



# SUSTAINABILITY POLICY & STRATEGY

VERSION 2 | AUGUST 2021  
PREPARED BY: LEAH BARNES, CEG

# CONTENTS

<b>1. Introduction</b>	<b>3</b>
<b>2. Sustainability Policy</b>	<b>6</b>
<b>3. Summary of Aims</b>	<b>10</b>
<b>4. Our Approach and Achievements</b>	<b>11</b>
Sustainability Strategy Summary - 2021 Sustainable Cities and Communities	12
Responsible Consumption and Production	16
Affordable and Clean Energy	19
Good Health and Wellbeing	22
Decent Work and Economic Growth	26
Climate Action	30
Life on Land	34
<b>5. Divisional Plans</b>	<b>38</b>
CEG offices - Sustainability Plan	39
Strategic Development - Sustainability Plan	41
Development - Sustainability Plan	44
Investment - Sustainability Plan	47

# INTRODUCTION

We started life in 1989 as Commercial Estates Management. Since then, we have grown into a property investment and development company known as CEG. Our property portfolio under management covers almost six million sq ft and is home to almost 400 businesses. Valued at £780million, it spans high quality offices, studios and shops to industrial warehouses.

We pride ourselves on finding properties with potential and turning them into thriving places to work. Collaborating with our customers and tailoring our buildings to work harder for them.

We also build communities, making space for lives to flourish, neighbourhoods to grow and businesses to develop. We provide the amenities that turn our sites from somewhere people simply live into a vibrant neighbourhood.

We give people a place to start their stories – or to continue them.

We are not just properties developers; we are place makers.

This ethos makes us a property company with a difference. We take a rather different view when deciding where, and how, we invest in property. Through real **commitment** we put people, businesses and relationships first. We act **responsibly** across all projects, working with customers, local people and authorities to build genuinely sustainable communities.

Our track record and **determination** show we are not afraid to go against the flow of market thinking; often that means we see opportunities where others don't. We are **resilient** and stay invested for the **long term**, actively managing our properties for the benefit of those who work in them and the wider community. It's a different approach, but one that, in the end, yields greater value for our investment partners and for our own business.

## **We don't just invest, we're invested.**

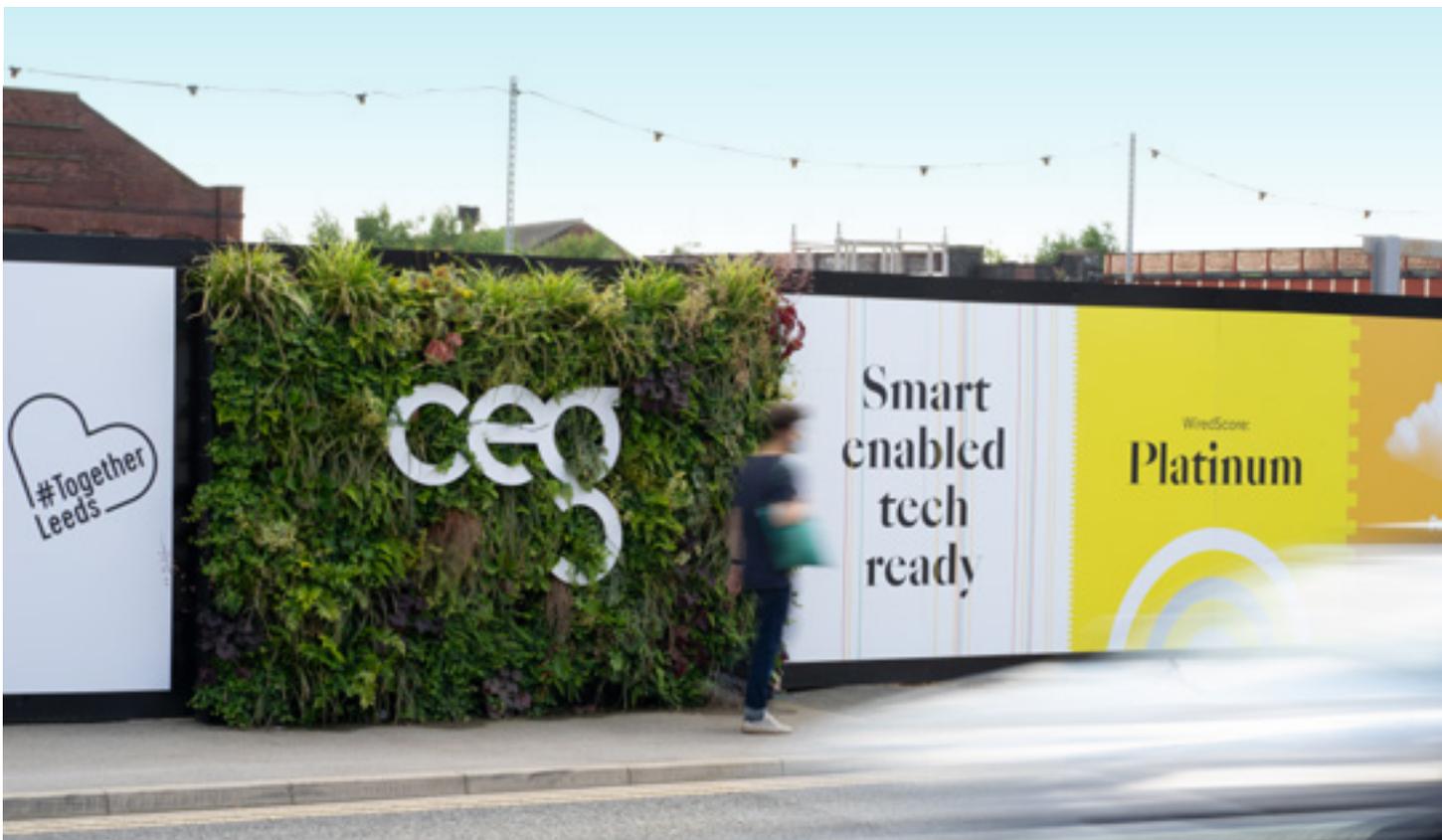
These shared core values of commitment, responsibility, resilience and determination are reflected across the whole of the business, particularly in our positive contributions towards society and the natural environment.

Sustainable development is often defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” (Brundtland commission, 1987). To us, sustainability is about minimising any negative environmental impacts while continuing to build sustainable communities and delivering social value.

We recognise that we are collectively facing climate and ecological emergencies, and climate change is also one of the biggest threats to business and the value of long-term assets.

The building and building construction sectors combined are responsible for 38% of total global energy related CO2 emissions. According to the United Nations Environment Programme, The International Energy Agency (IEA), annual drops in energy intensity need to be at least 2.5% for buildings to get on track with the Sustainable Development Scenario (SDS).

This document explains and guides our core sustainability aims, detailing the daily processes and responsibilities that help us to achieve our aims. We believe this will help us improve our resilience and performance over the long term while working towards our sustainability goals.



We have aligned our aims with the United Nations' Sustainable Development Goals (UN SDG) as they are internationally recognised as a transparent and holistic sustainability framework. We have utilised the Goals to assess, formalise and prioritise CEG's important contribution to sustainable development through **three core sustainability themes and seven specific areas of focus**. In addition to the UN SDGs, we use the principals of GRI (Global Reporting Initiative) and report to GRESB (Global Real Estate Sustainability Benchmark). Our developments are also assessed under BREEAM.



These aims encompass the entire businesses and our managed portfolio, spanning:

- 1. CEG Offices:** Company offices in Leeds, London, Birmingham and Cornwall.
- 2. Development:** Development scheme projects
- 3. Investment:** Investment properties managed by CEG on behalf of owners
- 4. Strategic Development:** Promotion of land for new homes, commercial floorspace, green space and associated facilities

This document details our sustainability policy, progress to date and commitment to continually challenging ourselves. We have derived the detailed aims and associated metrics to ensure that a focus on sustainability is maintained across the business. A system for the measurement and monitoring of outcomes will be implemented to ensure continuous improvement.

We will update this policy regularly to reflect and include emerging best practice that will assist in the delivery of the aims.

# SUSTAINABILITY POLICY

Sustainability is not simply a matter of compliance; it must be a core principle for our business success. We take a long-term view with any investments we manage, which means we have the opportunity to embed and influence sustainability throughout the whole lifecycle of our buildings and developments.

Our ethos of delivering shared value for our colleagues, investors, partners and wider community stakeholders is supported by our positive contributions towards society and the natural environment.



## Our Commitment to Sustainability

We must lead by example. Whether we are delivering the highest standards of health and wellbeing, upskilling local workforces or enhancing environmental performance, we will continue to embed sustainability throughout our business and supply chain. We are committed to:

- Actively working with all stakeholders to reduce our collective environmental impact and optimising our contribution to the communities we build.
- Setting clear environmental procurement requirements, where possible, and prioritising the suppliers that meet those.

Working within the built environment, we recognise our role and our responsibility to influence the sustainability agenda across the entire development and operational lifecycle. Sustainability is embedded at the earliest stages of all projects with stringent targets. We also continue to work collaboratively with customers, regulators and communities to achieve sustainability aims through development and operation of our buildings. We are committed to always operating by environmental laws and regulations without any compromise.

We launched the Forging Futures Campus in 2017 in order to promote learning, skills and employment opportunities, particularly within deprived communities. The ethos and values demonstrated through this initiative exist throughout CEG, shaping our relationships with local communities and stakeholders.

This commitment to education and training illustrates a vision which embraces the development of people as well as property, ensuring that the positive impact of our work is felt far beyond our developments. CEG is able to maintain this standard by strictly operating with the highest level of integrity, clearly outlined in our Code of Conduct. This is briefly covered in this document, but further information is contained within our Community Investment Strategy.

CEG believes that a healthy corporate culture is the cornerstone to sustainable operations and profitability, which is why CEG works hard to foster a diversified, transparent, and integrated working environment. To enable diversity and equality, we create an inclusive and fair climate, supported by an infrastructure in which all co-workers feel welcomed, respected, trusted, and valued to fully utilise its capacity, as outlined in our Employees' Code of Conduct and Human Resources (HR) strategy.

Whilst sustainability is already at the heart of the CEG culture, we are committed to continuing to challenge ourselves and the industry. This policy formalises the principals that already guide CEG's business culture and lays out our ambitions for the future, marking the next phase of our sustainability journey.

Our Policy is enacted through the following detailed Sustainability Strategy, which defines our processes and commitment to:

- Monitoring our environmental and social footprint to ensure full transparency and the ability to track progression.
- Assessing and increasing our resilience across the estate, utilising the Task Force on Climate-Related Financial Disclosures (TCFD) framework

With the full support of the Board, it is the collective responsibility of everyone who works for CEG to ensure that we achieve the seven aims detailed in the following Sustainability Strategy.

The strategy looks at how the aims are appropriate to each area of the business and each division has more detailed strategies defined to reflect our ambition at every stage of the building lifecycle from conception to operation. Key performance indicators have been established for the purposes of measurement and monitoring and we annually report on our progress.

Where appropriate we have included the use of external standards to ensure our approach is transparent and in line with best practice.

# OUR SUSTAINABILITY FOCUS

## Sustainable Towns & Cities



### Sustainable Cities and Communities:

We will deliver sustainable innovative buildings, future-ready infrastructure, and work with our stakeholders to reduce our shared environmental impact.



### Responsible Consumption and Production:

We will ensure responsible sourcing and efficient use of resources through sustainable design, procurement and operation; driving towards circular economy.



### Affordable and Clean Energy:

We will be energy efficient and provide low-carbon energy across our portfolio and internal operations.

## People & Communities



### Good Health and Wellbeing:

We will create and maintain healthy environments for our colleagues, customers and the wider communities we influence and create. Fostering a safe, fair and diversified culture and team.



### Decent Work and Economic Growth:

We will deliver social value into our communities, providing high-quality jobs, developing local skills and supporting inclusive economic growth, whilst operating with integrity and strong work ethics.

## Natural Environment



### Climate Action:

We will improve our resilience and target net zero whole life carbon emissions from our operations and the buildings we create and measure our progress towards this.



### Life on Land:

We will prioritise biodiversity and have a net positive effect on the surrounding environment.

# SUMMARY OF AIMS

	Why	Aim	Metric
 <p><b>Sustainable Cities and Communities:</b> We will deliver sustainable innovative buildings, future-ready infrastructure, and work with our stakeholders to reduce our shared environmental impact.</p>	<p>Over half of our emissions are through our customers' activities, it is there for important we target them.</p>	<p>1. Work with the 25,000 people who use our buildings daily, to maximise our positive impact.</p>	<ul style="list-style-type: none"> <li>• Green Lease - % portfolio covered</li> <li>• Occupier Energy Intensity/ net lettable area (kWh/sqft)</li> <li>• Emissions Intensity Scope 3 (kgCO2e/let sqft)</li> </ul>
 <p><b>Responsible Consumption and Production:</b> We will ensure responsible sourcing and efficient use of resources through sustainable design, procurement and operation; driving towards circular economy.</p>	<p>Reducing the use of virgin materials and encouraging sustainable supply chains is vital. We focus on the regeneration of existing building.</p>	<p>2. Improve performance against the waste hierarchy.</p>	<ul style="list-style-type: none"> <li>• Tonnes to landfill</li> <li>• % Recycling</li> <li>• Water consumption m2</li> <li>• Embodied Carbon emissions</li> </ul>
 <p><b>Affordable and Clean Energy:</b> We will be energy efficient and provide low-carbon energy across our portfolio and internal operations.</p>	<p>Energy is the largest single aspect of our carbon footprint. Landlord energy accounts for 40% of our carbon footprint.</p>	<p>3. Improve landlord energy efficiency and use innovation to drive sustainable performance.</p>	<ul style="list-style-type: none"> <li>• Landlord Energy Intensity /net lettable area (kWh/ sqft)</li> </ul>
 <p><b>Good Health and Wellbeing:</b> We will create and maintain healthy environments for our colleagues, customers and the wider communities we influence and create. Fostering a safe, fair and diversified culture and team.</p>	<p>People are the centre of our business both customers and colleagues. Ensuring their wellbeing is key.</p>	<p>4. Engage staff and Customers.</p>	<ul style="list-style-type: none"> <li>• Employee engagement score</li> <li>• Health and safety statistics</li> </ul>
 <p><b>Decent Work and Economic Growth:</b> We will deliver social value into our communities, providing high-quality jobs, developing local skills and supporting inclusive economic growth, whilst operating with integrity and strong work ethics.</p>	<p>We are motivated by a strong sense of place and community creates more positive environments. It is important to us our buildings are communities and people feel rooted and our actions benefit the local community.</p>	<p>5. Deliver, drive and increase Social Value (£).</p>	<ul style="list-style-type: none"> <li>• Total Social Value £</li> <li>• Social Value intensity £/Capitalised spend (excl purchase price)</li> </ul>
 <p><b>Climate Action:</b> We will improve our resilience and decarbonise our estate driving toward net zero whole life carbon emissions from our operations and the buildings we create.</p>	<p>Decarbonisation and resilience are at the heart of sustainability, and essential for maintaining market engagement and asset value.</p>	<p>6. Decarbonisation of the portfolio including scopes 1, 2 and 3 (operational) in line with the CRREM 1.5OC pathway towards net zero in 2050.</p> <p>7. Increase our business' resilience to climate change.</p>	<ul style="list-style-type: none"> <li>• Total emissions Scope 1, 2 and 3</li> <li>• Operational Carbon Intensity / net let area and net lettable (kgCO2e/sqft)</li> <li>• % portfolio covered by climate risk assessments</li> </ul>
 <p><b>Life on Land:</b> We will prioritise biodiversity and have a net positive effect on the surrounding environment.</p>	<p>We are currently in a period of mass extinction and improving biodiversity is essential.</p>	<p>8. Biodiversity initiatives considered on all projects.</p>	<ul style="list-style-type: none"> <li>• Biodiversity Net gain %</li> </ul>

# OUR APPROACH & OUR ACHIEVEMENTS



## SUSTAINABLE CITIES AND COMMUNITIES

We create spaces and places that positively contribute to the lives of those who live and work within them. We are a long-term investor and therefore maintain an enduring commitment to the future of our properties and developments, as well as their surrounding communities. Applying industry-leading innovation and best practice, we focus on the ways in which our developments can help to connect, support and add value for those who live or work within them. We are determined to deliver future-proofed designs of the highest quality, whilst ensuring responsible, efficient consumption of all resources.

### **At CEG, we don't just invest. We're invested.**

This chapter explains our approach to Sustainable Towns and Cities.

As we pride ourselves in leading by example, we detail specific initiatives within the business which explain how we are delivering sustainable buildings and innovative supporting infrastructure that results in healthy, energy efficient environments; delivering social value within the towns, cities and communities in which we develop.



Key Initiative	Description
Soft Landings	<p>Soft Landings is a process that encompasses the full lifecycle of a building from conception to completion and into its operation. By engaging with key stakeholders at the outset we can make decisions designed to improve the ultimate operational performance of the building.</p> <p>Post occupancy evaluation helps us to continue to adjust and improve, in some cases installing new equipment and technologies, to further maximise efficiency and performance. It enables us to understand how an occupant is using the building. We can then make adjustments to ensure optimal programming so that the building delivers to its energy efficiency potential by reconfiguring heating, cooling and lighting systems. At Number One Kirkstall Forge, for example, we considered the needs of the building users at the outset and post occupancy evaluations guided further improvements to energy efficiency measures without compromising the healthy environment of our staff and customers.</p>
Kirkstall Forge, Leeds	<p>The £400million transformation of the oldest continually industrialised site in the UK is a leading light within the industry.</p> <p>This new urban village will ultimately comprise almost 1,500 new homes, 400,000 sq ft of offices, shops, places to eat and drink, as well as leisure and recreation opportunities set in a unique wooded, riverside valley.</p> <p>By providing high-quality infrastructure, as well as residential, commercial, public and green space, we have set an ambitious sustainability precedent.</p> <p>The first 110,000 sq ft commercial office development we delivered was fully occupied within a year of its speculative development and we are now in design on the next 200,000 sq ft.</p> <p>We prioritised the use of local, sustainably sourced materials, including 100% reuse of all existing concrete structures. Various energy efficiency measures were introduced for our first EPC A rated office development, including passive solar heating and continual energy monitoring through an integrated building management system. From building design to connectivity, innovation remains at the forefront of this development.</p> <p>As a result, within its first year Number One Kirkstall Forge was named the best Commercial Workplace in the UK by the British Council of Offices (BCO) and Property Week's healthiest building. As well as being the first WiredScore Platinum Certified building in Yorkshire, it boasts EPC A and BREEAM Excellent. It was designed to achieve the highest standards of sustainability, providing new ways of working, maximising the aspect to the natural environment and subtly reinterpreting the site's former industrial past.</p>



Kirkstall Forge, Leeds      The riverside setting and green space are proven to reduce stress, blood pressure levels and heart rates as well as increasing productivity.

The cycle spa and shower facilities ensure that the on-site Kirkstall Life team can offer running, cycling and fitness clubs, boot camp and other events dedicated to health, wellbeing and socialising. Butler's deli bar provides a place to meet, work, eat, drink and collaborate.

---

Sustainable Travel      At Kirkstall Forge, we worked closely with Leeds City Council, West Yorkshire Combined Authority, the local MP and rail operators to facilitate a £15 million public transport investment. A new dedicated train station, connecting Kirkstall Forge to Leeds City Centre in just six minutes, opened before we laid a brick; making this one of the most well-connected sites in the city.

We continue to collaborate with transport providers to ensure that the capacity and provision of sustainable travel services will increase as the development progresses. This will help to deliver a community which is not reliant on the car.

We appointed a travel plan coordinator who works with the occupants of Number One Kirkstall Forge to develop personal travel plans designed to make sustainable travel a more appealing option. By providing a car share scheme, cycle, electric bike, scooter hire and car club facility, we have made it as easy as possible to work, and ultimately live here, without needing to own a car.

At many of our other managed assets We run regular initiatives, promotional events and active programmes to increase sustainable travel uptake by business commuters to the site.

We also provide free bike hire in several of our employment sites, as well as enhanced bike storage and shower facilities in most sites. This helps to encourage cycling to work, as do the free cycle surgeries for our businesses and the surrounding community, which offer basic maintenance advice and free servicing.

Access to Electric Vehicle Charging is also important, helping to promote and encourage the use of electric vehicles. All of our new developments include these, and we have retrofitted them at a number of existing sites, including The Plaza in London and Westminster Place in York.



Sustainable Travel

This commitment is typified at our new development in Bristol, EQ is located on, or near to, many local bus routes. It is close to Bristol Temple Meads station and is linked to Bristol’s sustainable cycle network.

We will deliver 263 bike spaces these will be additional to any allocated to customers. Eliminating the drive to work at this development could save 1,700 tonnes of carbon per year.

Our Wider Aim		Key Actions
Sustainable Cities and Communities	1. Work with the 25,000 people who use our buildings daily, to maximise our positive impact.	Roll out green leases and develop stakeholder communication.  Inclusion of sustainability criteria in development projects from brief stage



## RESPONSIBLE CONSUMPTION AND PRODUCTION

The transition to a circular economy is particularly important in a context of global waste. Waste arisings currently stand at 2.01 billion tonnes of municipal solid waste annually. As such, many authorities and organisations are setting ambitious waste targets.

The real estate sector has an important role to play in the transition to a circular economy, particularly by reducing waste, minimising raw material usage and increasing material efficiency of buildings.

Our consumption of resources occurs both in our development of buildings and in the operation.

Within this section we focus on our reduction of resource use, both directly and indirectly through our supply chain. We can contribute to the transition towards a circular economy through the implementation of the “waste hierarchy”, with disposal to landfill as the last resort.

We will ensure responsible sourcing and efficient use of resources through sustainable design and procurement. We will reduce our impact by managing the resources used in all of our developments, as well as delivering sustainability improvements through our supply chain.

This aim applies to all aspects of our business, in different ways. Within the investment portfolio, attention will be given to waste and water consumption as well as occupier engagement. Within development, there will be focus not only on waste and building products, but also engagement with the supply chain. Although the strategic development team is not responsible for building properties, they can prioritise good design and work closely with housebuilding partners to influence the end product.



Key Initiative	Description
Resource Consumption	<p>By maintaining robust records of the resource consumption associated with our operations, including gas, electricity, water, waste and business travel, we can monitor and take steps to reduce our impact. At the start of 2020, we centralised our waste carrier to achieve 100% diversion from landfill for our operational waste across our managed estate. During 2020, we achieved a 67% recycling rate and aim to achieve a year-on-year increase of the recycled proportion.</p> <p>Waste is a key consideration in our refurbishment projects. The Stones are a group of three buildings in Edinburgh. Here an extensive refurbishment of one of the buildings was delivered. As this was our first project in Scotland, there was a speculative CAT B fit out undertaken. This was not entirely appropriate for the new occupier, and we subsequently removed 30,000 sq ft of carpet tiles, two sinks and taps, kitchen units, worktops, office furniture and feature light fittings. All of these items were taken and reused at our other local buildings, reducing both waste and embodied carbon.</p> <p>The Strategic Development team also commits to waste management and minimisation strategies as part of each project's planning application process.</p>
Responsible Procurement and Supply chain Engagement	<p>Our supply chain is hugely important to us and helps drive our sustainability aims. It isn't just about subcontractors and where they purchase materials from, but also about partners, such as the house builders developing our schemes, building occupants and our service providers. While we have engaged our supply chain by providing guides, planning obligations, information and scoping requirements, we believe more can be done.</p> <p>One of our customers at Forthstone, Edinburgh took the whole building in mostly shell condition. However, as their supply chains were predominantly south London based, we worked with them to develop local supply chains and engage local suppliers in order to improve local investment and reduce the transport impacts.</p>



**Building Refurbishments**

By refurbishing rather than demolishing 69 Park Lane, we have recycled approximately 87% of all materials, significantly reducing the embodied carbon of the building and the use of raw materials. The refurbishment improved the energy performance from an E to a B rating and also lowering its operational footprint. The introduction of the new gym, bike store and café has created a destination that encourages and promotes green travel options and the well-being of the building’s occupiers.

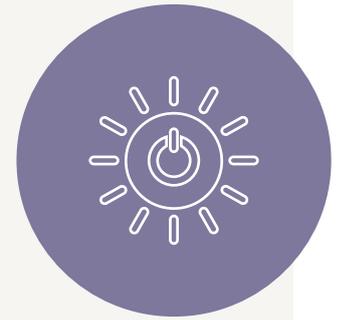
In our drive to improve, we source new innovative solutions for our office buildings. The measures are often simple energy efficient solutions to the lighting, heating systems, window and ventilation for example, but they can dramatically reduce the operational energy consumption and carbon impact.

At Westminster Place in York, we achieved an EPC A rating highlighting the energy efficiency savings that can be made by retrofitting initiatives such as those detailed above. Similarly, office refurbishments at Norfolk and Ashton House in Milton Keynes achieved a B Rating.

We are proud to be part of the Lloyds Green Loan scheme. To date, this has facilitated an investment of £1.125 million on sustainability improvements from 2018 to 2020. This included significant upgrades to LED lighting with improved controls, the upgrade of windows and doors to improve the thermal envelope and increased metering across our portfolio. This has not only improved our operational energy efficiency, but also the working environment for our customers and staff.

Furthermore, during refurbishments and fit outs, businesses within our offices are given detailed guides to encourage good waste management and cleaning practices.

Our Wider Aim		Key Actions
Responsible Consumption and Production	2. Improve performance against the waste hierarchy.	<p>Work with stakeholders to understand areas of inefficiency and reduce operational waste.</p> <p>Include circular economy principles and targets within new developments and refurbishments.</p>



## AFFORDABLE AND CLEAN ENERGY

According to the United Nations Environment Programme, the building and building construction sectors combined are responsible for 35% of global final energy consumption and 38% of total global energy related CO<sub>2</sub> emissions. In order for buildings to align with the Sustainable Development Scenario (SDS), energy intensity needs to reduce by a minimum of 2.5% per annum (The International Energy Agency (IEA)). This shows the Real Estate sector has a particular responsibility in climate change mitigation, curbing greenhouse gas (GHG) emissions and moving towards a low-carbon economy

Like many in the industry, energy is the largest area of our operational carbon footprint. This demonstrates the importance of energy efficiency and the provision of low carbon energy as part of our reduction pathway. The decisions we make during the development stage undoubtedly affect the energy use and carbon emissions of those buildings for the next 50 years and beyond.

Our energy ambitions present a number of challenges, particularly in terms of scope and measurement. Within the investment portfolio, the majority of energy is consumed by our customers. We do not have access to information on sites which are wholly operated by the customers themselves and have limited control over the amount of energy consumed within multi-occupant buildings.

As our portfolio grows, our energy consumption is also likely to increase. We need to account for this and also consider the effect of refurbishment projects which will increase occupational density.

We aim to target reductions in our investment properties and measure these through appropriate Environmental KPIs (Key Performance Indicators). To achieve this, we will need to engage not only with our project teams, but also our customers. We will also monitor the changes in consumption following refurbishments to understand the impact we have had.



Key Initiative	Description
Monitoring and targeting	<p>Data and understanding consumption are undoubtedly at the heart of all energy management. Our monitoring process allows us to not only track our consumption across the estate, but to also target reductions. Electricity consumption has the largest carbon impact on our portfolio, as well as the largest cost, so this has been one of our primary areas of focus. Around 95% of our electricity usage is monitored through half hourly meters. A further 757 physical submeters, in addition to Building Management Systems (BMS), help us to monitor occupier, vacant area, landlord and the main building systems separately.</p> <p>This also allows us to be transparent with our building occupiers, providing regular information on their consumption so they have a better understanding and are encouraged to control the amount of energy they consume as well.</p>
4D Monitoring System	<p>The installation of a market-leading 4D monitoring system across our portfolio ensures we can track carbon dioxide and air quality, key water temperatures, boiler and air temperatures, BMS run times and the use of building facilities. This detailed understanding of the ways in which our properties are used allows us to tackle efficiency issues, whilst also maintaining an optimal environment for colleagues and customers. A relatively new project, we are closely assessing the effect it has had on the reduction of resource use through our monthly estate and site-specific reports.</p>
Renewable Energy	<p>Our electricity consumption is the largest proportion of our operational carbon footprint, we have therefore moved to a renewable electricity tariff<sup>1</sup> in order to minimise our environmental impact. This is currently a REGOs Tariff, but we understand the concerns around additionality and are looking at alternatives and Other renewable sources.</p>

<sup>1</sup> Electricity Tariff REGOs backed



**Looking forward**

Within the development division, we are focused on resource consumption during in the construction process, as well as the long-term reduction of the building’s future consumption through innovative and best practice design. We are aware of the current performance gap, and we are also aware that as the new building regulations come into force, the mandated targets will become more stringent. To meet our objectives, we will look for betterment against current regulations, going beyond compliance and evaluate the inclusion of energy from low carbon sources in all of our designs.

For Strategic Development, because we are usually not part of the detailed design process if we sell a site once outline planning is secured, future energy consumption is more difficult to target and measure. However, we can make steps to improve within a framework of partner engagement and agreement of planning conditions.

Our Wider Aim		Key Actions
Affordable and Clean Energy	3. Improve landlord energy efficiency and use innovation to drive sustainable performance.	Work with stakeholders to improve operational energy efficiency.  Include energy efficiency requirements in all new developments and major refurbishments.



## GOOD HEALTH AND WELLBEING

People are at the heart of everything we do, this includes colleagues, customers and communities. They are our greatest asset, and we believe in nurturing and harnessing the potential of those with whom we work. To deliver an exemplar new community, we strive to create environments that put people first; by promoting health and wellbeing, generating employment and training opportunities and ultimately maximising social value.

As we pride ourselves in leading by example, we work hard foster a transparent and integrated work environment. To enable diversity and equality, we create an inclusive and fair climate, supported by a structure in which all co-workers feel welcomed, respected, trusted as outlined in our Employees' Code of Conduct. However, we recognise that there is a lot more we can do to ensure that we create and maintain healthy environments, foster a safe, fair and diverse culture.



Key Initiative	Description
Our People	<p>We create an environment which enables our people to thrive. We provide, interesting work that is skilled, autonomous and supported, offering a great work-life balance and rewards.</p> <p>We work hard to foster a diversified, transparent and cross-integrated work environment. To enable diversity and equality, we create an inclusive and fair climate, supported by an infrastructure in which all co-workers feel welcomed, respected, trusted, and valued to fully utilise its capacity, as outlined in our Employees' Code of Conduct.</p> <p>We are aware individual circumstances differ and, to encourage diversity, we offer flexible working. Further details are available in the HR strategy.</p>
Health and Safety	<p>We aim to achieve health and safety excellence. Colleagues are educated about our best practice strategy. We are committed to changing behavioural safety within our own and our contractors' businesses.</p> <p>We operate a Risk Wise System. This ensures that close call incidents are recorded in order to identify trends as early as possible. The team is supported and promoted as acting as reinforcers, rather than punishers.</p> <p>Our strategy is formed of four distinct topics:</p> <p><b>Strong and active leadership from the top;</b> we have a health and safety board, measured by an end of year report prepared by the head of health and safety. Reports on serious close calls, incidents and injury incidents are fully investigated with sign off required by board members. Reports are produced on injury and RIDDORs and insurance notifications.</p> <p><b>A competent workforce;</b> mandatory health and safety training measured via training matrices. Access is provided to a wider portfolio of specific learning to support competency levels. Reports from serious close calls, incidents and injury incidents (to include RIDDORs) are communicated to all levels within the company. Senior management engages with team members during support visits and records their opinions, as well as sharing these comments with other teams and upper management to assist in improving safe systems of work.</p> <p><b>A strong supervisory presence;</b> measured via support visits and formal audits carried out by our health and safety auditors and the head of health and safety. This is tracked through a portal with actions closed out by managers. Participation in close outs is encouraged through the consequence chain.</p>



## Health and Safety

Appropriate systems and use of those systems: measured through support visits and formal audits and communicated to operational teams. Conformance with the principles of HSG65/OHSAS 18001/ISO 45001. Keeping business systems lean with only relevant forms and systems in use. Relationship building with all members of the consequence chain.

We also drive this high standard through our supply chain, and, during the tender and appointment process, suppliers must submit their health and safety record and accreditations before we appoint and commence work.

Further details can be found in our Health and Safety Strategy.

---

## Community at work

Our building management teams spend time getting to know each of our customers and their businesses. They do this so they can offer a more personalised experience. By tailoring on-site events, activities and food offerings that will best appeal, they are able to bring customers together and create a more collaborative community. Activities often focus on health and well-being initiatives such as yoga, meditation, dog therapy, massage, nutritional workshops and nature walks. We support occupiers' charity initiatives and help them to engage and do business with one another, so they thrive within our spaces. Our team of building managers are about more than the bricks and mortar; they are at the heart of a healthy building culture.

Several of our sites have gyms & fitness studios and others offer fitness sessions including Box-Fit, spin, HIIT, circuits, Burn It, core, dynamic stretch, guided walks or bike rides.

Where we have a café or food outlet within the building, we encourage our food operators to use locally sourced produce as much as possible, as well as offering healthy and plant-based options.

---

## Wellbeing in design

At Kirkstall Forge in Leeds, we focused on wellbeing from project inception. We sought to provide generous access to daylight within the design and created a network of break-out spaces that are safe and inclusive.

This focus on occupier wellbeing is a key priority for us in all our buildings. At our Temple development in Leeds, we recognise the importance of building design and have commissioned a health and wellbeing framework. This assesses air quality, lighting, access to nature, physical activity, thermal comfort and acoustic comfort, with the aim of designing for optimal, efficient performance of the building and the comfort and wellbeing of all occupants.

We will continue to build on our recent success and design for performance will be key. The understanding of health and wellbeing, air quality and daylight will be embedded in the design process.

---



**Looking forward**

While our goals in this area are harder to quantify, we will look to use the quantified and qualified methods detailed in our action plans to develop our reporting and measure our progress.

Further details are available in our Health and Safety<sup>2</sup> and HR Strategies<sup>3</sup>.

Our Wider Aim		Key Actions
Good Health and Wellbeing	4. Engage staff and Customers.	Work to improve our employee engagement and continue to monitor safety and wellbeing.

<sup>2</sup> CEG Health and Safety Strategy

<sup>3</sup> CEG HR Strategy



## DECENT WORK AND ECONOMIC GROWTH

We believe our community investment and delivery of social value is one of our greatest strengths and is a constant area of focus. Beyond the immediate community, we understand the influence our properties, developments and infrastructure provision can have on the wider area and strive to achieve positive outcomes for all.

Through both our developments and Forging Futures Campus, we put a significant emphasis on developing skills and improving access to employment to support inclusive economic growth.

Further details are available in our Community Investment Strategy<sup>4</sup>.

<sup>4</sup> CEG Community Investment Strategy



Key Initiative	Description
Community Engagement from the outset	<p>At CEG we pride ourselves on our approach to community engagement and collaboration. We work closely with our customers to improve our workspaces or with landowners, local authorities, Parish Councils, Neighbourhood Plan teams and local people to engage, consult, collaborate, design and deliver new places, spaces and communities.</p> <p>For example, at Kirkstall Forge, we worked in partnership with the public sector and rail operators to deliver a new railway station ahead of development. We are an annual presence at both the Holbeck Gala and Kirkstall Festival and we have a long-established Kirkstall Forge Liaison Group with the local community to ensure that we regularly inform and consult on key stages of the development.</p> <p>As a result of our commitment to community engagement, we are held up as an exemplar by Leeds City Council for our consultative approach, which has also helped us to secure a national placemaking award.</p> <p>CEG has continued its commitment to nurturing positive and sustainable relationships within the Holbeck community surrounding our Temple development.</p>
Forging Futures Campus	<p>The Forging Futures Campus, our pioneering on-site training facility, was established by CEG and our partners in March 2017. It was born out of a desire to provide tangible opportunities and sustainable pathways to employment and tackle the skills shortage in the construction industry. The Campus has an extensive school and university engagement programme. As well as providing educational enrichment activities for students, we also deliver guided tours of the Kirkstall Forge development, where it is based. Over 450 participants have benefited from curriculum delivery, site visits, workplace engagement, CV workshops and mock interviews to date.</p>
Digital Forging Futures	<p>In response to the COVID-19 pandemic, Forging Futures with partner iConsult, developed a programme which could be delivered digitally for individuals learning remotely. Launched in August 2020, Digital Forging Futures has so far supported 7 groups including Mencap, SMBP and the Skill Mill in employability and skills training. Modules include asbestos awareness, health and safety, CV workshops, interview skills and resilience. For a group of 12 learners this training was used to compliment preparation for the CSCS qualification. 83 learners have participated in Digital Forging Futures training and over 350 hours of direct delivery has taken place. The programme has been developed to allow for learners of all ages.</p>



### Employability Skills Traineeship

Our regular Employability Skills Traineeship began in January 2018 at the Forging Futures Campus in Leeds. Delivered in partnership with I-Consult Yorkshire, the course targets long-term unemployed and disengaged people with the aim of identifying routes to training and jobs within the construction industry and beyond. Our courses continue to run on a regular basis with over 15 students graduating on each occasion, having successfully completed their Level 1 Employability & Functional Skills qualification. The course achieves a positive outcome conversion rate of over 70%, with the majority of participants going on to undertake further training, apprenticeships or employment.

A few of our graduates have subsequently gained employment with our subcontractors and returned to the Kirkstall Forge site as part of the team carrying out essential works.

---

### The Skill Mill Partnership

Our partnership with the Skill Mill has been running since 2015. The Skill Mill supports young ex-offenders by providing employment and workplace opportunities. Participants receive enhanced training and work experience, providing a pathway to further training and ultimately employment. To date, we have provided almost 400 hours of productive site work, training, and work experience in a structured environment. We continue to identify new pathways for graduates of the Skill Mill to progress to further training and employment and the opportunity to obtain a Construction Skills Certification Scheme (CSCS) card. The scheme has resulted in a 91% reduction in reoffending amongst the participants and delivered over £250,000 of beneficial work on site and within the local community, for example in assisting in the clean-up from the Kirkstall Floods.

---

### Apprenticeship Academy

Working with EN:Able Futures, Leeds College of Building and our consultant team, the Forging Futures Campus Apprenticeship Academy. This cohort graduated in 2020. We are now working with BAM and EN:Able Futures to deliver trade apprentices at Globe Point. The two-year apprenticeship programme is aimed at young people aged 16-24 and involves six-month rotations between a range of partnering host companies which are all part of CEG's supply chain.

---

### MENCAP & SEN School Partnership

We have worked in partnership with MENCAP and various SEN schools to adapt our Employability and Skills course to engage with young people with learning disabilities. The Campus provides health and wellbeing support over a 12-week period. The course takes into consideration the individual needs of learners while improving interpersonal skills, confidence, and functioning skills. By providing much needed additional support for students to achieve positive outcomes, we are significantly reducing social isolation and working to improve independent living skills for those taking part in the course.

---



## Ethical Operations

Our core values are at the heart of our business and we strive to go beyond compliance. Governance is key to this and, to ensure all relevant practices, roles, responsibilities, and policies are captured, details of our ethical practices are included in the following documents:

- Anti-Bribery Policy
- Anti-Money Laundering Policy
- Expenses and Travel Policy
- Data Protection
- Whistleblowing policy
- Health and Safety Strategy
- Staff Handbook

In addition, our code of conduct outlines our strict requirements on prevention of child labour in our supply chain and explains how we will act in the best interest of the children involved if any cases of child labour are discovered.

The overall aims and goals detailed below provide further information about how these will be achieved. More information and timescales can be found within the Community Investment strategy.

Our Wider Aim		Key Actions
Decent Work and Economic Growth	5. Deliver, drive and increase Social Value (£).	Continue to improve our community engagement and drive toward increasing our social value monitoring and increasing our social value delivery.



## CLIMATE ACTION

We recognise that we are collectively facing climate and ecological emergencies. We therefore strive to promote a cleaner and greener society, creating a net positive impact on the natural environment through all areas of our business. We are committed to going beyond compliance by reducing our emissions, and our resilience planning.

Our operational carbon footprint is only part of the story as we are fully aware of the large embodied carbon impact of construction and the materials that are used.

Historically, embodied carbon has been given less attention than operational carbon and, while we will target net zero, there is work to do to fully understand our impact and become carbon literate in this area. This is the first step to reduction and continual improvement.

Resilience is important to CEG and our customers. We look at resilience in terms of flood, data resilience, power resilience and business continuity.

We are therefore looking to develop our processes and assessments of resilience in terms of the development and investment areas of the business.



Key Initiative	Description
Building Refurbishments	By prioritising the refurbishment of buildings wherever possible, rather than a rebuild, we are limiting the embodied carbon emissions that would have been generated through demolition and the production and transportation of new construction materials. The upgrade and refurbishment of older building stock also enables increased operational efficiency (i.e. reduced energy demand), which provides a further carbon emissions reduction.
Structural Insulated Panels (SIPs)	Our innovative prototype housing at Kirkstall Forge in Leeds uses SIPs (structural insulated panels) which were manufactured offsite. They are fabricated using timber from sustainable sources and require less energy and natural resources to produce, reducing the associated carbon impact. By enabling an airtight building envelope, they also reduce operational energy (and carbon) requirements.
Leeds Climate Emergency participation	<p>The Leeds Climate Commission was established in 2017. It is an independent body bringing together public, private and third sector organisations to help Leeds as a city to make a positive choice on issues relating to energy, carbon, weather and climate.</p> <p>With a strong emphasis on collaboration, the Leeds Climate Commission is providing authoritative advice on steps towards a low carbon, climate-resilient future. This has the aim of informing policies and shaping the actions of local stakeholders and decision makers.</p> <p>A member of our team sits on the panel and works with Leeds City Council to promote and share industry knowledge and best practice.</p>
Low Carbon in Design	Our award-winning work at Kirkstall Forge has included innovative techniques to minimise impact on the natural environment and enable a transition to a low-carbon society. We applied a fabric first passive design to Number One Kirkstall Forge and the installation of solar panels acted to reduce operational carbon emissions. Steps have also been taken to enhance the surrounding environment, including the remediation of nearly 10 acres of former industrial land and the creation and maintenance of diverse habitats. There will be further remediation and biodiversity initiatives as we progress development across this 56-acre site.



Low Carbon  
in Design

At Langford Bridge in Newton Abbot, CEG’s planning application set out how the development will actively reduce its operational carbon emissions by including some zero-carbon self-build homes, designed to reduce emissions through enhanced fabric and energy efficiency measures. Furthermore, the employment space will incorporate appropriate energy efficiency and low carbon energy systems to reduce carbon emissions by 10%.

Technologies such as electric car charging, smart energy meters and low water and energy appliances and lighting are included, alongside design initiatives such as passive solar design to maximise natural daylight and ventilation and minimise the need for heating and cooling. The ease of access to the railway station, cycle storage and the inclusion of home offices will help new residents better manage their environmental footprints.

Sustainable  
Drainage Systems  
(SuDS)

We ensure that our developments are ‘future-proofed’ and resilient to projected climate changes. First and foremost, this is achieved through strategic planning and land use to avoid risk at the outset. We ensure that developments minimise the risk to our properties and the surrounding communities through resilience and the incorporation of Sustainable Drainage Systems (SuDS) where appropriate.

Increasing Capacity,  
reducing risk

Following a surface water flood risk at Central House, the courtyard was shown to be at high risk of surface water flooding, with climate change this risk was only due to increase. The courtyard has been upgraded. It continues to provide a quality outdoor space for occupants, but now has a large underwater drainage and water storage tank installed underneath. This not only improves the resilience of the site, it helps reduces pressure on the local drainage.

Kirkstall Forge –  
Flood Resilience

As part of the Kirkstall Forge development, we delivered a flood alleviation channel to minimise flood risk on the site and within the wider area.



Our Wider Aim		Key Actions
Climate Action	<ul style="list-style-type: none"> <li>6. Decarbonisation of the portfolio including scopes 1, 2 and 3 (operational) in line with the CRREM 1.5OC pathway towards net zero in 2050.</li> <li>7. Increase our business' resilience to climate change</li> </ul>	<p>Site level decarbonisation plans will be developed, and all building will be assessed against the CREEM 1.5OC pathway annually.</p> <p>100% of buildings will be assessed against key climate risks every 3 years including fluvial flooding, surface water flooding and sea level rises. At a minimum where there is a high or very high-risk action plans will be developed and resilience assessed.</p>



## LIFE ON LAND

Many scientists believe we are in a period of mass extinction caused by loss of habitat and climate change. It is important that we take active steps to minimise and mitigate any detrimental effects of our property investment and development activities.

Within our investment portfolio, different sites present different opportunities, but we will look to understand these and drive betterment.

Our new developments provide an opportunity for land remediation, bringing previously derelict and often contaminated land back into use, protecting the surrounding wildlife populations and providing a chance to mitigate potential negative impacts and deliver biodiversity net gain from the outset.

While less tangible, the Strategic Development division has the ability to work with local Councils and communities to deliver benefits through the planning process.



Key Initiative	Description
Tree Planting	<p>We are currently working with one of our customer’s businesses to deliver tree planting initiatives to help achieve global targets. This exercise has allowed us to assess the opportunity to implement similar practices on our own estate.</p> <p>During the development process, woodland management plans are a key part of protecting ancient trees in Strategic Development promotion and planning applications.</p>
Ecology and Biodiversity Initiatives	<p>At our site at Hele Park, Devon we found rare Horseshoe bats. In order to maintain protection of these in designing a new community, our masterplan designed corridors through open space for flyways with tight controls on lighting in these areas. Across the site there is a general lighting strategy to reduce Lux levels, minimising light egress which might disrupt their routes.</p> <p>As Greater Horseshoe bats fly close to ground, at our site at Langford Bridge, we are planning to install a tunnel under the road, so they are able to fly under the roadway.</p> <p>Hele Park is also home to Cirl Bunting, here we are working with the RSBP to fund off-site habitat.</p> <p>The former Vesuvius industrial foundry site in Nottinghamshire is a brownfield site which has planning permission to deliver new businesses space including a hotel, supermarket and more than 200,000 sq ft of employment space. Three species of reptiles are present on the site, with a significant population of slow worms, protected under the Wildlife and Countryside Act. A UKBAP priority species and a Species of Principal Importance under NERC Act Section 41. In order to protect the slowworms, we created an appropriate habitat and relocated them. A small, lined pond with adjacent south facing soil bund was installed. Four turf covered rubble piles, and bare ground patches were placed close to scrub and tall herbaceous vegetation, close to rabbit grazed areas. This created a mosaic of habitat, basking areas in sunny spots close to cover. For the project to endure, a full management plan for the site and the nearby Trankers Wood is proposed, with the aim of increasing suitable habitat on-site for reptiles.</p>



## Ecology and Biodiversity Initiatives

When CEG secured planning permission to regenerate the declining Manywells Industrial Estate in the Yorkshire Dales village of Cullingworth to provide much needed housing, the team set about managing the translocation of bee orchids and common spotted orchids, both of which were uncommon species in the area. The translocation into a protected area was undertaken in 2014 and the orchids are flourishing on their new site. This has also helped to enhance the Common Blue butterflies. Working closely with Bradford Urban Wildlife Group, part of the site designated as Manywells Grassland BWA remains protected to help these species and the grassland habitat that continues to thrive.

During the work at Kirkstall Forge, a number of precautions have been taken to protect wildlife including otters. Otters and their habitats are protected under the Wildlife and Countryside Act 1981 (as amended by the CRoW Act 2000), and under the Conservation of Habitats and Species Regulations 2017. In addition, the otter is listed as a Species of Principal Importance under the provisions of the NERC Act 2006.

There are records for otter within the River Aire, the nearest being some 128m to the north-west of the site. While there is no evidence of otters on the site itself, a number of precautions are being taken during the construction process to provide protection. This includes appropriate fencing, adjusted construction hours, covering of any open excavations and storage of materials away from the river. Post-construction, the riverbank will be able to support vegetation and will not be illuminated directly. In the long-term, this will provide habitat for otters, enabling continued use of the river and associated banks.

---

## Kirkstall Forge – Water framework

We are working closely with the Environment Agency to protect the water course, manage the biodiversity and maintain the wildlife corridors. Together we have developed a River Aire Biodiversity Strategy with measures including a vegetated wall system allowing live planting and stone groynes to trap sediment, creating habitats designed to encourage more species to inhabit.

A series of pools and riffles, with complex edges and varied water speeds, creates more habitats and increases water oxygenation and water quality.

The plan also provides connection to the river system and riparian zones, allowing movement of species, including otters. These measures are expected to improve the water quality and biodiversity of the area and continue providing benefits for 120 years.

---



**Bat Hotel**

As a result of their declining populations all bat species in the UK are protected by law. The decline is in part due to habitat loss and development. At Carlyon Bay we have built an award-winning bat hotel, offering almost 100 cubic metres of space, it provides a regular resting place for the local populations of Horseshoe bats.

This was opened by the chair of the Town Council and the local school, helping the local community to be engaged in the conservation work.

In addition to the hotel, we have also built wildlife cords to encourage insect life. Insects are a vitally important part of the ecosystem, as food, pollinators and recyclers amongst other things. In recent years, their numbers have been in decline and populations have been under stress, in part due to habitat loss and pesticide trends. The cords give back some habitat and provide a safe area for these key overlooked species.

**Land Remediation**

We are a brownfield developer. We have remediated sites at Worksop, Newton Kyme, Boroughbridge, Denholme, Cullingworth, Buckingham, Ridham and Leeds, breathing new life into more than 250 acres of former industrial land.

Our Wider Aim	Key Actions	
Life on Land	8. Biodiversity initiatives considered on all projects.	Biodiversity net gain will be included as a key assessment criterion for every project with plans to maximise biodiversity benefits.

