Sustainable real asset investment & finance consultancy and ESG software

# THE CROWN ESTATE

## *INTEGRATED ANNUAL REPORT AND ACCOUNTS 2021/22*
## *EVORA GLOBAL ENVIRONMENTAL REPORTING METHODOLOGY*

June 2022

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# INTRODUCTION

**EVORA Global (EVORA) has been instructed to support The Crown Estate in the collection, validation and reporting of sustainability data (energy, carbon, water and waste) primarily across its directly managed property portfolio (with an estimation of indirectly managed property carbon emissions from energy consumption).**

EVORA operate as data guardians, focused on data management and stakeholder engagement. All sustainability data is managed using EVORA in-house sustainability software management system SIERA.

The process and methodology presented in this document relates to the reporting period 1st April 2021 to 31st March 2022.

This document sets out the data management processes, including roles and responsibilities.

This document defines the reporting boundary and scope of key performance indicators (KPIs) presented in the Integrated Annual Report and Accounts 2021/22.

This document will be updated annually to accurately reflect The Crown Estates reporting programme.

# PORTFOLIO & STAKEHOLDERS

**Portfolios & Stakeholders:**

1. **London**
    - Managing Agent (MA) - JLL
    - Energy Bureau (EB) - Carbonxgen (appointed by JLL)

2. **Regional**
    - Managing Agent – Savills
    - Energy Bureau – Savills Energy
    - Data Collector – Stark (automated transfer of data from meters)

3. **Windsor Estate**
    - Directly managed by The Crown Estate

# SCOPE & REPORTING BOUNDARY

EVORA's data guardian role covers 100% of directly managed properties within the three portfolios: London, Regional and The Windsor Estate.

The data collection process is focused upon the directly managed operations at properties under The Crown Estate's control. For Indirectly managed properties including FRIs (full repairing and insuring lease) an estimation technique has been applied in order to determine scope 3 emissions associated with the operation of these properties to allow for full scope of GHG reporting.

Managing agents provide information on disposals and new assets during the quarterly reporting process advising of meters no longer in the portfolio (disposals) and new meters they start to report against (acquisitions).

The collation, validation and management processes for all sustainability data at directly managed properties are detailed in this document. See pages 6-12.

For full list of reporting KPIs calculated by EVORA see Appendix 1 page 24

# DATA PROCESS - QUARTERLY CYCLE

## Data Source Hierarchy

The hierarchy ranking system below was reviewed and agreed by EVORA and the MAs at the outset of the annual reporting period. The agreement is to ensure consistency in data processing.

| Utility | Rank | Hierarchy Ranking | Portfolio |
|---|---|---|---|
| **Energy-Water** | 1 | Half Hour Data | Regional |
| | 2 | Invoices | |
| | 3 | Meter Reads | |
| | 4 | Annual Supplier Statement | |
| **Energy-Water** | 1 | Half Hour Data | London / Windsor |
| | 2 | Meter Reads | |
| | 3 | Invoices | |
| | 4 | Annual Supplier Statement | |

# DATA PROCESS - QUARTERLY CYCLE

| Indicator | Data Source | Data Frequency | Stakeholders | Hierarchy Ranking | | EVORA Approach |
|---|---|---|---|---|---|---|
| | | | | London/ Windsor | Regional | |
| Elec<br>Gas<br>Water | Half-Hourly data (FTP) | Day +1 | Data Collector | n/a | (1a) | (Electricity only) Through an API (application protocol interface). SIERA receives data on an automated basis from Stark (data collector) via a file transfer protocol (FTP), this automatically transfers data from electricity meters to SIERA on a daily basis (+1 day). Verification and validation checks are completed by the consultant using a data gap analysis report from SIERA on a quarterly basis, which highlights any gaps in the data. Gaps are investigated in collaboration with the source provider. |
| | Monthly half-hourly data spreadsheet | Quarterly | Energy Bureau | (1b) | (1b) | Where meters have not been appointed to a dedicated data collector, the EBs provide a 3 month half-hourly export. The download is checked and transferred to a standard half hourly data template. The template is sent by a consultant to the in-house SIERA software management team. The team upload the data to SIERA and complete validation protocol such as:<br>duplicate data, overlapping time periods, formatting errors and BST (British Summer Time) adjustment check. |
| | Invoices | Quarterly | Energy Bureau | (3) | (2) | Invoice data is provided in a standard spreadsheet download from the EBs invoice management software. The data is checked and uploaded to SIERA by a consultant using standardised templates. The system validation detects errors such as: duplicate data, overlapping time periods, formatting errors, and highlights performance outside of 'normal' operating parameters. All errors flagged must be addressed before upload is permitted by the SIERA platform.<br>Following upload, meter level gap analysis and variance reports are run by a consultant. These reports are shared with the MAs and EBs and where available data gaps are filled with actual consumption data. Variances (>+/-15%) are reviewed by the MAs and EBs to validate data quality. MAs liaise directly with property management teams to provide data impact commentary on variances.<br>Remaining data gaps are prorated by a consultant using the following methodology for quarterly reporting:<br>Electricity, is completed over a set of 9 months for every 3 months worth of missing data. This method is used to calculate consumption per day.<br>Gas consumption is prorated by uplifting the previous years quarter, to ensure seasonality changes are accounted for.<br>Water is completed over a set of 9 months for every 3 months worth of missing data. This method is used to calculate consumption per day.<br>In order to fill further gaps that exist for annual reporting, the following methodology is used:<br>For electricity, average daily consumption is calculated (ensuring only actual consumption is used, and not previously estimated consumption). This daily consumption is then used to fill gaps.<br>For gas, data is used from the same months of the previous year that cover the months the gaps fall within in the current year, to account for seasonality, applying daily consumption logic. Where the same months for the previous year are unavailable, the best equivalent month is used (Jan/Dec, Feb/Nov, Mar/Oct, Apr/Sep, May/Aug, Jun/Jul). Where neither of these options are available, the same logic as for electricity is applied. |

# DATA PROCESS - QUARTERLY CYCLE

| Indicator | Data Source | Data Frequency | Stakeholders | Hierarchy Ranking | | EVORA Approach |
|---|---|---|---|---|---|---|
| | | | | London/ Windsor | Regional | |
| Elec<br>Gas<br>Water | Meter Readings spreadsheet | Monthly | Managing Agent | (2) | (3) | Monthly meter reading spreadsheet, lists meter readings taken each month. Consumption is calculated by subtracting the previous month meter reading from the current month meter reading.<br>Unit measurement is indicated in a separate column.<br>Where gas data is not in kWh, the following conversion rates are used:<br>Imperial Calculation (100's of ft3): unit used X 2.83 to convert to cubic metres X 1.02264 X 39.2 calorific value divided by 3.6<br>Metric Calculation: unit used X 1.02264 X 39.2 calorific value divided by 3.6<br>The conversion rates and calorific values align with UK Government guidance. An online calculator is used at https://www.businessenergy.com/business-gas/gas-bill-calculator/.<br>The data upload, validation, gap analysis, variance report and pro rata is completed as per the previous stated method on page 7. |

# DATA PROCESS - QUARTERLY CYCLE

| Indicator | Data Source | Data Frequency | Stakeholders | EVORA Approach |
|---|---|---|---|---|
| Waste | Standard Template | Quarterly | Managing Agent | Waste data issued by MAs using the a standard 'Waste Record Loader', which is directly uploaded onto the SIERA platform. EVORA work with MAs to align waste destinations using a drop down of selected items. Where destination is unclear a comments section has been included to ensure an understanding of the data between both parties.<br>The Waste Record Loader is an interactive visual tool, which allows the user to process and upload waste movement data against disposal routes within SIERA. The module has integrated automatic validation to ensure that the data entered is correct and usable, and will flag up any potential issues to be fixed. Potential issues will be flagged using a colour coded system to ensure that human error is eliminated before uploading onto the platform.<br>Using the SIERA dashboard function, variances will be noted and cross-referenced with MAs if variances are higher/lower than +/-10%.<br>Waste data is prorated where 9 months of data is available. This will occur at the end of each financial year, and is not conducted quarterly. |

# DATA PROCESS - ANNUAL CYCLE

| Indicator | Data Source | Data Frequency | Stakeholders | EVORA Approach |
|---|---|---|---|---|
| Energy Tariff | Supplier Contracts, REGO Certificates, Supplier Public Disclosure | Annual | Managing Agents | Annually at year end EVORA engage with MAs to confirm the status of electricity contract tariffs. A combination of supplier contract agreements, asset and meter level REGO certificates and supplier public disclosure are used to confirm the status of contract tariffs by the managing agents.<br>EVORA work closely with the MAs to confirm tariffs at contract level and ensure correct assignment at the meter level. The information is used to support the calculation of two KPIs:<br>1) Percentage (%) of renewable electricity procured at directly managed assets.<br>2) The allocation of scope 2 GHG market based emissions (see pages 16-19 for more information on GHG reporting methodology) |
| Energy Spend | Database Download | Quarterly with Annual Consolidation | The Crown Estate | At the end of each quarter London and Regional EBs provide a monthly breakdown of invoicing for the previous three months. The invoice breakdown contains the value (£) excl VAT of all energy invoices under contract. |
| Onsite Renewable (PV) | Meter Readings | Monthly with Annual Consolidation | Managing Agents | Onsite facilities management teams record monthly meter readings for onsite renewable (PV). The meter readings are collated by the MAs within a master spreadsheet for the respective portfolios. EVORA receive this data annually. |
| Other fuel | Meter Readings | Quarterly with Annual Consolidation | Managing Agents | 'Other fuels' consumed at assets is collected by the portfolio MA. This includes minimal usage for oil boiler and heating at one asset and exterior cleaning plant at another.<br>This dataset is issued to EVORA annually at year end. |
| SERC Data | Spreadsheet Template | Annual | Managing Agents | At the end of each year the MAs for Regional and Central London are engaged and asked to confirm spend on energy improvements within the portfolio completed within the reporting year and energy savings associated with these improvements. If some information is not available (i.e. energy savings, but spend on improvements is) an estimation will be applied which will depend on the improvement initiative in question. Any assumptions such as this would be detailed specifically within the narrative of the report for clarity. |

# DATA PROCESS - ANNUAL CYCLE

| Indicator | Data Source | Data Frequency | Stakeholders | EVORA Approach |
|---|---|---|---|---|
| Fleet (petrol and diesel)<br><br>Machinery Fuel | Databased Download | Annual | The Crown Estate | Fuel consumed (fleet, machinery, tools) at the Windsor Estate portfolio is managed and collected by the Windsor management team. The data is downloaded from the fuel management system after year end. The Windsor management team split the data into the appropriate categories (fleet, machinery and tools) and fuel type (diesel, unleaded petrol, gasoil/red diesel) as well as whether the items are owned or not (to determine the split between Scope 1 and 3 emissions). The final download spreadsheet is checked and validated by the Windsor management team.<br>On receipt of the data EVORA review and confirm any data queries with the Windsor management team. The validated data for each category is totalled for the reporting period. Once the total figure is final the appropriate DEFRA carbon factor is applied to according to fuel type to calculate kgCO2e. This figure is then divided by 1,000 to convert from kilograms to tonnes. |
| Evidenced Tenant Energy | Monthly Tenant Recharge | Annual | Managing Agents | Managing agents track and compile tenant recharged energy (kWh) on an ongoing monthly basis (this is energy which is sub-metered directly to the tenant). At year end the spreadsheet is validated and finalised by the managing agents and issued to EVORA. The energy recharged to tenants is treated at evidenced tenant energy and used to calculate a portion of scope 3 indirect emissions. Where any data is missing, gaps are filled using the same methodology as above for electricity or gas respectively (ie where 9 months is available, up to 3 months is estimated using either a daily rate calculation or, for gas, previous year to account for seasonality). See pages 16-19 for more information on GHG reporting methodology. |
| Estimated Tenant Energy | Estimation | Annual | Managing Agents | Where tenant consumption is not known (i.e. the tenant is solely responsible for the procurement of energy, not the landlord, i.e. indirectly managed assets – FRI) these are estimated through the an approach in line with UK-GBC scope 3 estimation of leased asset emissions to produce Scope 3 emissions (from energy) via the following methodology:<br>Floor areas assumed to be tenant controlled and therefore subject to estimation are FRI assets and remaining tenant space not addressed through evidenced tenant energy or landlord controlled consumption (<br>Where actual data exists for equivalent sector types, the calculated carbon intensities are applied to the floor area.<br>Where no actual data exists for equivalent sector types an applicable BBP REEB energy benchmark is applied and associated split between electricity and gas applied to calculate the required carbon emissions (location based approach)<br>For Hotels the CIBSE TM 46 benchmark for general accommodation is used, applying the illustrative typical total carbon benchmark |
| Business Travel | Database Download | Annual | The Crown Estate | Business travel data is provided annually by the Crown Estate finance team. Travel expenses are exported from the central database at year end, Crown employees are responsible for inputting accurate data with respect to their travel into the system. The data is categorised according to travel type (air, bus/coach, tube, rail, taxi, personal car). Travel categories include key journey details to enable carbon calculation: number of travellers, start location and end location.<br>This information is used to calculate the distance travelled. The following sites were used to calculate distance.<br>https://www.airmilescalculator.com/<br>https://www.google.co.uk/maps/<br>Milage was converted to Kilometres using the following conversion rate (1 mile = 1.60934 kilometres).<br>For personal car use the expenses information includes actual milage data, which is used to calculate associated carbon.<br>In cases where key journey details were not included in the original expenses claim (i.e. start / end of journey details) the journey has been excluded from the calculation. The financial value of journeys excluded from the calculation is 20%.<br>Improvement to business travel data capture is ongoing. |
| Construction Carbon & Waste | Database Download | Annual | The Crown Estate | Construction energy consumption (electricity - gas), water consumption and waste generation is recorded for each development project and maintained on a central database by the Crown Estate. EVORA receive this data annually.<br>**Note that for 2021/22 it was advised that no construction/development projects took place in the year – hence no data relating to this is reported**. |

# DATA PROCESS – ANNUAL CYCLE

| Indicator | Data Source | Data Frequency | Stakeholders | EVORA Approach |
|---|---|---|---|---|
| Fugitive Emissions | Estimation | Annual | The Crown Estate | Actual fugitive emissions data is currently unavailable for the Crown Estate portfolio.<br><br>An estimation methodology has been developed which uses a number of assumptions based on: asset type, floor area, knowledge of whether air conditioning is in place, average leakage rates, a conservative estimate of refrigerants in use (R410a) to determine the Global Warming Potential (GWP) to apply (2,088) as found here: https://www.gov.uk/guidance/calculate-the-carbon-dioxide-equivalent-quantity-of-an-f-gas, $W/m^2$/NLA cooling load averages per asset class (ranging from 87-150 based on BSRIA Rules of Thumb Guidelines for Building Services) and average kg refrigerant per KW cooling capacity (0.35-0.5 based on TM65 Embodied Carbon in Building Services). The output of the calculation is divided by 1,000 to convert from kg to tonnes of CO2e. Emissions have been estimated for landlord controlled demises only (Scope 1).<br>Improvements to the data collection approach are planned for the next reporting year to move away from an estimation approach. |
| Supplier Spend Emissions | Database Download | Annual | The Crown Estate | A download is provided from the Crown Estate Supplier system which details spend (£) against SIC code category. Each SIC code category is converted to a categorisation code based on the Quantis system (30 categories in total) and allocated as either a Capital Good or Service dependent upon the spent type. Exclusions are made for some spend items, including: intercompany charges, marine, rural, tenant, void costs, salaries, bad debts and revenue. Additionally any items which are considered double counting are excluded (i.e. their emissions would be captured elsewhere within annual reporting).<br><br>Spend is converted to dollars based on the exchange rate as of 31st March of the reporting year, a price scaling factor is applied and a carbon conversion factor (both factors are categorisation specific, sourced from Quantis). The top 97% of spend is assessed in this manner, with the output uplifted by 3% to provide 100% coverage over the spend. The output value is divided by 1,000 to convert from kg to tonnes of CO2e. The output is split into emissions associated with capital goods and services. |
| Commuting | Commuting Survey | Annual | The Crown Estate | A commuting survey was introduced in the 2021/22 reporting year, this was issued to all Crown Estate employees with the aim to obtain information about commuting travel patterns. Information collected included: how long the employee was employed during the reporting period, how often they travel into the office, their method of travel and the number of miles per journey. This information was utilised to calculate the number of miles per method of travel across the year with government carbon conversion factors per type of travel method applied. The data collected covered 22% of Crown Estate employees, therefore the outputs of the calculation detailed above was uplifted to cover 100% of employees. A minor amount of data was excluded where quality was questionable (i.e. exceptionally high mileages, or mileages not provided).<br><br>Work will continue into the next reporting year to increase participation of employees and improve data quality inputted. |

# IMPROVEMENTS IN ANNUAL REPORTING APPROACH

### Renewable Energy and Market Based Emissions

In 2021/22, we have improved our data coverage on green tariffs. In the previous reporting year, where we did not have information for whether a meter was tied to a green tariff, we assumed the tariff was not green. New information on green tariffs this year has enabled us to confidently tag 48 meters across 28 assets as green, which has led to a large increase in our % of renewable electricity generated and associated market-based emissions. We are currently acquiring the evidence and data required to calculate the full effect of this new information on 2020/21 figures and will restate these figures in next year's annual report. Year-on-year figures for % of renewable energy and market-based emissions should therefore not be compared until this exercise is complete. We expect that the 2020/21 % of renewable energy will increase and market-based emissions will reduce to reflect our consistent increase of renewable energy tariffs procured over the last 3 years.

### Energy and Emission Intensity

This year, we have improved the data quality of the floor areas used for intensity calculations. We are currently calculating how this new floor area data affects previous reporting years, and as a result energy and emissions intensity should not be compared year-on-year. We will restate energy and emissions intensities for previous reporting years next year to reflect these changes. Floor area data is based on information from the SIERA system from 2020 (with subsequent updates to the areas from the relevant MAs as and when required to reflect any changes in asset set-up which may impact floor areas).  We are comfortable that this is the most materially up to date floor area available for the Crown property portfolio.

# EXCLUSIONS

### Gallagher Park

During this year's audit process, we have identified that after the transition of our Gallagher Park asset from an indirectly managed JV to a directly managed asset, our environmental reporting for this asset was not updated to include energy and emissions within our operational control boundary. We have calculated that the impact of this update would change location-based Scope 2 emissions by 0.02% and market-based Scope 2 emissions by 1.07%. Due to this relatively immaterial difference, we will update the calculations for the next reporting year to reflect the operational control of this asset and leave this year's calculations unchanged. This change of ownership of the asset was a unique event and we are confident that this issue will not be repeated in any other assets directly or indirectly managed by the Crown Estate.

# ABSOLUTE/LIKE-FOR-LIKE

**Absolute Data**

Includes all consumption for properties where The Crown Estate held operational control that were purchased or sold during the reporting period and where data is available.

**Like for Like Data**

Like for like portfolio excludes properties that were purchased, sold or under major refurbishment at any point during the 24 months reported.

Assets where there is incomplete data in either reporting year are also excluded from the like for like analysis.

Major refurbishments are defined according to the GRESB definition: Alterations that affect more than 50 percent of the total building floor area or cause relocation of more than 50 percent of regular building occupants.

For the 2021/22 reporting period, an approach was taken to fill all energy gaps through pro-rata methodology for the benefit of data completeness / intensity calculations (note this approach was not retrospectively applied for the 2020/21 dataset). However like for like calculations will only take into account comparable data across the two year period.

# GREENHOUSE GAS REPORTING METHODOLOGY

- As data guardians EVORA are responsible for the calculation of GHG emissions associated with annual operations of The Crown Estate. The operational control approach is used to confirm The Crown Estate's organisational boundary in each reporting year.
- The table below is a list of GHG emissions reported and for transparency those not currently reported by The Crown Estate. All emissions not currently reported are being reviewed by The Crown Estate as part of the Net Zero by 2030 commitment. Scope 3 emissions currently reported are determined by data availability.

| GHG Emissions Reported | GHG Emissions Not Reported |
|---|---|
| **Scope 1 – Direct emissions**<br>• Operation fuel for heating of buildings<br>• Operation fuel for owned vehicles / machinery<br>• Refrigerant emissions from air conditioning<br><br>**Scope 2 – Indirect emissions** (procured electricity)<br>• Location based (national carbon factor)<br>• Market based (supplier/generator carbon factor)<br><br>**Scope 3 – Indirect emissions** (externally owned or controlled sources)<br>• Business travel<br>• Fuel in leased machinery / vehicles<br>• Evidenced tenant energy (partial coverage, relates to energy data directly recharged to tenants by MAs only)<br>• Estimated tenant energy use for remaining tenant consumption<br>• Electricity transmission distribution losses<br>• Commuting<br>• Capital Goods and Services<br>• Waste | **Scope 3 – Indirect emissions** (externally owned or controlled sources)<br>• For the full list please see: https://www.thecrownestate.co.uk/media/3647/branded-detailed-net-zero.pdf |

# GREENHOUSE GAS REPORTING METHODOLOGY

GHG emissions are calculated in line with the Greenhouse Gas Protocol and most recent available guidance:

- Greenhouse Gas Protocol Corporate Accounting and Reporting Standard
- Greenhouse Gas Protocol Scope 2 Guidance

| Source | Location | Scope |
|---|---|---|
| UK Government GHG Conversion Factors for Company Reporting | https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021<br><br>https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020 | Scope 1<br>Scope 2 Location<br>Scope 3 Location |
| Association of Issuing Bodies (AIB) | https://www.aib-net.org/facts/european-residual-mix | Scope 2 Market<br>Scope 3 Market |

## Scope 2 Market Based Emissions

GHG emission calculation includes both Location and Market based approach to highlight the impact of The Crown Estate renewable electricity procurement objective.

EVORA engage with MAs responsible for supplier contract management to confirm and validate contract tariffs. Scope 2 Market based emissions are reported on the basis of information available at the time of reporting. A combination of supplier contract agreements, asset and meter level REGO certificates and supplier public disclosure are used to confirm the status of contract tariffs. MAs provide a master spreadsheet to match and confirm tariffs at the meter level. Contracts with confirmed renewable tariffs for the reporting period are assigned a 0 emissions factor for emissions calculations. Where contracts were switched to renewable tariffs during the reporting period, the date of the switch was confirmed and a 0 emissions factor was applied to the appropriate period. For all supplies confirmed to have non-renewable contact tariffs a residual emissions factor (published by AIB) was applied for emissions calculations.

# GREENHOUSE GAS REPORTING METHODOLOGY

## Scope 3 Evidence tenant energy

MAs track and compile tenant recharged data (kWh) on an ongoing monthly basis. At year end the data is validated and finalised and issued to EVORA. The energy recharged to tenants is treated as evidenced tenant energy and used to calculate a portion of Scope 3 indirect emissions. Where data gaps exist, the below methodology for annual reporting is employed to calculate estimates to fill these gaps.

## Scope 3 Estimated Tenant Energy

Where tenant consumption is not known it is estimated through the following approach in line with UK-GBC scope 3 estimation of leased asset emissions:

- Floor areas assumed to be tenant controlled and therefore subject to estimation are FRI assets and remaining tenant space not addressed through evidenced tenant energy or landlord controlled consumption
- Where actual data exists for equivalent sector types, the calculated carbon intensities are applied to the floor area
- Where no actual data exists for equivalent sector types an applicable BBP REEB energy benchmark is applied and the sector average split between electricity and gas applied to calculate the required carbon emissions (location based approach)
- For Hotels the CIBSE TM 46 benchmark for general accommodation is used, applying the illustrative typical total carbon benchmark

## Data Estimation

EVORA estimation approach for each utility type is detailed in the section '*Data Process'.* The estimation methodology is carried out during data mobilisation. The estimation methodology was reviewed and agreed by EVORA and MAs at the outset of the annual reporting period. The agreement is to ensure consistency in data processing.
The approach for estimation for quarterly reporting is as follows:

- Electricity, is completed over a set of 9 months for every 3 months worth of missing data. This method is used to calculate consumption per day.
- Gas consumption is prorated by uplifting the same month from the previous year, to ensure seasonality changes are accounted for. Where the same month for the previous year is unavailable, the best equivalent month is used (Jan/Dec, Feb/Nov, Mar/Oct, Apr/Sep, May/Aug, Jun/Jul).
- Water is completed over a set of 9 months for every 3 months worth of missing data. This method is used to calculate consumption per day.

For annual reporting, the following approach is used to fill any gaps that were unable to be filled during the quarterly process due to data availability:

- For electricity, average daily consumption is calculated (ensuring only actual consumption is used, and not previously estimated consumption). This daily consumption is then used to fill gaps.
- For gas, where available, data from the same month of the previous year is used to account for seasonality, applying daily consumption logic where the gap is not equivalent. Where the same month for the previous year is unavailable, the best equivalent month is used (Jan/Dec, Feb/Nov, Mar/Oct, Apr/Sep, May/Aug, Jun/Jul). Where neither of these options are available, the same logic as for electricity is applied.

# GREENHOUSE GAS REPORTING METHODOLOGY

## Limited Assurance

KPMG LLP are currently engaged to carry out Limited Assurance over Selected information reported in the Integrated Annual Report and Accounts in accordance with the following assurance standards issued by the UK Financial Reporting Council and International Auditing and Assurance Standards Board:

- International Standard on Assurance Engagements (UK) 3000 – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' ('ISAE (UK) 3000'); and
- International Standard on Assurance Engagements 3410 - 'Assurance Engagements on Greenhouse Gas Statements' ('ISAE 3410').

Please see the most recent Integrated Annual Report and Accounts for further detail and the link to the full opinion over the most recent reporting year.

## Restatement threshold

Material errors identified of 5% or more will be retrospectively updated and disclosed annually. Where material errors are identified, restatements will not be disclosed until the sufficient level of evidence for the emissions-generating activity is acquired for the reporting year(s) in question. The evidence required for each activity is outlined previously within this reporting criteria (across pages 7-12).

# ENERGY & CARBON INTENSITY METHODOLOGY

## Intensity methodology

Energy and Carbon data has been normalised against floor area based denominator (square metres) to identify an intensity ratio. The Windsor portfolio is not included within intensity calculations due to unavailability of floor area data. The data and denominator (square metre) applied is dependant on three broad sector categories: Office/Mixed Use, Retail and Residential

- **Office/Mixed Use**

  = square metre of gross internal area 'whole building'

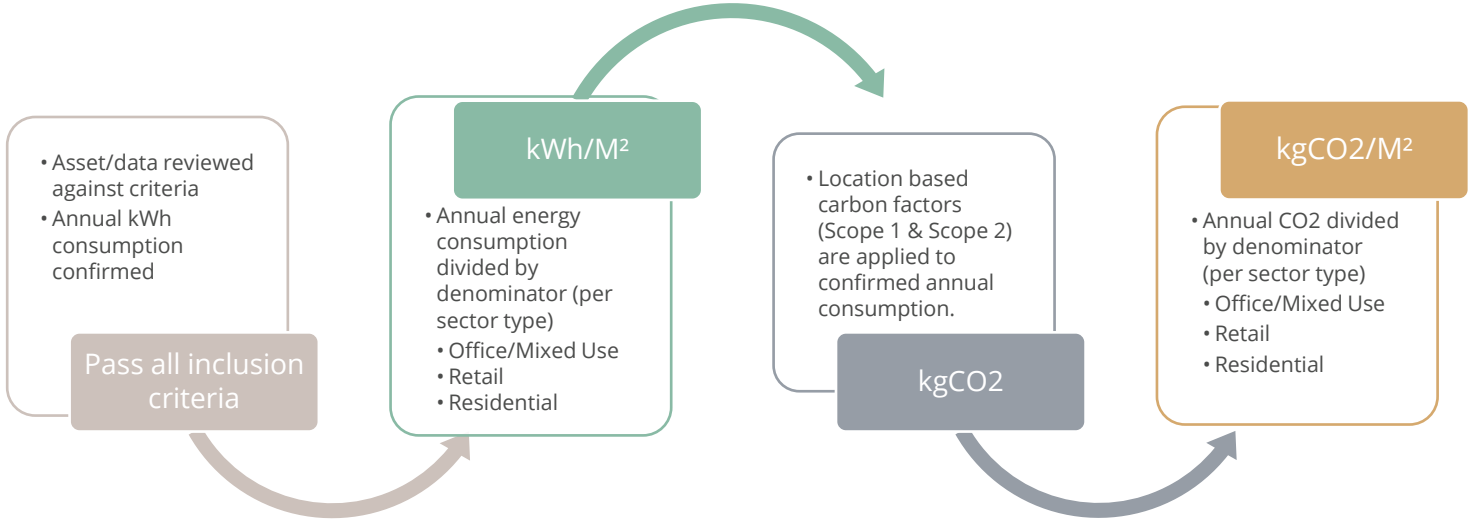
- **Retail**

  = shopping centre square metre of common parts area

  = retail park square metre exterior lighted area (based upon number of car park spaces*25m$^2$ as per BBP Real Estate Environmental Benchmark methodology)

- **Residential**

  = square metre of gross internal area 'whole building'




Criteria for inclusion in the intensity ratio is detailed on page 21 to 22. Note that if an asset such as an office, or shopping centre benefits from a car park, the area of the car park is not counted within the floor space. The use of car park space numbers / average size per space is purely for retail park intensities where electricity consumption is primarily for car park lighting, with no other energy demands (unlike offices / shopping centres). This aligns with BBP REEB methodology https://www.betterbuildingspartnership.co.uk/sites/default/files/media/attachment/2020%20Real%20Estate%20Environmental%20Benchmarks.pdf

Typically, intensity analysis are normalised to remove the impact of external factors on consumption. Normalisation for external factors commonly include occupancy changes and weather patterns (and therefore heat and cooling demand).

Operational performance during the current reporting period 1st April 2021 to 31st March 2022 was still impacted by Covid-19. As a result, the 2021/22 intensity analysis was not normalised for external factors.

# ENERGY & CARBON INTENSITY METHODOLOGY

| Criteria | Status (Inclusion/Exclusion) |
|---|---|
| Owned for 12 months reported (in both previous/baseline and current year) | Yes (include) |
| Major refurbishment during 12 months reported (*GRESB definition*)<br><br>*GRESB refurbishment: Alterations that affect more than 50 percent of the total building floor area or cause relocation of more than 50 percent of regular building occupants.* | Yes (exclude) |
| Complete energy (*electricity & gas*) data set for 12 months reported.<br>All datagaps in the 2021/22 dataset have been filled with estimations.<br><br>Electricity only can be used; limited to cases where other energy utilities (*e.g. gas*) are confirmed as not present at the property. | Yes (include) |
| Multiple meters for energy; complete data set for some but not all meters (*electricity and gas*) for 12 months reported.<br><br>Gaps can be estimated to complete data sets within accepted limits (2020/21). For 2021/22 all gaps in the data were filled. | Yes (exclude) |

# ENERGY & CARBON INTENSITY METHODOLOGY

| Criteria | Status (Inclusion/Exclusion) |
|---|---|
| Meter level set up and area coverage for (*electricity and gas*) are confirmed to represent 'whole building' for offices, 'common part area' for shopping centres and 'exterior area' for retail parks. | Yes (include) |
| Meter level set up and area coverage (*electricity and gas*) are a combination of 'common space' 'shared services' and 'tenant space' are confirmed to represent the 'whole building' for offices. | Yes (include) |
| Assumptions about meter level set up and area coverage for 'whole building' were made. | Yes (exclude) |
| Assumptions about meter level set up and area coverage for 'common space' 'shared services' and 'tenant space' were made. | Yes (exclude) |
| Number of meters and area coverage for 'tenant space' is based on assumption. | Yes (exclude) |

# GLOSSARY

| | Definition |
|---|---|
| Scope 1 (GHG emissions) | • Direct Greenhouse gas (GHG) emissions from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, machinery. |
| Scope 2 (GHG emissions) | • Indirect Greenhouse gas (GHG) emissions from the generation of purchased electricity that is consumed in its owned or controlled equipment or operations.<br>  • Location: A method to quantify scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations, including national boundaries.<br>  • Market: A method to quantify the scope 2 GHG emissions based on GHG emissions emitted by the generators from which the electricity was procured. |
| Scope 3 (GHG emissions) | • Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company. |
| Carbon dioxide equivalent | • Carbon dioxide equivalent ($CO_2e$) is a measure of the overall global warming potential (GWP) of multiple GHGs, expressed in terms of the GWP of one or more units of carbon dioxide. |
| Like-for-like | • Like for like portfolio excludes assets that were purchased, sold or under major refurbishment at any point during the 24 months reported.<br>• Assets where there is incomplete data (in the 2020/21 dataset) are excluded from the like for like analysis. |
| Energy Intensity | • Intensity analysis normalises electricity and gas consumption data through the application of a floor area-based denominator (square metres of either gross internal area, common parts area or car park area). |
| GHG (Carbon) Intensity | • Intensity analysis normalises GHG emissions data (from energy consumption) through the application of a floor area-based denominator (square metres of either gross internal area, common parts area or car park area). |

# APPENDIX 1

| EVORA Calculated KPIs |
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| Like for like electricity (direct managed) (London, Regional & Windsor) |
| Absolute electricity (direct managed) (London, Regional & Windsor) |
| Like for like fuel (direct managed) (London, Regional & Windsor) |
| Absolute fuel (direct managed) (London, Regional & Windsor) |
| Energy intensity (kWh/m²) (direct managed) (London, Regional & Windsor) |
| % renewables (electricity) (direct managed) (London, Regional & Windsor) |
| Onsite generation (electricity) |
| Energy spend (£) (London, Regional & Windsor) |
| Heating of buildings |
| Fleet (petrol and diesel) |
| Machinery and fuels (Windsor) |
| Emissions from electricity (direct managed London & Regional) |
| Emissions from electricity (Windsor) |
| Business travel (tube, train, bus, flight, taxi, car hire, personal car) |
| Indirect emissions – evidenced customer-purchased energy |
| Indirect emissions – estimated tenant energy |
| Indirect emissions – electricity transmission distribution losses (Central, Regional & Windsor) |
| Total carbon ($tCO_2e$) |
| Emissions intensity ($CO_2e/m^2$) |
| Like for like water (direct managed) (Central, Regional & Windsor) |
| Absolute water (direct managed) (Central, Regional & Windsor) |
| Water from municipal supplies |
| Water from harvesting |
| Water abstraction from Windsor (m3) (indirect use) |
| Waste generated from buildings (tonnes) |
| Landfill (%) |
| Incineration WER (%) |
| Recycled (%) |
| Anaerobic (%) |
| Reuse (%) |
| Landfill diversion (%) |
| Commuting |
| Capital Good and Services |
| Fugitive emissions from air conditioning systems |
| Construction waste (number of projects) |
| Water from construction (number of projects) |

## OUR LOCATIONS


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