



BEYOND OUR FOUR WALLS

INVESTING RESPONSIBLY

CEO Foreword



Chris Cooper,
Chief Executive

Our Responsible Investment (RI) report sets out our ongoing commitment to investing responsibly and highlights the progress we have made in the last year towards meeting our ambitious goals.

I am pleased we have continued to reduce emissions against our 2019 baseline and maintain a close alignment with our 2040 net zero pathway, whilst navigating in a landscape shaped by evolving environmental challenges and societal expectations. Our commitment to our occupiers and communities around our assets remains a constant as we aim to meet our fiduciary duty of delivering long term sustainable returns for our clients.

Fortifying Our Future

We completed several key initiatives in 2023 that were aimed at accelerating progress towards our 2040 net zero target in our portfolios. Equally, we have furthered our efforts to implementing and communicating impactful social measures that extend beyond our four walls.

The careful management of transition risks has been central to our approach, particularly compliance with evolving regulations like MEES, which are key in our commitment to minimising the risk exposure of our clients and reducing the carbon footprint across our portfolios. Additionally, we have focused on measuring, reporting and eliminating our exposure to physical risks associated with climate change, fortifying our portfolios to remain climate resilient against the most likely potential disruptions.

We have prioritised the completion of technical assessments and sustainability audits of priority assets to develop robust implementation plans for both short and long term sustainability goals. Our sustained engagement with occupiers and stakeholders has been instrumental in fostering more collaborative efforts towards environmental stewardship and identifying feasible opportunities to generating positive social impact.

We are able to report steady progress in our sustainability journey thanks to the dedication of our asset managers and property managers, and the industry-leading technology they use. Their commitment and innovation has ensured seamless integration of net zero principles into our business planning and operations keeping us on track with our 2040 net zero target.

The key highlights of 2023 include:

- **Awarded 5* rating by PRI in each of: Policy, Governance and Strategy; Direct Real Estate; and Confidence Building Measures.**
- **Awarded 24 GRESB Green Stars across nine Funds, including one Global Sector Leader.**
- **Increased coverage of our occupier data to 60%.**
- **Reduced absolute and like for like Scope 1, 2 & 3 emissions by 30% and 22% respectively vs our 2019 baseline.**
- **Conducted 10 net zero audits**
- **Increased A-B rated EPCs to 31%.**

Stakeholder engagement beyond our four walls

We continue to prioritise meaningful engagement with the occupiers of our assets, given occupier emissions account for more than 90% of our total carbon footprint. We have focused on better communicating our emissions goals to our occupiers and have pivoted our management approach to focus on how we can generate social value in and around the areas where we own and manage real estate.

We introduced a dedicated social value strategy that prioritises both environmental sustainability and community wellbeing. We have broadened our focus from placemaking in to a more holistic view of social impact across our diverse portfolio, recognising our duty to make a positive impact in the communities where we operate. We are developing new initiatives designed to drive community engagement, enhance social unity, and create tangible benefits for all stakeholders. We continue to integrate these initiatives into our asset improvement planning, ensuring that our investments are aligned with environmental and social change to ensure they continue to provide sustainable performance.

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A woman in a black sports bra and leggings is performing a yoga pose (Warrior II) in front of a large, ornate building. The building has a sign that says "EVENING" and "TANK & PADDLE". The sky is illuminated with a vibrant pink and purple light display. The scene is set at night, with the building's lights and the sky's glow providing the main illumination.

2023 Corporate Overview

At a Glance

We are an integrated, full service real estate fund manager with a 50-year track record of creating long term, sustainable returns for clients. We manage £9 billion of real estate throughout Europe on a fully discretionary and advisory basis.

We recognise that to provide long term sustainable returns for our clients, we need to embed RI into everything we do. This will provide us with the confidence in our portfolios that any potential negative risks are appropriately mitigated, and any positive opportunities are capitalised upon.

By developing portfolios with RI embedded into their management, we also create benefits beyond the four walls of our real estate, generating a positive social impact and minimising any detrimental impacts our operations have on the environment.

This year we have been able to demonstrate how this proactive RI approach can lead to significant environmental benefits. Alongside this, members of our team have volunteered in over 60 activities, raised money for charitable causes and provided valuable work experience as well as permanent roles for students with no previous links into our industry.

We will continue to focus on and develop our RI approach to ensure that returns are maximised, negative environmental impacts are minimised and social benefits are prioritised.

Established
in 1968

Over 250
directly
managed
assets

£9bn
AUM

19

MSCI Awards

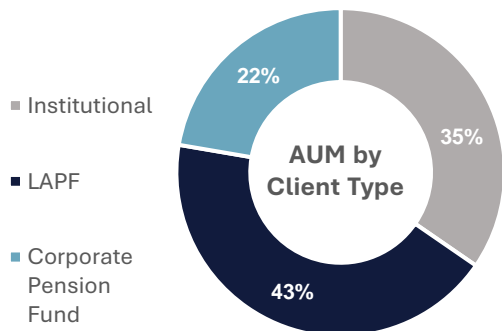
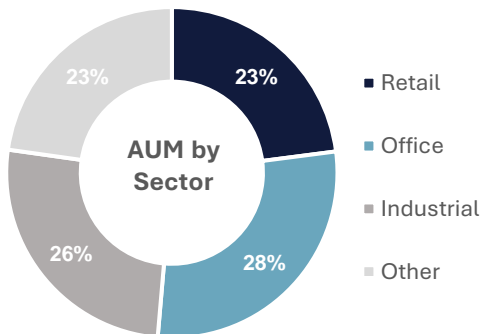
BBP Climate
Commitment
Signatory

GRESB
Global
Sector
Leader

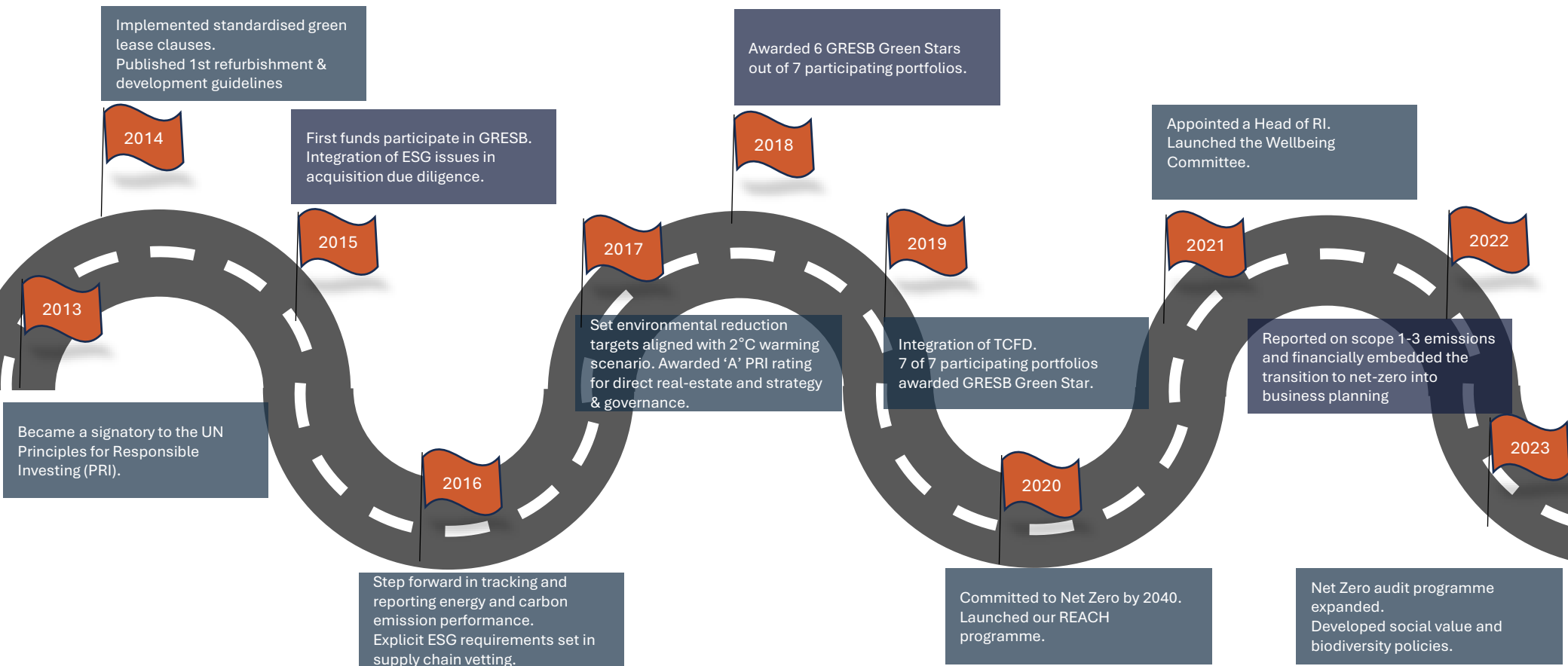
2040
Net-Zero
Carbon target

PRI
Signatory
since 2013

Three
5*
PRI Ratings



Our RI Journey



2023 Highlights

Another step forward

2023 saw our RI programme being awarded 5* by PRI.

5* PRI rating in Direct Real Estate

13% Reduction in absolute scope 1, 2 and 3 emissions since 2019

31% EPCs 'A'-'B' rated

5* PRI Rating in Policy Governance and Strategy

24 GRESB
Green stars

100% Assets with financial allowance in business planning for transitioning towards NZC

5* PRI Rating in Confidence Building Measures

10 Net Zero Audits completed in 2023

60% Occupier data collection

Governance Structure

We have an established, mature framework in place to ensure accountability for responsible investment throughout our business

We have integrated our RI approach throughout our entire business and each stakeholder has a role to play in the delivery of our RI programme. To achieve this, we established a Responsible Investment Committee (RIC), which has continued to guide our responsible investment initiatives through another successful year.



The Board has accountability and ultimate responsibility for embedding and driving responsible investment, led by the Head of Responsible Investment.

The RIC is responsible for setting and reviewing our RI strategies, ensuring alignment with our business goals, and integrating RI into our investment decisions. With strong support from the Board, the RIC ensures that clear lines of responsibility are maintained and that our responsible investment commitments are implemented across the business.



The RIC has oversight and governance responsibility for objective setting, development of procedures and overseeing the implementation of the RI strategy and policy. This committee holds monthly, quarterly & annual meetings to ensure progress is maintained and that our strategy remains relevant, and impact driven.

To be sure that our RI approach is truly embedded within our day-to-day operations, we set business, fund, asset and individual RI KPIs that are monitored and reported against on an ongoing basis.



Fund and Portfolio Managers are responsible for the implementation of our policy and strategy at a portfolio level; reviewing each portfolio's strategic objectives and performance on a quarterly and annual basis; and reporting into the RIC and each portfolio's respective Investment Committee.

Progress is monitored and reviewed at each level of the business, enabling support to be allocated where necessary and without delay.

Reporting is carried out on a monthly, quarterly and annual basis to all levels of the business, as well as to clients, to ensure transparency over our RI programme and its progress. Benchmark reporting is also carried out on an annual basis through GRESB and PRI to demonstrate our performance against peers.



Third Party Property Managers are responsible for the proactive management of properties at the surveyor and facilities management level, governed by our Property Management Agreement.

This year, we have further developed our approach to both internal and external reporting by increasing the granularity of data and applying greater scrutiny to our processes. We have integrated comprehensive RI due diligence into our pre-acquisition practices, targeting new investments that align with our sustainability goals from the outset. Additionally, we are expanding our reporting to include new RI metrics, such as biodiversity net gain, to provide a more holistic view of our RI performance. In addition to driving progress, these developments position us to improve our performance relative to our peers and setting an even higher standard for responsible investment.



Suppliers are vetted during the contract set up phase and during the life of each contract to ensure our RI approach is embedded.

Our REACH Programme

We want to maximise the impact that our employees have

We understand that one of the first and most crucial steps to ensuring our RI programme is successful, is the empowerment of our own employees. This means that everyone can deliver their own impact, truly believe in the mission of the organisation and maximise the benefits seen from the programme.

In 2021, we launched our REACH programme; a commitment to invest our time, money and expertise in causes that affect our society in the areas of Respect, Education, Accessibility, Community and Habitat.

This encourages our employees to use their own and the businesses resources, expertise and influence to create social value.



Wellbeing Committee

Our Wellbeing Committee provides a platform, based around our REACH pillars, to support our team's development, health and wellbeing and to inspire our efforts to generate a positive impact Beyond our Four Walls.

2023 Highlights include:

- 7 young people have benefitted directly from work experience placements and internships
- >50 employees have participated in volunteering activities
- 135 emergency food parcels packed for Hackney Food Bank
- >£34,000 fundraised by staff and donated to charity

Respect

Create an inclusive culture which understands the value of diversity of thought and background.

Education

Make a long-term commitment to develop talent and enable internal progression.

Accessibility

Support long term change through education.

Community

Create a positive societal impact.

Habitat

Respect our environment.

Hackney
foodbank

Our REACH Programme

We want to have an impact Beyond Our Four Walls

In 2023, we significantly expanded our charitable efforts to have a greater impact beyond our four walls. Our involvement spanned various causes, including education, sport, environmental conservation, and social value. This expansion is not just a reflection of our growth but a testament to our unwavering commitment to making a positive impact in the communities we serve.

As a business we have committed to providing two gifted volunteering days each for all staff for giving back causes, to providing matched funding for charity initiatives, and to facilitating a programme of giving back initiatives.

Our team have participated in charity events throughout the year and utilised giving back days to volunteer with local charities such as Citizen Zoo, Hackney Foodbank and Land Aid.



REACH in Focus

Our Habitat principle helped us respect and protect our environment



By restoring natural process and missing species, rewilding is a fantastic way to restore the natural function of our ecosystems by reintroducing species and empowering people and communities to take action to protect nature. Citizen Zoo helped us contribute and meet these objectives through their social enterprise and partnership programme.

By utilising one of our organisation's 'giving back days' 17 employees volunteered by returning to help Citizen Zoo at Paradise Hills, Ealing. Our team worked hand in hand with Citizen Zoo to help reintroduce Beavers into the Hills. Their return helps prompt a wider ecological benefit - dam building creates new habitats for beavers as well as other animals; can help alleviate the impacts of drought; and can also provide benefits for local people through reducing localised flooding in the area.



Our community principle helped us have a positive societal impact



In October 2023, we hosted a "Wear It Pink Bake Sale" to support Breast Cancer Awareness Month. This initiative was part of our ongoing commitment to making a positive social impact in our community.

The team raised over £245 for the charity. This all went towards to Breast Cancer Now who work with labs across the UK and Ireland to provide lifesaving research, whilst also providing support to all.



Impact-Focused Investment Through Co-Living

Since its inception in 2019, our Folk Co-Living Fund has completed the development of two of its three initial assets and is close to launching its third. This has resulted in more than 800 co-living units being added to the London Market. All three developments are looking to support the fund's main objective of being an impact-focused investment vehicle striving to increase the delivery and diversity of environmentally conscious and affordable homes across London.

We are pleased that the fund is an Article 9 fund, reflecting the clear objective of the fund to generate a positive sustainable impact and meet specific environmental and social goals.

The fund has set clear commitments in four specific areas and have embedded sustainability across their operations and developments:



Housing

To pioneer a good value housing solution and assist in providing housing to marginalised groups in London.

£1m

£1m contribution towards the provision of affordable housing in Harrow

5

5 rooms in each property will be offered at a 50% discount to market rent to assist marginalised groups

35%

35% of long-stay rooms at Earlsfield and Battersea are let at discounts to OMR levels

2

2 rooms at Earlsfield have been offered to Ukrainian refugees at a discount to market rent.



Community

To build strong, diverse and supportive communities in and around our assets by encouraging social engagement, empowerment and economic growth.

3

Established three community investment partners for the Fund

1%

1% of the net income from each operating asset donated to our COLIV Inclusive Community Grants



Embedded support for local communities during the development and post completion

LLW

London Living Wage paid to all suppliers



Health & Wellbeing

To use innovative building design, community activation and management strategies to promote good health and wellbeing within our communities.



Revised our events strategy to enhance social experience for residents.



The Fund continues to review a subscription to the Lifeworks Wellbeing Platform

2

Two members of the Harrow team are Mental Health First Aid Trained



Environment

To develop and operate a portfolio of environmentally conscious and sustainable buildings.



Targeting BREEAM Excellent across the Portfolio



Completing a review on how energy efficiency within the building can be improved



Co-Living Fund I has achieved a GRESB 5 Star rating and global sector leader status

FOLK.



GRESB
REAL ESTATE
sector leader 2022

Creating a positive impact at Florence Dock

FOLK.

Opened in 2023, Florence Dock has built on the success of The Palm House and Sunday Mills to create a hugely sustainable and community-focused environment. This development showcases how RI can be effectively implemented in residential spaces, promoting sustainability, social cohesion, and responsible governance.

Florence Dock places a strong emphasis on environmental sustainability, evident in several key aspects of its design and operation. The building incorporates advanced green technologies, including energy-efficient heating and cooling systems, solar panels, and bio-diversity initiatives. These features not only reduce the carbon footprint of the development but also contribute to lower energy costs for residents

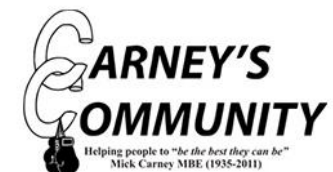
- 100% Electric powered scheme, procured from renewables
- 100% low energy lighting throughout
- Automatic Meter Readers installed in each apartment to monitor individual energy use.
- 60% CO2 Emissions saving against the Part L benchmark.
- Hot water provided by Air Source Heat Pumps.
- 65sq.m of Photovoltaics cells providing 4,800kWh per year.
- 1 x Electric Vehicle charge points and hire scheme on site.
- Sustainable drainage system installed in the external landscape to mitigate any flooding across site.
- Landscape and roof terrace planting all utilises native species to promote biodiversity.
- Fully electric scheme.
- Onsite PV panels and air source heat pump.



EPC A Predicted

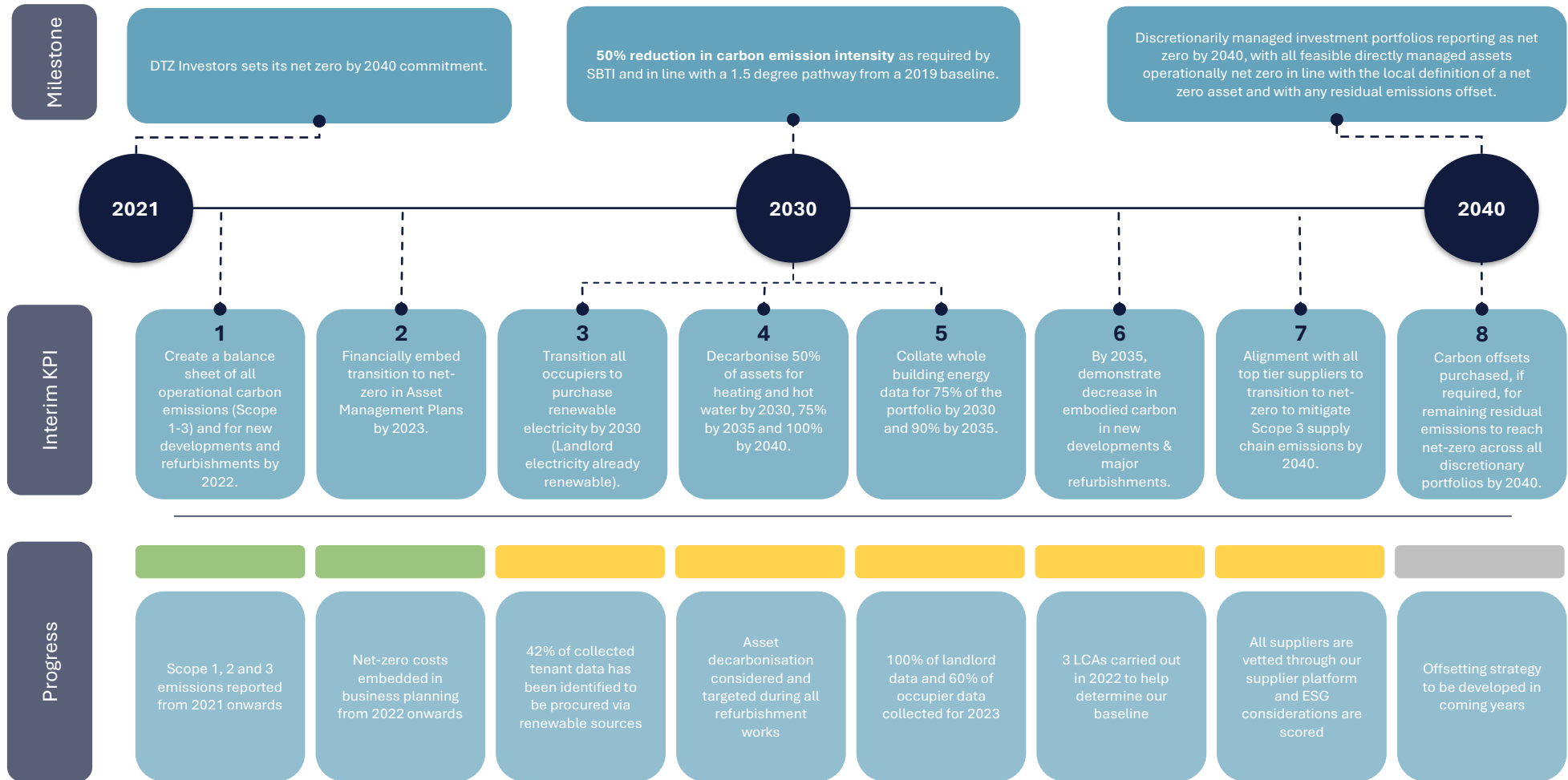
GRESB 5* Achieved

In addition to trying to foster a community with the residents in Florence Dock we have also actively tried to work with the local community. In 2023 we partnered with Carney's who are a local Wandsworth based charity that works with disadvantaged young people. We hosted a Christmas party for staff and volunteers using our self-service bar and arranged for Christmas gifts for families supported by the charity as well as inviting them to Florence Dock's Xmas day celebrations.



Committing to Net Zero by 2040

Our journey to net zero



Our Progress to Net Zero

We have achieved significant reductions in our carbon footprint

As we progress toward our 2040 target date, we remain committed to delivering meaningful reductions in both the absolute emissions produced across our operations and the carbon emissions intensity of our properties.

So far, we have reduced our total Scope 1, 2 and 3 emissions by 30% vs our 2019 baseline and reduced emissions intensity by 26%. As we continue to integrate acquired assets and improve data collection, we expect to observe fluctuations in our absolute emissions.

This year, we have seen more modest reductions in our emissions (5%) and emissions intensity (7%) compared to 2022, even as newly acquired assets, selected for their strong ESG performance, have been integrated into our portfolio. We have extrapolated their data back to 2019 to ensure a more representative baseline. This provides a valuable opportunity to further optimize emissions performance across both new and existing assets

On a like-for-like basis, we have successfully reduced our Scope 1 & 2 emissions, reflecting the positive impacts of our sustainability measures in our managed areas.

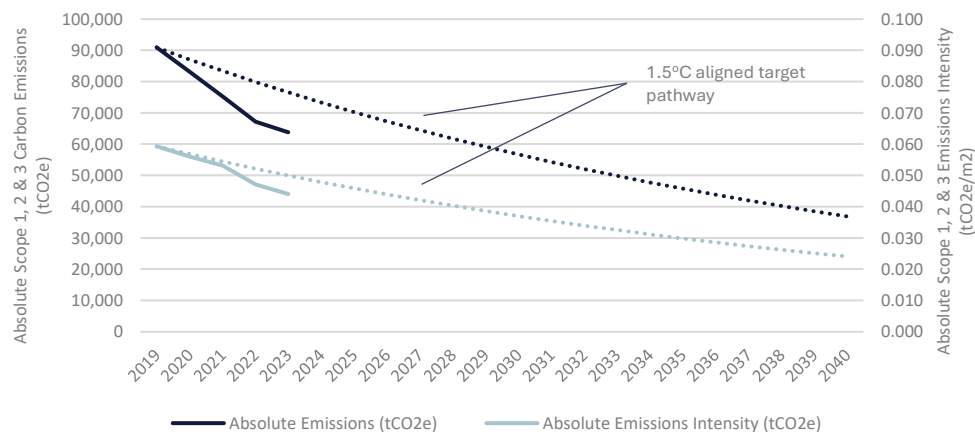
Our focus continues to be on implementing key initiatives (e.g. Decarbonisation of heat, etc.) to drive progress towards our emissions reduction goals, despite the challenges posed by portfolio growth.

For our discretionary mandates, we currently report on five scope 3 categories. As we gather more data and align with industry best practice, we will continue to expand our Scope 3 reporting to include all relevant categories.

As a signatory to the BBP Climate Commitment we will continue to report on our progress to net-zero within our annual reports.

30% reduction in total Scope 1, 2 & 3 emissions (vs 2019 baseline)

26% reduction in scope 1, 2 & 3 emissions intensity



Asset Decarbonisation: Brooklands Close



With the occupier leaving the property after 18 years, it presented an ideal time to appraise the vacated units for potential carbon emission reductions.

Our refurbishment focused on:

- Modern VRF heating installation in the unit's offices.
- The replacement of existing fluorescent lighting with new high efficiency LED lighting.
- Electric panel heaters installed into the toilets and office accommodation.
- An energy and cost effective VX split system installed in Unit C2.
- Installation of electric point of use heaters
- Decarbonised - gas capped off and new electric water heaters installed
- Estimated to achieve B EPCs across both units.

A modern gym interior with various exercise machines, a person on a treadmill, and a large exercise ball. The gym features a mix of wooden and green artificial turf flooring, large mirrors, and industrial-style lighting. A person is running on a treadmill in the foreground, and another person is visible in the background. A large white exercise ball is prominently displayed in the center. The text "Implementing Responsible Investment" is overlaid on the image.

Implementing Responsible Investment

Our RI Approach

We have built our approach to RI around four core pillars

To enable the delivery of our long-term ambitions and ensure that RI is embedded into everything we do, we have built our RI approach on **four core pillars**.

1. Leadership & Governance



Our leadership focuses on promoting an RI culture, where colleagues feel personally responsible for identifying improvements and delivering change as part of their day-to-day role, rather than assuming RI is the ESG team's responsibility. RI considerations are assessed across our business and investment processes ensuring consistent implementation of ESG factors in our governance.

2. Investment Process & Implementation



We implement RI across six stages of the asset lifecycle, with clear investment processes, tools, and checklists. We have invested heavily in developing a proprietary, online collaboration tool, the Asset Management Toolkit. This ensures all stakeholders have the data needed to make informed decisions in line with our RI goals.

3. Stakeholder Engagement



Stakeholder engagement encompasses a broad range of parties, including colleagues, clients, underlying managers, suppliers, occupiers, and local communities.

4. Benchmarking & Disclosure



Educating and engaging with clients, occupiers, our people and local communities enables effective decision-making and action that leads to positive environmental and societal impact across all corporate & real-estate activities.



Implementing RI Throughout the Property Lifecycle

We implement RI at every single stage of our investment lifecycle

Since the start of our RI journey, we have focused on embedding RI into the day-to-day roles of all the stakeholders that play a role in the management of our assets. This includes everyone from our board through to individual facility and site managers. To support this and ensure that this is done in the most efficient, consistent and high-quality manner, we have tools and processes across our Asset Management Lifecycle. This includes six key stages, including:

1. **Responsible Investment Strategy**
2. **Responsible Asset Acquisition**
3. **Active Ownership**
4. **Asset Improvement**
5. **Benchmarking & Disclosure**
6. **Sales Disciplines**

By developing our strategy around these six stages, we know that all activities that we undertake in relation to assets under our management are not only generating long term sustainable income for our clients but are also

supporting a more sustainable future for our stakeholders and the wider environment.

We have developed clear processes, tools and checklists to ensure that all stakeholders, including asset managers, property managers and occupiers, have the necessary information to enable them to make informed decisions that follow the requirements of our RI programme.

With this information, stakeholders are empowered to go above and beyond just minimum standards and strive for best practice. This year, we have further integrated the assessment of transition risk and climate resilience into our strategy. In addition, we have redeveloped our biodiversity strategy, focusing on benchmarking our current performance and aiming to achieve net positive impacts on local ecosystems through diligent asset management and development practices. Alongside this, our new social value policy aims to improve our community engagement and social impact. This initiative is supported by the implementation of social value certifications across our managed portfolio.



In 2023, we improved our pre-acquisition RI audit, designed to provide a comprehensive assessment of a potential asset's RI performance and to identify key opportunities for improvement. This audit informs our asset managers and clients about the ESG capabilities of an asset, enabling more precise capital expenditure planning prior to acquisition. By integrating this audit into our RI Lifecycle, in line with broader policies, processes, and reporting templates, we ensure that our acquisitions align seamlessly with our sustainability objectives and maintain the overall resilience of our portfolio.



Understanding our Clients' RI Strategy

It is critical that we understand our clients' objectives first

Before we look to purchase assets and bring them under our management, we strive to understand our clients' objectives and requirements and how our own management and processes can support these. This includes three key steps:



1. Understanding our Clients' Objectives

This includes return objectives, target allocation, RI objectives and priorities, risk tolerance, and any investment constraints the client may have. These objectives are reviewed and updated annually through ongoing client interaction.

2. Responsible Investment Style

Through combining economic and property market forecasting and research in to global and local occupier RI trends with input from our RIC on RI market trends and regulation, we can identify the style of investment that will deliver sustainable value within our portfolio risk parameters.

3. Responsible Investment Allocation

Our favoured RI style is overlaid with an assessment of risk concentration for each fund, analysing strategic weightings; tactical exposures; and ESG risks to show forecast returns over the asset hold period. Understanding how to price ESG risk into this analysis is our key differentiator. This mitigates risk and provides an opportunity to spot market mispricing.



Placemaking at Walkergate, Durham

Walkergate, Durham became a hub for social value initiatives and placemaking strategies in 2023 with the team lending skills; gifting facilities to host community focused events; raising money for local initiatives; and sponsoring community events.

Family focused events such as Durham City's Fire & Ice sculpture trail and a Dinosaur Exhibition created a community hub, raising money for local charities and attracting visitors to the area.

The scheme has also become major sponsor of Lumiere. Walkergate expects to host three art installations.

Financial support has been matched by the County Durham Community Foundation, extending benefits to local community projects such as the Poverty Hurts Appeal.

Responsible Asset Acquisition

Aligning Investment Fundamentals with RI Excellence at Acquisition

Our acquisition strategy is designed to create a positive impact beyond our four walls, focusing on assets that meet several critical criteria;

- Located in highly-connected urban markets with robust public infrastructure and high land-use density.
- Favor reuse and repositioning over demolition or sale, aligning with sustainability goals
- Can be transitioned to Net Zero Carbon (“NZC”) to meet our long-term environmental targets
- Will prove resilient to a more variable climate without significant capital expenditure.
- Occupied by long-term users
- Provide flexibility to add value through placemaking and engagement programs with occupiers and the community.

Potential acquisitions are screened against these requirements and due diligence is carried out pre-acquisition to identify potential ESG opportunities and risks to future occupation, operations and value. Issues with direct financial relevance are integrated into the valuation, IRR analysis and decision-making process.

Our value committee reviews the pricing analysis for capital transactions and verifies adherence to our processes and policies. Recommendations are tested against objectives, risk parameters, and return requirements by the client investment committee, which holds fund teams accountable for delivering on the RI program.

This year, we acquired a retail warehouse in East London for our client, guided by the detailed RI policy requiring a thorough review of the assets’ ESG credentials at acquisition. With a mix of essential retailers and food operators, adjacent to a major superstore, the location is poised for growth supported by two new Crossrail stations. The area’s residential regeneration also supports alternative uses, enhancing the long-term value of the asset.

In alignment with DTZ Investors’ RI policies, we conducted extensive surveys at acquisition to assess future capital expenditure needs, NZC transition potential, MEES compliance, and environmental risks like flood exposure.

A crucial factor in the success of our RI strategy is active engagement with occupiers. At acquisition, we reviewed our future occupiers’ ESG ambitions and Net Zero targets, which informed our post-acquisition management strategy. Our initial management phase focused on developing a tenant engagement strategy and drafting a comprehensive Asset Improvement Plan based on our due diligence findings.

The intentions of this strategy is to support the long-term sustainability and resilience of our investment, aligning with our broader objectives of reducing emissions, generating social value, and sustaining returns.

100%

Of assets went through our asset acquisition and due diligence process in 2023

100%

Of investments were screened against RI requirements



Goodmayes Retail Park

Asset Acquisition at Coventry Logistics Park

Coventry Logistics Park, comprises a 43-acre site which is located to the northeast of Coventry City Centre on Junction 2 of the M6 making 90% of the UK population accessible within 4 hours' drive time. The asset is a recently developed scheme having completed in August 2022. The scheme comprises three modern Grade A distribution units totaling 784,989 sq ft.

The asset presented an outstanding investment opportunity distinguished by its market leading position and quality ESG credentials:

- LED lighting, intelligent lighting controls, building management systems and energy and water monitoring systems.
- Fully electric heating and hot water systems using air source heat pumps.
- EV charging points with the infrastructure to add more.
- The site has good public transport connectivity as well as providing 200 cycle racks and an estate cycle scheme which includes free bike hire for 15 hours to travel to and from the estate.
- PV panels are installed on each unit.
- A rating EPC across all units surpassing the requirements of the 2030 MEES Regulations.
- Outstanding BREEM rating

ESG

Due diligence completed
ahead of acquisition

Outstanding BREEM Rating

'A'

Rated EPCs across the park

Full LED lighting PV Panels EV Charging

In acquiring Coventry Logistics Park, we ensured the following were completed:

- Environmental survey to determine compliance with laws, regulations and standards.
- ESG due diligence to determine potential liabilities to value and opportunities for improvement in relation to environmental and social performance. This included the identification of improved EPC ratings through reassessment.
- An investment committee review to evaluate investment rationale on an asset, fund and a market level basis.
- A value committee review to evaluate pricing and investment performance through the assessment of several factors including environmental resilience and the scope for ESG improvement.

Once acquired close attention is now being placed onto constant asset improvement. Key initiatives include:

- The potential to implement social value schemes and to involve all tenants.
- The development of asset improvement plans.
- Strong occupier engagement including data collection strategies.

Active Ownership & Asset Improvement

We have built RI into every part of the asset lifecycle

We have worked to embed RI requirements into every level of our asset management. All stakeholders understand this strategy and adopt the necessary governance procedures to ensure asset performance is monitored, benchmarked, improved and maintained on an on-going basis.

Within the ongoing management of our assets, there are a number of key tools, process and strategies that we utilise to do this.

In 2023, we have focused on:

- MEES compliance and quality reporting
- Climate resilience and risk management
- Net zero auditing, decarbonisation pathways & business planning

Ultimately, these have ensured that we are continually progressing our assets towards our long-term objectives and supporting the development of a more sustainable future.

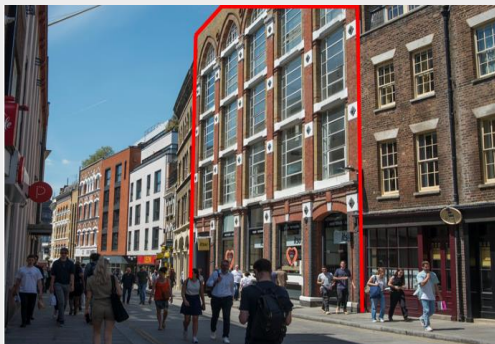
Focusing on ESG credentials in standing assets: Denmark House.

Denmark House was identified as being suitable for asset improvement with scope to strengthen its RI credentials and attain certification. This would bring the asset more in line with our net zero commitments, increase GRESB ratings and deliver a more attractive asset for our occupiers.

Key initiatives included:

- Measures to reduce energy use, including the instillation of energy-efficient lighting and efficient heating systems. It was estimated that 100 kWh/week could be saved using these measures.
- Water-efficient fittings to reduce water use.
- Establishing a waste management plan.

These improvements have resulted in a BREAAAM Excellent rating.



Responsible Refurbishment at Montagne De La Fage, Paris

This year, Montagne De La Fage in Paris underwent an extensive refurbishment, targeting multiple green building certifications as part of our commitment to sustainability.

The project not only restored the property but also achieved exceptional standards in energy efficiency, environmental impact, biodiversity and occupant wellbeing, setting a new benchmark for excellence in sustainable refurbishment.



THEMES

OUTCOMES



Energy Reduction:
Green Taxonomy
Compatible

- Designed in line with EU Taxonomy and Tertiary Decree energy performance benchmarks
- Significant reductions predicted due to implementation of geothermal energy, solar panels, high performance insulation, heating resilience and optimised building management systems



Limiting Whole Life
Carbon:
976 kgCO₂e/m²
achieved in renovation
3900 kgCO₂e/m²
typical 'carbon weight'
of an office building

- Reducing embodied carbon was a key part of the refurbishment
- Responsible 'bio-sourced' materials used for the wooden extension
- Reuse of existing material prioritised during construction i.e. façade stones, drains, false floor and wooden decking



'Integration of Life' &
preservation of natural
resources

- Biodiversity Net Gain was a point of emphasis for the project. Multiple nest boxes are installed on-site (bats, sparrow, kestrels) as well as drinkers and non-invasive plant species
- 36% of the plot is planted area (793m²)
- Rainwater recovery installed for watering and sanitary facilities



Prioritised thermal
comfort and health &
wellbeing

- Reduced tenant dissatisfaction linked to thermal comfort.
- Optimised HVAC control systems via the use of CO₂ sensors and personalised comfort parameters
- Commissioning reports for air quality, acoustic, illumination, air flow and speed, and electromagnetic measurements



Building Connectivity:
Highest level of
connectivity achieved
WiredScore Platinum &
SmartScore Silver

- Infrastructure available: Pre-wired optical fiber, space available on the roof for a radio beam telecommunications system, possible connection of a mobile generator
- Additional user services available: Smart and cybersecurity policies in place, public WiFi in common areas, user technological interface

RI in action at Printworks, Manchester



Asset Overview

- Printworks, Manchester's premier leisure scheme spans over 350,000 sq ft and attracts almost 8 million visitors each year. Printworks is situated in the heart of Manchester City centre, surrounded by public transport infrastructure as well as Manchester Arndale, The Corn Exchange, Manchester Arena, National Football Museum and NOMA all benefit from combined footfall of approximately 44 million visitors each year.
- Printworks was recently subject to a £27m refurbishment of the scheme and cinema alongside a rolling RI management programme. These projects aim to meet our key RI objectives and mitigate RI risk, enabling us to stay ahead of the curve in preserving asset attractiveness, increasing asset value and reducing the risk of asset stranding.



MEES Compliance & Net Zero

- Our asset improvement plan maps out the actions require to ensure compliance with MEES legislation and transition towards net zero carbon. Guided by Net Zero Audits, EPC+ and Decarbonisation Feasibility Reports we are able to plan for major works at the right time in the property lifecycle and programme a plan of continued upgrade through the operational framework. This has so far resulted in an increase in the number of B & C rated EPCs by 12.5% and 42%, respectively.
- In line with our targets to reach Net-Zero by 2040 and achieve a 50% reduction in carbon emission intensity by 2030, feasibility studies have been completed to assess viability of various initiatives, including the feasibility of roof-based PV panels. The study revealed a good proportion of landlord energy could be produced by on site renewable energy via a roof-based PV array. The PV project is ongoing and has included continuing engagement with tenants notifying and informing them on the benefits of the scheme.

Decarbonisation & Social Value

- Our pathway to reach Net-Zero involves plans to upgrade the substation at Printworks which will enable us to electrify the asset, i.e. install air source heat pumps and reduce our dependency on gas boilers, while also providing efficient cooling to the site.
- With Printworks acting as an important hub for social value and community engagement, it is important we look to measure our value-added to local communities. In line with our revised Social Value Policy, Printworks is currently being assessed for the RESVI certification, via the Social Value Portal, to provide measurable social value insights (£) and further develop our social value strategy for the asset. This will ultimately improve the funds wider ESG credentials and provide a solid foundation to continue The Printworks social value journey.



Biodiversity

Promoting Biodiversity Across Our Entire Asset Journey

We recognise the importance of biodiversity as part of our wider sustainability goals in supporting communities and maintaining resilient ecosystems. As part of our RI strategy, we are committed to integrating biodiversity considerations into our operations and developments. Our aim is to measure, protect, and enhance biodiversity within our business operations and properties under our management.

Measure and monitor:

- We conduct baseline biodiversity assessments for each property using the Biodiversity Net Gain metric. Our goal is to identify and document all existing habitats, species, and ecological features.
- We plan to monitor changes in biodiversity over time focusing on indicators such as species richness and habitat quality to assess biodiversity health of any key habitats identified.
- And will maintain a database of biodiversity data for our properties.

Enhance and protect natural habitats and species on our properties:

- We develop and integrate Biodiversity Action Plans into our Asset Improvement Plans for each property, outlining specific actions to improve biodiversity (Net Gain).
- Our approach includes maintaining our properties with eco-friendly landscaping practices, incorporating green roofs and walls to provide habitats, and the use of native plant species.

Engage with stakeholders to promote biodiversity:

- In line with our wider stakeholder engagement commitments, we engage with local communities and tenants to promote biodiversity initiatives.
- And foster community participation in biodiversity projects, such as tree planting and habitat restoration events.

Comply with relevant local and national biodiversity regulations and standards:

- As RI regulations around biodiversity evolve, we are committed to ensuring compliance with all relevant biodiversity-related regulations and standards. We will continue to adopt and maintain best practices in our operations to promote Biodiversity Net Gain;
- Include biodiversity metrics and case studies in our ESG reports and communications;
- And report annually to our stakeholders on biodiversity performance.



We identified as part of our AIPs the opportunity to install bird boxes at National House, Manchester which boosts biodiversity by providing safe nesting spots for birds, supporting a healthy ecosystem. This simple addition promotes local wildlife, enhances the natural environment, and benefits the community



Generating Social Value

Our Social Value programme is designed to advance social outcomes and promote community well-being

We want to make a positive impact beyond our four walls. A key part of this is embedding social value commitments and targets across our assets and landlord procured activities. We have integrated social value performance indicators into our property management agreement for our portfolio, and developed our Asset Improvement Plans to include assessing the feasibility, and targeting the implementation, of tenant and community engagement initiatives for all applicable sites.

- Baseline:** Conduct baseline social impact assessments using RESVI metrics to assess the social impact of our properties. The intention is to establish a clear starting point to measure the progress of the social impact of our properties as well as identifying areas for improvement. The outcomes of the assessments are crucial in supporting the development of our strategies, at asset level, to promote positive community outcomes and align with our commitment to fostering the kind of impacts intended within the communities we serve.
- Measurement and Certification:** By using independent certification such as RESVI to guide and inform our social impact strategies, we can tailor our approach to community engagement, health and well-being, and health and safety by using data-driven metrics aligned with best practice. The RESVI framework helps us prioritise the most relevant initiatives by asset types and develop our wider stakeholder collaboration to best meet community needs and consistently stay in line with the leading industry approach.
- Targeted:** We recognize the opportunity we have and our responsibility to support local communities impacted by our investments. By targeting engagement with local charities and organisations, we aim to build strong partnerships that enable us to understand and address the unique needs of each community where our properties are located. These efforts will provide insights and resources that inform our initiatives in health and well-being, inclusivity and accessibility, and education and training. These initiatives may range from investing in and maintaining green spaces and recreational facilities or implementing well-being building designs and management practices; to ensuring developments are accessible and inclusive, or partnering with local institutions to develop specific opportunities and provide targeted programs that support local employment and skills development. We aim to better align our social value efforts with the priorities of the local community which this collaborative approach enables us to maximise the social impact of our investments.
- Benchmarking and Disclosure:** By disclosing our social value outcomes in our reporting using relevant social value metrics we can identify areas for improvement and contribute to industry standards. We will also continue to highlight success stories that showcase positive social outcomes, showing the impact of our initiatives on the local communities.



A wreath making and afternoon tea event was held Walkergate which was donated by Walkergate and the Champagne Food Bank. These donations helped aid The Trussell Trust in providing food and support to the local community during the winter.

Legislation Reviews, Monitoring and Compliance

We have mitigated the risk of non-compliance with MEES

We have a responsibility to ensure that our clients are exposed to as little risk as possible. By doing this, we can deliver sustainable returns over a greater period of time.

We continually review legislation and requirements implemented by governing bodies.

Through these reviews and the use of our integrated RI approach we are able to quickly and effectively manage risks, adapt our portfolio and stay ahead of any legislation.

From April 2023, all existing leases on

commercial properties have to have EPC ratings of 'E' or above. It is expected that commercial properties will be required to have a minimum EPC rating of "C" by 2027 and "B" by 2030. This represents a significant challenge and equal risk if not managed effectively.

We have revamped our strategy to continually review our portfolio exposure to ratings below "C", to identify the required CAPEX and improvement works to mitigate against any risk.

399

EPC surveys completed since the start in 2023

31%

EPCs rated A – B

>50

Improvement works scoped

100%

Compliance with MEES legislation



EPC Improvement & heat decarbonization at Vine Hill, London

By carrying out ESG audits, EPC+ reports and feasibility studies for heat decarbonization, we were able to identify the most impactful areas to improve the EPC performance of the asset and to improve the net zero pathway. The asset consisted of a traditional gas heating system as part of the base build. As the system reached end of life, works were required to assess the most efficient system for the next stage of the property lifecycle that aligns with our management strategy and improves the ESG credentials of the asset as cost-effectively as possible.

Refurbishment Details:

The focus was on reducing emissions, improving the EPC rating and delivering an asset which would promote occupier wellbeing and engagement:

- Measures to reduce energy use including the installation of modern VRF heating on the office floors.
- Replacement of existing fluorescent lighting with new high efficiency LED lighting.
- Focus on tenant engagement and data collection with the installation of AMR's.
- Limiting waste with the recycling and reuse of sustainably sourced office furniture.
- Improving the building amenities and promoting sustainable travel with the installation of cycle racks and an additional shower.
- Improvement of the EPC's from a draft F to a C.



Climate Risk, Resilience & TCFD

Measuring and mitigating climate risks within our portfolio

We manage a large variety of assets across the UK and Europe and our operations impact a significant number of people and businesses. Therefore, it is imperative for us to have a clear plan in place to achieve net zero, report our progress and understand what risks exist in our portfolios that might act against our objectives.

By looking into a number of future scenarios and reviewing the impact of climate change on the landscape and populations around our business, we can do just this. We can look to mitigate those negative impacts, develop an approach to climate resilience and clarify our route to a low carbon operating model.

In 2019, we integrated the recommendations of TCFD into our RI approach and report against these each year. We continue to report against the 11 recommendations outlined by the TCFD and each year we look to further extend our scope of reporting and our depth of analysis. In 2023 we have once again updated our climate risk and vulnerability to gain an understanding of the assets in low, medium and high-risk areas which are ranked based on Spectra's physical risk scores ranging from A to F. This ultimately allows us to accurately understand the probability and severity of climate impacts on our portfolio as we move towards the short, medium and long terms over different climate warming scenarios.

Through their Spectra platform, we can gain granular insight into the level of different physical risks that might occur at each of our assets under different warming scenarios with potential losses we may face.

We are now utilising this insight across the lifecycle of our assets from acquisition due diligence, to annual risk reviews and business planning, as well as informing sale decisions. To see more about how we monitor and manage climate related risks and opportunities within our business, please see our TCFD report [here](#).

Building on the progress we have made this year in developing our climate change risk assessments, and as signatories of the Better Buildings Partnership (BBP) Climate Commitment, we align with their definition of climate resilience. This year, and going forward, we are dedicated to further developing and implementing a comprehensive climate resilience plan that addresses the challenges posed by each of the three defined components of climate resilience: climate change mitigation, climate change adaptation and climate change disclosure, ensuring our assets are better prepared to withstand and adapt to future climate related impacts



CLIMATE X

Net Zero Auditing & Business Planning

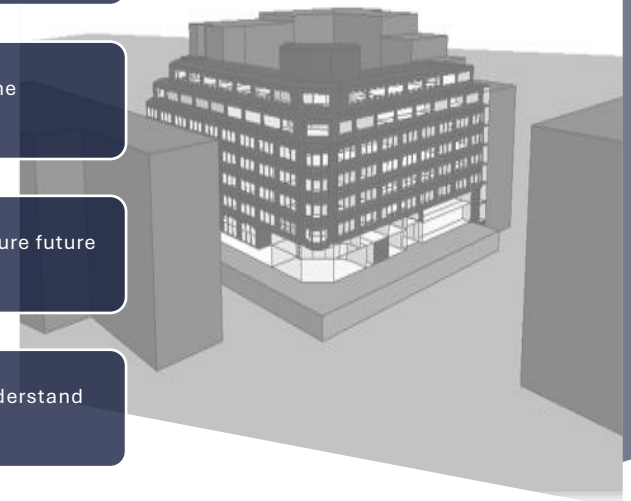
Integrating the costs of net zero into business planning is key to delivering our long-term targets

Delivering net zero is a complex challenge, further complicated by the diversity of assets we manage. Our assets vary not only in type but also in management style, occupant composition, geography, and age.

Building on the audit program we initiated in 2022, we conducted an additional 10 net zero audits in 2023. These audits aimed to assess the true cost of achieving net zero at an asset level across a representative sample of our portfolio. The insights and costings from these audits allow us to extrapolate findings to the rest of our portfolio, enhancing our business planning and ensuring future cost forecasts are as accurate as possible.

As a result, we now have greater confidence in our business planning, enabling us to forecast portfolio success with increased precision and make informed decisions to advance towards a more sustainable portfolio. This aligns with and supports our long-term strategy.

To complete these audits, we worked closely with Cushman & Wakefield's sustainability team, who were able to utilise leading software and their in-depth knowledge of asset decarbonisation, refurbishment costing and property management to deliver reports that could support our own asset management decisions.



Benchmarking and Disclosure

Transparently documenting our progress

Monitoring and reporting on the performance of our portfolio is critical. This allows us to demonstrate:

- continued progress in our programme
- how we are moving along our journey to long-term targets and,
- performing against our peers.

We have put a thorough reporting process in place that ensures we are monitoring progress on a monthly, quarterly and annual basis.



G R E S B

9 funds and 24 green stars in 2023

Global Sector Leader



Public supporter of TCFD



5* rated in Policy, Governance & Strategy

5* rated in Real Estate

5* rated in Confidence Building Measures

Monthly Reporting to the RIC

Our RIC helps to develop our organisation's RI direction and strategy

Our investment committees hold our fund management teams to account on their progress

Quarterly Reporting to our Investment Committees

Annual Reporting to GRESB

GRESB allows us to review our progress and monitor performance against peers

Reporting to PRI ensures we are implementing and aligned with best practice

Annual Reporting to PRI

Annual Reporting to our Clients

Our clients monitor our progress and ensure that we are aligned to their expectations

Stakeholder Engagement



Stakeholder Engagement

Making an impact beyond our four walls

We understand our responsibility to use our influence and reach to positively impact stakeholders within the boundaries of our operations. Consequently, we have developed and implemented robust tools and processes to ensure active engagement with these stakeholders wherever possible. Our aim is to drive ESG performance and extend our influence **Beyond our Four Walls**, creating meaningful change not only within our immediate operations but also in the wider community and environment we interact with.

Key tools and process that have been put in place include:

- Green leasing guidance and requirements.
- Refurbishment, redevelopment, new construction and fit-out guidelines for contractors and occupiers.
- Regular and structured occupier engagement meetings.
- Supplier vetting around ESG requirements.
- Identifying charity partners to work more closely with.

60%

Occupiers shared their consumption data

100%

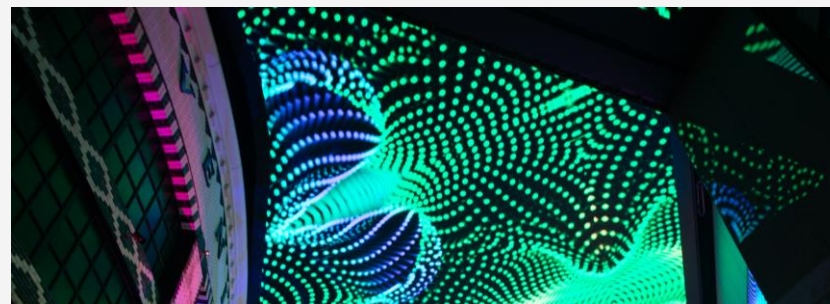
Of refurbishment projects have utilised our ESG guidelines

100%

Of suppliers have gone through our vetting process

>£30,000

Donated to our charity partners during 2023

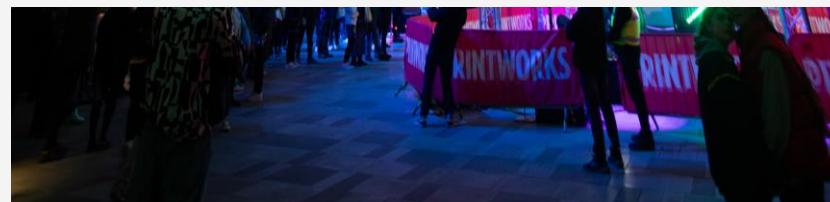


Printworks, Manchester

Acquired in 2017 and largely refurbished for much of 2023, our focus with Printworks has been to boost its environmental credentials and initiatives to bring the asset into alignment with our net-zero commitments. By engaging with our tenants, we have ensured that there is a clearly agreed and collaborated approach to our short- and long-term plans and targets.

By using our refurbishment guidelines and bringing together key stakeholders we have been able to implement key initiatives to improve the asset including:

- By increasing collaboration with our tenants and increasing our environmental visibility we have ensured we have captured 100% of landlord and tenant electricity, gas, carbon, water and waste data
- Bee hives placed on the available roof space and a recently re-landscaped rooftop garden helps produce honey, fruit and vegetables which are sold. These proceeds go to charities and stakeholders within the local community.
- Our work with other key community stakeholders includes our partnership with the charity "Wild in Art" who have commissioned a large-scale art installation inspired by the City of Manchester. Since the start of 2023, we have worked with numerous other local charities. To provide a more data-driven approach to Social Value and aligning with our commitment to community/stakeholder engagement, we are also assessing the asset for the Real Estate Social Value Index certification.



Social Value Generation

We can use our reach to have a positive impact on people's lives

As managers of diverse portfolios, we have an extensive reach and the actions we take can influence a wide range of stakeholders. From our employees, contractors and suppliers, to our occupiers and local communities.

Therefore, we are continuing to increase our focus on utilising outreach to generate social value in each of these stakeholder groups.

To support this, we have developed a seven-step process that helps us as managers to identify social value opportunities and for our on-site teams to act upon this and deliver the social value.

By following this process, it is possible to identify, implement and monitor social value in all asset types and not just during development projects.

As we move forwards, we will be looking to utilise industry frameworks to calculate the total social value generated across our assets.

Generating Social Value at Lakeside, Doncaster

Owing to strong integration with local communities, Lakeside Village has extended its standing as a key asset for community engagement and social value generation in 2023.

Lakeside has hosted numerous events across this year working with a range of organisations to help provide opportunities and improve the quality of life for those in and around Doncaster.

Some of the events hosted this year include:

- The Spring Fayre
- The Village Green
- Yorkshire Strong Man
- Gulliver's Valley Day
- Spooky Savers
- Santa's Grotto



Alongside these local events, large charity donations have been made possible with the help of Lakeside. In total £12,245 has been raised/collected in 2023, including:

- £2,271 from Bluebell Wood Chocolate Tombola at Easter
- £2,700 collected by the RBL for the Poppy Appeal
- £3,003 donated at Santa's Grotto for Mission Christmas
- 914 bags of clothing & bedding collected by RSPCA and 24 bra boxes collected by Against Breast Cancer

In addition to these initiatives, Lakeside was also awarded the Green Apple Environment Award as well as the Best Hospitality or Retail Sustainability Initiative award at the 2023 South Yorkshire Sustainability Awards for their outstanding work.



Engagement with External Bodies

We need to understand our progress and performance against our peers

Delivering net zero and a truly sustainable future cannot be done by a single organisation. These are concepts that need to be delivered at a sector, country and global level.

To support this, we look to engage with industry bodies in order to support in the development and sharing of best practice within the real estate sector.

By sharing our own experiences and knowledge and learning with other organisations, we will all be able to accelerate the delivery of net-zero in the real estate sector.

We engage with leading industry organisations, membership bodies and professional partnerships to support in the acceleration of net-zero.



As signatories of the BBP Climate Commitment we are committed to support in the development of clear guidance for the industry, encourage greater consistency in net-zero definitions and boundaries and help to improve spaces in line with net-zero.



We have been working closely with the IIGCC for several years to help shape policies and regulatory frameworks for the sector.



We have worked to support the development of the new net-zero carbon building standard, specifically for the retail sector. Lending our knowledge, experience and expertise on how net-zero can be achieved within the asset class.



We work with INREV to share knowledge on the non-listed real estate sector. Supporting them to improve transparency, professionalism and best practices.



Indirect Fund Engagement

We engage with our indirect fund managers to support best practice

When investing indirectly, our control over the individual managers' RI practices is inherently limited. Historically, we have developed our manager selection process to ensure alignment with our RI standards. Year on year, we have expanded our engagement to include more detailed evaluations, as we continue seeking managers who not only meet but exceed our expectations in relation to RI performance. The selection process includes comprehensive due diligence, enhanced with a dedicated section on ESG criteria.

This section has been prepared to assess various aspects of each managers' adherence to RI policies and to monitor the managers' performances against several key ESG indicators:

- Who is responsible for coordinating, monitoring and implementing RI issues at company and fund level.
- What resources the fund manager has in place dedicated to RI issues.
- Whether the fund is benchmarked by the Global Real Estate Sustainability Benchmark 'GRESB' and the fund's score.
- How environmental performance data is collected and monitored and its incorporation into the fund's investment process.
- The EPC and Green Building certificate ratings of the assets held in the fund.

- Compliance with ESOS Regulations (as applicable).
- Their approach to Climate Resilience and whether they adhere to the recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD).
- Whether a commitment to Net Zero Carbon has been made at the fund level.
- Supply chain management and the fund's approach to social value generation

We also proactively engage and advocate for RI improvements within the funds in which we are invested.

Following investment, we monitor these areas on an ongoing basis as part of our regular dialogue and through our annual assessment of the manager.

Annual assessments are done through a tailored questionnaire that requires responses from each manager based on RI specific questions and indicators relating to the key indicators noted above.

Enhanced focus on Climate Resilience

By annually reviewing our assessment and the performance of our indirect mandates, we can identify where funds are utilising best practice and where some funds are falling behind the ever-evolving ESG landscape. Through individual feedback sessions, we are then able to support in the sharing of best practice with all funds.

This year, we have revamped the questionnaire to score the funds more stringently, while placing an increased emphasis on the climate resilience of the funds. The updated questionnaire now prioritises the evaluation of climate related risks and the strategies used to manage these risks.

In 2023, 42% of the retained funds saw an increase in their ESG performance. Overall, the funds show strong performance in their commitment to net zero goals, effective management of compliance risks and climate resilience.





Our Performance

Prioritising Sustainable Development

In developing our approach, we prioritised five United Nations Sustainable Development Goals that have the most material relevance to our business;

SUSTAINABLE DEVELOPMENT GOALS



Ensure healthy lives and promote wellbeing for all at all ages.

Engage employees, occupiers and local communities in the workplace, and in and around our assets on health & wellbeing and workplace safety.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Value our employees and support occupiers through management of real-estate to provide suitable workplaces, and manage our supply chain to ensure responsible and ethical working practices across all our business operations



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Develop, renovate and operationalise assets sustainably.



Make cities and human settlements inclusive, safe resilient and sustainable.

Revitalise our assets through placemaking and adding sustainable value



Take urgent action to combat climate change and its impact.

Continue to commit to environmental stewardship and reducing environmental impact of the assets we manage on the behalf of our clients.

and we target key areas for the improvement of environmental and social impact;



Net zero



Social Value Generation



Climate Change Risk



Waste Production & Disposal



Carbon Emissions



Stakeholder Health & Wellbeing



Energy Usage & Intensity



Air Quality Management



Water Efficiency



Sustainable Procurement



Renewable Energy



Occupier Satisfaction



Biodiversity & Habitat



Health & Safety Procedure



Transport & EV Charging



Fair Labour Practices



Stakeholder Engagement



Diversity, Equity & Inclusion

* Source: *Transforming our world: The 2030 Agenda for Sustainable Development*

Our Environmental Performance



Environmental Performance Metric	Unit of Measure	Type	2019	2020	2021	2022	2023
Landlord electricity consumption	kWh	Absolute	16,888,335	21,670,068	16,500,227	15,178,558	16,813,537
		Like-for-like	6,169,240	5,162,386	5,204,892	4,912,087	4,396,768
Landlord electricity consumption from renewable energy sources	% of total	Absolute	100%	100%	100%	100%	100%
Landlord natural gas consumption	kWh	Absolute	8,974,477	7,805,643	10,448,857	12,010,855	8,052,121
		Like-for-like	2,532,407	2,524,132	3,737,719	3,101,434	1,034,139
Scope 1 & 2 (landlord) GHG emissions	tCO ₂ e	Absolute	5,967	6,487	5,417	4,886	4,955
		Like-for-like	2,035	1,662	1,754	1,508	1,097
Scope 1 & 2 (landlord) GHG emissions intensity	tCO ₂ e/m ²	Absolute	0.057	0.044	0.042	0.044	0.036
		Like-for-like	0.072	0.059	0.062	0.053	0.039
Tenant data coverage (Electricity, gas and water)	% of floor area	Average	8%	19%	32%	52%	60%
Tenant electricity consumption	kWh	Absolute	165,399,770	165,331,650	171,187,127	162,833,077	151,605,174
		Like-for-like	143,838,748	148,791,055	157,249,189	153,300,110	147,216,201
Tenant natural gas consumption	kWh	Absolute	225,869,705	200,650,762	175,112,537	162,261,329	143,300,278
		Like-for-like	186,574,249	171,376,837	156,294,826	145,967,698	139,080,633
Tenant GHG emissions	tCO ₂ e	Absolute	83,802	75,439	68,422	61,108	57,607
		Like-for-like	71,067	66,200	62,016	56,290	55,927
Fuel & Energy Related Activity GHG emissions	tCO ₂ e	Absolute	868	944	1,321	1,026	1,082
		Like-for-like	299	241	430	345	251
Upstream Leased Asset GHG emissions	tCO ₂ e	Absolute	18	16	12	16	45
		Like-for-like	18	16	12	16	45
Waste Generated in Operations	tCO ₂ e	Absolute	199	209	84	99	109
		Like-for-like	84	70	46	64	66
Scope 3 GHG emissions	tCO ₂ e	Absolute	84,887	76,608	69,839	62,249	58,843
		Like-for-like	71,467	66,527	62,504	56,715	56,288
Scope 3 GHG emissions intensity	tCO ₂ e/m ² (NLA)	Absolute	0.058	0.054	0.052	0.047	0.043
		Like-for-like	0.058	0.054	0.051	0.046	0.046
Landlord water consumption	M ³	Absolute	145,419	248,939	120,529	127,400	137,959
		Like-for-like	14,247	11,723	7,594	3,381	7,632
Landlord waste production	Tonnes	Absolute & like-for-like	2,976	1,912	1,963	2,765	4,925
	% of total	Recycling Rate	46%	52%	51%	56%	56%
F&G rated EPCs	% of ERV	-	-	-	3.30%	2.0%	1.10%

Clarifications in our Data

- Reporting is done on an absolute and like-for-like basis for the aggregated environmental performance data of all discretionarily managed assets.
- Disclosures have been prepared in alignments with (INREV) guidelines for ESG disclosures and checked by external consultants Cushman and Wakefield.
- 2023 Scope 1, 2 and 3 emissions have been externally verified by AESG.
- Aligned with our financial reporting, GHG emissions relate to each respective calendar year.
- We have used a financial control method to outline our carbon footprint boundary.
- We have measured emissions based on the GHG Protocol Corporate Accounting Standard and emission factors provided by the UK's Department for Business, Energy & Industrial Strategy (BEIS).
- GHG Emission Intensity includes reporting only on internal areas where floor area served by the energy supplies is known or can be reasonably estimated.
- Where gaps exist in tenant electricity and gas consumption these were addressed using industry 'typical practice' benchmarks from CIBSE Guide F and calculated using asset class and floor area. Additional works will be completed when appropriate to calculate the emissions of purchased goods and services.
- Scope 1 and 2 emissions intensity figures do not include consumption or floor areas associated to vacant areas where consumption is the responsibility of DTZ Investors.
- Upstream leased asset data was not available before 2021, so an average consumption figure was taken from the available data
- A location-based emissions reported methodology has been utilised in order to help clarify the actual reductions in consumption levels. Therefore, the purchase of renewable electricity by DTZ Investors and tenants is not considered within emissions reporting.
- Reported data covers all discretionarily managed asset.



Progress Against our RI Targets

Alignment to Pillar	Target	Progress
 <p>Environmental*</p>	Complete long-term scenario modelling for portfolios under management.	A further 10 net-zero audits have been completed at units across the portfolios. The net zero costs identified within these have been integrated into business planning for all assets
	Reduce landlord-controlled carbon emission intensity (by floor area) by 50% by 2030 from a 2019 baseline	Absolute Scope 1 & 2 emissions have fallen by 17% and like for like emissions have fallen by 46% since 2019
	Decarbonise 50% of assets (removing use of gas and other fossil fuels) for heating and hot water by 2030, 75% by 2035 and 100% by 2040	Asset decarbonisation is being prioritised whenever an asset becomes vacant.
	Asset Improvement Plans (AIP) held on every multi-let asset	AIPs are held on all multi-let assets
	Target BREEAM certification for all new construction and major refurbishments including undertaking life cycle analysis (LCA) assessments to inform more sustainable design options	Achieving a BREEAM certification is a core part of our new development and major refurbishment guidelines. 3 LCAs were completed or instructed in 2022. These LCAs will help develop an embodied carbon baseline.
	Zero landlord-related breaches in environmental legislation	Zero breaches in MEES legislation and a significant reduction in F&G rated EPCs was achieved.
	Collect and track tenant related carbon, energy, water and waste impacts. 75% collection rate by 2030, and 90% by 2035. (remaining 10% based on low energy consuming tenancies and estimation)	100% of landlord energy data has been collected. 60% of tenant data was collected in 2023, as an average of electricity, natural gas and water.
Zero Waste to Landfill & recycling rate of 75% for landlord-controlled waste by 2025	0.3% of waste went to landfill and an 82% recycling rate was achieved in 2023.	
Reduction in water usage by 10% from a 2019 baseline by 2025.	2023 saw a 17% increase in absolute water consumption (34% increase compared to 2022), but a 46% reduction in like for like consumption vs 2019.	
 <p>Social Impact</p>	Embed social value commitments and targets across all portfolios and landlord procurement activities through our operations and third party appointed Property Managers	Social value key performance indicators have been included into our property management agreement for the majority of our portfolio
	Embed our RI Development & Refurbishment Framework in all projects with external project managers	All refurbishments, fit outs and new developments must follow our guidelines
	Engage all occupiers on environmental impact through data sharing and distribution of occupier guidance & tenant fit-out guidelines	Where possible, all tenants have been engaged with on the collection on utility data. Quarterly meetings being held with tenants within multi let assets regarding utility performance. Green clauses are being included in new leases to promote data sharing.
All assets, where public realm and place making is a strategic objective in the asset plan, ensure there is a dedicated tenant and community engagement plan	Tenant and community engagement plans have been implemented for all applicable sites	

* Does not include all interim Net-Zero Carbon targets

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