
# Responsible Investment Policy

2022-23

DTZ INVESTORS

# 01 INTRODUCTION

**DTZ Investors (DTZI) has been operating in the UK since 1968 and in continental Europe since 1999. As managers of over £9bn worth of assets, we continue to strive toward delivering best practice services to all of our clients.**

We recognise that the real estate sector needs to demonstrate significant changes in the way in which it operates to enable the delivery of net-zero across the globe and limit temperature rise to 1.5 degrees. As managers of large scale real estate portfolios, we therefore understand that we have the opportunity and the responsibility to deliver upon these changes and support a more sustainable future.

It is also recognised that we have a fiduciary duty to our clients to achieve the best returns possible from the assets we manage on your behalf within acceptable risk parameters. Achieving those returns should not be at an undue cost to the wider society.

We believe we have a responsibility to manage all 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. In doing this, we will also be able to minimise any climate related risks that exist within those portfolios and ensure sustainable long-term returns for our clients.

In 2022, we continued to focus on having an Impact Beyond our Four Walls. This meant that we increased our focus on the implementation of ESG initiatives. Not only to demonstrate significant reductions in carbon emissions but also to benefit the lives of all people impacted by the management and operation of our assets.

We have also further integrated climate risk monitoring, management and mitigation into the management of our portfolio. This will ensure that we are able to take action to remove unnecessary risks from our portfolio and minimise the impact of others to maximise the long-term returns associated to the assets under our management.

By focussing on RI and building portfolios that mitigate against risks; are attractive to occupiers; have minimal running costs and are in-line with a net-zero future we can maximise returns in the long term and continue to demonstrate a management programme that is aligned with our clients' needs.


*““We have developed our baseline and set our long term ESG goals. Now we are driving forward in their implementation and turning theory into reality.*

*Chris Cooper, CEO*

# 02
# OUR APPROACH

We have worked hard to ensure that RI is integrated into all of our day to day activities and across the entire lifecycle of our investments, from acquisition through to sale. It is understood that by doing this, we will be able to meet the changing requirements of our occupiers, the market and our investors. As well as minimising any risks and maximising returns for our clients. By investing responsibly and managing our assets in this way, we also make our buildings more attractive to consumers, employees, business owners and investors.

As Climate change increases average global temperatures and the frequency of extreme weather events, it presents a greater physical risk to our assets.

Our strategy needs to focus on understanding the impact of ESG issues on future value and sustainability outcomes. Overall, this approach will help to enhance tenant retention, lower operating costs and minimise the risk to portfolio investment returns presented by climate change, as well as future legislative changes, and obsolescence.

Our strategy follows a proportional cost-benefit led approach. This does not mean that all initiatives must be self-financing or indeed that there must be a proven economic reward, but means that we will consider the relationship between the financial cost of any investment or activity and our evaluation of ESG rewards. Importantly, we will also consider our portfolios in the context of market best practice and 'peer group' properties to guard against depreciation risk and obsolescence.

Furthermore, we are committed to fostering a culture that encourages and enables our employees to deliver against the objectives of our responsible investment policy and delivers clear sustainability outcomes.

By recognising the role that the real estate sector has in delivering net-zero across the globe, we also work towards establishing best practice within the sector. Supporting other organisations, bodies and stakeholder to drive towards net-zero.

## 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.

# 03
# LEADERSHIP & GOVERNANCE

We have integrated our RI approach throughout the entire business and now each stakeholder has a role to play in the delivery of our RI programme. To support this, clear lines of responsibility are assigned, with robust support from the Board to ensure implementation.

To support in embedding RI within day to day operations, ESG KPIs are set, monitored and reported against at all levels including Board, fund, asset and individuals.

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 Responsible Investment Committee (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 the portfolios strategic objectives and performance on a quarterly and annual basis; and reporting into the RIC and the 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 (PMA) and Service Level Agreements (SLA).

**Suppliers** are vetted in contract set up and during 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 clients, to ensure transparency over our RI programme and its progress. For all discretionarily managed portfolios, benchmark reporting is also carried out on an annual basis through GRESB and PRI to demonstrate our performance against peers.

The RI policy is reviewed and updated annually.

## Supporting Policies

Included under this overarching policy is a suite of policies which cover in more detail, key environmental, social and governance issues across our organisational activities. The following policies are available on request and are updated annually:

List of supporting policies:

- Stewardship Policy
- Anti-Bribery & Corruption
- Conflicts of Interest
- Code of Business Conduct
- Health & Safety
- Terms of Business
- Supplier Integrity
- Diversity, Equity & Inclusion
- Third Party Privacy and Confidentiality
- Whistleblower Policy
- Treating Clients Fairly Policy
- Compliance Manual
- Modern Slavery Act Statement

# 04 BENCHMARKING & DISCLOSURE

Reporting and benchmarking is an essential part of our RI strategy where disclosure of ESG performance to internal and external stakeholders ensures transparency and sharing of best practice. In addition, disclosure allows comparison and benchmarking of performance internally and externally to be undertaken which supports measurement of progress and performance over time. As such, our participation in external benchmarking frameworks such as the Global Real Estate Sustainability Benchmark (GRESB) and the United Nations Principles for Responsible Investment (PRI) has helped inform our strategy and our approach to RI.

We have established a reporting programme to support the effective management of economic, social and environmental performance data across our portfolios.

This reporting programme provides understanding of performance throughout the year. An effective reporting programme helps us to achieve our ESG objectives by determining good and bad performance. This includes potential areas of waste, which in turn improves the resilience of buildings and reduces operational costs.

We use benchmarking tools such as the Real Estate Environmental Benchmarks (REEB) to measure performance against industry standards. Understanding our performance against industry standards supports to develop our portfolio objectives and targets.

ESG performance is reported quarterly and annually.

PRI | Principles for Responsible Investment

We became a signatory of PRI in 2013.  PRI is a voluntary framework for incorporating ESG into investment decision making and ownership practices through the implementation of the six principles for responsible investment:

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

GRESB

GRESB provides a benchmark assessment that is used by Institutional Investors to understand and compare the effective responsible management of real estate assets across investment portfolios. GRESB assesses ‘7 Aspects’ of ESG, scoring each Fund’s response in the submission process and providing a score on the Fund’s overall approach to ESG.

We have been a member and participant to the (GRESB since 2015. The GRESB reporting framework has helped to develop our approach to RI through peer benchmarking and analysis of performance annually.

The applicability of a funds participation in GRESB is reviewed on an annual basis, in line with each fund's overall strategy.

# 04 BENCHMARKING & DISCLOSURE

The Task Force on Climate Related Financial Disclosures (TCFD) recommendations support companies to articulate how their business model preserves value against relevant climate related risks. This requires companies, like ours, to effectively identify, monitor & respond to these risks across the property lifecycle over time, whilst taking advantage of any identified climate related opportunities.

We are committed to integrating the recommendations of the Financial Stability Board's TCFD into our responsible property investment approach and as such publicly supports it. Governance and processes have been put in place to support the identification and monitoring of our exposure to climate related risks and opportunities across our business and our client's assets in order to preserve value.

We report annually on our progress in implementing the recommendations of the TCFD.

As a part of our RI programme, we have developed a regular internal reporting programme. This enables us to monitor, review and demonstrate progress against our RI programme and objectives.

DTZ Investors hosts monthly RI Committee meetings to ensure visibility over the programme at all levels within the company. Alongside this, quarterly reporting is done at a fund level within the company and to our clients. Each year we report  publicly through our annual RI report.

All reporting ensures not only complete transparency on the successes of our organisation but it also ensures that we continue to make significant progress towards our over arching ESG targets.

4 quarterly investor reports per fund per year

12 ESG updates provided each year

Annual reporting to GRESB and PRI

Annual RI reporting made publicly available

# 05 STAKEHOLDER ENGAGEMENT

We have in a place a stakeholder engagement programme that ensures our clients, investment committees, employees and third-party suppliers are supportive of our policy, procedures and targets. For our assets, we have in place a programme which allows us to identify key stakeholders for engagement, communicate effectively with those stakeholders around the aims of the RI strategy to support and drive environmental and social performance at the asset level. As well as increasing the social value generated by our assets.

## Employees

At DTZ Investors we recognise the importance of employee engagement and satisfaction. Engaged employees are happier, both at work and in their home lives, which results in a more productive environment. Our regular employee survey assessments help us to understand which issues are important to the business and our employees, and therefore where and how to focus our engagement initiatives.

Employee training on ESG issues is incorporated as part of our quarterly portfolio meetings on ESG, where in this meeting, updates on environmental, social and legislative changes are provided along with an update on industry trends. Importantly in these meetings, training on internal ESG process and procedures is also provided covering the asset life cycle from acquisition through to disposal.

In order to incentivise employee engagement on ESG issues, all employees, including board members, are obliged to set ESG targets and objectives, aligned to our ESG strategy and the assets we manage, forming part of our annual Employee Objectives Setting Programme. Employees are then encouraged to meet with their line manager to update on progress regularly throughout the year. This engagement and embedding of RI is implemented top-down and supported by the incentivised remuneration based on ESG performance.

## Community

Creating value for our communities in and around the assets we manage is something we strongly believe in, and which we constantly strive to find new ways of doing. As such, we will continue to work with communities where we operate, through engagement activities and initiatives that are aligned to local needs, or are within the context of wider societal issues.


Printworks Manchester gets the green light for a £22m investment toward a transformational refurbishment of this iconic entertainment venue and other tenant initiatives

# 06
# STAKEHOLDER ENGAGEMENT

## Occupiers

Our occupiers play a fundamental role in the environmental performance of our assets. We therefore acknowledge the importance of effective engagement on ESG issues. To do this we develop long-term business relationships with the occupiers of our assets. In addition, we annually undertake an Occupier Satisfaction Survey to collect feedback from our occupiers, which enables us to measure satisfaction levels and to identify areas for improvement. Through this, we can better understand their environmental, social and governance needs, which enables us to enhance the service we offer them.

We are also committed to continuing the provision of guidance to our tenants on ESG in the form occupier engagement meetings and the distribution of our occupier fit-out guidelines, whilst continuing to work on improving data sharing. Through this engagement, we are also able to better collaborate on ESG initiatives, which enables us to operate more effectively and have a greater impact within our local communities.

## Third Party and Supply Chain

We recognise the role that our third-party suppliers and contractors have on the impact of the assets we manage. We have therefore put in place governance processes ensuring that environmental and social performance is reviewed as part of tenders and appointment of contractors. Key expectations include:

- social value commitments (including employability, diversity & inclusion)
- anti-slavery provisions
- real living wage commitments for employees
- environmental policies and commitments
- evidence of responsible and ethical procurement of supplies and materials
- prohibiting all forms of forced and compulsory labour
- prohibit use of child labour.

Our third party and supply chain expectations apply to sub-contractors and suppliers appointed through our third-party property management functions. Once appointed, contractors are expected to continue delivering against our own ESG principles, with the contract governed by specific ESG deliverables or key performance indicators (KPIs).

## Investees, External Bodies and Organisations

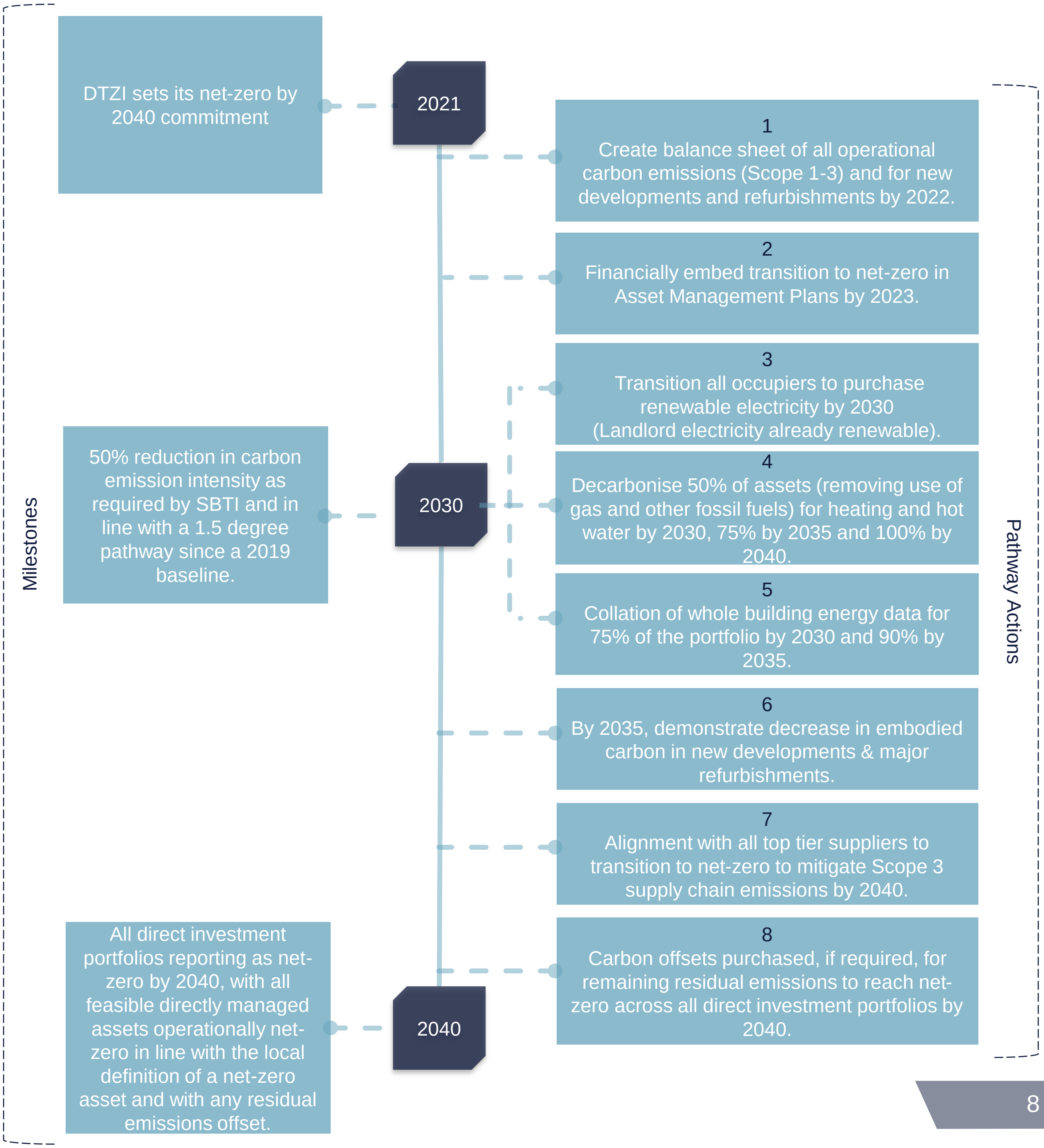
Delivering net-zero and a truly sustainable future cannot be done by a single organisation. These are concepts that need to be delivered at a sector, country and global level.

To support this, we look to engage 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. For external bodies and organisations this is done typically through the involvement of employees in working groups and policy development. For our investees, we utilise annual ESG reviews to benchmark performance and provide feedback on potential improvements.

# 07
# NET-ZERO BY 2040

We recognise that there is responsibility to stakeholders, wider society and the environment to address the challenges and opportunities presented by climate change. In-line our RI ambition, we are committed to align investment activities with the ambition of the Paris Climate Agreement, in an effort to meaningfully contribute to keeping global warming below 2°C and pursue efforts to limit warming to 1.5°C. Following the UK government legislating its commitment to achieving 'net-zero' by 2050, We have committed to reaching net-zero carbon by 2040, for all discretionally managed assets, with the objective of reducing operational carbon emissions to zero and reducing embodied carbon during developments and refurbishments.



# 08 IMPLEMENTATION

Following us setting our net-zero by 2040 target, it was clear to us that we needed to demonstrate how we, as a business, 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 can 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 occupants, have all of the necessary information to enable them to make informed decisions that follow the requirements of our RI programme.

With this information, stakeholders are also more empowered to go above and beyond just minimum standards and strive for the achievement of best practice. Something we then look to support others within the industry to implement.

Every portfolio has a clear set of objectives against which each investment must be considered. These objectives steer the investment strategy and are reviewed on a quarterly basis. The investment strategy includes ESG factors, ensuring that every investment is assessed for ESG risks and opportunities throughout each stage of the investment life-cycle, including:

- Responsible Investment Strategy
- Responsible acquisition
- Active ownership
- Asset improvement
- Benchmarking and disclosure
- Sales discipline

## Responsible Asset Management Lifecycle

# 09 IMPLEMENTATION

We believe that the inclusion of ESG factors as part of a property's strategy will make an increasing difference to the long-term obsolescence and investment performance of the portfolio, including the minimising of negative environmental aspects and increasing social impact. The inclusion of ESG factors as part of the investment strategy of a portfolio and asset ensures we meet our fiduciary duty.

## Responsible Investment Strategy and Acquisition & Sales Discipline

Sustainability and climate risk assessments are carried out at pre-acquisition to identify potential ESG risks to future occupation, operations and value. Issues with direct financial relevance are integrated into the valuation and decision-making process. At disposal, the ESG risks are re-assessed to ensure confidence in the sale process with any financial implications understood and mitigated for.

## Active Ownership

Our property managers and third-party suppliers must understand and adopt this policy, putting in place the necessary governance procedures to ensure asset performance is monitored, benchmarked, improved and maintained.

Our assets are covered by an Environmental Management System (EMS) to minimise their impact on the environment.

Quarterly ESG reporting covering our directly managed assets, reporting on energy, carbon emissions (Scope 1 and 2), energy, water & waste across all our assets which provides the basis for calculating our portfolio's carbon footprint and intensity as an organisation.

All our material assets are covered by a working sustainability implementation plan to identify risk and opportunities to improve the ESG performance.

## Asset Improvement

We have specific environmental and social guidelines for fit out, refurbishment, major renovations and new developments to ensure our occupiers and contractors consider sustainability at the earliest possible stage.

As a part of the management of all multi-let assets, we implement tailored, asset level sustainability focussed asset improvement plans. 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.

The plans are reported on at a portfolio level each quarter.

## Managing Different Asset Classes

As managers of diverse portfolios with a variety of different asset classes in different parts of the UK, we understand that we need to be able to adapt our ESG implementation approach to suit the needs of different properties.

Therefore, by utilising our policies, processes and tools, such as the tailored asset improvement plans, it is possible to identify, implement and monitor a variety of initiatives at each asset that will support in the maximisation of ESG credentials and improvements.

Potential initiatives are screened throughout our investment processes and within key working groups, such as the RIC, in order to ensure that they are suitable for particular asset classes and are supporting our long-term objectives.

# 10 STEWARDSHIP

We believe that the delivery of maximised sustainable long-term returns is supported by a focus on responsible stewardship, responsible investment and the management and mitigation of risks within the portfolio. This will also enable the maximisation of environmental and social value generated across our portfolio.

In order to achieve this, we look to be active owners by leveraging our influence over our assets, stakeholders and third parties. This includes both a top down and a bottom-up approach, ensuring that are commitments, policies and processes are embedded throughout our organisation and all employees hold responsibility for this.

Our stewardship approach closely follows the principles of the UK Stewardship Code set out by the Financial Reporting Council.

We apply the principles of the FCA guidelines regarding TCF (Treating Customers Fairly) to operations. Along with following these guidelines, the nature of our Multi-Manager client portfolios and variability of our units does mean conflicts of interest are rare. Actions, however, are in place to prevent them. Investments are always marketed through an open exchange or brokerage platform, so we can be confident that transactions have been based on market exposure via a third party, rather than a one-to-one arrangement between two in-house managed funds.

Along with financial stakeholders, our due diligence policy sets out guidelines to make sure we are doing business correctly to prevent any other conflict of interest and other suspicious and transactions, so they are detected and reported. We undertake a risk-based approach to due diligence to understand the type of stakeholder, the nature and extent of the contemplated relationship, local law requirements and risk profile of the country in which the transaction is contemplated. We also look at government interactions and whether they sit as a government official.

We prohibit any gift, payment, or other benefit offered or given to a government official directly or indirectly, with the intention of obtaining or retaining a business advantage. Before interreacting with a government official, we employ a FIT test to apply good judgment on certain scenarios. Prior approval must be given in order to give unsolicited gifts or entertainment/hospitality.

We don’t make political donations or engage in lobbying, we ensure that we do not loan resources to make direct or indirect contributions to candidates for office or political organisations, do not coerce other employees or business partners to participate in political conversations, actions or campaigns, always make it clear your political views and only attend political function on behalf of the company.

Independent Investment Committees ("ICs“) ensure that any proposed transaction (both sale and purchase) is subject to an independent review and approval, while value committees (“VC”) approve whether the transaction price being proposed represents a fair marketed price for the trade. Team members either side of the transaction are also required to always treat information with utmost confidentiality. Along with preventing conflicts of interest, these practices help to remove the possibility for attempts at bribery and corruption in our system and help sustain good relationships with investees.

Further details on our approach to stewardship and compliance with the FRCs Stewardship Code can be found in our Stewardship Policy.

# 11
# UN SUSTAINABLE DEVELOPMENT GOALS

In developing its approach to RI, we have considered the UN global agenda for 2030 in the form of the Sustainable Development Goals (SDGs), adopted by the United Nations in 2015. We have prioritised five SDGs that have the most material relevance to our business informing our strategy going forward and where we can continue to make the greatest relative contribution to both a sustainable future and human rights. Our sustainability outcomes will be measured against the SDG's to ensure progress against them is on track.

SUSTAINABLE DEVELOPMENT GOALS

| | | |
|---|---|---|
| 3 GOOD HEALTH AND WELL-BEING | **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 |
| 8 DECENT WORK AND ECONOMIC GROWTH | **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 |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | **Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.** | Develop, renovate and operationalise assets sustainably. |
| 11 SUSTAINABLE CITIES AND COMMUNITIES | **Make cities and human settlements inclusive, safe resilient and sustainable.** | Revitalise our assets through placemaking and adding sustainable value. |
| 13 CLIMATE ACTION | **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*

During the management of all assets, we target key areas sustainability outcomes to support the improvement of environmental and social impact

| | | | |
|---|---|---|---|
| Climate Change Risk | Waste Production & Disposal | Renewable Energy | Occupier Satisfaction |
| Indoor Environmental Quality | Improved Resistance to Disaster | Social Value Generation | Net-Zero |
| 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 |

# 12
# COMPLIANCE & BENEFITS OF RI

We will continue to comply with all relevant UK statutory requirements, EU directives and with local planning authorities, aiming to go beyond the minimum requirements where feasible.

In addition, we will continue to collaborate with policy makers and government either directly or indirectly through our ESG advisors and contribute to consultations that seek to develop legalisation that will enable us to meet our commitments to the Paris Agreement and achieve Net Zero by 2050.

## Mandatory Requirements

- The Minimum Energy Efficiency Standards (MEES) and Section 63.
- The Energy Savings Opportunity Scheme (ESOS).
- Sustainable Finance Disclosure Regulation (SFDR).
- Décret Tertiaire 2020.
- EU Taxonomy 2020.
- The Heat Network Metering and Billing Regulations 2014.
- Local Planning Authority Requirements and Section 106.

## Key procedures that support us to remain compliant

- Quarterly legislative updates on key environmental legislation impacting real-estate owners and occupiers.
- Quarterly environmental reporting covering supplies and use of energy across all our assets which provide the basis for calculating our portfolio's carbon footprint.
- Strategic risk management of Energy Performance Certificates (EPCs) ratings against the MEES for England and Wales and Section 63 for Scottish based assets.
- Preparation of asset sustainability implementation plans and EPC+ reports to identify opportunities for energy efficiency in existing assists.
- Publication of refurbishment and development guidelines including occupier fit-out.

## Benefits of RI

The implementation of DTZ Investors' RI strategy and the overall approach to ESG has a number of benefits for our clients, tenants and stakeholders. These can be summarised as follows:

- Effective management of risk
- Driving greater portfolio performance through efficiency
- Active management across our portfolio leading to reduced environmental impact
- Reduced utility consumption across our assets and portfolio leading to reduced costs of occupation
- Future proofing of buildings and assets
- Enhanced levels of stakeholder engagement with occupiers, staff, communities and relevant industry bodies
- Robust and effective approach towards property improvement planning

# 13
# Target Setting

ESG targets and objectives have been established to encourage property improvement, asset performance and stakeholder engagement. We will review progress against targets on a quarterly & annual basis with the aim of achieving continual improvement in the environmental performance of our buildings and our approach to RI.

| | Target | Progress |
|---|---|---|
| Environmental* | Complete long-term scenario modelling for portfolios under management by end of 2022 | Net-zero audits have been completed at 24 units. 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 32% and like for like emissions have fallen by 25% 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. 42% of tenant data was collected in 2022, as an average of electricity, natural gas and water. |
| | Zero Waste to Landfill & recycling rate of 75% by 2025 | 0.03% of waste went to landfill and a 56% recycling rate was achieved in 2022. |
| | Reduction in water usage by 10% from a 2019 baseline by 2025. | 12% reduction in absolute water consumption and a 30% reduction in like for like consumption |
| Social | Embed social value commitments and targets across all portfolios and landlord procurement activities by 2023 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

# 14
# Annual Environmental Data

| Environmental Performance Metric | Unit of Measure | Type | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|
| Landlord electricity consumption | kWh | Absolute | 16,888,335 | 21,670,068 | 16,500,227 | 15,178,558 |
| | | Like-for-like | 6,169,240 | 5,162,386 | 5,204,892 | 4,912,110 |
| Landlord electricity consumption from renewable energy sources | % of total | Absolute | 100% | 100% | 100% | 100% |
| Landlord natural gas consumption | kWh | Absolute | 8,974,477 | 7,805,643 | 10,448,857 | 8,349,140 |
| | | Like-for-like | 6,142,004 | 5,136,097 | 5,035,402 | 4,872,891 |
| Scope 1 & 2 (landlord) GHG emissions | $tCO_2e$ | Absolute | 5,130 | 4,027 | 3,820 | 3,475 |
| | | Like-for-like | 2,035 | 1,662 | 1,754 | 1,508 |
| Scope 1 & 2 (landlord) GHG emissions intensity | $tCO_2e/m^2$ | Absolute | 0.103 | 0.079 | 0.079 | 0.057 |
| | | Like-for-like | 0.089 | 0.070 | 0.078 | 0.068 |
| Tenant data coverage (Electricity, gas and water) | % of floor area | Average | 8% | 19% | 32% | 42% |
| Tenant data coverage (Electricity, gas and water) | Weighted % of floor area | Average | - | - | 33% | 52% |
| Tenant electricity consumption | kWh | Absolute | 132,182,803 | 148,977,396 | 157,024,851 | 149,446,596 |
| | | Like-for-like | 116,654,917 | 138,489,716 | 150,087,255 | 144,517,083 |
| Tenant natural gas consumption | kWh | Absolute | 225,127,252 | 199,612,933 | 175,357,734 | 163,096,307 |
| | | Like-for-like | 191,709,396 | 176,573,918 | 165,474,009 | 154,600,868 |
| Tenant GHG emissions | $tCO_2e$ | Absolute | 75,176 | 71,435 | 65,460 | 58,672 |
| | | Like-for-like | 65,063 | 64,754 | 62,176 | 56,168 |
| Fuel & Energy Related Activity GHG emissions | $tCO_2e$ | Absolute | 868 | 944 | 1,321 | 1,026 |
| | | Like-for-like | 299 | 241 | 430 | 345 |
| Upstream Leased Asset GHG emissions | $tCO_2e$ | Absolute | 18 | 16 | 12 | 16 |
| | | Like-for-like | 18 | 16 | 12 | 16 |
| Waste Generated in Operations | $tCO_2e$ | Absolute | 199 | 209 | 84 | 99 |
| | | Like-for-like | 84 | 70 | 46 | 64 |
| Scope 3 GHG emissions | $tCO_2e$ | Absolute | 76,261 | 72,604 | 66,877 | 59,813 |
| | | Like-for-like | 65,464 | 65,081 | 62,664 | 56,593 |
| Scope 3 GHG emissions intensity | $tCO_2e/m^2$ (NLA) | Absolute | 0.052 | 0.051 | 0.050 | 0.045 |
| | | Like-for-like | 0.051 | 0.051 | 0.049 | 0.045 |
| Landlord water consumption | $M^3$ | Absolute | 145,419 | 160,152 | 120,529 | 127,564 |
| | | Like-for-like | 19,795 | 27,822 | 12,553 | 13,883 |
| Landlord waste production | Tonnes | Absolute & like-for-like | 2,976 | 1,912 | 1,963 | 2,765 |
| | % of total | Recycling Rate | 46% | 52% | 51% | 56% |
| F&G rated EPCs | % of ERV | - | - | - | 2.1% | 1.1% |

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# Clarifications in the Data

## Reporting 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.
- 2022 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.
- A change in reporting methodology and a variation in meters/ sites included due to updated data means that 2022 figures are not comparable with previous years reporting.
- 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 in 2022/23 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 DTZI.
- 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 DTZI and tenants is not considered within emissions reporting.
- Reported data covers all discretionarily managed asset.

# CONTACTS

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