

CEG Sustainability Strategy - 2024

We don't just invest. We are Invested



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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 around five million square foot and is home to almost 400 businesses. Valued at £800million, it spans high quality offices, studios, shops and 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 property 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.



Our 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 are 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 operations of buildings account for 30% of global final energy consumption and 26% of global energy-related emissions (8% being direct emissions in buildings and 18% indirect emissions from the production of electricity and heat used in buildings)." International Energy Agency (IEA) 2023, and we need sustained drops in both fossil fuel use and energy intensity to meet our global targets.

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 an internationally recognised, 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. Investment: Investment properties managed by CEG on behalf of owners
2. Development: Where assets are developed on behalf of investors
3. Strategic Development: Promotion of land for new homes, commercial floorspace, green space and associated facilities
4. CEG Offices: Company offices in Leeds, London, Birmingham and Cornwall.

This document details our sustainability policy, highlights of our 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. Our internal achievement plan details our process toward each of the aims and how we will measure and monitor outcomes.

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



Sustainability Policy

Our Areas of Focus

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 that are easily accessible by all our stakeholders including our tenants. To determine our areas of focus we went through a detailed mapping exercise to ensure we are focussed on our most material aspects and that we encompass all our divisions.



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.



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



Climate Action

We will improve **our resilience** and work to decarbonise our estate toward the UK legal net zero target. Improving whole life carbon emissions from our operations and the buildings we create.



Life on Land

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

Sustainability Policy

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, delivering social value and contributing to a just transition

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. Sustainability is not simply a matter of compliance; it must be a core principle for our business success.

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.

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

Environmental Sustainability

Working within the built environment we take a long-term view with any investments we manage, recognising 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, and we set clear and stringent targets covering procurement, resource management, energy efficiency, carbon minimisation and independent accreditations.

We continue to communicate transparently and actively collaborate with all stakeholders, including customers, regulators, and communities, to, reduce our collective environmental impact and optimise our contribution to all stakeholders, throughout development and operation of our buildings.

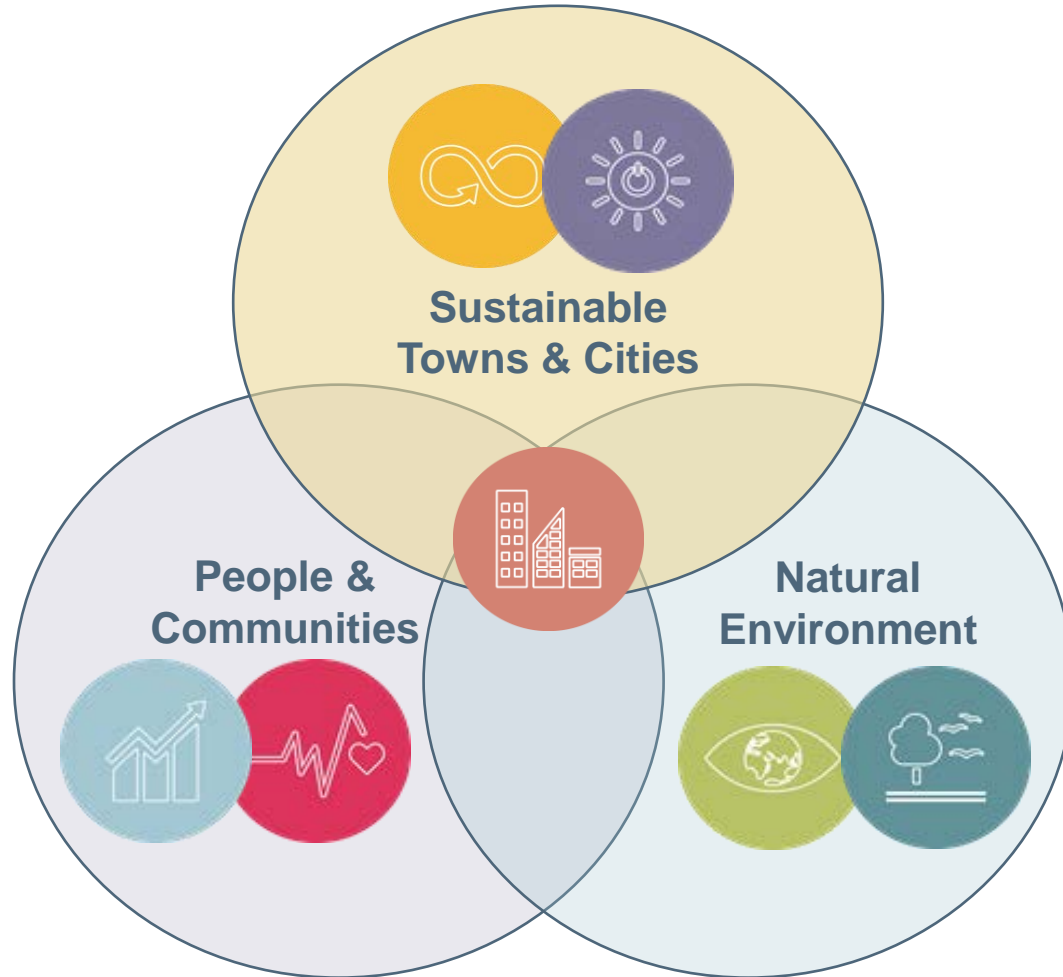
Social Responsibility

CEG believes that a healthy corporate culture is the cornerstone to sustainable operations and profitability, which is why we work 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 realise their potential, as outlined in our Employees' Code of Conduct and Human Resources (HR) strategy.

We launched Forging Futures, our social value enterprise, 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 in our communities and reaches far beyond our developments. This is briefly covered in the Sustainability Strategy, but further information is contained within our Community Investment Strategy.

Sustainability Policy



Our Commitment to Sustainability








We are committed to:

- Fulfilment of all compliance obligations, operating in accordance with social and environmental laws and regulations without any compromise.
- Protecting the environment including the prevention of pollution,
- Minimising our negative environmental aspects and impacts including but not exclusive to: the reduction of resource use, the reduction of emissions throughout the lifecycle of buildings and the protection and enhancement of biodiversity.
- Monitoring our environmental and social impacts to ensure full transparency to track progression.
- Continuous improvement in our environmental management system.
- 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 manage our impacts and achieve our sustainability aims. Our sustainability focus is centred around 7 of the UN Sustainable Development Goals that are most appropriate to our business, split in to 3 core themes shown. The Sustainability Strategy looks at these 7 areas of focus and our aims for each of these, it details, how the aims are appropriate to each area of the business and details our strategies to achieve them.

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.

Sustainability Strategy

	Summary of Aims	Why	Aim	Metrics
	<p>Sustainable Cities and Communities We will deliver sustainable innovative buildings, future-ready infrastructure, and work with our stakeholders to reduce our shared environmental impact.</p>	<p>Almost half of our emissions are through our tenants' activities, it is therefore important we target them.</p>	<p>1. Work with the 11,000 people who use our buildings daily to improve the performance of our estate and maximise our positive impact.</p>	<ul style="list-style-type: none"> • Green lease - % portfolio covered • Tenant energy intensity / net lettable area kWh/sqft • Emissions intensity scope 3 kgCO2e/let sqft
	<p>Responsible Consumption and Production 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 buildings.</p>	<p>2. Improve performance against the waste hierarchy.</p>	<ul style="list-style-type: none"> • Tonnes to landfill • % recycling • Water consumption m2 • Embodied Carbon emissions
	<p>Affordable and Clean Energy 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"> • Landlord energy intensity / net lettable area kWh/sqft
	<p>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.</p>	<p>People are the centre of our business both customers and colleagues. Ensuring their wellbeing is key.</p>	<p>4. Deliver safe, inclusive, healthy environments to engage colleagues, customers, suppliers and communities.</p>	<ul style="list-style-type: none"> • Employee engagement score • Health and safety statistics
	<p>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.</p>	<p>We value our communities and our work within our communities is one of our business differentiators.</p>	<p>5. Deliver, drive and increase Social Value £</p>	<ul style="list-style-type: none"> • Total Social Value £
	<p>Climate Action We will improve our resilience and work to decarbonise our estate toward the UK legal net zero target. Improving 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. Mitigation: Drive decarbonisation of the portfolio including scopes 1, 2 and 3 operational monitoring against the CRREM 1.5°C pathway, contributing towards UK net zero target in 2050. 7. Increase our business' resilience to climate change</p>	<ul style="list-style-type: none"> • Total emissions scope 1, 2 and 3 • Operational carbon intensity / net let area and net lettable kgCO2e/sqft • % portfolio covered by climate risk assessments
	<p>Life on Land 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, with gains delivered on all development projects.</p>	<ul style="list-style-type: none"> • Biodiversity net gain % per project



Sustainable Cities and Communities

Making cities and communities safe, resilient and sustainable is an ongoing challenge for all. To highlight the scale of the challenge, around 80% of buildings that will be standing in 2050 have already been built.

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 exceeding existing standards, whilst ensuring responsible, efficient consumption of all resources.

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

Our approach to Sustainable Towns and Cities is to work with our partners, to develop sustainable buildings and innovative supportive infrastructure that results in healthy, energy efficient environments, whilst simultaneously delivering social value within the towns, cities and communities in which we develop.

We also look at how we are planning to improve in both the direct and indirect aspects of our business through collaboration and partnership with our occupiers and supply chain.

Our Aim:

Work with the 11,000 people who use our buildings daily to improve the performance of our estate and maximise our positive impact.





What We have Done

Soft Landings

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. An example of this engagement was an adjustment to waste facilities at EQ following a review by FM to ensure the space was more accessible.

Post occupancy evaluation enables us to adjust and improve our buildings, by incorporating new technologies and equipment to maximize efficiency and performance. This process provides insights into how occupants use the building, allowing us to fine-tune systems for optimal energy use, such as by updating heating, cooling, and lighting systems for better functionality and energy conservation. 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. This approach has helped us to inform the process we have taken at Globe Point and EQ.

Occupier Engagement and Green Leases

Most of our environmental impacts stem from building use, where occupants have the greatest influence. We foster a cooperative approach, partnering with tenants to elevate building performance. Our standard leases now incorporate sustainability clauses, and at the end of 2023 29% of our leases by floor area contain sustainability clauses.

We have also rolled out Occupier Sustainability Forums, where tenants are invited to discuss different sustainability objectives, building performance, and how as a building community we can drive improvements. 28% of buildings by area now have access to these forums.

Sustainable Travel

Most of our buildings are in city centres with good access to public transport, which is a key consideration for us when we are looking at existing buildings or development sites. We also work hard to ensure active travel options are available to tenants, including secure bicycle storage, showers, drying rooms and lockers. At Kirkstall Forge we facilitated the creation of a railway station for the benefit of the building and the local community.

Heritage

Heritage buildings are an important part of our building stock embodying the historical fabric of the communities they serve. In Leeds we are working to reinstate the phenomenal Temple Works, a Grade I former flax mill with industrial heritage significance, and potential future home to the British Library North.

Heritage buildings pose unique challenges due to lower energy efficiency and the need for careful preservation of their historical fabric. In Manchester, we successfully upgraded a listed building from an Energy Performance Certificate (EPC) rating of D to C.

External Certification

All our new developments adhere to our internal sustainability guidelines, and every commercial office we build is BREEAM certified. BREEAM provides a comprehensive framework that assesses sustainability across multiple key factors. Globe Point, Drapers Yard, Aztec and EQ are certified or in the process of being certified. EQ is our most recently completed development, and is targeting BREEAM outstanding, Net Zero in Operation and NABERS 5*.

We do not stop at certification in construction. Kirkstall Forge and Globe Point are both buildings we completed and have retained within our managed portfolio and both buildings have been through the BREEAM in Use assessment to ensure we are not only developing buildings to a high standard, but also operating them in that manner. Kirkstall Forge was the first UK office building to achieve BREEAM Outstanding In Use for section 1 under the new Version 6, which is 10-15% harder than the previous version. Globe Point is awaiting certification but is also targeting Outstanding for both the Building and Management sections of BREEAM in use, ratifying not only our approach to development but also our management approach.

Challenges and Next Steps

Aim: Work with the 11,000 people who use our buildings daily to improve the performance of our estate and maximise our positive impact.



Key Actions:

- Review green lease, against Better Building Partnership recommendations.
- Further rollout and development of occupier sustainability forums.

Occupier Engagement and Green Leases

Two of our main challenges when addressing scope 3 emissions through occupier energy use are control of the usage, and data availability. We are working with occupiers to both improve energy performance and to share data.

Green leases are now standard at CEG and the proportion of occupiers with sustainability clauses is increasing. The Better Building Partnership have brought out a new green lease toolkit and our current green lease wording will be reviewed alongside the recommendations with changes made as appropriate.

We are looking to increase the number of tenant sustainability forums so all multi-let offices have access to them and improve their effectiveness by reviewing the format to ensure time for more open conversations around different challenges faced by building users and promote innovation and collaboration between occupiers.

Energy Performance Ratings

We are driving improvement in our energy performance certificate (EPC) ratings through refurbishments and equipment upgrades. We target a minimum EPC B rating during refurbishments, and an EPC A within new developments. We are continuing our programme of rolling refurbishments and reviewing opportunities. We will continue to track EPC ratings and improvement.

Development and Soft Landings

We continuously refine our internal development sustainability requirements to set clear expectations from the outset, ensuring all stakeholders understand the objectives and minimum standards for each project. This process includes leveraging external certifications and frameworks for independent ratings.

We will continue to implement our soft landings approach, engaging all stakeholders throughout the design process to ensure our buildings meet user needs effectively.

Sustainable Travel

We continue to support sustainable travel through the improvement and promotion of facilities.

Responsible Consumption and Production

The transition to a circular economy is important in a context of global waste. Waste arisings currently stand at around 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.

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.

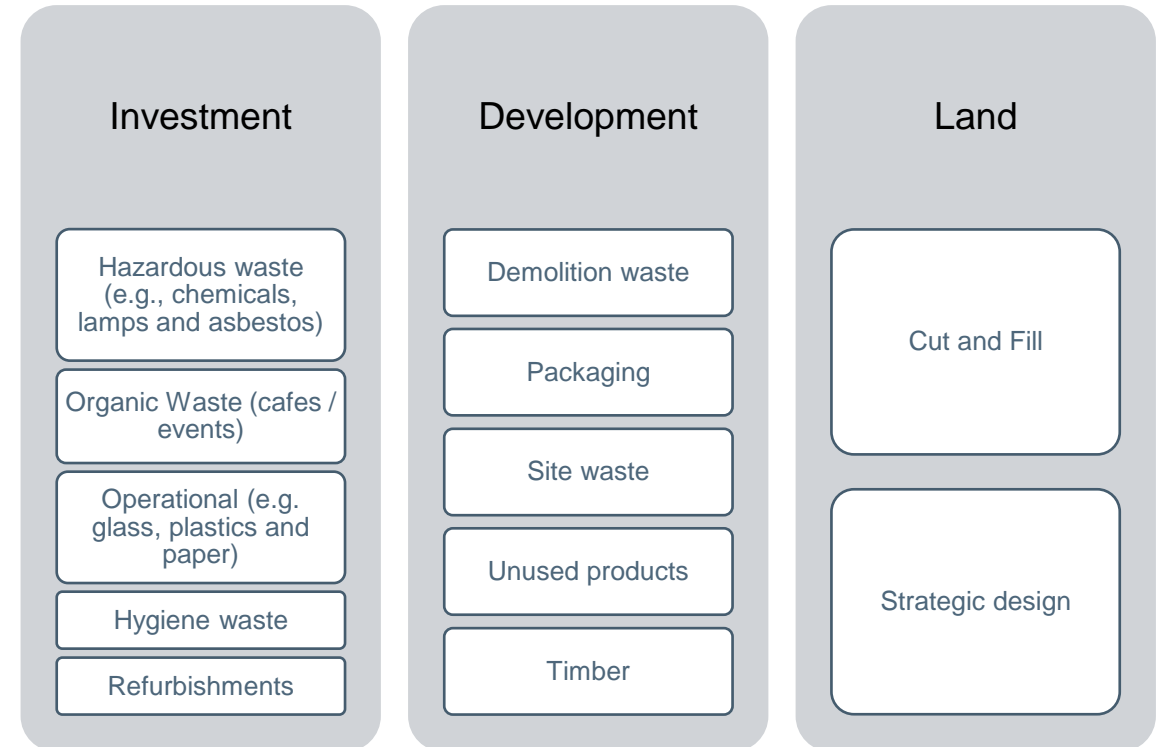
Resource consumption in our building development and operations involves us, our occupants, the communities we serve, and our supply chain. To drive improvements, we focus on the buildings’ entire lifecycle.

Our responsible consumption aim applies to all aspects of our business, in different ways. In development, we prioritise not just reducing waste but also selecting sustainable building materials and considering offsite fabrication when beneficial. Additionally, through proactive supply chain engagement, we ensure responsible sourcing and efficient resource use.

Within the investment portfolio, attention is on waste performance, recycling and water consumption and occupier engagement.

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.

***Our Aim:
Minimise resource use and improve performance against
the waste hierarchy.***



What We have Done

Supply Chain

Our supply chain is 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 housebuilders 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.

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 to improve local investment and reduce the transport impacts.

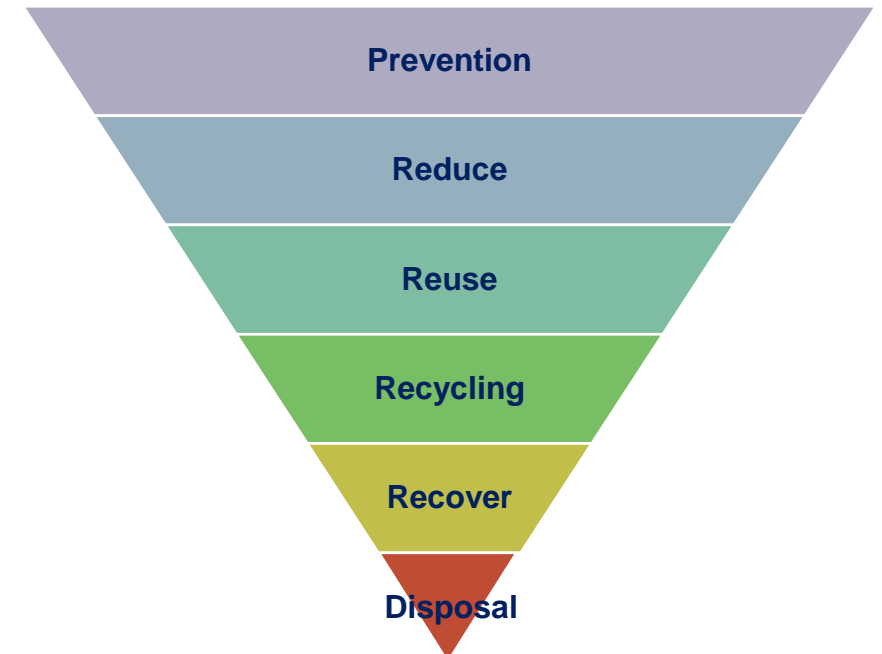
Waste

Improving operational waste recycling rates has been a challenge for us, particularly after the changes in operation during and post covid. We have started quarterly reviews of the waste streams in each building to drive up recycling rates. We are currently at a 68% recycling rate aiming towards 70% for 2024.

Minimising waste is a key consideration in our refurbishment projects, as demonstrated by The Stones in Edinburgh, where we've completed an extensive refurbishment on one of the trio of buildings. As this was our first project in Scotland, there was a speculative CAT B fit out undertaken to a suite. 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 these items were taken and reused at our other local buildings, reducing both waste and embodied carbon.

Building Refurbishment

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.





Challenges and Next Steps

Operational Waste

We conduct quarterly reviews of the waste arisings and recycling rates across our properties. Where performance is below our target, we adjust the waste handling procedures to better meet our environmental objectives, and the need of building users.

One of the challenges we have had with our operational waste is around data and reporting. We collaborate closely with our waste providers to improve the accuracy of our waste stream reporting, which aids in identifying trends in waste production, allowing us to focus on strategic interventions for improvement.

Historically we have had more challenges collating information on hygiene waste, which will also be an area of focus moving forward.

Reducing Impact in Design

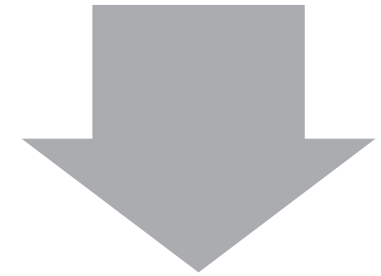
We have had several successes with offsite fabrication of elements within our buildings including the facade of Globe Point, which helps reduce waste. We will continue to work with our design teams and principal contractors to explore options to drive down the use of materials and wastage.

Within our sustainable development criteria, we have requirements targeting waste reduction which will continue to evolve.

Supply Chain Evaluation

In 2024 we are looking to do a detailed review of our scope 3 emissions within our supply chain so that we can improve our engagement and understand the sustainability ambitions of those we partner with. While we have previously engaged principal contractors, those within our design teams and lenders, we would like to widen our reach to ensure we maximise our influence within our supply chain and target further engagement measures appropriately.

Aim: Improve performance against the waste hierarchy.



Key Actions:

- Work with waste providers to improve data on recycling rates.
- Complete a full evaluation of supply chain emissions and work with providers to understand sustainability ambitions.



Affordable and Clean Energy

“The operations of buildings account for 30% of global final energy consumption and 26% of global energy-related emissions (8% being direct emissions in buildings and 18% indirect emissions from the production of electricity and heat used in buildings).” International Energy Agency (IEA) 2023, and we need sustained drops in both fossil fuel use and energy use to meet our global targets. The real estate sector bears a responsibility in climate change mitigation efforts, playing a critical role in reducing greenhouse gas emissions and advancing toward a sustainable, low-carbon economy.

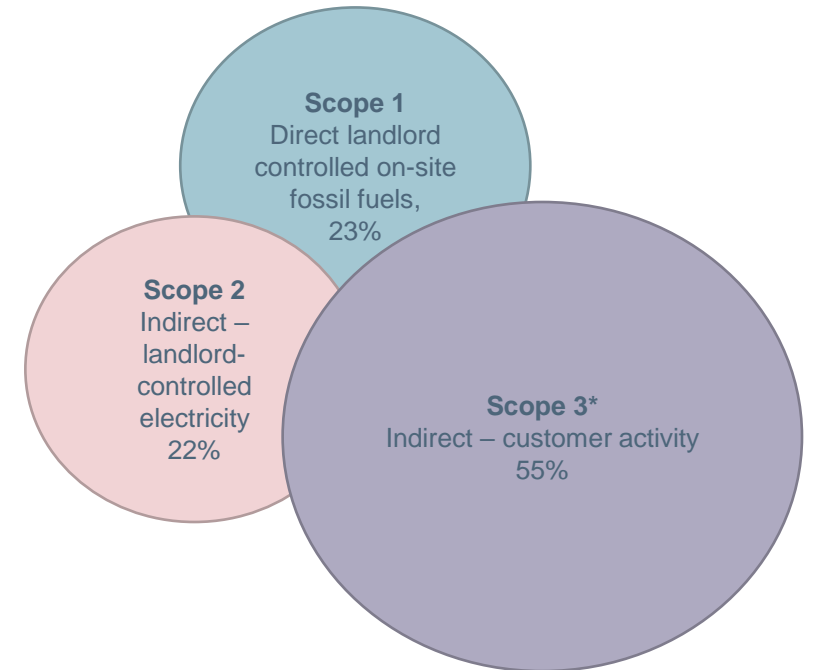
In the UK it is estimated that around 5% of commercial property fails to meet current legal energy standards requirements, a figure that will grow to 70% if the minimum standards increase to the proposed EPC B by 2030. The office sector is most exposed where 79% of floor space is currently below the EPC B level. Knight Frank have shown if these levels are to be met the retrofit rate would need to quadruple, from around 3.9% to 16.6% per annum to meet the 2030 target.

As is common in our sector, energy consumption constitutes the largest component of our operational carbon footprint when not considering our supply chain, highlighting 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 60 years and beyond, far exceeding the UK governments 2050 deadline for net zero.

Our energy ambitions present several challenges, particularly in terms of scope and measurement. Within the investment portfolio, most energy is consumed by our customers and outside our direct control. We do not have access to information on sites that are wholly operated by the customers themselves and have limited control over the amount of energy consumed within multi-occupant buildings. As our portfolio expands or diversifies, we expect corresponding fluctuations in energy usage. We need to track these changes with transparency and consider the energy implications of refurbishment initiatives, which will lead to higher occupancy rates.

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

***Our Aim:
Improve landlord energy efficiency and
use innovation to drive sustainable
performance.***



*shows proportion of energy and energy consumed 2023
Direct energy without data estimated based on benchmarks



What We have Done

New Developments

When we are working with our design teams to design and develop buildings, we have the best opportunity to improve the energy performance of the building across its lifecycle. In our new developments and major refurbishments, we go above and beyond building regulations to ensure we reduce energy use.

All our current new commercial office developments that have received technical planning approval have implemented NABERS design for performance. As part of this process, we model how we expect the building will be used to understand the energy impact and make changes in the design process to drive down energy consumption. This also requires a high level of submetering to ensure we capture accurate data to understand and optimise performance.

Our first building for which we undertook the process is targeting 4.5* and we have 3 further buildings targeting 5* at a minimum. During operation we continue to monitor energy consumption against the model and aim to reduce this further.

Refurbishment

Because of our buildings' longevity, most buildings that will exist in 2050 already exist today. This makes refurbishment a crucial element in enhancing energy efficiency within our existing building stock. Such upgrades lead to reduced energy demands, thereby decreasing operational carbon footprint and fossil fuel dependence. Moreover, by opting for refurbishment over demolition, we significantly reduce the embodied carbon associated with constructing new buildings. Over the past few years we have renovated a number of buildings, including Drapers Yard and Aztec West, these were two derelict buildings that were both brought back into use and upgraded to exceed building regulations achieving EPC B and A respectively.

Through this refurbishment process and with improved operation, from 2023 we achieved a 40% reduction in landlord managed fossil fuel use against 2019 baseline. While a portion of reduction was from sales, much of this was driven by refurbishment and management. Adjusted for sales and purchases, we would see a 36% reduction. Overall landlord purchased energy has decreased by 31%, and 23% when adjusted for sales and purchases.



Monitoring and Targeting

Data and the understanding of 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 540 physical submeters, in addition to Building Management Systems (BMS), help us to monitor occupier, vacant area, landlord and the main building systems separately.

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. The installation of a 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.

We are committed to improving this insight by leveraging technology and various tools.

Renewable Energy

Our electricity consumption is the largest proportion of our operational carbon footprint, and this is only expected to increase as we reduce our reliance on fossil fuels. We have therefore moved to a renewable electricity tariff to minimise our environmental impact. Across most of our estate, this is currently a REGOs Tariff, but we understand the concerns around additionality and are looking at alternatives. Where buildings are targeting net zero in operation, they have a "deeper green" supply which provides additionality to address these concerns.



Challenges and Next Steps

Aim: Improve landlord energy efficiency and use innovation to drive sustainable performance.



Key Actions:

- Install and trial new IOT technology at Kirkstall Forge to understand saving opportunity.
- Complete first NABERS in Operation certification at Globe point and take lessons learnt into future projects.
- Continue to drive energy efficiency and decarbonisation in refurbishments trailing the use of energy modelling and digital twins.

Installation of new IOT software

We are trialling a new IOT software at Kirkstall Forge and a new smart building system at EQ. We hope these will help us understand building usage and therefore drive improvements in the energy performance.

We will be evaluating the energy reductions against the historic performance and energy models to assess how successful it is and understand the commercial benefits of rolling these out.

Energy Models

We are undertaking some detailed energy modelling at a few of our more challenging sites to create a digital twin. Which is a digital replica of the building we can use to understand consumption and model what impact different changes would have. It is hoped these will highlight areas of inefficiency providing cost effective opportunities to improve. They will also inform the energy certification and operational energy benefits of our proposed refurbishment works. This is to ensure our works deliver real world benefits to our energy ratings and occupiers to reduce reliance on fossil fuels without adding increased pressure on the electricity grid.

NABERS in Operation

Following occupation, we are looking to complete our first NABERS in use operational energy certification at Globe point.

We have been tracking performance against the energy model and identifying issues in the first year of operation. Now we are sufficiently occupied, we will commence our measurement for certification.

Which will assess our base building energy consumption against benchmarks and provide a base rating. Our certified theoretical performance was 4.5* which we are hoping to achieve or exceed.

We will take lessons learnt from our performance and ensure these are considered on other projects, so we continually improve design and performance.

Occupier consumption

Understanding our full impacts continues to be a challenge, as several occupiers are on FRI leases or have their own dedicated supplies within the buildings. Where there is a dedicated supply to a space, we transfer control to the occupier to allow them to purchase energy to their own specifications. We reach out to request this data annually so that we can evaluate our full impacts and the efficiency of the buildings. This year we received 35% by floor area. We are reevaluating how we request this data, to further engage occupiers, encourage more submissions and better understand our buildings.

Good Health and Wellbeing

People are at the heart of everything we do. Our network includes **colleagues, customers, suppliers and communities**. They are our greatest asset, and we believe in nurturing and empowering those with whom we work.

Health and Wellbeing encompasses a broad spectrum that includes physical safety, diversity, and equality. This overview merely touches on our aspirations for our colleagues, supply chain, and communities, with a comprehensive strategy detailed in our Health and Safety and HR policies.

We aim to deliver thriving communities by shaping spaces that put people first, advancing health and wellness across our operations, and in the buildings we manage.

Health and safety awareness and performance in the UK have advanced; however, with 135 workplace fatalities and 561,000 non-fatal injuries reported by the HSE (Health and Safety Executive) in 2022/23, it's clear that continued efforts are required to improve workplace safety. Our work to deliver safe environments includes our own offices and our managed estate, with each of our divisions having access to strategies, tools and resources to support them. Similarly, HSE reported 17.2 M working days were lost due to stress, depression or anxiety highlighting the impact these conditions are having on people, and the importance of providing support.

We pride ourselves on leading by example and work hard to 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 and empowered as outlined in our Employees' Code of Conduct.

We recognise that there is a lot more we can do to ensure that we create and maintain healthy environments and foster a safe, fair and diverse culture so consider this a continual improvement journey.



Source: Learning dimensions network

Our Aim:
Deliver safe, inclusive, healthy environments to engage colleagues, customers, suppliers and communities.

What We have Done

Our People:

We create an environment which enables our people to thrive by providing interesting work that is skilled, autonomous and supported. 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 realise their potential. Our approach is outlined in our Employees' Code of Conduct. We are aware individual circumstances differ, and, to encourage diversity, we offer flexible working. Further details are available in the HR strategy

It has been a difficult few years for people. An NHS survey in 2009 suggests approximately 1 in 4 people in the UK will experience a mental health problem each year (1 in 6 working adults NHS UK 2022/23), and approximately 1 in 8 adults with a mental health problem are currently receiving treatment. In the past few years, we have rolled out access to private health insurance to all employees, including quick, easy and confidential access to mental health support for all. We have also trained several of our colleagues to be Mental Health First Aiders to encourage talking and identify if a colleague needs support.

Building Communities

Our building management teams spend time getting to know each of our customers to bring customers together and create a more collaborative community. Activities often focus on health and well-being with initiatives such as yoga, meditation, dog therapy, massage, nutritional workshops and nature walks. Several of our sites have gyms & fitness studios and others offer fitness sessions including classes suitable for all, from Box-Fit to 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.

Health and Safety

We aim to achieve health and safety excellence; colleagues are educated about our best practice strategy, and we are committed to promoting a positive safety culture within our own and our contractors' businesses.

A positive safety culture comes from strong and active leadership; we have a health and safety board and different working groups to ensure safety remains an active and progressing area. They meet quarterly not only to reflect on performance but also to discuss risks, challenges and improvements. Each division is represented so that issues are reflected on from all angles and the changes are both beneficial and practical for all.

Training and awareness are key, and we have rolled out access to an online training platform which has 60 different physical safety related courses and many others on soft skills.

Teams are supported via support visits and formal audits carried out by both our health and safety auditors and the in-house team. Audit actions are tracked through a portal with actions closed out by managers. Results are reviewed not only on an individual site basis but also on a portfolio basis to identify trends and more systemic issues.

We have also rolled out SafeHub for all colleagues. This is a remote monitor that provides back up in lone working scenarios and offers a 24/7 helpline and quick access to help, in or out of hours. The aim is to assist colleagues with personal safety in work, on their commute, and within their own personal time.

Wellbeing in Design:

We focus on wellbeing from project inception, adopting a holistic approach that extends beyond integrating accessibility features, encompassing a broader spectrum of health and comfort considerations for end-users.

This focus on occupier wellbeing is a key priority for us in all our buildings. At our EQ development in Bristol, we recognised the importance of building design and ensured generous access to daylight, and a network of break-out spaces that are safe and inclusive.

Organic response lighting promotes wellbeing through adaptation to people's natural rhythms. Carbon dioxide sensors linked to the ventilation increase the ventilation rates in response to higher occupancy but reduce rates during lower occupancy optimising the internal environment and maximising the energy use to ensure we balance the needs of the building users.

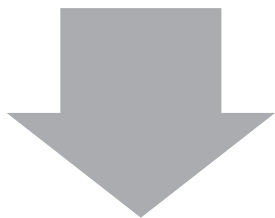
To promote physical activity and active travel we not only have a gym space that will hold classes, but also have 263 cycle spaces, cycle maintenance station and Brompton storage lockers, with associated facilities. We are cognisant not everyone has a bike to take advantage of these so we will have cycle hire available.

These examples are typical of our wider approach within all our commercial office developments which are all designed to be Well Ready. Well Ready means the base build meets the required specification to enable occupiers to deliver their own WELL Gold certified space, should they wish to include the additional mandated features required by the standard in their fitouts and proceed with verification.



Challenges and Next Steps

Aim: Deliver safe, inclusive, healthy environments to engage colleagues, customers, suppliers and communities.



Key Actions:

- Move to Meridian H&S software to help all divisions manage compliance, permitting and the reporting of incidents.
- Bring general risk assessments in house, so they are live documents updated on an ongoing basis as buildings change.
- Roll out risk perception workshops to improve people's identification and reporting of risks, to enable colleagues to highlight areas of improvement.



'We are the same'

All CEG divisions to move to one solution for H&S tracking & compliance software by Q3 2024.



'Let's get digital'

Increase utilisation of app-based solution for site & building visits and inspections by Q2 2024.



'Leaving nothing but footprints & feedback'

Providing visit focus areas for all staff when visiting any location to enhance collaboration; using mobile applications (Meridian) by Q2 2024.



'Back to the basics'

Develop the layout, use & operational application of the basics (e.g. risk assessments). To empower our staff to engage further in H&S management across the portfolio within 2024



'Makes sense to me'

Centralise, structure and simplify all H&S documentation utilising SharePoint access by H1 2024.



'In it together'

Increase partnerships with suitable consultancies to enhance CEG divisional options and increase the commercial competitive environment across 2024.



'Building Safety Act (BSA) Leaders'

Update and train teams on BSA requirements and incorporate into the commercial approach for all future developments. Attain a leader position within the industry on BSA application by Q3 2024.



'Don't keep missing'

Increase near miss and positive recognition reporting by 80% within 2024. By providing mobile digital tools access by Q2 2024.



'Apply what you know'

Allow our staff to act and apply relevant H&S competencies to increase internal capability and competency- build role competency profile levels across 2024.

Decent Work and Economic Growth

Tackling poverty and inequalities is a significant challenge within the UK, and across the globe. As part of the just transition, it is vital we empower people and equip them with skills to face the transition to a low carbon economy and the changing economic and employment landscapes that will be needed.

Our industry and the communities we operate within are not immune to these challenges, with both inequalities and significant skills shortages.

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 communities and strive to achieve positive outcomes for all.

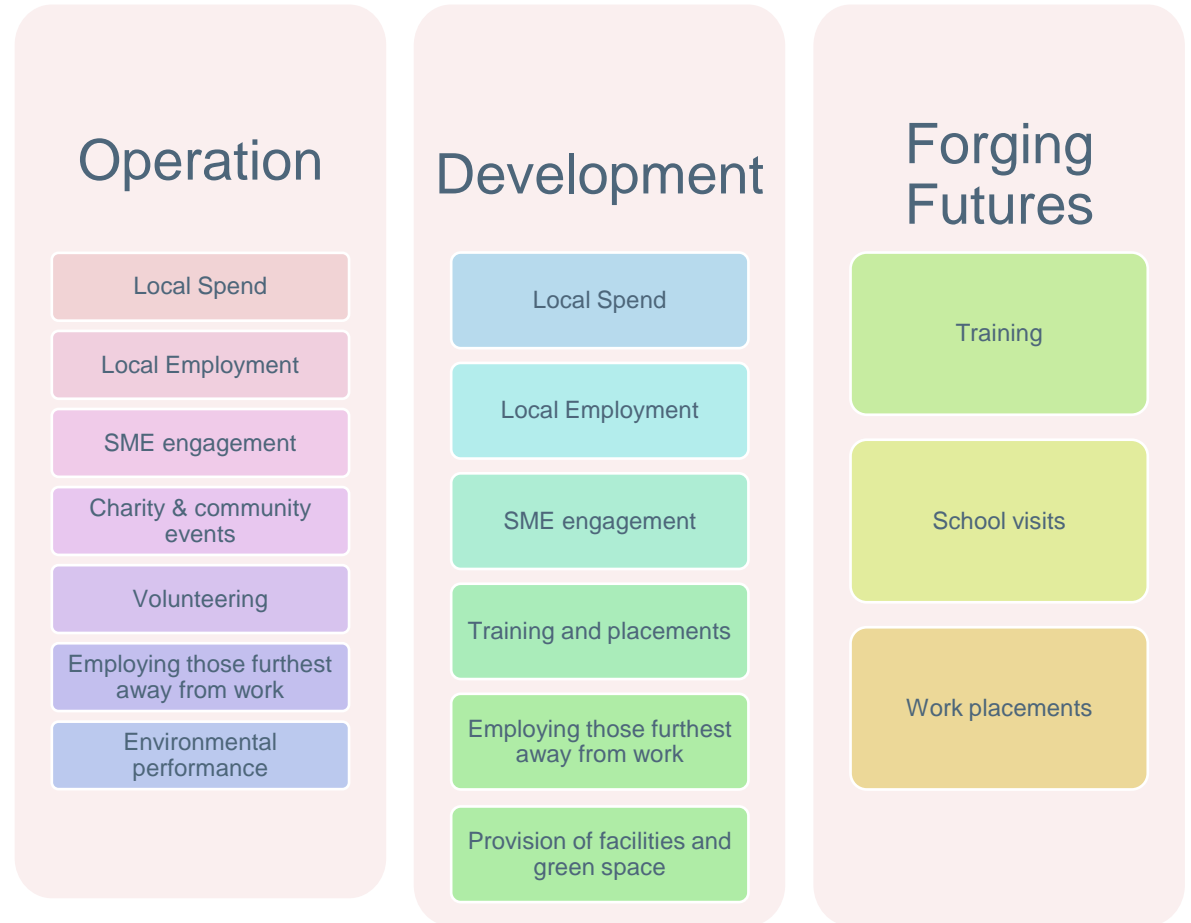
Through our developments and our Forging Futures Campus, we put a significant emphasis on generating employment, developing skills through training opportunities and improving access to employment to support inclusive economic growth and ultimately maximising social value.

Within our managed assets we focus on local supply chains, local employment as well as community engagement events.

Our approach to social value and community impact is summarised in this strategy, with full details available in our Community Investment Strategy.

***Our Aim:
Deliver, drive and increase Social Value***

How we can have a positive impact within different divisions





What We have Done

Forging Futures

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 while supporting those further away from employment.

The Skill Mill facilitated the commencement of the programme in Leeds by offering site experience, support and funding to this Community Interest Company which allows small cohorts of young ex-offenders to gain on and off-site experience as a prelude to apprenticeships and work and to reduce likelihood of re-offending. Since 2016, there have been 66 graduates. We have demonstrated a 90% reduction of reoffending and the delivery of over £250,000 of beneficial work on site and in the local community.

Overall, these programmes have delivered an estimated saving of £8.7 million of social value and saving to the public purse from reduced repeat offending.

Training initiatives for 16 – 24-year-olds, delivered by training provider iConsult Yorkshire, have delivered 177 graduates.

In total, CEG has supported 45 apprentices across programmes in Leeds. 88% of apprentices gained double distinctions and distinction stars and 100% have secured progression to higher apprenticeships and degrees.

A new Site Operative course commenced with funding support from WYCA, designed to upskill the established construction workforce and to support people without employment into the industry. We have now completed 4 cohorts of this course supporting 47 people to progress in their construction career from ages 20-57.

Across the Forging Futures Campus over 70% are achieving a positive outcome, including 91 new jobs and 86 going on to further training, education and apprenticeships.

Neighbourhood engagement

At CEG we pride ourselves on our approach to community engagement and collaboration, which is particularly important in the planning process to reflect the needs of the community and other stakeholders. 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.

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.



Challenges and Next Steps

Expanding Forging Futures

Our Forging futures campus will continue to promote positive outcomes for all. A second Forging Futures Campus has been established at the Counting House in CEG's Grade I Listed Flax Mill, Temple Works and became operational at the beginning of March 2024. It will have a focus on green, sustainable construction skills, heritage and innovation. We are currently developing a coding project with Ahead Partnership, Slung Low and AQL aimed at primary school aged children in Holbeck.

Expanding Delivery

CEG will also look at delivering a heritage skills programme as part of the restoration of Temple Works in collaboration with the British Library and Historic England (HE). The programme will include several heritage led training and apprenticeship opportunities. In December 2022, CEG hosted HE's Heritage Skills Apprentices for an Away Day at Globe Point and have hosted sessions for the public. We will continue to work with Historic England to explore further opportunities in heritage construction skills for young people in South Leeds and will be hosting an event in the Counting House Campus on behalf of HE during UKREiIF in May 2024.

In addition to this, through the leadership of CEG, a wider consortium is being established to leverage additional funding through CITB Industry Impact Fund and WYCA. Through this consortium and with our key partner, Leeds College of Building, we will deliver a comprehensive green skills programme for all ages. This will include training on new methods of construction, retrofit and renewables. Through this programme Forging Futures will also develop a specialist scheme to support more women into the construction industry. This newly formed partnership will dramatically drive forward delivery, reach marginalised groups and help meet the skills shortage in the industry.

Reporting Social Value

Historically we have calculated social value using TOM's methodology. Over the past few years our thinking regarding social impact has developed and we are exploring alternative ways to calculate social value that are both aligned with industry best practice and reflect our business.

We are currently trialling Social Value Engine on several of our projects to understand if it is suitable to roll out. Social Value Engine uses a social return on investment (SROI) methodology and is the only platform certified by Social Value International. Using this methodology, Forging Futures Campus (with one delivery site) delivered **£965,230.63** in social value with a SROI of **£4.70 per £1** in 2023. This does not include any other social impact intervention or community engagement delivered by CEG. We are confident that with a second campus and our newly established partnerships delivery of social value is set to increase in 2024.



Aim: Deliver, drive and increase Social Value



Key Actions:

- Establish a second Forging Futures campus in the heart of Leeds close to deprived communities
- Deliver a Heritage Skills programme as part of the restoration of Temple Works.
- Deliver a Green Skills programme in partnership with Leeds College of Building and wider consortium.
- Develop a specialist programme to support women into the industry.
- Explore options for Social value reporting that reflect our outcomes



Climate Action

Mitigation:

We are collectively facing a climate emergency. To ensure global warming does not exceed 1.5°C we must collectively decarbonise rapidly. The built environment contributes circa 25% of UK Greenhouse Gas emissions (House of Commons Environmental Audit Committee, Building to net zero: costing carbon in Construction, First Report of Session 2022–23, 2022).

At CEG, we strive to promote a cleaner, more resilient society, thereby creating a net positive impact on the natural environment through all areas of our business. Our commitment extends to going beyond compliance by reducing our emissions and enhancing our resilience planning.

Our operational carbon footprint represents just one aspect of our environmental impact. We are conscious of the substantial embodied carbon resulting from construction processes and the materials we utilise.

Historically, embodied carbon has received less attention than operational carbon. Yet, as we aim for net zero, we must fully understand our impact and become carbon literate in this area. This awareness is the first step towards reduction and continuous improvement.

Our Aims:

Mitigation: Drive decarbonisation of the portfolio including scopes 1, 2 and 3 operational monitoring against the CRREM 1.5°C pathway, contributing towards UK net zero target in 2050.

Adaptation

Even if we manage to decarbonise in line with international ambitions, a considerable level of impact is already baked into the system and climate change is one of the biggest threats to business and the value of long-term assets. Our portfolio is based within the UK and so protected from some of the extreme weather events seen globally; however, we must be cognisant of several impacts to which we will need to adapt. Some of these are transitional and relate to changing policies, behaviours and markets. Others are physical and relate to changing weather patterns.

CEG, our investors, and our customers all benefit from resilience against transitional and physical risks. Part of this strategy includes maintaining transparency to ensure all stakeholders are informed about our key risks and processes.

Over the last five years we have been developing our climate risk process, assessments and strategies, to improve our resilience. We have also been developing our disclosures with reference to guidance from TCFD (Task Force on Climate-Related Financial Disclosures).

Our Aims:

Adaptation: Increase our business' resilience to climate change



What We have Done

Understanding Risks and opportunities

Working with climate change specialists, we have conducted a comprehensive assessment of both physical and transitional climate-related risks.

Policy, legal, technological, market and reputational risks have assessed as transitional risks. The key transitional risks identified are legislative and reputational.

The physical risk assessments look at 81 risks including those associated with changes in temperatures and precipitation (including the occurrence of extreme events), wind and storms, sea level rise, wildfires and soil erosion. We have then undertaken a detailed scenario analysis for each site.

The scenarios used, include a low emission (RCP2.6) scenario to reflect warming less than 2 degrees and a high emission scenario (RCP8.5) to reflect warming exceeding 4 degrees as a worst-case scenario. We have assessed these scenarios for 3 different timeframes: short, medium and long term. The key physical risks identified for our sites related to increased rainfall events, such as pluvial and fluvial flooding.

As a commitment to our desire to be transparent we have made voluntary climate change disclosures within our report and accounts.

Operation, Management and Refurbishment

Energy is our largest contributor towards our operational carbon footprint, excluding the supply chain. The Affordable and Clean Energy section highlights our main actions and areas of improvement in this area, including ongoing management and refurbishment.

We are conscientiously reducing our reliance on fossil fuels to prepare for a lower carbon grid, and have achieved a reduction of 40% in gas use against our 2019 baseline and 36% when adjusted for purchases and sales.

Embodied Carbon

Operational Carbon has historically received a lot more attention than embodied carbon, however, as buildings have become more efficient, the embodied carbon has become a much larger proportion of the building's overall lifecycle carbon.

By prioritising the refurbishment of buildings over rebuilding, we avoid the embodied carbon emissions that demolition and new construction material production and transport would otherwise generate. In Bristol, we are delivering a refurbishment project at our Aztec office park. By retaining approximately 60% of the overall primary structure, we have also saved approximately 813 tonnes of embodied carbon.

Similarly, in our new developments, we now measure embodied carbon and collaborate with architects and suppliers to minimise it. At The Grid, we have done extensive engagement on the embodied carbon, stripping out 800 tonnes of steel and reducing the embodied carbon by 17% against the original design.



Resilience in design

It is more straightforward to incorporate resilience from the beginning than to retrofit it later. In areas of higher risk, our construction includes defences to address existing threats as well as potential future challenges over the building's lifespan.

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.

At Globe Point we have installed flood gates, raised vulnerable equipment and have a flood plan in place.

EQ employs rainwater harvesting, reducing local runoff and enhancing water storage capacity for resilience against extreme weather events. Additionally, flood barriers protect the building, and vital equipment is positioned above expected flood levels for added safety.

We have thoroughly assessed the flood risk at Carlyon Bay, our coastal site earmarked for development. To gain a deeper understanding, we've engaged in detailed modelling, including building a physical scale model and simulating various flood scenarios. These efforts inform the design of defences to ensure all buildings can withstand a 1 in 1000-year flood event, identifying any potential vulnerabilities and the necessary protective measures.

Improving existing assets

Following a surface water flood risk assessment at Central House, the courtyard was shown to be at high risk of surface water flooding and with climate change this risk was only due to increase. We have made significant upgrades to the courtyard. These improvements include the installation of a large underground drainage and water storage tank, enhancing both the site's resilience to climate change and its capacity to alleviate pressure on local drainage systems.

Central House
Courtyard





Challenges and Next Steps

Aim: Mitigation: Drive decarbonisation of the portfolio including scopes 1, 2 and 3 operational monitoring against the CRREM 1.5°C pathway, contributing towards UK net zero target in 2050.



Key Actions:

- Target embodied carbon reductions
- Continue to reduce reliance on fossil fuels and improve energy efficiency through both management and refurbishment
- Conclude mapping of supply chain emissions to improve targeted stakeholder engagement

Embodied Carbon

We have assessed the embodied carbon on all of our recent developments and major refurbishments. While our average remains above the LETI target of 600 kg CO₂e/m², we are taking steps to reduce it in subsequent buildings. Steps to reduce embodied carbon include benchmarking of different elements of each building to understand problem areas and prioritise improvements.

At 'The Grid,' our fifth project to quantify embodied carbon, we maintain extensive engagement to monitor carbon levels throughout construction. Once completed, we will integrate the lessons learned into our embodied carbon plan, updating it with insights from all our projects.

Refurbishment and the Reduction of Fossil Fuels

Refurbishment has been discussed extensively within this strategy. It will also play a vital part in reducing our operational carbon. Reducing the fossil fuel use is an important part of reducing carbon emissions as they will not decarbonise as the grid will, however we are very aware of increasing the pressure on the electricity grid. Our refurbishments utilise heat pumps to reduce any additional load on the grid while allowing the buildings to decarbonise.

Each site, will continue to be mapped against the CRREM 1.5°C pathway with refurbishments detailed to identify the expected improvements and any stranding events.

Evaluation of Scope 3 Emissions Within the Supply Chain.

While this has been discussed previously within Responsible Consumption and Production, we hope our detailed evaluation of scope 3 emissions will contribute to our understanding and our increased supplier engagement will contribute to a reduction of our wider impacts.



Challenges and Next Steps

Improvement of Risk Assessment

Over the past few years, we have made significant strides in understanding our exposure to climate risk, at both a business and building level. We continue to assess certain risks based on the precautionary principle, which sometimes results in them being marked as more critical than may be warranted. We are looking at ways to improve the assessment around both geology and building structure to ensure these risks are appropriate and managed accordingly.

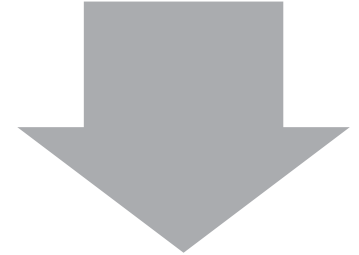
Value at Risk

Despite our improvements in risk assessment, we have not yet quantified the value at risk in detail for different climate change scenarios. We plan to collaborate with a specialist partner to conduct these assessments, ensuring that the resulting mitigation strategies are integrated into both our refurbishment projects and financial planning.

Review of Risk Integration in Financial Planning.

We have developed our risk reporting and better integrated transitional risks into financial planning. Recognising the need for further improvement, we are now refining our procedures to more comprehensively incorporate physical risks into financial planning, ensuring heightened awareness and more effective data flow.

Aim: Adaptation: Increase our business' resilience to climate change



Key Actions:

- Review processes for including climate risk in financial planning
- Assess value at risk
- Improve the inclusion of geology and building structure in risk ratings to more accurately reflect sensitivity and residual risk

Life on Land

In addition to the climate emergency, we are also facing an ecological emergency, with many scientists believing 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 and maximise the opportunities to improve biodiversity.

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. Where developments are within city centres, there is often a limited footprint which can present a challenge and require us to look at different opportunities and solutions.

Within our investment portfolio, different sites present different opportunities. Many sites in city centre locations have limited planting areas, that enable us to drive betterment, and other avenues must be explored.

The Strategic Development division, while working with less tangible assets, manages extensive land at early planning stages, allowing us to collaborate with local Councils and communities to integrate improvements into masterplans and deliver benefits through the planning process.

Our Aim:
Biodiversity initiatives considered on all projects, with gains delivered on all development projects.





What We have Done

Biodiversity Net gain:

The development process offers the greatest opportunity to deliver improvements. We are committed to positively impacting the local ecosystem through a partnership model that engages our team, ecologists, local authorities, and protection agencies.

It is difficult to give over large areas for planting in city centre locations, and equipment, renewable generation and planting compete for space. However, it is in these urban environments we can deliver multiple benefits of urban greening.

EQ, Globe Point and Aztec West all optimise these opportunities on tight footprints by planting native flowers on the ground and on balconies, planting trees, and providing shelter for birds and bats.

On developments with more space such as Kirkstall or Carlyon Bay, there are other opportunities: at Kirkstall we continue to work 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 groyne 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 to provide benefits for up to 120 years

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, which provides a regular resting place for the local populations of Horseshoe bats. The bat hotel 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 play a crucial role in our ecosystem, serving as food, pollinators, and waste recyclers, among other functions. 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.

In the Strategic Land division, we often design entire communities across expansive areas. Even when space is abundant, we must balance a variety of priorities such as enhancing biodiversity, providing community access, allotments, and church grounds, and building resilience to warming and flooding. The ample space affords us a unique opportunity to deliver these multifaceted benefits. Our commitment is to not just fulfil, but exceed expectations, leveraging superior design insights to yield a multitude of benefits for each development.

In Cambridge we delivered a plan that protected the existing ecological features and achieved 17% biodiversity net gain, which was then committed to in the planning application to ensure delivery. The team achieved the net gain through inclusion of Open Space (including informal footpaths, play areas, sustainable drainage features and buffer planting).



Land remediation:

As a brownfield developer, we specialise in transforming previously developed sites, often contaminated and underused, into revitalised spaces. 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.

Remediation has ecological and health benefits, reduces the need to develop greenfield sites, and delivers benefits to the local economy.

Improving our existing assets

Although many of our assets are located in urban centres or industrial areas with limited greenery, we engage with landscape contractors to evaluate and report on the potential of each building for planting. These reports aim to outline potential risks, suggest possible improvements, and explore the environmental impact of such enhancements.

Kirkstall forge is among our more spacious sites and several improvement measures have been implemented including tree planting, wildflower seeding and insect refuges.

We are also trialling bee hives on two buildings deemed suitable based on local populations and available foraging grounds.

Pollution Prevention:

Pollution prevention is integral to our operations and our collaboration with principal contractors. We adhere to best practice guidelines to ensure responsible operations, and our contractors are required to register with Considerate Constructors and uphold the highest standards.

To ensure we are practicing to the standards we set ourselves, we carry out internal audits on all our managed properties on a risk-based timetable. We also rolled out awareness training to all our onsite teams around the legislation and impacts of spillages and accidental releases and provided training on the proper use of spill kits should an incident occur.

Aztec West



Wildlife cords at Carlyon Bay

Challenges and Next Steps

Review of biodiversity surveys

Following the surveys we carried out at all operational assets we are looking at the opportunities for improvement and where we can deliver benefits. We aim to carry out this review in quarter 1 of 2024 so cost-effective improvements can be delivered quickly.

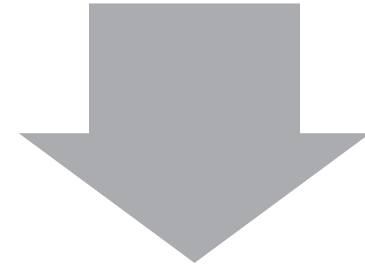
Biodiversity Net Gain

There is new regulation around Biodiversity Net Gain on developments, which affects both our development and strategic land divisions. We are looking to upskill colleagues by holding Biodiversity Net Gain workshops with our external consultants. Which, will enable design teams to better understand the risks and opportunities at sites and engage with the ecologist from a more informed position.

Deliver positive biodiversity Outcomes.

Because of differing requirements and approaches across the UK, we have historically struggled to capture data on biodiversity net gain. We will continue to work with ecologists from the inception of projects to understand biodiversity opportunities and deliver positive biodiversity outcomes. Where possible, we aim to go beyond the 10% net gain requirement, and to increase the connectivity of biodiverse areas, creating important wildlife corridors. We will also collate and analyse this biodiversity data both quantitatively and qualitatively to understand trends and learn from each project, as well as report our overall impact.

Aim: Biodiversity initiatives considered on all projects, with gains delivered on all development projects.



Key Actions:

- Review the biodiversity surveys of the existing portfolio and prioritise interventions.
- Upskill teams in biodiversity net gains with workshops delivered by external parties.
- Continue to work with ecologists to understand what specific areas need and deliver positive biodiversity outcomes in all developments.

Thank you

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