Sustainability Performance Report

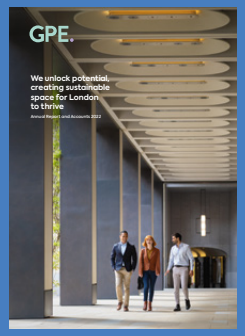
Year ended March 2022

GPE.
Greater together

Contents

For more information on our long-term sustainability strategy, our performance and how we integrate sustainability across our business:

www.gpe.co.uk/sustainability



Annual Report 2022

Sustainability Statement of Intent

Social Impact Strategy

Sustainable Finance Framework

Introduction

During the year to March 2022, the pandemic was very much still in evidence, with working from home guidance in place until July 2021 and a return to hybrid working patterns over the summer and autumn period. Despite these uncertainties, through our Customer first approach, we have continued to address today's key themes of flexibility, service delivery and amenity provision. Sustainability, technology, health and wellbeing are key requirements for our customers and our focus has been on enhancing our customers' experience, whilst future proofing our buildings for tomorrow's working patterns."

Janine Cole Sustainability and Social Impact Director

Against this backdrop, we continued our efforts towards our net zero carbon goal, putting our internal carbon price and Decarbonisation Fund into practice for the first time. This year, the fund allocated £403,000 to energy efficiency projects at 200 Gray's Inn Road.

Significant progress was made as we sought to use technology to support improvements in energy efficiency, with four digital twin projects piloted at properties across our portfolio. COVID-19 continued to impact a number of our Key Performance Indicators (KPIs), particularly operational measures such as energy and water consumption and waste management performance. For a full breakdown and commentary on our performance see pages 23 to 44.

During the year, we worked with a consultant to review the potential costs involved to upgrade our existing portfolio to an EPC B rating by 2030 see page 09. However, given our business model of acquiring unloved properties in order to reposition them, we are actively seeking to acquire properties with lower EPC ratings (which are therefore potentially at risk of stranding) in order to refurbish them. Estimated costs are therefore liable to change over time.

We also continued to develop our strategy, launching our ICMA aligned **Sustainable Finance Framework** in the summer, which complements our market leading ESG-linked Revolving Credit Facility (RCF) – progress against the KPIs within our RCF can be found on page 22.

In November, we launched our **Social Impact Strategy** setting out how we will create £10 million social value by 2030. See page 12 for detail on the social value we created during the year.

Legislation and best practice on data and reporting continues to evolve. Within this report we have provided an update on how we are progressing with our net zero carbon targets (as set out in our Roadmap to Net Zero), and aligned with the EPRA "Sustainability Best Practice Recommendations" (sBPR) and the relevant real estate Sustainability Accounting Standards Board (SASB) metrics. For ease of reference, we have included our Task Force on Climate-related Financial Disclosure (TCFD) response – it can also be found in full in our Annual Report and Accounts at **www.gpe.co.uk/investors**.

Deloitte LLP have provided limited assurance for certain data metrics to provide a level of scrutiny of our data and processes these are clearly marked with a 'D' throughout the report. Their assurance statement is attached to the end of this report.

More information on our approach and sustainability strategy can be found at **www.gpe.co.uk/sustainability**.

Creating and evolving our strategy

2019

April

Materiality review identified priorities including:

- Sustainable Building Design;
- Energy Efficiency; and
- Climate Adaptation and Resilience.

Results led to setting our 40% energy intensity reduction target and the outcomes of the materiality review informed the creation of our Sustainability Statement of Intent.

June

Physical climate risk modelling exercise undertaken to improve understanding of physical risks. The results were integrated within our Sustainability Statement of Intent.

See page 04

September

GPE signed the **Better Building Partnership (BBP) Climate Commitment** as a founding signatory.

2020

January

Signed innovative **ESG-linked Revolving Credit Facility (RCF)**. It was the first to be issued by a UK REIT and incorporates three ESG-linked KPIs which align with our ambitious sustainability strategy.

See page 22

May

Statement of Intent 'The Time is Now' launched which sets out our long-term strategy to 2030 across four pillars:

- Decarbonise our business to become net zero by 2030;
- Design climate change resilient and adaptable spaces;
- Create a lasting positive social impact in our communities; and
- Put health and wellbeing front and centre.

November

Launched our Roadmap to Net Zero detailing our approach to become a net zero carbon business by 2030.

See page 05

2021

July

Launched our **Sustainable Finance Framework**, available here:

www.gpe.co.uk/media/4125/gpe-sustainable-finance-framework-july-2021.pdf

November

To address the third pillar of our Statement of Intent, we launched our **Social Impact Strategy** which sets out our four priority areas and how we can create a lasting positive impact in our communities.

See page 10

2022

During 2022

We will:

- Launch our **Sustainable Spaces Brief**;
- Set out our **approach to climate change resilience** in more detail;
- Develop fully **costed building-level net zero carbon transition plans** with the target of achieving an energy intensity of 90kWh/m²; and
- Deliver our **first net zero carbon development.**

See more on page 09

2030

By 2030

We will:

- **Decarbonise to become a net zero carbon business** and ensure that we are adapted and resilient to climate change; and
- **Create at least £10 million** of social value, that is long lasting, measurable, and has made a positive impact that would not have been created without our direct involvement.

50 Finsbury Square, EC2, our first net zero carbon development, completing autumn 2022

The Time is Now

Our Statement of Intent, 'The Time is Now', sets out our simple approach to sustainability looking out towards 2030. Informed by our review of material risks and aligned with the UN Sustainable Development Goals, it builds on our strong track record and is based on four pillars:

We will:

Decarbonise our business to become net zero by 2030

Given the urgency of the climate crisis, we must decarbonise the whole building life cycle by reducing embodied carbon, reducing energy intensity and increasing renewable energy generation at our buildings

Design climate change resilient and adaptable spaces

In order to improve the climate resilience of our buildings, we need to address regulatory risk, transition away from a reliance on fossil fuels, prioritise renewable energy, retrofit biodiversity measures and design for longevity and adaptability

Create a lasting positive social impact in our communities

Creating a positive social impact, focused on improving the quality of life for disadvantaged Londoners is integral to our approach – as when our community thrives, our business thrives too

Put health and wellbeing front and centre

A sustainable building should also contribute to the wellbeing of our customers and the local community, supporting healthier, happier and more productive lives

During the year we...

-24.4%
Reduced energy intensity by 24.4% when compared to our 2016 baseline

-22.0%
Reduced the (design stage) embodied carbon of our two developments at 50 Finsbury Square, EC2, and 2 Aldermanbury Square, EC2, by 22.0%, compared to our 2020 baseline

£403k
Invested £403,000 from our Decarbonisation Fund into energy efficiency projects within our portfolio

37.2%
37.2% of buildings EPC A or B rated (2030 compliant)

£631k
Created £631,000 of social value within our communities

£10m
Target to create £10m in social value by 2030

250
Installed over 250 indoor air quality sensors across 29 buildings

555,700sq ft
555,700 sq ft of our existing refurbished portfolio is SKA certified which integrates wellbeing as standard

Roadmap to Net Zero Carbon

In 2020, we launched Our Roadmap to Net Zero, setting out our approach on how we plan to become a net zero carbon business by 2030.

Targets and progress to date are set out below:

Actions	Reduce embodied carbon	Reduce energy intensity	Increase renewable energy supply	Offset residual emissions
Target	Reduce embodied carbon (A1–A5) by 40% by 2030, compared to 2020 baseline	Reduce energy intensity by 40% by 2030, compared to 2016 baseline	Generate 600MWh of renewable energy across our portfolio and support UK grid decarbonisation	Net zero carbon
Progress to date	– 22% improvement on 2020 embodied carbon baseline at committed and near-term developments at design stage; – On target to complete our first net zero carbon building in Autumn 2022, supported by our internal carbon price of £95 per tonne; – Innovative circular economy projects in progress including the reuse of steel from one of our projects within our own portfolio; and – Embodied carbon measurement for Cat B fit-outs in progress to establish a baseline for our 'Fitted' and 'Fully Managed' spaces.	– Reduction in energy intensity of 24%, when compared with our 2016 baseline; – Decarbonisation Fund fully deployed for year ended March 2022 and allocated to energy efficiency projects at 200 Gray's Inn Road, WC1; – 2 Aldermanbury Square, EC2, targeting NABERS UK Design for Performance 4.5 stars; – NABERS UK Energy for Offices pilot in progress; – Continued to invest in metering infrastructure and four digital twin pilots to help support improved energy monitoring for us and our customers; and – Commenced detailed feasibility studies to replace gas boilers and repurpose plant within portfolio.	– Continued to procure REGO-backed electricity and certified green gas for 100% of procured supplies[1]; – 27MWh of on-site renewable energy generated during the year; – All projects within our development pipeline confirmed as on track for net zero carbon, incorporating renewable energy on-site with no on site use of fossil fuels; and – Commenced surveys on solar PV feasibility for our existing portfolio.	– Internal carbon price of £95 per tonne contributed £925,000 to our Decarbonisation Fund in the first two years; and – Carbon offsetting strategy currently being developed. Offsetting is a last resort once all actions have been undertaken to reduce embodied carbon and energy intensity as far as is practical with every effort made to increase on-site renewable energy. All purchased energy is sourced from REGO-backed electricity and certified green gas.

UN Sustainable Development Goals

1. REGO-backed electricity is a contractual instrument backed by a Renewable Energy Guarantees of Origin (REGO) certificate. It is a zero carbon tariff.

Roadmap to Net Zero Carbon continued

Leading the circular economy

Globally, construction accounts for approximately 38% of total carbon emissions. It is therefore critical that the industry embraces the principles of the circular economy, keeping materials in-use in their original state for as long as possible.

At our 2 Aldermanbury Square, EC2, development we are dismantling the existing building to preserve and reuse the steel as around 1,200 tonnes of the existing steel frame can be reused.

We are planning for 700 tonnes to be removed, reconditioned and reused in another GPE development. This will reduce the embodied carbon of the steel in the new building by 99%. The remaining reusable steel will be taken off-site by a specialist steel recycling contractor for reuse in other construction projects.

1,200 tonnes

of the existing steel frame can be reused

Partnering with our customers to improve energy efficiency

Energy consumed by our customers within their spaces contributed to 26% of our total carbon emissions last year and so their engagement and collaboration is crucial to achieving our net zero carbon goal.

At 200 Gray's Inn Road, WC1, our largest energy consuming site (responsible for 44% of our electricity consumption), we have been working with our customers to provide zonal control of plant to remove the need for 24/7 heating and cooling and to better align plant run times with occupancy levels.

> **We have enjoyed working in partnership with GPE as we work to deliver our collective net zero carbon goals and have been pleased to see significant reductions in our energy consumption in 200 Gray's Inn Road as a result."**
>
> **Richard Lawson** Director Of Commercial Production, ITN

Rolling out renewables across our developments

50 Finsbury Square, EC2, due for completion by the end of 2022, is forecast to be the first net zero carbon building within our portfolio.

Through the help of our internal carbon price of £95 per tonne, progress was substantially accelerated, with our project teams working together to reduce the carbon price payable.

As a result, the building is now fossil fuel free and providing 6.6MWh of renewable electricity capacity through on-site solar panels, reducing the projected energy intensity of the building, in line with our net zero goal.

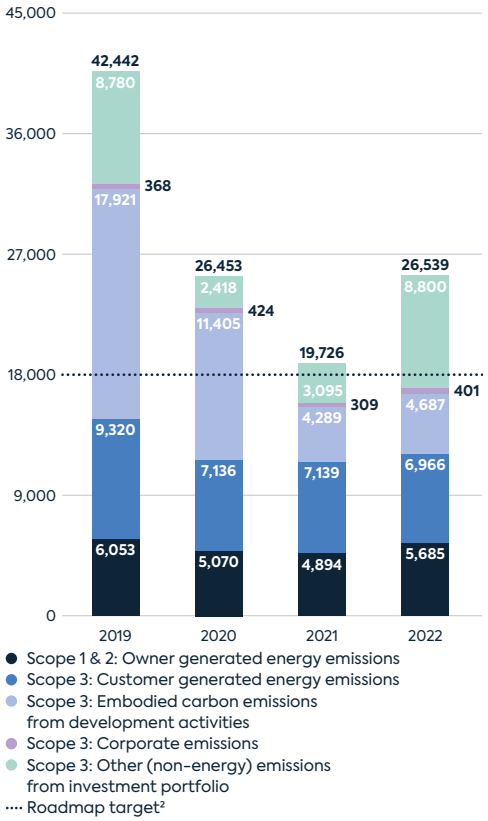
6.6MWh

solar PV capacity per year

Performance against our carbon footprint

As a signatory of the Better Buildings Partnership's (BBP) Climate Commitment, we are required to disclose progress annually against our Roadmap to Net Zero. Our carbon footprint and narrative on progress during the last year is set out below.

Carbon footprint progress:
annual carbon emissions (tCO_2e)[1]



1. 2021 data has been restated.
2. Target aim for all Roadmap to Net Zero achievements.

Total carbon footprint

Our total carbon footprint (Scopes 1, 2 and 3) increased by 35% or 6,813tCO_2e during the year. This was primarily driven by an increase in energy-related emissions as people returned to the office during the year following COVID-19 lockdowns. Additionally, the sale of a building and resuming our established development activity also impacted our emissions.

Direct energy-related emissions

Our direct operational energy emissions (Scope 1 and 2) increased by 16%. This increase was mainly driven by the energy consumption from Hanover Square, W1, now fully operational following its completion in late 2020 and responsible for 19% of our landlord (common parts) electricity consumption.

Indirect Scope 3 emissions

79% of our carbon emissions fall outside our direct control and form our Scope 3 emissions; these are emitted by our supply chain and the customers occupying our spaces.

The 41% uplift in our total Scope 3 carbon emissions for the year was driven by the sale of our BREEAM Excellent rated 160 Old Street, EC1, with the lifetime energy use of the building accounting for 16% of this year's footprint. No assets were sold in the previous reporting period.

Corporate emissions also increased this year as business travel resumed post COVID-19. For the first time, we included all emissions associated with employee travel to our community day across multiple London locations.

Scope 3 emissions from our developments

During the year there was an uplift in emissions related to our development activity. This was largely due to:

- An increased refurbishment programme in line with our 'Fitted' and 'Fully Managed' products, which drove up construction services and materials for refurbishments; and
- An uplift in demolition waste due to the commencement of our near-term development project at 2 Aldermanbury Square, EC2.

We reduced projected emissions from construction services and materials related to our development at 2 Aldermanbury Square, EC2, compared to last year. This was due to the building being a NABERS Design for Performance Pioneer project, with designs now delivering an all electric building with its own solar panel array.

In our Roadmap to Net Zero, we set out our ambition to reduce emissions from our baseline of 42K tCO_2e to 18K tCO_2e by 2030. The graph on the left shows our progress to date.

Our progress towards net zero needs to be monitored on a long-term basis to fully understand the impact of our reduction strategies.

The normal cycle of business activity, such as our decision to sell or develop assets, will inevitably cause fluctuations in emissions. Although this is to be expected, our overriding aim must be to reduce the impact of economic activity on our carbon emissions if we are to reach our goals.

See our detailed carbon footprint on page 08

Compared to last year, we reduced our emissions from construction services and materials related to our development at 2 Aldermanbury Square, EC2

Performance against our carbon footprint continued

		2020/2021		**2021/2022**	
		tCO_2e	% of footprint	**tCO_2e**	**% of footprint**
Scope 1 Greenhouse gas emissions		**2,049**		**2,254**	
	Combustion of fuel: gas used for common parts areas for the managed portfolio	1,899[1]	9.6%	2,067	7.8%
	Operation of facilities (refrigerant gas loss)	151	0.8%	187	0.7%
Scope 2 Greenhouse gas emissions		**2,845**		**3,431**	
	Purchased electricity: used for common parts areas for the managed portfolio (location-based)	2,815[1]	14.4%	3,400	12.8%
	Electricity consumed in GPE head office (location-based)	30	0.2%	31	0.1%
Scope 3 Greenhouse gas emissions					
01. Purchased goods and services	Fuels used in construction	1	0.0%	0	–
	Electricity consumption during construction	629	3.2%	293	1.1%
	Water consumption during construction	3	0.0%	29	0.1%
	Water consumption in standing assets	68[1]	0.3%	35	0.1%
	Maintenance, repair and replacement materials and services	1,136[1]	5.8%	1,480	5.6%
	Operational Procurement	233[1]	1.2%	309	1.2%
02. Capital goods	Construction materials and services for new developments	3,425[1]	17.4%	1,708	6.4%
	Construction materials and services for refurbishments	161[1]	0.8%	2,565	9.7%
03. Fuel and energy related activities	Well-to-tank and T&D emissions from electricity	1,639[1]	8.3%	2,685	10.1%
	Well-to-tank emissions from natural gas	247[1]	1.3%	354	1.3%
04. Upstream transportation and distribution	Transportation of construction materials for developments and refurbishments	64	0.3%	78	0.3%
05. Waste generated in operations	Waste generated during construction	2	0.0%	3	0.0%
	Waste generated during demolition	2	0.0%	5	0.0%
	Waste generated in operations	5	0.0%	10	0.0%
06. Business travel	Employee air, TfL, rail travel and taxi	0	–	24	0.1%
07. Employee commuting	GPE employee commuting	0	–	24	0.1%
	GPE employee home working	75	0.4%	44	0.2%
11. Use of sold products	Expected lifetime energy consumption of assets sold during reporting year	0	–	4,195	15.8%
12. End-of-life treatment of sold products	Waste generated from demolition of sold assets	0	–	47	0.2%
13. Downstream leased assets	Landlord procured electricity sub-metered to customers	4,104[1]	20.8%	3,789	14.3%
	Customer procured electricity and gas consumption	3,035[1]	15.4%	3,176	12.0%
Total Scope 3 emissions		**14,832**		**20,854**	
Total carbon footprint (Scope 1, 2 and 3)		**19,726**		**26,539**	

1. Some of our 2020/21 data has been restated due to actual data having been obtained to fill gaps which were previously estimated, or as more granular data has been obtained.
2. Scope 3 categories 8 (upstream leased assets), 9 (downstream leased assets), 10 (processing of sold products) and 14 (franchises) are not applicable to our business and so are not reported above. Category 15 (investments) is captured elsewhere.

Climate resilience

In order to improve the climate resilience of our buildings we need to address forthcoming regulatory risk, transition away from reliance on fossil fuels, prioritise renewable energy, retrofit biodiversity measures and ensure that we are designing for longevity and adaptability.

During the year we...

...addressed transition risk through EPC upgrades

A building's EPC rating is widely used as an indication of its sustainability. Forthcoming legislation will require new minimum energy efficiency standards of an EPC B rating by 2030. Currently 37% of our portfolio is A or B rated.

See our certifications on page 35

Given the importance of this change we worked with an external consultant to review the potential costs involved to upgrade our existing portfolio to an EPC B rating.

Site surveys were undertaken across 17 buildings and enhanced EPC modelling software was used to run multiple scenarios to understand the impact of changes to building fabric and services to achieve a projected B rating. Independent cost consultants then provided cost estimates.

Costed pathways were produced, outlining how each building can be upgraded to an EPC B rating by 2030. We estimate that the investment required to reach compliance is around £20 million. However, given our strategy of acquiring buildings with poor EPC ratings in order to reposition them through refurbishment, these costs are liable to change over time.

See our Basis of Reporting on page 52

...conducted a mapping exercise using CRREM Net Zero Carbon pathways to future-proof our buildings

We need to transition all of our buildings to net zero. The Carbon Risk Real Estate Monitor (CRREM), is the most comprehensive source of annual, science-based, building energy and carbon intensities that align with a 1.5°C and 2°C global warming scenario.

We mapped each of our buildings against the CRREM trajectories to understand how they are currently performing and their risk of being stranded if they are too energy and carbon intensive.

The findings demonstrate that, as expected, almost all of our buildings require upgrades to improve their energy intensity to avoid the risk of being stranded by 2050. Over the next year, we will build on our EPC pathways to develop fully costed net zero carbon transition plans.

...enhanced biodiversity

Nature-based solutions such as biodiverse roofs and green walls help to reduce the urban heat island effect, contribute to climate change resilience, whilst improving external air quality and supporting health and wellbeing.

As part of our Hanover Square development, working closely with the City of Westminster and community groups, we supported the reopening of the Hanover Square gardens, providing a much needed green space in the centre of the West End.

During the year, access to urban nature was incorporated within our Social Impact Strategy, recognising the value of green space and biodiversity to our communities.

...committed to transition away from fossil fuels

As part of our Roadmap to Net Zero, we have committed to be fossil fuel free by 2030 and all developments within our pipeline are now designed to be fossil fuel free buildings. Additionally, as part of our work to create net zero carbon transition plans for our buildings, we are identifying where gas fired heating and hot water systems can be removed and replaced with fossil fuel free alternatives.

Next year we will...

1. Launch our Climate Resilience Strategy, providing more detail on how we are addressing climate resilience, considering the impact on our spaces, customers, supply chain and communities;
2. Fully cost the decarbonising of our buildings in line with the Carbon Risk Real Estate Monitor (CRREM) curve and science-based targets to reach an energy intensity of 90kWh per m^2 by 2030 in line with our Roadmap to Net Zero;
3. Launch our Sustainable Spaces Brief, which will support best practice approach to sustainable design; and
4. Complete our net zero carbon development, 50 Finsbury Square, EC2, which will include 6.6MWh of solar PV panels to support our self generated renewables target.

UN Sustainable Development Goals

Social impact

There is an inextricable link between environmental and social impact, we are therefore focused on improving the quality of life for disadvantaged Londoners, helping London to thrive.

Our Social Impact Strategy, launched in November 2021, is based around four pillars which will contribute to addressing some of the needs of the London boroughs in which we are working. These pillars are the focus areas around how we intend to create £10 million in social value by 2030.

It provides a framework applicable to all areas of our business activities, whilst allowing the flexibility to deliver a hyper-local approach that responds to local needs.

Delivery will require us to partner with all our stakeholders, using their skills and experience, to make the most of the significant opportunities that exist to create social value throughout the property life cycle.

Our strategy aligns with our Roadmap to Net Zero and the need to support a just transition and champion green skills. Diversity, equity and inclusion are central to our approach, recognising that the property industry needs to better reflect the diversity of our local communities.

The four pillars of our strategy are supported by clear commitments and actions set within the wider context of our Sustainability Statement of Intent and are focused through three lenses:

Our people – connecting our people with our communities and using their knowledge and experience to create a more inclusive industry.

Our spaces – working with partners to create shared value throughout all stages of the property life cycle.

Our lasting impact – creating a lasting legacy through long-term relationships.

Looking forward, these tangible commitments, underpinned by measurable actions, will enable us to monitor progress against each pillar and hold ourselves accountable.

See our performance on page 12

Read our Social Impact Strategy www.gpe.co.uk/media/4254/social_impact_strategy_2021.pdf

Social impact continued

Our activities over the past year continued to be dominated by the lasting impacts of the pandemic, particularly the need for training and employability support to help our communities recover. As such, we aligned our funding to support these needs.

Building upon the charity relationships previously established through our COVID-19 Community Fund, we continued our support of Young Westminster Foundation's 'Mastering My Future' programme which provides free workshops, work experience and mentoring.

We maintained our increased annual financial donation to our charity partners' Centrepoint and Groundwork London due to the ongoing uncertainty caused by the pandemic and held our fourth Community Day with 85 of the GPE team volunteering.

In April 2022, as part of our Social Impact Strategy, we announced our new three-year charity partnership with XLP, a charity that unlocks the potential of young people from disadvantaged backgrounds growing up in inner city areas within London. We also partnered with National Energy Action to support households in London communities who are living in fuel poverty.

NEA Action for Warm Homes

XLP Working to create positive futures for young people

Young Westminster Foundation

Celebrating four years with Centrepoint

In the final year of our partnership with youth homeless charity, Centrepoint, we raised over £116,000, bringing the total raised during our four-year partnership to over £430,000.

During the year, some of our funding was allocated to the appointment of an Employability Trainer who went on to work with 54 young people, five of whom successfully progressed into employment creating £73,910 in social value.

Given our expertise as a property developer, we are providing pro bono programme management and risk advisory support to Centrepoint for their largest capital project to date – the Independent Living Programme – which is delivering 300 new homes to enable young people to live independently and move on from supported housing services. GPE provided 190 hours pro bono support during the year.

> **"The breadth of support this relationship has generated for Centrepoint and the young people we work with is astounding. GPE have set a very high bar for what an effective co-produced strategic partnership can look like."**
>
> **Lucy Coleman**
> Senior Corporate Partnership's Manager, Centrepoint

Volunteering in our communities

We held our fourth Community Day in October 2021. 85 of the GPE team volunteered 390 hours to support our local communities.

On the day, we worked with local artist Matt Dosa, who specialises in running workshops with vulnerable people. Together, we co-created a mural with Centrepoint's young people. We also painted the 'Learning Hub' to make it a more welcoming space, and ran a knowledge transfer 'Hackathon' to support the Independent Living Programme.

We also returned to a Centrepoint service we visited in 2018 to create a memorial garden and volunteered with Bankside Open Spaces Trust (BOST), an environmental charity working to protect and enhance green spaces in SE1.

The day would not have been possible without the support we received from our partners, Maylim and Pro Maintenance, who donated their time, resources and materials allowing us to make a further financial donation to Centrepoint.

> **"It was a great day and highlighted how people coming together to offer help can have a huge impact."**
>
> **Jamie Binstock**
> Portfolio Manager, GPE

Partnering for local impact

Earlier this year, we partnered with Westminster City Council (WCC) to deliver a new pop-up boutique in the historic Piccadilly Arcade, designed to support unique creative talent as part of the Council's pop-up activation programme.

Through supporting up-and-coming brands, all of whom are passionate about craftsmanship, creativity and sustainability, we are able to support WCC's wider ambitions to rejuvenate Westminster's West End offer, whilst having a positive impact on the wellbeing of our community in line with our Social Impact Strategy.

> **"Heart of London Business Alliance is delighted to be working in partnership with GPE and Westminster City Council on this wonderful project enabling new talent and up and coming artisanal brands a platform to grow their businesses in the heart of London's West End."**
>
> **Ros Morgan**
> Chief Executive, Heart of London Business Alliance

Social impact continued

For GPE, creating social value means supporting the people and the communities in which we work to have a better quality of life. During the year, we created £631,000 in social value through our community programmes and direct business activities (2021: £620,000).

Measuring social value

This is the second year that we have worked with Social Value Portal to quantify the social value we create, in line with our goal to create £10 million in social value by 2030.

We use the The National Social Value (TOMs) Measurement Framework to calculate the financial value we create. It involves applying a monetary value to the benefit created by a particular measure. Key to social value measurement is the focus on the "additional" value created, over and above what already exists or would have happened anyway. The table sets out more detail on how we created social value during the year.

Tangible social value outcomes were increased through the provision of skills development, employment opportunities and the donation of space within our buildings.

Area	Social value created
Charitable and in-kind donations to support healthier, safer and more resilient communities	– £174,500 financial donation to charities including Centrepoint (main charity partner), Groundwork London and Bankside Open Spaces Trust. Includes £36,500 donated to Centrepoint on behalf of service partners and in lieu of hire fee for space in our buildings and £5,000 donated to each of our three employee nominated charities: Prior's Court, Motor Neuron Disease Association and Teenage Cancer Trust. – £10,500 initiatives to support customer wellbeing, e.g. yoga classes. – £227,000 provision of space in our buildings to charities and community groups free of charge; most valuable was the support provided to The Story of Christmas Appeal, a charity supporting the homeless and disadvantaged children. – £500 created through volunteering time provided to support local community projects.
Skills and employability support through our partners and supply chain to improve skills and create more opportunities for young people and people from disadvantaged background	– £81,500 created through people employed that were previously Not in Education, Employment and Training (NEETs); this included the five job outcomes as a result of funding an Employability Trainer to support Centrepoint. – £30,000 created through provision of formal training opportunities and meaningful work experience. – £3,500 created through GPE employees volunteering to support young people into work.
Employee engagement to improve staff wellbeing and mental health	– £31,000 invested in mental health campaigns and support to GPE employees. – £37,000 created through equity, diversity and inclusion training.
Supporting the growth of responsible business through ethical procurement and more opportunities for Voluntary Community and Social Enterprises (VCSEs)	– £20,000 created through GPE employees providing pro bono support charities, primarily through the provision of 190 hours to Centrepoint's Independent Living Programme. – £5,500 created through GPE employees volunteering to support VCSEs. – £10,000 donation and employee training to eliminate the risk of modern slavery in the supply chain.

Social impact continued

Contributing to the UN Sustainable Development Goals (SDGs)

As part of understanding our social impact and identifying where we can create the greatest social value, we have mapped our outcomes to the targets and indicators that sit behind the 17 UN Sustainable Development Goals (SDGs).

Whilst we were able to relate our activities to all of the goals, our social value creation contributed most significantly to the five goals outlined opposite. These made up 68% of our total impact.

Looking forward we will...

- Continue to improve the measurement of social value created by our supply chain and our customers as a result of our influence;
- Embed our new three-year charity partnership with XLP and GPE team support through mentoring, skills-based support, general volunteering and fundraising; and
- Develop programme with National Energy Action to support Londoners living in fuel poverty.

Sustainable Development Goal	Our contribution
	Our focus on supporting disadvantaged and underrepresented groups to support social mobility meant that our most significant contribution was towards Goal 10 – Reducing Inequalities. Here, we delivered £114,244 (18%) of social value. Our contribution included direct investment, e.g. through our financial contribution to charity partner Centrepoint, as well as the job outcomes achieved through the employment of people Not in Employment, Education or Training.
	We contributed £109,450 (17%) towards Goal 3 – Good health and Wellbeing. This was primarily through financial investment to charities aligned to causes including homelessness, other vulnerable groups and donations to community projects which contribute to physical and mental health.
	Through focusing on good work opportunities that deliver tangible outcomes and providing affordable workplace, we contributed £99,710 (16%) towards this Goal 8 – Decent Work and Economic Growth.
	We are committed to delivering a lasting positive impact for our communities aligned with Goal 11 – Sustainable Cities & Communities. We invested £53,493 (9%) over the last year which directly contributed towards this goal.
	Education and training provision for young people and disadvantaged groups is key pillar of our strategy. Through both direct investment and the impacts achieved e.g. through employee volunteering to improve skills, we delivered £51,427 (8%) of social value aligned with Goal 4 – Quality Education.

Health and wellbeing

During the year, we continued to support our people through the pandemic, and also as we transitioned from working from home to a hybrid working arrangement. We stayed close to our customers, providing support as their employees returned to the office.

During the year we have been piloting Fitwel, the wellbeing rating, at one of our 'Fitted and Fully Managed' spaces, 16 Dufour's Place, W1.

Through this process, we have been able to integrate the promotion of healthy behaviours such as good nutrition and physical exercise as well as ensuring responsible cleaning processes and indoor air quality monitoring to support the health and wellbeing of our customers.

Learnings have also been incorporated into the design of our 'Fitted' spaces and the management of our spaces, including encouraging active movement through use of the stairs and offering our customers yoga classes on-site.

UN Sustainable Development Goal

Healthy buildings

The quality of the buildings in which we spend our time can impact our wellbeing. As part of our commitment to deliver healthy buildings that support customer wellbeing, we installed over 250 internal air quality monitoring sensors during the year.

The sensors, now live across 29 buildings, record temperature, carbon dioxide, volatile organic compounds, humidity and particulate matter, which supports us in providing real-time feedback to our customers through our app, sesame®.

By ensuring that our buildings are sustainable, we contribute to the wellbeing of our customers and the local community, and support healthier, happier and more productive lives.

Putting wellbeing first

We provide the spaces of the future, incorporating latest technology to drive our customer experience, such as through our smart workplace app, sesame®.

sesame® promotes health and wellbeing for our customers and local communities by providing local offers, promotions and events, such as rooftop yoga, as well as restaurant and entertainment recommendations and special deals.

Customers in our building can also come together in virtual community spaces, all of which promotes health and wellbeing in a wider localised community context.

We are also providing our customers with real-time feedback on their energy consumption, allowing them to regulate their thermal comfort whilst also encouraging more sustainable behavioural change.

Making cycling more accessible

We partnered with Groundwork London and Sustrans to support two programmes that provide cycle skills training with the aim to make cycling more inclusive, particularly for women and people of colour.

Working with Sustrans in Tower Hamlets, our funding helped develop the Community Cycle Hub. Through mentoring and providing training for women to become cycling instructors we are able to help unlock barriers to cycling within communities.

Our £25,000 donation to Groundwork London, supported 'Westminster Wheels', a community enterprise bike shop. Our support funded four six-month work placements, paying the London Living Wage, for previously unemployed Westminster residents. The trainees work towards a City & Guilds bike mechanic qualification and receive wider employability support to progress into careers with cycling related businesses.

GROUNDWORK

sustrans
JOIN THE MOVEMENT

Participation and Industry Engagement

In order to tackle the climate crisis it is necessary for businesses to work together. As a result, we are members of a number of industry groups that support improving the sustainability of the built environment.

We also disclose our performance to numerous external benchmarks and are signatories to relevant commitments detailed below.

Accelerating nature-based solutions and resilience

As part of their innovation and solutions work, the UK Green Building Council (UKGBC) launched two challenges earlier this year focusing on nature-based solutions and climate resilience. Two members of our sustainability team were invited to sit on the judging panel.

The panel evaluated a large number of solutions proposed by entrants and identified those that promised the most impact for buildings and the communities in which they are located. The UKGBC has now published the full report showcasing the different solutions, which are practical, can be implemented now, and create a substantial positive impact.

UKGBC Resilience and Nature-Based Solutions Challenge Showcase Report

Supporting market transformation

The Better Buildings Partnership (BBP) is a collaboration of the UK's leading commercial property owners, all working together to improve the sustainability of existing commercial buildings.

Through membership of the BBP, GPE have contributed to numerous initiatives, including the BBP's transformational Climate Commitment and their innovative owner and occupier forum, aiming to improve collaboration between owners and occupiers on the environmental performance of their properties – a key area of focus for GPE.

In September, having been a BBP Board Director since 2019, Janine Cole (Sustainability and Social Impact Director) was delighted to take up the position of Chair of the BBP.

Industry collaboration at COP26

COP26, the largest climate summit since Paris in 2015, brought together leading organisations to showcase the role of the built environment in the net zero transition.

Ahead of COP26, we joined the UN Race to Zero campaign and came together with 100 organisations to co-sponsor the Built Environment Virtual Pavilion which enabled the built environment industry to have larger reach that lasted beyond COP26 itself.

To raise awareness amongst the GPE team of the important discussions being held during COP26, we held a sustainably sourced breakfast alongside a live stream of the BBP's COP26 event on 'Energy Day' which looked at the critical role of real estate in addressing climate change.

We participate in:

GRESB Real Estate

2021:
Standing Investments: 81/100 – 4*
Development: 93/100 – 5*
2020:
Standing Investments: 80/100 – 4*
Development: 88/100 – 5*

CDP Disclosure Insight Action

2021:
Climate Change: B
Supplier Engagement: B
2020:
Climate Change: B
Supplier Engagement: B-

MSCI ESG Ratings AAA

2022:
ESG Rating: AAA
2021:
ESG Rating: AAA

Corporate ESG Performance Prime – ISS ESG

2022:
Current ESG Rating: B-

FTSE4Good

2022:
Percentile ranking: 89
2021:
Percentile ranking: 90

EPRA sBPR Gold

Gold Award received for consecutive years from 2014 for reporting in line with EPRA Sustainability Best Practice Recommendations

We are signatories of:

- BBP Climate Commitment Signatory
- Science Based Targets – Driving Ambitious Corporate Climate Action
- Race to Zero
- TCFD – Task Force on Climate-Related Financial Disclosures
- Business Ambition for 1.5°C

Our response to the Task Force on Climate-related Financial Disclosures (TCFD)

In the following pages, for ease of reference, we have provided our full TCFD disclosure for the financial year ended 31 March 2022. This is also provided in full in our Annual Report and Accounts on pages 45 to 49.

Great Portland Estates plc has complied with the requirements of LR 9.8.6(8)R by including climate-related financial disclosures consistent with the TCFD Recommendations and Recommended Disclosures.

Governance

Board oversight of climate-related risks and opportunities

The Board is responsible for oversight of climate and sustainability risks and opportunities (e.g. acquisition of stranded assets), with a particular focus on impact on business strategy. A report is provided by the Sustainability and Social Impact Director at each Board meeting. This covers implementation of our Sustainability Strategy, upcoming risks and opportunities and progress against our Roadmap to Net Zero.

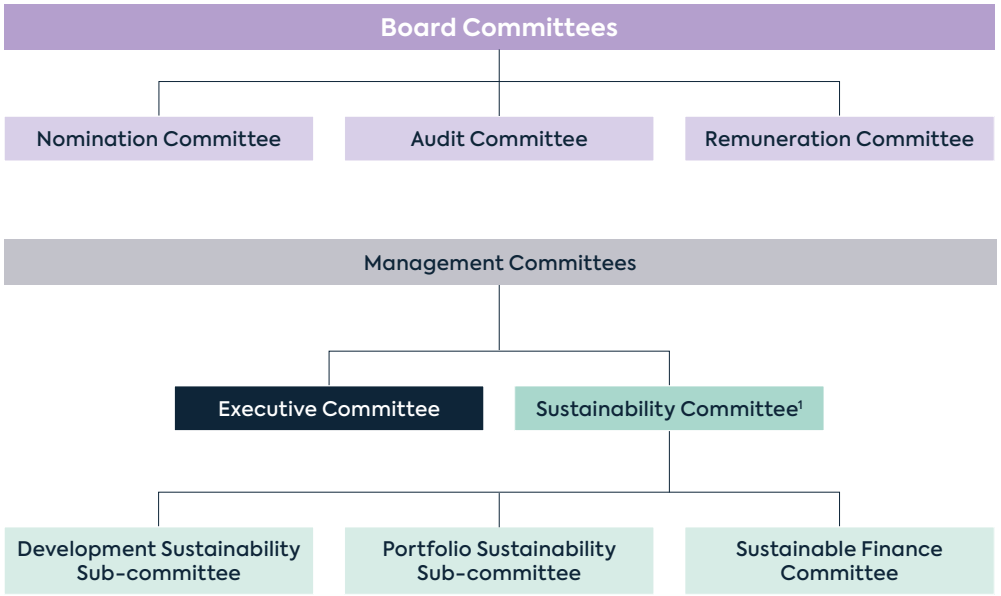
www.gpe.co.uk/sustainability/our-sustainability-statement-of-intent

In addition, during the year:

- the Audit Committee reviewed findings from the ESG data assurance process;
- the Remuneration Committee reviewed progress against ESG-linked KPIs incorporated within the remuneration of Executive Committee members;
- the Board reviewed the definitive appraisal of 2 Aldermanbury Square, EC2, including the embodied carbon impact and payment into our Decarbonisation Fund;
- the Board approved the acquisition of 7/15 Gresse Street, W1, with consideration of the EPC risks and the impact on our net zero commitments;
- the Board approved the Social Impact Strategy, (incorporating fuel poverty and urban greening targets); and
- the Chief Executive of the UK Green Building Council presented to the Board on emerging climate risk themes.

At the half-year and year-end, as part of our robust risk assessment review, the Executive Committee, Audit Committee and Board reviewed and assessed the impact on the business of climate-related risks. Climate change and decarbonisation is considered a principal risk for the Group. This process involves consideration of the risks, internal controls, emerging risks and ongoing monitoring and mitigation of risks.

Opportunities connected with market transition are also considered. Risks discussed included EPC and energy performance legislation, changes to planning requirements (including retrofit challenges and evolving carbon offset guidance), increased costs and availability of materials.



1. The Chief Executive, Toby Courtauld, is Chair of the Sustainability Committee. This allows him to provide the Board with regular updates on sustainability matters.

Our response to the Task Force on Climate-related Financial Disclosures (TCFD) continued

Management's role in assessing and managing climate-related risks and opportunities

The Chief Executive chairs the quarterly Sustainability Committee meeting, also attended by the Chief Financial and Operating Officer, Executive Director, Development Director, Customer Experience and Flex Director, Sustainability and Social Impact Director and key department heads. It provides strategic oversight on climate risk and resilience, reviews the progress and evolution of the Sustainability Strategy, and monitors performance against our targets. The Committee also provides oversight of the Decarbonisation Fund. Matters raised are brought to the attention of the Board by the Chief Executive and the Sustainability and Social Impact Director.

Our Development and Portfolio Sustainability sub-committees, report quarterly to the Sustainability Committee, and provide operational oversight on climate-related issues including energy efficiency measures, the use of alternative materials and technological solutions.

The Sustainability and Social Impact Director and Sustainability Team manage the strategic direction and operational management of sustainability-related issues. In addition, there are clear departmental responsibilities for sustainability including:

- Director of Corporate Finance – oversight of the ESG-linked RCF and Sustainable Finance Framework;
- Development Director and Director of Projects – integration of sustainability across all projects irrespective of scope;
- Director of Occupier and Property Services – operational energy efficiency and the implementation of energy efficiency measures, including the allocation of Decarbonisation Fund monies to retrofit projects; and
- Investment Director – ensuring climate risk is considered when acquiring assets and responding to opportunities to reposition potentially stranded assets.

Our Sustainability and Social Impact Director, Executive Director and Director of Projects track, monitor and manage our business response to expected legislative changes on EPCs.

Our strategy

Our business strategy is to acquire unloved properties, reposition them through lease restructuring, delivery of flexible space, refurbishment or redevelopment and then operate them for income or recycle them. The buildings we develop can be in use for between 40 to 60 years, we therefore consider the whole building life cycle when reviewing risks. Increasing customer demand for sustainable spaces and investor reporting requirements has made sustainability a strategic imperative.

Climate-related risks, opportunities, and financial impacts

To assess how various climate risk drivers may impact GPE, we use the TCFD framework's categorisation of transition and physical climate risks. We consider climate-related risks and opportunities over three time horizons: short, medium and long term.

Short term	Medium term	Long term
1–5 years	5–10 years	10+ years

Our risk review process has highlighted the need for a greater focus on transitional risk connected with legislative change at EU, UK and local level in the short term. Our customers are also increasingly demanding net zero carbon and fossil fuel free buildings, which in turn impacts our supply chains, particularly in connection with alternative building materials.

In the medium term, given the concentration of our business activities in London, we expect transitional risks to continue to have the greatest focus. However, physical risks may already be impacting our supply chain partners where we are sourcing products and raw materials from outside of Europe.

In the longer term, we expect the transitional risks outlined above to be amplified by the greater impact of physical risks, both within our supply chain and also within London as hotter summers become more frequent.

The above themes are explored in more detail within the tables on pages 18 and 19, along with a review of the potential opportunities.

Our response to the Task Force on Climate-related Financial Disclosures (TCFD) continued

Transition risks

Transition risks and impacts	Opportunities and impacts	Progress to date and next steps
Policy and Legal		
– Ability to keep pace with rapidly evolving legislation on EPCs – leading to increased costs and the risk of stranded assets. – Additional legislative burden and impact on investor and customer behaviour linked to the proposed introduction of 'energy in-use' performance ratings. – Evolving local planning requirements leading to increased complexity of developing commercial buildings. – Changes to investor behaviour due to impact of investor related legislation such as EU and UK Taxonomy and Sustainability Disclosure Regulations.	– Increasing complexity of regulatory environment may present opportunities to acquire lower rated buildings (stranded assets) at reduced prices for repositioning. – Proactive response to legislative changes improves desirability of GPE assets for customers and investors. – Deep knowledge supports transition of business to a 'retrofit first' approach which is challenging in London and technically more difficult. – Potential increased returns and improved valuation connected with higher demand for more sustainable space.	– Review of EPC upgrade costs completed. – Building business plans include steps and costs to upgrade to EPC B or to divest where appropriate. – Active review of stranded assets to acquire and reposition. – Piloting NABERS Design for Performance at two developments and NABERS UK Energy for Offices at two properties to keep pace with evolving legislation on 'energy in-use'. – Active member of numerous industry groups to support collective industry response to climate change.
Technology		
– Outdated utility metering impacting quality of energy consumption data. – Building systems in new developments complex or not fully understood – leading to inefficiencies in building operation. – Pace of technological change not responding to evolving legislation and customer demand for sustainable spaces. – Increased costs associated with research and development of technological solutions.	– Early adoption of technology supports improved visibility and management of utility consumption data and associated reduced costs for our customers. – Implementation of new technologies to drive down embodied carbon provides opportunity to capitalise on customer appetite for net zero carbon buildings. – Payback of costs (dependent on energy consumption and variable energy costs) likely to be short term and will support improved collaboration with customers.	– Automatic metering upgrade underway. – Proactive investment in R&D expenditures in new and alternative technologies; including additional hiring of an Innovation Manager. – Digital Twins pilot completed at four buildings, technology now being rolled out to assist in the monitoring and management of plant and equipment. – Onboarding of new data platform. – Air quality sensors and desk occupancy monitoring in place to understand occupancy density and fresh air requirements. – Investment in PiLabs supports innovation and R&D.
Market		
– Volatility in energy market and prices, energy security concerns leading to increased energy costs. – Increased costs of raw materials driven by growing demand for sustainable products may impact on ability to reduce embodied carbon of future developments. – Increased customer demand for highly sustainable buildings may lead to the risk of stranded assets. – Increased cost of development and refurbishment driven by increasingly complex planning regime.	– Increased collaboration with customers and supply chain supporting faster progress on energy efficiency. – Proactive approach to reducing consumption and improving energy security, including on-site energy generation, passive cooling and connection to local heat and power networks supports customer demand for sustainable spaces. – Ability to capitalise on deep knowledge of London market, where other developers may not be as well placed to navigate complexities.	– Energy working groups established with customers. – Supply chain workshops underway to deal with operational energy efficiency challenges. – 100% of energy purchased from renewable sources. – Sustainable Spaces Brief to be launched. – All future developments designed to be fossil fuel free.
Reputation		
– Ability to meet increasing requirements on sustainability disclosure from investors and lenders. – Potential for increasing customer expectations on sustainability credentials of their spaces to conflict with increasing requirements on amenity and service provision. – Ability to secure sufficient supplies of sustainable materials to meet embodied carbon targets for our developments. – Potential detrimental impact on reputation of owning lower EPC rated assets.	– Continued transparency of reporting coupled with frequent investor engagement results in increased confidence in ability of business to deliver on sustainability goals. – Launch of Sustainable Spaces Brief will support best practice approach to sustainable design irrespective of the product. – Early engagement and collaborative relationships with supply chain to support early warning of supply issues and potential alternative solutions.	– Continued engagement with investors on climate-related issues and extensive disclosure of ESG data through benchmarks, indices and industry groups – see table on page 15. – Sustainability is a standing agenda item in six-monthly customer meetings with proactive utility data sharing. – EPC review being integrated within asset plans, energy intensity review underway. – Business model to actively purchase buildings that need to be repositioned to create value. – Sustainable Spaces Brief to be launched to ensure best practice approach adopted.

Our response to the Task Force on Climate-related Financial Disclosures (TCFD) continued

Physical risks

In 2019, we conducted physical climate risk modelling to quantify the potential impacts of climate change on London under a range of future emission scenarios for 2045. Following the best practice outlined by the TCFD, we used four IPCC projections, from a 1.5°C global temperature rise (RCP 2.6) up to 5.4°C (RCP 8.5) and applied a risk rating to each risk. As our entire portfolio is within central London, the climate-related physical risks profile is consistent across all buildings.

We have energy and carbon targets which have been verified by the Science Based Targets initiative as in line with a 1.5°C warming scenario. However, we recognise that current projections suggest that a 2°C or 4°C warming scenario is more likely and have therefore set out our response to both scenarios below. Our business strategy is to acquire poorly performing assets and reposition them; we do not believe that this strategy will need to change in this eventuality.

Physical risks and impacts	Opportunities and impacts	Progress to date and next steps
Two-degree warming scenario		
Acute risks – Increased severity of extreme weather events, like flash floods. Chronic risks – Increased annual temperature. – Increased extreme weather events such as high winds, extreme rainfall and high temperatures. – Reduction in precipitation. Impacts – Delay in development process due to interruptions to development capacity, e.g. supply chain interruptions or transport difficulties. – Increased capital costs from damage to properties. – Increased operating costs (e.g. higher energy demand due to cooling, inadequate water supply). – Potential water shortages and subsidence within London. – Increased insurance premiums. – Reduced demand for office spaces where extreme weather events affect access to our buildings or comfort within office spaces.	– Increased demand for buildings with climate resilience measures such as passive cooling, nature-based solutions and sustainable urban drainage systems incorporated. – Potential increase in valuation of buildings that are climate resilient and adaptable.	Our Statement of Intent and Social Impact Strategy include requirements for: – increased biodiversity and solar shading, and the support of community greening; – drought resistant planting; – use of sustainable urban draining systems; – reduced water consumption; and – designing of climate resilient buildings that are robust, adaptable and have longevity. Climate resilience measures are incorporated within the design of our spaces. Our Sustainable Spaces Brief, launching shortly, will outline how climate resilience can be incorporated in the design of all our spaces irrespective of size and scale.
Four-degree warming scenario		
The above risks and impacts are significantly increased, particularly in the case of increased drought and summer temperature, heatwave duration and extreme rainfall.	See above.	See above.

Our response to the Task Force on Climate-related Financial Disclosures (TCFD) continued

Impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

Our Sustainability Statement of Intent, and Roadmap to Net Zero set out our sustainability strategy. However, our approach to climate risk is integrated across our business and is incorporated within development appraisals, asset business plans, financing arrangements, acquisitions and remuneration arrangements.

Financial planning (operating costs, capital expenditure and allocation)

Our internal carbon price of £95 per tonne ensures that embodied carbon is included in all development appraisals; design decisions are therefore considered in the context of their impact on carbon emissions.

Our internal carbon price feeds into our Decarbonisation Fund which is used to bring forward energy efficiency improvements.

We have undertaken a detailed review to understand the cost of improving our portfolio to an EPC B rating. At today's costs and in the current regulatory environment it will cost approximately £20 million to upgrade our portfolio. These are works that would have, in any event, been incorporated in our work to reposition assets as Fitted and Fully Managed space or HQ buildings. We are undertaking a similar exercise for an energy intensity trajectory to 90kWh per m^2 by 2030.

We are developing our approach to carbon offsetting, with costs expected to increase as demand increases.

Access to capital

It is increasingly important to demonstrate how financing is linked to ESG considerations. During the year, we developed our Sustainable Finance Framework, setting out how we may link future debt facilities to our business activities. In addition, we launched our ESG-linked RCF in 2020 which incorporates KPIs on energy intensity, embodied carbon and biodiversity.

Acquisitions and divestments

We are actively seeking to acquire assets that are at risk of being stranded to refurbish and reposition them. We may also seek to divest from assets where it is not possible to upgrade to a minimum EPC rating of a B. When making an acquisition we consider the impact on our net zero commitments.

Developments

We take a whole life carbon approach, designing for climate resilience, longevity, and adaptability. All buildings in our development pipeline will be net zero carbon and fossil fuel free. At 2 Aldermanbury Square, EC2, where we are removing steel to be reused in another development, costs are anticipated to be neutral due to technical challenges associated with adopting circular economy principles. Our internal carbon price of £95 per tonne applied at practical completion of our developments incentivises the reduction of embodied carbon and supports progress towards net zero. Our Sustainable Spaces Brief, launching shortly, will ensure that we set the right design brief for all our spaces.

Managing assets

Our Roadmap to Net Zero sets out how we can reduce energy consumption and carbon emissions to reach our net zero target by 2030. Our internal carbon price of £95 per tonne is applied to operational carbon emissions, with our Decarbonisation Fund supporting ongoing investment in energy efficiency projects across our portfolio.

Over the forthcoming year, we will further develop our Climate Resilience Strategy, including the provision of a building specific net zero pathway. Our Sustainable Spaces Brief will also set out how we will ensure that the design of our spaces supports reductions in carbon emissions.

Performance on the above impacts the remuneration of our Executive Committee and Board Directors – see page 121 of our Annual Report and Accounts. See page 22 for our progress against our KPIs.

Resilience of organisation's strategy considering different climate-related scenarios

Our strategy enables us to build resilience considerations into the acquisition, design, development and operation of buildings. As we have a 100% central London-focused property portfolio, impacts from physical risks are limited and consistent across all buildings. We do not believe we will need to change our strategy in a two degree or four degree warming scenario.

We have outlined on pages 18 and 19 the risks and opportunities identified by our business and how we are responding to these risks to ensure business resilience.

Risk management

We undertake materiality reviews of ESG risks. See **www.gpe.co.uk/sustainability/our-approach** for our latest materiality review.

As part of a robust assessment of the principal and emerging risks facing the Group, at the half-year and year-end, the Executive Committee, Audit Committee and Board review and assess the Group's principal and emerging risks, including climate-related risks. This process involves consideration of the risks and associated internal controls in place, emerging risks and ongoing monitoring.

Assessment of identified risks is based on their potential impact and likelihood using a defined criteria and is assessed on a gross, net and target risk basis. Climate change and the need to decarbonise remained a principal risk for 2022 and our net risk assessment of this risk remained constant during the year. Controls for managing our climate-related risks are outlined within our Annual Report and Accounts on page 68.

Our Sustainability Committee and operational sustainability sub-committees for our portfolio and developments also monitor, manage and report on climate related risks. Our Sustainability and Social Impact Director is a member of our Executive Committee.

Sustainability is also considered at our Design Review Panel, and ratings such as BREEAM, SKA and NABERS Design for Performance and NABERS UK Energy for Performance further support risk management. Energy action plans are in place for all assets.

Our response to the Task Force on Climate-related Financial Disclosures (TCFD) continued

We will also shortly launch our Sustainable Spaces Brief which incorporates sustainability in design across the whole property life cycle and all products. This will include requirements to ensure energy efficiency in operation, such as soft landings, commissioning and handover. The brief will also support reuse and repurposing of buildings to ensure that any development undertaken incorporates circular economy principles and minimises the associated embodied carbon emissions associated with development.

Disclosure of Scope 1, 2 and where appropriate Scope 3 related risks

Detailed reporting of our sustainability performance, including energy consumption and Scope 1, 2 and relevant Scope 3 metrics, (including carbon emissions associated with water consumption and waste management) is included within our Annual Report and Accounts and on page 08 of this report.

Selected emissions data (Scope 1, 2 and some Scope 3) is independently assured by Deloitte LLP. The assurance statement, which details the scope of assurance, can be found at the back of this report.

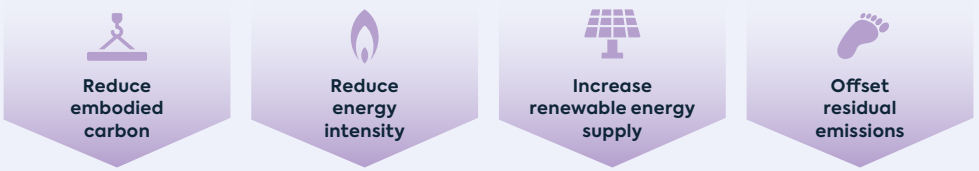
Metrics and targets

Metrics used to assess climate-related risks and opportunities in line with strategy and risk management processes

Risk adaptation & mitigation metrics	Unit	2021/22
EPCs rated A and B by floor area	%	**37**
EPCs rated F and G by floor area	%	**0**
Proportion of portfolio with green building ratings by floor area	%	**55**
Estimated annual savings from energy efficiency measures implemented during the year	MWh	**3,777**
Internal carbon price	£	**95**
Amount invested through Decarbonisation Fund	£	**403,000**
Total amount invested in energy efficiency during the year	£	**640,000**
Electricity purchased from renewable sources	%	**100**
On-site renewable energy generation	MWh	**27**

Targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Targets outlined in our Roadmap to Net Zero



1. Reduce embodied carbon by 40% by 2030

2. Reduce energy intensity by 40% by 2030, including customer emissions

3. Increase renewable energy supply to 600MWh p.a. across our portfolio by 2030

4. Apply internal carbon price of £95 per tonne

For progress, please see pages 05 to 07

Please see our **Sustainability Statement of Intent** and our **Roadmap to Net Zero** for full details on our targets.

www.gpe.co.uk/sustainability/our-sustainability-statement-of-intent

Page 22 of this report provides full details of our performance against our targets for the last financial year.

www.gpe.co.uk/sustainability/our-performance

Performance against our ESG-linked RCF

In 2020 we became the first UK-REIT to issue an RCF with a margin linked to performance against ESG-linked KPIs. We ensured that the three KPIs chosen were challenging, would drive behavioural change both within our business and across our supply chain, and were aligned with our ambitious Sustainability Statement of Intent. These KPIs are also incorporated in remuneration arrangements.

See page 121 of our Annual Report and Accounts for more detail

Our second KPI performance measurement date was 31 March 2022 and our results and commentary on performance are provided on this page.

Interest in the sustainable finance market (both globally and in the UK) continues to grow, with many transactions, both public and private, from a variety of industries. The real estate sector has played a major role in this very welcome market development, and we expect issuance levels to continue to significantly increase. We are keen to remain at the forefront of this movement and, to that end, have published our Sustainable Finance Framework, which can be found here:

www.gpe.co.uk/media/4125/gpe-sustainable-finance-framework-july-2021.pdf

Energy Intensity

Rationale

The energy consumption of our portfolio was 35% of our carbon footprint during the last year. Lowering our energy intensity is an essential part of delivering our Roadmap to Net Zero.

Target: To reduce our portfolio energy intensity (kWh per m^2) by 25.5% by 2026, when compared to our 2016 baseline of 234kWh/m^2. This is consistent with our existing stated target of achieving a 40% reduction in energy intensity by 2030.

March 2022 target: 11.5% reduction in energy consumption compared to our 2016 baseline.

Performance: Year-on-year increase of 1.09%.

A 24.4% reduction in energy intensity when compared to the 2016 baseline.

Assured by: Deloitte LLP.

Performance commentary

Whilst our year-on-year energy intensity increased by 1% due to higher occupancy at our buildings in a post COVID-19 environment, we still make progress against our 2026 target. This year, we restated our 2016 baseline figure due to the availability of more accurate gross internal floor area metrics across some of our buildings.

We have accounted for the disposal of our 160 Old Street building within this metric.

Embodied Carbon

Rationale

Embodied carbon from our development activities represents around 40% of our carbon footprint. Reducing our embodied carbon is key to delivering our Roadmap to Net Zero.

Target: Reduce the embodied carbon of our developments by 40% by 2030 when compared to our 2020 baseline.

March 2022 target: Reduction of 10% compared to 2020 baseline at design stage (RIBA Stage 3 onwards) and a 5% reduction for completed projects.

Performance: Achieved a 22% reduction in embodied carbon against our baseline, at 2 Aldermanbury Square, EC2, and a 24% reduction against our baseline at 50 Finsbury Square, EC2.

When averaged over the square footage of the buildings, this delivered a reduction of 22% across our both developments.

No developments reached practical completion during the year to be measured against the 5% reduction target of this KPI.

Verified by: Arup.

Performance commentary

Collectively, we have achieved our RCF performance target against this KPI.

The reuse of materials, such as glazing, for our major refurbishment project 50 Finsbury Square, helped us reduce our embodied carbon for the project.

For design stage, the 22% reduction of embodied carbon at 2 Aldermanbury Square, EC2, is accounted for through thoughtful design measures, including the use of low carbon materials, such as cement free options and recycled materials.

Biodiversity

Rationale

Biodiversity is essential for human health and wellbeing. We aim to increase biodiversity across our portfolio by introducing urban greening to improve air quality, reduce the urban heat island effect and provide habitats for insects and birds.

Target: Increase biodiversity net gain across our existing buildings by 18% by 2026 on a 2020 baseline.

March 2022 target: 8.0% increase in biodiversity net gain for existing assets.

Performance: Achieved a 2.0% increase in Biodiversity net gain.

Verified by: Greengage Environmental.

Performance commentary

We did not achieve this KPI due to the delay of planned works at two of our buildings.

However, biodiversity measures such as drought tolerant species were included at our recently completed project, 1 Newman Street, W1. At Hanover Square, W1, we also installed one beehive, which we expect to deliver additional biodiversity net gain within the next year. At Elm Yard, WC1, we generously increased planting within our courtyard to increase biodiversity and to have a positive impact on the wellbeing of our customers.

Our data

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics

The EPRA sustainability performance measures are largely based on the Global Reporting Initiative (GRI) Standards and so these have been cross-referenced throughout this section. We have also referenced the relevant SASB metrics, where relevant.

Environmental performance measures

Energy

Table 1: Absolute direct and indirect energy consumption of standing investment portfolio

EPRA sBPR Elec-Abs 4.1, DH & C- Abs 4.3, Fuel- Abs 4.5, Energy-Int 4.7, GRI 302-1, 302-3, 302-4 (Building Energy Intensity), IF-RE-130a.1, IF-RE-130a.2

		Unit	2019/20	2020/21	**2021/22[D]**	**% change YOY**
Elec-Abs	**Total energy consumption electricity from occupied buildings**					
	Total landlord purchased grid electricity from renewable sources[D]	kWh	32,848,243	29,806,491	**34,006,010**	**14%**
	Total landlord purchased grid electricity from non-renewable sources[D]	kWh	0	0	**0**	**–**
	Proportion of grid electricity from renewable sources[D]	%	100	100	**100**	**0%**
	Self-generated renewable electricity[D]	kWh	0	9,295	**26,578**	**186%**
	Total grid purchased electricity consumed in landlord (common) area from renewable sources[D]	kWh	12,720,083	12,074,825	**16,011,699**	**33%**
	Total grid purchased electricity sub-metered to occupiers from renewable sources[D]	kWh	20,152,059	17,603,917	**17,847,202**	**1%**
	Grid electricity consumed within head office[D]	kWh	187,803	127,749	**147,109**	**15%**
DH&C-Abs	**Total energy from district heating and cooling from occupied buildings**[1]					
	Total district heating and cooling purchased and consumed from renewable sources generated on- and/or off-site	kWh	0	0	**0**	**–**
	Total district heating and cooling purchased and consumed from non-renewable sources generated on- and/or off-site	kWh	0	0	**0**	**–**
	Percentage of district heating and cooling consumed from renewable sources	%	0	0	**0**	**–**
Fuels-Abs	**Total energy consumption from fuels from occupied buildings**					
	Total direct fuel consumption for landlord spaces[D]	kWh	9,884,188	10,326,265	**11,284,364**	**9%**
	Total direct fuel consumed or purchased from renewable sources[D]	kWh	9,884,188	10,326,265	**11,284,364**	**9%**
	Total direct fuel consumed or purchased from non-renewable sources[D]	kWh	0	0	**0**	**–**
	Total direct fuel purchased sub-metered to occupiers	kWh	0	0	**0**	**–**
	Percentage of total fuel consumption from renewable sources[D]	%	100	100	**100**	**0%**
Total Energy-Abs	**Total energy consumption from occupied buildings**					
	Total building energy (electricity and fuel) consumption[D]	kWh	42,756,330	40,132,756	**45,290,374**	**13%**
	Total building energy sub-metered to occupiers[D]	kWh	20,152,059	17,603,917	**17,847,202**	**1%**
Energy-Int	**Building energy intensity of occupied buildings**					
	Gross internal floor area (m^2)	m^2	192,944	229,640	**256,362**	
	Building intensity (kWh/m^2/year)[D]	kWh/m^2/GIA	222	175	**177**	**1%**

1. No district heating or cooling consumed within our portfolio.

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Environmental performance measures

Energy continued

Table 2: Like-for-like direct and indirect energy consumption of standing investment portfolio

EPRA sBPR Elec-Lfl 4.2, DH & C-Lfl 4.4, Fuel- Lfl 4.6, Total Energy-Lfl, GRI 302-1, IF-RE-130a.3

		Unit	2019/20	2020/21	**2021/22[D]**	**% change YOY**
Elec-Lfl	**Total energy consumption electricity from occupied buildings**					
	Total landlord purchased grid electricity from renewable sources[D]	kWh	32,848,243	27,061,691	**27,537,871**	**2%**
	Total landlord purchased grid electricity from non-renewable sources[D]	kWh	0	0	**0**	**–**
	Proportion of grid electricity from renewable sources[D]	%	100	100	**100**	**0%**
	Self-generated renewable electricity[D]	kWh	0	0	**0**	**–**
	Total grid purchased electricity consumed in landlord (common) areas from renewable sources[D]	kWh	12,709,791	10,402,898	**11,174,496**	**7%**
	Total grid purchased electricity sub-metered to occupiers from renewable sources[D]	kWh	20,138,452	16,658,793	**16,363,375**	**-2%**
DH&C-Lfl	**Total energy from district heating and cooling from occupied buildings[1]**					
	Total district heating and cooling purchased and consumed from renewable sources generated on- and/or off-site	kWh	0	0	**0**	**–**
	Total district heating and cooling purchased and consumed from non-renewable sources generated on- and/or off-site	kWh	0	0	**0**	**–**
	Percentage of district heating and cooling consumed from renewable sources	kWh	0	0	**0**	**–**
Fuels-Lfl	**Total energy consumption from fuels from occupied buildings**					
	Total direct fuel consumption for landlord spaces[D]	kWh	9,856,527	9,136,018	**8,963,666**	**-2%**
	Total direct fuel consumed or purchased from renewable sources[D]	kWh	9,856,527	9,136,018	**8,963,666**	**-2%**
	Total direct fuel consumed or purchased from non-renewable sources[D]	kWh	0	0	**0**	**–**
	Total direct fuel purchased sub-metered to occupiers	kWh	0	0	**0**	**–**
	Percentage of total fuel consumption from renewable sources[D]	%	100	100	**100**	**0%**
Total Energy-Lfl	**Total energy consumption from occupied buildings**					
	Total building energy (electricity and fuel) consumption	kWh	42,704,770	36,197,708	**36,501,536**	**1%**
	Total building energy sub-metered to occupiers	kWh	20,138,452	16,658,793	**16,363,375**	**-2%**

1. No district heating or cooling consumed within our portfolio.

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Environmental performance measures

Energy continued

Table 3: Absolute direct and indirect energy consumption of development activities

	Unit	2019/20	2020/21	**2021/22[D]**	**% change YOY**
Scope 3 - Absolute direct and indirect energy consumption of development activities					
Total grid electricity purchased	kWh	1,648,949	2,462,266	**1,269,199**	**-48%**
Total fuel purchased	l	10,410	540	**0**	**-100%**

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Environmental performance measures

Energy continued

Performance trend commentary

Energy consumption

During the year, our like-for-like electricity consumption increased by 2%. All of our buildings were open and operational throughout the reporting period and levels of occupancy were increasing throughout the year as restrictions eased post COVID-19.

In line with CIBSE guidance, we increased the run times of our heating and ventilation plant and introduced 100% fresh air (no re-circulation) to ensure that our buildings provided safe and healthy environments. This meant that energy consumption increased only moderately, as these measures were already in place in the previous reporting year.

On an absolute basis, the overall increase in electricity consumption was 14% whilst gas use increased by 9%. This is due to the inclusion of three additional buildings for the full reporting period – The Hickman, E1, and Hanover Square, W1, both of which completed part way through the previous reporting year, and 16 Dufour's Place, W1, which was included for the full year following an extensive refurbishment. 1 Newman Street, W1, was also included for nine months of the reporting year following its redevelopment.

We have installed energy targeting and monitoring technology at our recently completed buildings to ensure that as our customers move in to the building and fit-out their spaces, our systems are rebalanced, ensuring maximum efficiency of the building.

Energy intensity

Whilst building energy intensity decreased by 24% against our 2016 baseline, compared to last year our building intensity increased by 1% to 177kWh/m^2. This is due to the phased return to offices post COVID-19 pandemic, which led to a higher demand in energy for heating, cooling and fresh air ventilation within our buildings over longer operating hours.

The increase in energy intensity during the reporting period was also impacted by four recently completed or refurbished buildings – The Hickman, E1, Hanover Square, W1, 16 Dufour's Place, W1, and 1 Newman Street, W1 – see previous section for more information.

With five buildings responsible for 73% of our total electricity consumption, optimising their performance is critical if we are to make sustained progress towards our target and our Roadmap to Net Zero.

Renewable energy purchase and on-site generation

We have a target to increase our renewable energy generation to 600MWh per year by 2030. Although we have a considerable way to go, partially due to competing priorities for roof and terrace space, this year we were able to report on-site solar power generation from our photovoltaic panel array at 160 Old Street, EC1, of 27MWh, up from 9MWh in the previous year. Retrofitting photovoltaic arrays at our existing buildings, using the proceeds of our Decarbonisation Fund, will support achieving our targets.

We continued to procure 100% certified green gas (biogas) and REGO-backed electricity for all supplies across our managed portfolio for the duration of the financial year.

Actions to reduce energy use

In the previous reporting period, we undertook energy audits at our largest energy consuming buildings to support our understanding of the deep retrofitting required to achieve our 40% energy intensity reduction target. We built on these over the reporting year and invested in energy efficiency measures identified through the audits. This included:

- upgrading the Building Management System (BMS) at our largest energy consuming site, 200 Gray's Inn Road, WC1, to enable better control of building plant – this project is expected to save 2,195MWh per year and pay back in 18 months;
- the trial of digital twin systems to optimise building performance at four buildings, with our preferred system being rolled out across the portfolio;
- an investment of £340,000 in LED lighting projects, which are expected to save a combined 984MWh per year and pay back in two years; and
- continued investment in automatic meter upgrades across our portfolio to better understand consumption and improve data quality.

Collaborating with our stakeholders for success

Reducing energy intensity in our buildings whilst meeting customers' demands is one of our biggest challenges.

To address this, GPE organised a multi-stakeholder 'Ideathon' – a one day workshop that brought together 25 stakeholders, including external consultants and contractors involved in all stages of how we design, build and operate our buildings.

The discussions provided useful insights into the different challenges each of us faces in the building life cycle, allowing us to better understand and collectively work on addressing them.

Discussions ranged from the tendering of works packages to commissioning and feedback – these discussions will help shape our strategy going forward.

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Environmental performance measures

Greenhouse gas emissions

Table 4: Absolute direct and indirect greenhouse gas emissions of standing investment portfolio

EPRA sBPR GHG-Dir-Abs 4.8, GHG-Indir-Abs 4.9, EPRA sBPR GHG-Int 4.10, GRI 305-1, GRI 305-2

		Unit	2019/20	2020/21	**2021/22[D]**	**% change YOY**
GHG-Dir-Abs	**Scope 1**					
	GHG emissions from purchased fuels combusted on-site[D]	tCO_2e	1,817	1,899	**2,067**	**9%**
	GHG emissions from refrigerant gases[D]	tCO_2e	2	151	**187**	**24%**
	Total Scope 1 emissions[D]	tCO_2e	1,819	2,049	**2,254**	**10%**
GHG-Indir-Abs	**Scope 2**					
	GHG from purchased electricity consumed in landlord (common) areas (location-based)[D]	tCO_2e	3,203	2,815	**3,400**	**21%**
	GHG emissions from purchased electricity consumed in landlord (common) areas (market-based)[D]	tCO_2e	0	0	**0**	**–**
	GHG emissions from purchased electricity consumed in head office[D] (location-based)[D]	tCO_2e	48	30	**31**	**5%**
	Total Scope 2 emissions[D]	tCO_2e	3,251	2,845	**3,431**	**21%**
GHG-Indir-Abs	**Scope 3**					
	GHG emissions from purchased electricity sub-metered to occupiers[D]	tCO_2e	5,160	4,104	**3,789**	**-8%**
	GHG emissions from purchased electricity transmissions and distribution losses[D]	tCO_2e	713	598	**639**	**7%**
	GHG from business travel[D]	tCO_2e	73	0	**24**	**7900%**
	GHG emissions from waste treatment and disposal[D]	tCO_2e	15	5	**10**	**91%**
	GHG emissions from municipal water supply and treatment[D]	tCO_2e	122	68	**35**	**-49%**
	Total Scope 3 emissions[D]	tCO_2e	6,083	4,775	**4,497**	**-6%**
GHG-Int	**Greenhouse gas emission intensity from building energy consumption of standing investment portfolio**					
	Total GHG emission from energy (location-based)[D, 1]	tCO_2e	10,219	8,998	**9,474**	**5%**
	Gross internal floor area (m^2)	m^2/GIA	192,944	229,640	**256,362**	
	GHG emission intensity from energy (location-based)[D]	$kgCO_2e/m^2$	53	39	**37**	**-6%**

1. Total direct and indirect greenhouse gas emission (location-based) includes emissions associated with purchased landlord energy and sub-metered energy occupier consumption but excludes refrigerant gases, business travel, water and waste disposal.

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Environmental performance measures

Greenhouse gas emissions continued

Table 5: Like-for-like direct and indirect greenhouse gas emissions of standing investment portfolio

		Unit	2020/21	2021/22	% change YOY
GHG-Dir-Lfl	**Scope 1**				
	GHG emissions from purchased fuels combusted on-site	tCO_2e	1,680	**1,642**	**-2%**
	GHG emissions from refrigerant gases	tCO_2e	151	**187**	**24%**
	Total Scope 1 emissions	tCO_2e	1,831	**1,829**	**0%**
GHG-Indir-Lfl	**Scope 2**				
	GHG from purchased electricity consumed in landlord areas (location-based)	tCO_2e	2,425	**2,373**	**-2%**
	GHG emissions from purchased electricity consumed in landlord areas (market-based)	tCO_2e	0	**0**	**–**
	Total Scope 2 emissions	tCO_2e	2,425	**2,373**	**-2%**
GHG-Indir-Lfl	**Scope 3**				
	GHG emissions from purchased electricity sub-metered to occupiers	tCO_2e	3,884	**3,474**	**-11%**
	GHG emissions from purchased electricity transmissions and distribution losses	tCO_2e	543	**517**	**-5%**
	GHG emissions from waste treatment and disposal	tCO_2e	5	**7**	**34%**
	GHG emissions from municipal water supply and treatment	tCO_2e	67	**29**	**-56%**
	Total Scope 3 emissions	tCO_2e	4,498	**4,028**	**-10%**

Table 6: Absolute direct and indirect greenhouse gas emissions of development activities

	Unit	2019/20	2020/21	2021/22	% change YOY
Scope 3 - Absolute direct and indirect GHG emissions of development activities					
GHG emissions from purchased fuels burned on-site	tCO_2e	22	1	**0**	**-100%**
GHG emissions from purchased electricity (location-based)	tCO_2e	430	629	**293**	**-53%**

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Environmental performance measures

Greenhouse gas emissions continued

Performance trend commentary

Carbon emissions

During the year, our absolute Scope 1 emissions increased by 12%, primarily driven by an increase in our gas consumption (9% or 168tCO_2e). This was due to new developments completing and passing into our operational control – The Hickman, E1, and Hanover Square, W1, were included for the full reporting year for the first time, and 1 Newman Street, W1, was included for nine months of the reporting year following its redevelopment. There was also a significant increase (24%) in emissions caused by refrigerant losses due to plant maintenance issues across five of our properties.

Our Scope 2 location-based emissions increased by 20%. This aligns with the increase in electricity consumed in landlord (common) areas due to higher occupancy levels post COVID-19 pandemic, as well as due to the addition of the assets mentioned above.

Carbon intensity

Carbon intensity (kgCO_2e/m^2) for the period decreased by -6% from last year and by -61% when compared to our 2016 baseline. We continue to procure REGO-backed electricity since 2014 and certified green gas (biogas) since 2018 for all supplies across our managed portfolio, delivering a market-based carbon emissions of zero.

However, we strongly believe that to respond to the climate crisis it is necessary to deliver improvements in energy efficiency, therefore we are focused on our location-based emissions. Carbon intensity would have also decreased compared to last year due to the availability of better gross internal floor area data for the current reporting period (increasing this year's total floor area of the portfolio) and due to the addition of new assets.

As travel restrictions imposed during the COVID-19 pandemic began to loosen during the reporting year, our Scope 3 business travel related emissions increased to 24 tCO_2e. We also continued to disclose the carbon emissions associated with our employees working from home and commuting to the office in our carbon footprint (see page 08).

Progress towards our science-based target

Our approved science-based target commits us to reduce our absolute Scope 1 and 2 emissions by 50% by 2030 from a 2018 baseline, as specified by the Small and Medium Enterprises (SME) criteria. The SME criteria was introduced in April 2020 as the only available validation route for non-subsidiary, independent companies with fewer than 500 employees.

We have decreased our Scope 1 and 2 emissions by 28% to date (2018: 7,936tCO_2e and 2022: 5,685tCO_2e). This reduction is driven largely by the changes in the emission factor for electricity generation, which has reduced by 40% since 2018 due to the ongoing decarbonisation of the grid. The scale of the reduction demonstrates why targets to reduce Scope 3 emissions are critical to decarbonising our business and so full disclosure is provided on page 08 outlining progress against our energy intensity and embodied carbon targets.

Our corporate targets to reduce investment portfolio energy intensity by 40% and carbon intensity by 69% by 2030, and to reduce the embodied carbon of our developments by 40% by 2030, have been externally tested against the Science Based Targets initiative (SBTi) criteria for businesses falling outside of the SBTi classification of an SME. They have been confirmed as in-line with a 1.5°C scenario and covering more than two thirds of our Scope 3 emissions.

Engaging our customers

Earth Hour is a worldwide movement organised by WWF that encourages individuals, communities and businesses to show support for climate action by turning off lights.

This Earth Hour, we encouraged our customers to join us and switch off their lights to increase our positive impact.

Through our customer app, sesame®, our social media platforms, wall posters and in-person conversations, we encouraged turning off all lighting and electric equipment during Earth Hour.

Our largest buildings, Hanover Square, W1, City Tower, EC2, 35 Portman Square, W1, and 50 & 54 Jermyn Street, both SW1, were completely dark in honour of Earth Hour.

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Environmental performance measures

Water

Table 7: Absolute water consumption of standing investment portfolio

EPRA sBPR Water-Abs 4.11, Water-Int 4.13, GRI 303-1 IF-RE-140a.2

		Unit	2019/20	2020/21	2021/22[D]	% change YOY
Water-Abs	**Total water consumption from occupied buildings**					
	Total municipal water withdrawn[D]	m^3	115,980	64,638	**82,193**	**27%**
Water-Int	**Building water intensity of standing investment portfolio**					
	Gross internal floor area	m^2	192,944	195,373	**232,201**	
	Building municipal water intensity (m^3/m^2)[D]	m^3/m^2	0.6	0.3	**0.4**	**7%**

Table 8: Like-for-like water consumption of standing investment portfolio

EPRA sBPR Water-LfL 4.12, GRI 303-1, IF-RE-140a.3

		Unit	2019/20	2020/21	2021/22[D]	% change YOY
Water-Lfl	**Total water consumption from occupied buildings**					
	Total municipal water withdrawn[D]	m^3	115,674	63,425	**69,085**	**9%**

Table 9: Absolute water consumption of development activities

	Unit	2019/20	2020/21	2021/22	% change YOY
Absolute water consumption of development activities					
Total municipal water withdrawn[1]	m^3	4,046	3,228	**69,547**	**2055%**

1. Water consumption increased significantly from last year as water data for minor development projects were included for the first time this year.

Performance trend commentary

As occupancy in our buildings rose with the phased return to the office, water consumption increased over the year – 27% on an absolute basis, and 9% on a like-for-like basis.

This is because occupancy levels did not rise to pre-pandemic levels and in contrast to energy – which is required for heating and cooling buildings throughout the entire working day – water consumption is heavily dependent on occupancy at point of use within washrooms and kitchenettes and through shower facilities where they are provided.

The Hickman, E1, and Hanover Square, W1, were included within the scope of reporting for the first time as last year we experienced delays in the water supplies passing into our operational control. Also included in the scope of reporting for the first year are 16 Dufour's Place, W1, and 23 Newman Street, W1.

In 2022, we will be looking to establish water reduction targets for our assets in the operational portfolio.

Water consumption increased across the Development portfolio as we resumed a number of major and minor development projects post the COVID-19 pandemic. We have also continued to roll out our 'Fitted' and 'Fully Managed' offering.

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Environmental performance measures

Waste

Table 10: Absolute waste consumption of standing investment portfolio

EPRA sBPR Waste-Abs 4.14 GRI 306-2

		Unit	2019/20	2020/21	2021/22[D]	% by disposal route	% change YOY
Waste-Abs	**Total waste consumed from occupied buildings**						
	Total waste collected[D]	t	731	258	**490**	**100%**	**90%**
	Total non-hazardous waste[D]	t	726	256	**488**	**100%**	**91%**
	Total hazardous waste[D]	t	5	2	**2**	**0%**	**24%**
	Total waste recycled[D]	t	439	135	**259**	**53%**	**92%**
	Total waste incinerated with energy recovery[D]	t	227	88	**158**	**32%**	**79%**
	Total waste anaerobically digested[D]	t	65	35	**71**	**14%**	**102%**
	Total waste reused[D]	t	0	0	**0**	**0%**	**–**
	Total waste sent to materials recovery facility (MFR)[D]	t	0	0	**0**	**0%**	**–**
	Total waste landfilled[D]	t	0	0	**0**	**0%**	**–**

Table 11: Like-for-like waste by disposal route of standing investment portfolio

EPRA sBPR Waste-LfL 4.15 GRI 306-2

		Unit	2019/20	2020/21	2021/22[D]	% by disposal route	% change YOY
Waste-Lfl	**Total waste consumed from occupied buildings**						
	Total waste collected[D]	t	730	256	**344**	**100%**	**34%**
	Total non-hazardous waste[D]	t	725	254	**342**	**99%**	**35%**
	Total hazardous waste[D]	t	5	2	**2**	**1%**	**-7%**
	Total waste recycled[D]	t	438	134	**187**	**54%**	**40%**
	Total waste incinerated with energy recovery[D]	t	227	87	**113**	**33%**	**30%**
	Total waste anaerobically digested[D]	t	65	34	**42**	**12%**	**24%**
	Total waste reused[D]	t	0	0	**0**	**0%**	**–**
	Total waste sent to materials recovery facility (MFR)[D]	t	0	0	**0**	**0%**	**–**
	Total waste landfilled[D]	t	0	0	**0**	**0%**	**–**

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Environmental performance measures

Waste continued

Table 12: Absolute waste by disposal route of development activities

	Unit	2019/20	2020/21	**2021/22**	**% by disposal route**	**% change YOY**
Absolute waste by disposal route of development activities						
Total waste from developments	t	3,563	4,128	**7,583**	**100%**	**84%**
Total waste diverted from landfill from developments	t	3,074	4,053	**7,567**	**100%**	**87%**

Performance trend commentary

Standing portfolio

Due to the phased return to the office post-COVID 19 and more frequent office hygiene and sanitisation practices, which involved increased use of cleaning consumables, our total disposed waste was up by 90% to 490 tonnes (2021: 258 tonnes). Nevertheless, 53% – more than half of our total waste – was recycled, reducing our reliance on incineration with energy recovery, with zero operational waste being diverted to landfill.

We have included Hanover Square, W1, for the first time this year as the asset became operational, which was the largest contributor of anaerobically digested organic waste. This waste went on to produce biogas for electricity.

Our like-for-like portfolio saw a more modest increase of total disposed waste, with a 34% increase to 344 tonnes (2021: 256 tonnes). The like-for-like analysis excludes recently completed developments which entered the portfolio in 2021/22 – Hanover Square, W1, which was fully operational throughout the reporting period, and 1 Newman Street, W1, which was included for nine months of the reporting period.

Development activities

As expected, our total disposed waste for the Development portfolio increased significantly as we resumed our minor refurbishment projects that were on hold due to the pandemic. This included resuming multiple fit-out and smaller refurbishments across our portfolio, including at Woolyard, SE1. We have also been rolling out our 'Fitted' and 'Fully Managed' offering, which has included multiple refurbishment projects across our portfolio.

Through the use of an online check-in technology that converts scanned waste ticket information into data within a Power BI Dashboard, we have had better access to information about the waste coming in and leaving major and minor development sites, providing us with better access to our waste data for developments.

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Environmental performance measures

Building certification

Table 13: Total Building certification

EPRA sBPR Cert-Tot 4.16, IF-RE-130a.4

		Level of certification	% of portolio 2019/20	% of portolio 2020/21	**% of portolio 2021/22[D]**	**% change YOY**
Cert-Tot						
	Energy Performance Certification (EPCs)[D]	A	7	11	**11**	**-3%**
		B	7	17	**27**	**56%**
		C	15	15	**23**	**51%**
		D	25	20	**16**	**-20%**
		E	5	5	**6**	**17%**
		F	0.03	0.03	**0**	**-100%**
		G	0.11	0.07	**0**	**-100%**
		Uncertified (Managed)	18	20	**4**	**-81%**
		Uncertified (FRI)	7	3	**2**	**-23%**
	Energy Performance Certification (EPCs) targeted under development	A	11	3	**7**	**137%**
		B	6	6	**5**	**-14%**
	BREEAM[D,1]	Excellent	6	16	**20**	**24%**
		Very Good	12	15	**10**	**-30%**
	SKA[D]	Gold	4	4	**7**	**79%**
		Silver	9	12	**15**	**26%**
		Bronze	1	0.20	**0.20**	**2%**
	Ecohomes[D]	Very Good	1	0.70	**1**	**90%**

1. BREEAM ratings include certification at Design Stage and New Construction for our major developments and for residential buildings.

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Environmental performance measures

Building certification continued

Performance trend commentary

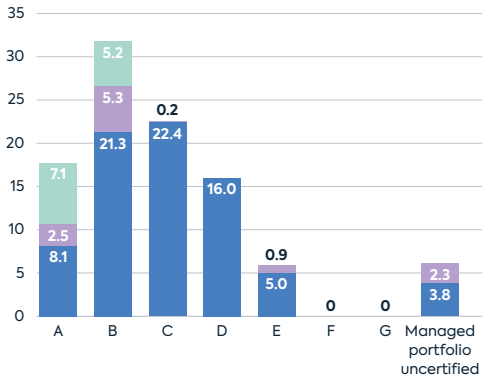
Our portfolio is fully compliant with 2023 EPC legislation, with no F or G rated space. We are already 37% compliant with the 2030 requirements of a minimum EPC B or above. During the year, we undertook a project to understand the potential costs involved with upgrading our remaining portfolio to an EPC B rating. We estimate, that to make our portfolio compliant with forthcoming legislation, we will need to invest around £20 million to meet the 2030 target of a minimum EPC B rating.

We continue to target BREEAM Excellent at our 50 Finsbury Square, EC2, and 2 Aldermanbury Square, EC2, developments. As we continue to roll out our fully fitted and fully managed offering, we target the delivery of a SKA Silver rating as a minimum. During the year we achieved three SKA Gold certificates for Piccadilly, SW1, 45 Mortimer Street, W1, and Elm Yard, WC1, with a further three SKA Silver certificates for 6 Brook Street, W1, Pollen House, W1, and 35 Portman Square, W1.

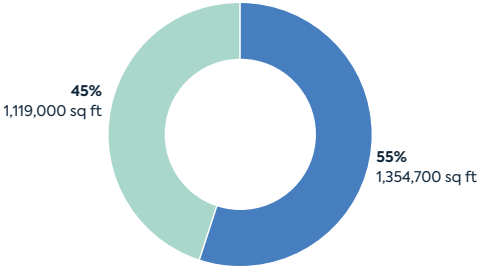
Building certification figures include our FRI portfolio.

To address the gap between how a building is designed and how it actually consumes energy in operation, we are NABERS UK Design for Performance Pioneers and have also been piloting NABERS UK Energy for Offices, a performance based rating scheme, launched by the Building Research Establishment in late 2021. We remain supportive of the government's intention to introduce a similar operational energy performance in-use rating scheme to focus on driving down operational carbon emissions.

EPC ratings: percentage of portfolio (by sq ft)



Current floor area certifications



BREEAM rated	Excellent/ Very Good	749,200 sq ft
SKA rated	Bronze/Silver/Gold	555,700 sq ft
WiredScore rated	Platinum	491,800 sq ft
ActiveScore rated	Platinum	221,500 sq ft
Committed buildings	Under development targeting BREEAM Excellent	303,600 sq ft

37%

of our buildings are now EPC A or B rated (2030 compliant)

6%

the percentage of our portfolio with unrated space has fallen from 23% to 6%, with most of the unrated space currently undergoing major refurbishment

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Social performance measures

Employees

Table 14: Employee performance measures

EPRA sBPR Diversity-Emp 5.1, Emp-Training 5.3, Emp-Dev 5.4, Emp-Turnover 5.5, Gov-Board 6.1, GRI 405-1, GRI 404-2, GRI 401-3, GRI 401-1

			Unit	2019/20	2020/21	**2021/22**	**Percentage change %**
Diversity-Emp	**Direct employee gender diversity**						
	Governance board	Female %	%	27	38	**36**	**-3%**
	Other director/senior management	Male %	%	73	63	**64**	**2%**
		Female %	%	46	46	**65**	**41%**
		Male %	%	54	54	**35**	**-35%**
	All employees	Female %	%	53	N/A	**50**	**N/A**
		Male %	%	47	N/A	**51**	**N/A**
Emp-Training	**Direct employee training and development**						
	Average number of hours training (all employees)		#	N/A	13	**8**	**-39%**
	Governance board		#	N/A	7	**7**	**-3%**
	Executive committee		#	N/A	7	**8**	**12%**
	Other directors/senior management		#	N/A	15.45	**7**	**-55%**
Emp-Dev	**Direct employee performance appraisals**						
	Total employees receiving performance review at least once a year		%	100	100	**100**	**0%**
Emp-Turnover	**Direct employee turnover and retention**						
	Total number of employees at year end		#	116	116	**131**	**13%**
	Total number of new employees		#	N/A	11	**36**	**227%**
	Rate of new employee hires ratio		%	N/A	13	**27**	**111%**
	Total number of employee turnover		#	11	11	**21**	**91%**
	Rate of employee turnover ratio		%	13	13	**16**	**23%**

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Social performance measures
Employees continued

Performance trend commentary

At GPE, our people are the key to our success. Unlocking potential and giving our people the tools and environment in which to do their best work, enables GPE to deliver it's strategic aims. We continue to prioritise communication, collaboration and health and wellbeing.

In the last financial year we have successfully onboarded 35 new joiners and had 22 leavers, including some very long servers entering well-earned retirements. Our workforce of 131 represents a healthy mix of both ends of the tenure spectrum, which both refreshes and reinforces our positive culture.

We have continued to support our people throughout the pandemic including the transition into an endemic environment. We recognise the importance of flexibility at GPE. In September 2021 we instituted a 'voluntary trial' whereby employees who wanted to return were encouraged to attend the office three days per week and work from home for the other two days of their choice. The result of this consultation and trial period is a new Hybrid Working Policy, now in effect, which is inclusive and fit for our people, our business and our customers.

Part of supporting our employees means staying close and asking people how they are and what they need. We encourage people to share their opinions on a regular basis. During the year we conducted two of our regular employee engagement surveys and our engagement levels remain overwhelmingly positive.

We also took time in the last financial year to set out our six strategic people priorities over the next three years:

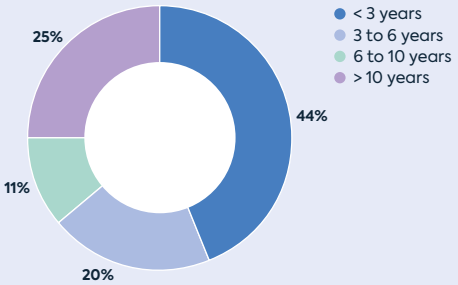
- Diversity & Inclusion;
- Employee Experience;
- Leadership Capability;
- Health & Wellbeing;
- Rewarding & Recognising Excellence; and
- Performance, Development & Growth.

Our training hours reduced in the year as we shifted focus to support people through the transition to a hybrid way of working, however, development and growth is a key priority and effective training to support this remains a key component of our plans. 88% of our population attended a bespoke and thought provoking training seminar entitled 'Bias – Why it Matters'. In 2021, we partnered with Arrival Education to undertake a six-month executive leadership development programme aimed at improving our inclusive leadership skills and our ability to lead change. This programme commenced in April 2022.

Our values

Our values are not simply words on a page. They define who we are and how we act, and they are at the heart of what we do and what makes us special. They give us direction and describe how everyone at GPE is expected to behave and how we do business.

Current population length of service
% as at March 2022



We achieve more together

Collaboration, support, challenge and contribution

We are open and fair

Inclusion, open-mindedness, and transparency

We are committed to excellence

Diversity, diligence, focus and pride

We embrace opportunity

Forward-thinking, energy, boldness

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Social performance measures

Health and Safety

Table 15: Employee health and safety

EPRA sBPR H&S-Emp 5.6, GRI 403-2

		2019/20	2020/21	**2021/22[D]**	**% change YOY**
H&S-Emp	**Direct employees**				
	Injury rate (IR)[D]	1.4	0	**0.41**	**0%**
	Lost day rate (LDR)[D]	0	0	**0**	**0%**
	Absentee rate (AR)[D]	0.019	0.016	**0.005**	**-69%**
	Work related fatalities[D]	0	0	**0**	**0%**
	Enforcement Notices or fines	0	0	**0**	**0%**
H&S-Emp	**Managed Portfolio**				
	Reportable injuries/incidents	2	0	**1**	**0%**
	First aid injuries	14	4	**8**	**100%**
	Work related fatalities	0	0	**0**	**0%**
	Enforcement Notices or fines	0	0	**0**	**0%**
H&S-Emp	**Development Portfolio**				
	Reportable injuries/incidents	4	0	**1**	**0%**
	First aid injuries	14	4	**4**	**0%**
	Work related fatalities	0	0	**0**	**0%**
	Enforcement Notices or fines	0	0	**0**	**0%**

Performance trend commentary

With limited occupancy within our investment portfolio and non-essential works paused, there was a substantial decrease in accident rates when compared to our already low accident rate.

At our construction sites, the introduction of 'COVID-19 Secure' controls reduced the number of operatives on-site which we also believe had an impact on injury rate.

Less sickness absence occurred during the year, we believe that the continued work from home guidance for part of the year and a slow return to hybrid working in the Autumn is likely to have been a contributory factor.

Part of our proactive approach also includes understanding the impact that climate and culture has in relation to our Health and Safety Strategy for the business. Therefore, we have continued to ask our employees, via an engagement survey, if they believe we support them on health and safety. Encouragingly 95% of our people agreed that 'GPE cares about their health and safety'.

95%

of our people agreed that 'GPE cares about their health and safety'

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Social performance measures

Community

Table 16: Community engagement, impact assessments and development programmes
EPRA sBPR Comty-Eng 5.9 GRI 413-1

		2021/22
Comty-Eng		
	Percentage of assets that have implemented local community engagement, impact assessments and/or development programmes	100% of our buildings supported community engagement activity throughout the year with £631,000 in social value created (2021: £620,000). Key activities included: – The launch of our Social Impact Strategy which outlines how we will create a lasting positive impact in our communities and deliver £10 million in social value by 2030; – £116,000 raised for Centrepoint in the final year of our four-year partnership, part of which was used to fund an employability trainer to help young people into work. In total, we have raised over £430,000 for Centrepoint since the start of our relationship in 2018; – Provided 190 hours of pro bono support to Centrepoint's Independent Living programme; – £17,000 invested in mental health campaigns for our employees; – £5,000 donated to each of our three employee nominated charities: Prior's Court, Motor Neuron Disease Association and Teenage Cancer Trust; – Continuing our support of Bankside Open Spaces Trust (BOST), a charity supporting the maintenance of green spaces in SE1, with a financial donation and 120 volunteering hours; – Payment of the London Living Wage for 100% of people working on our behalf in our buildings; – Opened up our building The Hickman for use by the community with a 'new parents' group meeting weekly; – Donated 35 backpacks for Afghan refugee children via the Baker Street Quarter.

Performance trend commentary

Our Social Impact Strategy aims to ensure that we leave a lasting, positive legacy for our communities – this is set out in more detail on pages 10 to 13.

During the year, we created £631,000 in social value (2021: £620,000) through our community programmes and direct business activities, measured using the National Social Value (TOMs) Measurement Framework.

We saw an increase in tangible social value outcomes through the provision of skills development, employment opportunities and the donation of space within our buildings. This was achieved despite less direct financial investment due to deployment of our COVID-19 Community Fund in the previous year.

EPRA Sustainability Best Practice Recommendations (sBPR) Metrics continued

Corporate governance performance measures

Corporate governance

Table 17: Corporate governance measures

EPRA sBPR Gov-Board 6.1, Gov-Select 6.2, Gov-Col 6.3, GRI 102-22, GRI 102-24, GRI 102-25

		Unit	2019/20	2020/21	**2021/22**
Gov-Board	**Composition of the highest governance body**				
	Number of executive board members	#	2	2	**3**
	Number of independent/non-executive board members	#	6	6	**8**
	Average tenure on the governance body (years)	#	5.6	6.6	**7.8**
	Number of independent/non-executive board members with competencies related to social/environmental topics	#	6	6	**6**
Gov-Select	**Nominating and selecting the highest governance body**				
	Process for nominating and selecting the highest governance body	See our Annual Report and Accounts for the year ended 31 March 2022, pages 98 to 105.			
Gov-Col	**Process for managing conflicts of interest**				
	Process for managing conflicts of interest	See our Annual Report and Accounts for the year ended 31 March 2022, page 95.			

Emma Woods joined us in February 2022 as an independent Non-Executive Director, increasing the number of women on our board to four. In September 2021, Dan Nicholson joined as a non-independent Executive Director and Mark Anderson as an independent Non-Executive Director.

SASB Sustainability Accounting Standard – Real Estate Metrics

Energy management		
Code	**Accounting Metric**	**Location or Commentary**
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Energy consumption data coverage for our operational control boundary equates to 70% of total floor area. As part of our carbon footprint on page 08, we have estimated consumption for the remainder of our portfolio.
IF-RE-130a.2	Total energy consumed by portfolio area with data coverage	See EPRA KPI Elec-Abs 4.1 and Fuel-Abs 4.5 on pages 24 and 25.
	Percentage grid electricity	See EPRA KPI Elec-Abs 4.1 on page 24. 100% of electricity consumption was purchased from the grid.
	Percentage renewable, by property subsector	See EPRA KPI Elec-Abs 4.1 on page 24. 100% of electricity consumption was from certified (REGO-backed) renewable sources. We have two solar PV arrays, and have a target to generate 600MWh by 2030. During the reporting year we generated 26,578 kWh of renewable electricity.
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	See EPRA KPI Elec-LfL 4.2 and EPRA KPI Fuel-LfL 4.6 on pages 24 to 26.
IF-RE-130a.4	Percentage of eligible portfolio that has an energy rating and is certified to ENERGY STAR*, by property subsector	See EPRA KPI Cert-Tot 4.16 on pages 34 and 35. * Energy Performance Certificates (EPCs) have been used as the relevant UK alternative to ENERGY STAR.
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Energy management is a strategic priority, as evidenced by our target to reduce energy intensity by 40% as part of our ESG-linked RCF, see page 22; this also feeds into Executive Committee remuneration.

SASB Sustainability Accounting Standard – Real Estate Metrics continued

Water management		
Code	**Accounting Metric**	**Location or Commentary**
IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area, by property subsector	Water consumption data coverage for our operational control boundary equates to 77% of total floor area.
	Water withdrawal data coverage as a percentage of floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	100% of properties are located within central London, which is categorised as a region with high water stress according to the World Resource Institute's (WRI) Water Risk Atlas tool, available: **www.wri.org/aqueduct**.
IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage	See EPRA KPI Water-Abs 4.11 on page 31.
	Total water withdrawn in regions with High or Extremely High Baseline Water Stress, by property subsector	100% of properties are located within central London, which is categorised as a region with high water stress according to the World Resource Institute's (WRI) Water Risk Atlas tool, available: **www.wri.org/aqueduct**. We last undertook an independent assessment of physical climate risk in 2019 where our properties were found to be at high risk of water stress.
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	See EPRA KPI Water-LfL on page 31.
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	The embodied carbon of our water use is included within our carbon footprint and our commitment to be a net zero carbon business by 2030. Beyond this, whilst we do not currently have water management targets in place, our Sustainable Development Brief clearly outlines our requirements for water conservation within our development schemes. The document can be accessed at **www.gpe.co.uk/sustainability**. We conducted an independent assessment of physical climate risk in 2019 and our properties were found to be at high risk of water stress, made worse due to the long-term trend for longer drought periods in the summer. Ensuring we design climate change resilient and adaptable spaces is the third pillar of our Statement of Intent and we intend to publish our climate resilience strategy by 2023.

SASB Sustainability Accounting Standard – Real Estate Metrics continued

Management of Tenant Sustainability Impacts		
Code	**Accounting Metric**	**Location or Commentary**
IF-RE-410a.1	Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and associated leased floor area, by property subsector	Green lease clauses are included within 100% of our leases, subject to approval by the customer. These include a commitment from the landlord and the customer to be accountable for the energy efficiency and the wider sustainability performance of the building and use reasonable endeavours to improve it. It does not explicitly include a cost recovery clause for resource efficiency-related capital improvements, though increased resource efficiency would reduce service charges.
IF-RE-410a.2	Percentage of tenants that are separately metered or sub-metered for grid electricity consumption	100% of customers are separately metered or sub-metered for grid electricity consumption. 49% of our portfolio is sub-metered from property owner supplies, with customers in the remaining 51% of the portfolio procuring their own electricity.
	Percentage of tenants that are separately metered or sub-metered for water withdrawals, by property subsector	Customer water use is apportioned relative to their floor area; there is limited sub-metering in place.
IF-RE-410a.3	Discussion of approach to measuring, incentivising, and improving sustainability impacts of tenants	We hold six monthly meetings with our customers at each of our buildings and this includes updates on sustainability performance. The energy used by customers in our buildings contributed 26% to our carbon footprint last year, demonstrating why this consumption needed to be included within our energy intensity target. Increasing collaboration with our customers on energy usage, engaging with them on energy reduction opportunities and continuing to roll-out green leases (where applicable) to support change are critical parts of our Roadmap to Net Zero. We are looking to strengthen this process in the forthcoming reporting year by piloting a Memorandum of Understanding, where both GPE and our customers make joint commitments to sustainability performance before they move into our spaces.

SASB Sustainability Accounting Standard – Real Estate Metrics continued

Climate Change Adaptation		
Code	**Accounting Metric**	**Location or Commentary**
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	No properties are in 100-year flood zones according to the Environment Agency's flood risk mapping service (fluvial).
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	See pages 16 to 21 of this report and our separate Task Force for Climate-Related Financial Disclosure (TCFD) in our Annual Report for 2022, available at **www.gpe.co.uk/sustainability**.

Activity metrics		
Code	**Accounting Metric**	**Location or Commentary**
IF-RE-000.A	Number of assets, by property subsector	35 buildings within our operational control boundary, 42 in total.
IF-RE-000.B	Leasable floor area, by property subsector	The net lettable floor area of properties within our operational control boundary is 200,796m² and the gross internal floor area is 256,362m².
IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	No indirectly managed properties are included within our operational control boundary. Refer to Basis of Reporting on page 46.
IF-RE-000.D	Average occupancy rate, by property subsector	Our preferred intensity ratio is kWh/m² rather than occupancy rates, however, we are currently reviewing additional reporting metrics to provide further clarity on building resource efficiency.

Our scope of reporting

Basis of reporting

Introduction

Our approach to performance reporting is set out below. It applies to our SECR reporting found within our Annual Report & Accounts, EPRA Sustainability Best Practice Recommendations (sBPR) reporting, carbon footprint reporting and other sustainability metrics disclosed by GPE.

Scope and Reporting Boundary

The information has been prepared using the 'operational control' approach based on guidance issued by The Greenhouse Gas Protocol, UK Government's Environmental Reporting Guidelines and HSE Guidance.

All of our reporting covers the period from 01 April 2021 to 31 March 2022. This date aligns to our financial reporting and our other voluntary sustainability reporting.

Great Portland Estates plc (the 'Company'), is responsible for the day-to-day operational management of properties owned by Great Portland Estates plc, its subsidiaries and joint venture arrangements (together 'the group').

We follow a 'customer first' approach, so when talking about our customers within this report, we are referring to our occupiers/tenants.

Operational buildings

We use the operational control approach, which reflects our influence over energy consumption and covers 70% of our portfolio by floor area or 35 buildings, including our head office.

We sold one building, 160 Old Street, EC1, in late September 2021. Operational data for the building has been included in our reporting up until the sale date.

One building, 1 Newman Street, W1, passed into the operational portfolio in July 2021, so consumption data has been included within our reporting from this date.

33 Cavendish Square, W1, is GPE's Head Office, and although not owned or managed by us, we still report utility consumption against it.

Excluded from our EPRA sBPR reporting are buildings where Full Repairing and Insuring (FRI) leases are in place as customers are wholly responsible for managing their building. Where a property is owned by the Group but managed by other managing agents on our behalf these are considered to fall outside the scope of this reporting.

Extending data coverage to include FRI and customer-procured energy is an area that we continue to address as part of Our Roadmap to Net Zero. We have estimated this consumption and disclosed it for the second year in a row as part of our carbon footprint on page 08. We do however include customer utility consumption sub-metered from landlord purchased supplies.

Development portfolio

We had numerous minor fit-out projects throughout the year and one major development project – 50 Finsbury Square EC1. We also commenced demolition at our near term development 2 Aldermanbury Square, EC1.

50 Finsbury Square underwent development throughout the entire reporting period. Demolition works at 2 Aldermanbury Square began during the last two months of the financial year and therefore remained as reported within the operational portfolio.

Additional information is provided on development portfolio due to the impact of development on our carbon footprint. This includes data on energy, carbon, water, waste, building certification and health and safety data.

Reporting Methodology and Carbon Conversion Emission Factors

For energy and greenhouse gas reporting, we use The Greenhouse Gas (GHG) Protocol and the UK Environmental Reporting Guidelines for calculating our GHG emissions. For electricity, we have followed the GHG Protocol's dual reporting method for Scope 2 emissions, and have made allowance for energy purchased on zero carbon tariffs (market-based emissions) in the net emissions total in our EPRA sBPR tables above.

Unless otherwise stated, all carbon emission totals refer to our gross (location-based) emissions and do not account for the purchase of zero carbon tariffs. All electricity and natural gas purchased is on zero carbon tariffs. Natural gas generated from biomass has been certified by our supplier as zero grams of carbon per kWh.

The table below shows the conversion factors for each resource type used from kWh to kg of carbon equivalent (kg CO_2e), sourced from the current 2021 UK Government GHG Conversion Factors for Company Reporting.

Fuel type	2020/21 Conversion factor	**2021/22 Conversion factor**
Natural Gas	0.18387	**0.18316**
Gas Oil (Scope 1)	Not applicable. No gas oil used across the portfolio	**Not applicable, no gas oil used across the portfolio**
Purchased Electricity (Scope 2 & 3)	0.23314	**0.21233**
Electricity transmission and distribution (Scope 3)	0.02005	**0.01879**
Water supply and treatment (Scope 3)	1.052	**0.421**

Method of data collection

Utility data across the operational portfolio is collected from manual meter reads, automated meters, invoices and our energy bureau service. Our facilities management contractors are responsible for conducting monthly meter readings. We recognise that manual processes are often prone to error, therefore we have addressed this risk by proactively investing into smart metering and digital twin technologies, both of which sit part of a wider business strategy to automate and collect all of our data within a wholly owned data warehouse. Full ownership of our data will further improve data accuracy and visibility.

We are also in the process of transferring all of our ESG data into a designated ESG software solution. Once operational, this ESG software will enable us to automatically capture all of our sustainability data on a monthly basis and enable us to proactively manage and monitor our utility consumption to identify efficiency opportunities. In the last financial year, we made four additional hires, an Energy Manager, a Technical Services Manager, an Innovation Manager and a Sustainability Analyst, all of whom are supporting this process.

Waste data for our operational portfolio is captured and provided by a third party contractor.

Development data is provided by our third party contractors and captured within a tracker that is used to record construction an demolition waste, as well as utility usage.

Basis of reporting continued

This enables us to capture savings achieved by project and by year. Waste data from the development portfolio is provided either directly from our contractors or captured within an online Power BI solution that uses scanned waste ticket data from our contractors to derive waste information.

Corporate travel data for the financial year included within our reported Scope 3 GHG emissions includes air travel, domestic train journeys, taxis and public transport journeys for all direct GPE employees. Data is collected from expensed travel, bookings made through a third party travel booking provider, monthly invoices from a private cab and courier company, and internal employee travel surveys.

Employee travel to our Community Day in 2021 was included in our corporate travel data for the first time this year. Employees were asked to state how they travelled to their designated London-based activity through a company wide online survey carried out internally. For any data gaps, appropriate estimations were made by calculating the distance from our head office to the designated location. Travel distances in kilometres were calculated for all journeys and appropriate 2021 DEFRA Carbon emissions factors were applied to extrapolate the carbon emissions from employee travel by transport type.

We have also included carbon emissions from home working and employee commuting to the office within our Scope 3 emissions reporting. We used a company-wide online survey to understand how many days employees typically commuted to the office and what type of transport their typical journey involves. Due to the phased return to the office after COVID-19, we applied a 50% factor to the home working emissions to account for hybrid working.

Exceptions, variations and restatement of data

Some of our 2020/21 figures have been re-stated to account for the replacement of some estimated data with actual meter readings. These adjusted figures were not assured as part of our year end processes this year.

In some cases we have used different metrics or assumptions to calculate impacts:

- Due to constraints of collecting data at the end of the reporting year, there was an increase the percentage of supplies estimated. Based on utility type, these estimations were as follows:
  - 8% of landlord purchased electricity
  - 18% of landlord purchased gas
  - 29% of landlord purchased water
- Some of our 2021 data has been restated due to actual data having been obtained to fill gaps which were previously estimated. Within the Carbon footprint table on page 08 these are footnoted. These have also been footnoted within the Streamlined Energy and Carbon Disclosure (SECR) table on page 50 of our Annual Report and Accounts.
- Floor area (Gross Internal Area) was restated at a number of properties where measured surveys had taken place during the year and accurate GIA now known. In previous years, GIA (and therefore landlord-controlled common parts) was sourced from insurance records or estimated.
- For employee travel and commuting, travel distances for calculating emissions per journey were manually calculated using the resources below:
  - Business related rail mileages calculated using an online rail mileage calculator: **www.lner.co.uk/tickets-savings/the-best-way-to-travel/our-commitment-to-the-environment/#calculator #calculator**
  - Business related air mileage was calculated using an online air miles calculator: **www.flighttime-calculator.com**
  - Business related mileage from personal cars and TfL public transport was calculated using the distances provided by: **www.google.com/maps**
  - Business related mileage in Black Cabs or Taxis were calculated using a combination of Google maps and the TfL cost of £6.20 per mile were cost data available: **www.tfl.gov.uk/modes/taxis-and-minicabs/taxi-fares**
- All water data reported in this report covers freshwater withdrawn from mains supply. We harvest rainwater for building consumption at one of our assets, which we have accounted for within our reported water consumption and carbon emissions.
- During the reporting period, our like-for-like portfolio analysis excluded three recently completed development projects 16 Dufour's Place, W1, The Hickman, E1, and Hanover Square, W1.
- We have also excluded 50 Finsbury Square, EC2, which underwent major construction during the period.
- 7/15 Gresse Street, W1, and 12/13 Rathbone Place, W1, were acquired on 30 March 2022, however due to the purchase being two days before year-end, these assets were excluded from all reporting.

Like-for-like analysis

In line with EPRA sBPR guidelines, we report our like-for-like portfolio that covers buildings that have been consistently in operation for the

data period specified, e.g. not acquired, sold, or developed during either of the reporting periods for 24 months.

Normalisation calculation

We measure carbon, and energy intensity by reference to consumption per m^2. We recognise that this may not always reflect the occupancy level of the building, which may also have and impact on the level of usage. Resource usage per m^2 is calculated using gross internal area (common areas plus net lettable area). The data is normalised to reflect the disposal and acquisition of properties during each reporting period. During the year, 160 Old Street, EC1, was sold (24 September 2021) with data reported up until the sale date.

We also normalise for developments which complete during the reporting year and pass into our operational control, which was the case for 1 Newman Street, W1.

In order to calculate total normalised water consumption for each reporting period we have used the total common areas plus net lettable area for all properties consuming water.

Our reported energy data is normalised using degree days to adjust for weather, enabling a like-for-like comparison of energy consumption across the two different reporting periods.

For our full Carbon footprint reporting methodology, and additional information on what metrics we disclose for EPRA sBPR, SASB Sustainability Accounting Standard for Real Estate, and Global Reporting Initiative (GRI) please see pages 48 to 51.

Carbon Footprint Reporting Methodology

The table below outlines the methodology used to calculate our carbon footprint, calculated annually as part of assessing progress towards our Roadmap to Net Zero.

Scope & category	Activity	Methodology	Data quality
Scope 1			
	Natural gas	Gas consumption (kWh) from automated metering systems, invoices and manual meter reads. If no data available, then consumption has been estimated for the period based on previous known data for 2021. Consumption data is multiplied by UK Government GHG Conversion Factors.	High
	Refrigerants	Kilogram (kg) lost calculated from service records and invoices for top up gases, and multiplied by UK Government GHG Conversion Factor for the relevant gas type.	High
Scope 2			
	Electricity landlord consumed	Electricity consumption (kWh) from automated metering system, invoices and manual meter reads. If no data available, then consumption has been estimated for the period based on previous known data for 2021. Consumption data multiplied by UK Government GHG Conversion Factors for location-based emissions and supplier factors for market-based emissions.	High
Scope 3			
01. Purchased goods and services	Fuels used in construction	Electricity consumption (kWh) from supplier data, and multiplied by the UK Government GHG Conversion Factors for relevant fuel type.	High
	Maintenance, repair and replacement materials and services	Spend data for managed properties categorised according to DEFRA's Table 13 Indirect emissions from the supply chain. Improved data coverage in 2022 enabled greater inclusion of relevant spend categories.	Medium
	Operational procurement	Spend data for managed properties categorised according to DEFRA's Table 13 Indirect emissions from the supply chain. Improved data coverage in 2022 enabled greater inclusion of relevant spend categories.	Medium
	Water consumption during construction	Water consumption (m^3) from supplier data for major and minor projects, and multiplied by the UK Government GHG Conversion Factors for water supply and water treatment. Minor developments were included for the first time in 2022.	High
	Water consumption in standing assets	Water consumption (m^3) from supplier invoices and manual meter reads, and multiplied by the UK Government GHG Conversion Factors for water supply and water treatment.	High
	Electricity consumption during construction	Electricity consumption (kWh) from supplier data, and multiplied by the UK Government GHG Conversion Factors for electricity.	High
02. Capital goods	Construction materials and services for new developments	Total embodied carbon per asset calculated using GPE and Arup's known embodied carbon assessments ($KgCO_2e\ m^2$) and assigned proportionately to the days of construction in the year compared to the total construction period.	High
	Construction materials and services for refurbishments	Total embodied carbon per asset calculated using GPE and Arup's known embodied carbon assessments ($KgCO_2e\ m^2$) and assigned proportionately to the days of construction in the year compared to the total construction period.	High

Carbon Footprint Reporting Methodology continued

Scope & category	Activity	Methodology	Data quality
Scope 3 continued			
03. Fuel and energy related activities	Well-to-tank and T&D emissions from electricity	Calculated based on actual Scope 2 data with relevant UK Government GHG Conversion Factors applied.	High
	Well-to-tank emissions from natural gas	Calculated based on actual Scope 1 data with relevant UK Government GHG Conversion Factors applied.	High
04. Upstream transportation and distribution	Transportation of construction materials for developments and refurbishments	Distance & emissions data provided by supplier for 50 Finsbury Square and 1 Newman Street. Transport emissions have not been included for minor projects, as these are included within the estimated procurement spend emissions.	High
	Waste generated during construction	Waste data from supplier data, and multiplied by the relevant UK Government GHG Conversion Factors.	High
05. Waste generated in operations	Waste generated during demolition	Waste data from supplier data, and multiplied by the relevant UK Government GHG Conversion Factors.	High
	Waste generated in operations	Waste data from supplier data, and multiplied by the relevant UK Government GHG Conversion Factors.	High
06. Business travel	Air travel, rail travel and taxi	Taken from travel booking and expense system, monthly invoices from private cab and courier company, and employee travel surveys for our Community Day, with relevant UK Government GHG Conversation Factors applied.	Medium
07. Employee commuting	GPE employees working from home	Emissions associated with working from home using EcoAct methodology, with a 28% factor applied to account for hybrid working model. The 28% factor was calculated as per employee survey given the average time spent working from home.	Medium
07. Employee commuting	GPE employee commuting	Employee commuting survey carried out in 2022 with 56% response rate, with distances multiplied by relevant UK Government GHG Conversation Factors based on an average of 3.6 days in spent working in the office due to the hybrid model. Category not reported in 2021 due to the COVID-19 pandemic.	Medium
11. Use of sold products	Expected lifetime energy consumption of assets sold during reporting year	All assets sold in during the reporting period which were either developed or significantly refurbished by GPE were assumed to have a lifetime of 60 years, starting from the year of completion. The last full year of energy consumption of each asset was extrapolated for the remaining lifetime of the asset and converted to CO_2e using projections of the UK's future grid, provided by the UK BEIS. One sold asset in 2022.	High
12. End-of-life treatment of sold products	Waste generated from demolition of sold assets	All assets sold during the reporting period which were either developed or significantly refurbished by GPE were assumed to be demolished at end-of-life, which is assumed to be in 60 years time. One sold assets in 2022.	High
13. Downstream leased assets	Customer electricity consumption (landlord-procured)	Electricity consumption (kWh) from customer sub-meter data, and multiplied by the UK Government GHG Conversion Factors for electricity.	High
	Customer electricity consumption (customer-procured)	Methodology for calculation was changed for both reporting years. Offices used an intensity based on GPE actual electricity data and floor areas, whereas other asset types used CIBSE benchmarks multiplied by floor areas to estimate consumption where data was unavailable. Estimated consumption was then multiplied by the UK Government GHG Conversion Factors.	Medium

EPRA sBPR Reporting Metrics

Our scope of reporting is outlined below. Several of these KPIs have been tested by Deloitte LLP as part of the annual assurance process, and the scope of assurance can be seen at the back of the report.

Environmental

Energy (tables 1–3)

- For energy consumption 35 managed properties are in scope, head office is included and is separately itemised.
- Electricity produced from on-site generating installed photovoltaics at 160 Old Street has been included.
- Figures are inclusive of all landlord purchased energy supplies – where this energy is sub-metered to customers this is separately itemised but included within total usage.
- Development related energy is reported as a separate item but not included within the total usage.
- Energy consumed at vacant units is included where energy is supplied from the landlord's meter. Where the energy is not supplied from the landlord's meter this is excluded as this is not considered material.
- Where energy is not procured directly by the landlord (i.e. either customer-procured or by a third-party managing agent) then the consumption is not included within these figures.
- Due to constraints of collecting data at the end of the reporting year, there was an increase in the percentage of supplies estimated. This was 8% for landlord purchased electricity and 18% for gas supplies.

Greenhouse Gas emissions (tables 4–6)

- Scope 1 emissions is inclusive of location based purchased fuel and fugitive refrigerant emissions from landlord-maintained air conditioning systems.
- Scope 2 emissions is inclusive of location based purchased electricity.
- Scope 3 emissions is inclusive of business travel, water supply and treatment, waste disposal and electricity transmission and distribution loss. This year to align with best practice we have included electricity sub-metered to customers within our Scope 3 which was previously reported under Scope 2.
- Development related energy and water emissions are separately reported and not included in the total.
- For a fuller Scope 3 emissions disclosure, the Radiative Forcing conversion factor has been applied to all flight travel using the DEFRA carbon conversion factor.
- There are no company owned vehicles or grey fleet to be reported within business travel emissions.

Water (tables 7–9)

- For water consumption, 35 managed properties, covering all landlord obtained water supplies are in scope.
- Due to constraints of collecting data at the end of the reporting year, there was an increase in the percentage of supplies estimated to 29%.
- Development related energy and water are reported as a separate item but not included within the total usage.

Waste (tables 10–12)

- Data includes all waste collected from properties where Great Portland Estates plc provide waste management services on behalf of customers.
- Waste collections that are under the sole control of our customers are excluded (e.g., pavement collections), additionally waste collected from FRI properties and properties managed by agents on our behalf (one property) is excluded.
- Waste demolition and construction data from our development sites and refurbishments are reported separately but not included in the total.

Building certification (table 13)

- Includes Sustainable Building Ratings for properties subject to FRI leases, properties managed by managing agents and at our active developments.
- Energy Performance Certificates lodged by our customers and by our managing agents have been included.

Social

Diversity and employment (table 14)

Number of employees in scope:

Year ended 31 March 2022 – 131 employees

Year ended 31 March 2021 – 116 employees

Year ended 31 March 2020 – 116 employees

- Employee training is inclusive of vocational and topic specific training.
- All employees receive six monthly appraisals, which includes an end of year annual performance review and personal development planning.

Health and Safety (table 15)

Methodology – RIDDOR reporting

The reporting criteria relates to RIDDOR reporting and first aid injuries for all GPE activities for our employees, managed and development portfolios where GPE act as client/landlord.

All GPE employees, contractors and sub-contractors are required to report all fatalities and specified injuries that occur to any worker including contractor and visitor and member of public to the Health and Safety Executive (HSE) or the relevant local authority. This requirement is set out under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR).
In relation to RIDDOR an accident is a separate identifiable unintended incident which causes physical injury.

EPRA sBPR Reporting Metrics continued

Scope of health and safety reporting

The below parameters relate to direct employees of GPE only.

The **Accident Frequency Rate (AFR)** is calculated by multiplying the number of recordable accidents per year times by 100,000, and then dividing that number by the number of labour hours worked.

The **Lost day Rate** is a similar calculation, only it uses the number of cases that contained lost workdays.

Severity Rate (SR) is a calculation that gives a company an average of the number of lost days per recordable incident.

Absentee rate is calculated using the number of workdays lost to **absenteeism** divided by the total number of available workdays, expressed as a **percentage**.

Annual counts of **fatalities** can also be influenced by multiple **fatalities**; that is one incident resulting in more than one death.

Health and Safety Asset

42 assets within our reporting scope are made up as follows:

- 7 properties are outside our reporting scope as these are either FRI leases or there is no day-to-day operational control with the exception of 1 property which is part FRI.
- 3 Properties were under construction for the reporting year.
- GPE's head office falls within scope although the building is not owned or managed by GPE.
- 32 properties are multi-let properties within which health and safety data applies to the common parts and vacant space where GPE has responsibility to manage.
- Space occupied and managed directly by occupiers is outside our reporting scope.

Risk Assessments

The percentage of completed Health and Safety assessments are based on the scope of day-to-day operational management within our occupied properties. Risk assessments are undertaken by our Health and Safety Consultants which include Health and Safety, Fire, Asbestos which are completed annually and Water Risk Assessments which are completed every six months.

Developments

For our developments, it is recognised that there may be inconsistencies with the data collated from the reporting of health and safety accidents/incident statistics, due to the variance in reporting as defined by each contractor company's management system.

Social value measurement (table 16)

This is the second year that we worked with the Social Value Portal to calculate the financial value we delivered through our community initiatives and direct business activities using The National Social Value (TOMs) Measurement Framework.

The National TOMs Framework (2021) is maintained by the National Social Value Taskforce which includes both public and private sector organisations. This Social Value Measurement Framework is widely used across the industry and by Local Authorities to quantify social value creation. It involves applying a monetary value, based on publicly available data sources, to the benefit created by a particular measure. Key to social value measurement is the focus on the "additional" value created, over and above what already exists or would have happened anyway. For example, when measuring the number of jobs created, it is important to consider who is benefiting from the job. In other words, this means looking beyond the quantity to address the quality of opportunities we create or support.

Cost to upgrade portfolio to an EPC B rating

Definition

The total cost of upgrading all office buildings in the portfolio to EPC B.

Background:

As part of the Government's Energy Strategy, all non-domestic buildings will likely be required to achieve an Energy Performance Certificate (EPC) B rating by 2030.

Clarity on the implementation and enforcement of the EPC B requirement is still outstanding, however, to ensure the necessary upgrades can be integrated into Asset Business Plans, a project has been completed to cost required upgrades and understand financial impact.

In scope:

- All commercial office spaces within the 'asset management' portfolio.

Excluded:

- Development pipeline – both committed and near/medium term since as costs to achieve a minimum of an EPC B are already incorporated in development appraisals and will be delivered before 2030;
- For the purposes of this exercise, Orchard Court and 103/113 Regent St were excluded on the basis that they are already undergoing heavy refurbishment and are targeted to achieve an EPC B or above when they re-enter the investment portfolio;
- Retail and residential spaces;
- Any indirect costs arising from any building work are excluded.

Process:

- Site surveys were undertaken across 17 buildings. This included measuring fabric performance, air leakage and system efficiency and undertaking measurement surveys;
- Enhanced thermal dynamic modelling software (EDSL TAS building energy model) was then used to run multiple scenarios optimising façade, plant (or both) to achieve an EPC rating of 'B', with an EPC study provided to GPE summarising the results;
- Independent cost consultants then provided cost estimates for delivering the upgrades at current prices, based on upgrades proposed in the EPC studies;
- Eight smaller buildings NIA < 6,000 sq ft were not surveyed. The cost to upgrade these buildings was extrapolated, based on cost per sq ft, across similar performing buildings.

Note:

- Floor area is based on net internal area (square feet);
- The cost includes 10% for professional fees and 10% for contingencies.

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Independent assurance statement by Deloitte LLP to Great Portland Estates plc on reported environmental and health and safety performance indicators for the year ended 31 March 2022.

Scope of our work

Great Portland Estates plc ("the Company") engaged us to provide limited assurance on selected key performance data for inclusion in the Annual Report & Accounts, the Company website, and the Sustainability Performance Data Report, its subsidiaries and joint ventures ("the Group") for the year ended 31 March 2022. Indicators forming the scope of our work are set out below:

European Public Real Estate Association (EPRA) KPIs

Assured indicators	
Energy	**Total indirect electricity consumption (kWh)** • Total electricity purchased and consumed from non-renewable sources at managed properties • Total electricity purchased and consumed from renewable sources at managed properties • Proportion of electricity consumption from purchased and consumed from renewable sources • Total self-generated electricity from onsite renewable sources • Total electricity purchased and consumed in landlord areas at managed properties from renewable sources • Total purchased electricity sub-metered to occupiers • Total electricity consumed within head office
	Like-for-like indirect electricity consumption (kWh) • Total electricity purchased and consumed from non-renewable sources at managed properties • Total electricity purchased and consumed from renewable sources at managed properties • Proportion of electricity consumption from purchased and consumed from renewable sources • Total self-generated electricity from onsite renewable sources • Total electricity purchased and consumed in landlord areas at managed properties from renewable sources • Total purchased electricity sub-metered to occupiers
	Total direct fuel consumption (kWh) • Total fuel consumed or purchased from renewable sources

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	• Total fuel consumed or purchased from non-renewable sources • Proportion of total fuel consumption from renewable sources
	Like-for-like direct fuel consumption (kWh) • Total fuel consumed or purchased from renewable sources • Total fuel consumed or purchased from non-renewable sourced • Proportion of total fuel consumption purchased from renewable sources
	Building energy intensity (kWh/m^2) • Total amount of direct and indirect energy used (including renewable and non-renewable sources) across the portfolio divided by normalised floor area
Carbon	**Total direct greenhouse gas emissions (Scope 1) (tCO_2e)** • Greenhouse gas emissions from fuels combusted onsite • Greenhouse gas emissions from refrigerant gases
	Total indirect greenhouse gas emissions (Scope 2) (tCO_2e) • Greenhouse gas emissions from purchased electricity consumed in landlord areas (location-based) • Greenhouse gas emissions from purchased electricity consumed in landlord areas (market-based) • Greenhouse gas emissions from head office
	Greenhouse gas intensity from building energy consumption (tCO_2e/m^2) • Total amount of direct and indirect (location-based) GHG emissions generated from energy consumption divided by normalised floor area
	Total indirect greenhouse gas emissions (Scope 3) (tCO_2e) • Greenhouse gas emissions from purchased electricity sub-metered to occupiers (location-based) • Greenhouse gas emissions from business travel (flights, trains, taxis) • Greenhouse gas emissions from purchased electricity transmission and distribution losses • Greenhouse gas emissions from waste treatment and disposal • Greenhouse gas emissions from municipal water supply and treatment

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Water	**Total water consumption (m^3)**
	Like-for-like water consumption (m^3)
	Building water intensity (m^3/m^2/year)

Waste	**Total weight of waste by disposal route and by proportion (tonnes)**
	• Hazardous waste
	• Non-hazardous waste
	• Waste by type (non-hazardous and hazardous) disposed of by the following disposal routes:
	  ○ Reused
	  ○ Recycled
	  ○ Anaerobic digestion
	  ○ Sent to materials recovery facility (MRF)
	  ○ Incinerated
	  ○ Landfilled

	Like-for-like waste by disposal route and by proportion - recovered (tonnes)
	• Hazardous waste
	• Non-hazardous waste
	• Waste by type (non-hazardous and hazardous) disposed of by the following disposal routes:
	  ○ Reused
	  ○ Recycled
	  ○ Anaerobic digestion
	  ○ Sent to materials recovery facility (MRF)
	  ○ Incinerated
	  ○ Landfilled

Sustainable assets	**Total number of sustainably certified assets** Percentage of the portfolio's total floor area or units (in the case of residential portfolios) and level of certification attained
Social	Employee health and safety, for all direct employees (i.e. GPE staff at head office and managed portfolios; this will exclude any other employees / people (e.g. contractors, public etc.)):

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	○ Injury Rate (IR) ○ Lost Day Rate (LDR); ○ Absentee Rate (AR); and ○ Work-related fatalities

Streamlined Energy & Carbon Reporting (SECR) KPIs (for Annual Report & Accounts)

Assured indicators	
SECR KPIs	**Scope 1 emissions (tCO_2e)** • Emissions from combustion of fuel • Emissions from operations of facilities (refrigerant gas)
	Scope 2 emissions (tCO_2e) • Emissions from purchased electricity – location-based • Emissions from purchased electricity – market-based
	Scope 3 emissions (tCO_2e) • Emissions from purchased electricity sub-metered to occupiers
	Total absolute emissions (tCO_2e)
	Total like-for-like emissions (tCO_2e)
	Absolute emissions intensity (tCO_2e /m^2)
	Like-for-like emissions intensity (tCO_2e/m^2)
	Total direct energy consumption • Total gas use (kWh)

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	Total indirect energy consumption • Purchased electricity (kWh) • Purchased electricity sub metered to occupiers (kWh)
	Total absolute energy consumption (kWh)
	Total like-for-like energy consumption (kWh)
	Absolute energy intensity (kWh/m²)
	Like-for-like energy intensity (kWh/m²)

Our assurance opinion

Based on the assurance work performed we have concluded that for the indicators described in the scope of our work above, nothing has come to our attention that causes us to believe that the indicators have not been prepared, in all material respects, in accordance with Great Portland Estates plc's Reporting Criteria, as disclosed within the Basis of Reporting in the Sustainability Performance Data Report 2021/22.

Basis of our work and level of assurance

We carried out limited assurance on the selected key performance indicators in accordance with the International Standard on Assurance Engagements 3000 (Revised) (ISAE 3000). To achieve limited assurance the ISAE 3000 requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. This is designed to give a similar level of assurance to that obtained in the review of interim financial information. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls.

Our engagement provides limited assurance as defined in ISAE 3000. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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Limited assurance procedures performed

To form our conclusions we undertook the following procedures:

- Interviewed management at the Company's head office, including the Sustainability team and those with operational responsibility for performance, to understand the governance and review process for data management and collection, the expectations around reporting, the progress made on prior year assurance findings, the review and challenge made internally over the data and expectations of year end performance given the understanding of the operations during the year;
- Interviewed key personnel involved in the data collection, management and reporting processes, including how the information is captured at site level and how this feeds up to business level and to Group;
- Understanding, analysing and testing on a sample basis the key structures, systems, processes, procedures and controls relating to the aggregation, validation and reporting of the environmental and health and safety performance data set out above; and
- Reviewing the content of the Sustainability Data Report and the Sustainability section of the Annual Report & Account against the findings of our work.

Our work was based at Great Portland Estates plc Group level only and did not include visiting and reviewing data collection, collation and validation of other Great Portland Estates plc operations. We did not visit any sites or properties and we did not test performance data back to the underlying source such as meter reads at sites.

Responsibilities of Directors and independent assurance provider

Great Portland Estates plc's responsibilities

The Directors are responsible for the preparation of the Sustainability Performance Data Report, Annual Report & Accounts, GPE website and the Basis of Reporting. They are responsible for determining the Company's objectives in respect of sustainability performance and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Deloitte's responsibilities, independence and team competencies

We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Federation of Accountants' Code of Ethics for Professional Accountants in their role as independent auditors, and in particular preclude us from taking financial,

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commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the Reports. The firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have confirmed to Great Portland Estates plc that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.

Our team consisted of a combination of sustainability and assurance professionals with environmental and health and safety expertise, including many years' experience in providing sustainability report assurance.

Our responsibility is to independently express a conclusion on the Reports as defined within the scope of work above to Great Portland Estates plc in accordance with our letter of engagement. Our work has been undertaken so that we might state to Great Portland Estates plc those matters we are required to state to them in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Great Portland Estates plc for our work, for this statement, or for the conclusions we have formed.

Deloitte LLP
London, United Kingdom

Deloitte LLP

6 May 2022

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