

Environmental Performance Results

Table 1: Environmental performance 2010 to 2019

Like For Like performance against baseline		Baseline intensity*	2019	2012 change	2013 change	2014 change	2015 change	2016 change	2017 change	2018 change	2019 change	Comments
Intensities	Building electricity intensity (kWh/m ² NLA) – (Like for Like*)	32.2	25.4	-6%	-11%	-15%	-19%	-22%	-24%	-21%	-21%	In 2019 we have included our tenants electricity within our reporting for all multi-let offices. This helps us report internally at asset level against the Real Estate Environmental Benchmarks (REEB best practise standard).
	Building fuel intensity (kWh/m ² NLA) – (Like for Like*)	82.8	65.4	-5%	-8%	-23%	-16%	-18%	-18%	-23%	-21%	
	Greenhouse gas intensity from building energy (KgCO ₂ e/m ²) – (Like for Like*)	19.8	15.6	-6%	-11%	-17%	-18%	-22%	-22%	-22%	-21%	Overall like for like carbon savings remain similar to last year. We include occupiers energy in our multi-let offices. This begins to align our reporting with the methodology associated with Science Based Targets.
	Building water intensity (l per m ²) – (Like for Like*)	420	374	N/A	-2%	-7%	-11%	-18%	-18%	-21%	-11%	Water data quality issues have had an ongoing impact upon performance metrics. Towards the end of 2019 we put in place a new utility bureau provider and a new monitoring and targeting system which we will be using to drive improved data quality.
Absolute data		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Comments
Absolute energy and CO ₂	Energy consumption from electricity (kWh) – absolute	32,142,080	37,896,842	48,146,131	47,070,018	49,902,458	88,781,898	61,867,940	73,435,630	73,782,395	69,429,969	During 2019 the size of our property funds remained relatively constant. The reduction in total gas (fuel) and electricity consumption was due to our programme to re-tune our Building Management Systems across our larger multi-let offices along with our overarching programme of energy / carbon reduction including our strategy and targets, asset sustainability plans and incentives for staff and suppliers which help to drive improvements year on year.
	Energy consumption from district heating and cooling (kWh)	0	0	0	0	0	0	0	0	0	0	
	Energy consumption from fuels (kWh) – absolute	20,130,499	16,559,919	18,500,025	17,325,318	25,784,305	46,013,936	38,539,887	37,893,928	37,731,816	33,237,476	
	Direct greenhouse gas emissions (tonnes CO ₂ e) – absolute	3,696	3,040	3,397	3,158	4,708	8,448	7,076	8,728	5,132	4,520	
	Indirect greenhouse gas emissions (tonnes CO ₂ e) – absolute	18,871	21,891	27,268	24,692	26,179	46,575	32,456	39,905	40,115	37,749	
Waste Water	Water withdrawal by source (m ³) - absolute			231,217	213,996	353,169	424,308	416,472	426,208	528,535	489,883	In 2018 we included our tenants water consumption at two of our largest offices (Central St Giles and 110 Fetter Lane) due to a change of managing agents with different measurement methods. This caused a significant increase in absolute use. 2019 indicated an improvement however we are aware of water data quality issues which we are working to address with our new data providers.
	Waste by disposal route (tonnes) (and %recycled) – absolute		4,775 (53%)	2,224(72%)	4,833 (79%)	4,730 (87%)	6,883(90%)	5,237 (91%)	4852 (91%)	5,341 (67%)	N/A	

*Baseline is 2010 of first 12 months of ownership

Table 2: GRI INDEX (G4)*

Key ● Achieved ● Partially Achieved

Method		Performance	Comments on performance
Risk Management			
Acquisitions	Ensure all acquisitions have a detailed sustainability appraisal which highlights key risk areas and actions required.	Achieved	All acquisitions follow our comprehensive sustainability due diligence process.
EPC Improvement	Develop an action plan for each E, F&G rated EPC on how to manage the risk at the appropriate time in the buildings lifecycle and continue to aim to reduce the number of F&G rated EPCs.	Achieved	The percentage of EPC's with an F and G rating at the end of 2019 had reduced to around 4% by area. This has decreased from 13% at the end of 2013.
Resources and Environment			
Environmental Certification	Achieve BREEAM excellent on all new builds. Aspire for BREEAM excellent and achieve a minimum of BREEAM very good on all major refurbishments.	Partially Achieved	BREEAM targets were achieved on the majority new buildings and major refurbishments.
Managing Agents	Include environmental KPI's in all managing agent contracts and review performance quarterly.	Achieved	KPI's were included in all managing agents contracts in 2019. During 2019 we started the roll-out of a new model of undertaking property management. This included a re-tendering our managing agent contracts on a different basis ,as well as bringing the operational control of most of our multi-let assets back 'in house' under a technical team of engineers and with the introduction of a new Facilities Management Integrator.
Supply Chain	Include sustainability KPI's in all second tier supply contracts through our managing agents and receive quarterly reports on performance.	Partially Achieved	KPI's for suppliers continue to be included in all managing agents supply chains and our own supply chain. During 2019 we started the roll-out of a new model of undertaking property management. This included a re-tendering our managing agent contracts on a different basis ,as well as bringing the operational control of most of our multi-let assets back 'in house' under a technical team of engineers and with the introduction of a new Facilities Management Integrator.
ISO 14001	Continue to maintain ISO 14001 accreditation on all managed buildings and other managed assets where applicable.	Achieved	ISO 14001 accreditation was maintained for all managed assets.
Leadership and Engagement			
Employee objectives	Ensure that every member of the property team has sustainability related objectives included in their formal Performance Objectives.	Achieved	All property management related employees had sustainability objectives in their appraisal criteria.
Training	Ensure that all new employees in LGP undertake sustainability training and the existing employees receive regular updates on sustainability.	Achieved	New employees completed a bespoke, in-house, induction course which includes sustainability and all asset managers attend regular sustainability update sessions to keep up to date with latest developments and to review achievements which can be replicated throughout the portfolio.
Occupier Engagement	Engage with as many occupiers as possible to gather stakeholder feedback and implement Asset Sustainability Action Plans (ASAPs) to improve the sustainability of our assets. Publish and distribute guidance to occupiers on sustainability issues.	Partially Achieved	Stakeholder feedback was received through our managing agents. During 2019 we rolled out a fundamental change the way we undertake property management and those responsible for stakeholder engagement throughout our supply chain are being identified, monitored and the results used to improve our occupier relationships.
Community Engagement & Social Value	Seek to have a positive impact on the communities around our assets and seek ways to measure social value. Report progress quarterly to the L&G Group CSR & Ethics committee.	Partially Achieved	Progress was reported quarterly to the L&G Group CSR & Ethics committee. Having completed the successfully pilot with the British Council of Offices and embedded social value measurement in all our new build and major refurbishment projects, we piloted a methodology to measure social value across an operational property fund. This proved successful and the method was rolled out across a wider group of assets during 2019. This will continue during 2020 with 20% of assets by value measured by the end of the year.
Investor Engagement	Engage with investors , and investment agents to gather stakeholder feedback and promote our belief that sustainability will enhance returns and minimise risk. Develop feedback on current reporting options and action any changes required.	Partially Achieved	We engaged with a number of investors on sustainability issues. In general we found that during 2019 there was an increasing number of investors and their agents who are interested in sustainability (ESG) performance.
Joint Venture Partners partners	Seek to influence all joint venture partners in terms of the sustainability aspects of our joint investments.	Partially Achieved	Meetings were held with some of our JV partners in terms of sustainability but not all.
GRESB	Continue to submit data to the Global Real Estate Sustainability Benchmarking (GRESB) imitative on an annual basis to benchmark sustainability performance.	Achieved	In 2019, sixteen funds were submitted to GRESB, an LGIM record. The overall platform score improved from 80 to 82, compared to 2018 . 11 funds (of the 16 submitted) improved their total scores compared with last year and 5 funds received the highest accolade of 5 green stars. Two fund came in at number 1 against peers and one fund achieved Overall Global Sector Leader.
Operational ratings	Support all initiatives to create voluntary operational ratings in the commercial property sector and pilot a methodology for LGP assets.	Achieved	We continued to use the Better Building Partnerships , Real Estate Environmental Benchmarks (REEB) to measure the operational performance of all our assets.. We are also supporting the Design for Performance (DfP) project which is looking at whether the Australian rating system, Nabers, can be brought into the UK.
Benchmarks	Continue to submit data to legal and general corporate sustainability benchmarking initiatives i.e.: FTSE 4Good, UNPRI, BITC etc. and the Better Building Partnerships, Real-estate Environmental Benchmarking (REEB).	Achieved	Data was submitted to all requested corporate benchmarking initiatives. We also continued to participate in REEB and submitted all our applicable funds to the GRESB survey."
Industry Participation	Participate in industry groups to help further knowledge of sustainably issues and help promote best practise.	Achieved	We participated in the following groups and organisations: - UK Green Building Council (UKGBC) board of trustees - British Property Federation (BPF) sustainability committee - Better Building Partnership (BBP) board of directors - British Council for Offices (BCO) sustainability committee - Institution Investors Group on Climate Change (IIGCC) - Global Real Estate Sustainability Benchmark (GRESB) benchmarking committee

* 2017 standard