



ENVIRONMENTAL PERFORMANCE

1st April 2018 - 31st March 2019

Performance coverage

We have a flexible business model which fluctuates year-on-year based around acquisitions, sales and completion of construction projects. This in turn is represented in our year-on-year performance. Below details the full coverage of our managed and development portfolios that can be reported on for the reporting year. The development portfolio overall represents 6.8% of total asset value.

	Number of properties		
	2016-17	2017-18	2018-19
Head office	1	1	1
Managed Portfolio ¹	17	16	13
Refurbishment Projects ²	17	11	8

¹ Includes multi-let office, retail and mixed-use developments where we have operational control.

² Includes all refurbishment projects active in this reporting period with a project cost over £500,000 where we have operational control.

Energy Consumption - EPRA-Elec-Abs & Fuels-Abs & Elec-LfL & Fuels-LfL

		Electricity (kWh)			Gas (kWh)		
		2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
Absolute	Head Office and multi-let offices	4,673,027	5,319,111	5,076,437	4,268,486	4,136,283	3,798,650
	Retail	322,560	30,440	0	No Gas	No Gas	No Gas
	Other managed assets	1,182,284	0	496,307	840,193	0	0
	Refurbishment Projects	2,625,759	331,055*	763,329	73,211	0	0
	Combined Total**	7,621,346	5,680,606	5,839,766	4,341,697	4,136,283	3,798,650
Like-for-Like	Head Office and multi-let offices	N/A	3,845,221	3,387,957	N/A	2,729,889	2,073,244

* estimated figure for electricity consumption based on the previous reporting period figures. This accounts for approximately 2% of the total kWh consumption for electricity within the reporting period.

** excludes 'other managed assets' as these are single let properties and out of scope for managed asset comparison.

Due to the changing nature of the portfolio traditional benchmarking of performance is complex. Fluctuations across the multi-let office consumption occur through variation in occupancy levels and the change in managed portfolio assets year-on-year. Although this year has seen a more stable portfolio compared with previous years, several large properties have been sold which affects both absolute and like-for-like (LfL) consumption comparison. Only properties which we have operational control or influence over are considered within the like-for-like performance metric. Any properties which have had refurbishment or considerable changes in occupancy have not been included within the LfL comparison. Fuel used for managed asset is reported as landlord supply, nevertheless, this fuel is used for the whole building.

Absolute consumption for this reporting year has considerably reduced due to our continued stream-lining of the portfolio selling several assets over the year. LfL performance measurement for electricity is possible at five of the one owned multi-let offices and our head office, with only three multi-let offices for gas. Consumption has decreased by 17% LfL against the target of 2%. At the end of the reporting year, approximately 80% of the total

floor area's electricity is supplied by green tariff supply across the managed portfolio. Over the next 12 months the remaining supply shall be reviewed for alternative green tariff supply moving towards 100% renewable energy supply for electricity. At present no managed asset uses energy from on-site renewable sources.

Greenhouse Gas (GHG)- EPRA-GHG-Dir-Abs & Indir-Abs & GHG-Dir-LfL & Indir-LfL

	Scope 1 ¹ (tonnes)			Scope 2 ² (tonnes)		
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
Whole Portfolio	1,009	796	739	3,865	1,997	1,794
Whole Portfolio LfL	N/A	487	362	N/A	1,375	976

¹ Scope 1 - direct emissions from gas and fuels

² Scope 2 - indirect emissions from purchases electricity (location-based approach)

	Scope 3 GHG (tonnes)		
	2016-17	2017-18	2018-19
Whole Portfolio	485	654*	542

* restated figure for 2017-18

	Scope 1 GHG (tonnes)			
	2016-17	2017-18	2018-19	
Absolute	Natural Gas	953	762	699
	Diesel Fuel	28	17	12
	Air Conditioning Gas	28	17	28
	Total	1,009	796	739

Our direct and indirect GHG emissions are reported across the entire managed and development portfolio. This accounts for the Helical head office, managed properties and current construction sites and is 100% of our operational control. A number of construction/refurbishment projects have completed over the reporting year and are occupied. The variation in the occupancy levels and the alteration in UK GHG conversion factors has affected the absolute emissions as demonstrated above. Due to further consolidation of our managed assets to core buildings, in addition to improvements through energy efficient lighting and energy saving initiatives, the absolute consumption figures have reduced accordingly. Notwithstanding this, of the properties able to be compared under like-for-like there has been an overall reduction in reported Scope 1 and 2 emissions of 25% which exceeds the target of 2% reduction landlord GHG emissions.

Energy and GHG Intensity - EPRA-GHG-Int & Energy-Int

	Absolute Intensity		LfL Intensity		
	2017-18	2018-19	2017-18	2018-19	
Managed Assets					
Landlord areas	Electricity (kWh/m2)	292	238	330	284
	Gas (kWh/m2)	59	45	14	11
	Scope 1 (kg CO2e/m2)	7	7	30	24
	Scope 2 (kg CO2e/m2)	103	64	116	82
Whole Building	Electricity (kWh/m2)	79	74	105	103
	Gas (kWh/m2)	59	45	14	11
	Scope 1 (kg CO2e/m2)	7	7	30	24
	Scope 2 (kg CO2e/m2)	35	22	37	29

Reporting year	Portfolio Net Lettable Floor area (m2)	Scope 1&2 emissions (tCO2e)	Scope 1&2 (tCO2e/m2)
2017-18	202,785	2,793	0.014
2018-19	179,298	2,533	0.014

Reporting year	Revenue net rental income (£M)	Scope 1&2 emissions (tCO2e)	Scope 1&2 (tCO2e/£M)
2017-18	36.1	2,793	77.4
2018-19	25.2	2,533	100.5

Both like-for-like and absolute intensities have decreased compared with last year's performance based on both whole building and landlord only floor areas. Tenant engagement activities and energy efficiency improvements over the reporting period have supported the positive reduction in emission and consumption intensities to over 20% for both absolute and LfL. When comparing our total scope 1 and 2 emissions with our whole portfolio area we have remained consistent with last year's performance.

Water Consumption - EPRA-Water-Abs & Water-LfL & Water-Int

		Water (m ³)		
		2016-17	2017-18	2018-19
Purchased	Head Office and multi-let offices	41,083	37,140	67,692
	Retail	704	83 ¹	0
	Refurbishment Projects	6,790	9,782	680
	Combined Total	46,619	43,355	68,372
	Water Like for Like	-	5,337	6,120
	Water Intensity for managed portfolio (m ³ /m ²)	0.055	0.386	0.541
	Water Intensity for managed portfolio (m ³ /person)	-	3.91	7.22
Effluent	Head Office and multi-let offices	25,922	28,336	36,438
	Retail	704	83	N/A
	Refurbishment Projects	-	108	879
	Combined Total	26,626	28,527	37,317

¹ Retail units sold after first quarter. Representative of only 3 months data as opposed to whole year information for 2016-17

The large increase in water consumption for the managed assets can be attributed to several properties reporting water for the first time this year. As part of our corporate target to improve sustainable design of commercial developments, the reduction of water consumption is a key target within the BREEAM assessments. A comparison of the like-for-like managed assets was only possible at one property (The Loom), this is due in part to the changing portfolio, and difficulties with billing and meter readings. The Loom has seen a 14% increase which is attributed predominantly to fluctuations in tenant occupancy and shall be monitored for improvements going forward.

Waste – EPRA-Waste-Abs & Waste-LfL

		2016-17	2017-18	2018-19
		Total Waste Generated (tonnes)		
Absolute	Head Office and multi-let offices	935	901	1,886
	All Retail	26	4	N/A
	All Refurbishment Projects	59,932	51,988	11,264
	Combined Summary	60,893	52,910	13,150
	Waste recycled on site (tonnes)			
	Head Office and multi-let offices	624	636	1,012
	All Retail	14	2	N/A
	All Refurbishment Projects	46,440	8,213	11,141
Combined Summary	47,078	8,851	12,153	
Like-for-Like	Head office and Multi Let Offices Waste recycled on site (tonnes)	N/A	412 (67%)	1,148 (67%)

		Waste Diverted from landfill (tonnes)			Waste to Landfill (tonnes)		
		2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
Absolute	Head Office and multi-let offices	919	899	1,886	15	2	0.45
	All Retail	13	2	N/A	13	2	N/A
	All Refurbishment Projects	59,515	51,698	10,962	414	291	302
	Combined Summary	60,447 (99%)	52,599 (99%)	12,848 (98%)	457 (<1%)	295 (<1%)	302 (2%)
Like-for-Like	Head Office and multi-let offices	N/A	342	372	N/A	2	0

		Hazardous Waste (tonnes)		
		2016-17	2017-18	2018-19
All Refurbishment Projects		61	142	1
Head Office and multi-let offices		0	0	0
Retail		0	0	0
Combined Total		61	142	1

Year-on-year performance in diverting waste from landfill is consistent across the years. Across both the managed and development portfolio over 98% of waste was diverted from landfill exceeding the target of 80% diversion from landfill for construction sites. We will continue to pursue improvement against our performance working towards 100% diversion from landfill. Data for Hazardous waste is reflective of total tonnage across all refurbishment sites (8 in 2018-19). With respect to recycling in the managed portfolio has exceeded the target of 50%. We have successfully engaged with restaurant and café tenants to encourage opportunities to avoid single-use plastic. There has been a positive response with most retail units providing alternatives to single use plastics such as biodegradable cutlery and incentives for reusable cups.

Building Management

		2016-17	2017-18	2018-19
Smart Meters (Managed multi-let offices)	Electricity	64%	92%	83%
	Gas	19%	71%	50%
	Multi-let offices	45%	64%	75%¹

	2016-17	2017-18	2018-19
Building Management Systems (Managed multi-let offices) Retail	50%	50%	N/A

It is an ongoing objective to improve on our environmental performance of the portfolio. We are actively upgrading the inclusion of automated meter reading (AMR) devices and Building Management Systems (BMS) which will allow for accurate, real-time data and increases the accuracy of data for not only billing but corporate responsibility reporting. Over the next 12 months, we will look to continue expanding the uptake of AMRs across the portfolio, wherever feasible.

Building Certification - EPRA-Cert-Tot

BREEAM and Construction Management

It is a company objective that any new build commercial development will aim to achieve BREEAM 'Very Good'. Of the relevant new build developments and major refurbishment all schemes of above £5 million in value have been registered under BREEAM and are targeting a rating of 'Very Good'. With respect to the managed portfolio overall, 50% (by floor area) is certified to BREEAM and in total 66% is on track to achieve at least BREEAM Very Good with a majority achieving Excellent.

	Percentage of Sites		
	2016-17	2017-18	2018-19
Development Projects >£5M registered to achieve BREEAM Very Good rating	100%	100%	50%
Managed Assets with a BREEAM certificate at Final completion (by floor area) of Very Good or Above	-	35%	50%
Managed Assets targeting a BREEAM rating of Very Good or Above	-	47%	66%

WELL Assessment

In a Development Management role at the Drury Lane site, we have overseen the registration of the building for certification under the WELL Building Standard scheme. Reflecting on the success of the scheme we will review the applicability of this assessment methodology for other projects both within the portfolio and under Development Management responsibility.

Construction Management *for refurbishment only*

	Performance of Sites		
	2016-17	2017-18	2018-19
Schemes registered with Considerate Constructors Scheme (CCS)	13 of 17	6 of 11	4 of 8
Our Lowest Score for CCS	31	32	32
Our Highest Score for CCS	43	44	44
Our Average Score for CCS	38	38	38
Sites with recognised EMS ISO14001 (%)	65	40	38

Resource Use *for refurbishment only*

	Number of Sites		
	2016-17	2017-18	2018-19
Proportion of Sustainably sourced timber	15 of 17	7 of 7 ¹	8 of 8
Number of Sites that have reused building elements where possible	9 of 17	6 of 7	2 of 7 ²

¹ four sites are internal refurbishments that required no use of timber.

² 1 site not applicable as internal refurbishment

A strong performance is shown by all sites that reported against the key performance measure for sourcing sustainable timber. All refurbishment sites have confirmed again this year that they source 100% of their timber from sustainable sources exceeding the target of 50%. Maximising the reuse of materials and minimising resource use remains a corporate objective. Of the eleven schemes reviewed, six reported the reuse of materials such as timber, bricks and construction demolition waste, where appropriate. Even when it is not feasible to reuse materials on site, materials are ordered as required, and in the specified quantities, thereby minimising potential wastage. Half of construction projects within the reporting year are registered with the Considerate Constructor's Scheme (CCS) which sets the industry standard on any construction activity and has environmental performance as a key element. The average score for CCS across all relevant sites (38) is above the current industry average of 36. This year approximately over a third of sites have confirmed that they operate to an accredited Environmental Management System (EMS) i.e. ISO 14001 which is less than previous years. The sites without an accredited EMS for the construction phase monitor their environmental impact through the managed element of the building.

Notifiable Environmental Incidents *for refurbishment and operationally controlled portfolio*

	Frequency		
	2016-17	2017-18	2018-19
Number of Environmental Incidents	Zero	Zero	Zero

Environmental Fines and Penalties

	Frequency		
	2016-17	2017-18	2018-19
Number of environmental fines/penalties	Zero	Zero	Zero
Cost of environmental fines/penalties (£)	Zero	Zero	Zero

Year-on-year we continue to monitor and mitigate any potential environmental incidents and continue to record zero incidents, fines or penalties across the whole of the portfolio. This is something that is checked and monitored as part of our everyday reporting on site.

Sustainable Transport *for refurbishment only*

	Percentage of Sites		
	2016-17	2017-18	2018-19
Public transport nodes within 650 m of the site	88%	82%	100%
Site with cyclist facilities provisions	77%	46%	100%

Sustainable Transport *for managed multi let offices*

	Frequency		
	2016-17	2017-18	2018-19
Sites with a Green Travel Plan	2 of 12 (17%)	3 of 10 (30%)	4 of 12 (33%)
Public transport nodes within 1km of the site	11 of 12 (92%)	10 of 10 (100%)	12 of 12 (100%)
Site with cyclist facilities provisions	8 of 12 (67%)	10 of 10 (100%)	12 of 12 (100%)
Cycle storage capacity	718	902	960
Cycle storage intensity (space per occupant)	1 per 9	1 per 9	1 per 9

The majority of the managed portfolio is in close proximity to public transport links owing to the central London location of the managed multi let offices. Where feasible, cyclist facilities are considered for all new construction / refurbishment developments. All of current

refurbishment projects include the provision of cyclist facilities and all have access to public transport nodes within 650 m.

Biodiversity *for refurbishment only*

	Percentage of Sites		
	2016-17	2017-18	2018-19
Sites which have included ecological enhancement measures	47%	27%	25%
Sites with appropriate protection measures for sensitive features (%)	100%	100%	100%

Our construction sites continue to afford protection to sensitive features located at the construction sites to preserve the existing biodiversity. Where possible sites are encouraged to enhance the local biodiversity of the site. This year has seen less activity in the development portfolio with good coverage for protecting sensitive features, where present. The refurbishment sites for this reporting year have seen limited availability to enhance ecology at site. Wherever possible, we and our contractors actively seek potential opportunities at refurbishment sites to enhance biodiversity.