## **STANHOPE**



## Contents

## l Welcome

- 2 Highlights
- 3 Scope and Assurance
- 4 Environmental
- 5 Social
- 6 Governance



Gresham St Paul's



White City Place



Warwick Court



Chiswick Park

## Welcome to our 2022 ESG Report

Stanhope PLC is a property developer and asset manager based in London. We want to leave a positive legacy of sustainable buildings and urban places, valued by their communities in a considered way that responds to the urgency of climate action.

The science is clear: human-induced climate change is causing widespread negative impacts and losses to people and nature, with effects already irreversible. Our window of opportunity to avoid the worst effects is shrinking. We also know there are large social and economic challenges in London and the UK where we operate.

With our unrivalled partnerships, our projects, assets and corporate action are the opportunity to make a difference in meaningfully reducing our environmental impact in line with climate science and improving the lives of our communities.

In this report, we want to present our approach to environmental, social and governance matters, be transparent on our impact and share what we have accomplished this year. We hope you find it insightful. As always, we value your feedback. If you have any remark or question, please don't hesitate to reach out at info@stanhopeplc.com.

> NILS RAGE HEAD OF ESG

![](_page_2_Picture_7.jpeg)

![](_page_2_Picture_8.jpeg)

![](_page_2_Picture_9.jpeg)

![](_page_2_Picture_10.jpeg)

![](_page_3_Picture_1.jpeg)

## **Executive Summary**

2021-22 has been a busy year for our growing ESG team. For the first time, we calculated our baseline carbon footprint across all our scopes and recognised the full extent of our impact - and of our responsibility. As a development and property manager, the vast majority of our impact is indirect through our value chain, and this quantification has allowed us to set credible carbon reduction targets. In line with climate science, our goal is to halve our carbon emissions by 2030: the carbon intensity of our indirect value chain, and the absolute emissions of our directly managed activities. This covers our projects and the assets we manage; and has been tested against the methodology and criteria of the Science-Based Targets initiative (SBTi).

We rethought our ESG Strategy, now articulated around four themes:

- Climate action and net zero carbon
- Resource use and natural capital
- Inclusive growth
- Thriving communities

These themes and the underlying impact areas are consistent across our activities: from the projects we design and deliver to the assets we manage and our corporate activities, we focus on **delivering meaningful outcomes where they are the most material.** You'll see these structuring this document. Following this, we developed a series of supporting documents to improve the consistency of ESG outcomes across our activities including ESG briefs for our projects and our Assets under Management and a refresh of our policies.

We developed our vision to **social value** to drive a best practice approach to social performance against all areas of the business. We have also worked hard to gather significantly more data on the performance of our projects and assets, affording us a better understanding of our impact and a route to managing it.

Acknowledging the impact climate change will have on society, the built environment and our business over the coming years and decades, we became formal supporters of the **Taskforce on Climate Related Financial Disclosures (TCFD)**. We are using the framework to evaluate and highlight the physical and transition risks posed by climate change to our business, and how to best manage them.

We **engaged our value chain** on ESG both upstream and downstream: from conversations with our major shareholders and partners on our strategy and net zero carbon, to reaching out to all levels of our construction supply chain with an ESG questionnaire. This latter received an excellent response rate, showing the quality of the relationship we have with our partners. We also became one of the first movers in the UK to join the CUBE competition to engage our office occupiers on energy efficiency.

Finally, a highlight has been the success of the **Stanhope Foundation's** first year. With support from 16 Lead and Support partners, as well as various fundraising initiatives throughout the year, we have managed to raise £530,000 for our charities: St Mungo's, Maggie's and The Prince's Trust. We have also hosted and held various events and volunteering opportunities to help raise awareness for the charities' specific programmes which help people find hope and pride through meaningful employment.

![](_page_4_Picture_15.jpeg)

## Highlights

# D band

The average embodied carbon intensity of our development pipeline as of March 2022

100%

of electricity in construction and in managed portfolio procured from renewable sources All commercial projects in development follow NABERS UK

# 50%+

Design for Performance approach

of our projects are targeting BREEAM Outstanding

# **EPC B**

All properties in our managed portfolio have an EPC B or better, ahead of 2030 regulations

![](_page_5_Picture_11.jpeg)

100% of site operatives and services partners paid at least the Living Wage

# £80-130

carbon price assumed in our development appraisals per tonne of  $\mathrm{CO}_{\!_2}$ 

# 91.5%

Stanhope Net Promoter Score from internal employee perception survey

# >600

Hours of educational outreach and skills development on our projects in 2021-2022

# £530k+

raised by the Stanhope Foundation in 2021-2022

**41%** 

Average Biodiversity Net Gain improvement on existing condition

# 4.55 t

average construction waste generation on our construction sites per 100m<sup>2</sup>gross internal area (GIA)

## Our ESG Timeline 1990-2030

![](_page_6_Figure_2.jpeg)

## **ESG** Framework

In 2021-22, we structured our ESG strategy around four key themes addressing our most material environmental and social issues.

These topics are the most important ones to us and our stakeholders. They reflect the nature of our activities and our sphere of influence.

![](_page_7_Figure_4.jpeg)

## GOVERNANCE

![](_page_7_Figure_6.jpeg)

## **Scope and Boundaries**

Performance data within this report relates to Stanhope's activities between 1<sup>st</sup> April 2021 and 30<sup>th</sup> March 2022.

This year has seen the recognition of the full extent of our environmental impact, beyond our direct responsibility and ownership. As a development and property manager, the vast majority of our environmental impact is indirect through our value chain. Recognising the great level of influence we have over the outcomes delivered by our projects, it was natural to decide to recognise the magnitude of our footprint and our climate responsibility.

Our scope for our corporate footprint organisational boundary therefore considers all business activities carried out by Stanhope plc following the operational control approach. This includes property development and asset management activities where we can implement operational changes and influence decisions across the design and construction process; as well as other corporate office activities under our direct financial control where we also have operational influence.

Our Scope l emissions are comprised of natural gasbased emissions from our corporate office and Scope 2 emissions are entirely comprised of purchased electricity from our corporate office. Refrigerants emissions are de minimis and data availability is poor so are omitted from our reporting scope.

Our Scope 3 emissions are our indirect emissions arising from our value chain, both upstream in our construction supply chain and downstream in the use of our buildings. To evaluate our Scope 3 emissions, we followed the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and reviewed the 15 different categories identified. Out of these, eight categories are relevant to our business, which we quantified in our baseline carbon footprint accounting. This highlighted that only three categories are material to our business as covering over 98% of our baseline carbon footprint. They are listed below, and form the scope of our reporting and where we will focus to set reduction targets. The remaining categories are immaterial and are excluded from our reporting scope.

![](_page_8_Picture_7.jpeg)

#### Category 02: Capital Goods

These are upfront embodied emissions from our construction activities. To calculate these, we use construction embodied carbon emissions (A1-A5) for our development projects; assessed for each project through design and construction following the RICS guide Whole Life Carbon Assessment for the Built Environment. We apportion total emissions to a reporting year based on the duration of the construction project, to which an average construction cost S-shaped curve has been applied. For our baseline year, we used industry benchmarks consistent with RIBA, LETI and the GLA.

![](_page_8_Figure_10.jpeg)

#### Category 11: Use of Sold Products

We recognise our level of influence over our projects' energy performance through design, delivery and commissioning. To capture this, we're including operational emissions energy usage of the buildings we developed but have no operational management responsibility of. In line with our expected involvement through the NABERS scheme post-completion, we're accounting for operational emissions for completed projects for four years from completion date. For our baseline year, we used industry benchmarks from CIBSE and REEB to evaluate these emissions.

Going forward, our goal is to gather actual operational data from our completed projects to evaluate these emissions and demonstrate performance improvement over time. We exclude emissions from longterm residential properties where we don't have access to consumption data.

![](_page_8_Picture_14.jpeg)

#### Category 13: Downstream Leased Assets

These are the operational emissions from assets under our management. They break down in emissions from landlord-controlled and tenant-controlled spaces. Due to the nature of our business as property managers, even landlord-controlled emissions from energy usage are part of our Scope 3. For clarity, we're reporting separately on landlord and tenant emissions in this category. Emissions in this category have been derived from actual energy data from our properties under management. Where data was unavailable or not representative (e.g. asset operational but not yet stabilised), we have used benchmark data for our retrospective baseline footprint calculation. We don't report emissions where tenants procure their own supply of energy and we don't have access to the consumption data nor influence over the energy usage. We're excluding emissions related to refrigerants in our assets under management for this year as they have been estimated to be <1% of our total footprint and the availability of data is poor.

## Scope and Boundaries (continued)

#### Standards and Guidance

Our methodology for the reporting of GHG emissions has been developed using the following guidance and standards:

- GHG Protocol standards and guidance, including the Corporate Accounting and Reporting Standard, Corporate Value Chain Accounting and Reporting Standard, Scope 2 Guidance and Scope 3 Calculation Guidance; and
- CDP guidance including the 2019 Climate Change Responders Pack and the Technical Note on Accounting of Scope 2 Emissions.

Our methodology for the reporting of wider ESG relevant metrics is in line with EPRA 'Sustainability Best Practice Recommendations' (sBPR).

We follow the location-based method from the GHG Protocol in our reporting, whereby average carbon intensity from UK grid is used. This means we calculate our emissions based on the average emissions intensity of electricity grids on which energy consumption occurs i.e. the average carbon emissions output in the UK per kWh consumed. Despite our commitment to renewable electricity procurement, we are of the view that location-based emissions reporting serves to improve the transparency, consistency, and comparability of corporate reporting, whilst being in keeping with the energy hierarchy. The alternative is market-based carbon accounting, where emissions from renewable tariffs are simply counted as zero. The drawback is that this approach does not encourage energy efficiency or on-site renewable generation installation.

#### Baseline and Annual Data in Scope

As described in the next section, we this year have calculated our baseline carbon footprint across all our scopes. We have chosen a base year of 2020 (year ending 31<sup>st</sup> March 2020) to calculate this baseline. This baseline was chosen as the last year before the Covid-19 pandemic which affected operational emissions.

The table opposite summarises the floor area for the three categories in our scope 3 reporting, used to calculate our carbon intensity. Our carbon intensity is calculated by dividing the carbon emissions of each category by the corresponding floor area, in order to enable a consistent comparison over time.

We have more projects in construction in 2022 than we had in 2020; on the other hand, 2020 had a significant number of projects completed in the previous four years, which have largely reduced in 2022 due to the cyclical nature of our development activities.

#### Data Collation

Beyond carbon, our assured environmental reporting for the year includes waste and social value data from our construction and corporate activities.

For our projects, construction waste and social value data is collated through each project's ESG Reporting Tool. Construction data is recorded on a monthly basis from start on site, and reviewed quarterly with project teams until completion.

Our corporate waste data is reported through forms where the cleaning team weigh and report back on a daily basis. Our corporate social value data is collated throughout the year and recorded and evidenced through our Planet Mark submission.

#### Assurance

This year, with the first publication of our carbon footprint for 2022 and our baseline 2020 footprint, our environmental and social data has been externally audited by Grant Thornton to provide limited assurance over the most important metrics in our reporting. This assurance is in line with ISAE 3000 and ISAE 3410. The assurance scope was as follows:

- Scope l and 2 carbon emissions
- Scope 3 carbon emissions from GHG Protocol categories 02, 11 and 13
- Waste data from construction and corporate activities
- Social value data from construction and corporate activities

The assurance opinion is included in the Governance section of this report.

	2019-2020	2021-2022	Variance
Scope 3	220,952	264,811	+20%
Category 02: projects in construction ( $m^2$ GIA)	-	-	
Scope 3	276 182	108 062	-61%
Category 11: projects completed in the past four years (m $^2{\rm GIA})$	270,102	100,002	0170
Scope 3	105 959	105 959	
Category 13: assets under management (m <sup>2</sup> GIA)	190,200	190,200	-
Total (m <sup>2</sup> GIA)	692,394	568,133	-18%

## **Our Carbon Footprint**

![](_page_10_Figure_2.jpeg)

For the first time, we have calculated our baseline carbon footprint across all our scopes – direct (scope 1 and 2) and indirect (scope 3). We have learned that, for our baseline year 2020, our corporate carbon footprint is approximately **70,000 tonnes CO2** – **over 99% of which is indirect**. The construction materials and products we source to build our projects are the largest source of our emissions (c. two-thirds); followed by operational emissions from the assets we have developed and those under our operational management.

We will evaluate our annual carbon footprint against this baseline, working towards demonstrating improvements in our carbon intensity up to a target year of 2030.

Our absolute carbon emissions have **reduced by 15% this year compared to our baseline.** Our carbon intensity has reduced by 16% against baseline. This is driven by the improvement of our embodied carbon intensity from our construction projects (12% reduction), demonstrating a significant betterment over typical practice and testament to the work from our design and delivery teams. Operational emissions from completed projects significantly reduced due to a smaller number of completed projects in the past four years to 2022 compared to 2020. Operational emissions from our assets under management show a 23% reduction, primarily derived from lower occupancy in our buildings due to Covid-19 restrictions still in place.

Knowing where we start from allows us to set a credible reduction pathway. **Our goal is to halve our carbon emissions by 2030**: the carbon intensity of our indirect value chain, and the absolute emissions of our directly managed activities.

This follows the methodology and criteria of the Science-Based Targets initiative (SBTi), and we will formally lodge our target next year. Due to the size of our business, SBTi only allows us to lodge a carbon reduction target on our scope 1 & 2. To make a difference where our impact is most material, we are setting a 50% carbon intensity reduction target on our scope 3 emissions.

## Developments

The development projects mentioned in this ESG Report are our live development schemes, as defined by having reached a Concept Design level of maturity as per the RIBA Plan of Work. For 2021-22, this includes fifteen projects as summarised in the table below.

PROJECT	AREA GIA (sq ft)	ТҮРЕ
WARWICK COURT (WC)	300,000	Retrofit – under construction
8 BISHOPSGATE (8BG)	930,000	New build office – under construction
WHITE CITY PLACE (GWW)	38,000	New build office – under construction
WHITE CITY PLACE (GWC)	380,000	New build office – under construction
2 RUSKIN SQUARE (2RS)	460,000	New build office – under construction
ONE WOOD CRESCENT (OWC)	175,000	New build office – under construction
PRE-DEVELOPMENT		
OXFORD NORTH - PHASE 1	180,000	New build offices and lab enabled – planning
76 UPPER GROUND	420,000	Retrofit – planning
CHENIES STREET	106,000	Retrofit – planning
WOOLGATE EXCHANGE	500,000	Retrofit – planning
ROYAL STREET PLOT A	420,000	New build office and lab enabled – planning
3 RUSKIN SQUARE	390,000	New build office - planning
ROYAL STREET PLOT B	150,000	New build residential – planning
TVC PLOT H	152,000	New build residential – planning
BRITISH LIBRARY	970,000	New build - office and lab enabled - planning

![](_page_11_Picture_4.jpeg)

![](_page_11_Picture_5.jpeg)

**Gateway Central** 

8 Bishopsgate

![](_page_11_Picture_8.jpeg)

![](_page_11_Picture_9.jpeg)

IBM Building

![](_page_11_Picture_11.jpeg)

Warwick Court

2 Ruskin Square

![](_page_11_Picture_14.jpeg)

One Wood Crescent ©Jack Hobhouse

## Asset Management & Corporate

ASSET	AREA GIA (sq ft)	TYPE
CHISWICK PARK BUILDING 7	400,000	OFFICE
TELEVISION CENTRE PLOT A	473,000	OFFICE, HOTEL & LEISURE
TELEVISION CENTRE PLOT B (HELIOS)	76,000	RESIDENTIAL
TELEVISION CENTRE PLOT C (CRESCENT)	186,000	RESIDENTIAL
WHITE CITY PLACE; MEDIA WORKS	433,000	OFFICE AND RETAIL
WHITE CITY PLACE; WEST WORKS	538,000	OFFICE AND RETAIL

Our assets under management mentioned include White City Place, Television Centre and Building 7 at Chiswick Park.

White City Place provides a cluster of workspace buildings united by new public realm and street level retail, restaurants and cafés. The buildings, some of which have been refurbished and remodelled since their original design, provide large floor plates and communications infrastructure that offers occupiers facilities certified by Wired as best-in-class and will remain resilient and adaptable to future technologies.

Television Centre is a unique, mixed-use development including the refitted Grade II listed Helios Building, 432 new homes and Grade A office space. 2 Television Centre is certified BREEAM Excellent, with top-class changing facilities and 300 dedicated bicycle spaces and lockers. We currently exclude from our reporting scope assets where we do not procure utilities or do not have operational control over the space. This includes the BBC Studioworks at Television Centre.

Building 7 at Chiswick Park is Grade A office space and has a certified Platinum Wired Score as well as BREEAM Excellent. Through Enjoy Work, Building 7 benefits from an extensive health & wellbeing programme for its guests.

### CORPORATE

Stanhope's corporate reporting includes that from the 1,300m<sup>2</sup> London office operations at 100 New Oxford Street, WC1A 1HB and its 63 employees.

It covers electricity, transport and distribution losses, natural gas, water, waste, business travel and paper.

![](_page_12_Picture_10.jpeg)

White City Place

![](_page_13_Picture_1.jpeg)

## Overview

Our two key environmental themes are Climate Action and Net Zero Carbon, and Resource Use and Natural Capital.

![](_page_14_Picture_3.jpeg)

# CLIMATE ACTION AND NET ZERO CARBON

Our projects and spaces must respond to the imperative of the climate emergency and align with our strategic alignment to the 1.5°C goal of the Paris Agreement. To deliver long-term value for our partners, we have focused this year on putting in place processes to make sure that not only are our assets targeting energy and carbon performance that aligns with expectations for net zero carbon buildings; but are also physically resilient to the effects of climate change.

We use NABERS UK to evaluate accurately the anticipated energy performance of our projects and evaluate embodied carbon emissions for all our projects – allowing us to take steps to address supply chain construction emissions which form the bulk of our carbon footprint. We have also worked hard to assemble data on the operational performance of our assets under management, allowing us to benchmark them and set medium-term Paris-proof targets.

There is still a long way to go, and we can't get there alone, so are working closely with like-minded partners to achieve a common goal.

## RESOURCE USE AND NATURAL CAPITAL.

In our approach to development and asset management, our ambition is to play a role in delivering a sustainable built environment that eliminates waste, maximises resource efficiency and delivers meaningful biodiversity improvements and ecosystem services. Resources on a finite planet must be treated carefully: this year, we focused on ensuring careful and consistent monitoring of performance across impact areas and setting of ambitious targets to push our projects and assets to improve.

### ROYAL STREET: NET ZERO CARBON OBJECTIVE

![](_page_14_Picture_12.jpeg)

Our masterplan at Royal Street was our first project where we've introduced net zero carbon targets from the brief stage as part of the vision developed. Our concept design incorporates low-carbon construction featuring hybrid timber and concrete structure with high cement replacement and minimised basements. Operationally, the scheme benefits from energy demand reduction measures including passive strategies, optimised façades and simple servicing; enabling future tenant upgrades. Powered by an all-electric strategy, our concept design aligns with industry best practice operational net zero carbon targets. EMBODIED CARBON IN CONSTRUCTION

### EMBODIED CARBON

As a property developer, embodied carbon from the construction of our assets represent the **largest portion of our Scope 3 emissions** over which Stanhope has influence through design and procurement. It is also the predominant source of carbon emissions across the whole building lifecycle.

Therefore, for all our projects we set upfront and whole-life embodied carbon intensity targets (Al-A5 and A-C kgCO<sub>2</sub>/m<sup>2</sup> GIA as per RICS methodology) and measure these against the aligned RIBA/LETI scale to 2030.

In the graph opposite you can see a breakdown of where our projects stand as of 31st March 2022.

### ONE WOOD CRESCENT: LOW EMBODIED CARBON

![](_page_15_Picture_7.jpeg)

Our office development at Television Centre has a minimum material use (lean design) for both the structure and finishes. This, alongside the maximum cement replacement to all concrete elements has resulted in the reducing of embodied carbon meaning the project is within our target range of LETI/RIBA band C.

### CARBON PRICE

This year, we have taken the important step to include a **Paris-aligned carbon price** within our development appraisals. This is in support of our objective to deliver net zero carbon buildings, in line with the UK Green Building Council framework definition. This price allowance is proportional to the upfront embodied carbon intensity of the scheme.

We have based our carbon pricing on HM Treasury Green Book projections for carbon prices, with a price increasing over time, from  $\pounds$ 80/tonne CO<sub>2</sub> in 2025 through to  $\pounds$ 130/tonne CO<sub>2</sub> in 2030.

This is so that the costs of the climate impacts and the **opportunities for low-carbon options** are better reflected and clearer to our partners, meaning that we are collectively motivated to lower our emissions through careful design, product specification and procurement. Finally, this budget will enable the procurement of carbon offsets proportional to a project as-built upfront carbon to deliver **net zero carbon emissions in construction**.

#### STANHOPE'S A1-A5 EMBODIED CARBON EMISSIONS AGAINST EMERGING INDUSTRY TARGETS

![](_page_15_Figure_14.jpeg)

● High-rise office ● Mid-rise office ● Retrofit office ● Residential ● Life Sciences **X** Av. onsite projects ▲

LETI Design 2030 target A++ A+ A B C D E F G

The average upfront carbon intensity for our projects in construction in 2021-22 is  $700 \text{kgCO}_2/\text{m}^2$  GIA, which corresponds to a **band D** on the RIBA/LETI scale. This is a **29% reduction over our baseline carbon intensity** and the industry typical practice (band F). Our average upfront construction carbon intensity for the total project pipeline (including not only projects in construction but also in design) is  $681 \text{kgCO}_2/\text{m}^2$  GIA. This is our live base case, but each project is tasked with developing potential stretch targets. We therefore expect that we will be able to decrease our carbon intensity further to be in line with our mid-rise pathway in the next decade.

Projects in early stage of development having not yet been granted full planning approval have been anonymised.

![](_page_16_Picture_1.jpeg)

### **OPERATIONAL ENERGY PERFORMANCE**

As part of our World Green Building Council Net Zero Buildings commitment, we have pledged to only develop buildings which are capable of being operated at net zero by 2030. Whilst we are not always involved in the operational life of buildings that we develop (unless where also retained as Asset Manager), we are intent on designing and delivering buildings in such a way that operational emissions will be minimised and can be controlled in line with emerging best practice.

**Net zero carbon operational targets** require a step change in the approach to energy efficiency. In our commercial schemes, we target industry-leading levels of operational energy performance guided by net zero carbon performance thresholds set by the UK GBC.

We model the anticipated energy use of our projects for base building and whole building against these following the **NABERS UK Design for Performance approach**. All our predevelopment commercial projects are required to set NABERS UK targets from Concept Design, which are evaluated at each design stage. This provides us with a tangible outcome on which to evaluate the operational performance of our designs. In addition to scrutinising designs and energy modelling, the in-use-performance based certification scheme requires postcompletion energy monitoring. We follow best practice advice from NABERS UK in our metering strategies with detailed commissioning by contractors to support the set-up of projects.

This year, three of our projects (Ruskin Square, 76 Upper Ground and Chenies Street) have undertaken an **Independent Design Review**, a third-party verification of operational energy performance mandated by the NABERS UK Design for Performance approach, confirming their design stage performance target. All our pre-development commercial projects are required to set NABERS UK targets from Concept Design.

Being successful at operating low-energy buildings requires strong tenant engagement, which is why we ask projects to define an ESG occupier charter to align collaboration ambition with our prospective customers. We are also working at strengthening our approach to inclusion of ESG performance in lease agreements.

### ENERGY PERFORMANCE OF SELECTED BUILDINGS

![](_page_16_Figure_9.jpeg)

![](_page_17_Picture_0.jpeg)

# 100%

of projects in pre-development are targeting 4.5\* minimum NABERS UK in line with UKGBC net zero carbon target pathway

# D band

The average embodied carbon intensity of our development pipeline as of March 2022 on the LETI/RIBA scale

### **RENEWABLE ENERGY**

Ensuring all electricity is procured from high-quality renewable sources is crucial to a credible net zero carbon operation. We mandate the procurement of **100% high-quality renewable electricity tariff** for construction, and the definition of a renewable procurement strategy in operation. This year, in anticipation of the completion of the new phase of our White City Place campus, we've secured a **biogas contract** to power our Gateway Central development, ensuring a fossil-fuel free operation to our secured occupier L'Oreal.

We have renewable electricity certificates in place at 100% of our properties where we procure utilities. As explained in our scope section, our carbon reporting (page 11) is based on the 'location-based' accounting method of the GHG Protocol to encourage energy efficiency and avoid reliance on zero carbon claims from renewable tariffs currently under scrutiny from 'market-based' accounting.

For transparency of reporting, we include below a comparison of 2022 operational carbon emissions as per location-based and market-based methods.

	Location-Based	Market-Based
Operational carbon from assets under management (2022)	7,724 tCO <sub>2</sub> e	3,552 tCO <sub>2</sub> e

### CLIMATE RESILIENCE

Each impact area above relates to climate mitigation, and our work in playing our part in avoiding the worst effects of climate change. Yet climate change is already affecting the world around us and requires adaptation. To plan for the climate resilience of our properties, our projects undertake **climate change adaptation risk reviews** which include long-term flood, surface run-off and overheating risks, and must demonstrate effective mitigation measures in line with BREEAM (commercial) and HQM (residential) criteria.

### **CHENIES STREET: LOW CARBON RETROFIT**

![](_page_17_Picture_15.jpeg)

One of our retrofit projects, Chenies Street focuses on retaining as much existing structure and fabric as possible whilst meeting current and future occupier expectations. With over 80% of existing structure and primary façades retained, this enabled bringing the scheme's embodied carbon intensity down to a RIBA/LETI band A whilst also embodying a sensitive and contextual approach to the proposed extension by retaining, repairing, and therefore celebrating its existing heritage.

### **RUSKIN SQUARE: NABERS UK PIONEER**

![](_page_17_Picture_18.jpeg)

At our Design for Performance Pioneer project, Ruskin Square, we are aiming to be the first office development in the UK to follow the process from start to finish. It will be one of the first completed buildings to achieve a NABERS rating in the UK. This year, the project has undertaken an Independent Design Review to stress-test and confirm the project likeliness to achieve its operational energy target. This stage is crucial to the success of the project and allows us to be confident that it can delivered.

### **OPERATIONAL ENERGY PERFORMANCE**

ASSET MANAGEMENT

ESG performance at our assets is key to safeguarding value, in response to an exponential rise of **occupiers seeking to align stretching climate commitments with the real estate they occupy** and tightening climate regulation on the horizon. In response to this, we have determined this year a baseline energy and carbon intensity at each of our assets and reviewed it against the CRREM 1.5\*C energy and carbon pathways.

CRREM (Carbon Risk Real Estate Monitor) is a tool used by real estate investors to evaluate carbon stranding risk in real assets. It provides asset-specific pathways for properties to align with the decarbonisation goal of the Paris Agreement. We use it to set **Paris-proof targets for our properties**. The graph opposite presents the energy use intensity from our office properties against the CRREM pathway and their baseline position. Representing over **80% of the total energy consumed** across our managed portfolio, our office properties are the current priority of our programme. Energy consumption has **reduced 20% in 2021-22** compared to our baseline. This is primarily due to the reduced occupancy in our properties following Covid-19 restrictions still in place. Average energy use intensity across our office portfolio is 198 kWh/m2 GIA, which aligns with the CRREM 1.5°C energy pathway for 2022.

We've put in place this year **smart building optimisation programmes** at the Television Centre and White City Place offices, aimed at analysing granular performance data from the Building Management System (BMS) to identify energy and cost savings for the asset and its occupiers – more on this in the case study below. Net zero carbon audits will be undertaken in the next year to define a long-term pathway to decarbonise the properties.

Reducing energy usage in our buildings is a crucial step in our net zero transition. Although there is much we can and must do as landlords, we will only be successful when bringing our occupiers on the journey. For this reason, we are one of the first UK participants to join the **CUBE competition** - a friendly contest which brings together landlords, building managers, and occupiers to reduce their climate impact by improving energy performance in their buildings. We hope this contest will be the opportunity to share innovative ideas, encourage positive behaviour change and ultimately result in a significant reduction in energy consumption for our assets.

### **TELEVISION CENTRE: SMART BUILDING OPTIMISATION**

![](_page_18_Picture_7.jpeg)

At our Television Centre property, we've put in place a smart buildings optimisation programme to identify specific energy reduction opportunities. The three-year programme identified 7-10% energy savings, to be derived by capturing and analysing granular data from the Building Management System (BMS) and introducing sensor technology to better understand how the building is being used. Comfort is monitored through indoor environmental quality sensors measuring air quality, light levels, temperature, and humidity.

STANHOPE ASSETS UNDER MANAGEMENT OFFICE ENERGY INTENSITY AGAINST TARGETS

![](_page_18_Figure_10.jpeg)

#### STANHOPE ASSETS UNDER MANAGEMENT OFFICE ENERGY USE

![](_page_18_Figure_13.jpeg)

![](_page_19_Picture_0.jpeg)

![](_page_19_Picture_2.jpeg)

88%

Average on site construction waste recycling rate on site

![](_page_19_Picture_5.jpeg)

Average operational water reduction against BREEAM benchmarks

![](_page_19_Picture_7.jpeg)

Average biodiversity net gain improvement on existing condition

![](_page_19_Picture_9.jpeg)

![](_page_19_Picture_10.jpeg)

Average construction waste generation to date on our construction sites

### **BIODIVERSITY NET GAIN**

The design of our developments must deliver the **optimum balance of green infrastructure** including Biodiversity Net Gain, Urban Greening Factor and wider ecosystem services such as stormwater attenuation, pollination and wellbeing. We measure the biodiversity net gain from preto post-development, using Defra and Natural England biodiversity metric.

Our 76 Upper Ground project provides external amenity space which promotes wellness and productivity with each floor having access to an external terrace. A total of over 4,000m<sup>2</sup> of landscaped gardens are provided for occupant amenity. In addition, a 2,000m<sup>2</sup> intensive green roof with carefully selected plants to suit local key wildlife species and the planting of over 20 new trees in the public realm contribute to a **biodiversity net gain of 238%** and urban greening factor of 0.31 - well exceeding the minimum laid out in the Environment Bill and London Plan.

### WATER

Minimising water use and managing stormwater runoff through sustainable drainage (SuDs), irrigation systems and water efficient fixtures and fittings is important as it improves the **resilience** of our developments and reduces pressure **on local infrastructure.** We measure the water intensity of our projects against target in line with RIBA 2030.

### WASTE

Targets are set regarding construction, demolition and excavation waste on all our developments, as we know that excess waste increases carbon and environmental impacts in both the supply chain and the waste processing industry. All our projects in construction report the volume of waste created, the disposal routes and the recycling rates. We also work with our design and construction supply chain to embed Circular Economy principles through early design decisions and engage with delivery partners to eliminate waste through responsible procurement.

For 2021-22 we have a **100% diversion from landfill rate**, and are working towards 100% recycling rate of construction and demolition waste. Currently we are at **93% recycling rate** for waste to date across all our projects. Our goal is to **reduce construction waste generation** to 6.5 tonnes/100 m<sup>2</sup> GIA. Average waste generated for the projects' waste to date on site across all our projects in construction is 4.3 tonnes/100 m<sup>2</sup> GIA, driven by the strong performance of our retrofit projects. However as this is waste to date, this cannot be directly compared to our goal because our projects are not complete.

### WARWICK COURT: WASTE MINIMISATION

![](_page_19_Picture_22.jpeg)

Our Warwick Court team has diverted 60 tonnes of waste wood from site and re-used it through Community Wood Recycling, a social enterprise that uses saved resources and trains local people finding it difficult to get into or back to employment. Waste is being segregated on site and closed loop recycling schemes used for waterproofing plastics, with others being collected. The project also ran a competition with the supply chain to raise awareness and identify ways to eliminate single use plastics. These initiatives have enabled the project to reach an impressive waste rate generation of 1.84 tonnes/100m<sup>2</sup>.

![](_page_20_Picture_1.jpeg)

### BIODIVERSITY NET GAIN

We have planned for our sites to establish the baseline **biodiversity and ecosystem service delivery** baseline value, in order to subsequently identify opportunities for improvement. Our goal is to set in the year ahead a targeted percentage increase in biodiversity and ecosystem service delivery across our portfolio, and to put in place management plans to deliver on it. Taking the environmental net gain approach will allow for biodiversity gains to also be viewed through the lens of carbon reduction and other co-benefit, including climate resilience.

By way of an example, Chiswick Park plans to plant over 10,000 new plants within the next 10 years with approximately 60 having been planted between January and March this year. They are also aiming to eradicate glyphosate and pesticides in the next 10 years and nurture wild habitats across the estate which reduces the need for their use.

### WATER

We have begun to collect water consumption data and report guarterly on water use **intensity** which you can see in the graph opposite. We have asked our teams to undertake regular water audits where water metering infrastructure is reviewed and improvements identified to reduce our water consumption. We use the Better Buildings Partnership (BBP) Real Estate Environmental Benchmark (REEB) to compare the performance of our office properties as it is one of the only benchmarks for commercial properties based on actual 'in-use' performance. Overall performance for 2021-22 compares well to good practice benchmark, at the exception of the Television Centre whose water usage is under review.

### **BUILDING 7: FOOD WASTE RECYCLING**

![](_page_20_Picture_8.jpeg)

Chiswick Park is committed to reducing waste on campus and has introduced initiatives such as installing a high-tech 'bio-digester' which digests food waste and converts into grey water, eliminating the need for diesel-powered food waste trucks to travel to site and reducing the associated carbon emissions. The waste management team also held a 'Plastic-Free July' which reduced recycling waste by 15% on site.

#### WASTE AND WATER DATA FOR ASSETS UNDER MANAGEMENT

### WASTE

In addition to sending **zero waste to landfill** across our managed properties, the next step we took this year towards resource efficiency was to measure our assets' waste generation, disposal routes and recycling rates, which you can see in the graph opposite. We've now set **targets for our recycling rates** across our properties, working towards a 65% target by 2025 and 75% by 2030.

It is clear that there is still a fair way to go. To get there, next steps are for the Building Management teams to complete a waste audit and implement a waste management plan to identify improvement opportunities. Properties are also tasked with targeting reductions in their waste volumes.

![](_page_20_Figure_14.jpeg)

![](_page_20_Figure_15.jpeg)

**WCP** 

B7

27%

59%

49%

![](_page_20_Figure_16.jpeg)

WATER

(litres/m<sup>2</sup>NIA/year)

TVC	1,214
Westworks	434
Mediaworks	505
	410
REEB Typical	636
REEB Good	450

### **OUR CORPORATE IMPACT**

Our direct emissions associated with corporate activities are only a fraction of our total footprint but focusing on accurate reporting and effort to reduce it where we can is a necessary step as a responsible business. This year was our third reporting year with **Planet Mark** and you can see the results in the table opposite.

CORPORATE

We have taken steps to manage the environmental impact of our HQ on a more granular level and have engaged with our Building Management to improve our energy efficiency and water usage within the constraints of our tenancy. This has resulted in a **Net Zero audit** of the building, and we aim to take steps towards identifying where most energy is being used, and potential wastage, through a metering system.

We weigh and record our waste from our HQ to understand where we need to improve and have undertaken a **waste audit** in late 2021 which set in place ideas in how to reduce our waste streams. We also engaged with our waste provider on Global Recycling Day to understand the complexities behind the system we use and how we can avoid issues such as contamination.

### CARBON OFFSETTING

We purchase verified carbon offsets to balance our residual annual scope l and 2 emissions. We are transparent about what we buy as we believe greater transparency is needed to support the market for high-quality carbon offsets needed to reach net zero carbon.

Our goal is to invest in **carbon removal offsetting**, i.e. projects that scrub carbon directly from the atmosphere. This is in contrast to emission reductions projects which, despite being the most common offsets available, are necessary but not sufficient to achieve net zero in the long run. Examples of carbon removal offsetting include reforestation (restocking existing forests and woodlands that have been depleted) and afforestation (establishment of a forest where there was no previous tree cover), soil carbon enhancements (for example through regenerative agriculture) and ecosystem restoration.

We select offsets verified by accreditations such as the Verified Carbon Standard or the UN Gold Standard, for the third-party due diligence they offer on the carbon storage claims, and work on the ground to verify outcomes. This year, we've invested in a **forest restoration project** in Mexico, planting teak trees on degraded lands to sequester carbon as they grow. Part of the areas will be used for sustainable commercial purposes and part will be protected conservation areas to allow wildlife and biodiversity to thrive.

The final piece of the carbon offset puzzle is **credible storage of the carbon removed.** A shift to long-lived storage is crucial to a credible net zero claim, to ensure the stored carbon remains out of the atmosphere. For instance, if a restored forest is cut down or destroyed by fire or pests, the stored carbon is reversed in the atmosphere, and the offset must be invalidated.

Our goal is, over the years, to increase the proportion of our carbon removal offsetting with long-lived storage as they have a lower risk of reversal and therefore the most credible option to meet the objectives of the Paris Agreement.

This is why we are proud to work with platform Puro. Earth to invest in carbon removal projects that offer long-lived storage. For a third of our emissions removals this year, we've invested in carbon removal certificates from a **biochar project** in Wales. Biochar is a carbon-rich product (similar to coal) created from biological sources that have removed carbon from the atmosphere (like wood), that is very stable in form: it is solid and holds carbon for hundreds or thousands of years. Our biochar is created from residual wood waste, in the first facility of its kind in the UK.

We have offset this year our emissions for 2020-21 and 2021-22 together – representing just under 95 tonnes  $CO_2$ , at an average rate of £58 per tonne  $CO_2$ .

SOURCE	2019 - 2020	2020 - 2021	2021- 2022
	tCO2e	tCO2e	tCO2e
Building (Gas and Electricity)	44.5	25.3	59.6
Tranmission and Distribution Losses	2.3	1.1	2.9
Waste and Recycling	0.31	0.04	0.2
Water	0.6	0.13	0.1
Travel	37	1.1	3.3
Procurement (Paper and Courier)	2.4	0.1	0.5
TOTAL	87.2	27.7	66.5

![](_page_21_Picture_15.jpeg)

We have procured carbon removal certificates from biochar manufactured in Wales

![](_page_22_Picture_1.jpeg)

## Overview

## DRIVING A BEST PRACTICE APPROACH TO SOCIAL PERFORMANCE ACROSS ALL AREAS OF OUR BUSINESS

INCLUSIVE GROWTH	THRIVING COMMUNITIES
GOOD WORK & OPPORTUNITIES	ENGAGING WITH PEOPLE
INCLUSION & DIVERSITY	HEALTHY BUILDINGS AND COMMUNITIES
RESPONSIBLE PROCUREMENT	POSITIVE OUTREACH

### **BRITISH LIBRARY: SOCIAL VALUE LEGACY**

![](_page_23_Picture_5.jpeg)

Social value is at the heart of our British Library project. The social value plan we've developed for the project was informed by a local needs analysis and in-depth community engagement, including commissiong local community groups to engage their peers. This quantifies activities that will be undertaken during construction and occupation, estimating £27m of social value creation over an 8 year period and generating lasting benefits for the neighbouring communities of Somers Town in Camden. To oversee the delivery of the local outcomes targeted through the programme, the team has pledged to employ a social value manager, further helping our occupiers support the neighbouring community.

In order to demonstrate the positive contribution that Stanhope projects make to society, and with the recognition of increasing statutory requirements arising from the Social Value Act, in early 2021 we began determining and measuring the social value created throughout our developments. We measure **positive outreach** to demonstrate where we reach out and support the most vulnerable groups; **engagement with people** to show understanding and engagement with customers' and local communities' needs; and **good work and opportunities** where we cover fair employment, meaningful training and skills opportunities and supporting the future generation through educational outreach.

In this fast-developing area we recognised the need to develop this further so in late 2021 we enhanced our social value framework in tandem with our updated ESG strategy, covering three further areas. **Inclusion and diversity** (I&D) which acknowledges that our workforce must be more representative of our customers and communities and our role in creating diverse, inclusive and accessible places; **responsible procurement** of products, labour and materials across our activities, and **healthy buildings and communities** to recognise the role that our buildings have in supporting improved health, wellbeing and quality of life outcomes.

## **Our KPIs**

Measuring, documenting and tracking social value on our projects helps us to celebrate the good work and investment we have made to-date, and encourages us to develop further. We have developed a set of performance metrics which we want to measure against and monitor going forward.

Whilst we do not have all the data at this stage, these metrics will be a useful tool to enable us to measure the impact our projects are having, how many people we are reaching and the value of our investment in communities.

![](_page_24_Picture_4.jpeg)

#### **GOOD WORK & OPPORTUNITIES**

- Percentage of workforce being paid the Living Wage
- Number of apprenticeships undertaken
- Skills & training hours delivered
- Number of jobs created for local people

ENGAGING WITH PEOPLE

Number of community engagement &

consultation activities carried out

delivered

Number of meanwhile use activities

![](_page_24_Figure_10.jpeg)

#### **RESPONSIBLE PROCUREMENT**

- Spend with priority groups
- Percentage of business activities compliant with our responsible procurement policy

لروحيكه
$\sim$
$\sim$
$\sim$

#### HEALTHY BUILDINGS AND COMMUNITIES

- Number of satisfaction surveys completed and score
  - Proportion of our commercial buildings attaining WELL building standards on wellbeing

![](_page_24_Picture_19.jpeg)

#### POSITIVE OUTREACH

- Number of educational outreach activities delivered
- Volunteering & probono hours undertaken
- Charitable donations & community investment

![](_page_25_Picture_0.jpeg)

# 100%

Payment of Living Wage as defined by Foundation Living Wage across project teams

33

Apprentices supported on site in 2022

# **691**

Hours spent on educational outreach and skills development

### WHITE CITY PLACE: SKILLS DEVELOPMENT

![](_page_25_Picture_10.jpeg)

At White City Place Gateway, CSCS Training courses were delivered for 12 local residents with supplementary courses including Manual Handling and Mental Health & Resilience, with another 12 places offered for the forthcoming year. We have also funded a series of photojournalism workshops at WCP, to provide local residents with new skills and paths into employment.

### WARWICK COURT: INSPIRING GIRLS

![](_page_25_Picture_13.jpeg)

Our Warwick Court project welcomed a group of Girl Guides to site for a day of talks from our project director Laura and the team about their jobs, a Lego construction challenge, a trip to the top of St Paul's cathedral and a treasure hunt round Paternoster Square. The aim was for them to learn all about careers in construction to inspire the next generation of women in construction.

# GOOD WORK & OPPORTUNITIES

Stanhope strives to create an open, honest and fair working environment, working with partners who can influence the industry and challenge the norm. In line with the requirements of the Living Wage Foundation, we require that 100% of our direct and indirect staff across our value chain are paid at or above the Living Wage. This year, we've updated our Ethical Labour Policy to reflect this.

To address risks of modern slavery in our supply chains, we have taken this year proactive steps with our construction partners to check how our policies are implemented on the ground. **Third-party labour interviews** have been undertaken by our construction partners at three of our sites and Stanhope employees have been provided training from the Anti-Slavery Coordinator at homeless charity The Passage.

Our projects are opportunities to create skilled employment and training routes for a diverse population. This year we have supported 33 apprentices, and delivered over 600 hours of educational outreach and skills development. This includes for instance the collaboration between youth-focused social enterprise Serious About Youth and the Institute of Civil Engineering "Construkt" project, as well as collaborations with Women in Construction, the Engineering Development Trust and multiple schools and colleges local to our sites.

### RESPONSIBLE PROCUREMENT

The environmental and social impacts of materials procurement are a significant part of our projects' overall impact. This year, we've produced a **Sustainable Procurement Policy** to provide a consistent approach to minimum standards for our materials and products but also to be used as aspirational guidance for our teams to build upon. The document addresses responsible sourcing, healthy materials, and climate change. It was peer reviewed with our supply chain and is being rolled out on projects.

### **INCLUSION & DIVERSITY**

Our projects must be **accessible and inclusive spaces**. We use best practice guidance to design usable and safe destinations for people of all backgrounds and abilities, such as the WELL Building Standard Accessibility and Universal Design feature and set digital access requirements in relation to accessibility.

We are acutely aware of the value of an **inclusive and diverse workforce**: not least, to ensure we have high performing teams with sophisticated, diverse perspectives enabling better and more informed decision making. As developers and development managers, Stanhope leads large professional teams, and from 2022 we will be monitoring the diversity of these and taking steps with our partners to find opportunities to improve.

![](_page_26_Picture_1.jpeg)

### HEALTHY BUILDINGS AND COMMUNITIES

As we spend 90% of our time indoors, the built environment has a direct influence on the lives of those who work in, live in or simply experience our assets.

We design our commercial projects following best-practice guidance on healthy buildings from the **WELL Building Standard**, an evidence-based standard focused advancing human health through design interventions and operational protocols. By way of example, on our Royal Street project, we are designing around strict criteria for air and water quality, thermal comfort, daylight levels and pollution management, as well as mental health support and active design.

At Building 7, Chiswick Park, **active travel options** are promoted to guests with the establishment of a new cycling club, bike rental and a towel service to encourage guests to choose alternative commuting methods. Outdoor fitness classes take place weekly on the plaza, and an enhanced healthcare service on-site has been set up including physiotherapy, dentistry, and opticians. White City Place have furthered their commitment to promoting cycle use with a new bicycle maintenance station for occupiers and has achieved a top rating of **Cycling Score Platinum.** 

We look to undertake Post Occupancy Evaluations in our completed projects and will be guided by the proportion of users reporting satisfaction (Net Promoter Score) in order to demonstrate how well our spaces are performing in use. This provides a continual feedback loop and ensures our future buildings will benefit from the lessons learnt which we otherwise would have missed.

### ENGAGING WITH PEOPLE

Our projects have the potential to be exceptional places to live and work; delivering long-term social value to the communities in which they sit, from planning right through to operation. This is why we work hard to engage with communities, suppliers, and our clients on key ESG issues.

We continue to seek **transparent and long-term relationships**, and so in 2021 we engaged with our partners at all levels of our construction supply chain on environmental and social matters. Through a supply chain questionnaire, we explained our aspirations and asked about our supply chain's ambitions and practical steps they are taking to mitigate the impact of their activities. The results helped plan our long-term engagement and gave us a better understanding of how our long-standing partnerships respond to our industry's critical issues.

This attitude towards driving understanding continues into our projects. At Gateway and One Wood Crescent, quarterly update meetings are held to bring together community groups and deliver responsive engagement to establish **good links to the community** and maintain these relationships over the life cycle of the project.

On the asset management side, events have been held for 4,500 guests this quarter at Chiswick Park including Chinese New Year, International Women's Day and 'Yellow Monday' for mental health awareness and 15 new local partners have been added to the ONECARD which gives guests access to promotions from businesses in the local area and helps to stimulate the local economy.

### **HEALTH AND SAFETY**

We set the highest standards of health and safety on our development sites through Projects Health & Safety Manual, CDM strategy and Health and Safety reporting forms. Set out below are our 2021-22 health and safety statistics together with 2018-21 data for comparison.

	2018-19	2019-20	2020-21	2021-22
Accident Incidence Rate (AIR) of Reportable injuries per 100,000 workers	234	289	144	114
Fatalities	0	0	0	0
Near Misses	13	15	23	15
Accident Frequency Rate (AFR) (REPORTABLE ACCIDENTS PER 100,000 HOURS WORKED);	0.14	0.17	0.09	0.08
Disabling Injury Frequency Rate (DIFR) (LOST TIME ACCIDENTS PER 100,000 HOURS WORKED);	0.55	0.23	0.17	0.55
All Accident Frequency Rate. (all injury accidents per 100,000 hours worked)	0.96	0.40	0.30	0.98

(\*) The statistics year runs from 1st July to 30th June so are 9 months' worth for 2021-22

### CASE STUDY - CHISWICK PARK: WELLBEING PROGRAMME

![](_page_26_Picture_18.jpeg)

Building Manager Enjoy Work offers a wellbeing programme that supports guest companies own initiatives, offering services and activities to support mental, physical, social, environmental, financial and emotional wellbeing such as GP services, sports clubs and food markets. They also manage the buildings in an effective way, monitoring and enhancing factors such as the quality of air, water, light and comfort, which continues with the daily operations and developments of the building.

![](_page_27_Picture_1.jpeg)

### **POSITIVE OUTREACH**

Outreach through existing partnerships and enterprises is an important opportunity to create and **sustain positive social impact** throughout the asset lifecycle and sustain it beyond our involvement. Projects are asked to report on charitable activities and the number of volunteering and pro-bono hours as well as educational outreach activities.

As an example, this has been demonstrated at our Gateway project through **educational outreach** via 13 different schools as part of the project's outreach programme. This included site visits, talks and the designing of projects, to provide pupils with insight into careers within the construction industry. On our assets in use, this was translated through initiatives like the one we have at White City Place where the team regularly offered their event spaces free of charge to groups and have hosted employment fairs and mentorship events with Hammersmith & Fulham Council and Hammersmith Academy. They have also been able to provide rehearsal space for White City Youth Theatre and the use of the podcast recording studio for the Young Hammersmith & Fulham Foundation.

We monitor the value of **charitable giving and community investment** (financial or in-kind) associated with the project and will be looking to focus these outputs on responding to local, evidence-based needs with outcomes across design, construction, and operation. This year we provided financial support to Gateway's local residents' associations, and staff and trade contractors took part in 3 volunteering days with Hammersmith Community Garden. Our other projects have donated to various charities too including Maggie's, Friends of Essex, Movember and the Croydon Refugee Day Centre. We encourage our occupiers, residents and guests to contribute to charitable causes to ensure that our positive outreach extends beyond construction stage. At Television Centre we have held successful charity collections for refugees from Calais and Ukraine, as well as for local food banks.

### **GATEWAY: ENGAGING THE COMMUNITY**

![](_page_27_Picture_8.jpeg)

On our Gateway development, there have been 5 'Quarterly Update Forum' meetings to date and prior to these meetings, separate frequent meetings were being held with each adjacent community group and local Councillors. The aim of the 'Quarterly Update Forum' meetings was to unify and streamline communications whilst bringing community groups together; the new meetings have proven highly successful, and external feedback has been extremely complimentary. Alongside this there were notification letters, newsletters and neighbourly meetings to explain the works and get community buy-in.

### **ONE WOOD CRESCENT: SUPPORTING CHARITY**

![](_page_27_Picture_11.jpeg)

At One Wood Crescent, we have worked closely with the local residents' association to identify and support charity groups. This has led to us supporting the Shepherd Bush Family Project which exists to support and assist families trying to cope with housing stress and manage their lives in difficult and wide-ranging circumstances, and the Bassuah Foundation which supports single parents and their children. Initiatives included collecting and distributing gifts at Easter, Halloween and Christmas.

# **568**

Volunteer & probono hours delivered across projects

![](_page_27_Figure_15.jpeg)

Value of charitable giving or community investment across projects

### 8 BISHOPSGATE: EMPLOYABILITY SUPPORT

![](_page_27_Picture_18.jpeg)

At 8 Bishopsgate there have been collaborations with various charities and schools to help provide weeklong preemployment programmes, careers advice, work experience opportunities, educational site visits, job fairs and technical curriculum support, 'life-skill' workshops, employability training and mentoring programmes. All of this is to work towards increasing the confidence and employability of young people into the building industry.

![](_page_28_Picture_1.jpeg)

It is important to Stanhope that we act responsibly and take steps to make a positive contribution in a wider sense. On the corporate side, our social value contribution in 2021-22 was £242,600 as calculated through the TOMS framework which results in £4,400 of social value per employee.

**511** 

Hours worth of training for our employees

# 91.5%

Net Promoter Score determined from our employee perception survey

## GOOD WORK & OPPORTUNITIES

We remain focused on the **continuous improvement** of our workforce and understand that the development of our pool of skills and abilities is vital to the future of our business. In 2021-22, Stanhope took on two internships, and employees undertook 511 hours' worth of training.

Through our activities and with our partners, we have the power to generate meaningful and fair employment as well as to champion diversity of thought and inclusivity. An example of this is the work done by the Mentoring Circle which was set up by Stanhope employee Vanessa Murray in 2021 and has gone from strength to strength. It continues to partner newly qualified female professionals with senior female leaders in the property industry for quarterly one to one mentoring sessions over the course of 21 months. Several of Stanhope's senior female team members have mentored over the last year with the aim of assisting mentees in establishing clear goals at their outset of their careers.

### INCLUSION & DIVERSITY

Stanhope is a small business of c.60 employees and has a high retention rate, meaning that diversifying our own workforce will take time. However, we recognise the importance of driving inclusivity and diversity not only in terms of gender, but also other factors including ethnicity and socio-economic background.

This year saw the formation of Stanhope's **I&D committee** which kicked off with a discussion with subject matter experts, and engaging with our industry partners to have an open discussion with us on their plans. This was so that we could better understand the challenge and so see how we can work together to operate something effective on our own scale. In the upcoming year we intend to set short, medium and long term targets and to focus our approach.

## RESPONSIBLE PROCUREMENT

Although our headquarters represents only a small proportion of our footprint, we understand that through our procurement, we can support the growth of responsible business and deliver socio economic impact. Our updated Responsible Procurement Policy provides guidance for those who are specifying or procuring materials or products to be used on Stanhope projects, but we also consider the ESG credentials of our office procurement and carefully consider what we are supporting through our consumer choices. Examples this year include the discussions we initiated with our cleaning team about their ethical labour policies and environmentally friendly products, as well as the purchase of a new coffee machine which matched our ESG requirements.

![](_page_28_Picture_16.jpeg)

Stanhope's 25th Birthday Party

![](_page_28_Picture_18.jpeg)

100 New Oxford Street

![](_page_29_Picture_0.jpeg)

![](_page_29_Picture_2.jpeg)

![](_page_29_Picture_3.jpeg)

Stanhope employees volunteering

![](_page_29_Picture_5.jpeg)

Stanhope Foundation fundraising

![](_page_29_Picture_7.jpeg)

![](_page_29_Picture_8.jpeg)

![](_page_29_Picture_9.jpeg)

# £530k

raised through

**STANHOPE** FOUNDATION

~£54k

Direct charitable donations

585

hours of probono and volunteering completed by Stanhope staff

### HEALTHY BUILDINGS AND COMMUNITIES

We see the value in regular feedback from our employees through staff surveys and appraisals. Following the success of the client perception survey last year, this year we commissioned one from the employee perspective. The employee perception study investigated the perceptions within the business and gathered anonymous feedback from all of Stanhope's employees. The key objectives were to see the business and its future through the eyes of its own people, collect frank feedback on the highs and lows of the experience of working at Stanhope and to generate the data and insights necessary to create an outstanding work environment.

Our Net Promoter Score (a metric of loyalty and satisfaction) of 91.5% is a **remarkable vote of** confidence for the business. This exercise has given us a great building block to deliver a bespoke employee engagement programme which will deliver a long-term vision to continue our sustainable management-led business.

### **POSITIVE OUTREACH**

Through our direct business activities, we have worked hard to support various charities and provide educational outreach where we can. This year, through the management of the Stanhope Foundation we have raised £530k for our three charities to help people find hope and pride through meaningful employment. We have donated £47.5k to various charities including Coram, Great Portland Street, Red Cross Ukraine appeal and the Archbishop Park Community Trust.

We aspire to reach out and support the most vulnerable groups in our communities and have collectively provided over 585 hours of volunteering, probono and professional advice this year to beneficiaries including Construction Youth Trust, Museum of London and Guys

![](_page_30_Picture_1.jpeg)

## Governance

ESG POLICIES & CORPORATE CLIMATE RISK REPORTING BUILDING NABERS UK INDUSTRY ANNUAL REPORT GOVERNANCE CERTIFICATION PIONEER COMMITMENTS MANAGEMENT PLATFORMS Ň 🔅 G R E S B **BRFFAM**<sup>®</sup> WELL phile -TCFD NABERS 🖑 🐇 ВС 🖉

Stanhope's ethos is to be a good long-term partner, treating people fairly and with respect, across all aspects of the business. Our commitment to conducting our business ethically and responsibly is reflected and documented in Stanhope's policies, guidance, and reporting documents. These documents govern our business activities and our ESG framework aims to provide an agile structure for our diverse projects, our asset managed portfolio and the overall corporate business.

### CORPORATE

Our ESG team has grown and now consists of a Head of ESG and two ESG Executives who collectively coordinate the Environmental, Social and Governance matters across the business. Our **ESG Committee** meets quarterly and includes representatives from all departments within the business. The senior management and Head of ESG are then responsible for reporting progress to the Board, with a formal bi-annual ESG update.

Alongside the Planet Mark certification, we report and disclose to the Management section of the **Global Real Estate Sustainability Benchmark (GRESB).** The results can be found in the graph opposite where you can see that we score highly in leadership, policies and reporting. We have used this reporting exercise as a tool to identify areas in which we can improve and have taken steps to strengthen our governance practices. This year we conducted a gap analysis against the requirements of the **Taskforce** for Climate Related Financial Disclosures (TCFD). This involved a review of the physical and transition risk and opportunity faced by the business in relation to climate change. We formalised our formal support to the TCFD this year. We created an ESG Due Diligence checklist for our new business activities, used to assess potential projects and acquisitions against environmental, social and reputational risks.

We have been educating -and will continue to do so- our internal teams and clients on key material issues that affect our projects and assets, our approach and long-term value.

### DEVELOPMENTS

All projects are subject to Stanhope's ESG policies and required to set ESG delivery targets in response to the updated **ESG Project Brief** brought out this year. They are then asked to report on progress at each key design stage using a Project ESG Reporting Proforma and through ESG workshops. These are reviewed quarterly by the ESG team who reports progress to the ESG Committee. Development projects are also subject to quarterly technical reviews and again, material ESG related issues identified are reported on.

We have updated our quarterly Commercial Review templates to include reporting on projects ESG performance to a wide array of senior stakeholders within the business, linking commercial performance with environmental and social responsibility

We secure market-leading ratings for our developments as you can see in on the page opposite. We do not chase ratings for their own sake but recognise they are a useful benchmark to communicate quality at a glance and are useful where they provide us with a framework to demonstrate performance against the outcomes targeted in the ESG Project Brief.

### ASSET MANAGEMENT

This year we have produced a detailed **Asset Management ESG Brief** which spells out the objectives set for our portfolio of managed assets and expected actions to demonstrate success. The document highlights reporting requirements and proposed frequency for each theme and topic and performance against ESG objectives is reviewed quarterly.

For each asset, our Asset Management team will work in conjunction with the selected Property Management partner to curate a bespoke Asset ESG Action Plan with regards to the design capability of the building. This plan captures building-specific information and demonstrates progress against the objectives laid out in the brief and its reporting metrics.

Progress for both assets and developments is recorded quarterly to Senior Management and annually in our ESG annual report.

![](_page_31_Figure_18.jpeg)

![](_page_31_Picture_19.jpeg)

ALL ACTIVE COMMERCIAL PROJECTS FOLLOW NABERS UK DESIGN FOR PERFORMANCE APPROACH

![](_page_31_Picture_21.jpeg)

![](_page_31_Picture_22.jpeg)

BREEAN

100% OF PROJECTS ARE FOLLOWING

BREEAM AND ALL OFFICES ARE

TARGETING EXCELLENT OR ABOVE

ALL OF OUR SCHEMES IN PRE-DEVELOPMENT ARE WELL ENABLED

## **Independent Assurance Report**

Grant Thornton UK LLP ('Grant Thornton' or 'we') were engaged by Stanhope plc ('Stanhope') to provide limited assurance over the Subject Matter Information described below:

#### LIMITED ASSURANCE CONCLUSION

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

### SUBJECT MATTER INFORMATION

The scope of our work was limited to assurance over selected aspects of the Stanhope plc's ESG Annual Report ('the Report') for the year ended 31 March 2022 listed in Appendix A to our report ('the Subject Matter Information').

Our assurance does not extend to any other information that may be included in the Report for the current year or for previous periods unless otherwise indicated.

#### **REPORTING CRITERIA**

The Reporting Criteria used for the measurement or evaluation of the Subject Matter Information and to form our judgements are Stanhope's methodology as set out as in the 'Scope and Boundaries' section of the Report ('the Reporting Criteria').

#### INHERENT LIMITATIONS

The absence of a significant body of established practice on which to draw to measure or evaluate the Subject Matter Information allows for different, but acceptable, measurement or evaluation techniques and can affect comparability between entities and over time. In particular we draw attention to the methodological and assumption based limitations Stanhope have disclosed in the Reporting Criteria.

#### DIRECTOR'S RESPONSIBILITIES

The Directors of Stanhope are responsible for:

- The design, implementation and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- Selecting and/or establishing suitable Reporting Criteria;
- Measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- The preparation of the Report and the Reporting Criteria and their contents.

### **OUR RESPONSIBILITIES**

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- Forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- Reporting our limited assurance conclusion to Stanhope.

## OUR INDEPENDENCE, PROFESSIONAL STANDARDS AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We apply International Standard on Quality Control (UK) I, 'Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements' and accordingly we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### ASSURANCE STANDARDS AND LEVEL OF ASSURANCE

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' ('ISAE 3000 (Revised)'), and in respect of the greenhouse gas emissions information included within the Subject Matter Information, in accordance with International Standard on Assurance Engagements 3410 - 'Assurance Engagements on Greenhouse Gas Statements' ('ISAE 3410') issued by the International Auditing and Assurance Standards Board (IAASB). These standards require that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

![](_page_32_Picture_30.jpeg)

## Independent Assurance Report (continued)

![](_page_33_Picture_2.jpeg)

#### WORK PERFORMED

Considering the circumstances of the engagement our work included, but was not restricted to:

- Assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- Assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- Conducting interviews with relevant Stanhope management and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- Performing selected limited substantive testing including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- Considering the appropriateness of a selection of selected carbon conversion factor calculations, other unit conversion factor calculations and other calculations used by Stanhope to prepare the Subject Matter Information including by reference to widely recognised and established conversion factors;
- Evaluating the overall presentation of the Subject Matter Information; and
- Reading the Report and narrative accompanying the Subject Matter Information in the Report with regard to the
  - Reporting Criteria, and for consistency with our findings.

#### INTENDED USE OF THIS REPORT

This limited assurance report, including our conclusion, is made solely to Stanhope in accordance with the terms of the agreement between us. Our work has been undertaken so that we might state to Stanhope those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept or assume responsibility and deny any liability to any party other than Stanhope for our work or this report, including our conclusion.

![](_page_33_Picture_16.jpeg)

Grant Thornton UK LLP

Chartered Accountants

Cambridge

28<sup>th</sup> June 2022

The maintenance and integrity of Stanhope's website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information, the Report or the Reporting Criteria presented on Stanhope's website since the date of our limited assurance report.

## Appendix A: Underlying Subject Matter and Subject Matter Information

UNDERLYING SUBJECT MATTER	UNITS	SUBJECT MATTER INFORMATION	SUBJECT MATTER INFORMATION
		31 March 2020	31 March 2022
Scope 1 carbon emissions	t CO <sub>2</sub> e	17	27
Scope 2 carbon emissions	t CO <sub>2</sub> e	27	32
Scope 3 carbon emissions (GHGP category 02)	t CO <sub>2</sub> e	46,914	49,735
Scope 3 carbon emissions (GHGP category 11)	t CO <sub>2</sub> e	15,936	4,575
Scope 3 carbon emissions (GHGP category 13)	t CO <sub>2</sub> e	10,028	7,724
Waste (corporate)	t CO <sub>2</sub> e	N/A out of scope	0.2
Social value (corporate) - volunteering	hours	N/A out of scope	585
Social value (corporate) - donations	£	N/A out of scope	£54k
Waste (construction) – diversion from landfill	%	N/A out of scope	100%
Waste (construction) - recycling rate	%	N/A out of scope	93%
Waste (construction) - intensity	t / 100m² GIA	N/A out of scope	4.3
Social value (construction) - volunteering	hours	N/A out of scope	568
Social value (construction) - donations	£	N/A out of scope	£25k

![](_page_34_Picture_3.jpeg)

#### ESG ANNUAL REPORT 2021-2022

independently developed; or

Information which the recipient can establish by reasonable proof was in the

recipient's possession at the date of this document or was subsequently and

These obligations shall continue without limitation in point of time until the

information enters the public domain without fault on the recipient's part.

Information which the recipient is required by law to disclose.

#### Copyright© Stanhope plc 2022

All rights reserved.

No part of this document may be reproduced, stored in a retrieval system or transmitted or copied in any form or by any means, electronic, mechanical, photocopying or recording otherwise, without the prior written permission of Stanhope plc. The information contained in this document is subject to the following terms and conditions:

The recipient shall take all necessary measures to keep it confidential and shall take all necessary measures to keep it and any copies secure and in such a way so as to prevent unauthorised access by any third party. The recipient shall not, without the prior written consent of Stanhope plc, make use of it other than for the tender process nor disclose it to any third party. These obligations shall not apply to: Information which at the time of disclosure is in the public domain; or Information which, after its disclosure, enters the public domain by lawful and

proper publication; or

Stanhope Plc, 2nd Floor, 100 New Oxford Street, London WC1A 1HB

Tel: +44 (0)20 7170 1700

Registered in England No. 3017841 VAT Registration No. 305 6256 20