

# OUR CARBON FOOTPRINT

For more than five years, we have been measuring and reporting carbon emissions. This is the first year we have specifically reported our carbon footprint in the annual report and accounts as we seek to add greater granularity and transparency to our reporting.

This year we are reporting our Scope 1 (direct, controlled<sup>1</sup>), Scope 2 (indirect, controlled) and Scope 3 (other indirect) emissions in accordance with international best practice guidance, namely The Greenhouse Gas (GHG) Protocol. This data is also included in our 2012 Sustainability Report. Our Carbon Reduction Commitment (CRC) data is collected in parallel and reported separately in the section below.

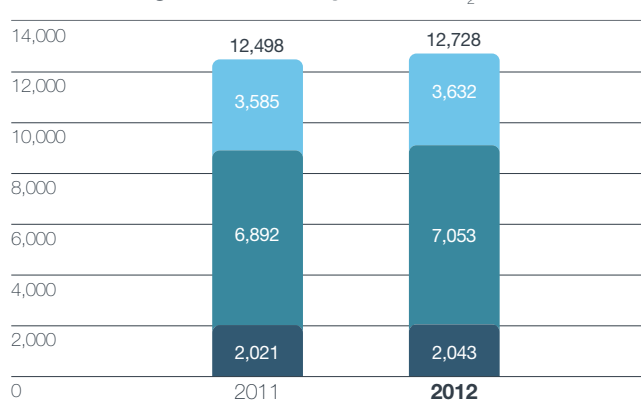
Whilst we have made good progress in many areas of our business, our whole managed portfolio carbon footprint for this year has increased marginally by 1.8%. This is due to a general increase in occupancy levels across the portfolio, as well as the Angel Building now being fully occupied and operational over the whole year. However, with our new space designs such as the White Collar Factory, we are aiming to drive down this footprint as well as increase our interaction with our tenants to influence operational behaviour in our buildings.

## Carbon Reduction Commitment

In line with our obligations under the Government's Carbon Reduction Commitment Energy Efficiency Scheme (CRC), we submitted our first report in 2011, which totalled 24,620 tonnes of CO<sub>2</sub>.<sup>2</sup> The CRC is a mandatory scheme for all organisations that have half-hourly metered electricity consumption greater than 6,000 MWh per year. As a result each year we are required to purchase carbon allowances based on our total annual consumption. The price of these allowances is currently £12 per tonne of CO<sub>2</sub>.

The first year of operation of the scheme (2010-11) was only a reporting year for all participants; we were not subject to any financial liability. In the 2011-12 reporting year, our reported carbon totalled 24,048 tonnes of CO<sub>2</sub> – a reduction of 2.3% compared with the previous period. This resulted in us having to purchase allowances to the value of £288,576.

**Greenhouse gas emissions by source** CO<sub>2</sub>e



- Scope 1
- Scope 2
- Scope 3

## Looking ahead

With the introduction of the Climate Change Act and the accompanying Greenhouse Gas Emissions (Directors' Reports) Regulations, carbon reporting will become mandatory during 2013 for companies that are listed on the London Stock Exchange. We are adopting the regulations early by reporting our carbon footprint within this report.

<sup>1</sup> Does not include our refrigerant losses

<sup>2</sup> The CRC only requires companies to report in carbon dioxide (CO<sub>2</sub>) and not in terms of GHG emissions – expressed as carbon dioxide equivalent (CO<sub>2</sub>e). Moreover, the scope of the CRC requires us to report additional carbon related to energy to buildings to which we supply energy, but over which we do not have operational control.