floor Area ($m^2$) | kWh (Electricity) | Consumption Intensity ($kWh/m_2$) | kg $CO_2e/m^2$ |
|---|---|---|---|---|---|---|
| **Chinatown** | 35 | 22,719.80 | 2,110.74 | 347,152.64 | 164.47 | 31.81 |
| **Carnaby** | 31 | 43,984.55 | 4,086.30 | 862,515.89 | 211.08 | 40.82 |
| **Seven Dials** | 16 | 4,141.53 | 384.76 | 126,066.00 | 327.65 | 63.36 |
| **Opera Quarter** | 25 | 12,152.40 | 1,128.99 | 82,535.30 | 73.11 | 14.14 |
| **Soho** | 25 | 8,650.80 | 803.69 | 62,071.78 | 77.23 | 14.94 |
| **Total** | **132** | **91,649.08** | **8,514.48** | **1,480,341.60** | **173.86** | **33.62** |

### Emissions Intensity based on turnover

| Reporting year | Revenue (£M) | Scope 1 & 2 emissions ($tCO_2e$) | Scope 1 & 2 ($tCO_2e$/£M) | Scope 1, 2 & 3 emissions ($tCO_2e$) | Scope 1, 2 & 3 ($tCO_2e$/£M) |
|---|---|---|---|---|---|
| **2018** | 122.1 | 1,164.29 | 9.54 | 1,630.12 | 13.35 |
| **2019** | 126.9 | 1,077.18 | 8.5 | 1,450.76 | 11.43 |
| **2020** | 124.5 | 974.85 | 7.8 | 1,261.42 | 10.13 |
| **2021** | 112.7 | 906 | 8.0 | 1,233.34 | 10.94 |
| **2022** | **123.1** | **836.86** | **6.8** | **1,181.98** | **9.60** |

**Data Commentary**
Historically, apportioning energy consumption to specific floor areas is difficult due to the common part areas not being measured. In some cases, the energy consumption figures also include external lighting and shared services which potentially distorts attempts at normalisation. Since 2013, progressive measurement of the portfolio means that the actual floor areas for 79 properties are now available across the portfolio. Where floor areas are not available an estimated landlord area of 10% has been assumed compared to the tenant Net Lettable Area (NLA) giving a total of 132 properties, for which the common parts floor area can be used as an intensity metric. An emissions intensity figure has been obtained for these properties of 33.62 $kgCO_2e/m2$ (0.03 tonnes $CO_2e/m^2$), which is consistent with previous years.

The emissions intensity based on turnover has decreased this year reflecting the overall reduction in GHG emissions and increased turnover.

## 3.1.9 Employee Travel

| Travel Type | Criteria | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|
| Flight | Number of Journeys | 53 | 43 | 11 | 0 | 14 |
| | Distance Travelled (km) | 169,232.14 | 84,774 | 34,827.73 | 0 | 30,120.00 |
| Rail | Number of Journeys | 70 | 6 | 6 | 1 | 42 |
| | Distance Travelled (km) | 17,696.30 | 1,690 | 975.26 | 77.18 | 4,322.75 |
| Taxi | Number of Journeys | 348 | 259 | 124 | 53 | 178 |
| | Distance Travelled (km) | 1,956.96 | 1,730.04 | 801.45 | 352.45 | 2,264.35 |
| **Total** | **Number of Journeys** | **471** | **308** | **141** | **54** | **234** |
| | **Distance Travelled (km)** | **188,885.40** | **88,194.04** | **36,604.44** | **429.62** | **36,707.10** |
| **Hotel Stays** | **Number of nights** | **34** | **44** | **21** | **0** | **30** |

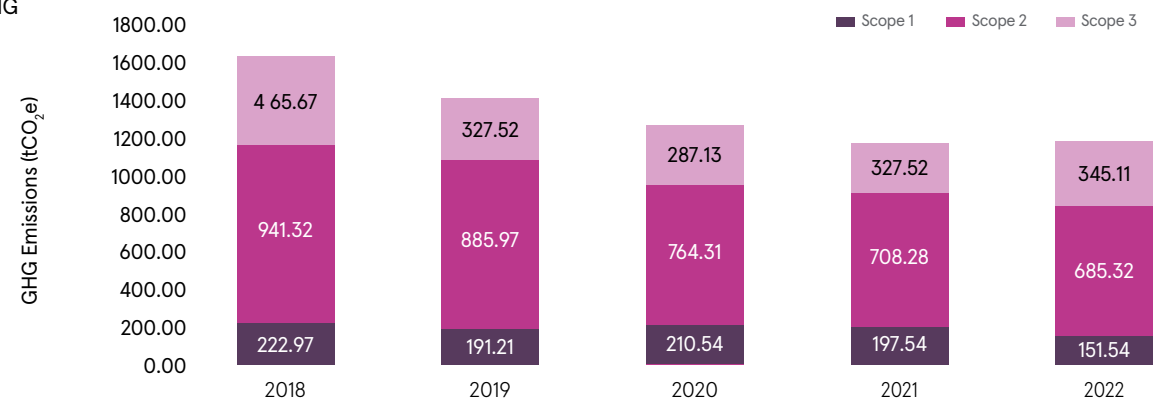
**Data Commentary**
Since the head office is within central London, and the entire portfolio is within 10 minutes of the head office, employees walk or use public transport both for commuting and business travel. To encourage use of public transport, season ticket loans continue for non-director level employees. Following the Covid-19 pandemic, travel activity in the reporting period has increased considerably compared with the previous year due to lifting of restrictions and operations returning towards pre-pandemic levels.

Business travel not undertaken in central London includes domestic and international flights as well as internal UK and international (Eurostar) train travel.

### 3.1.10 Total Greenhouse Gas Emissions

| | | 2018 | 2019 | 2020 | 2021 | 2022 | 2021-2022 % difference |
|---|---|---|---|---|---|---|---|
| (tonnes $CO_2e$) | Scope 1 | 222.97 | 191.21 | 210.54 | 198.33 | 151.54 | -23.29% |
| | Scope 2 | 941.32 | 885.97 | 764.31 | 708.28 | 685.32 | -3.24% |
| | Scope 3 | 465.82 | 373.58 | 286.56 | 327.52 | 345.11 | 5.37% |
| | **Totals** | **1,630.12** | **1,450.76** | **1,261.42** | **1,233.34** | **1,181.98** | **-4.16%** |

Total GHG




### 3.1.11 Performance against science-based targets

| | | 2018 | 2019 | 2020 | 2021 | 2022 | 2021-2022 % difference |
|---|---|---|---|---|---|---|---|
| (tonnes $CO_2e$) | Scope 1 | 222.97 | 191.21 | 210.54 | 198.33 | 151.54 | -23.29% |
| | Scope 2 | 941.32 | 885.97 | 764.31 | 708.28 | 685.32 | -3.24% |
| | **Totals** | **1,164.29** | **1,077.18** | **974.85** | **906.61** | **836.86** | **-7.61%** |

**Data Commentary**

Total greenhouse gas emissions (Scope 1-3) show approximately a 4.16% decrease when compared with 2021. The overall reductions in the greenhouse gas emissions are attributed to reductions in gas consumption due to vacant units, limited air conditioning major servicing, decrease in energy consumption at Kingly Court, changes in the Defra conversion factors used for this year which reflect the progressive decarbonisation of the grid electricity as well as the ongoing improvements in efficiency within the portfolio. These improvements include the removal of gas supply at 11-13 Charlotte St in Opera Quarter.

In terms of the performance against the Science Based Target, reducing absolute scope 1 and 2 emissions by 50% by 2030 compared with 2018, the total reduction to date as at the end of the current reporting year is 28.1%. As well as this, we have the target to capture more robust scope 3 data and actively reduce these emissions. Although these scope 3 emissions have increased in the reporting year, this can be attributed to the increases in emissions associated with waste and business travel, which is to be expected following the pandemic.

### 3.1.12 LED Lighting

| | Proportion of LED Lighting | Proportion of energy saving lighting |
|---|---|---|
| **Chinatown** | 65% | 100% |
| **Soho** | 50% | 60% |
| **Seven Dials** | 82% | 99% |
| **Carnaby** | 67% | 98% |
| **Opera Quarter** | 75% | 80% |
| **Longmartin** | 53% | 82% |

**Data commentary**

An ongoing target is to progressively upgrade lighting fittings in the common parts to as a minimum energy saving fitting and where feasible and cost effective to install low energy LEDs. Within Seven Dials there has been over a 10% increase in LED coverage and proportion of energy saving lighting during the reporting year and we will continue to investigate opportunities for improvements across the portfolio.

## 3.2 Building Certification

### 3.2.1 BREEAM

**EPRA Cert – Tot**

| | | Residential | | Commercial | | Total |
|---|---|---|---|---|---|---|
| | Relevant rating | Number of residential units | Floor area (sq.ft) | Number of Assessments | Floor area (sq. ft) | Total area (sq.ft) |
| **Certified with design stage certification** | Very Good and Above | 31 | 20,928.8 | 20 | 255,305.7 | 276,234.5 |
| | Good | 0 | 0 | 2 | 13,018.8 | 13,018.8 |
| | **Total** | **31** | **20,928.8** | **22** | **268,324.6** | **289,253.3** |
| **At planning stage or not yet certified** | Very Good and Above | 14 | 8,848.0 | 3 | 15,510.9 | 24,358.9 |
| | Good | 0 | 0 | 0 | 0 | 0 |
| | **Total** | **14** | **8,848.0** | **3** | **15,510.9** | **24,358.9** |

It is a long-standing company objective that any new build commercial development will aim to achieve Very Good. Historically some of the larger refurbishment schemes were also assessed against BREEAM New Construction or equivalent. With the introduction of BREEAM for Refurbishment schemes, both domestic and non-domestic above a £1 million capital are required to target BREEAM Very Good with approximately 12.8% of the portfolio, by floor area, certified. We now have 27 schemes that have been successfully certified as BREEAM Very Good or above including 7 residential schemes. In accordance with EPRA reporting requirements these are recorded above as the number of individual residential and commercial units certified.

### 3.2.2 Energy Performance Certificate (EPC)

**EPRA Cert -Tot**

Under the Minimum Energy Efficiency Standards (MEES) regulations, all new lettings are required to have an Energy Performance Certificate (EPC) of grade E or above to demonstrate their energy efficiency. This will apply to all properties from 2023.

As of 30 September 2022, 96.5% of properties were A to E grade (c. 1,548 demises), an increase from 93% last year. There has been an increase in reported demises in comparison with the previous reporting year, which is due to the completion of the 72 Broadwick Street development and the purchase of new properties.

Some properties are omitted as they do not require an EPC at this time; for example, the buildings are under development, the lease predates the 2008 regulations, or they are demises such as sub-stations. As part of the ongoing refurbishment programme, we will undertake works to improve their ratings as the demise becomes vacant, or we will work with tenants to meet the requirements of the regulations.

| | EPC totals | | | |
|---|---|---|---|---|
| EPC rating | Total count of EPC assessments | Coverage floor area ($ft^2$) | Percentage based on floor area of EPC assessment | Percentage based on count of EPC assessment |
| **A** | 12 | 33,583 | 1.86% | 0.75% |
| **B** | 300 | 502,904 | 27.80% | 18.70% |
| **C** | 669 | 610,938 | 33.77% | 41.71% |
| **D** | 447 | 434,724 | 24.03% | 27.87% |
| **E** | 120 | 152,258 | 8.42% | 7.48% |
| **F** | 16 | 24,250 | 1.34% | 1.00% |
| **G** | 15 | 17,522 | 0.97% | 0.94% |
| **Unassessed** | 25 | 32,721 | 1.81% | 1.56% |
| **Total** | **1,604** | **1,808,900** | **100%** | **100%** |

Refurbishment Projects

| EPC grade | Number of schemes achieving grade | Coverage floor area ($m^2$) | Percentage by floor area |
|---|---|---|---|
| **Achieved A** | 0 | - | - |
| **Achieved B** | 5 | 33,594.44 | 92% |
| **Achieved C** | 1 | 1,820.19 | 5% |
| **Achieved D** | 1 | 963.38 | 3% |
| **Less than a D** | 0 | - | - |
| **Total** | **7** | **36,377.38** | **100%** |

**Data Commentary**

A review of the overall EPC performance of all of the buildings refurbished above the £250,000 capital cost threshold shows that the majority of the schemes achieved a Grade C or above where a new EPC was available within the reporting year. The only scheme that achieved a D was a listed property where the EPC before refurbishment was a G.

## 3.3 Waste

### 3.3.1 Portfolio within Operational Control

**EPRA Waste- Abs**

Portfolio Coverage

| Village | Portfolio covered | % of properties reported where we manage the waste |
|---|---|---|
| **Head Office** | 100% and reported via Carnaby | 100% |
| **Carnaby** | 25% | 100% |
| **Seven Dials** | 20% | 100% |
| **Chinatown** | 20% | 100% |
| **Longmartin** | 97% | 100% |

Summary Performance

| Property / Portfolio | Total Waste (tonnes) | | | Landfill (tonnes) | | | Recycled (tonnes) | | | Energy from Waste (tonnes) | | | Food (compost / Anaerobic Digestion) (tonnes) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2020 | 2021 | 2022 | 2020 | 2021 | 2022 | 2020 | 2021 | 2022 | 2020 | 2021 | 2022 |
| **Longmartin** | 411.04 | 199.14 | **418.61** | 0 | 0 | **0** | 146.50 | 55.59 | **112.08** | 233.14 | 136.85 | **295.44** | 31.40 | 6.7 | **11.09** |
| **Carnaby** | 989 | 760.95 | **1412.35** | 0 | 0 | **0** | 349 | 263.80 | **539.65** | 409 | 347.98 | **606.70** | 231 | 149.16 | **266.00** |
| **Seven Dials** | 98.80 | 64.03 | **159.24** | 0 | 0 | **0** | 41.23 | 27.81 | **53.26** | 35.55 | 32.71 | **100.34** | 22.01 | 3.52 | **5.65** |
| **Chinatown** | 854.12 | 519.20 | **1111.92** | 0 | 0 | **0** | 133.64 | 132.93 | **249.19** | 709.00 | 379.50 | **825.23** | 11.48 | 6.77 | **37.50** |
| **Totals** | **2,352.96** | **1,543.31** | **3102.12** | **0** | **0** | **0** | **670.37** | **480.13** | **954.18** | **1,386.69** | **897.04** | **1827.71** | **295.89** | **166.14** | **320.24** |

| Property / Portfolio | Landfill (%) | | | Recycled (%) | | | Energy from Waste (%) | | | Food (compost / Anaerobic Digestion) (%) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2020 | 2021 | 2022 | 2020 | 2021 | 2022 | 2020 | 2021 | 2022 |
| **Longmartin** | 0% | 0% | **0%** | 35.64% | 27.92% | **26.77%** | 56.72% | 68.72% | **70.58%** | 7.64% | 3.36% | **2.65%** |
| **Carnaby** | 0% | 0% | **0%** | 35.29% | 34.67% | **38.21%** | 41.35% | 45.73% | **42.96%** | 23.36% | 19.60% | **18.83%** |
| **Seven Dials** | 0% | 0% | **0%** | 41.74% | 43.43% | **33.45%** | 35.98% | 51.08% | **63.01%** | 22.28% | 5.49% | **3.54%** |
| **Chinatown** | 0% | 0% | **0%** | 15.65% | 25.60% | **22.41%** | 83.01% | 73.09% | **74.22%** | 1.34% | 1.30% | **3.37%** |
| **Totals** | **0%** | **0%** | **0%** | **28.49%** | **31.11%** | **30.76%** | **58.93%** | **58.12%** | **58.92%** | **12.58%** | **10.77%** | **10.32%** |

**Data Commentary**

Head office waste has been incorporated within Carnaby Court as it was not possible to separate this out. This was the same as previously for 2021.

Generally, the overall amount of waste has increased significantly during this reporting year, which is to be expected following the pandemic. The previous two reporting years represented significantly reduced amounts of waste when compared to pre-pandemic levels. Overall, there has been a 101% increase in total waste produced year on year. Nevertheless, this can be viewed as a positive as it reflects the effectiveness of the consolidated waste collection points we provide for our tenants at strategic locations throughout the portfolio. As part of this we are able to engage with tenants to improve the proportions recycled and composted.

Generally, the proportions of waste (i.e. recycled, compost, etc) have remained fairly consistent with last year. At Carnaby, there has been a slight increase in the proportion of waste recycled compared to the previous year, from 34.67% to 38.21%. Food waste (18.83%) is sent to an Anaerobic Digestion facility with the remaining waste (residual waste) sent to an energy from waste facility maintaining 100% diversion from landfill across the portfolio.

The Seven Dials portfolio has seen an increase in the proportion of general waste with 63% being sent to an energy from waste facility. It has also shown a slight decrease in recycling (33.45%).

The proportion of waste composted across Chinatown has seen an increase to 3.37%, which can be attributed to both post-pandemic trends and proactive engagement. Following discussions with tenants, increased food bins have been provided within building units. Furthermore, we are working with our waste contractors to further expand this waste scheme.

Three waste storage areas are managed in Chinatown at South Service Yard, Dansey Place and Horse and Dolphin Yard with recycling bins included.

**EPRA Waste Like for Like**

The like-for-like performance reflects the absolute year-on-year as the overall coverage is unchanged and equivalent tenants are given the same use of the refuse facilities year-on-year. It is not possible to determine the specific volume of waste disposed by each tenant. As a result, the figure for like-for-like waste produced for two consecutive years is the same as the absolute waste produced for that reporting period.

### 3.3.2 Waste refurbishment sites

| Property | Total Weight Removed | Total Weight Recycled | Diverted from Landfill | Total waste to Landfill | Landfill which is Hazardous / Contaminated Waste |
|---|---|---|---|---|---|
| **Total Weight (Tonnes)** | 360.44 | 353.20 | 360.40 | 0.26 | 0.00 |
| **%** | | 97.99% | 99.99% | 0.01% | |

**Data Commentary**
Data was provided for 13 of the 16 refurbishment sites, which all utilised waste transfer stations that operate a zero waste to landfill policy, where possible, achieving a combined total score of 99.99% diverted from landfill. All of the refurbishment sites achieved the target of at least 90% recycling/recovery of construction waste. The remaining three properties are ongoing and will be completed during the following year, therefore, associated waste at those sites will be included in the next reporting year.

The total weight removed has decreased significantly compared with the previous year's refurbishment projects, from 1,606.5 tonnes in 2021 to 360.44 tonnes in 2022. This represents a 77.6% decrease.

A small amount of waste, at 0.26 tonnes, was sent to landfill which makes up only 0.01% of the total waste generated at the refurbishment schemes - all 0.26 tonnes has been confirmed as non-hazardous.

## 3.4 Water

### 3.4.1 Water Consumption

**EPRA – Water Abs**

Water usage

| Total Usage (m3) | 2018 | 2019 | 2020 | 2021 | 2022 | 2021-2022 % difference |
|---|---|---|---|---|---|---|
| **Head Office** | 249 | 234 | 154[1] | 95 | 228 | |
| **Carnaby** | 9,632 | 7,061 | 6,465 | 4829 | 5294 | |
| **Seven Dials** | | | | | 1293 | |
| **Chinatown** | 0 | 5,328 | 2,584 | 2485 | 5604 | |
| **Soho** | 0 | 0 | 0 | 0 | 0 | |
| **Longmartin** | 7,419 | 4,997 | 3,212 | 3239 | 3056 | |
| **Opera Quarter** | 992 | 485 | 1348 | 880 | 308.51 | |
| **Total potable water** | **18,291.92** | **18,104.81** | **13,762.41** | **11527.96** | **15782.20** | **36.90%** |
| **Total Waste Water** | **18,291.92** | **18,104.81** | **13,762.41** | **11527.96** | **15782.20** | **36.90%** |

1 pro rata amounts worked out by dividing the usage by number of work days between 04.10.2019 and 22.10.2020 (268) to get daily usage then multiplying it by the number of work days between 01/10/2019 and 30/09/2020 (255)

Portfolio coverage

| Village | Properties reported on in 2021 | Properties reported on in 2022 |
|---|---|---|
| **Carnaby** | 12 out of 13 | 12 out of 12 |
| **Seven Dials** | 7 out of 7 | 9 out of 9 |
| **Chinatown** | 3 out of 3 | 2 out of 2 |
| **Soho** | 0 out of 0 | 0 out of 0 |
| **Longmartin** | 3 out of 3 | 3 out of 4 |
| **Opera Quarter** | 4 out of 4 | 3 out of 3 |
| **Total Coverage** | **29 out of 30** | **29 out of 30** |

Water usage – Intensity

| Unit | 2018 | 2019 | 2020 | 2021 | 2022 | 2021-2022 % difference |
|---|---|---|---|---|---|---|
| **Total Usage ($m^3$)** | 18,043.00 | 17,870.50 | 13,430.27 | 11,262.29 | 15,395.88 | |
| **Approx. Area coverage of readings ($ft^2$)** | 157,210.39 | 273,792.36 | 247,924.36 | 252,501.36 | 298,316.36 | |
| **Area in $m^2$** | 14,604.85 | 26,293.71 | 23,032.17 | 23,457.38 | 21,026.18 | |
| **Usage by area ($m^3/m^2$)** | **1.24** | **0.68** | **0.58** | **0.48** | **0.73** | **40.66%** |

**EPRA Water Like for Like**
**Like for Like**

| | Properties reported on 2021 | Properties reported on 2022 | Total Usage ($m^3$) 2021 | Total Usage ($m^3$) 2022 | Difference | 2021-2022% difference |
|---|---|---|---|---|---|---|
| **Carnaby** | 7 | 7 | 3,707.61 | 4,049.95 | 342.34 | 9.23% |
| **Seven Dials** | 6 | 6 | 395.00 | 625.00 | 230.00 | 58.23% |
| **Chinatown** | 2 | 2 | 2,473.00 | 5,603.59 | 3,130.59 | 126.59% |
| **Longmartin** | 2 | 2 | 3,020.00 | 3,016.72 | -3.28 | -0.11% |
| **Covent Garden** | 2 | 2 | 300.00 | 300.00 | 0.00 | 0.00% |
| **Total** | **19** | **19** | **9,895.61** | **13,595.26** | **3,699.65** | **37.39%** |

All water is sourced from Thames Water or Castle Water.

**Data Commentary**
We do not source water from greywater or rainwater harvesting. In the portfolio, monitoring of water usage is in Carnaby, Seven Dials, Longmartin, Covent Garden and Chinatown. As with the landlord purchased energy, it generally only applies to common parts and is a relatively low figure. Overall consumption has increased owing to the large increase in usage at Carnaby, Seven Dials and Chinatown. This would be associated with the increases in occupancy and footfall as a result of the easing of restrictions and following the Covid-19 pandemic.

Like-for-like consumption confirms that water consumption has increased across the portfolios, although it can be noted that water usage at Longmartin remains fairly consistent year-on-year.

We are not responsible for any trade effluent discharge consents at any of our sites including the refurbishment sites. All wastewater goes to standard sewerage system, unless considered to be contaminated with oil in which case is collected by a specialist contractor.

Water intensity is variable throughout the portfolio but a year-on-year comparison shows an increase from 0.48 $m^3/m^2$ in 2021 to 0.73 $m^3/m^2$ in 2022. This represents an increase of 40.66%.

## 3.5 Resource Use

### 3.5.1 Head Office

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| **Paper usage (tonnes)** | 1.49 | 0.85 | 0.6 | 0.27 | 0.29 |
| **Proportion from recycled supply (%)** | 87.6% | 82.4% | 100% | 100% | 100% |

**Data Commentary**
Paper usage is the only resource measurable in the Head Office and has shown an increase of 7% for 2022, reflecting the increased number of hours employees have been working in the office following the Covid-19 pandemic. The proportion that is from a recycled supply remains consistent with last year at 100%.

### 3.5.2 Refurbishment projects – Retained façade and structure

| Project | Reuse of façade and primary structure | façade % | Structure % |
|---|---|---|---|
| 5-7 Carnaby Street | Yes | 80% | 80% |
| 25 Beak Street | Yes | 90% | 95% |
| 19 Shorts Gardens | Yes | 100% | 100% |
| 27 Kingly Street | Yes | 100% | 100% |
| 72 Broadwick Street | Yes | 95% | 90% |
| 76-79 Shaftesbury Avenue | Yes | 95% | 85% |
| Triyoga | Yes | 100% | 95% |
| 92-104 Berwick Street | Yes | 100% | 100% |
| 21-23 Shorts Gardens (17 Neals Yard) | Yes | 100% | 95% |
| 64 Goodge Street | Yes | 0% | 50% |
| 15 Little Newport Street | Yes | 100% | 100% |
| 35 Cranbourn Street | Yes | 95% | 80% |
| 39 Newman Street | Yes | 100% | 100% |
| 2/4 Upper St Martins Lane | Yes | 100% | 100% |
| 4 Dansey Place | Yes | 79.5% | 97.5% |
| 64 Shaftesbury Avenue | Yes | 98% | 98% |

**Data Commentary**

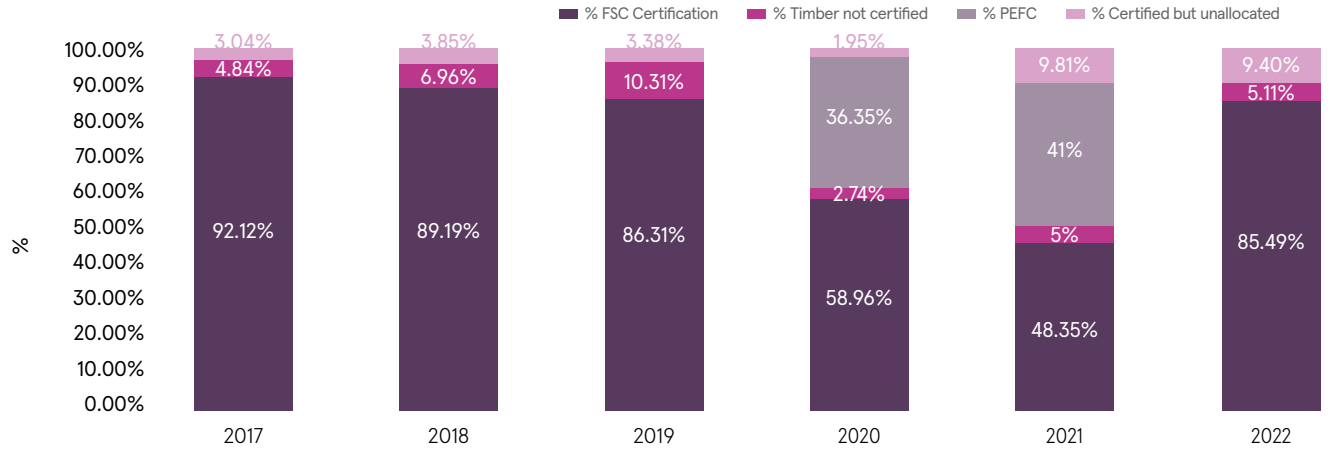
Through the ongoing strategy of predominantly re-using existing buildings, rather than constructing new properties, the company significantly reduces the need for raw materials. The majority of refurbishment sites have confirmed that over 80% of the façade and structure has been reused. 64 Goodge Street has been reported as only re-using 50% of the structure and no re-use of the façade, which can be attributed to the replacement of the shopfront.

### 3.5.3 Timber Sustainably Sourced

**Year on Year performance**

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Volume Timber Purchased (m3) | 231.46 | 295.82 | 895.22 | 185.83 | 166.05 |
| % Sustainably Sourced including Forest Stewardship Council (FSC) and PEFC (with Chain of Custody CoC) | 96.15% | 96.62% | 98.05% | 90.19% | 90.60% |
| % FSC Certification | 89.19% | 86.31% | 58.96% | 48.35% | 85.49% |

**Timber Sourcing**




**Data Commentary**

Full chain of custody information was provided for all applicable refurbishment schemes. Year on year performance shows the corporate target, procurement of certified timber, was achieved with over 90% of the timber with full chain of custody. Furthermore, over 85% was FSC certified.

The timber volume reported for the refurbishment projects across this reporting year is very low with 166.05m$^3$ purchased, representing a decrease of 10.7% in comparison with the previous reporting year. In line with the ongoing corporate objective of reuse of existing materials, timber reuse is maximised across the majority of refurbishment projects reported.

In addition, larger projects, such as 72 Broadwick Street, are at the later stages of the refurbishment, meaning that the works would comprise of details and finishes rather than significant use of timber in construction.

## 3.6 Biodiversity

| TABLE OF FEATURES 2021 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Village | Bird Box | Green Wall | Extensive Green Roof | Hanging Baskets | Insect Home | Planters | Trees | Window Boxes | Bee Hive | Sedum Pods Green Roof | Total | Total Area($m^2$) per Village |
| Carnaby | 10 | 7 | 5 | 46 | 11 | 94 | 9 | 738 | 2 | 14 | **936** | **848.33** |
| Chinatown | 5 | 0 | 1 | 0 | 1 | 24 | 0 | 72 | 0 | 4 | **107** | **202.4** |
| Seven Dials | 0 | 0 | 0 | 0 | 0 | 4 | 4 | 224 | 0 | 4 | **236** | **82** |
| Opera Quarter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 65 | 0 | 0 | **65** | **13** |
| Longmartin | 5 | 3 | 3 | 0 | 0 | 9 | 1 | 20 | 3 | 0 | **44** | **378.8** |
| Soho | 3 | 0 | 0 | 4 | 0 | 4 | 0 | 143 | 0 | 1 | **155** | **62.2** |
| **Total** | **23** | **10** | **9** | **50** | **12** | **135** | **14** | **1,262** | **5** | **23** | **1,543** | |
| **Total area ($m^2$)** | **0** | **167.3** | **657** | **7.5** | **0** | **67.5** | **84** | **252** | **0** | **350.83** | **1,586.53** | **1,586.53** |
| **Total area ($Ft^2$)** | **0** | **1,800.82** | **7,071.95** | **80.73** | **0** | **726.57** | **904.18** | **2,716.83** | **0** | **3,776.33** | **17,077.41** | **17,077.41** |

| TABLE OF FEATURES 2022 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Village | Bird Box | Green Wall | Extensive Green Roof | Hanging Baskets | Insect Home | Planters | Trees | Window Boxes | Bee Hive | Sedum Pods Green Roof | Total | Total Area($m^2$) per Village |
| Carnaby | 18 | 9 | 5 | 46 | 11 | 129 | 9 | 752 | 2 | 14 | **995** | **1,027.63** |
| Chinatown | 5 | 0 | 1 | 0 | 1 | 16 | 0 | 79 | 0 | 4 | **106** | **199.8** |
| Seven Dials | 0 | 0 | 0 | 0 | 0 | 4 | 4 | 277 | 0 | 4 | **289** | **92** |
| Opera Quarter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 65 | 0 | 0 | **65** | **13** |
| Longmartin | 5 | 3 | 3 | 0 | 0 | 9 | 1 | 20 | 3 | 0 | **44** | **378.8** |
| Soho | 3 | 0 | 0 | 4 | 0 | 4 | 0 | 143 | 0 | 1 | **155** | **62.2** |
| **Total** | **31** | **12** | **9** | **50** | **12** | **162** | **14** | **1,336** | **5** | **23** | **1,654** | |
| **Total area (m2)** | **0** | **326.3** | **657** | **7.5** | **0** | **81** | **84** | **267** | **0** | **350.83** | **1,773.83** | **1,773.83** |
| **Total area (ft2)** | **0** | **3,512.29** | **7,071.95** | **80.73** | **0** | **871.88** | **904.18** | **2,876.14** | **0** | **3,776.33** | **19,093.51** | **19,093.51** |

We have continued our membership of Wild West End, a biodiversity initiative which in conjunction with other West End landowners is creating a network of green infrastructure through London's West End with the following key objectives:

- Enhance biodiversity
- Improve health of the local environment
- Raise awareness and promote benefits of green infrastructure
- Create engagement and educational opportunities with residents, workers and visitors

Ongoing progress this year has included undertaking an update inventory of all the habitats which are quantified in the table above. There has been an increase in bird boxes, green walls, planters and window boxes across all portfolios, resulting in a 12% increase (in terms of square foot coverage) in habitat area compared with the previous reporting year and over 135% increase compared with the baseline set in 2016 of 755$m^2$ (8127$ft^2$).

# 4 Social performance

## 4.1 Employees

EPRA – Diversity-Emp; Diversity-Pay; Emp-Training; Emp-Dev & Emp-Turnover

| | | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|
| **Percentage gender of staff overall** | Female | 63% | 68% | 67% | 69% | 71% |
| | Male | 37% | 32% | 33% | 31% | 29% |
| **Percentage gender of staff in senior positions**[3] | Female | 57% | 66% | 63% | 63% | 71% |
| | Male | 43% | 34% | 37% | 37% | 29% |
| **Percentage gender of board members** | Female | 30% | 30% | 22% | 40% | 33% |
| | Male | 70% | 70% | 78% | 60% | 67% |
| **Average training hours per employee** | | 19 | 20 | 12.5 | 57.0 | 25.1 |
| **Number of volunteering days** | | n/d | 84 | 29 | 71 | 129 |
| **Percentage of staff receiving professional development review (PDR)** | | 100% | 100% | 100% | 100% | 100% |
| **Average length of service (years)** | | 11.3 | 10.3 | 9.5 | 6.0 | 8.3 |
| **Employee turnover and retention** | | 0 | 2.8% | 7.7% | 7.3% | 6.2% |
| **Absentee rate**[4] | | 1.6 | 0.89 | 0.72 | 0.30 | 0.48 |
| **Proportion of staff with flexible working** | | 13% | 15% | 100% | 100% | 100% |
| **Number of staff on temporary or short-term contracts** | | 4 | 2 | 5 | 7 | 6 |

3 Excludes executive directors

4 Shaftesbury has 52 employees on 30 September 2022

- Shaftesbury has 52 employees rate: per person a year there are 52x260= 13,520 available work days
- The total number of days absent for all employees is 65 for the year .Therefore the figure as a percentage is 65/13,5200 x100=0.48

**Data Commentary**

We have a total of 52 employees. 6 employees are part time. Due to the small number of employees, it is inappropriate for the company to have complex human resources systems with a large number of key performance indicators, therefore the above are the key parameters measured.

## 4.2 Health and Safety

EPRA – H&S-Emp; H&S-Asset; H&S-Comp

| | | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|
| Head Office | Number of reportable injuries | 0 | 0 | 0 | 0 | 0 |
| | Work related fatalities | 0 | 0 | 0 | 0 | 0 |
| | Number of Enforcement Agency prosecutions or fines | 0 | 0 | 0 | 0 | 0 |
| | Number of prohibition notices | 0 | 0 | 0 | 0 | 0 |
| | Employee accidents and incidents | 0 | 0 | 0 | 0 | 0 |
| | Number of employee days off work from injury | 0 | 0 | 0 | 0 | 0 |
| | Asset Health and safety assessments (% coverage) | 100 | 100 | 100 | 100 | 100% |
| Managed Assets | Number of reportable injuries | 0 | 0 | 0 | 0 | 0 |
| | Work related fatalities | 0 | 0 | 0 | 0 | 0 |
| | Number of Enforcement Agency prosecutions or fines | 0 | 0 | 0 | 0 | 0 |
| | Number of prohibition notices | 0 | 0 | 0 | 0 | 0 |
| | Employee accidents and incidents | 0 | 0 | 0 | 0 | 0 |
| | Number of employee days off work from injury | 0 | 0 | 0 | 0 | 0 |
| | Asset Health and safety assessments (% coverage) | n/d | 100% | 100% | 100% | 100% |
| Developing Portfolio | Number of reportable injuries | 0 | 0 | 0 | 0 | 0 |
| | Work related fatalities | 0 | 0 | 0 | 0 | 0 |
| | Number of Enforcement Agency prosecutions or fines | 0 | 0 | 0 | 0 | 0 |
| | Number of prohibition notices | 0 | 0 | 0 | 0 | 0 |
| | Employee accidents and incidents | 0 | 0 | 0 | 0 | 0 |
| | Number of employee days off work from injury | 0 | 0 | 0 | 0 | 0 |

**Data Commentary**
We have maintained our record of zero notifiable health and safety incidents throughout the portfolio and there were no prohibition or improvement notices raised against the refurbishment sites.

Fire safety audits are undertaken throughout the portfolio. In addition, a programme of extractor duct surveys are undertaken for restaurant tenants to further reduce fire risk.

Minor injuries (first aid-level) are not included in the injury rate calculation, which is calculated using the number of notifiable health and safety incidents. The injury rate (IR), occupational disease rate (ODR), lost day rate (DLR) and accident severity rate (ASR) are all zero as no incidents have occurred during the reporting period. Rates are applicable to all Shaftesbury operates (UK only) and will be broken down by gender should any of the rates set out above rise above 0 in the reporting period. This is based on GRI Standard 403-2.

## 4.3 Considerate Constructors Scheme (CCS)

Summary table

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Average score (1st & 2nd Visit) | 35.6 | 38 | 38.13 | 38.21 | 40.09 |
| Number of schemes achieving target | 86% | 100% | 100% | 100% | 100% |
| Number of schemes achieving Excellent Performance (39-45/45) | - | - | - | - | 73% |
| Number of schemes achieving Very Good Performance or above (33-38/45) | - | - | - | - | 100% |

**Data commentary**
All refurbishment schemes above a capital value of £250,000 are required to sign up to CCS. Principal contractor companies are also expected to register as a company with the CCS. Compliance with the Code incorporates a number of factors including environmental and social considerations important to the overall goals of corporate responsibility. Eleven out of the sixteen reported projects were visited in the reporting year. CCS visits were undertaken at 72 Broadwick Street in the previous year and the scheme at 2/4 Upper St Martins Lane was not required to sign up to CCS as the value was under the threshold. The remaining refurbishment schemes have had no visits to date, which will be undertaken prior to completion of works.

Historically, the refurbishment schemes were assessed against CCS scores of 50, however, the total CCS Report Score was reduced to 45 in January 2022. Compliance with the scheme involves achieving a score of 27/45 and the company sets a more stringent target for its contractors of 35/45.

The average score achieved is 40.09/50 with no scheme scoring below the target score. All schemes that underwent a CCS site visit achieved a very good performance or above and 8 out of 11 refurbishment schemes achieved an excellent performance score.

## 4.4 Community Engagement

**EPRA – Comty-Eng**

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| **Value of Community Investment** | £889,600 | £816,650 | £865,622 | £1,157,795 | £985,586 |
| **S106 contribution** | £1,653,500 | £197,258 | £459,518 | £5,995 | £65,096 |
| **Leverage** | £1,019,820 | £1,102,223 | £1,077,927 | £124,631 | £387,296 |

| **How** | **Value** |
|---|---|
| Cash | 579,294 |
| Staff time | 148,502 |
| In kind contributions: product equipment & rooms | 164,298 |
| Management costs | 93,492 |
| **Motivation** | **Value** |
| Charitable gifts | 114,343 |
| Community investment | 692,875 |
| Commercial initiatives in the community | 84,876 |
| **Subject Focus** | **Value** |
| Education | 220,650 |
| Health | 40,370 |
| Environment | 30,818 |
| Arts/culture | 70,429 |
| Social welfare | 391,580 |
| Emergency relief | 77,854 |
| Other | 60,393 |
| **Leverage** | **Value** |
| Other contributions from employees | 15,401 |
| Contributions from customers | 341,895 |
| Contributions from other organisations | 30,000 |

**Data Commentary**

Shaftesbury is a member of B4SI and continues to use its methodology for reporting in community investment and charitable giving. The company continues to be proactive in addressing its responsibilities to the local community in London's West End. Below details the organisations supported in the individual villages which represents 100% coverage of the portfolio.

| | |
|---|---|
| **All Villages** | · 2-3 Degrees<br>· Camden Council<br>· Camden Giving<br>· Freehold<br>· LandAid<br>· Mousetrap Theatre Projects<br>· Pathways to Property<br>· Sir Simon Milton Foundation<br>· The Connection at St Martins in the Field<br>· Westminster Befriend a Family<br>· Westminster Kingsway College<br>· Young Westminster Foundation<br>· Young Camden Foundation<br>· University of Westminster<br>· Zoological Society of London |
| **Carnaby** | · Creative Media Network<br>· London College of Fashion<br>· Stage One<br>· The Samaritans |
| **Chinatown** | · London Chinese Community Centre<br>· Chinese Information and Advice Centre |
| **Covent Garden/ Seven Dials** | · Donmar Warehouse<br>· Phoenix Gardens<br>· Dragon Hall<br>· Seven Dials Community Centre |
| **Soho** | · The Soho Society<br>· Museum of Soho<br>· Soho Parish Primary School<br>· West End Community Trust<br>· House of St. Barnabas<br>· St. Anne's Church |

# 5 Governance performance

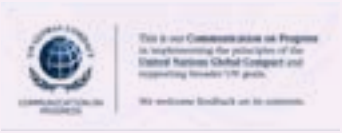
**EPRA – Gov-Board**

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| **Number of executive board members** | 4 | 4 | 4 | 4 | 4 |
| **Number of independent/non-executive board members** | 6 | 6 | 6 | 6 | 5 |
| **Average tenure of board members** | 11 | 11.2 | 14.7 | 11.4 | 14.2 |
| **Number of board members with environmental and social competencies** | 1 | 1 | 1 | 3 | 3 |

**Data Commentary**

Full details of the company approach to the nomination and selection process of the Board is detailed in the 2022 Annual Report in the Corporate Governance section. All employees when they join Shaftesbury are informed of the anti-bribery policy and procedures within the company. We send a reminder every quarter to all employees, and request for them to complete a gifts/hospitality register. There have been no incidences of non-compliance with our anti-bribery policy during the financial year.

# Appendix 1.0
# UNGC Compliance



## United Nations Global Compact: our communication on progress against the ten principles 2022

A requirement of participation in the UNGC is that a company must publish an annual Communication on Progress (COP) to stakeholders, which sets out the progress made in implementing the ten principles in its business activities and, where appropriate, in supporting broader UN goals through partnerships. We became a signatory in February 2015 and have since annually reviewed and updated our Sustainability Policy to reflect our commitment. In 2017, we also launched our Supplier Code of Conduct which further embeds our approach to implementing the ten principles. Our COP is supported by our sustainability reporting in the sustainability section of the 2022 Annual Report, and this document, the Sustainability Data Report 2022. Our current COP can be found on the UN GC website and we will respond to the new COP questionnaire during the 2023 reporting window. To facilitate our stakeholders finding relevant information, the table below directs readers to relevant sections of the reports.

| Principles | Reference |
|---|---|
| **Human rights** | |
| **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights | Sustainability Policy 2023 p5, Supplier Code of Conduct p3, Annual Report 2022 p59, Sustainability Action Plan 2023 p3-6 |
| **Principle 2**: Businesses should make sure that they are not complicit in human rights abuses | Sustainability Policy 2023 p5, Supplier Code of Conduct p3, Annual Report 2022 p57-59, Sustainability Action Plan 2023 p3-6 |
| **Labour** | |
| **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | Sustainability Policy 2023 p5 Supplier Code of Conduct p3 |
| **Principle 4:** Businesses should uphold the elimination of all forms of forced and compulsory labour | Sustainability Policy 2023 p5, Supplier Code of Conduct p3, Annual Report 2022 p59, Sustainability Action Plan 2023 p3-6 |
| **Principle 5:** Businesses should uphold the effective abolition of child labour | Sustainability Policy 2023 p5, Supplier Code of Conduct p3 |
| **Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation | Sustainability Policy 2023 p5, Supplier Code of Conduct p3, Annual Report 2022 p71, Sustainability Data Report 2022 p28, Sustainability Action Plan 2022 p5-6 |
| **Environment** | |
| **Principle 7:** Businesses should support a precautionary approach to environmental challenges | Sustainability Policy 2023 p7-8, Supplier Code of Conduct, Annual Report 2022 p57-61, Sustainability Data Report 2021, Sustainability Action Plan 2022 p9-15. |
| **Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility | Sustainability Policy 2023 p7-8, Supplier Code of Conduct, Annual Report 2022 p57-61, Sustainability Data Report 2022, Sustainability Action Plan 2022 p9-15 |
| **Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies | Sustainability Policy 2023 p7-8, Supplier Code of Conduct, Sustainability Data Report 2022, Sustainability Action Plan 2022 p11, 13 |
| **Anti-corruption** | |
| **Principle 10** Businesses should work against corruption in all its forms, including extortion and bribery | Anti bribery and corruption Policy www.shaftesbury.co.uk, Supplier Code of Conduct, Sustainability Action Plan 2022 p3 |

## Sustainable Development Goals

Our strategy has considered the SDGs and we have integrated them throughout our sustainability strategy as set out below:


**SDG 3 Good health and wellbeing** – we are committed to ensuring our buildings are designed and managed to maximise wellbeing and we put strong emphasis on health and safety in everything we do. We promote the uptake of cycling and walking, and the improvement of local air quality.


**SDG 4 Quality Education** – our community strategy includes educational initiatives relevant to our local community such as working with Young Westminster Foundation, Young Camden Foundation and Soho Parish Primary School. We also support the 'Pathways to Property' programme and have developed our own 'Shaftesbury Property Programme' to help equip local young people with relavent skills and knowledge. We are sponsoring two students at the university of Westminster, studying real estate.


**SDG 5 Gender Equality** – we are committed to gender equality and employee development. This is reflected in our membership of the 30% Club and Real Estate Balance. 55% of our senior leadership team is female. In its 2022 report, for the fifth year running, Shaftesbury was top of the FTSE 250 for the highest female representation on the executive committee and direct reports.


**SDG 7 Affordable and clean energy** – we are committed to buy 100% renewable electricity across our wholly owned portfolio. We invest in low carbon technologies in our buildings, including solar power where appropriate and compatible with the listing and conservation area considerations of a large part of our portfolio.


**SDG 8 Decent work and economic growth** – we work with not-for-profit organisations, charities, educational establishments and other local community groups recognising that our longterm support enables them to make a difference in their activities and contributes to the economic inclusivity of the West End.


**SDG 11 Sustainable cities and communities** – our core goals are the environmentally sustainable reuse and careful management of existing buildings and investment in our local community; both of which contribute to the sustainable development of central London which is the sole focus of our operations.


**SDG 12 Responsible consumption and production** – through the ongoing strategy of predominantly re-using existing buildings, rather than constructing new properties, the company significantly reduces the need for raw materials. We set requirements for the use of sustainable materials in our refurbishment projects and proactively encourage recycling and resource use amongst our tenants such as through the launch of the Blue Turtle initiative.


**SDG 13 Climate action** – our strategy to maintain and refurbish existing buildings conserves embodied energy within existing materials and avoids unnecessary waste, materials and energy required to construct new properties. We have set science-based carbon emissions reductions targets which have been validated by the Science Based Targets initiative (SBTi) for scope 1 & 2. We have also set an ambitious 2030 net zero carbon commitment for the business.


**SDG 14 Life below water** – in response to the increasing concerns of ocean degradation and plastic pollution we have re-launched the Blue Turtle initiative to promote the environmental sustainability in our cafes and restaurants.


**SDG 15 Life on land** – we continue to be an active member of Wild West End to promote biodiversity throughout our portfolio. Since 2016 we have increased biodiverse space across our portfolio by 135% and will set further ambitious targets going forward.

# Appendix 2.0
# Third Party Verification Statement

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## Verification statement

**To the stakeholders of Shaftesbury Plc**

EcoAct was engaged by Shaftesbury Plc as of 22 Ganton Street, Carnaby, London W1F 7FD to provide independent third-party limited verification of its direct (Scope 1) and indirect (Scope 2 and 3) greenhouse gas emissions as detailed in the company's carbon footprint calculation for the period 1st of October 2021 to 30th September 2022.

### Objective & responsibilities

The objective of this verification was to confirm whether the GHG statements as reported in Shaftesbury GHG Emissions report for FY22 were fairly stated and free from material error or omission in accordance with the criteria outlined below.

The management of Shaftesbury, RPS Group and CBRE acting as ESG Consultants and Managing agents respectively, were responsible for providing the organisation's GHG emissions related information, including the GHG annual emissions report, the development and maintenance of records and procedures in accordance with the business reporting requirements. The EcoAct verification team's responsibility is to express an independent verification opinion on the accuracy of the GHG emissions reported by Shaftesbury and supporting processes and procedures in place to aggregate and analyse data.

### Criteria

- Calculation methodology: World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol);
- Reference methodologies: UK Government Conversion Factors for greenhouse gas (GHG) reporting 2022 (BEIS – Department for Business, Energy & Industries Strategy)

### Level of Verification and Materiality

A limited level of verification aligned with the ISO 14064-3:2019 standard with specification and guidance for the verification and validation of greenhouse gas statements was conducted.

The organisational boundary of Shaftesbury was established using the operational control approach, and consists of all properties where the organization has sole ownership, this includes Carnaby, Chinatown, 7 Dials, Opera Quarter and Soho, and the joint venture at Longmartin for which Shaftesbury has operational control. Tenants areas for which Shaftesbury does not have operational control were considered outside the reporting boundaries and thus excluded from the GHG inventory.

The verification team reviewed the source data from Shaftesbury's GHG Emissions as defined above, to identify emissions sources material to the carbon footprint.

### Verification Opinion

Based on the data and information provided by Shaftesbury and the processes and procedures followed, nothing has come to EcoAct's attention to indicate that the following GHG emissions totals are not fairly stated and free from material error:

| Shaftesbury Carbon Emissions sources | 2022 Emissions ($tCO_2e$) |
|---|---|
| Scope 1 Emissions (Natural gas and refrigerant) | 151.5 |
| Scope 2 Emissions (location-based) | 685.3 |
| Scope 2 Emissions (market-based) | 125.5 |
| **Total (Location-Based)** | **836.86** |

EcoAct,
71 High Holborn
London, WC1V 6EA
www.eco-act.com
T - +44 (0) 203 589 9444

| | |
|---|---|
| Scope 3 CAT 1 (Purchased of Goods & Services) | 6.9 |
| Scope 3 CAT 3 (Fuel and Energy related activities) | 265.8 |
| Scope 3 CAT 5 (Waste) | 66.0 |
| Scope 3 CAT 6 (Business Travel) | 6.3 |
| **Total $tCO_2e$ scope 1,2 and 3 (location-based)** | **1,181.9** |
| **UK Energy consumption FY2022** | **kWh** |
| Natural gas | 779,348 |
| Electricity | 3,545,756 |

### Description of activities

EcoAct verified data and calculations included those related to Scope 1 emissions (combustion of fuels and refrigerants), Scope 2 emissions (electricity) and Scope 3 emissions (Business travel, waste, water, paper purchase and T&D, WTT). The verification of Shaftesbury's emissions related information was conducted through the review and testing of its emissions calculations and selected primary evidence. We have also conducted site interviews with selected stakeholders involved in data gathering and reporting to discuss systems, processes and methodologies used to compile the GHG report for FY22.

Amendments to the carbon footprint calculation, to correct minor data discrepancies, were made during the verification process by the Shaftesbury team prior to the finalization of the GHG emissions totals. These discrepancies were not material to the data reported above. The final, verified emissions total was **1,181.9 $tCO_2e$**.

### Recommendations

- Review the timeframe allocated for tenants/landlords to take meter readings from sites. A three day window seems quite narrow considering the number of properties within the Shaftesbury portfolio.
- Consider automating meter readings takings to add efficiency to the process and minimise error when transposing data.
- Continue to engage and train the managing agents and internal personnel involved in data collection from end- to-end to ensure the process is clearly understood and consistently applied across the business.
- Create a master carbon footprint report outlining all the relevant information with regards to the greenhouse gas emissions for the current reporting period, including estimations, extrapolations inclusions and exclusions. This will increase traceability of the information provided and facilitate the auditing process.

### Approved by

*Flavia Tavares*

**Flavia Tavares Scott**
**Senior Consultant**
EcoAct, an Atos Company
London, 21th November 2022

### Verified by

*Sophie Puginier*
**Consultant**

*Fabrizio Saladini*
**Senior Consultant**

### Statement of Independence

EcoAct is an independent carbon management company. Our team has extensive experience in the verification of carbon data, information, systems and processes. The data required for the greenhouse gas calculations described herein were compiled by Shaftesbury. No member of the EcoAct team has a



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business relationship with Shaftesbury, its Directors or Managers beyond that required of this assignment. To our knowledge there has been no conflict of interest.



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# Appendix 3.0
# 2030 Net Zero Carbon Update

We remain committed to achieving our net zero carbon 2030 target and decarbonising our operations in line with a 1.5 degree pathway, as set out in our roadmap published in November 2021. Our full roadmap can be found on our corporate website.

We have aligned our targets with the BBP Climate Commitment, setting out a broad scope which includes emissions from purchased goods and services and energy use by our occupiers in their occupation of our buildings. These scope 3 emissions form the vast majority of our overall emissions.

Throughout the year we have continued to improve the energy efficiency of our portfolio. We have seen an improvement in the EPCs of our portfolio with more than 60% of demises now achieving an EPC of C or better. We have also continued to improve our understanding of our scope 3 carbon emissions.

Progress has been reported to our board level Sustainability Committee and Executive Sustainability Committee. Annual targets have been incorporated in our Sustainability policies, which are applied across our supply chain.

Whilst we have made good progress in some areas, we acknowledge the need to continue to improve our emissons baseline and established a long-term strategy to engage with our occupiers to inform, support and inspire them to reduce their own carbon emissions.

## Carbon and energy performance

Detail of our energy and carbon performance is included in our Annual Report 2022 and section 3 of this Sustainability Data Report 2022. Our portfolio is in a single geography and reported as one entity. The scope of our commitment hasn't changed since publication in November 2021.

| FY 2022 emissions | Energy usage kWh | Annual change | Carbon Emissions ($tCO_2e$) | Annual Change |
|---|---|---|---|---|
| **Scope 1** | 779,347.96 | -12.80% | 151.54 | -23.29% |
| **Scope 2** | 3,545,756.07 | 6.19% | 685.32 | -3.24% |

Our scope 1 and 2 emissions reduction remain on track compared to our science-based target. We are currently revising our scope 3 emissions and will publish an update when this is complete.

## Improving our 'whole building' operational emissions baseline

Further analysis this year, aided by comparison with other datasets such as gas safety certificates and information on restaurants cooking with gas, has identified that calculations for our baseline made in 2021 had not captured a proportion of the gas meters in our tenants' demises. However, the analysis did confirm that our coverage of electricity meters is much more complete. Further, we remain confident that we are fully reporting energy and carbon emissions from the landlord-controlled areas of our portfolio.

Throughout 2022, we have worked closely with our managing agents, CBRE, and sustainability advisors, RPS, to review the energy consumption data collected from across the tenant-controlled areas of our portfolio. This process has included:

- An inspection of commercial tenant demises to locate any meters that were previously omitted from our reporting.
- Comparing energy data collected with comparable data sources such as gas safety certificates.
- Developing a data collection methodology with CBRE to clarify how the process will work in the future.
- CBRE have assigned a point person to be responsible for the collation and reporting of our data.

Based on currently available data we expect the underestimation of our baseline to be in the order of 2-4,000 $tCO_2e$, resulting in a revised estimate of 10,000 $tCO_2e$ for annual emissions relating to our tenants operational energy use.

In terms of our overall net zero carbon baseline, we expect that the increase in gas consumption will be more than compensated for by a reduction in the embodied carbon emissions associated with refurbishment projects, this is explained further in the section below.

We are committed to reviewing our net zero carbon baseline in 2023 when we have a full year of energy data from across the portfolio.

## Improving our embodied carbon data collection

A significant part of our scope 3 emissions come from 'purchased goods and services', particularly from the embodied carbon relating to our refurbishment projects. In our roadmap, published in 2021, we used a baseline derived from the Quantis tool used as part of our SBT assessment. However, we were confident that the tool overestimated our total embodied carbon emission due to the nature of our refurbishment projects.

Through 2022, we engaged RPS sustainability consultants to undertake a review of embodied carbon from our refurbishment projects to support this assumption. During 2022, RPS reviewed 12 Shaftesbury projects which give a representative sample of our current refurbishment operations. The embodied carbon impacts of each project have been assessed in accordance with the framework outlined in BS EN 15978: 2011: (Sustainability of construction works — Assessment of environmental performance of buildings — Calculation method) (BSI, 2011). The standard, which sets out the principles and calculation method for Whole life carbon (WLC)/embodied carbon assessments, is underpinned by the Royal Institution of Chartered Surveyors (RICS, 2017) Professional Statement: Whole Life Carbon assessment for the built environment.

All of the developments considered within this assessment outperformed the new build benchmarks which they were assessed against (table 2.2), reinforcing the environmental benefits of refurbishment vs new build for our portfolio.

All sites considered within this assessment also outperformed the refurbishment benchmarks that they were compared against, with the exception of GLA 'retail aspirational', reflecting the low-carbon building methods employed in our refurbishments.

**Table 2.2: Benchmark Intensity ($kgCO_2e/m^2$)**

| | RICS New Build | GLA New Build | GLA New Build (Aspirational) | WRAP New Build | LETI 2030 Target | GLA Stage B | GLA Stage B (Aspirational) | WRAP Refurbishment |
|---|---|---|---|---|---|---|---|---|
| **Residential** | 550 | 850 | 500 | 600 | 300 | 350 | 300 | - |
| **Retail** | 655 | 850 | 550 | - | - | 200 | 140 | - |
| **Office** | 925 | 950 | 600 | - | 350 | 450 | 370 | 190 |
| **Mixed Use** | 840 | - | - | - | - | - | - | - |

The study indicated that the average intensity of the considered refurbishments is c.159 $kgCO_2e/m^2$, excluding mechanical and electrical equipment. On this basis, we would expect our annual embodied carbon emission to be approx. 2,500 tCO2e. This will likely reduce overall scope 3 emissions estimate relating to purchased goods and services used in our initial baseline calculation. We will continue to review our emission relating to purchased goods and services ahead of revising our baseline in 2023.

## Our approach to carbon offsetting

Our strategy remains focused on the reduction in energy consumption through continued improvement in the energy efficiency of our portfolio and collaboration with our occupiers to promote low carbon behaviours. However, despite being confident that we will be able to achieve carbon reductions in line with our 1.5 degree decarbonisation parthway, we currently expect that we will need to utilise an element of offsetting in 2030 to achieve net zero carbon status.

We have not developed our strategy on offsetting and this is a priority for area for 2023. In our initial roadmap calculations we have considered a cost of carbon credits of £95 per tonne which we believe will provide sufficient budget to develop a strategy that reflects best practice and our own corporate values.

## Progress against our 2022 annual targets

| Operational emissions targets from net zero carbon commitment | Summary of progress |
|---|---|
| **We will consider utilising the NABERS UK rating approach for major refurbishments and large offices** | At present we do not have a suitable project for a NABERS assessment but will maintain a watching brief with a view to undertaking a trial if a suitable refurbishment project is available. |
| **We will develop an occupier engagement programme to promote low carbon behaviour and encourage data sharing and co-operation** | We have published a restaurant fit out guide which includes advice on reducing energy consumption. We recognise that this is a critical area for the long-term success of our net zero carbon ambitions and will make this a priority area in 2023. |
| **We will adopt or develop energy use intensity targets that are relevant to the different types of buildings in our portfolio where practical** | We are in the process of updating our whole building baseline and will use this to determine energy intensity targets going forward. This work will be completed in 2023. |
| **We will prepare for the move from gas to electricity across the portfolio where practical** | Preference for electric buildings has been included in the estate regulations and further information is provided in the occupier fit out guide. Further analysis of where electrification is applicable will be undertaken. |
| **We will introduce a requirement to set carbon reduction targets in our Supplier Code of Conduct** | The Supplier Code of Conduct has been updated to include a requirement for suppliers to set corporate carbon reduction targets and inform Shaftesbury of these objectives. We recognise the need to undertake more auditing in this space in future. |
| **We will publish occupier guidelines and responsibilities and support our occupiers to reduce their environmental impact and carbon emissions** | We continue to update our estate regulations which include a requirement to purchase 100% green energy where possible. |
| **Embodied emissions targets from net zero carbon commitment** | |
| **We will continue to increase our understanding of emissions relating to occupiers' fitouts** | A suitable project has not yet been identified and this will remain an areas of focus in future. Better information will enable us to consider the inclusion of tenant fitouts in our net zero carbon scope. |
| **We will consider the end-of-life treatment of timber to maximise its benefit in sequestering carbon** | We have increased the proportion of our timber that is sustainably certified and will undertake an exercise in 2023 to consider end-of-life treatment. |
| **We will undertake whole life carbon audits on any major (above £250k capital value) refurbishments** | We will adjust this target to make it applicable only to BREEAM projects going forward. BREEAM applies for project above £1m capital value. |
| **We will require our larger refurbishment projects to set embodied carbon reduction strategies at the design stage** | This target has been included in the 2023 sustainability requirements. |

## Focus areas for 2023

- Review and publish a new baseline based on better understanding of our carbon emissions.
- Improve understanding of energy intensity of the portfolio and use this information to focus our efforts on the buildings that are underperforming.
- Develop our position on carbon offsetting which is in line with our corporate values and reflects industry best practice.