CHARITIES PROPERTY FUND

Savills Investment Management

SUSTAINABILITY REPORT

December 2023

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In the face of climate change, resource scarcity and growing inequality, real estate investment managers are increasingly confronted with pressing challenges. As custodians of assets managed on behalf of clients, we recognise the urgency in addressing these concerns. Environmental issues are driving increased regulation, civic engagement, and widespread commitments by national governments to achieve net zero carbon emissions. At a corporate level, we recognise that integrating environmental and social considerations into our business model is imperative to fulfilling our fiduciary duty to clients and our broader responsibilities to occupiers and both the wider community and environment. Neglecting this aspect could also lead to assets becoming stranded. In this report, we aim to provide transparent insights into both our positive contributions and areas where improvements can be made.

We demonstrate our commitment to Environmental, Social, and Governance (ESG) principles through our investment and corporate activities. As we strive to meet increasingly ambitious sustainability targets, we remain focused on delivering resilient financial returns for our investors. At Savills Investment Management, our goal is to lead as a manager and financier of restorative real estate assets. ESG considerations are integral to our business objectives and are fundamental to the Charities Property Fund ("CPF"). We are dedicated to achieving tangible sustainable outcomes. Our ESG program focuses on enhancing the environmental sustainability of our assets through acquisition and asset management, as well as advancing positive social impacts through engagement with tenants and employees. This holistic approach ensures that the Principles for Responsible Investment are deeply embedded in our business practices.

“We are committed to become a leading manager and financier of restorative real estate assets”

Manager's Introduction

The Fund has a rich heritage of social purpose, providing reliable and secure income to our charity investors. Since inception in 2000, as both a Common Investment Fund and a charity, CPF prioritises ethical considerations, ensuring that investments align with our values. We maintain a stringent policy which prohibits investment in properties occupied by tenants that could compromise the integrity of our unitholders, such as those involved in tobacco, arms, pornography, or animal testing industries. Complete transparency is upheld through comprehensive listings of all tenants in our annual and interim reports and accounts. All proposals and tenants undergo thorough review by an Advisory Committee comprising representatives from charities invested in the Fund, with specific engagement to gather their insights on the suitability of proposed tenants.

From a governance perspective Savills Investment Management is committed to integrating ESG into our investment and portfolio management decision-making. As a sign of our commitment to embed responsible investment into our business we have been a signatory of the UN aligned PRI since 2014.

CPF continues to progress towards achieving Net Zero Carbon ("NZC"), while aligning to the Savills IM NZC pathway, released in April 2022. The framework outlines specific objectives for attaining NZC emissions. Although these goals are set at a centralized Savills IM level, they have implications for the ESG and net zero carbon strategies of all funds, including CPF. CPF had already embarked on its journey towards achieving net zero carbon emissions and remains committed to these objectives.

Savills IM have outlined ambitions to reduce emissions intensity by 25% by the end of 2025, and 50% by the end of 2030 for all assets under management held for two years or more, using a 2019 baseline to eliminate COVID-19's impact on 2020 and 2021 data coverage and accuracy.

To aid this goal, CPF conducted extensive Net Zero Carbon ("NZC") audits in the last 24 months following portfolio CRREM analysis. Since our last report, the NZC enabled refurbishment at one of the Fund's office assets in Maidenhead, completed in March 2023. We are pleased to report that the building now holds a BREEAM Excellent building with an EPC rating of A and SKA Gold with PV panels, new LED lighting throughout with PIR and daylight sensors. Refurbishment incorporated water saving fittings and leak detection for water conservation, installation of air source heat pumps alongside a mechanical ventilation with heat recovery system and installation of EV charging points, and cycle racks. Biodiversity measures include low maintenance, bat boxes, bird boxes and bee hotel installation.

The Fund team continues to engage with occupiers, enabling multiple joint improvement projects. We have seen a rise in tenant requests to enhance our buildings at their expense, driven by the goal to achieve NZC by 2030. This collaboration not only aids us in reaching NZC goals but also allows us to share costs, which is a significant advantage of longer than average leases.

In line with the Fund's social purpose objective, the acquisition in December 2023 furthers our commitment to specialised supported housing ("SSH"), reflecting our dedication to targeting occupiers aligned with our investors' values. By directing capital towards creating residential dwellings for vulnerable individuals to lead independent lives, we provide a social benefit whilst ensuring a sustainable income stream for our investors.

SSH caters primarily to young adults with lifelong learning or physical disabilities, as well as mild mental health issues. While the official age range spans from 18 to 65 years old, the average age of residents typically falls between 25 and 35 years old. The care provided is considered to be low intervention but is available on-site 24/7. The healthcare is not acute, the residents lead independent lives while benefiting from care packages typically provided by Local Authorities or care providers such as a charity.

We are also seeking to improve biodiversity at our assets. At land adjacent to our Telford service station, we conducted an environmental assessment and invertebrate surveys as part of an ongoing biodiversity initiative. The Charities Property Fund team understand that it is our role as a responsible business to do what we can to positively impact the environment, our people and the local communities in which we operate and have continued to engage in philanthropic initiatives throughout 2023.

In September 2023, members of the CPF team volunteered with Heath Hands for the day. Heath Hands are a registered charity who help conserve 350 hectares of unique green space in London. The team were educated on the surrounding nature and performed essential maintenance on the heath, helping to ensure the healthy development of trees, create new habitats for wildlife and provide a welcome green area for the local residents.

While progress in engaging occupiers was acknowledged, challenges persisted. Efforts were incentivised through a training guide produced by The Fund team working alongside the Fund's third party ESG consultant. The training guide highlights good practice, quick wins and behavioural improvements aiming to enhance sustainability performance of their buildings. We hope this will help to continue an increase our engagement with occupiers and increase ESG initiatives across the portfolio.

This document aims to demonstrate our continuing commitment to ESG.

Harry de Ferry Foster
Fund Director of The Charities Property Fund
December 2023

Awards

We are pleased to highlight the recognition and awards received for our commitment to sustainable practices and responsible investment. These awards show a testament to our unwavering dedication to ESG principles and highlight our ongoing efforts to drive positive change in the industry and beyond.

Award: Property Fund Manager of the Year
Winner: Savills Investment Management

We are pleased to report that Savills Investment Management was awarded "Property Fund Manager of the Year 2023" at the Property Week Awards in June. This is one of the most prestigious awards in real estate and we were recognised primarily for our work on the Charities Property Fund.

Other nominations for this category included:

- AXA IM Alts
- Blackstone
- Legal & General Investment Management –Real Assets
- M7 Real Estate
- Newcore Capital
- Resonance
- Student Homes Management
- Valor Real Estate Partners
- Wesleyan

> The Charities Property Fund (CPF), which last year outperformed its benchmark by 5.3% and was the third best-performing fund in the All Balanced Property Fund Index, has now outperformed its benchmark for 12 consecutive years. One judge stated that Savills Investment Management is "such a well-managed business and it's great to see CPF doing so well," whilst another stated, "It was very strong across all the criteria".

Award: Outstanding Fund Achievement in ESG
Shortlisted: The Charities Property Fund

AREF
The Association of Real Estate Funds
Annual Awards 2023
SHORTLISTED
Outstanding Fund Achievement
Charities Property Fund

AREF (The Association of Real Estate Funds) is the respected industry body for real estate funds. They only run four award categories every year and this year we were shortlisted for the "Outstanding Fund Achievement in ESG" award. **We are one of only four funds (out of 50 funds in the Index) to make the shortlist and the only charity specific fund to do so**.

The award asked: What risks have you experienced in your transition plan to Net Zero Carbon? Provide examples of how you have addressed them. For example, how are you going above and beyond managing climate risks within your fund, to actively achieve net-zero ahead of regulation and how you are innovating in this space?

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Case Study - Maidenhead completed 2023

The Challenge

At lease expiry we managed to acquire vacant possession of the entire building. This enabled us to refurbish the building. The accommodation required updating and M&E equipment was nearing the end of projected life.

The Solution

- Review of M&E equipment along with local market requirements for the accommodation.
- Leased the entire building to a FTSE 100 company.
- Commissioning of a Net Zero Pathway report to define future strategy for the building. Implement Net Zero Pathway, BREEAM and SKA objectives.
- Improvements to the building to support rental levels.
- Tender and implement refurbishment work.

The Results

- ✔ Refurbishment of the accommodation to allow rent to be increased.
- ✔ Net Zero Pathway objectives further future-proofing and alignment with CRREM 1.5ºC Paris Agreement trajectory*
- ✔ BREEAM Excellent*
- ✔ EPC A rating*
- ✔ SKA Gold*
- ✔ Air source heat pumps replace gas boilers - 9% targeted energy savings*
- ✔ Hybrid VRF, heat recovery, improved efficiencies and setpoints - 13% targeted energy savings* and reduced CO_2 depleting gases within installation
- ✔ LED lighting, DALI daylight controls and small power reduction - 43% targeted energy savings*
- ✔ 8 EV charging points
- ✔ 20 cycle racks
- ✔ Sedum roof with pollinators
- ✔ Bat boxes, Bird boxes, Bee Hotel installation
- ✔ Water saving fittings and leak detection for water conservation
- ✔ Enhanced metering and BMS controls
- ✔ 20kW PV installation - 13% targeted energy savings*
- ✔ 88kWh/m2/yr targeted energy savings*
- ✔ 60% targeted energy savings over baseline*

* Targeted energy savings against the modelled performance of the building before the refurbishment works
** Interim figures

- ✔ 98% of non-hazardous waste recycled**
- ✔ Donating carpet tiles
- ✔ Reusing – ceramic floor & wall tiles, plasterboard, wall mirror units and doors, window blinds to part
- ✔ 41.8% of workforce travel to site from within 25 mile radius
- ✔ 6 apprentices on site during project, 4 work experience, 1 undertaking an NVQ, 1 Foundation Programme
- ✔ The project's operational energy aligns with UKGBC's Energy 2030 target, maintaining it at 53.9 kWh/m2/year, which is below the threshold of 55 kWh/m2/year. Additionally, to support the net-zero commitment of this project, the team has showcased exemplary upfront embodied carbon (A1-A5) of 166 kgCO2e/m2, well under the LETI 2030 target of 350 kgCO2e/m2 for new builds and major renovation

Our Sustainability Approach

Our ESG values

Savills IM is committed to becoming a restorative business. This means we seek to restore social and ecological systems to a healthy state.

Achieving net zero carbon (NZC) emissions for both our corporate business and the assets that we manage is our first priority in this journey. But Savills IM intends to go beyond net zero.

By 2050 we want to be a climate positive business that has helped restore nature and biodiversity, and strengthened communities. The Savills IM team have already started this journey.

We recognise that a transition to a restorative economy goes beyond carbon emissions. At Savills IM our interventions align to three focus areas:

Savills IM Responsible Investment Policy

Our Responsible Investment Policy (RI Policy) and ESG initiatives are embedded into our investment process. This enables our investment and asset management teams – as well as our corporate business – to consider and implement measures that are aligned with our ambition to become a restorative business. Our full 2023 updated RI Policy is available here, and associated guidance notes are available here.

GRESB

GRESB 2023 Assessment

€10.3bn
of direct real estate under management submitted to GRESB

100%
of funds submitted to GRESB received a green star

PRI Principles for Responsible Investment

UN PRI 2023 Assessment

★★★★★
in Policy, Governance & Strategy

★★★★★
in Confidence Building Measures

★★★★★
in Direct – Fixed Income

★★★★
in Direct – Real Estate

savills investment management

Savills IM Climate Screening

100%
of standing and new assets under management have been screened for physical climate risk

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Our Sustainability Approach

To understand where to focus our responsible investment efforts, Savills IM ran a series of ESG engagement workshops with our staff to seek their views. We also spoke with our investors and stakeholders. From this engagement, we have categorised our impact as 'contribution' for six priority SDGs (SDG 7, 8, 11, 12, 13 and 15) and 'alignment' for three others (SDG 3, 4, and 5). This will enable Savills IM to deliver the highest positive impacts, whilst reducing negative impacts from our business operations.

Our 2022-2023 annual sustainability report contains examples of how Savills IM is contributing to the UN SDGs. Please see a selection of contributions below.

13 CLIMATE ACTION

Target 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

Savills IM operates with a dedicated ringfenced ESG training budget available to all Savills IM employees. Over the course of 2022 and 2023 nearly 60 employees have attended Hillbreak Ltd.'s BBP ESG Training for Real Estate Professionals programme.

In 2023 our ESG team ran a three-part Net Zero Whole Life Carbon training course for all Savills IM employees and 47 of our employees have now taken part in our Restorative Business Champions network.

15 LIFE ON LAND

Target 15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

Savills IM has committed to achieving a 15% increase in biodiversity and green space across our portfolio by 2025. This project kicked off in Q4 2023 with the start of our biodiversity baselining.

Various biodiversity initiatives took place across the portfolio including conducting an invertebrate survey at land adjacent to our Telford service station and installing bat boxes, bird boxes and bee hotel at an office in Maidenhead.

Our Sustainability Approach

Asset Acquisition and Asset Management

Savills IM periodically reviews how ESG is embedded into its Due Diligence (DD) process. In 2022 it launched an updated version of our Technical & Environmental Due Diligence guidance documentation which applies to the Charities Property fund, further embedding considerations on topics such as climate risk, energy sources, energy intensity and embodied carbon into the DD process.

All purchases are reviewed and presented to the Investment Committee (IC). The IC paper template contains guidance on ESG considerations to be made in stock selection, and acquisition due diligence, such as environmental and social risks and opportunities, regulatory compliance, green building accreditation or value-add innovation.

We identify opportunities for, and the inherent risks of, sustainable practices. Opportunities may include tenant engagement to help meet sustainability targets, the installation of green technology and infrastructure within an asset or participating in benchmark surveys and reporting at both a fund and corporate level. We evaluate and manage the impact that sustainability has on investment performance; for example, this may include depreciation costs due to additional capital expenditure or the ability to let or sell a property. We seek to manage these elements in a manner appropriate to the Fund's risk and return profile.

For all investment management mandates Savills Investment Management aims to meet and, where possible, exceed the minimum requirements of any relevant planning, construction or environmental legislation; consider the sustainability credentials of an asset or development prior to purchase and include details in the papers presented to the IAC.

Property Development, Refurbishment or fit-out

Integrating sustainability and ESG considerations into the earliest stages of design and construction of asset development, refurbishment or fit-out creates an opportunity to add tangible value to asset value, future-proof against obsolescence, improve occupancy appeal and results in improved building performance, see Maidenhead example on page 6. As part of this we have made available a sustainable fit-out guide to all tenants, which contains mandatory and best practice objectives to include when conducting refurbishments and developments.

Property Management

Where we manage the assets in our investment portfolios, we select managing agents who have a strong track record in sustainability and responsible property management, and expect that they adhere to our Responsible Investment strategy and incorporate ESG into all aspects of their management mandate. We ensure that our managing agent has integrated the Managing Agents Partnership core provisions for integrating sustainability into property management. For further information, click here.

Our focus on integrating sustainability and ESG into property management practices ensures we can continue to add value, improve and enhance assets in our ownership, reduce operational costs and foster tenant satisfaction and occupancy appeal. In 2022 this included an analysis of the portfolio's pedestrian accessibility using the WalkScore database and a desktop study assessing the liveability of the locations where the Fund has assets using the Indices of Multiple Deprivation from the Ministry of Housing, Communities and Local Government. The Fund has made efforts to track asset-level performance in order to model its pathway to net zero in 2022 by employing a program of 17 audits covering energy consumption, carbon emissions and improvement opportunities. The findings of these audits will be used by the property management team to improve the operational efficiency of the managed assets within the Fund.

Resource Efficiency

We have implemented an Environmental Management System (EMS) based on the principles of ISO14001, the international standard for establishing an EMS. This framework adopts a concept of 'continual improvement' which is enacted through a 'Plan, Do, Check, Act' approach. This requires goals and objectives to be developed for identified material environmental impacts ('Plan'), actions to be implemented to manage impacts ('Do'), progress against objectives to be monitored and evaluated ('Check'), and a review to be undertaken to continually improve performance ('Act').

To improve resource efficiency we apply this approach through our programme of technical sustainability audits at our assets which identify improvement opportunities with respect to energy and water consumption, waste generation and the health and well-being of our tenants.

Stakeholder Engagement

The Fund is actively engaging with tenants across the portfolio through face-to-face meetings, newsletters and tenant surveys. Our property and facilities management teams are continually aiming to support and educate occupiers over possible improvements they can make. We have engaged with tenants on food waste to encourage partnerships with local food banks and have provided tenants with a sustainable occupier guide.

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Our Sustainability Approach

Asset Disposal

When a property is being positioned for sale, sustainability measures and programmes can be used to further enhance the property's status and maximize its value. For example, information on an asset's performance in comparison to its required decarbonisation trajectory is becoming an increasingly popular request. Such features help provide valuable criteria that differentiate the property from other offerings in the market and serve as an indicator of overall quality. Being able to bring high- performing assets to market will result in a greater choice of prospective buyers, and potentially lead to a more profitable and efficient exit.

Responsible Corporate Governance

We believe it is important to be a responsible business and observe fundamental standards of good management and conduct. We are committed to transparent monitoring and disclosure of ESG targets and asset performance for the wider business and investment community, through Fund reporting and participating in the GRESB survey and annual UNPRI reporting requirements.

Objectives and Targets

Our Net Zero Commitment

Savills IM is committed to becoming a restorative business. This means we seek to restore social and ecological systems to a healthy state.

Achieving net zero carbon (NZC) emissions for both our corporate business and the assets that we manage is our first priority in this journey.

We aim to be transparent in the challenges we face as a business and for the real estate sector and we will report our progress on this pathway annually.

As a signatory to the BBP Climate Commitment, we are also publishing our Approach to Climate Resilience, a document detailing our approach to physical climate risk.

To see Savills IM's like-for-like progress with carbon reductions please see our 2022-2023 annual sustainability report.

In 2022 Savills IM released our Net Zero Carbon Pathway Framework. The framework is aligned with the Better Buildings Partnership's (BPP) NZC Framework with SIM becoming signatories of the BBP's Climate Commitment.

Our 2022-2023 annual sustainability report, released in 2023, provides an update one year on from the release of our Net Zero Carbon Pathway document. Our sustainability report features updates and statistics on our journey to net zero: like-for-like Greenhouse gas (GHG) emission intensity decreased by 8.5% to 32.9kgC02e/m2 in 2022 compared to 2021.

Savills IM also expanded its dedicated in-house ESG team in 2023 complimented by the appointment of a dedicated role to lead on Net Zero internally. Our in house ESG team now compromises of 7.5 FTE.

Savills IM's goal is to reduce absolute emissions of all assets we manage. We plan to ensure every asset under our management for two years or more will develop a NZC pathway.

2025

By the end of 2025, 25% reduction in emissions intensity compared to 2019 baseline.

2030

By 2030, we will target 50% reduction in emissions and energy intensity for AuM held for more than two years (based on 2019 baseline).

By 2030, for corporate emissions we will target net zero operational carbon emissions.

2040

By 2040, we will target net zero emissions based on 2019 baseline.

2050

By 2050, we will target absolute zero emissions as part of our commitment to become a restorative business.*

*By absolute zero emissions we mean absolute contraction of GHG emissions, rather than GHG emissions by intensity

In doing this, we will follow an emissions hierarchy of avoid, reduce, use renewables and offset, as follows:

- We will avoid any unnecessary emissions and reduce embodied carbon where possible.
- We will reduce operational emissions through efficiency measures and changing fuel sources.
- We will increase onsite renewables and promote and use renewable energy contracts where available.
- We will offset the remainder of emissions as a last resort, initially only focusing on offsetting residual embodied carbon from developments and refurbishments.

Objectives and Targets

To help develop our Net Zero Pathway for the assets within the portfolio we have engaged with Arbnco as our third-party data collection partner. Arbnco specialise in collecting tenant energy data by "data scraping" from a centralised database to provide aggregated data for reporting purposes. Using this partnership in conjunction with the efforts made by our property management team and sustainability consultants assets reporting some energy data has increased from 41 properties in 2021 to 68 in 2022. This, coupled with the targeted Net Zero Carbo Audit Program undertaken in 2022 has been a significant step in CPF tracking its pathway to net zero.

To support the Fund's pathway to Net Zero we have taken significant steps in 2022 to better understand the energy performance of the portfolio and the resultant carbon emissions generated through the operation and use. This is following on from the Asset Stranding Assessment using the Carbon Risk Real Estate Monitor tool (CRREM) completed in 2021 by our sustainability consultants. This assessed the whole portfolio's readiness to transitional climate risks by comparing the whole-building energy efficiency of each asset to the decarbonisation pathway required to meet the 1.5oC global warming target, set out in the Paris Agreement in 2015. To do this we undertook an extensive programme of targeted Net Zero Carbon (NZC) audits throughout 2022 at assets which represented a cross-section of the portfolio composition. This allowed the interventions and findings to be extrapolated across the whole portfolio which was the most effective manner to assess the fund.

Full audit reports covering the energy use trends and efficiency of the building, as well as including CAPEX improvement recommendations were delivered. These reports have been used by the management team to create short, medium and long term plans to achieve its Net-Zero Carbon targets.

The recommendations and findings from the Net Zero Carbon Audit Program in 2022 follow the energy hierarchy. This means that efforts to reduce demand and increase efficiency are promoted first such as optimising the building management systems already in place, making improvements to the building fabric through insulating the floors and roof and replacing aging windows with double glazing and replacing halogen and T8 or T5 bulbs with LEDs, followed by the electrification of heat using heat pump technologies to remove traditional gas-fuelled heaters and boilers and HVAC systems, and the installation of on-site renewable energy such as solar photovoltaics (PV).

Partnerships and Memberships

Objectives and Targets

We strive to go 'beyond compliance' by implementing an ESG programme focussed on creating performance improvement throughout our portfolio.

We have set a series of dedicated and ambitious sustainability objectives to drive our ESG programme and track performance improvements as sustainability initiatives are rolled out. By doing this we will create a more resilient, resource efficient portfolio that is recognised by the market, our site teams and occupiers.

The implementation of our ESG objectives is in varying stages of development. Some already have associated metrics and targets which we are actively working towards, whereas other metrics and targets will be developed in due course.

	Objective	Metric	Target	Progress
Drive sustainability performance improvements through our portfolio				
1	Implement a rolling programme of sustainability audits to identify performance improvement opportunities	Number of audits conducted per year	Minimum of 6 per year	17 Net Zero Carbon Audits completed in 2022
2	Investigate the feasibility of all improvement opportunities identified from sustainability audits, and implement where appropriate	% of improvement opportunities investigated	Consider 100% of all improvement opportunities identified.	
3	Integrate ESG management principles into our refurbishment and fit out projects	% of refurbishment and fit out projects where ESG principles are integrated	Utilise enhanced refurbishment and fitout guidance, published in 2021 in all development and refurbishment programmes from 2022	
4	Engage with our tenants to promote ESG	% of tenants contacted to discuss ESG initiatives / performance	Contact 100% of tenants	
Track our resource efficiency performance				
5	Establish environmental improvement targets	% reduction in energy consumed	5% reduction in like for like energy use per annum in landlord controlled areas	An increase in energy and overall greenhouse gas emissions was reported by the CPF portfolio in 2022 compared to 2021. A 9% increase in scope 1 and 0.4% decrease scope 2 greenhouse gas emissions were reported in 2022. This has been attributed to an increase in tenant occupancy in 2022 due to the removal of all COVID-19 related lockdowns compared to 2021. This increase is primarily driven by the office assets.
		% reduction in greenhouse gas emissions	5% reduction in like for like greenhouse emissions per annum in landlord controlled areas	
		% of electricity procured from renewable sources	100% procurement of renewable electricity in landlord controlled areas by 2025	
6	Engage with our tenants to increase coverage of tenant related sustainability data	% coverage of tenant related energy, water and waste data	Receive data covering 25% of tenant floor area by 2025. To be reviewed annually.	Collection of energy consumption data for 2021 and 2022 has shown an increase in floor area coverage. 26% of tenant floor area covered by energy data in 2021 and 40% of tenant space covered by energy data in 2022.
7	Obtain third party assurance over our sustainability performance data	Annual assurance statement	Annual assurance statement	Third party verification was achieved for energy, greenhouse gas emissions and water data in 2022.

Objectives and Targets

	Objective	Metric	Target	Progress
Investing in sustainable assets				
8	Implement a rolling programme of green building certifications to improve the marketability of our assets	% floor area covered by green building certificates	Increase from 10% to 20% coverage by floor area in 2025	20% of the Charities Property Fund portfolio floor area was covered by a green building certificate in 2022.
9	Enhance ESG considerations during due diligence to consider the potential impacts from climate change	Updated ESG due diligence methodology	Application of new due diligence methodology from 2022 onwards	Implemented in 100% of new acquisitions
Be recognised for improved ESG performance				
10	Improve GRESB score / rating	GRESB star rating	Increase from 2 to 3 GRESB stars by 2023	The Charities Property Fund achieved a 3 star rating in 2023, with a +12 points increase for the fund's performance in 2022 compared to 2021.
Improve the resilience of our portfolio to a changing climate				
11	Improve our understanding and management of climate related risks and opportunities by:			
	• Publicly committing to achieve net zero carbon	NA	Publish the commitment in 2021	Savills IM published NZC pathway in April 2022, which set out targets that each fund will need to commit to in (50% intensity reduction by 2030, and net zero by 2040)
	• Developing a climate resilience and Net Zero Carbon Strategy	NA	Develop a climate resilience methodology and Net Zero Carbon Strategy in 2021	
	• Implementing the climate resilience and Net Zero Carbon Strategy	NA	Implement the Strategy by 2025	
	• Disclosing the financial impacts of climate change and our progress towards Net Zero	NA	Develop an annual report aligned to the Taskforce on Climate Related Financial Disclosure recommendations by 2023	
			Disclose our progress towards Net Zero from 2023 onwards.	Reported through the Savills IM ESG Programme, completed in Q3 2023.

Objectives and Targets

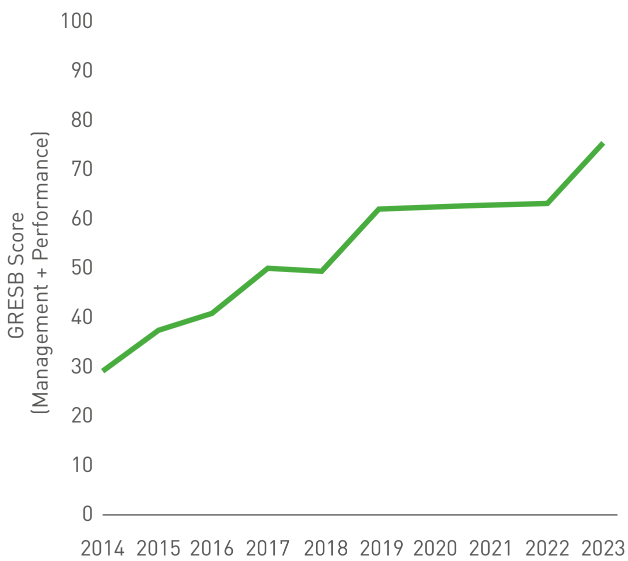
	Objective	Metric	Target	Progress	
Comply with ESG related legislation					
12	Comply with the EU Taxonomy and Disclosure Regulations	EU Taxonomy and Disclosure regulation compliance policies and statements.	Ensure CPF's ESG statements and disclosures are aligned with the European sustainable disclosure regulations.		
13	Comply with Article 8 of the Energy Efficiency Directive (ESOS)	Meet compliance requirements of each ESOS phase	Comply with ESOS phase 3 in 2023		CPF is working with our sustainability consultants in 2023 to ensure the portfolio's compliance with the ESOS phase 3 regulations.
14	Comply with the Minimum Energy Efficiency Standard (MEES)	% of assets with EPC rating A-E	EPC ratings to be 100% A to E by end of 2021.		Full compliance with MEES standards achieved in 2022, with 100% of EPCs rated A-E.
Support the health and wellbeing of our stakeholders					
15	Develop a Health & Well Being strategy / action plan	Documented strategy published on CPF website	Consider, where appropriate, health and wellbeing opportunities in audits and develop an enhanced action plan from 2022		This objective is being led by Savills Investment Management, who will lead developing fund level action health and wellbeing strategies.

Industry Initiatives

GRESB

Savills Investment Management recognises that disclosure and reporting is a key part of being responsible investment managers. Each year, many of Savills IM funds participate in the GRESB asset survey. The survey, initially developed in 2009, measures environmental, social and governance performance of a fund or mandate at a governance- and asset-level across a diverse question set, with data and evidence submitted to validate responses. The survey provides each reporting entity a score out of 100 points. The mission is to provide financial markets with consistent scoring between investment vehicles across the globe, reliable ESG data, and robust benchmarks. Participation in the Real Estate Benchmark grew by 15% in 2023, to 2,084 reporting entities covering approximately 170,000 assets.

GRESB Score



The Charities Property Fund has participated in GRESB since 2013. In the 2023 submission, the Charities Property Fund achieved a score of 75 points, which is a 12 points increase over the prior year. This resulted in our GRESB rating increasing from two stars to three. Whilst submitted in 2023 this reflects the portfolio's ESG approach during 2022. The Fund increased its points across both the Management and the Performance section. The improvements in the Management section reflects our ongoing efforts to improve the sustainable management of the Fund, such as ensuring ESG is integrated across the investment lifecycle through risk management, due diligence, and employee engagement among other topics.

CPF has been working with Arbcno, a third-party provider who specialises in data collection from tenant controlled assets to help provide a solution. Arbnco helps to monitor performance of tenant-controlled properties by obtaining data from centralised energy administration platforms at a meter-level, then aggregating it to the building-level for ongoing monitoring of the portfolio. In order to report accurately on specific tenant areas, permission must be provided by the occupiers. Obtaining this permission is a key aim of ours in 2023 to help continue the trend of improved data coverage. Despite the progress being made with Arbnco, the majority of building performance data is still collected via on-site meter readings during site visits. Implementing green lease clauses to any new lease agreements, or renegotiations, and engaging with tenants to communicate the importance of gathering this data is key to solving this challenge. The need to collect reliable, high quality building data with good coverage is not only driven by the Fund's commitment to transparent ESG reporting, such as in this annual report and to the GRESB survey, but also to fully understand the carbon footprint of the fund, and track its carbon performance in line with its stated Net Zero commitment.

UN PRI

Savills Investment Management LLP is committed to integrating ESG into our investment decision-making and portfolio management decisions. As a sign of our commitment to embed responsible investment into our business we have been a signatory of the United Nations Principles for Responsible Investment (UN PRI) since 2014. As a UN PRI signatory, we follow the mandatory annual reporting and assessment process.

The principles entail a set of internationally agreed guidelines which aim to help institutional investors incorporate ESG issues into their investment decision making and ownership practices. These principles are based on the notion that ESG issues can affect the performance of investment portfolios and should therefore be considered alongside traditional financial analysis. This aligns with our belief that, as an investment manager, there are pragmatic as well as ethical reasons for the consideration of ESG issues in our investment decision making and asset ownership.

By following and applying the voluntary and aspirational principles central to UN PRI we intend to improve our ability to meet commitments to investors and better align our investment activities with the broader interests of society and the environment.

In 2023 we completed the PRI assessment – submitting data for the period of 2022 calendar year – and received the following scores:

- **Policy, Governance and Strategy: 5 Stars**
- **Direct – Real Estate: 4 Stars**
- **Direct – Fixed Income: 5 Stars**
- **Confidence Building Measures: 5 Stars**

The PRI assessment methodology is available here. Savills IM's 2020 Transparency report, which is applicable for 2022, is available here.

Policies

Ethical Occupier Policy

As a Common Investment Fund and a charity, we have adopted a policy not to invest in properties whose tenants could potentially cause embarrassment to our unitholders. These would include companies whose primary business is the production or sale of tobacco, arms, pornography or involved in animal testing, although this list is not exhaustive (see table below). We provide complete transparency on investments by listing all tenants in the annual and interim report and accounts. We seek to address these issues through our recently updated SIM Sustainable Occupier Guide which sets out guidance for occupiers looking to work in collaboration with Savills IM to improve their environmental and social impacts of the buildings they occupy. For further information, please click here.

We take ethical considerations very seriously and continue to monitor every tenant to ensure that the tenant is acceptable; however, it would be easy to find a reason to not accept a multitude of tenants and so we look at the bigger picture.

All proposals and tenants are reviewed by an Advisory Committee made up of representatives from six charities that are investors in the Fund and we would specifically consult with them for their views on whether a proposed tenant was unacceptable. We engage with tenants and investors on ESG matters and have sent surveys and newsletters relating to ESG best-practice in property management to tenants. An ESG survey was created to establish the materiality of specific environmental, social and governance issues to our investors. The Fund's ESG performance is also discussed annually at the AGM.

Activity	Estimated % of rent derived from activities
Production of tobacco	Not Applicable
Production of alcohol	Not Applicable
Animal testing	Not Applicable
Military involvement	Not Applicable
Nuclear power	Not Applicable
Pornography	Not Applicable
Gambling	0.05%
Fossil fuels	1.27%
Ancillary sale of alcohol and tobacco (i.e. supermarkets)	1.11%
Total	**2.41%**

Health & Well Being Policy

Training, awareness and communications
We continually aim to incorporate sustainability into the training and development of all employees and include ESG-linked objectives where appropriate. We recently conducted an annual ESG training survey with all employees globally, the results of the survey will guide our approach to training and development in 2024.

A focused intranet group is used to communicate and share information on sustainability topics, corporate projects, reports and case studies from across our funds, as well as new green initiatives being introduced by the Responsible Investment Committee, policies and terms of reference. All new employees are invited to the group, providing a discussion forum for ESG issues within the Savills Investment Management community.

Employee engagement, development and welfare
Savills Investment Management encourages its employees to acquire skills and knowledge through training and volunteering opportunities, where new skills can be developed and applied, such as fund-raising, communication, leadership, teamwork and problem solving. We also support our employees to volunteer their time for charitable causes, with employees having the opportunity to take one day of charity leave per year, which can be taken as one full day or two half days.

The company ensures adequate controls are provided for health and safety risks arising from work performed for and on behalf of the company by its own employees, and at properties owned or controlled by the company. Savills Investment Management implements and adheres to its own Conflicts of Interest policy as well as subscribing to the Savills Group Conflicts of Interest, Anti-Corruption and Environmental policies.

Policies

Employment benefits provide support to staff health and wellbeing, such as an impartial, third party-provided Employee Assistance Programme which is available to all UK employees with a focus on well-being. The programme offers free, confidential access to practical information, referrals to local services and counselling on a wide range of personal issues. All employees are also entitled to use regular virtual Mental Health and Wellbeing sessions (such as therapy, life coaching, and career coaching) via our third party provider, MyndUp.

All UK employees are offered private medical care, and we offer our UK employees convenient access to healthcare via the Aviva Digicare app, which can be used to book virtual GP consultations, often on the same day, as well as an annual health check, nutrition sessions, mental health sessions, and a second opinion consultation.

With an awareness of staff health and wellbeing, we ensure all employees have access to the services and provisions needed to stay healthy, engaged in work and comfortable in a personal and professional sense.

Savills IM UK employees are offered subsidised gym memberships to support mental and physical fitness. We also allow and encourage our employees to exercise during the working day with the provision of showers, changing facilities, sports lockers and a drying room at our London office, and bicycle racks to encourage healthy commuting. A Cycle to Work scheme is also in place to support this initiative.

Our Human Resources department are in the process of developing and promoting flexible working at Savills IM. Whilst a flexible working policy is already available to support employees working in irregular working patterns and on a part time basis, Savills IM aims to make our business a more flexible place to work to support individual needs.

Other benefits which contribute to health and wellbeing include our annual leave provision, which offers a minimum of 5 days above the required legal minimum, and allows employees to roll over holiday so it is not lost. Further benefits currently under review which support employee Health and Wellbeing are:

- Help to Rent scheme for UK employees
- Corporate health and fitness events
- Life Assurance for UK employees
- Critical Illness cover for UK employees
- Enhanced maternity and paternity pay, as well as Dependent Care Leave, Fertility Leave, Neonatal Care Leave, and Parental Bereavement Leave
- Financial Wellbeing Webinars

Signed on behalf of the Charities Property Fund

Harry de Ferry Foster
Fund Director of The Charities Property Fund
December 2023

Corporate Responsibility

Going the distance for good causes

We understand that it is our role as a responsible business to do what we can to positively impact the environment, our people and the local communities in which we operate. In addition to our Responsible Investment policy which focuses on the environmental, social and governance performance of the portfolios we manage on behalf of our clients, we have implemented a Corporate Responsibility operating framework, which states our commitment to give 0.5% of pre-tax profit to corporate responsibility activities and encourages staff to give their time for charitable fundraising or volunteering, via Charity Leave.

Here we showcase some of Savills IM corporate giveback initiatives from 2023.

Soup Kitchen – Milan

Each year, the Savills IM Milan office works with Opera San Francesco, an organisation dedicated to assisting individuals and families in need.

Over the past year, Savills IM colleagues have volunteered at Opera San Francesco's soup kitchens and clothes collection centre on a regular basis. Savills IM also made a corporate donation in support of the non-profit's work.

Investment20/20 careers outreach day – London

In 2023 Savills IM hosted 13 first year sixth form students from South Essex College in Southend on Sea as part of a careers outreach programme, partnering with Investment20/20.

Investment20/20 is an investment association focused on creating a more diverse and inclusive investment industry. The association works closely with schools and colleges to provide students insight on the work undertaken by investment management companies and introduce them to the career opportunities in the sector.

As part of the day hosted at Savills IM's London office, 12 employees provided an overview of investment management, an introduction to ESG and a Q&A with Savills IM's three current Investment20/20 trainees. The students were also given a practical investment task, mentored by Savills IM employees.

PrideOn – Global

The Savills IM D&I groups, MANY and LGBTQ+ launched a global challenge in June called 'Pride On!'- a play on the 'MarchOn' challenge with a different focus. Based this time around the physical and mental benefits of cycling, the purpose was to support Pride month, raising awareness of LGBTQ+ equality and inclusion by cycling as far as we could in the first 12 days of pride month 2023.

Over 60 participants across APAC and Europe collectively cycled over 8,600 kilometres! A group of employees even cycled from our Paris to Luxembourg office covering 385km and proudly sporting our Pride wrist bands!

March On

A walking, hiking and running initiative held annually throughout the course of March. This initiative was developed as a way to reduce stress, improve wellbeing, and better our mental health in what was a very difficult time for many of us during the lockdowns of the pandemic.

The initiative this year fostered global participation of over 160 employees using the mobile application Strava, with 1GBP (or country equivalent) donated to charity for each mile walked, up to 10,000 miles globally. Together this year we reached 12,902 miles (20,764 kilometres) - 19% further than in 2022- reaching our target corporate donation and sending a total of £10,518 to Women for Women International!

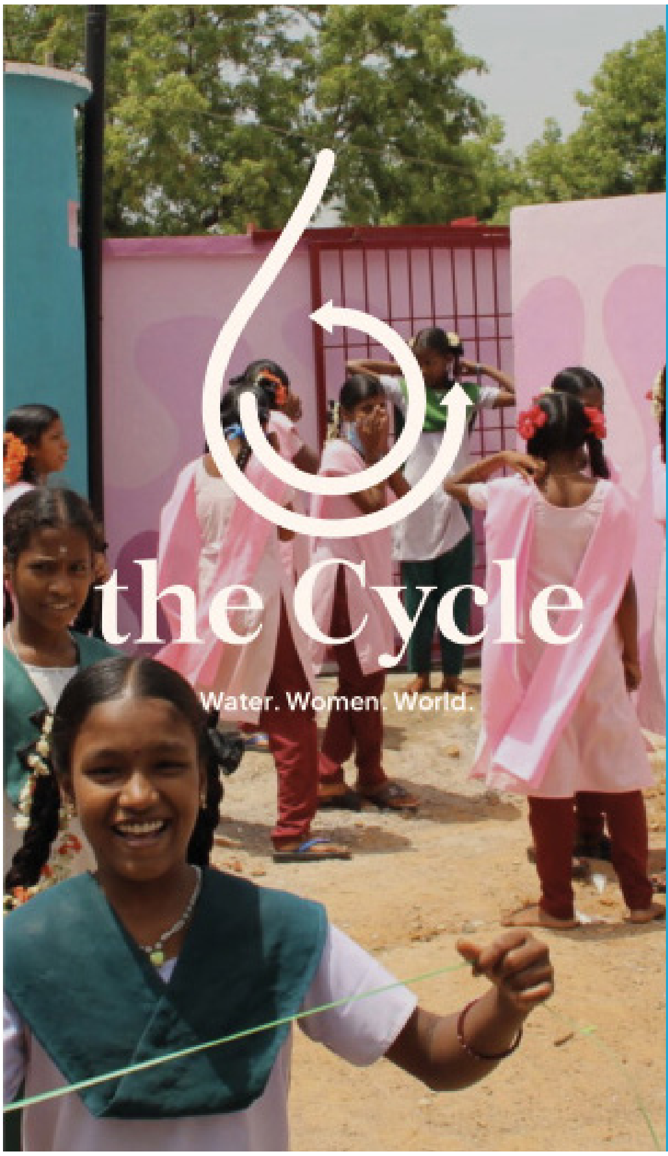
Corporate Responsibility

Corporate responsibility

This framework seeks to encourage and support staff to give their time for charitable fundraisings or volunteering activities. Our full RI Policy is available here and associated guidance notes are available here.

Below is a snapshot of some of the philanthropic initiatives supported by the Fund

Heath Hands
In September 2023, members of the CPF team volunteered with Heath Hands for the day. Heath Hands helps conserve 350 hectares of amazing green spaces including Hampstead Heath in North London. The team performed essential maintenance on the urban woodland, helping to ensure the healthy development of trees, create new habitats for wildlife and provide a welcome green area for the local residents.



Our Partner Charity – The Cycle
The Cycle is a not-for-profit organisation that has been working with communities in need since 2005. The Cycle build safe, sustainable ecotoilets; deliver clean water solutions; teach period education and implement menstrual disorder programmes; provide sustainable period products; and improve soil health to increase local food production.

The EcoSan toilets, also known as 'Urine Diverting Dry Toilet' (UDDT), used by The Cycle are above ground units that separate at source - making it easier to recycle human waste into a safe organic compost and fertiliser using natural processes. EcoSan toilets provide numerous benefits; they are a sustainable, climate resilient model of sanitation which conserve water and are easy for communities to maintain long-term.

Our Partnership
As part of Savills IM's commitment to become a restorative business, we first partnered with The Cycle in April 2022. Our first funded project with them involved building a two-storey EcoSan toilet block, hand washing facilities, and a menstrual pad incinerator within a school in Tamil Nadu, India.

In addition to building the critical EcoSan toilet block, our donation was used to deliver a comprehensive hygiene and menstrual education program to educate the community on appropriate practices.

Following the success of the first project, we partnered with The Cycle on a second project within a school in Chennai, India. Whilst construction of the second project is expected to commence towards the end of 2023, The Cycle's Climate Literacy and Happy Periods training started to be rolled out in Q3 2023.

Diversity Equity and Inclusion

Savills IM embraces diversity equity and inclusion (DEI), and seeks to provide a platform and a supportive environment to allow everyone to achieve their potential, free from discrimination or prejudice. Savills IM respects all of its employees, clients, stakeholders and counterparties and celebrates the value of having a diverse range of people throughout the organisation, providing a rich variety of viewpoints. As such we adhere to the Savills Group Equality and Diversity Policy.

We believe it is critical to embed Diversity, Equity and Inclusion (DEI) matters into our overall business. We have a steering group to lead on specific initiatives but DEI is also part of our wider business strategy. DEI matters are a crucial element as we review and update policies and processes including Talent Acquisition, Rewards and Performance Management. The performance of our people is considered not just in respect of their subject matter expertise, but also their contribution to the wider Savills IM business including collaborative working, conduct, ESG and DEI.

In 2020, we established a Diversity and Inclusion Steering Group with associated focus sub-groups:

Gender, LGBTQ+, REACH (Racial Ethnicity and Cultural Heritage) and MANY (mentally and physically able).

The focus groups are open to all staff regardless of level or location. Anyone can join these groups – whether someone identifies with the relevant area of focus, wants to be an ally, or is just interested in learning more. The focus groups are a safe space where open discussion is encouraged, and confidentiality is respected.

Diversity and inclusion sub-groups

Gender

Ensuring all gender identities within the organisation benefit from equal opportunities and rights.

REACH

Valuing and celebrating diverse cultures within our business, and expanding access to opportunities in the communities in which we operate.

LGBTQ+

Provide an environment and culture which encourages everyone to be comfortable and confident to disclose their sexuality.

MANY (Mental and Physically Able)

Represents the mentally and physically able, or in other words, all of us. The group focuses on areas relating to disability, mental health, neurodiversity and wellbeing.

A selection of initiatives organized by each sub-group throughout 2022-2023 is provided below:

Gender

- Family Webinars – A campaign was launched to make employees aware that there are family focused courses available through our internal MyLearning platform to assist people in the transition to parenthood and the return to work.
- International Women's Day – We hosted a global online "Coffee & Quiz" fundraiser to celebrate and showcase great achievements and contributions by women over the centuries.

LGBTQ+

- Pride Month – Proceeds from our internal bake sale in the UK were donated to a charity that supports LGBTQ+ youths who have been made homeless. The charity also provided a talk on the important work they do.
- LGBTQ+ History Month – A talk from an advocate for the LGBTQ+ community and D&I, which explored the history of Pride, how to be allies and building empathy and understanding towards the LGBTQ+ community.

REACH

- Black History Month – Celebrated black history with our annual Afrobeats dance workshop and a Caribbean lunch hosted by a local restaurant.
- International Holocaust Remembrance and Prevention of Crimes against Humanity Day – A moving talk from Mr Gerd Klestadt, a survivor of the Holocaust, to honour those affected.

MANY

- Suicide Prevention Day – External speakers shared their personal experiences of suicide and their continued efforts to educate and spread awareness of mental health and suicide.
- March On! – A walking, hiking and running initiative held annually throughout March since 2020. The initiative was developed to reduce stress, improve wellbeing, and better our mental health. In 2023, 164 colleagues participated globally and together we walked 12,902 miles.

Despite good progress made in the DEI space, we recognise that the property industry is one of the least diverse industries and we must continue to take an active role in addressing this. As part of our commitment to DEI we are releasing a D&I guide. This document sets out our commitment to D&I, the structure and initiatives we have in place to support it, and our aims to keep driving and implementing D&I progress throughout Savills IM.

Governance

The Charities Property Fund benefits from the governance, procedures and oversight of the wider Savills Investment Management business, and in addition, benefits from an external Advisory Committee.

Savills IM operates with a Responsible Investment (RI) Committee.

Our Global RI Committee comprises of senior leaders from across our business including the Chief Investment Officer, Global Head of Strategy and Client Capital, Global Head of Investment Risk, Head of ESG, Regional Leads and members of the ESG team. The committee is tasked with providing oversight, leadership and guidance on RI issues across Savills IM, as well as monitoring progress towards our long-term goal of becoming a restorative business.

Savills IM's RI Committee reviews, inter alia, the global implementation of this Policy and is responsible for recommending amendments to the GEC (Global Executive Committee).

On every Investment Committee of our fund products one of our RI Committee members sits for oversight and consultancy purposes to improve and ensure prudent implementation of the RI Policy without having a voting right.

The Investment Committee (the "IC") is responsible for considering and reviewing all investment and asset management proposals above a defined threshold made by dedicated investment teams. At the early stages of the pre-acquisition, the IC ensures sustainability risks and opportunities are highlighted to include a climate risk screening process. Further due diligence is then undertaken using specialised consultants to establish potential shortfalls and enhancements.

Internal Governance Structure

GLOBAL STRATEGY COMMITTEE

Acts as link with shareholders. Fundamental approvals including strategy, budget, M&A.

Members
Savills plc: Simon Shaw, Chris Lee
Samsung Life Insurance: Inwoo Lee
Savills IM: Nick Cooper (Chair), Alex Jeffrey, Kiran Patel, Richard James, Dale Lattanzio
Standing attendees: Mark Ridley, Lindsey Elliott
Reglar Invitees: Bramwel Kibara, Laurence Greenblatt

NB: GSC appointed by Savills plc Group Executive Board

GLOBAL EXECUTIVE COMMITTEE

Regular and monitor strategy, operational implementation, approvals on material matters.

Members
Nick Cooper (Chair), Alex Jeffrey, Kiran Patel, Richard James, Richard Lake, Giuseppe Oriani, Michael Flynn, Lindsey Elliott, Laurence Greenblatt, Jon Crossfield, Andy Allen, Amy Shah, Dale Lattanzio, Claire George, Apwinder Foster.
Standing attendee: Bramwel Kibara

DIVERSITY AND INCLUSION STEERING COMMITTEE

Implements and oversees D&I strategy and initiatives. Sub-groups focus on specific D&I areas.

GROUP RISK AND COMPLIANCE COMMITTEE

Oversight of, review and reporting of risk management and compliance activities.

To report also to each local board to ensure consistent risk monitoring and management.

PRODUCT MANAGEMENT COMMITTEE

Oversight of new products/product strategy and business activity.

INVESTMENT COMMITTEE

Review transactions/ portfolio monitoring.

To provide recommendations and reporting to local and/ or fund boards.

RESPONSIBLE INVESTMENT COMMITTEE

Oversight of responsible investment policy and initiatives.

CPF Advisory Committee

At the same time as the Fund was launched, an external Advisory Committee was set up to provide an ongoing review of the structure and performance of the Fund, taking into account the outlook for the property market and any special factors that may affect the Fund.

The Committee remains mindful of the fact that all our investors are registered charities with charitable objectives and responsibilities. They work closely with Savills Investment Management to ensure the Fund's clear ethical policies are observed, and likewise that the Fund invests and manages in accordance with socially responsible investment (SRI) principles. The Committee meets on a quarterly basis and all the members have experience in either investment or the property market and represent charities that are unitholders in the Fund.

Compliance with Legislation

Monitoring Compliance with Existing Legislation

MEES compliance: The Fund has completed a review of MEES (Minimum Energy Efficiency Standard) risk and has identified two assets which did not have a valid EPC in 2022, as their ratings expired in 2021. As a result of this the Fund has obtained up-to-date EPCs for these properties in 2023 and will undergo a targeted process of assessing and re-certifying properties with an upcoming expiry. In 2022 the Fund had no assets with an EPC rating of an E or below. A breakdown of the EPC ratings is shown on page 34.

Compliance Reporting: CPF is required to participate in the UK Government's Energy Savings Opportunity Scheme (ESOS). This requirement is in response to the EU's Energy Efficiency Directive and requires larger UK organisations to carry out energy audits every 4 years to identify cost-effective energy saving measures. The deadline for submitting the notification of compliance was set for 5 December 2023, however this deadline has been extended to the 5 June 2024. CPF is working with our sustainability consultants to ensure that the Fund is in full compliance with the scheme within the deadline.

Climate Risk and Asset Resilience

Climate Resilience: Savills IM is a public supporter of TCFD and has set out a full response to the TCFD's reporting guidelines in our 2022-2023 annual sustainability report.

Climate-related matters are overseen by Savills IM's Global Executive Committee (GEC). The GEC has delegated responsibility for ESG, including climate-related decisions, to the Global Head of Investment Risk, supported by the ESG Team and Responsible Investment Committee (RIC). These decisions include resourcing for climate resilience activities and approval for new responsible investment projects; for example, changing ESG data providers and approving new responsible investment (RI) policies and procedures.

CPF has adopted Savills IM's new climate risk assessment process for new acquisitions. All acquisitions will be required to screen for climate risks. If a risk is found, the transaction team must detail what they are doing to reduce this risk including onsite and local mitigations. If the risk mitigations cannot be identified through desktop assessments then a site engineer will be required. Savills IM's approach to addressing climate risk is to seek to retrofit the asset first rather than divestment.

Performance Data (Unaudited)

Sustainability Reporting

Properties within the Charities Property Fund continually generate building performance data covering energy, water and waste which has been historically collected and analysed on an annual basis for internal monitoring and performance tracking as well as supporting external disclosures such as GRESB.

In collaboration with the Fund's property management team and sustainability consultants the Fund collects sustainability data at properties where it has control of the consumption and supply of utilities, as well as properties where the tenant is in operational control. In previous annual sustainability reports only utility consumption and resultant greenhouse gas emissions sourced from the portfolio under direct management has been reported on. Due to increased tenant data coverage in 2022, we have included for the first time tenant procured energy and emissions in this report. This allows the Fund to monitor and track its scope 3 greenhouse gas footprint, which as the fund is primarily made up of properties where the tenant is in operational control makes up the majority of the Fund's total emissions.

The data presented below has been calculated using the GRESB methodology and covers the actual building performance data collected from the standing portfolio, with GRESB-aligned estimates used where applicable. This does include data with time and area-based gaps and therefore does not represent all utility consumption and resultant emissions from the standing portfolio. Further detail on the scope of the methodology and assumptions applied are also provided in the appropriate sections.

Total Energy Consumption

The table below sets out total energy consumption for the Fund by GRESB sub-sector. In 2023 the GRESB asset sub-sector Industrial Distribution Warehouse was split into Non-Refrigerated and Refrigerated Warehouse to better reflect the different energy demands and resultant greenhouse gas emissions of these two distinct use-types. This increased level of classification is reflected in the tables below. The lease arrangements for the majority of the 129 standing assets within the Fund in 2022 are such that the tenants have responsibility for maintaining the building and procuring energy directly. As a landlord the Fund does not have operational control of these assets and therefore it is often challenging to obtain energy data from tenants. Despite this energy data was provided from 68 assets in 2022, showing the progress made by the Fund team to improve data coverage.

In 2022 total absolute energy consumption increased by 82% compared to 2021. This is driven by a 66% increase in absolute energy data coverage, with 27 additional assets reporting energy data in 2022 which did not in 2021. The trend of increased absolute consumption reported resulting from an increase in data coverage is seen across all asset sub-sectors in the Fund. As data coverage impacts the absolute energy consumption of the Fund so dramatically, asset-level performance and improvement cannot be addressed in this section. For a more detailed summary of the energy performance of the Fund unaffected by changing data coverage and availability trends please refer to the following section addressing like-for-like energy consumption.

GRESB Aligned Reporting Methodology:

- Consumption data is represented for each asset sub-sector where data was available in 2021 and 2022. Where data was unavailable, the asset classes are not represented. These include the following asset classes and associated number of assets in each sector in 2022: Education: Schools (1), Office: Other (1), Residential: Student Housing (1) .
- Consumption data relates to absolute energy reported at assets where both the Fund held responsibility for the procurement of energy during the period, allocated to the areas below:
  - Office: Corporate: Low-Rise Office: Whole building and common areas.
  - Office: Corporate: Mid-Rise Office: Whole building.
  - Hotel: Whole building, common areas and tenant space.
  - Mixed Use: Office/Retail: Whole building, shared services, tenant space and/or exterior areas.
- And where the tenant held responsibility for the procurement of energy utilities for the whole building and/or tenant space at all other asset subsectors.
- Where data was incomplete, the GRESB-aligned estimation methodology was applied to calculate time based gaps as follows:
  - Where >= 50% of the days in the reporting year were missing an average daily consumption rate was calculated based on the available days in the month with a time gap.
  - Where <50% of the days in the reporting year were missing either a daily consumption rate was calculated from the available months in the current year, or the % change from the prior year was used to calculate the gap-filled data.
  - In both instances, to improve the validity of the estimation methodology, estimates were only applied to the extent of 20% of the total period for which actual data was reported. Therefore a limit of only 2 months of data estimates is allowed for 10 months of continuous data received. Over a two-year period, a maximum of three months of data was able to be estimated – given 21 months of continuous data had been received, in line with GRESB guidelines.
- The impact of GRESB-aligned data estimates is shown in the following points:
  - Electricity – 2.6% total consumption reported estimated.
  - Natural gas – 4.6% total consumption reported estimated.
  - Coverage relates to the number of assets for which data has been reported expressed over the total number of assets within the sub-sector.
  - Data provided in this report assumes national grid electricity is procured except where a green tariff was indicated, in which case 100% renewable energy was assumed.

Performance Data (Unaudited)

	Total electricity consumption (kWh)		Total natural gas consumption (kWh)	
Sector	**2021**	**2022**	**2021**	**2022**
Hotel	1,998,978	12,989,958	1,214,819	2,003,844
Coverage	4/6	5/6	4/6	5/6
Industrial: Non-Refrigerated Warehouse	590,282	5,443,595	557,129	1,274,423
Coverage	4/29	8/31	4/29	4/31
Industrial: Refrigerated Warehouse	310,370	312,417	-	-
Coverage	1/2	1/2	0/2	0/2
Industrial: Industrial Park	-	670,388	-	541,444
Coverage	0/1	1/1	0/1	1/1
Industrial: Manufacturing	16,855,553	20,524,457	1,115,292	1,190,597
Coverage	4/11	5/11	3/11	4/11
Lodging, Leisure & Recreation: Fitness Centre	-	119,235	-	19,740
Coverage	0/2	1/2	0/2	1/2
Mixed Use: Office / Retail	320,482	607,243	44,714	33,849
Coverage	2/2	2/2	1/2	1/2
Office: Corporate: Low-Rise Office	776,858	950,417	423,511	318,877
Coverage	7/10	7/10	3/10	3/10
Office: Corporate: Mid-Rise Office	1,583,465	1,921,268	599,486	693,275
Coverage	7/7	7/7	5/7	5/7
Other	586,622	1,542,163	269,475	1,373,741
Coverage	1/16	11/22	1/16	8/22
Residential: Other	-	68,739	-	5,951
Coverage	0/2	3/4	0/2	1/4
Retail: High Street	258,533	6,852	-	194,172
Coverage	2/8	1/7	0/8	1/7
Retail: Restaurants / Bars	1,909	2,412	-	-
Coverage	1/2	1/2	0/2	0/2
Retail: Retail Centers: Warehouse	1,200,725	6,593,543	855	2,001,539
Coverage	6/22	14/19	1/22	2/19
Sub-Total	**24,483,777**	**41,752,687**	**4,225,281**	**10,371,453**
Coverage	**39/122**	**67/129**	**22/122**	**36/129**
Total (Electricity and natural gas)	**28,709,059**	**52,124,140**		
Coverage	**41/122**	**68/129**		

Performance Data (Unaudited)

Like for Like Energy

'Like-for-like' energy consumption excludes assets that were purchased, sold or under refurbishment during the two years reported. It also excludes assets where data availability was inconsistent year on year. Like-for-like is therefore considered a more accurate assessment of the Fund's performance. In this annual report covering the 2022 reporting year a "whole building" approach has been taken. This means that only assets which reported whole building coverage of both electricity and gas consumption for 24 months in 2021 and 2022, were in Fund ownership and classed as a standing investment have been included in the like-for-like portfolio. This allows the like-for-like energy intensity show a truer representation of the asset performance as the total internal floor area is used as the denominator, and be a more reliable comparison between reporting years due to increased reporting consistency.

The table below sets out the like-for-like energy consumption by sub-sector. For sub-sectors where no assets met the criteria above, like-for-like data has not been included.

In 2022 total like-for-like energy consumption increased by 17% when compared to 2021, with a 19% increase in electricity and a 3% increase in natural gas consumption reported. The increase in electricity consumption is driven by the Industrial: Manufacturing sub-sector which made up 79% of the total like-for-like energy consumption in 2022 and reported a 21% increase in electricity consumption between 2022 and 2021.

The increase in like-for-like gas consumption was seen in both the Hotel and Mid-Rise Office sectors, which is principally attributed to increased occupancy in 2022 compared to 2021 due to the removal of all COVID-19 related lockdown measures which were still impacting building utilisation in 2021.

Reductions in natural gas consumption were reported within both the Mid-Rise and Low-Rise Office sectors and the Industrial Manufacturing sector. This was driven by tenant demand and the use of more efficient air conditioning equipment at one of our office assets.

Consumption and Energy Intensity

The like-for-like energy intensity of the relevant sub-sectors has been included in the table below where like-for-like energy consumption is calculated. Energy intensity, reported as the energy consumption per unit floor area, is a proxy for energy efficiency, allowing performance improvements to be tracked on an ongoing basis and across property sectors.

	Total electricity consumption (kWh)			Total natural gas consumption (kWh)			Energy Intensity (kWhe/m2)	
Sector	**2021**	**2022**	**Change**	**2021**	**2022**	**Change**	**2021**	**2022**
Hotel	1,396,283	1,525,620	+9%	939,982	1,104,430	+17%	98	110
Coverage	2/6	2/6		2/6	2/6			
Industrial: Manufacturing	15,196,117	18,398,342	+21%	812,171	650,492	-20%	2,112	2,514
Coverage	1/11	1/11		1/11	1/11			
Office: Corporate: Low-Rise Office	102,064	131,111	+28%	201,398	178,947	-11%	158	161
Coverage	1/10	1/10		1/10	1/10			
Office: Corporate: Mid-Rise Office	1,405,034	1,502,667	+7%	595,543	692,113	+16%	134	147
Coverage	4/7	4/7		4/7	4/7			
Sub-Total	**18,099,498**	**21,557,740**	**+19%**	**2,549,094**	**2,625,982**	**+3%**		
Coverage	**8/122**	**8/129**		**8/122**	**8/129**			
Total (Electricity and natural gas)	**20,648,592**	**324,183,722**	**+17%**				**428**	**502**
Coverage	**8/122**	**8/129**						

Energy Consumption Methodology:

- Consumption data relates to like-for-like energy reported by standing assets within the Fund in the reporting period, 01/01/2021 to 31/12/2022. This includes the same building areas per sector type as used in the calculation of total energy consumption in the absolute calculations.
- Intensity: An energy intensity kWhe/m2 (kilowatt hours of electricity equivalent) is reported for assets within the like-for-like portfolio. The numerator is total like-for-like energy consumption and the denominator is gross internal area (m2).
- Intensity calculations exclude energy procured for external lighting.

Performance Data (Unaudited)

Greenhouse Gas Emissions

The table below sets out the Fund's greenhouse gas emissions by asset sub-sector and scope, using a location-based approach. Total absolute scope 1 emissions in 2022 were 190 tCO2e which decreased by 2% in 2022 compared to 2021, total absolute scope 2 reported where 589 tCO2e which shows an increase of 12% and the tenant-related scope 3 increased by 75% in 2022 to 9,188 tCO2e. This large increase in scope 3 emissions results from the increase in tenant data collection in 2022, as described in earlier sections. In the like-for-like analysis of greenhouse gas emissions the Fund's scope 1 emissions increased by 9%, scope 2 decreased by 0.4% and scope 3 increased by 8%.

Due to the lease arrangements in the Charities Property Fund the majority of the energy reported and the resultant greenhouse gas emissions calculated are generated from tenant consumption at assets where the tenant is in operational control of the utilities procured. This is categorised as scope 3, following the GHG Protocol (2011) definition of category 13 downstream leased assets. As the Fund has minimal influence here explanations or commentary regarding the consumption trends of data provided by the tenants is limited.

The increase in like-for-like scope 1 emissions results from increased gas consumption within the Mid-Rise Office sub-sector, attributed to increased occupancy in 2022 compared to 2021, mainly at International House, Brighton. The small decrease in like-for-like scope 2 emissions using a location-based approach results from the impact of grid decarbonisation in the United Kingdom between 2021 and 2022 resulting in a smaller conversion factor being applied in 2022 than in 2021. Energy consumption attributed to scope 2 actually increased by 9% in 2022 compared to 2021.

	Absolute emissions (tCO2e)		Like-for-like emissions (tCO2e)	
Greenhouse Gas Methodology	**2021**	**2022**	**2021**	**2022**
Scope 2 Location-based	524	589	303	302
Scope 2 Market-based	-	-	-	-

The Fund, through the property management team, procures electricity from 100% renewable resources using green tariffs at assets where the Fund has operational control of the utilities procured. Therefore, in an analysis following a market-based approach the Fund's like-for-like scope 2 emissions are 0 tCO2e in both 2021 and 2022. Please see the table to the right for a comparison between the Fund's scope 2 emissions using a location and market-based approach.

The increase in like-for-like scope 3 emissions results from the increase in electricity consumption within the tenant operated Industrial: Manufacturing sub-sector, and in the Hotel sub-sector.

	Absolute emissions (tCO2)		Like for Like emissions (tCO2)		Like for Like intensity (kg CO2/m2)	
Sector	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**
Hotel					20	21
Scope 1	-	-	-	-	-	-
Scope 2	5	91	-	-		
Scope 3	642	853	469	497		
Coverage	4/6	5/6	2/6	2/6		
Industrial: Non-Refrigerated Warehouse					-	-
Scope 1	-	-	-	-		
Scope 2	-	-	-	-		
Scope 3	227	1,285	-	-		
Coverage	5/29	8/31	0/29	0/31		
Industrial: Refrigerated Warehouse					-	-
Scope 1	-	-	-	-		
Scope 2	-	-	-	-		
Scope 3	66	60	-	-		
Coverage	1/2	1/2	0/2	0/2		

Performance Data (Unaudited)

	Absolute emissions (tCO2)		Like for Like emissions (tCO2)		Like for Like intensity (kg CO2/m2)	
Sector	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**
Industrial: Industrial Park					-	-
Scope 1	-	-	-	-		
Scope 2	-	-	-	-		
Scope 3	-	228	-	-		
Coverage	0/1	1/1	0/1	0/1		
Industrial: Manufacturing					445	485
Scope 1	-	-	-	-		
Scope 2	-	-	-	-		
Scope 3	3,783	4,318	3,375	3,677		
Coverage	4/11	5/11	1/11	1/11		
Lodging, Leisure & Recreation: Fitness Centre					-	-
Scope 1	-	-	-	-		
Scope 2	-	-	-	-		
Scope 3	-	27	-	-		
Coverage	0/2	1/2	0/2	0/2		
Mixed Use: Office / Retail					-	-
Scope 1	8	6	-	-		
Scope 2	68	73	-	-		
Scope 3	-	45	-	-		
Coverage	2/2	2/2	0/2	0/2		
Office: Corporate: Low-Rise Office					31	30
Scope 1	77	58	37	33		
Scope 2	140	149	22	25		
Scope 3	35	-	-			
Coverage	7/10	7/10	1/10	1/10		
Office: Corporate: Mid-Rise Office					27	28
Scope 1	109	126	109	126		
Scope 2	311	277	281	276		
Scope 3	26	95	17	15		
Coverage	7/7	7/7	4/7	4/7		
Other					-	-
Scope 1	-	-	-	-		
Scope 2	-	-	-	-		
Scope 3	174	549	-	-		
Coverage	1/16	11/22	0/16	0/22		
Residential: Other					-	-
Scope 1	-	-	-	-		
Scope 2	-	-	-	-		
Scope 3	-	14	-	-		
Coverage	0/2	3/4	0/2	0/4		
Retail: High Street					-	-
Scope 1	-	-	-	-		
Scope 2	-	-	-	-		
Scope 3	55	37	-	-		
Coverage	2/8	2/7	0/8	0/7		

Performance Data (Unaudited)

	Absolute emissions (tCO2)		Like for Like emissions (tCO2)		Like for Like intensity (kg CO2/m2)	
Sector	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**
Retail: Restaurants / Bars					-	-
Scope 1	-	-	-	-		
Scope 2	-	-	-	-		
Scope 3	0.4	0.5	-	-		
Coverage	1/2	1/2	0/2	0/2		
Retail: Retail Centres: Warehouse					-	-
Scope 1	-	-	-	-		
Scope 2	-	-	-	-		
Scope 3	255	1,640	-	-		
Coverage	7/22	14/19	0/22	0/19		
Total Scope 1	**195**	**190**	**146**	**158**		
Total Scope 2	**524**	**589**	**303**	**302**		
Total Scope 1 and 2	**719**	**780**	**449**	**460**		
Total Scope 3	**5,254**	**9,188**	**3,861**	**4,188**		
Total Emissions	**5,973**	**9,967**	**4,310**	**4,648**	**89**	**96**
Coverage	**41/122**	**68/129**	**8/122**	**8/129**		

GHG Emissions Methodology:

- Like-for-like greenhouse gas emissions excludes assets that were purchased, sold or under refurbishment during the two years reported, and only applies where full data coverage is available across the two year period.
- The Fund's greenhouse gas (GHG) inventory has been developed as follows:
  - Scope 1 emissions are 'direct' emissions from our owned or controlled sources; for example natural gas combusted in shared service heating systems.
  - Scope 2 emissions are 'indirect' emissions derived from the purchase of electricity only. No assets purchase steam or are supplied by district heating or cooling systems so there are no emissions related to these utilities.
  - Scope 3 emissions are generated from activities at our assets that are outside our control; for example, tenant procured electricity. As tenant data is poorly reported across the fund no Scope 3 emissions are included in this summary.
- GHG emissions from scope 2 are reported according to the 'location-based' approach, however this report does compare the scope 2 emissions calculated using a market-based approach in the table above.
- GHG emissions are presented as tonnes of carbon dioxide equivalent (tCO2e). GHG intensity is presented as kilograms of carbon dioxide equivalent (kgCO2e) per m2.
- Emissions data relates to carbon emissions arising from energy procured within the Fund. This includes the same building areas per sector type as used in the calculation of total energy consumption.
- Emissions date relates to the carbon emissions arising from the energy procured within the Fund. This therefore includes the same GRESB-aligned data estimates as described in the section addressing absolute energy consumption.
- Coverage relates to the number of assets for which data has been reported expressed over the total number of assets within the sector.
- Intensity: An emissions intensity metric (kgCO2e/m2) is reported for assets within the like-for-like portfolio. The numerator is emissions calculated from energy consumption and the denominator is gross internal area of the sub-sector (m2). Intensity calculations exclude energy procured for external lighting.
- Emission factors used to converted energy consumption data to GHG emissions are sourced from The Department for Business, Energy & Industrial Strategy available here and here.

Performance Data (Unaudited)

Water

The table below sets out the absolute and the like-for-like water consumption by sector across the portfolio. In absolute terms water consumption increased by 156% in 2022 compared to 2021. This is due to an increase in data coverage driven by the increased availability of tenant procured water data. There was a 73% increase in the number of asset where some water data was provided in 2022 compared to 2021. Like-for-like consumption increased notably, by 27%, from 37,119m3 in 2022 to 47,195m3 in 2022.

The significant increase in the like-for-like portfolio was driven primarily by the Mid-Rise Office sub-sector where both International House and Aspect House, Brighton reported increases in building occupancy in 2022 compared to 2021.

The Low-Rise Office sub-sector reported the most significant increase in like-for-like water consumption in 2022. This was driven by the highly water intensive product testing conducted as part of the tenant operations at one property.

Both assets in the Hotel sub-sector, , reported increases in like-for-like water consumption which has been attributed to increased occupation in 2022 compared to 2021.

The 600% increase reported within the Retail: Restaurants/Bars sub-sector originates from the consumption is attributed to the common areas. Whilst the increase is large this corresponds to a low volume of water The increase - only 6m3. Which is not material to the Fund's overall water consumption.

	Absolute water consumption (m^3)		Like for like water consumption (m^3)			Like for like intensity (litres/m^2)	
Sector	**2021**	**2022**	**2021**	**2022**	**Change**	**2021**	**2022**
Hotel	27,996	43,271	25,264	33,870	+34%	1,061	1,423
Coverage	3/6	4/6	2/6	2/6			
Industrial: Non-Refrigerated Warehouse	-	2,983	-	-		-	-
Coverage	0/29	1/31	0/29	0/31			
Industrial: Manufacturing	4,962	40,983	4,962	4,173	-16%	552	464
Coverage	1/11	3/11	1/11	1/11			
Mixed Use: Office / Retail	367	367	367	367	0%	115	115
Coverage	1/2	1/2	1/2	1/2			
Office: Corporate: Low-Rise Office	6,106	7,186	5,361	6,331	+18%	895	1057
Coverage	4/10	4/10	3/10	3/10			
Office: Corporate: Mid-Rise Office	3,938	4,121	1,103	2,378	+116%	143	307
Coverage	4/7	4/7	2/7	2/7			
Other	-	12,444	-	-		-	-
Coverage	0/16	6/22	0/16	0/22			
Retail: Restaurants / Bars	1	7	1	7	+600%	0.5	3
Coverage	1/2	1/2	1/2	1/2			
Retail: Retail Centres: Warehouse	261	333	62	70	+14%	8	9
Coverage	1/22	2/19	1/22	1/19			
Total	**43,630**	**111,694**	**37,119**	**47,195**	**+27%**	**627**	**797**
Coverage	**15/122**	**26/129**	**11/122**	**11/127**			

Performance Data (Unaudited)

Water Calculation Methodology:

- Like-for-like excludes assets that were purchased, sold or under refurbishment during the two years reported.
- Consumption data relates to absolute water consumed on-site during the period.
- Coverage relates to the number of assets for data has been reported expressed over the total number of assets in the sub-sector.
- Where data was incomplete, the GRESB-aligned estimation methodology was applied to calculate time based gaps as follows:
  - Where >= 50% of the days in the reporting year were missing an average daily consumption rate was calculated based on the available days in the month with a time gap.
  - Where <50% of the days in the reporting year were missing either a daily consumption rate was calculated from the available months in the current year, or the % change from the prior year was used to calculate the gap-filled data.
  - In both instances, to improve the validity of the estimation methodology, estimates were only applied to the extent of 20% of the total period for which actual data was reported. Therefore a limit of only 2 months of data estimates is allowed for 10 months of continuous data received. Over a two-year period, a maximum of three months of data was able to be estimated – given 21 months of continuous data had been received, in line with GRESB guidelines.
- The impact of GRESB-aligned data estimates is shown in the following points:
- Water– 0.4% total consumption reported estimated.
- Intensity: An intensity litres/m2 is reported for assets within the like-for-like portfolio. The numerator is the total like-for-like water consumption and the denominator is gross internal area (m2) of the asset sub-sector.
- Sub-sectors which did not report any water consumption during either 2021 or 2022 have not been included in the summary table above.

Waste

The following table sets out waste managed by the Fund by disposal route and sub-sector. In 2022 91% of the absolute waste reported during data collection was sent to a recycling facility. This shows an increase in the proportion of waste sent to recycling year on year. In 2021 85% of waste was sent to a Mixed Recycling Facility however the final destination for residual waste was unknown. During the 2022 annual data collection process efforts were made by the property management team in collaboration with the Fund's sustainability consultants to define the end destinations more accurately. This has led to the increased rates in a number of destinations of final waste produced by the Fund. This change can be clearly seen in the Mixed Use: Office / Retail, Mid-Rise Office and the Retail Warehouse sub-sectors.

The Retail: Restaurants/Bars sub-sector reported the largest absolute increase in waste production. This is believed to be due to an increase in data availability at the respective sites.

In the like-for-like analysis of waste only waste routes which were consistently reported between 2021 and 2022 at an asset-level have been included. This only applies to waste reported to Incineration - WER at Bath - 5-10 Westgate Buildings. This shows an increase of 100% in total like-for-like waste generated in 2021 compared to 2022, in actual terms an increase of 1 tonne.

		Absolute waste Produced				Like for like waste production		
		2021		2022		2021	2022	Change
Sector	**Waste Route**	**Tonnes**	**%**	**Tonnes**	**%**	**Tonnes**	**Tonnes**	**%**
Hotel	Recycled	-	-	1.45	38%	-	-	
	Incinerated	1	100%	2	53%	1	2	+100%
	Landfill	-	-	0.34	9%	-	-	
	Total	1	100%	3.78	100%	1	2	+100%
	Coverage	1/8		2/7		1/8	1/7	
Industrial: Non-Refrigerated Warehouse	Recycled	-	-	0.11	40%	-	-	
	Landfill	-	-	0.17	60%	-	-	
	Total	-	-	0.28	100%	-	-	
	Coverage	0/29		1/31				

Performance Data (Unaudited)

		Absolute waste Produced				Like for like waste production		
		2021		2022		2021	2022	Change
Sector	**Waste Route**	**Tonnes**	**%**	**Tonnes**	**%**	**Tonnes**	**Tonnes**	**%**
Mixed Use: Office / Retail	Recycled	-	-	16.88	100%	-	-	
	MRF - Unknown	17.32	100%	-	-	-	-	
	Total	17.32	100%	16.88	100%	-	-	
	Coverage	1/2		1/2				
Office: Corporate: Low-Rise Office	Recycled	0.82	5%	1.76	54%	-	-	
	MRF – Unknown	14.16	95%	-	-	-	-	
	Incinerated	-	-	1.5	46%	-	-	
	Total	14.98	100%	3.26	100%	-	-	
	Coverage	1/10		1/10				
Office: Corporate: Mid-Rise Office	Recycled	0.97	5%	20.33	100%	-	-	
	MRF – Unknown	17	90%	-	-	-	-	
	Anaerobic Digestion	0.91	5%	-	-	-	-	
	Total	18.88	100%	20.33	100%	-	-	
	Coverage	2/7		1/7				
Retail: Restaurants / Bars	Recycled	2.14	11%	158.43	100%	-	-	
	MRF – Unknown	2.14	11%	158.43	100%	-	-	
	Total	20.31	100%	158.43	100%	-	-	
	Coverage	1/2		1/2				
Retail: Retail Centres: Warehouse	Recycled	-	-	1.85	11%	-	-	
	MRF – Unknown	1.19	16%	-	-	-	-	
	Incineration	6.27	84%	15.72	89%	-	-	
	Total	7.46	100%	17.57	100%	-	-	
Total	Recycled	3.93	5%	200.81	91%	-	-	
	MRF - Unknown	67.85	85%	-	-	-	-	
	Incinerated	7.27	9%	19.22	9%	1	2	+100%
	Landfill	-	-	-	-	-	-	
	Anaerobic Digestion	0.91	1%	-	-	-	-	
	Total	**79.95**	**100%**	**220.54**	**100%**	**1**	**2**	**+100%**
	Coverage	**9/122**	**10/129**	**1/122**	**1/129**			

Waste Calculation Methodology:

- Waste data has been reported where the Fund is responsible for the provision waste management services and where waste collection data is available.
- Waste route refers to the final destination of the waste which is collected from each property.
- Each asset sector only has the waste routes displayed where data was reported.
- MRF – Unknown refers to waste sent to a Material Recovery Facility but the final destination of the residual waste is unknown, i.e. not recycled.
- Incinerated refers to waste which was incinerated with energy recovery.
- Anaerobic Digestion refers to the decomposition of material without oxygen and is typically used for the disposal of food or organic waste.
- Coverage relates to the number of assets for which data is reported.
- Reported data relates to non-hazardous waste only. Hazardous waste is not reported as due to the low volumes produced it is not considered material. Furthermore, robust tonnage data on the small quantities that are produced is not available.

Performance Data (Unaudited)

Sustainability Certification: Green Building Certificates

The 2022 portfolio of standing assets reported 19 BREEAM certified buildings to GRESB in June 2023 which highlights the Fund's appetite to invest in sustainable properties. These certified properties cover over 1 million sqft of internal floor area. These assets are summarised in the table below. The 2022 portfolio contains three SKA certified properties, two awarded for design and construction; Westpoint Bath for a Gold rated 2nd floor refurbishment, and for 4 Union Street , Bath. One further operational SKA certification awarded at Aspect House, Brighton.

BREEAM Rating	Sector	Asset
Excellent	Office	London - 122 Back Church Lane
	Industrial	Bury St Edmunds
	Industrial	Liverpool - Amazon
	Industrial	Milton Keynes – Dawson Road
Very Good	Retail	London - Brocklebank Retail Park
	Office	Ilkley - Mayfield House
	Office	Maidenhead - One Bell Street
	Office	London - Paulton House
	Industrial	Bath - 5-10 Westgate Buildings
	Industrial	Cambridge - Travelodge
	Industrial	Poole - Lifeboat Quay
	Industrial	Chigwell - Workshop & Victoria Building
	Hotel	Normanton - Kelling
	Hotel	Normanton - PNS
	Hotel	Normanton - United Autosports
	Industrial	Belvedere - 5 Centurion Way
	Other	Harrogate - BP, M&S, Mercedes Benz
Good	Office	Brighton - International House
	Hotel	Brighton - Jury's Inn

Performance Data (Unaudited)

Sustainability Certification: Energy Performance Certificates

An Energy Performance Certificate (EPC) gives a property an energy efficiency rating from A+ (the most efficient) to G (the lease efficient). These certificates are valid for 10 years. EPCs are required whenever an asset is built, sold or leased. In 2022 the Charities Property Fund was in ownership of no properties or units with an F or a G EPC rating. This shows the Fund's commitment to improving energy efficiency across the portfolio to improve environmental performance and help reduce costs for tenants. The proportion of properties or units within the Fund's portfolio with an E rating decreased by 9% in 2022 compared to 2021, and the proportion with an A, B or a C rating increased by 6%.

Two properties were not covered by a valid EPC in 2022 as the result of the certificates expiring in 2021. Both the EPCs at these properties were renewed in Q2 2023, achieving a C and a D rating respectively. These ratings will be reflected in the 2023 Annual Sustainability Report.

Rating	Portfolio by floor area (%)
A	14%
B	35%
C	31%
D	16%
E	4%
F	0%
G	0%
Portfolio Coverage	**100%**

Disclosure of compliance / non-compliance with the INREV Sustainability Reporting Guidelines

This INREV ESG Report has been prepared in accordance with the INREV Sustainability Guidelines. These Guidelines establish required and best practice sustainability disclosures for the non-listed real estate sector. We have conducted a self-assessment against the requirements specified in the INREV Sustainability Guidelines and we conclude that this INREV ESG Report is compliant with all requirements.

Glossary

Arbnco	The Fund's automated energy data collection consultant
BBP	Better Buildings Partnership
BMS	Building Management System
BREEAM	Building Research Establishment's Environmental Assessment Method
CRREM	The Carbon Risk Real Estate Monitor provides the real estate industry with transparent, science-based decarbonization pathways aligned with the Paris Climate Goals of limiting global temperature rise to 2°C, with ambition towards 1.5°C.
CSR	Corporate social responsibility
DALI	Digital Addressable Lighting Interface
DEI	Diversity, Equality and Inclusion
EPC	Energy Performance Certificate
ESG	Environmental, social and governance
ESOS	Energy Saving Opportunity Scheme
EV	Electric vehicle
EVORA	The Fund's lead environmental consultant
GHG	Greenhouse Gas
GRESB	Global Real Estate Sustainability Benchmark
LED	Light Emitting Diode
KPIs	Key performance indicators
MEES	Minimum Energy Efficiency Standard
NZC	Net Zero Carbon (see below)
Net Zero emissions	Achieving a balance between the carbon emitted into the atmosphere, and the carbon removed from it. This balance, or net zero, will happen when the amount of carbon we add to the atmosphere is no more than the amount removed. For real estate it is especially important that buildings are built and managed to have very low carbon emissions before any offsetting takes place.
PV	Photovoltaic
SBT	Science Based Target
Scope 1	Direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g. emissions associated with fuel combustion in boilers, furnaces, vehicles)
Scope 2	Indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling.
Scope 3	All other indirect emissions that occur in a company's value chain and often represent the majority of an organization's total GHG emissions
SEDBUK	Seasonal Efficiency of a Domestic Boiler in the UK
SIERA+	Evora's proprietary sustainability software management system
SFDR	Sustainable Finance Disclosure Regulation
SKA rating	SKA rating is an environmental assessment method, benchmark and standard for non-domestic fit-outs, led and owned by RICS.
SRI	Socially Responsible Investment
TCFD	Task Force on Climate-Related Financial Disclosures
UNPRI	United Nations Principles for Responsible Investment
VRF	Variable Refrigerant Flow

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