



BEYOND OUR FOUR WALLS

RESPONSIBLE INVESTMENT
REPORT 2021

01 CEO INTRODUCTION

We have a responsibility to stakeholders, society and the environment to address the challenges and opportunities presented by climate change. Accordingly, we have launched an ambitious programme aimed at demonstrating leadership in real estate investment management. The programme is titled Beyond Our Four Walls, ensuring our responsible investment (RI) philosophy is not just limited to the assets within our ownership and control.

“As managers of over £10bn worth of assets, we have a large role to play in ensuring that our company, our clients and our sector can support net-zero at a global scale.”

RI in Action

Our responsible investment (RI) strategy focuses on generating long-term, sustainable income growth from real assets that have a positive impact on their local community and environment.

We work in close partnership with occupiers to ensure that properties suit occupier requirements today and adapt as businesses evolve. The importance that is placed on maximising long-term sustainable income shapes our culture, influences our corporate governance, informs our investment philosophy, and determines our asset management style.

The structural shift towards a hybrid working model has required a dynamic approach to managing office spaces as the workforce steadily returned to offices in 2021. We have focused on improving occupier confidence in their office spaces, targeting occupier comfort and wellbeing. We also rolled out a more integrated engagement process that means increased contact with occupiers. This has assisted in raising awareness and driving behaviour change around energy consumption.

We made strong progress this year with our co-living fund, an impact-focused investment vehicle with the aim of delivering environmentally conscious and affordable homes across London, principally targeting first-time renters. The development of The Palm House, Harrow completed at the end of 2021 and became our first operational asset under our Folk brand. The Palm House is already having a positive impact on its community with strong partnerships already forged with local charities and community groups. We have two further assets currently under development, which combined will deliver almost 800 affordable units in London.

A Pathway to 2040 Net Zero Carbon

This year, we set an ambitious target to transition all discretionary assets under management to net-zero by 2040. This has been supported by the publication of our net-zero pathway document. This outlines how we will achieve this commitment through the use of an eight-step plan that combines effective governance and leadership with a comprehensive implementation programme and public disclosure.

This year has seen us make clear progress towards our net-zero commitments. We have delivered a 28% reduction in carbon emissions intensity, and have expanded our positive impact on communities where our assets are located. This has been made possible through effective collaboration with our clients and occupiers to drive forward the implementation of asset improvement initiatives. We have also focused on improving our internal reporting capabilities to provide greater transparency into our performance and ensure progress is maintained.

How our REACH Programme Makes a Positive Impact

Our REACH programme (Respect; Education; Accessibility; Community; Habitat) continues to drive forward our commitment to invest time, money and expertise in causes that affect our society. In 2021, we were able to support people and charities in our communities through volunteering days, fundraising initiatives, and mentoring and work experience opportunities. We also established a food donation point to Hackney Foodbank in our Old Broad Street office, which contributed to 26 emergency three-day food parcels for people in Hackney in crisis or trapped in poverty.

The latest IPCC report has highlighted that the moment is now to increase efforts to transition the built environment away from its unsustainable trajectory. At DTZ Investors, we will continue to expand the scope and reach of our RI activities Beyond the Four Walls of our Real Estate to support this global effort.



Chris Cooper
Chief Executive

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ABOUT OUR RI REPORT:

Our report relates to the period of 1 January 2021 to 31 December 2021 and to our UK and European business activities. The structure of our report is designed to provide an overview of our approach to responsible investment, our activities, performance and targets. Our environmental performance data is communicated against the INREV reporting framework. Continued disclosure of our performance demonstrates our commitment to our clients to be open and transparent. DTZ Investors operates within the umbrella of Cushman & Wakefield and therefore elements of organisational performance and employment policy will be reported under Cushman & Wakefield's CSR report. www.cushmanwakefield.com/en/united-kingdom/about-us/corporate-social-responsibility

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02 DTZ INVESTORS 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 £10 billion of real estate throughout Europe on a fully discretionary and advisory basis.

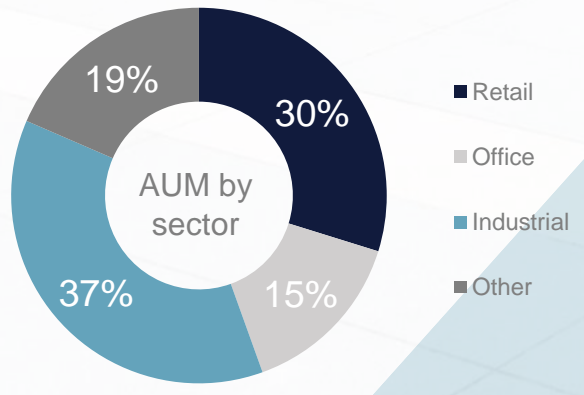
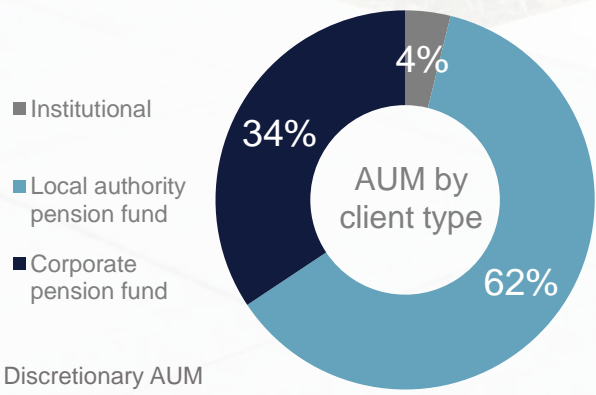
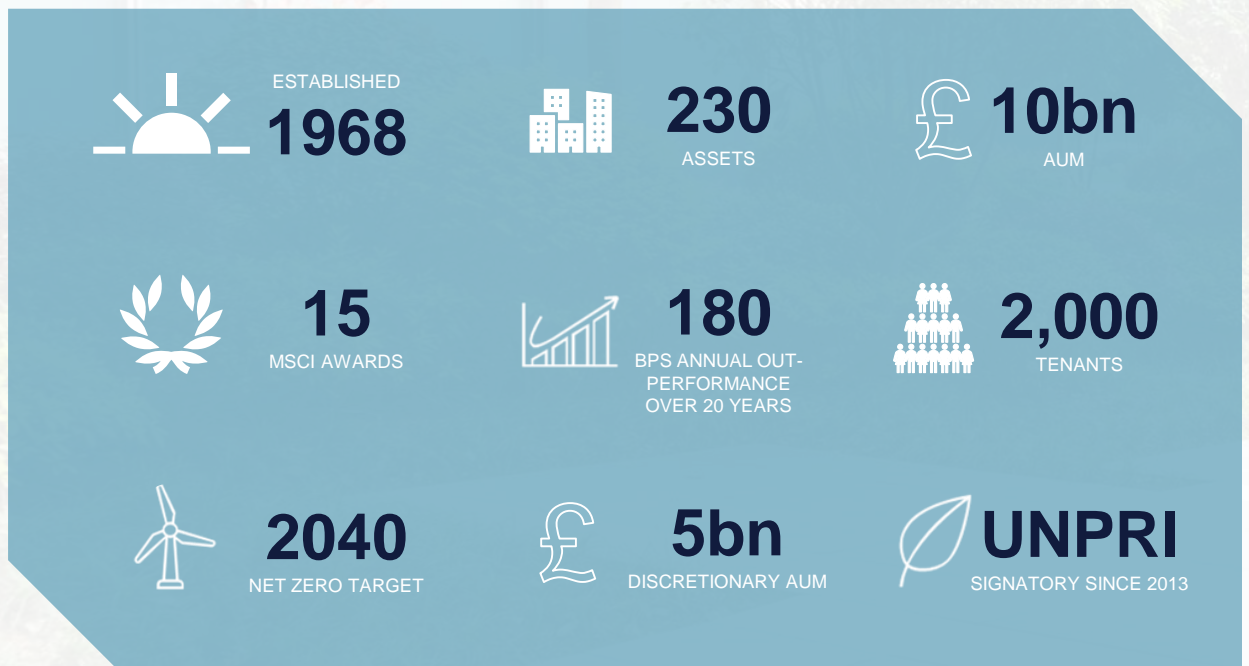
We recognise that to provide long term sustainable returns for our clients, we need to embed RI into everything we do. This will provide us with the confidence in our portfolios that any potential negative risks are appropriately mitigated and any positive opportunities are capitalised upon.

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 over £10,000 for charitable causes and provided valuable work experience 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.



03 NINE YEARS OF RI FOCUS



04 2021 Highlights



Net-zero pathway published to clearly define our route to net-zero by 2040



5%
reduction in
water
consumption
since 2019



17%
reduction in
landlord energy
consumption since
2019



28%
reduction in
landlord carbon
emission intensity
since 2019



100%
of waste diverted
from landfill



100%
of multi-let assets
have asset
improvement plans



7
young people benefited
from work experience
placements and
internships



Railway Triangle, Portsmouth

Over the course of 2021, the site team has used asset improvement plans to guide improvement works. The team installed new EV charging points, cycle spaces, a defibrillator, LED lighting and provided recycling waste bins for tenants.

The site team is also engaging with the tenants directly to collect data and discuss how occupiers can improve their energy, waste and water usage.



Beyond Our Four Walls

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.

Recognising the difficulties facing young people in entering our industry, over the last year we have provided mentoring, internships, work experience placements and spoken at numerous events, all with the aim of engaging young people with no direct links to our industry.



'A' 'A' rating for Strategy & Governance and Property



Public Supporter of TCFD



8 funds participated in GRESB



Member of IIGCC



Signatory of the BBP's Climate Commitment

* All data above relates to discretionarily managed assets and are on a like-for-like basis

05

DEMONSTRATING IMPACT BEYOND OUR FOUR WALLS



We established the COLIV fund in 2019; the first collective investment fund for Co-Living assets with a target fund size of £1bn. COLIV is an impact-focused investment vehicle striving to increase the delivery and diversity of environmentally conscious and affordable homes across London.

Since 2019, we have forward funded three Co-Living Living assets in Harrow, Earlsfield and Battersea, bringing almost 800 units in London. The fund participated in the GRESB assessment for the first time in 2021, underscoring its commitment to continuous ESG progress and driving value for investors. The fund achieved an overall score of 90/100, earning it a 4-star GRESB rating, and exceeding the GRESB average of 79 and the peer average of 87.

The Palm House, Harrow, was the first asset to become operational in Q1 2022, launched under the COLIV's new operating brand 'Folk', designed with ESG priorities in mind and is centred around four pillars; connection, convenience, comfort and contribution. Although only in its operational infancy, The Palm House is already having a positive impact on both its internal and external community.

COLIV selected Harrow Association of Disabled people as the preferred community investment partner for 2022 and will work with the organisation to advertise volunteering and mentoring opportunities, provide events space, meeting rooms, and provide the charity with access to the co-working space and gym. A donation point for Harrow Foodbank has also been established at The Palm House. In 2022, COLIV will identify a charity partner to manage the allocation of 5 studio rooms at substantial discounts to open market rent, targeting individuals at risk of homelessness in the local community.

COLIV's focus on sustainable design and energy efficiency saw The Palm House secure a BREEAM Excellent accreditation with a score of 75.6% at design stage. Now, whilst in operation, the asset will be scored against a number of key ESG metrics to ensure that it is driving towards the fund's overall objectives.

Our other development projects are on track to achieve BREEAM Excellent accreditation, with Battersea targeting 83/100 and Earlsfield targeting 77/100. ESG measures remain a key component in selecting and negotiating terms with the main contractors of each of COLIV's development sites and performance against these KPIs are reviewed on a quarterly basis.

COLIV endeavours to implement future proofing initiatives to contribute to the wider agenda of transitioning the built environment to net-zero. To this end, a Lifecycle Analysis Assessment has been instructed at Earlsfield and will be performed on all future developments that are not post RIBA stage 2 design.



FOLK.

05 REACH

We strongly believe in using our resources, expertise and influence to create social value and accordingly, 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.

<p>Respect </p>  <p>Create an inclusive culture which understands the value of diversity of thought and background.</p>	<p>Education </p>  <p>Make a long-term commitment to develop talent and enable internal progression.</p>	<p>Accessibility </p>  <p>Support long term change through education.</p>	<p>Community </p>  <p>Create a positive societal impact.</p>	<p>Habitat </p>  <p>Respect our environment.</p>
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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.

Highlights from 2021 included:

- All line managers were trained in mental health awareness and three mental health first aiders provided additional support to the team; external speakers were invited to share their experiences; and awareness of mental health was raised through team events and distribution of links to supporting materials and services.
- A diverse programme of events was organised throughout the year, ranging from art classes and history walks to netball matches and charity fitness challenges to support our team's health and wellbeing and raise awareness for the issues we care about.
- Monthly team breakfasts were arranged to welcome employees back to the office and to facilitate the transition back to social interaction.
- Close links were formed with charities and organisations around our REACH pillars on which to focus our team's efforts and events were arranged for the team to volunteer for.
- A programme of educational presentations and mentoring was arranged to share our skills and support team development.
- Our '12 days of Christmas' initiative brought 2021 to a close, encouraging volunteering and self care amongst our employees via a programme of daily activities.

<p>3 mental health first aiders trained</p>	<p>>£10k fundraised and donated to charity</p>	<p>10 Educational seminars and virtual work experience programmes were spoken at</p>	<p>47 items donated to Business 2 Schools</p>	<p>20 members of Budding Up network (established 2021)</p>
<p>7 young people benefitted directly from work experience placements and internships</p>	<p>>60 employees participated in volunteering activities</p>	<p>14 educational presentations given to support team development</p>	<p>26 emergency parcels donated to Hackney Foodbank</p>	<p>2021 mentorship scheme Established</p>

Using our skills and resources to create long term social value in our communities is something we strongly believe in, and which we constantly strive to find new ways of doing. 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.



BUSINESS 2 SCHOOLS



We partnered with B2S to help improve the infrastructure in schools via the donation of old office equipment.

- In 2021, we donated 18 desks, 17 office chairs and 12 meeting room chairs, in addition to the 600 items donated during 2020.
- *"We are thrilled to have been able to offer some fabulous furniture to schools from generous donations by DTZ Investors."* - CEO, B2S



HACKNEY FOODBANK



A food donation point for Hackney Foodbank was set up in the Old Broad Street Office.

- 26 emergency and 3-day food parcels were created using our donations.
- Our donations helped to relieve immediate hunger for people in Hackney in crisis or trapped in poverty.



THAMES CLEAN UP

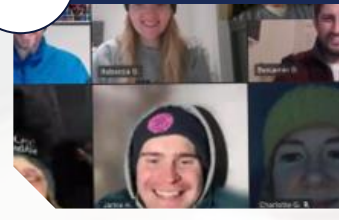


One of our giving back initiatives this year was the 'River Thames Clean Up' at Queenhithe, London.

- >30 colleagues participated in the event.
- We helped improve the local environment by removing litter and invasive species.



LANDAID



We continued to support LandAid in its mission to deliver life-changing services for young people who are or are at risk of homelessness.

- 7 people took part in this year's SleepOut, raising £6,386. Through our fundraising we could contribute the equivalent of 200 beds for a night.
- Five teams participated in the Steptober Challenge, raising a further £2,500 for the charity.



OLYMPIC CHALLENGE



We put on a Virtual Olympic challenge, from London to Tokyo to raise awareness within the team of mental health.

- The team completed 10,054 km by either walking, cycling, running or swimming the virtual distance.
- The team raised £788 for Young Minds and £100 for Autisme France.



Creating Opportunities

2 PLACEMENTS

4 WORK EXPERIENCE

6 SPEAKER EVENTS

We are committed to developing links with charities, bodies and schools to provide mentoring, tutoring, internships and work experience placements.

We recognise that young people face barriers to enter the real estate industry and have tried to address this issue via our partnership with **The Land Collective**, a career development platform which aims to engage more young people with the built environment sector.

In 2021, we offered work experience opportunities, employment opportunities, and spoke at some of the charity's educational events.

Our team has also worked with **Girls Are Investors (GAIN)** to help in their mission to address lack of gender diversity in investment management. We hosted two work experience placement students and presented at five GAIN events over the course of 2021, helping to inform and inspire women via high-impact messages on the benefits of investing as a career.

"I really enjoyed my time with DTZ Investors, I had the opportunity to shadow an asset manager, which allowed me to get exposure on different UK property portfolios within the company. The experience has given me the confidence needed for me to persevere in my career."

- Work Experience Intern

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OUR COMMITMENT TO NET-ZERO BY 2040

To support the requirement for significant decarbonisation and emissions reduction within real estate and for us to satisfy our fiduciary duty to deliver returns in a responsible manner, we have committed to an ambitious target of achieving net-zero for discretionary assets under management by 2040. This target includes all emissions associated with the landlord and occupier activities within the assets that we manage.

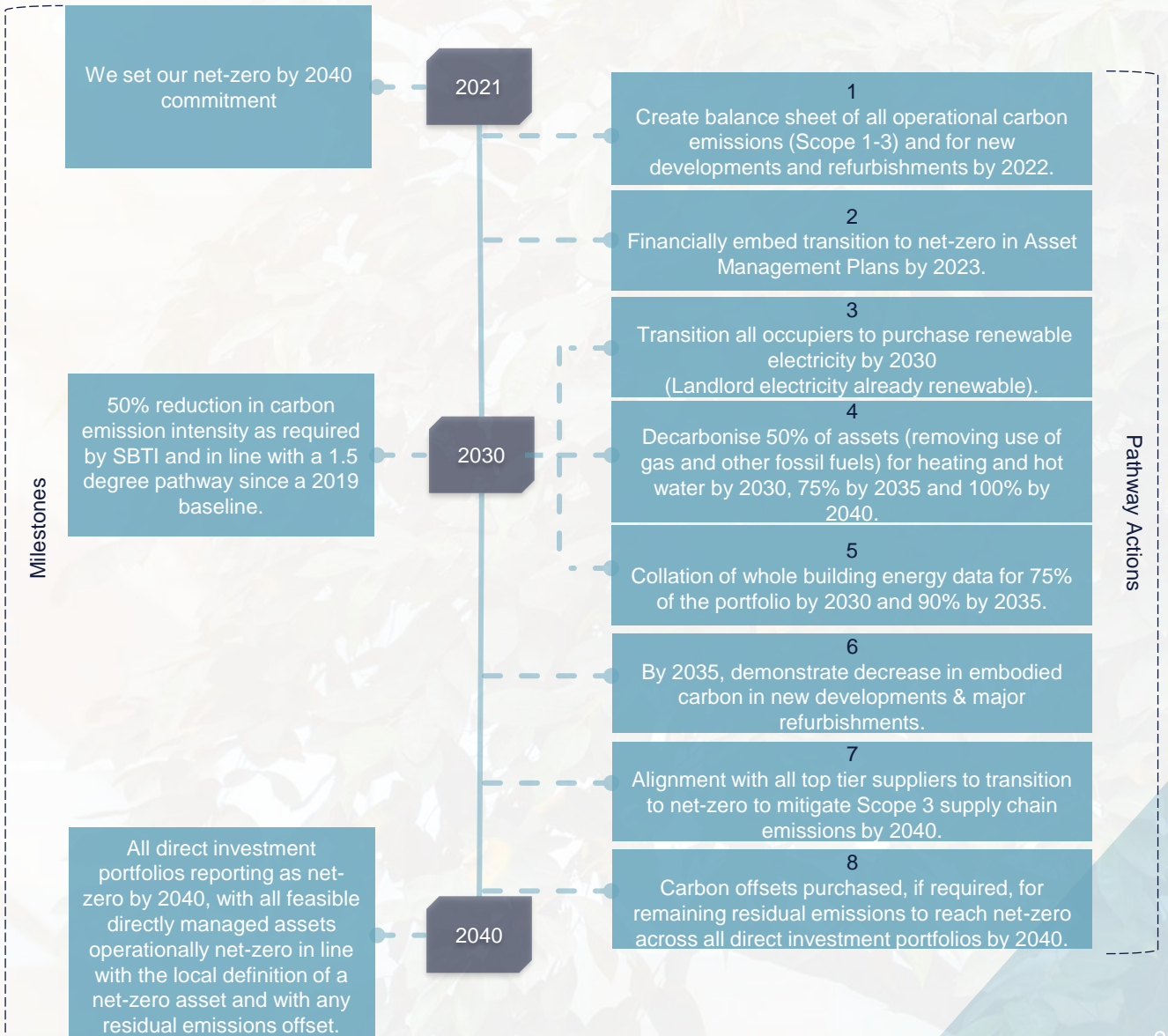
To achieve this, we have developed a clear pathway with eight key interim targets that combine effective governance and leadership with a comprehensive implementation programme and public disclosure.

Further detail on how we will achieve net-zero by 2040 can be found in our Net-Zero Pathway document via the link below.

We have also become signatory of the Better Buildings Partnership's Climate Commitment. As a signatory, we commit to providing continued transparency over our net-zero progress and collaborate with other organisations to drive change.

Our progress against our targets will continue to be published annually.

Net-Zero Pathway



06

OUR PROGRESS TO NET-ZERO

ACTION

PROGRESS

- | | | |
|---|--|---|
| 1 | Create balance sheet of all operational carbon emissions (scope 1-3) and for new developments and refurbishments by 2022 | All scope 1, 2 and 3 emissions for our discretionarily managed assets have been calculated and included within this report.
Initial reviews of embodied carbon within new developments are being carried out to determine their baseline and possible improvement opportunities. |
| 2 | Financially embed transition to net-zero in Asset Management Plans by 2023 | All funds have assigned a financial amount, based on floor area, within financial modelling in order to account for the expected costs associated with improving asset ESG performance. |
| 3 | Transition all occupiers to purchase renewable electricity by 2030 | Green clauses are being included within new leases to encourage tenants to procure electricity from renewable sources. Portfolio reviews are being undertaken to understand the feasibility of on-site renewable installations. |
| 4 | 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 | Feasibility reviews are being carried out to understand where boilers can be replaced. Maintenance schedules are also being utilised to identify timescales for replacement. |
| 5 | Collation of whole building energy data for 75% of the portfolio by 2030 and 90% by 2035 | 100% of landlord and 34% of tenant electricity and gas data was collected, by floor area, this year. Automatic meter readers are being rolled out across tenant demises to increase coverage. |
| 6 | By 2035, demonstrate decrease in embodied carbon in new developments & major refurbishments | Life cycle carbon audits are being carried out to identify embodied carbon sources and review reduction opportunities. |
| 7 | Alignment with all top tier suppliers to transition to net-zero to mitigate scope 3 supply chain emissions by 2040 | New supplier vetting process has been agreed to increase transparency and improve alignment. |
| 8 | Carbon offsets purchased for remaining residual emissions to reach net-zero across all direct investment portfolios by 2040 | Offsetting strategy will be reviewed in coming years. |

07

OUR APPROACH TO RESPONSIBLE INVESTMENT

RI is embedded in our philosophy and culture. We generate long term, sustainable value for our clients through our investment decision making and believe that we have a responsibility to manage those assets in a manner that is sensitive to the environment, provides a social benefit and is set within an overarching framework of strong corporate governance.

By investing responsibly and managing our assets in this way, we make our buildings more attractive to consumers, employees, business owners and investors. Ultimately generating higher long term performance and better results for all stakeholders.



Thinking Long Term at Century Point, High Wycombe

Obtaining vacant possession of two industrial units at an asset recently purchased has provided an opportunity to improve the energy efficiency of the units and reduce energy consumption. As part of a wider refurbishment programme, specific works to enhance energy efficiency such as the installation of plasterboard insulation between the office space and warehouse to reduce heat transfer are ongoing. In addition the installation of a VRF heating and cooling system and LED lighting throughout are set to further improve the energy efficiency of the units. Enabling works for EV charging points have also been undertaken. The EPC rating is forecast to improve from D to B.

To help deliver our net-zero ambitions, we have built our RI approach on four core pillars;



1. Leadership & Governance

Integrate RI principles throughout our culture, business activities and processes and assign lines of responsibility. Collaborate with government, peers and clients to encourage adoption of RI practices across the industry.



2. Investment Process & Implementation

Manage, maintain, upgrade and dispose of clients' assets in an environmentally and socially conscious way, that protects value, the environment and enhances community.



3. Stakeholder Engagement

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



4. Benchmarking & Disclosure

Share ESG performance against industry benchmarks publicly and identify opportunities for continual improvement.



07

LEADERSHIP & GOVERNANCE

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 support this, we established a Responsible Investment Committee (RIC) and clear lines of responsibility are assigned, with robust support from the Board to ensuring its implementation.

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

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

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

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.

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.

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.

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

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.

This year we have further developed our approach to reporting both internally and externally. Increasing the granularity of this reporting and the level of scrutiny over it. This has driven forward our progress and looks to improve our performance against our peers.

“ *At DTZ Investors, we understand that Responsible Investment has to be embedded within everything we do and at every level of our business. By doing this we ensure that our business will be able to deliver long-term performance, whilst mitigating against the worst impacts of climate change.* ”

Jennifer Linacre
Head of Responsible Investment



07

INVESTMENT PROCESS & IMPLEMENTATION

After setting our net-zero by 2040 target, it was clear to us that we needed to demonstrate how, as a business, we could develop and implement a leading strategy to achieve this commitment.

By embedding our RI approach into every part of our asset lifecycle, from acquisition through to sale, we ensure that we are supporting our target throughout our activities.

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.



RI Investment at The Podium Bath

The purpose of refurbishment of The Podium was to improve the general internal aesthetics and customer experience on site. 10 Electric Vehicle (EV) charging points were installed in the car park, along with upgraded lighting and signage, with varied colours to support those with dementia in finding their cars. PV panels were installed on the library roof, these produce enough energy to offset 95% of energy consumption which should translate into a 65% p.a. saving on the current electricity bill.

Responsible Asset Management Lifecycle



07 ASSET IMPROVEMENT

One of the key KPIs that we have established is the development of asset level improvement plans for all directly managed assets.

These site level plans provide a framework for site teams and asset managers to work towards to improve each asset, drive them towards net-zero and increase their social benefit.

Each plan looks to monitor and provide guidance on key initiatives that make up parts of our RI approach, including energy and water efficiency, waste management, tenant and community engagement and biodiversity and landscaping.

This year, we have managed to implement these asset level plans across the entirety of the directly

managed portfolio. This has provided us with unparalleled levels of insight into the current status of our portfolio, as well as the progress being made in implementing initiatives.

Our on-site teams report quarterly on the progress made on these asset plans, which is then reviewed and reported on to fund teams, clients and the Board.

Support is provided to those sites that are not managing to make the expected progress or falling behind others. Implementation at those sites that have outperformed the rest of the portfolio is also analysed to gain insight into best practice.



Developing Montagne de la Fage, Paris

An ambitious refurbishment project, targeting a BREEAM Excellent rating; Platinum Wiredscore; Biodiversity AACB level; and NF HQE Bâtiment tertiaire rénovation au niveau Exceptionnel, is being planned which will reorientate and extend an existing building.

- A number of initiatives will be followed in this project to promote its ESG credentials including:
- Using sustainable, certified materials from local suppliers with a strong emphasis on bio-sourcing and re-use of existing materials
 - Natural ventilation and glazing screening
 - Integration of monitoring devices and a smart BMS system
 - EV charger installation
 - Water flow limiters and leak detection
 - Recycling facilities and a strict waste management
 - Creation of green spaces on the ground floor. These will be seeded with complementary, non-invasive plant species

100%

of directly managed assets have asset level implementation plans in place

100%

of landlord electricity is on renewable supplies

100%

of tenants engaged with to collect utility data

89%

of sites have waste management plans in place

68%

of sites have upgraded all landlord meters to automatic meter readers

63%

of sites have retro-fitted low flow water fixtures

50%

of sites have carried out a feasibility study for the inclusion of renewables

48%

of sites are members of a Community Safety Partnership

40

sites are supporting local charities or community organisations

29%

of sites have introduced new habitats

27%

of assets have electric vehicle chargers present on site

Zero

breaches in environmental compliance

*All figures are percentages of sites under direct management where the initiative is applicable and possible to implement.

07 STAKEHOLDER ENGAGEMENT

The nature of our business means that we continually engage with thousands of stakeholders throughout the year. This includes clients, suppliers, property managers, occupiers, other asset managers and our local communities. This means that we have a reach far Beyond Our Four Walls and so the impact that we can have is multiplied many times over.

By embedding RI within our day to day operations, we are able to share this message,

way of thinking and method of operating Beyond Our Four Walls. By providing all stakeholders with key information and guidance we can support them in making informed decisions and taking decisive action to support our RI ambition as well as net-zero at a wider scale.

In 2021, we have developed new tools, processes and documents to make our engagement with stakeholders simpler and more effective.



Placemaking at King Street, Manchester

A placemaking and regeneration strategy was implemented to reposition King Street and create an aspirational boutique retail destination. The focus was to provide local community engagement and to support local businesses through the pop-up activation programme in addition to providing a tenant liaison service. A number of local events and charities are now actively supported including King Street festival, Manchester Pride, Manchester Flower Festival and the Manchester Christmas Markets. Modernisation of upper parts accommodation including refurbishment of existing office suites and creation of new residential apartments has also ensured all aspects of the asset are accretive to the vibrancy of the location in addition to upgrading ESG credentials.



We have developed new green leasing guidelines and green clauses are to be included in all new leases.

We have developed new refurbishment, fit-out, redevelopment and new construction guidelines which will be utilised on all projects, on discretionary assets, going forwards.



We have embedded a new tenant engagement process to collect data and engage on utility efficiency.

We have developed a new supplier vetting questionnaire to help us understand the impact of our suppliers and work with them to minimise this.



We have engaged with industry bodies such as INREV and AREF to develop and share best practice.

We have engaged with local communities and charities via our REACH programme.



07

BENCHMARKING & DISCLOSURE

In order to review our progress throughout the year, understand our successes and challenges and also understand our performance against peers, we have implemented a structured a regular reporting programme. This includes both internal and external, voluntary and mandatory reporting.

In 2021, we managed to increase the granularity of our internal reporting to ensure that we are able to drive forward progress within each fund and hold each stakeholder accountable for their role our RI programme.

We are now regularly reporting internally on items including utility consumption, RI initiative implementation, portfolio risks and more.

Currently, we are also reviewing the adoption of green leases and automatic meter reader installation across all of our portfolios.

With all of this information we will be able to understand in further detail, where we can focus on improving assets, where we can reduce time spent on key initiatives and work more closely with occupiers to drive towards net-zero.



Refurbishing Gunnersbury Avenue, Chiswick

We undertook refurbishment works to reposition the asset improving the quality of the communal and amenity space, creating better cycle and shower facilities and installing decking and planters on the roof to create a landscaped roof terrace. Lighting in the building was upgraded to LED, and smart meters and sensors installed to ensure efficient operation. The refurbishment resulted in an improved EPC from a 'D' to a 'B' rating. The client also appointed the project team to undertake a Cat A + fit-out on the 1st Floor to offer a 'plug and play' space to create a marketing suite for the building to help with leasing momentum. The building is now under offer to a technology and entertainment operator at a premium rent.



Mitigating Risk at The Sanctuary, Westminster

Floors 1, 2 and part 4th at The Sanctuary, Westminster, a Grade II Listed property adjacent to Westminster Abbey, are undergoing refurbishment works to improve energy efficiency and improve the EPC rating from an 'E' rating to an 'A' rating. The works include the removal of a gas powered heating system, the replacement of existing fluorescent lighting with new high efficiency LED lighting and the installation of PIR controls with daylight dimming capability. We are replacing existing heating systems with a new efficient modern VRF heating and cooling system with heat recovery and replacing distribution boards with new split meter boards to monitor electricity usage.



'A' 'A' rating for Strategy & Governance and Property



Public Supporter of TCFD



8 funds participated in 2021

Individual annual performance objectives

12 RI updates provided each year

Annual reporting to GRESB and PRI

5 investor reports per fund per year

Annual RI reporting made publicly available

ENSURING CLIMATE RESILIENCE

As the climate crisis deepens, we understand that the risks that are present within our portfolios increase. This includes both physical and transitional risks. However, we also understand that the opportunities that might arise also increase.

In 2019, we committed to integrating TCFD recommendations into our RI approach and to align identification and governance of climate related risks and opportunities with best practice.

We have continued to develop our approach to internal risk monitoring, which has enabled us to begin to respond to climate-related risks and opportunities across our portfolios.

To see our latest public response to the TCFD recommendations, please follow the link below. Within that document you will see further detail on all of the TCFD recommended requirements and our disclosures.

Our next step is to undertake relevant financial planning, in-depth scenario analysis and ensure that risks mitigation plans are in place and any climate opportunities can be capitalised upon.

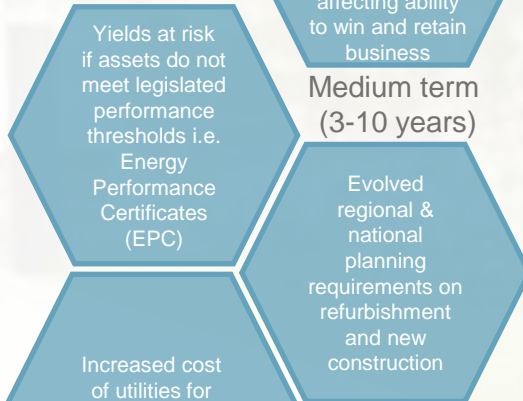
Alongside this, we will be looking at how we can utilise platform solutions to model the physical and transitional risks within our portfolio.

Climate-Related Risks

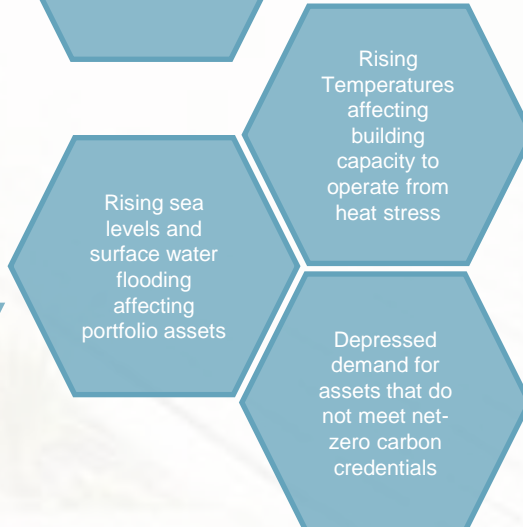
Short term (1-3 years)



Medium term (3-10 years)



Long term (>10 years)



Climate-Related Opportunities



TCFD Response



09

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.

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

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



Climate Change Risk



Waste Production & Disposal



Renewable Energy



Occupier Satisfaction



Carbon Emissions



Stakeholder Health & Wellbeing



Biodiversity & Habitat



Health & Safety Procedure



Energy Usage & Intensity



Air Quality Management



Transport & EV Charging



Fair Labour Practices



Water Efficiency



Sustainable Procurement



Stakeholder Engagement



Diversity, Equity & Inclusion

10

OUR ENVIRONMENTAL PERFORMANCE

Environmental Performance Metric	Unit of Measure	Type	2019	2020	2021
Landlord electricity consumption	kWh	Absolute	19,200,201	18,746,326	16,677,035
		Like-for-like	12,314,624	10,392,621	10,061,547
Landlord electricity consumption from renewable energy sources	% of total	Absolute	100%	100%	100%
Landlord natural gas consumption	kWh	Absolute	10,309,971	8,709,338	9,378,911
		Like-for-like	7,891,355	6,461,008	6,644,880
Scope 1 & 2 (landlord) GHG emissions	tCO ₂ e	Absolute	6,803	5,972	5,259
		Like-for-like	4,598	3,611	3,353
Scope 1 & 2 (landlord) GHG emissions intensity	tCO ₂ e/m ²	Absolute	0.039	0.044	0.033
		Like-for-like	0.039	0.030	0.028
Tenant data coverage (Electricity and gas)	% of floor area	Average	8%	19%	34%
Tenant electricity consumption	kWh	Absolute	136,294,047	159,136,345	163,988,549
		Like-for-like	117,659,932	144,609,090	150,678,126
Tenant natural gas consumption	kWh	Absolute	235,752,440	240,506,187	225,425,441
		Like-for-like	198,606,075	220,619,947	211,262,231
Scope 3 (tenant) GHG emissions	tCO ₂ e	Absolute	78,180	81,323	76,109
		Like-for-like	71,350	74,280	70,688
Scope 3 (tenant) GHG emissions intensity	tCO ₂ e/m ²	Absolute	0.062	0.059	0.056
		Like-for-like	0.063	0.061	0.058
Landlord water consumption	M ³	Absolute	181,775	256,872	222,359
		Like-for-like	86,139	80,155	81,881
Landlord waste production	Tonnes	Absolute & like-for-like	2,993	1,900	1,960
	% of total	Recycling	49%	54%	53%
F&G rated EPCs	% of ERV	-	-	-	2.1%
Assets in high flood risk areas	% of ERV	-	-	-	8%
Assets with environmental certifications	% of floor area	-	-	-	5.7%

Clarifications

- 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.
- Aligned with our financial reporting, GHG emissions relate to each respective calendar year.
- We have used the operational control method to outline our carbon footprint boundary. Corporate emissions are not included within scopes 1 and 2 as they are considered within our parent company's net-zero commitment.
- 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.
- A change in reporting methodology and a variation in meters/ sites included due to updated data means that 2021 figures are not comparable with previous years reporting.
- Environmental certifications include BREEAM and Fitwel.
- Scope 3 emissions only include emissions associated with tenant consumption of electricity and gas. Gaps in tenant data existed and were addressed using industry 'typical practice' benchmarks from CIBSE Guide F and calculated using asset class and floor area. Additional works will be completed in 2022/23 to calculate the emissions of purchased goods and services.

11

OUR PROGRESS AGAINST TARGETS

We have set key targets for each of the portfolios under our management and continue to make progress against them.

Alignment to Pillar	Target	Progress
Environmental* 	<p>Complete long-term scenario modelling for portfolios under management by end of 2022</p> <p>Reduce landlord-controlled carbon emission intensity (by floor area) by 50% by 2030 from a 2019 baseline</p> <p>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</p> <p>Asset Improvement Plans (AIP) held on every multi-let asset</p> <p>Target BREEAM certification for all new construction and major refurbishments including undertaking life cycle analysis (LCA) assessments to inform more sustainable design options</p> <p>Zero landlord-related breaches in environmental legislation</p> <p>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)</p> <p>Zero Waste to Landfill & recycling rate of 75% by 2025</p> <p>Reduction in water usage by 10% from a 2019 baseline by 2025.</p>	<p>Net-zero audits to be completed for key assets in 2022</p> <p>Absolute landlord-controlled carbon emission intensity has fallen by 29%</p> <p>Figure to be reported on in 2022</p> <p>AIPs are held on all multi-let assets</p> <p>Achieving a BREEAM certification is a core part of our new development and major refurbishment guidelines. LCAs are now being trialled on new developments</p> <p>MEES risk is being monitored and mitigated on an ongoing basis. Currently 2.1% of ERV has an 'F' or 'G' EPC rating.</p> <p>43% of electricity data, 25% of natural gas data and 27% of water data collected by floor area for tenant spaces in 2021. 100% of landlord electricity, water and waste data collected in 2021.</p> <p>Zero waste to landfill and 53% recycling rate in 2021.</p> <p>5% like-for-like reduction since 2019</p>
Social Impact 	<p>Embed social value commitments and targets across all portfolios and landlord procurement activities by 2023 through our operations and third party appointed Property Managers</p> <p>Embed our RI Development & Refurbishment Framework in all projects with external project managers</p> <p>Engage all occupiers on environmental impact through data sharing and distribution of occupier guidance & tenant fit-out guidelines</p> <p>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</p>	<p>Social value key performance indicators have been included into our property management agreement for the majority of our portfolio</p> <p>All refurbishments, fit outs and new developments must follow our guidelines</p> <p>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.</p> <p>Tenant and community engagement plans have been implemented for all applicable sites</p>

* Does not include all interim Net-Zero Carbon targets

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