

Environmental Data Annex

# Actively investing for the future

# 2021

METHODOLOGICAL NOTES

Our environmental indicators are reported according to the methodology set out in the 3rd edition of the EPRA Sustainability Best Practices Recommendations (sBPR).

Organisational boundaries

The information and data in this report covers assets under our direct operational control. As of 30 September 2021, this comprised 92 assets covering offices, industrial, leisure/other facilities, retail warehouses, standard retail units and shopping centres.

Scope of data (reporting on landlord and tenant consumption)

All landlord-obtained utilities consumption relates to consumption that the landlord purchases and/or controls, including common areas and shared services, and spaces where the landlord has the authority to introduce and implement any or all of the operating and/or environmental policies. Where units and spaces become vacant, the associated utilities consumption falls under our operational control. There can be delays in obtaining this consumption and therefore the previous reporting period may not have the most recent consumption data. This accounts for a small proportion of consumption and is therefore not considered material, nonetheless we are continuously reviewing our data management process to ensure the timely and accurate collection of consumption data.

We have reported environmental data from our own office consumption separately as this does not form part of our assets under management.

Coverage

Absolute and like-for-like portfolio environmental data is only reported for assets that fall within our organisational boundaries and for which we can collect utilities data. In 2021, this included 91 out of 92 assets within the reporting scope, covering a floor area of 845,655 m². The scope of our like-for-like portfolio is determined using the EPRA sBPR definition of a portfolio that has been consistently in operation, and not under development, during the most recent two full reporting years.

The levels of coverage, based on if the utility is present and if the data is available, for each indicator are provided in the tables presented on pages 4 and 5.

Analysis – segmental analysis (by property type, geography)

Segmental analysis by geography is not relevant for our portfolio as all properties are located in the UK. Segmental analysis is instead provided by asset type and is consistent with our financial reporting.

Reporting period

All data relates to our financial year which runs from 1st October to 30th September.

Estimation of landlord-obtained utility consumption

We have applied estimations where consumption data is not available for the full reporting year. Estimated data is calculated on a pro-rata basis using an average daily consumption, which allows for any data gaps for full months to be estimated. The percentage estimated for each indicator is reported in the table on pages 4 and 5.

Units of measurement

Utilities data are reported based on absolute consumption measured in kWh (energy), kgCO<sub>2</sub>e (GHG emissions), m<sup>3</sup> (water) and tonnes (waste). GHG emissions are reported using location-based conversion factors published by DEFRA and market-based emission factors derived from contractual agreements with the energy suppliers which conveyed a renewable electricity supply. 100% of electricity purchased was from renewable sources and therefore residual factors were not required in this calculation. Where consumption is normalised, we calculate intensity indicators using floor area (m²) for whole buildings, including tenant areas. We are aware there is a mismatch between the nominator and denominator in our methodology for calculating intensities, as there are instances where we procure utilities that provide a shared-service and are supplied to tenant demises but tenant-obtained energy is unknown. We are actively improving our occupier energy data collection which will enable us to report more accurately on whole building energy.

Assurance

A third-party assurance of the 2020/21 environmental data has been carried out by JLL according to the AA1000 limited assurance standard. The statement is available in our [Responsible Investment report](#) on page 40.

Environmental tables have been marked as assured or unassured depending on whether the data is included in the 2020/21 assurance process.

Narrative on performance

In 2020/21 we saw significant changes in all utilities driven by building usage patterns due to remote working and COVID-19 restrictions. The reductions varied between utilities and asset types depending on the main driver of consumption and the effect of COVID-19 restrictions on different sectors.

Water consumption is significantly driven by rest-room and shower facilities use in multi-let offices and as a result, water consumption decreased most owing to lower occupancy levels. Natural gas consumption trends varied significantly by office building depending on occupancy levels, the degree to which building systems could be adjusted while still ensuring the building temperature remained usable and safe, and whether the building had voids as part of a planned refurbishment programme. Gas consumption has not been normalised for degree days. Electricity consumption has varied more directly with occupancy levels due to the influence of occupier activity using small-power and lighting load.

Other key drivers of consumption changes in our portfolio are sales and acquisitions, refurbishments, and voids. Most of the change in energy and water consumption in industrial and retail warehouse units is driven by refurbishments and voids where meters transition in and out of landlord control. For the leisure portfolio, the large reduction in fuel consumption is caused by the practical completion of the Stockley Park Travelodge and a change to the heating programme at the Cornerhouse.

Due to the impact of variable occupancy, it is difficult to correlate the effect of efficiency programmes on building utility consumption during 2020/21. We have determined it is not possible to set energy and water reduction targets compared to 2020/21 as a result. The Better Buildings Partnership (BBP) Real Estate Environmental Benchmark (REEB) has opted not to publish benchmarks based on member consumption data due to the significant impacts of COVID-19 on building operations in 2020 and 2021. We will continue to monitor energy and water and seek to set medium-term targets in line with industry benchmarks later this year.

OUR ENVIRONMENTAL PERFORMANCE DATA

PORTFOLIO (ASSURED)

				Whole portfolio			Offices			Industrial			Leisure			Retail Warehouses			Standard Retail			Shopping Centres		
Indicator	Performance measure code	Boundaries	Unit of measure	2018/19	2019/20 <sup>a</sup>	2020/21	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Total electricity consumption	Elec-Abs	Total landlord-obtained energy consumption from electricity <sup>a</sup>	kWh	32,267,519	24,062,539	21,730,187	28,460,964	19,912,434	17,804,574	398,809	716,564	653,428	632,203	650,873	618,394	1,080,092	1,011,182	1,150,390	489,253	806,285	414,680	1,206,198	965,202	1,088,721
		Coverage		78 out of 78	79 out of 79	87 out of 87	26 out of 26	26 out of 26	28 out of 28	22 out of 22	22 out of 22	26 out of 26	2 out of 2	2 out of 2	3 out of 3	22 out of 22	22 out of 22	23 out of 23	4 out of 4	5 out of 5	4 out of 4	2 out of 2	2 out of 2	3 out of 3
		Landlord estimated	%	N/D	N/D	0.04%	N/D	N/D	0.04%	N/D	N/D	0.004%	N/D	N/D	0%	N/D	N/D	0.04%	N/D	N/D	0%	N/D	N/D	0%
Like-for-like electricity consumption	Elec-LFL	Total like-for-like landlord-obtained energy consumption from electricity	kWh	N/A	7,734,187	6,597,064	N/A	5,965,377	5,012,258	N/A	205,549	180,067	N/A	650,873	522,818	N/A	493,217	483,801	N/A	419,171	398,120	N/A	0	0
		Coverage		N/A	33 out of 33	33 out of 33	N/A	8 out of 8	8 out of 8	N/A	9 out of 9	9 out of 9	N/A	2 out of 2	2 out of 2	N/A	13 out of 13	13 out of 13	N/A	1 out of 1	1 out of 1	N/A	0 out of 0	0 out of 0
		Landlord estimated	%	N/A	N/D	0%	N/A	N/D	0%	N/A	N/D	0%	N/A	N/D	0%	N/A	N/D	0%	N/A	N/D	0%	N/A	N/D	0%
		like-for-like % difference	%	N/A	N/D	-15%	N/A	N/D	-16%	N/A	N/D	-12%	N/A	N/D	-20%	N/A	N/D	-2%	N/A	N/D	-5%	N/A	N/D	0%
Total energy consumption from fuel	Fuels-Abs	Total landlord-obtained energy consumption from fuels	kWh	14,206,188	18,210,418	11,086,250	12,769,849	16,281,757	10,204,073	169,183	127,471	403,973	202,938	627,837	876	14,056	251,790	4,557	0	0	0	1,050,162	921,564	472,770
		Coverage		26 out of 26	39 out of 39	42 out of 42	17 out of 17	18 out of 18	18 out of 18	5 out of 5	10 out of 10	14 out of 14	1 out of 1	2 out of 2	1 out of 1	2 out of 2	6 out of 6	6 out of 6	0 out of 0	1 out of 1	1 out of 1	1 out of 1	2 out of 2	2 out of 2
		Landlord estimated	%	N/D	N/D	0.6%	N/D	N/D	0.4%	N/D	N/D	7%	N/D	N/D	0%	N/D	N/D	0%	N/D	N/D	0%	N/D	N/D	0%
Like-for-like consumption from fuel	Fuels-LFL	Total like-for-like landlord-obtained energy consumption from fuels	kWh	N/A	7,046,955	4,648,578	N/A	6,108,408	4,300,161	N/A	240,584	343,204	N/A	627,837	876	N/A	70,126	4,337	N/A	0	0	N/A	0	0
		Coverage		N/A	17 out of 17	17 out of 17	N/A	7 out of 7	7 out of 7	N/A	5 out of 5	5 out of 5	N/A	2 out of 2	2 out of 2	N/A	3 out of 3	3 out of 3	N/A	0 out of 0	0 out of 0	N/A	0 out of 0	0 out of 0
		Landlord estimated	%	N/A	N/D	1%	N/A	N/D	0%	N/A	N/D	8%	N/A	N/D	0%	N/A	N/D	0%	N/A	N/D	0%	N/A	N/D	0%
		like-for-like % difference	%	N/A	N/D	-34%	N/A	N/D	-30%	N/A	N/D	43%	N/A	N/D	-100%	N/A	N/D	-94%	N/A	N/D	0%	N/A	N/D	0%
Building energy intensity	Energy-Int	Energy intensity	kWh/m <sup>2</sup>	67	60	40	297	263	192	2	3	3	36	56	21	5	6	5	40	61	33	78	65	31
Direct GHG emissions (total) Scope 1	GHG-Dir-Abs	Scope 1 emissions from landlord-obtained consumption of fuels	kgCO <sub>2</sub> e	2,502,247	3,348,350	2,030,557	2,208,832	2,993,727	1,868,978	34,561	23,438	73,992	41,456	115,440	160	2,871	46,297	835	0	0	0	214,527	169,448	86,593
Indirect GHG emissions (total) Scope 2	GHG-Indir-Abs	Scope 2 emissions (location-based) from landlord-obtained consumption of electricity	kgCO <sub>2</sub> e	7,421,512	5,609,940	4,613,971	6,448,557	4,642,385	3,780,445	101,936	167,060	138,742	161,591	151,744	131,304	276,071	235,747	244,262	125,053	187,977	88,049	308,304	225,027	231,168
Indirect GHG emissions (total) Scope 2	GHG-Indir-Abs	Scope 2 emissions (market-based) from landlord-obtained consumption of electricity	kgCO <sub>2</sub> e	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building GHG emissions intensity	GHG-Int	GHG emissions (location-based) intensity	kgCO <sub>2</sub> e/m <sup>2</sup>	14	13	8	62	56	39	1	1	1	9	12	5	1	1	1	10	14	7	18	14	6
Total water consumption	Water-Abs	Total landlord-obtained mains water	m <sup>3</sup>	129,047	118,483	53,207	88,948	79,846	30,251	660	992	2,072	31,614	30,956	12,811	4,435	772	601	392	402	800	2,998	5,515	6,673
		Coverage		28 out of 28	37 out of 37	41 out of 41	18 out of 18	19 out of 19	21 out of 21	2 out of 2	6 out of 6	6 out of 6	1 out of 1	2 out of 2	2 out of 2	4 out of 4	7 out of 7	7 out of 7	1 out of 1	1 out of 1	2 out of 2	2 out of 2	2 out of 2	3 out of 3
		Landlord estimated	%	N/D	N/D	4%	N/D	N/D	6%	N/D	N/D	3%	N/D	N/D	0%	N/D	N/D	2%	N/D	N/D	0%	N/D	N/D	1%
Like-for-like water consumption	Water-LFL	Total like-for-like landlord-obtained mains water	m <sup>3</sup>	N/A	14,480	5,747	N/A	14,152	5,462	N/A	0	0	N/A	327	223	N/A	1	62	N/A	0	0	N/A	0	0
		Coverage		N/A	9 out of 9	9 out of 9	N/A	5 out of 5	5 out of 5	N/A	0 out of 0	0 out of 0	N/A	1 out of 1	1 out of 1	N/A	3 out of 3	3 out of 3	N/A	0 out of 0	0 out of 0	N/A	0 out of 0	0 out of 0
		Landlord estimated	%	N/A	N/D	0%	N/A	N/D	0%	N/A	N/D	0%	N/A	N/D	0%	N/A	N/D	0%	N/A	N/D	0%	N/A	N/D	0%
		like-for-like % difference	%	N/A	N/D	-60%	N/A	N/D	-61%	N/A	N/D	0%	N/A	N/D	-32%	N/A	N/D	11,263%	N/A	N/D	0%	N/A	N/D	0%
Building water consumption intensity	Water-Int	Landlord-obtained water	m <sup>3</sup> /m <sup>2</sup>	1	0.4	0.2	1	1	0.3	0.02	0.01	0.03	6	1	1	0.1	0.01	0.01	0.05	0.05	0.1	0.1	0.2	0.1
Weight of waste by disposal route (total and proportion)	Waste-Abs	Total weight of waste	Tonnes	1,494	1,171	1,209	1,398	908	413	0	0	0	51	172	668	25	71	100	7	8	6	13	12	21
		Total weight recycled		1,486	597	688	1,394	492	217	0	0	0	51	84	434	21	4	11	7	7	6	13	11	21
		Total weight to energy recovery		0	472	517	0	387	196	0	0	0	0	54	234	0	28	86	0	1.08	1	0	1	0.4
		Total weight sent to landfill		8	102	3	4	29	0	0	0	0	0	34	0	4	39	3	0	0.04	0	0	0.02	0
		Proportion of waste recycled	%	99% <sup>c</sup>	51%	57%	100%	54%	53%	0%	0%	0%	100%	49%	65%	83%	5%	11%	100%	85%	92%	100%	91%	98%
		Proportion of waste to energy recovery			40%	43%		43%	47%		0%	0%		31%	35%		40%	86%		14%	8%		9%	2%
		Proportion of waste sent to landfill		1%	9%	0.3%	0.3%	3%	0.01%	0%	0%	0%	0%	20%	0%	17%	55%	3%	0%	1%	0%	0%	0.2%	0%
		Coverage		22 out of 22	26 out of 26	30 out of 30	17 out of 17	18 out of 18	18 out of 18	0 out of 0	0 out of 0	0 out of 0	1 out of 1	2 out of 2	3 out of 3	2 out of 2	4 out of 4	7 out of 7	1 out of 1	1 out of 1	1 out of 1	1 out of 1	1 out of 1	1 out of 1
Weight of waste by disposal route (%)	Waste-LFL	Total weight of waste	Tonnes	N/A	833	976	N/A	628	380	N/A	0	0	N/A	123	500	N/A	63	69	N/A	8	6	N/A	12	21
		Total weight recycled		N/A	402	618	N/A	313	194	N/A	0	0	N/A	71	397	N/A	0.4	1	N/A	7	6	N/A	11	21
		Total weight to energy recovery		N/A	366	354	N/A	290	186	N/A	0	0	N/A	51	103	N/A	23	64	N/A	1	1	N/A	1	0.4
		Total weight sent to landfill		N/A	66	3	N/A	26	0.03	N/A	0	0	N/A	0	0	N/A	39	3	N/A	0.04	0	N/A	0.02	0
		Proportion of waste recycled	%	N/A	48%	63%	N/A	50%	51%	N/A	0%	0%	N/A	58%	79%	N/A	1%	2%	N/A	85%	92%	N/A	91%	98%
		Proportion of waste to energy recovery		N/A	44%	36%	N/A	46%	49%	N/A	0%	0%	N/A	42%	21%	N/A	36%	93%	N/A	14%	8%	N/A	9%	2%
		Proportion of waste sent to landfill		N/A	8%	0.3%	N/A	4%	0.01%	N/A	0%	0%	N/A	0%	0%	N/A	63%	5%	N/A	1%	0%	N/A	0.15%	0%
		Coverage		N/A	20 out of 20	20 out of 20	N/A	14 out of 14	14 out of 14	N/A	0 out of 0	0 out of 0	N/A	1 out of 1	1 out of 1	N/A	3 out of 3	3 out of 3	N/A	1 out of 1	1 out of 1	N/A	1 out of 1	1 out of 1

N/A = not applicable

N/D = data is not available

<sup>a</sup>All landlord-obtained electricity is from 100% REGO backed renewable sources. We do not procure any renewable gas.

<sup>b</sup>We do not have any district cooling or heating, which is therefore not applicable.

<sup>c</sup>For 2018/19, the proportion of our waste streams were not separated between recycling and energy recovery and so appear as a combined figure, which is representative of the proportion of waste diverted from landfill.

<sup>d</sup>2019/20 intensity values were updated from those which were reported during the previous reporting period due to a change in the calculation methodology, which now only includes the floor area of assets with consumption. This methodology was already applied to the 2018/19 data set.

OUR ENVIRONMENTAL PERFORMANCE DATA

CORPORATE OFFICE (ASSURED)

				Whole portfolio	
Indicator	Performance measure code	Boundaries	Unit of measure	2019/20	2020/21
Total electricity consumption	Elec-Abs	Total energy consumption from electricity	kWh	36,302	37,032
		Coverage		1 out of 1	1 out of 1
		Estimated	%	N/D	0%
Like-for-like electricity consumption	Elec-LFL	Total like-for-like energy consumption from electricity	kWh	36,302	37,032
		Coverage		1 out of 1	1 out of 1
		Estimated	%	N/D	0%
		like-for-like % difference	%	N/D	2%
Total energy consumption from fuel	Fuels-Abs	Total energy consumption from fuels	kWh	919,910	74,354 <sup>f</sup>
		Coverage		1 out of 1	1 out of 1
		Estimated	%	N/D	0%
Like-for-like consumption from fuel	Fuels-LFL	Total like-for-like energy consumption from fuels	kWh	919,910	74,354 <sup>f</sup>
		Coverage		1 out of 1	1 out of 1
		Estimated	%	N/D	0%
		like-for-like % difference	%	N/D	N/A
Building energy intensity	Energy-Int	Energy intensity by floor area	kWh/m²	2,127	248 <sup>f</sup>
		Energy intensity per headcount	kWh/hc	32,973	4,125 <sup>f</sup>
Direct GHG emissions (total) Scope 1	GHG-Dir-Abs	Scope 1 emissions from consumption of fuels	kgCO <sub>2</sub> e	169,144	13,619 <sup>f</sup>
Indirect GHG emissions (total) Scope 2	GHG-Indir-Abs	Scope 2 emissions (location-based) from consumption of electricity	kgCO <sub>2</sub> e	8,463	7,863
Indirect GHG emissions (total) Scope 2	GHG-Indir-Abs	Scope 2 emissions (market-based) from consumption of electricity	kgCO <sub>2</sub> e	0	0
Building GHG emissions intensity	GHG-Int	GHG emissions (location-based) intensity	kgCO <sub>2</sub> e /m²	395	48 <sup>f</sup>
Total water consumption	Water-Abs	Total mains water	m³	6,202	370 <sup>f</sup>
		Coverage		1 out of 1	1 out of 1
		Estimated	%	N/D	0%
Like-for-like water consumption	Water-LFL	Total like-for-like mains water	m³	6,202	370 <sup>f</sup>
		Coverage		1 out of 1	1 out of 1
		Estimated	%	N/D	0%
		like-for-like % difference	%	N/D	N/A
Building water consumption intensity	Water-Int	Water intensity	m³/m²	14	1 <sup>f</sup>
Weight of waste by disposal route (total and proportion) <sup>e</sup>	Waste-Abs	Total weight of waste	Tonnes	N/D	1
		Total weight recycled		N/D	0
		Total weight to energy recovery		N/D	0
		Total weight sent to landfill		N/D	0
		Proportion of waste recycled	%	N/D	45%
		Proportion of waste to energy recovery		N/D	55%
		Proportion of waste sent to landfill		N/D	0%
		Coverage		N/A	1 out of 1

N/A = not applicable  
N/D = data is not available  
<sup>e</sup> We were not able to report waste LFL as 2019/2020 data is not available.  
<sup>f</sup> The much lower fuel and water consumption reported in 2020/21 for our corporate office is due to improvements in how we apportion whole building consumption based on our floor area.

PROPORTION OF PORTFOLIO WITH A BUILDING CERTIFICATION (CERT-TOT) (NOT ASSURED)

Energy Performance Certificate rating <sup>g</sup>	Percentage of Energy Performance Certificates weighted by value (ERV)	BREEAM/WELL Performance rating	Percentage of BREEAM/WELL performance ratings weighted by total portfolio value
A+	1%	BREEAM Excellent	12% <sup>h</sup>
A	5%	BREEAM Very Good	8%
B	22%	WELL Gold	1%
C	35%		
D	25%		
E	9%		
F	1%		
G	1%		
Not Applicable	1%		
Exempt	0%		

<sup>g</sup> Wherever a Scottish EPC includes an English Equivalent rating, this has been used in order to increase comparability across our assets under management.

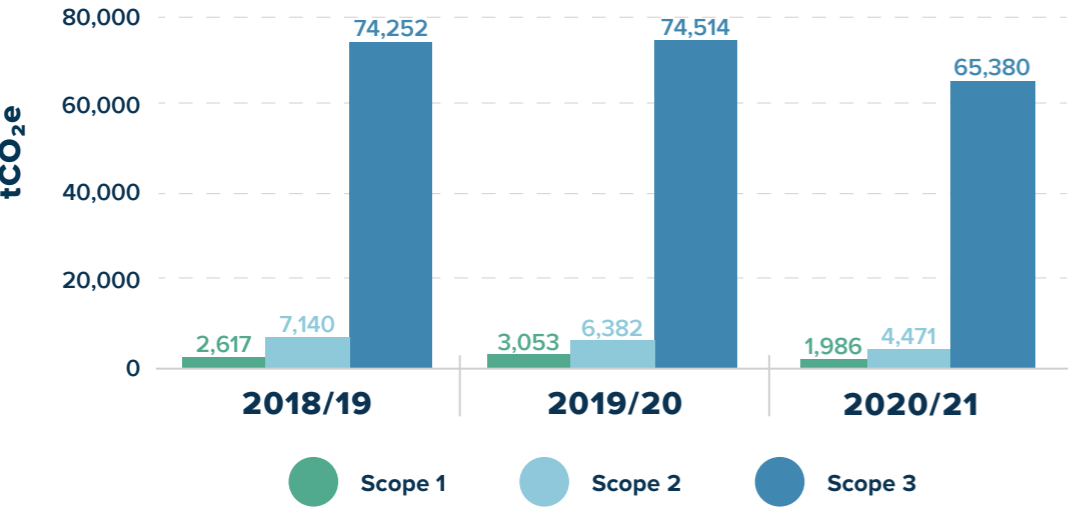
<sup>h</sup> Approximately 1% relates to a BREEAM 'Excellent' interim certification based on the project's design.

CARBON FOOTPRINTING (NOT ASSURED)

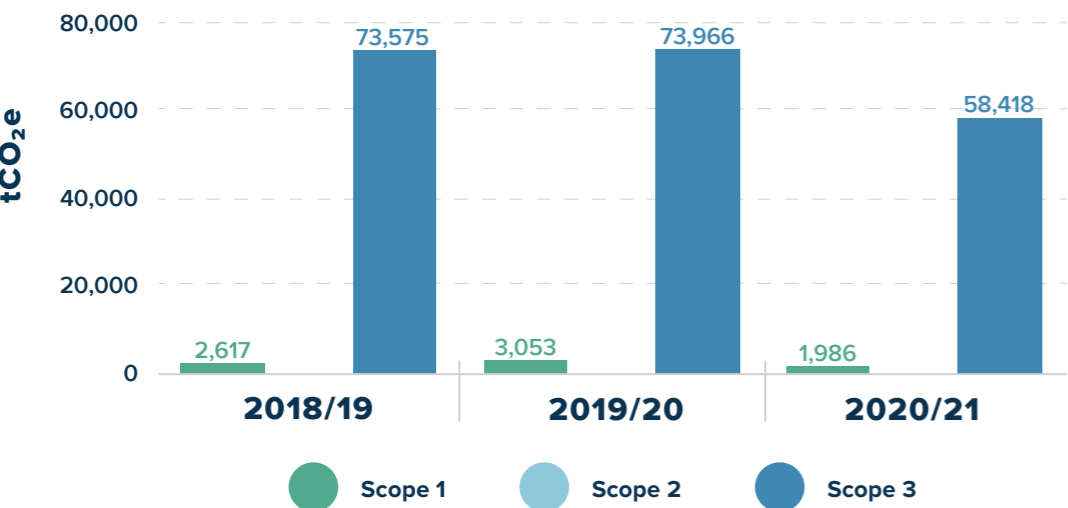
The following visuals reflect Orchard Street's carbon footprint including Scope 1, 2 and 3 emissions. In 2020/21, our carbon footprint reduced by 21%, equal to 15,788 tCO<sub>2</sub>e, compared to the 2018/19 baseline (market-based emissions factors)<sup>1</sup>. Reductions in our Scope 1 and 2 emissions are driven by a combination of variable building occupancy levels as a result of remote working and COVID-19 restrictions, changes in the portfolio due to sales and acquisitions, refurbishments and voids, and our efforts to increase the environmental efficiency of buildings.

Scope 3 emissions have been categorised according to the Corporate Value Chain Standard published by the GHG Protocol, which identified 15 broad categories of Scope 3 emissions. Orchard Street reports seven of these categories. Downstream leased assets, representing occupier-related activities, accounts for 84% of our total reported Scope 3 emissions. As such, a 23% decrease in the emissions associated with occupier energy consumption was largely responsible for the 21% decrease in overall Scope 3 emissions (market-based emissions factors)<sup>1</sup> compared with 2019/20. This is mainly the result of UK grid decarbonisation (electrifying plant and equipment enables assets to benefit from grid decarbonisation), portfolio change, on-site PV generation and obtaining actual occupier data. Although employee commuting and business travel experienced the largest proportional decreases, 81% and 89% respectively, however these categories do not represent a significant proportion of the total Scope 3 emissions in absolute terms.

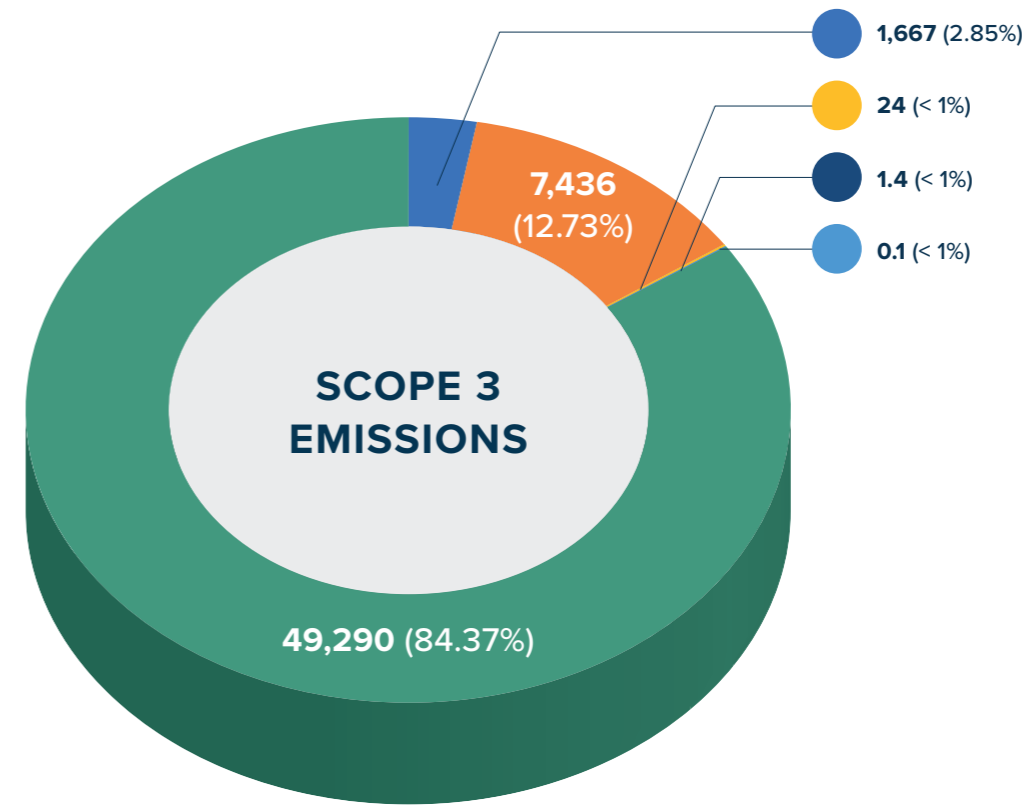
TOTAL CARBON FOOTPRINT (tCO<sub>2</sub>e, LOCATION-BASED)<sup>1</sup>



TOTAL CARBON FOOTPRINT (tCO<sub>2</sub>e, MARKET-BASED)<sup>1</sup>



SCOPE 3 EMISSIONS BY CATEGORY (tCO<sub>2</sub>e, MARKET-BASED)



Orchard Street reports against seven of the 15 broad categories of Scope 3 emissions defined by the Corporate Value Chain Standard:

1. Purchased goods and services

2. Capital goods

3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)<sup>k</sup>
5. Waste generated in operations

6. Business travel

7. Employee commuting

13. Downstream leased assets

<sup>k</sup> Using the market-based approach, fuel- and energy-related activities (not included in Scope 1 or Scope 2) are reported as 0 in 2020/21 as we procure 100% REGO backed renewable electricity. Using the location-based approach, fuel- and energy-related activities (not included in Scope 1 or Scope 2) are 396 tCO<sub>2</sub>e.

<sup>1</sup> A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).  
<sup>2</sup> A market-based method reflects emissions from energy that companies have purposefully chosen. It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy. We procure 100% REGO backed renewable electricity.



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