

# Creating sustainable places

Sustainability Performance Data Report  
year ending March 2018





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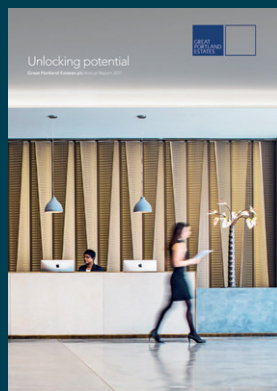
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For more information on our long-term sustainability strategy, our performance and how we integrate sustainability across our business:

[www.gpe.co.uk/sustainability](http://www.gpe.co.uk/sustainability)



Annual Report 2017



Our long-term vision for sustainability



Progress against targets for the year ended March 2018



Community strategy

## Introduction

A handwritten signature in black ink that reads "Janine Cole".

Janine Cole  
Head of Sustainability

The purpose of this report is to provide data for all properties within the Great Portland Estates plc property investment portfolio (including joint venture properties for which we retain operational control) and reporting for head office operations.

This report provides detailed performance data aligned with EPRA Best Practice Recommendations on Sustainability Reporting which were expanded to include more social and governance factors. The report has therefore been extended to include these indices.

The report does not include information on our development activities, or FRI properties (with the exception of building certifications) as we are not in direct control of these factors and the report is designed to report on an operational control basis.

Additional reporting on our development activities, where we are able to influence outcomes in relation to environmental, social and governance issues can be found separately on our website.

The report supplements the Greenhouse Gas Emissions Statement on page 59 of our Annual Report and Accounts.

For further details on scope and basis of reporting, including more details on how we define our like-for-like portfolio, please refer to page 19.

In order to provide an appropriate level of scrutiny of our data and process, Deloitte LLP have provided limited assurance over certain data within this report. These are marked with with a 'D'.

## Environmental Performance measures

### Energy performance measures

**Table 1: Total energy consumption from electricity (kWh) Elec-Abs 4.1**

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
Total electricity consumption (kWh) <sup>D</sup>	41,342,876	39,274,714	-5%
Total electricity purchased and consumed from indirect non-renewable sources (kWh)	–	–	–
Total electricity purchased and consumed from indirect renewable sources (kWh) <sup>D</sup>	41,342,876	39,274,714	-5%
Percentage of total electricity consumed from indirect renewable sources <sup>D</sup>	100%	100%	0%
Total self-generated electricity exported (kWh)	7,099	10,182	43%
Total purchased electricity sub-metered to occupiers (kWh)	24,950,533	23,333,574	-6%
Total electricity consumed within head office (kWh)	192,665	220,339	14%

**Table 2: Like-for-like total energy consumption from electricity (kWh) Elec-LfL 4.2**

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
Total electricity consumption (kWh) <sup>D</sup>	35,598,073	34,106,282	-4%
Total electricity purchased and consumed from indirect non-renewable sources (kWh) <sup>D</sup>	0	0	–
Total electricity purchased and consumed from indirect renewable sources (kWh) <sup>D</sup>	35,598,073	34,106,282	-4%
Percentage of total electricity consumption sourced from indirect renewable sources	100	100	0%
Total self-generated electricity exported (kWh)	0	0	–
Total purchased electricity sub-metered to occupiers (kWh)	22,690,803	21,124,984	-7%
Total electricity consumed within head office	192,665	220,339	14%

# Environmental performance measures

continued

## Energy performance measures

continued

**Table 3: Total energy from district heating and cooling DH & C-Abs 4.3**

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
Total energy consumption from district heating and cooling (kWh) <sup>D</sup>	Not applicable	Not applicable	Not applicable
Total district heating and cooling purchased and consumed from non-renewable sources generated on and/or off-site (kWh) <sup>D</sup>	Not applicable	Not applicable	Not applicable
Total district heating and cooling purchased and consumed from renewable sources generated on and/or off-site (kWh) <sup>D</sup>	Not applicable	Not applicable	Not applicable
Percentage of district heating and cooling consumed from renewable sources <sup>D</sup>	Not applicable	Not applicable	Not applicable

**Table 4: Like-for-like total energy from district heating and cooling DH & C-LfL 4.4**

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
Total energy consumption from district heating and cooling (kWh) <sup>D</sup>	Not applicable	Not applicable	Not applicable
Total district heating and cooling purchased and consumed from non-renewable sources generated on and/or off-site (kWh) <sup>D</sup>	Not applicable	Not applicable	Not applicable
Total district heating and cooling purchased and consumed from renewable sources generated on and/or off-site (kWh) <sup>D</sup>	Not applicable	Not applicable	Not applicable
Percentage of district heating and cooling consumption consumed from renewable sources	Not applicable	Not applicable	Not applicable

**Table 5: Total fuel consumption Fuel-Abs 4.5**

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
Total direct fuel consumption (kWh) <sup>D</sup>	13,419,953	12,353,922	-8%
Total direct fuel consumed or purchased from renewable sources (kWh) <sup>D</sup>	0	0	—
Percentage of total fuel consumption from renewable sources <sup>D</sup>	0	0	—

# Environmental performance measures

continued

## Energy performance measures

continued

**Table 6: Like-for-like total energy consumption from fuels** Fuel-LfL 4.6

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
Total direct fuel consumption (kWh)	11,608,795	11,566,618	-0.4%
Total direct fuel consumed or purchased from renewable sources (kWh)	0	0	–
Percentage of total direct fuel consumption purchased from renewable sources.	0	–	–

**Table 7: Building energy intensity** Energy-Int 4.7

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
kWh/m <sup>2</sup> /year <sup>D</sup>	212	207	-3%

### Performance trend commentary

For the year ended March 2018, like-for-like electricity reduced by 4%, when compared with a reduction in absolute electricity consumption of 5%. We have attributed this reduction to:

- Improved monitoring and management through the continued installation of smart metering systems and enhanced building management systems.
- The inclusion of performance measures for mechanical and electrical contractors linked to the identification of energy savings opportunities.

We do not currently source power from district heat and cooling systems, however, we actively review the feasibility of connecting to these systems each time we develop our properties. In all cases to date, connections have not been economically feasible due to the location of networks and proximity to our buildings.

Our total fuel consumption refers to gas consumption only, no other fuels are consumed by the Company.

For the year ended March 2018, whilst absolute gas consumption decreased by 8%, this was largely due to the disposal of 240 Blackfriars Road. On a like-for-like basis consumption reduced by 0.4%.

We source all our electricity from renewable sources, however we want to extend this and are therefore looking at how many of our current gas contracts can be purchased from renewable supplies. Where hot water storage systems have reached the end of their useful life we are replacing them with more efficient alternatives. We hope to be able to report a larger fall in like-for-like consumption during the forthcoming year as we continue our plant replacement programme.

## Environmental performance measures

continued

### Carbon performance measures

**Table 8: Total direct greenhouse emissions (Scope 1) GHG-Dir-Abs 4.8**

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
Direct greenhouse gas emissions (Fuels burned on site) (tonnes CO <sub>2</sub> e) <sup>D</sup>	2,469	2,275	-8%
Direct greenhouse gas emissions (Refrigerant gases) (tonnes CO <sub>2</sub> e) <sup>D</sup>	402	160	-60%
<b>Total direct greenhouse gas emissions (tonnes CO<sub>2</sub>e) <sup>D</sup></b>	<b>2,871</b>	<b>2,435</b>	<b>-15%</b>

**Table 9: Total indirect greenhouse emissions (Scope 2) GHG-Indir-Abs 4.9**

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
Indirect greenhouse gas emissions location based (Purchased electricity) (tonnes CO <sub>2</sub> e) <sup>D</sup>	16,953	13,726	-19%
Indirect greenhouse gas emissions market based (Purchased electricity) (tonnes CO <sub>2</sub> e) <sup>D</sup>	0	0	-
Head office (tonnes CO <sub>2</sub> e) <sup>D</sup>	79	77	-2%
<b>Total indirect greenhouse gas emissions (tonnes CO<sub>2</sub>e)</b>	<b>17,032</b>	<b>13,803</b>	<b>-19%</b>

**Table 10: Total greenhouse gas emission intensity from building energy GHG-Int 4.10**

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
<b>Total direct and indirect greenhouse gas emission (location based) (tonnes CO<sub>2</sub>e)*</b>	<b>21,042</b>	<b>17,370</b>	<b>-17.4%</b>
Gross internal floor area m <sup>2</sup> <sup>D</sup>	258,413	249,853	-3.3%
Direct and indirect greenhouse gas emission (location based) (kg/CO <sub>2</sub> e/m <sup>2</sup> /year) <sup>D</sup>	0.081	0.069	-15%

\* Total direct and indirect greenhouse gas emission (location based) excludes emissions associated with refrigerant gases, business travel and waste disposal.

## Environmental performance measures

continued

## Carbon performance measures

continued

### Carbon emissions

Absolute Scope 1 and 2 gross carbon emissions decreased by 17.4% due to a decrease in energy usage and the 15% decrease in DEFRA carbon conversion factors used to calculate location based Scope 2 emissions. It should be noted that whilst the 15% reduction in location based emissions reflects the decarbonisation of the grid, due to the purchase of all our electricity through renewable contracts, we can report zero carbon usage for electricity purchased using market based factors.

### Long-term trends – energy and carbon

When comparing consumption from the 30 like-for-like properties held between 1 April 2014 and 31 March 2018 our electricity usage reduced by 7%, whilst our gas usage increased by 3% (gas figures have been degree day normalised). Carbon emissions intensity for the same period reduced by 24%, which includes a 21% reduction in DEFRA carbon conversion factors. It is clear that our energy reduction programme is having a greater effect on electricity usage rather than on gas consumption. We believe that this may in part be due to an increase in hot water storage and demand following the installation of shower facilities.

**Table 11: Total indirect greenhouse emissions (Scope 3) GHG-Indir-Abs 4.9**

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
Business travel (tonnes CO <sub>2</sub> e) <sup>D</sup>	186	111	–40%
Transmissions and distribution of purchased electricity (tonnes CO <sub>2</sub> e) <sup>D</sup>	1,541	1,291	–16%
Carbon emissions associated with waste disposal (tonnes CO <sub>2</sub> e) <sup>D</sup>	22	21	–6%
<b>Total reported indirect greenhouse gas emissions (tonnes CO<sub>2</sub>e)* <sup>D</sup></b>	<b>1,749</b>	<b>1,423</b>	<b>–19%</b>

\* For emissions that we have been unable to include in our Scope 3 please see scope of reporting.



# Environmental performance measures

continued

## Water performance measures

**Table 12: Total water consumption** Water-Abs 4.11

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
Total volume of water withdrawn m <sup>3</sup> <sup>D</sup>	145,693	129,628	-11%

**Table 13: Like-for-like water consumption** Water-Lfl 4.12

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
Total volume of water withdrawn m <sup>3</sup> <sup>D</sup>	129,438	118,376	-9%

**Table 14: Building water intensity** Water-Int 4.13

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
Total volume of water withdrawn m <sup>3</sup> /m <sup>2</sup> /year <sup>D</sup>	0.56	0.52	-8%

## Environmental performance measures

continued

### Water performance measures

continued

#### Performance trend commentary

Absolute water consumption decreased by 11% overall. This was due to:

- The sale of 240 Blackfriars Road and 30 Broadwick Street in January 2018.
- Water usage improvement initiatives carried out at New City Court, 35 Portman Square and Wells & More.
  - Like-for-like water showed a reduction of 9% compared to the previous year.

Last year we reported an increase in both absolute and like-for-like water usage of 13%. We attributed this to increased occupancy overall and the move towards the incorporation of wellbeing initiatives and the associated introduction of showers for cycle centres in our larger buildings.

This year we are reporting a 9% like-for-like water reduction, which reflects some of the work that has been undertaken to replace fittings with water efficient alternatives including the introduction of point of use water heaters in bathrooms within our smaller properties. We are continuing to review how we reduce water consumption and incorporate rainwater and greywater harvesting more widely in our buildings whilst maintaining water quality. The challenge will be to keep water consumption decreasing in properties where bike storage and shower facilities have been installed.

#### Long-term trends

The long-term trend bears out increases in water consumption as we incorporate more wellbeing facilities, with water consumption increasing by 7% on a like-for-like basis between the year ended March 2014 and the year ended March 2018. As part of improved occupier facilities we have installed or enhanced shower facilities at New City Court, City Tower, 200 Grays Inn Road, and at Wells and More, in addition to new facilities at our newly developed properties.

## Environmental performance measures

continued

### Waste performance measures

**Table 15: Total waste by disposal route** Waste-Abs 4.14

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
Total waste reused (tonnes) <sup>D</sup>	–	–	–
Total waste recycled (tonnes) <sup>D</sup>	641.21	565.84	–12%
Total waste composted (tonnes) <sup>D</sup>	–	–	–
Total waste sent to materials recovery facility (tonnes) <sup>D</sup>	–	–	–
Total waste sent to recovery (tonnes) <sup>D</sup>	–	–	–
Total waste incinerated (tonnes) <sup>D</sup>	–	–	–
Total waste incinerated with energy recovery (tonnes) <sup>D</sup>	306.94	302.16	–2%
Total waste landfilled (tonnes) <sup>D</sup>	–	–	–
Total waste other (tonnes) (anaerobic digestion) <sup>D</sup>	85.94	82.71	–4%
<b>Total waste collected (tonnes) <sup>D</sup></b>	<b>1,035.61</b>	<b>950.71</b>	<b>–8%</b>
Total hazardous waste (tonnes) <sup>D</sup>	0.76	0.64	–16%
Total non-hazardous waste (tonnes) <sup>D</sup>	1,034.85	950.08	–8%

## Environmental performance measures

continued

## Waste performance measures

continued

**Table 16: Total like-for-like waste by disposal route** Waste-Lfl 4.15

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change
Total waste reused (tonnes) <sup>D</sup>	–	–	–
Total waste recycled (tonnes) <sup>D</sup>	549.75	474.56	–14%
Total waste composted (tonnes) <sup>D</sup>	–	–	–
Total waste sent to materials recovery facility (tonnes) <sup>D</sup>	–	–	–
Total waste sent to recovery (tonnes) <sup>D</sup>	–	–	–
Total waste incinerated (tonnes) <sup>D</sup>	–	–	–
Total waste incinerated with energy recovery (tonnes) <sup>D</sup>	269.54	261.16	–3%
Total waste landfilled (tonnes) <sup>D</sup>	–	–	–
Total waste other (tonnes) (anaerobic digestion) <sup>D</sup>	64.28	64.88	1%
<b>Total waste collected (tonnes) <sup>D</sup></b>	<b>883.57</b>	<b>800.60</b>	<b>–9%</b>
Total hazardous waste (tonnes) <sup>D</sup>	0.41	0.64	55%
Total non-hazardous waste (tonnes) <sup>D</sup>	883.16	799.96	–9%

### Performance trend commentary

Reduction in absolute waste consumption can largely be attributed to the sale of two of our larger assets, 30 Broadwick Street and 240 Blackfriars Road, additionally, refurbishments have been undertaken in 35 Portman Square and City Tower on vacant floors. Waste generated from refurbishments and developments are reported separately within our construction waste statistics ([www.gpe.co.uk/sustainability/our-performance](http://www.gpe.co.uk/sustainability/our-performance)). The above has impacted on both the absolute and the like-for-like waste consumption statistics for the year.

Whilst no waste was sent for disposal to landfill this year, we failed to meet our recycling target of 80%, with a recycling rate of just under 60% being achieved. The remaining waste went to incineration with waste recovery and anaerobic digestion. During the forthcoming year following our occupier engagement survey we are reviewing how through our occupier Environmental Working Groups, we can consolidate waste from buildings allowing more opportunities for improved waste segregation of waste generated by our occupiers.

## Environmental performance measures

continued

### Building certification performance measures

**Table 17: Total building certification** Cert-Tot 4.16

	Total number of assets that have achieved a certification, rating or labelling		Year ended 31 March 2018 Percentage of portfolio total floor area
Energy Performance Certification (EPC's)* <sup>D</sup>	A	0	0%
	B	19	14%
	C	124	14%
	D	76	35%
	E	37	10%
	F	11	2%
	G	15	1%
BREEAM** <sup>D</sup>	Excellent	4	12%
	Very good	8	15%
SKA <sup>D</sup>	Gold	3	2%
	Silver	22	9%
	Bronze	2	1%
Ecohomes <sup>D</sup>	Very Good	3	1%
Code for sustainable homes <sup>D</sup>	Level 4	160	4%

\* In April 2018 we achieved a A rated Energy Performance Certificate for one of our recently completed developments at 160 Old Street.

\*\* An additional three BREEAM ratings (2 Excellent and 1 Very Good) were also achieved at design stage for our Hanover Square development.

#### Performance trend commentary

Only 3% of our portfolio is F and G rated with plans to improve the ratings to at least an E in all cases. We are now turning our attention to our E rated buildings with energy action plans in place to continually review where energy efficiencies can be made to ensure that as requirements on minimum energy efficiency standards are raised, we are not at risk of having buildings in the portfolio that cannot be let. The nature of our business is to purchase unloved assets, reposition them through refurbishment and development and then sell them. This inevitably means that we will always hold some lower rated assets within our portfolio and our higher rated assets are likely to be sold on.

The main changes in building certifications are in relation to our development at Rathbone Square, our mixed use development where we achieved a BREEAM Excellent rating for our commercial development and Level 4 Code for Sustainable Homes certification for 160 residential apartments.

For our refurbishments under 5,000m<sup>2</sup> we use SKA, with our refurbishment of 35 Portman Square achieving SKA Gold certification whilst our Elsley House refurbishment and on floor refurbishments at City Tower achieved SKA Silver ratings.



## Social performance measures

### Employee performance measures

**Table 18: Direct employee gender diversity** Diversity-Emp 5.1

	Gender	Year ended 31 March 2018
Governance board percentage*	Female	12.5%
	Male	87.5%
Senior managers percentage**	Female	50%
	Male	50%

\* Great Portland Estates appointed Non-Executive Director Alison Rose, Chief Executive of Royal Bank of Scotland Commercial and Private Banking which became effective 4 April 2018.

\*\*The definition of Senior Managers is the members of the senior management team, who have a strategic significance but are not members of the Executive Committee or the Board.

**Table 19: Employee training and development** Emp-Training 5.3

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change %
Average number of hours training	25.3 hours	36.2 hours	43%

**Table 20: Employee performance appraisals** Emp-Dev 5.4

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change %
Total employees receiving performance review percentage	100%	100%	0%

## Social performance measures

continued

## Employee performance measures

continued

**Table 21: Employee turnover and retention** Emp-Turnover 5.5

	Year ended 31 March 2017	Year ended 31 March 2018	Percentage change %
Total number of new employees	16	16	-6%
Rate of new employee hires percentage	16%	15%	-
Total number of employee turnover	12	18	50%
Rate of employee turnover percentage	12%	17%	-

### Performance trend commentary

Employee headcount has remained stable across the period (the increase in turnover representing greater use of fixed term contract staff than in the prior year).

GPE continues to maintain a systematic approach to performance management with all staff receiving an annual performance review.

The Company has strengthened its focus on growing talent within the business which is reflected in the increased training hours up by 43% for the year ended 31 March 2018.

## Social performance measures

continued

## Health and Safety performance measures

**Table 22: Employee health and safety** H&S-Emp 5.6

	Year ended 31 March 2017	Year ended 31 March 2018
Injury rate (direct employees) <sup>D</sup>	2.39	1.65
Lost day rate (direct employees) <sup>D</sup>	0	0
Accident severity rate (direct employees) <sup>D</sup>	0	0
Absentee rate (direct employees) <sup>D</sup>	0.012	0.017
Work related fatalities (direct employees) <sup>D</sup>	0	0

**Table 23: Asset health and safety assessments** H&S-Asset 5.7

	Year ended 31 March 2017	Year ended 31 March 2018
Percentage of asset for which health and safety impacts are assessed or reviewed for compliance or improvement (%)	100%	100%

**Table 24: Asset health and safety compliance** H&S-Comp 5.8

	Year ended 31 March 2017	Year ended 31 March 2018
Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts assessed	0	0

### Performance trend commentary

During the year, there were three accidents involving employees, as compared to four for the previous year, none of the employee related accidents reported during 2017 or 2018 were RIDDOR reportable.

For more on the number of employees in scope see the health and safety section in reporting scope and methodology.

We undertake health and safety assessments at all our occupied properties (reviewing fire safety, water safety, asbestos and air quality), we also undertake an annual health and safety and fire safety review of our head office. During the year, there were no enforcement notices issued to GPE or its subsidiaries. Whilst development health and safety is not reported within this date for operational control reasons, it should be noted that all our development sites are subject to regular health and safety inspections by external health and safety consultants and in addition by our senior management team. More information on development related health and safety can be found at [www.gpe.co.uk/sustainability/working-safely](http://www.gpe.co.uk/sustainability/working-safely).

## Social performance measures

continued

### Community performance measure

**Table 25: Community engagement, impact assessments and development programmes** Comty-Eng 5.9

	Year ended 31 March 2018
Percentage of assets that have implemented local community engagement, impact assessments and/or development programmes	See additional sustainability reporting <a href="http://www.gpe.co.uk/sustainability">www.gpe.co.uk/sustainability</a> for details of cross development portfolio initiatives, initiatives in occupied buildings and corporate community programmes

#### Performance trend commentary

In May 2018, we launched our community strategy 'Creating Sustainable Relationships' to manage our social impact and create long lasting community engagement <http://www.gpe.co.uk/our-relationships/local-communities/> for the year ending March 2019 we will be reporting on the impact of our new community initiatives and the impact of our partnership with Centrepoint.

## Corporate governance performance measures

### Corporate Governance

**Table 26: Composition of the highest governance body** Gov-Board 6.1

	Year ended 31 March 2017	Year ended 31 March 2018
Number of executive board members	2	2
Number of independent/non-executive board members	7	6
Average tenure on the governance body years	5.9	6.5
Number of independent/non-executive board members with competencies related to social/environmental topics*	4	4

\* Richard Mully – Chairman of Remuneration Committee – Standard Life Aberdeen  
 Jos Short – Significant property experience  
 Wendy Becker – Deputy Chairman of Cancer Research, Non-Executive Director of NHS England  
 Nick Hampton – Chief Executive of Tate and Lyle – responsible for health and safety for the business.

**Table 27: Nominating and selecting the highest governance body** Gov-Select 6.2

	Year ended 31 March 2017	Year ended 31 March 2018
Process for nominating and selecting the highest governance body	See our Annual Report and Accounts for the year ended 31 March 2017, pages 79, 86–89	See our Annual Report and Accounts for the year ended 31 March 2018, pages 84, 85, 92–97

**Table 28: Process for managing conflicts of interest** Gov-Col 6.3

	Year ended 31 March 2017	Year ended 31 March 2018
Process for managing conflicts of interest	See our Annual Report and Accounts for the year ended 31 March 2017, page 83	See our Annual Report and Accounts for the year ended 31 March 2018, page 89



## Basis of reporting

This information has been prepared using the operational control approach based on guidance issued by The Greenhouse Gas Protocol, DEFRA and HSE Guidance. We have also used the Greenhouse Gas Protocol's dual reporting method, referencing market based factors issued by the energy suppliers to verify the purchase of renewable contracts for our electricity supplies.

Deloitte LLP has provided limited assurance over the data for the year ended 31 March 2017. The related assurance statement setting out the scope of Deloitte's work and their opinion is attached to this report.

### Like-for-like analysis

Our like-for-like data sets for energy and water are inclusive of properties that have been consistently in operation for the data period specified, e.g. not purchased, sold or developed during either of the reporting periods for 24 months. Like-for-like data for waste is calculated using those properties where waste has been managed by us as landlords consistently for 24 months.

### Normalisation calculation

We measure carbon and energy intensity by reference to the consumption per m<sup>2</sup> using the indicator common areas plus net lettable area. We recognise that this may not always reflect the occupancy level of the building, which may also impact on the level of usage, however we consider this to be the most appropriate denominator given that energy is provided to the entire property. Data is normalised to reflect the disposal and acquisition of properties during each reporting period. We also normalise gas consumption using degree day data.

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.

### Carbon conversion

The table below shows the conversion factors for each resource type from kWh to kilograms of carbon, which were sourced from DEFRA 2017 GHG Conversion Factor Guidelines. For this year we have included electricity transmission and distribution (T&D) loss under Scope 3 for completeness of reporting.

Fuel type	2016/17 Conversion factor	2017/18 Conversion factor
Natural Gas	0.18400	0.18416
Gas Oil	Not applicable, no gas oil used across the portfolio	Not applicable, no gas oil used across the portfolio
Purchased Electricity	0.41205	0.35156
Electricity T&D	0.03727	0.03287

Whilst we have disclosed energy purchased on zero carbon tariffs in table 9 (market based emissions), all other carbon emissions totals within the summary are gross emissions totals and as such do not account for purchase of zero carbon tariffs. All electricity purchased by the Company is on zero carbon tariffs and is generated from renewable sources, which has been certified by our supplier as zero kilograms of carbon per kWh.

## Reporting scope and methodology

The approach to reporting is as described below.

B&HS Management Ltd ('B&HS Management'), a wholly-owned subsidiary of 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 ventures. We have therefore chosen to report on an operational control basis. Properties held within joint venture arrangements (together 'the Group') are included within this report on the same basis.

Excluded from our reporting are buildings where Full Repairing and Insuring ('FRI') leases are in place as occupiers are wholly responsible for managing the building, and in instances where the property is owned by the Group but managed by another managing agent on our behalf. Where we have active developments this is also considered to fall outside of operational control reporting boundaries.

The exception is table 17, total building certification, where we have reported on 100% of properties including those which are subject to FRI leases managed by agents and at our development activities.

Our scope of reporting is dependent on the indicators for which is summarised as below.

### Environmental

#### Energy and water (tables 1–7, 11–13)

- For energy and water consumption 35 properties are in scope, head office is also included but is separately itemised.
- Electricity produced from on-site generation is included.
- Figures are inclusive of all landlord obtained energy supplies, where this energy is sub-metered to occupiers this is separately itemised but included within total usage.
- Energy consumed at vacant units is included where energy is supplied from the landlord's meter.
- All landlord obtained water supplies are in scope.
- Energy consumption from vacant units is excluded where the energy is not supplied from the landlord's meter as this is not considered to be material.
- Where energy and water supplies are under the sole control of our occupiers these are excluded.
- Water usage is excluded from greywater systems due to lack of robust metering information at two buildings.

#### Greenhouse Gas emissions (tables 8–11)

- Scope 1 emissions is inclusive of consumed fuel consumption and refrigerant leaks from landlord maintained air conditioning systems.
- Scope 2 emissions is inclusive of location based purchased electricity.
- Scope 3 emissions is inclusive business travel, waste disposal and electricity T&D.
- Scope 3 emissions do not include purchased goods and services and employee commuting.
- For a fuller Scope 3 emissions disclosure, the Radiative Forcing conversion factor has been applied to all flight travel this reporting year using the DEFRA carbon conversion factor.
- There are no company owned vehicles or grey fleet to be reported within business travel emissions.

# Reporting scope and methodology

continued

## Waste (tables 15–16)

- Data includes all waste collected from properties where B&HS Management Ltd provide waste management services on behalf of occupiers.
- Waste collections that are under the sole control of our occupiers 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 statistics from our development sites falls out of scope and this information is available at [www.gpe.co.uk/responsibility/developing-sustainable-buildings/how-we-are-performing.aspx](http://www.gpe.co.uk/responsibility/developing-sustainable-buildings/how-we-are-performing.aspx);
- This year we have restated the disposal and treatment of food waste as anaerobic digestion and not composting due to the different carbon emissions factor associated with the two methods of waste disposal.

## Building certification (table 17)

- Includes Sustainable Building Ratings for properties subject to FRI leases, properties managed by managing agents and at our active developments.
- Following a full review of lodged Energy Performance Certificates in the government's public register for the Great Portland Estates plc property investment portfolio we have included certifications lodged by our occupiers and by our managing agents.

## Social

### Diversity and employment (table 18–21)

#### Number of employees in scope

2017 – 96 employees

2018 – 104 employees

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

## Health and Safety (tables 22–24)

### Methodology – RIDDOR reporting

Reporting is defined by the requirements as set out under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) and for the purposes of this report relates to our managed properties and employees.

### Scope of health and safety reporting

The below parameters relate to direct employees of GPE only.

We have calculated our **Incident Rate** by multiplying the number of incidents in the financial year by 100,000, and then dividing that number by the number of hours worked during the same period in line with USE recommendations.

The **Lost Day Rate** is calculated by taking the number of lost days due to occupational accidents and incidents divided by the number of hours worked over the same period.

**Accident Severity Rate** is defined as the average number of lost days per recordable incident.

**Absentee Rate** uses the total number of days lost due to employees being absent from work due to incapacity of any kind and is expressed as a proportion of total days scheduled to be worked by employees.

### Asset health and safety assessments

41 properties fall into scope of this indicator, the remaining properties held by the Group are either let on an FRI basis or currently within the development portfolio and therefore fall outside of the scope of this indicator. Our head office operations are also in scope. Health and safety assessments include Health and Safety, Fire and Asbestos, which are completed annually and Water Risk Assessments which are completed every six months.

### Asset health and safety compliance

The same basis of reporting is used as for asset health and safety assessments. Within this indicator we have reported on enforcement notices and any other correspondence with health and safety related enforcement agencies.



## 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 2018.

### Our assurance opinion

Based on the assurance work performed we have concluded that for the indicators described in the scope of our work below, 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 Reporting Criteria, as disclosed in the Sustainability Performance Data Report 2017/18.

### 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 Sustainability Data Report, Annual Report & Accounts and website of the Company, its subsidiaries and joint ventures ('the Group') for the year ended 31 March 2018. Indicators included in the scope of our work are set out below:

### EPRA KPIs

#### Energy

- **Total electricity consumption (kWh)**
  - Total electricity purchased and consumed from indirect non-renewable sources at managed properties
  - Total electricity purchased and consumed from indirect renewable sources at managed properties
  - Proportion of electricity consumption from purchased and self-generated renewable sources
- **Like-for-like electricity consumption (kWh)**
  - Total electricity purchased and consumed from indirect non-renewable sources at our managed properties
  - Total electricity purchased and consumed from indirect renewable sources at our managed properties
- **Total energy consumption from district heating and cooling (kWh)**
  - Total heating and cooling purchased and consumed from indirect non-renewable sources at managed properties
  - Total heating and cooling purchased and consumed from indirect renewable sources at managed properties
  - Proportion of heating and cooling generated on and/or off site from renewable sources

## Energy

- **Like for like energy consumption from district heating and cooling (kWh)**
  - Total heating and cooling purchased and consumed from indirect non-renewable sources at managed properties
  - Total heating and cooling purchased and consumed from indirect renewable sources at managed properties
- **Total energy consumption from fuels (kWh)**
  - Direct non-renewable fuels
  - Direct renewable fuels
  - The proportion of the total amount of fuel consumption within the organisation that is from renewable sources
- **Like-for-like consumption from fuels (kWh)**
  - Direct non-renewable fuels
  - Direct renewable fuels
- **Building energy intensity (kWh/m<sup>2</sup>)**
  - Total amount of direct and indirect energy used (including renewable and non-renewable sources) across the portfolio, normalised by floor area

## Carbon

- **Total direct greenhouse gas emissions (kgCO<sub>2</sub>e)**
  - Direct greenhouse gas emissions (from fuels)
  - Total fugitive emissions from refrigerant gases
  - Total emissions from transportation of materials, products and waste
- **Total indirect greenhouse gas emissions (kgCO<sub>2</sub>e)**
  - Total indirect greenhouse gas emissions from the offsite generation of purchase electricity, heat or steam (location-based)
  - Total indirect greenhouse gas emissions from the offsite generation of purchase electricity, heat or steam (market-based)
- **Greenhouse gas intensity from building energy consumption (kgCO<sub>2</sub>e/m<sup>2</sup>)**
  - Total amount of direct and indirect (location-based) GHG emissions generated from energy consumption, normalised by floor area



## Water

- **Total water consumption (m<sup>3</sup>)**
  - Total volume of water withdrawn from any source (surface water, sourced from wetlands, rivers, lakes, and oceans, ground water, rainwater collected directly and stored by the reporting organisation, waste water from another organisation, municipal water supplies or other public or private utilities)
- **Like-for-like water consumption (m<sup>3</sup>)**
  - Total volume of water withdrawn from any source (surface water, sourced from wetlands, rivers, lakes, and oceans, ground water, rainwater collected directly and stored by the reporting organisation, waste water from another organisation, municipal water supplies or other public or private utilities)
- **Building water intensity m<sup>3</sup>/m<sup>2</sup>/year**

## Waste

- **Total weight of waste by disposal route (tonnes)**
  - Hazardous waste
  - Non-hazardous waste
  - Waste by type (non-hazardous and hazardous) disposed of by the following disposal routes:
    - Reuse
    - Recycling
    - Composting
    - Materials Recovery Facility (MRF)
    - Incineration with or without energy recovery
    - Landfill (with or without energy recovery)
    - Other
- **Like-for-like waste by disposal route (tonnes)**
  - Hazardous waste
  - Non-hazardous waste
  - Waste by type (non-hazardous and hazardous) disposed of by the following disposal routes:
    - Reuse
    - Recycling
    - Composting
    - Materials Recovery Facility (MRF)
    - Incineration with or without energy recovery
    - Landfill (with or without energy recovery)
    - Other

## Sustainable assets

- **Total number of sustainably certified assets**
  - Percentage of the portfolio's total value and level of certification attained and/or
  - 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.)):
  - Injury Rate (IR)
  - Lost Day Rate (LDR) or Accident Severity Rate (ASR)
  - Absentee Rate (AR); and
  - Work-related fatalities

## Additional carbon KPIs

- Scope 1 – Combustion of fuel and operations of our facilities (kgCO<sub>2</sub>e)
- Scope 1 – Operation of our facilities (refrigerants) (kgCO<sub>2</sub>e)
- Scope 2 – Electricity, heat, steam and cooling purchased (kgCO<sub>2</sub>e)
- Scope 2 – Head Office usage (kgCO<sub>2</sub>e)
- Total carbon footprint (kgCO<sub>2</sub>e)
- Intensity measure
- Absolute emissions on a like-for-like basis (kgCO<sub>2</sub>e)
- Emissions per m<sub>2</sub> on a like-for-like basis (kgCO<sub>2</sub>e)
  
- Scope 3 - all indirect other emissions (tCO<sub>2</sub>e) covering:
  - Business travel (flights, trains, taxis)
  - Transmission and distribution losses
  - Waste from Head Office



## **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.

To form our conclusions we undertook the following procedures:

- interviewing management at the Company's head office, including the Sustainability team and those with operational responsibility for performance in the areas we are reporting on;
- 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 and making recommendations for improvement where necessary.

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 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, 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.

A handwritten signature in blue ink that reads "Deloitte LLP". The signature is written in a cursive, stylized font.

**Deloitte LLP**  
London, United Kingdom

18 May 2018



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