



Moorfield  
Group

Moorfield Group  
*2016 Corporate and Social  
Responsibility Report*



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Informed says  
*relationships are  
fundamental*

### Introduction from CEO

At Moorfield we believe that we have a Corporate Responsibility to continually improve Environmental Social Governance (ESG) performance. We are constantly striving to improve ourselves, our workplace, our practices and our relationships and we believe the integration of our ESG values into our governance framework is an essential element of this continuous journey of improvement. Furthermore, as entrepreneurial investment managers who have a history and a track record of pioneering emerging real estate sectors, we think that by applying innovative and effective ESG management, we maximise the returns for our investors. Moorfield has long had corporate social responsibility and sustainability statements as well as internal policies relating to ethics and corporate governance, but in this document we commit to demonstrating how we implement, monitor and assess our performance and progress.

Our approach is aligned with our key business themes.

**Informed** - to meet our fiduciary duty to shareholders and investors and to ensure that ESG risks are understood, we ensure we are kept informed of internal and external factors that can or will impact on our performance.

**Intelligent** - information collected is used to make intelligent decisions that incorporate sustainability from the outset.

**Empathetic** - stakeholder engagement is crucial. Alignment with our investors and our occupiers is fundamental to our corporate philosophy.

**Perceptive** - we are responsible, professional and proud to be innovators and pioneers within the fields of both Traditional and Alternative real estate. We believe that understanding environmental and social trends is a key aspect of leading innovation in all sectors.

Using the above principles, we have established systems of responsible investment and asset management to ensure Corporate Responsibility is appropriately addressed.



- We have set appropriate targets, further details are set out within this report:
- We will reduce like-for-like energy performance by 12% over four years on a 2016 baseline.
- We will reduce like-for-like water consumption by 5% over four years on a 2016 baseline.
- We will monitor all waste performance with an objective of achieving zero waste to landfill.
- We will improve our Global Real Estate Sustainability (GRESB) rating for our MREF III fund.

As CEO I am ultimately responsible for Corporate Responsibility at Moorfield. As such, to further support our performance in this area, we have set up an internal ESG committee, which has representation from all teams within the organisation, to manage and progress our various Corporate Responsibility initiatives.

We are pleased to publish for the first time our forward looking commitments against which we will publicly report going forwards on an annual basis.

**Marc E.C. Gilbard**  
**Chief Executive Officer**



# About Moorfield

Perceptive  
knows the *importance*  
*of innovation*

## Moorfield at a glance

Moorfield Group is a UK real estate and related private equity fund manager, with investments made through the Moorfield Real Estate Funds (MREFs) and Moorfield Audley Real Estate Fund (MAREF).

At Moorfield, we recognise that our activities have an impact on the environment, the economy and people; not only employees, consultants and building users, but also the wider communities in which we operate.

We believe that a structured and balanced strategy that considers ESG risks and opportunities is crucial to maintaining and growing a successful business, and we aim to ensure that Corporate Responsibility and Sustainability is embedded in everything we do.

As such, we have implemented an approach (aligned with internationally recognised standards) to ensure that the management of these aspects of our business are effectively understood and continuously improved.

The systems we have established are embedded at all stages of our investment process. We work to understand emerging trends and their impact on asset classes, and use this knowledge to continue to deliver outstanding returns to our investors.

We believe that continued progression along our planned journey will create a business that not only benefits financially from this approach, but also contributes positively to the sustainability agenda, within our own business, and across the real estate and fund management industry as a whole.

This is our first Corporate Responsibility report and sets out the progress we have made so far, and affirms the principles which underpin our approach to the environmental, social and governance aspects of our real estate investment, development and management processes.

26  
employees

600  
Indirect  
employees

2  
Active  
Funds

21 years  
in operation

£2bn  
Assets under  
management

32  
Investments

# Our CSR Timeline:

2008

Moorfield Foundation  
established

2009

Moorfield creates its first Sustainability  
Statement and Action Framework. This  
includes a due diligence checklist for new  
acquisitions.

2009 - 2012

Moorfield builds three schools in Kenya,  
India and Nepal with the AV Foundation.

2013

Moorfield implements  
an Environmental  
Management System

2014

MREF and MREFII GRESB Filings  
made

2015

Sustainability  
Committee  
established  
£30,000 raised for  
Land Aid

2017

Moorfield commits to publicly reporting  
on its CSR performance  
Moorfield becomes a corporate member of  
the Real Estate Balance group.

2016

MREFIII GRESB filed  
ESG Committee established  
£15,000 raised for  
Finding Your Feet



# What does Corporate Responsibility mean to Moorfield Group?

Many terms and phrases are used to address sustainability across the corporate investment industry, and as such, we feel it important to set out our use of terminology from the outset.

As a UK Private Equity Real Estate fund manager we have a fiduciary duty to our investors to ensure that investments are managed appropriately and all issues that could impact on investment performance are understood and managed. However, we also recognise that our Corporate Responsibility extends beyond this requirement to address how we integrate and work with all stakeholders.

Historically, the term Corporate Social Responsibility has been used by us and others. However, we see our approach to acting responsibly as going beyond 'social' and including environment and governance-related activities.

As such, our approach to **Corporate Responsibility** ensures that **Environmental, Social and Governance (ESG)** risks and opportunities are considered and managed through our responsible real estate investment and management approach.

Other terms often used include sustainability and sustainable development. To us, operating sustainably is synonymous with corporate responsibility and ESG risk and opportunity management.

Furthermore, we support and follow the UN's Principles for Responsible Investment, which were developed by an international group of institutional investors reflecting the increasing relevance of environmental, social and corporate governance issues to investment practices.

Our commitments:

- i. We will incorporate ESG issues into investment analysis and decision-making processes.
- ii. We will be active owners and incorporate ESG issues into our ownership policies and practices.
- iii. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- iv. We will promote acceptance and implementation of the Principles within the investment industry.
- v. We will work together to enhance our effectiveness in implementing the Principles.
- vi. We will each report on our activities and progress towards implementing the Principles.

We have not yet signed the Principles but are committed to demonstrate through our public reporting that we are following these and incorporating their spirit across all elements of our business.

## Moorfield's Values

Our Corporate Responsibility approach is underpinned by our values. We are not only committed to upholding the values that have historically driven and shaped the business but also to reviewing these values to ensure they encapsulate generational change. We believe these values underpin every aspect of our business, distinguish us in the market place and run through everything we do.

Our Corporate values are as follows:

- To excel at what we do whilst enjoying what we do
- To be entrepreneurial and innovative
- **To treat people equally and fairly and to support equality of opportunity for all**
- To align the interests of our employees with those of our investors through long term incentives and to invest in their futures
- To value team achievement as well as personal
- **To recognise that an appropriate work/life balance is key to keeping skilled staff**
- To govern our business professionally, responsibly and ethically
- To value relationships
- To be aware of our social impact on the environment we operate in
- To give back to society in a way that maximises our impact



# Stakeholder Engagement

Stakeholder engagement is an essential component of our overall Corporate Responsibility Strategy. It also aligns perfectly with our key business themes. To be **informed, intelligent, empathetic** and **perceptive**, we must understand our stakeholder needs and expectations. Active engagement with employees, shareholders, investors, tenants, suppliers, regulators/Government and the communities in which we operate will enable us to meet our Corporate Responsibility commitments.

We address our approach to understanding and managing the concerns of each of our stakeholder groupings below.

## Employees

At Moorfield we employ enthusiastic self-starters who demonstrate that they care about what they do. In return we work hard to demonstrate that we care about our team.

Each individual has been handpicked from a variety of different professional backgrounds - from the real estate, private equity, finance and advisory industries - resulting in a highly competent team. Roles at Moorfield are flexible and enable each person to grow into a role that best suits their skillset and we encourage an entrepreneurial approach to investment and management. Employees are incentivised by long term interests in the Moorfield Funds to ensure alignment with our investors.

Formal and informal approaches to employee engagement are carried out. Our staff are our greatest resource. We are therefore committed to supporting continual professional development for all team members. All staff complete annual personal development reviews designed to give and receive feedback on performance and to identify future training and development plans.

Informally, company-wide social events are regularly organised. We believe this is key to creating meaningful intracompany relationships based on friendship as well as mutual professional respect.

**In 2016 we implemented a number of policies intended to increase flexibility for employees, and to promote equality of opportunity and diversity. We have enhanced shared parental leave provisions that track our enhanced maternity policy and we have become corporate members of Real Estate Balance, an organisation focused on addressing the gender imbalance in the UK real estate industry.**

## Our Commitment to Employees

**In 2017 we will complete an in-depth employee satisfaction survey. We will use analysis of responses to inform the business planning progress going forwards. We also commit to publishing key findings.**

## Supply Chain

We recognise there is a lot to do to address corporate responsibility in our supply chain. We have started on a journey of continual improvement and, for all major procurement exercises, we will apply a sustainable and ethical procurement framework (based on principles set out in the British Standard – BS8903).

## Our Approach to Modern Slavery Risks – A Statement 2017

At Moorfield, we recognise that transparency of employment practices throughout our supply chain is vitally important. Under new legislation, all businesses in the UK with an annual turnover of £36m or more are required to produce a slavery and human trafficking statement. Moorfield does not meet this turnover threshold, nevertheless we have chosen to implement a formal approach to Modern Slavery.

The risks associated with modern slavery in the real estate industry are significant. Although our direct supply chain is small, we appoint a limited number of partners and property managers to develop, renovate and manage our assets alongside us. These partners, in turn, employ supply chains of their own.

## Our Supply Chain Commitment

**Over the next 12 months we will ask all our suppliers to provide confirmation of their approaches to Modern Slavery. A detailed report will be published by the end of 2017. Our top biggest suppliers in 2016 were:**

1. GVA Grimley - Property Managers
2. Herbert Smith LLP - Lawyers
3. PWC - Accountants
4. DWF - Lawyers

Each of these service providers have been checked that they comply with the Modern Slavery Act 2015.



## Investors

At Moorfield we use our experience alongside our research to consider the appropriate risk/return and capital growth/income ratios to ensure a balanced investment portfolio. ESG considerations are interwoven into this process.

We will ensure investors are informed and engaged on corporate responsibility matters and fully aware of material ESG risks and opportunities relevant to their investment. Formal and agreed reporting frameworks will be established and complied with. Furthermore, it is our view that a coordinated and systematic approach to corporate responsibility, aligned to ensure we are informed, intelligent in our decision making, empathetic – with all stakeholder groups and perceptive to opportunity, will help unlock hidden value.

## Shareholders

We have a duty to our shareholders to ensure that ESG risks and opportunities are understood and effectively managed. We also believe it is important that shareholders and investors understand the approaches we employ to manage ESG risks. As such, we will report on our approach to corporate responsibility on an annual basis (this is our first public Corporate Responsibility Report).

## Our Commitment to Investors and Shareholders

In addition to agreed reporting Frameworks, we commit to participating in GRESB (the Global Real Estate Sustainability Benchmark) for MREF III and providing investors and shareholders with analysis of our results. We will also be reporting to investors on the social impact of our investments.

## Building Occupiers

Occupiers have been identified as a key stakeholder. Occupiers use our buildings and form part of the wider community in which we operate.

Buildings can be designed to the highest environmental standards containing the most innovative technology to reduce the environmental impacts during operation, however, these aspects count for little if the building is inefficiently operated.

Efficient operation centres around the relationship that exists between owners and occupiers. We strive to work together with occupiers to realise the opportunities that can be achieved through collaboration. We must also recognise that staff costs are the highest overheads for most, if not all of our tenants. Health and wellbeing is a topic that has garnered increasing profile over recent years; and for good reason. It is well documented that healthy and happy staff based in optimised surroundings are more productive and the companies they work for are affected by lower levels of sickness absence.

As such, we require our real estate manager partners to establish tenant engagement programmes for all multi-let assets under our management. In 2017 we will also work to consider how engagement programmes can be established for different asset classes including single lets and our investments in retirement villages.

## Our Commitment to Building Occupiers

We commit to working with our real estate management teams to establishing formal and structured occupier engagement programmes at all Multi-let office buildings in 2017.

## Communities

Our investments in real estate, to be successful, must add value to the local communities in which they are located. We invest in a broad array of asset classes including but not limited to residential, offices, retail and leisure. To be truly sustainable, our assets must be functional, effective and, in the long term, adaptable. We work to address this during design for our development projects. However, ongoing engagement with the communities in which our assets are located is equally important. We do not apply a one-size-fits-all approach to community engagement but seek to develop bespoke approaches for each of our locations.

## Our Commitment to Communities

At Moorfield, we have always recognised the need to provide charitable support through donation and fund raising events. We are currently investigating social impact investment approaches. This will lead to development of a methodology where we select charity partners that align with our operational activities (considering both the activities we carry out and the geographies we operate in).

We will report on progress, (including amounts raised and donated) in our next Corporate Responsibility Report.

## Case Study

As part of our asset management programme, we hold charitable fund raising events across all our assets. In 2016 we supported Finding your Feet, a charity that supports amputees in fulfilling their life goals by arranging a sponsored abseil at Atlantic Quay in Glasgow. The event engaged the local community, occupiers and real estate industry and raised over £15,000. We have since committed to a partnership to work with Finding your Feet across our other assets to raise money for their charity which is match funded by Moorfield.

## Government and Industry

With the advent of Brexit, engagement and at least understanding of Government policy and plans for future regulation has never been more important. Moorfield keep engaged, primarily through our active memberships of professional bodies including the British Property Federation, British Venture Capital Association and INREV.

## Our Stakeholder Commitments in Summary:

In 2017 Moorfield will:

- Complete comprehensive employee satisfaction surveys and report on the results
- Continue to investigate employment practices within our supply chains and report on findings in 2017
- Participate in GRESB (for MREF III) and present results to investors and shareholders
- Implement a Sustainable Procurement Programme for major procurement exercises
- Initiation of Tenant and Community Engagement programmes
- Report on charitable activities in 2017
- Publish an annual Corporate Responsibility Report going forwards





# Risk Management and Materiality

## Materiality

Throughout 2016, we have held ongoing formal and informal discussions with our stakeholders. This approach, along with an environmental risk assessment process was used to

inform a materiality assessment. Our key material issues are defined below.

Poor Energy Performance Certificate ratings	Contaminated Land
Water Use	Waste generation and disposal
Energy use / Carbon Emissions	Flood Risk
Community Impact	Legislative change
Health and Wellbeing Asset Performance	Supply chain management (including labour practices)

Our strategy has been aligned to address the above risks. We use a "plan, do, check, act" management system approach.

- **Plan:** We use the results of our materiality review, together with more in-depth risk assessments to establish control procedures and objectives and targets (at asset and fund level) – developed to deliver continual improvement.
- **Implement:** We implement improvement programmes in conjunction with our supply chain partners.
- **Monitor and Measure:** We use a variety of approaches to monitor and measure ESG performance. Asset and Fund level performance is tracked on a quarterly basis. Headline performance is reported to board level.

- **Review:** We complete quarterly progress reviews. This is a vital element of our approach and is designed to help ensure our approach is refined and improved. A further, in depth annual review is also completed. We also use external methodologies, including GRESB (the Global Real Estate Sustainability Benchmark) to benchmark our performance externally.
- **Reporting:** Finally, we commit to reporting progress on an annual basis.

Empathetic  
*guides a  
partnership*



# Our Strategy

## Ethical Corporate Behaviour

At Moorfield we fully endorse responsible and ethical behaviour. We have set our operating methodologies out in our Ethics Policy. We ensure our employees are aware of this policy and it is reviewed annually to ensure it is understood, supported and up to date.

Our ethics principles largely collate into four separate pillars which can be summarised as follows:

**Ethical Sources of Funds** – the investors in the MREF funds and all co-investors are all institutional grade investors. We are happy to go on record to state that we would not accept money from investors whose source of funds or operations conflicted with our ethics and that our anti-bribery and corruption policy would be applied rigorously should we consider admitting any investors whose source of funds is not immediately apparent and verifiable.

**Ethical Investing** – whilst we do not hide that our aim as a fund manager is to maximise returns on equity, we will not invest in assets or companies (nor would we partner with them) that conflict with our ethics. We carry out significant due diligence prior to each acquisition and assess each opportunity on its financial merits, but also taking into consideration its sustainability rating with respect to its environmental effect and the social impact that such investment will have. We also commit during our tenure of ownership that we will work to reduce the environmental impact of an asset.

**Ethical Business Management** – we commit to conducting our business with honesty and integrity. Despite not being captured by the legislation, we are in the process of adopting processes to adhere to the rationale behind the Modern Slavery Act in respect of our Suppliers. Our policy is that if anyone in our business has a decision to make that they feel raises ethical or moral questions, then such decisions should be referred to the Executive Committee for discussion. We apply a strict anti-bribery and corruption policy and all employees have to seek Executive Committee approval before they receive or provide any gifts or corporate entertainment with a value greater than £250.

**Ethical Workplace** - we value our employees as important components of our business but also as human beings. We provide guidance to enable people to achieve their professional potential but also support and flexibility to enable employees to work around any personal issues they may face. We have an average tenure of 9 yrs and pride ourselves on very low staff turnover. We are committed to equality of opportunity and our Diversity and Equality committee reviews our recruitment and promotion policy regularly.



## Governance

Moorfield is committed to the highest standards of corporate governance and we believe that such standards form an essential component of our commitment to our stakeholders. We seek to develop policies, standards, and procedures appropriate for the nature, scale and complexity of our business and the environment in which we operate.

As such, we commit to:

- Maintaining the Moorfield Board, Executive Committee and Investment Committee to oversee the firm's corporate governance and to review the effectiveness of our risk management framework.
- Delivery of corporate governance and ethics training to all board members.
- Regular and transparent reporting to clients at both corporate and fund level in line with industry guidelines where appropriate.
- Ensure that FCA Principles and the Principles for Approved Persons set the framework within which all activities are undertaken, as relevant.
- Ensure Moorfield funds have an Investment Advisory Board to address any potential conflicts.
- Convening our ESG Committee at least quarterly to oversee the ESG programmes across our business and to ensure their effective implementation within the firm.

Moorfield has defined Governance procedures and committee structures at corporate and fund levels. These are documented separately.

## Environment and Society

### Our Targets

- Reduce like-for-like energy performance by 12% over 4 years on a 2016 baseline.
- Reduce like-for -like water consumption by 5% over the next four years on a 2016 baseline.
- Monitor all waste performance with an objective of achieving zero waste to landfill.
- Participate in GRESB for operational real estate funds and improve our score year on year.
- Implement corporate level energy and environmental improvement plans to reduce our direct environmental impact.

Our corporate strategy is to identify and acquire real estate or real estate related investment opportunities where proactive and innovative asset management enhances both income and capital returns. Our investment approach is predicated on a thorough appreciation of long-term trends as well as the early identification of emerging markets and asset classes. Accordingly, we seek to ensure that the consideration of Corporate Responsibility is hard-wired into everything we do. Our view is that this approach will not only mitigate risks, but also, in future, generate wider opportunities.

Objectives and targets have been established to address Corporate Responsibility risks and deliver improvements. In addition to the quantifiable targets shown above, we have established programmes to:

- Incorporate evaluation of environmental sustainability criteria into our acquisition process.
- Establish sustainability improvement plans at both asset and fund level to consider energy, water and waste management.
- Improve the awareness and understanding of sustainability issues amongst employees, partners, contractors and building occupiers; and
- Enable the regular measurement and monitoring of key environmental data (namely energy, water and waste) across all of our assets.

## Practicing What We Preach

We recognise that our environmental impact extends beyond our funds to how we operate at a corporate level. As such, we have also set our own internal objectives and targets. In 2017, we have moved offices. This presents us with the opportunity to address our own environmental performance. As such, we have specified a new office set-up that will:

- Move away from use of bottled water.
- Move towards a paperless office with limited physical storage space and tight controls on office printing.
- Be energy efficient through fit out – LED lighting has been specified throughout.
- Ensure old furniture has been recycled.
- Purchase upcycled furniture for new office.

We will produce a more detailed case study – to present results - in our next CR report.

### Current Progress

Over recent years’ significant progress has been made to increase our understanding of the sustainability related risks to investment performance across all of our assets under management, and of the potential opportunities to enhance their performance. We have:

- Established our own specifically tailored environmental management system in line with ISO14001 international standard requirements.
- Introduced mechanisms to collate and monitor environmental performance data for all managed assets.
- Completed comprehensive sustainability audits at all major assets.
- Provided training to our managing agents.
- Developed Site Selection and Sustainable Procurement Policies.
- Introduced programmes to understand risks associated with future legislation (including minimum energy efficiency standards).
- Reduced like-for-like electricity consumption across our funds, with associated cost savings and a reduction in our operational carbon footprint.
- Registered our Funds for GRESB reporting.
- Established a dedicated ESG Committee to program sustainability initiatives.

### Recent developments/refurbishments:

- **Aurora, Ealing** - on target to receive BREAM Very Good
- **Atlantic Quay, Glasgow** - on target to receive BREAM Very Good
- **Barbirolli Sq, Manchester** - on target to receive BREAM Very Good
- **The Tramshed Student Accommodation, Preston** - on target to receive BREAM Very Good
- **Century Sq Student Accommodation, Sheffield** - BREAM Very Good achieved

### Our Sustainability Commitments

**We now have structures in place to effectively manage risks and improve performance. However, our plans continue to evolve and we are now working to:**

- Progress sustainability initiatives at asset, fund and corporate level.
- Meet minimum standards of BREEAM very good for all future refurbishments and new build activities.
- Evaluate use of sustainable technology solutions.

- Establish property specific performance improvement programmes and targets and report on these annually.
- Report on our GRESB performance for the Moorfield Real Estate Fund III.
- Continue to report on sustainability in line with INREV mandatory requirements. We also incorporate best practice reporting requirements.

**Our commitments will support achievement of our targets defined above.**



# Performance

## Environment

We set out below, our environmental sustainability performance for assets under management.

Sustainability performance for the 2016 calendar year (1 January 2016 to 31 December 2016) is presented (with comparison against 2015) in the tables below.

- Table 1: Energy – Absolute, Like-for-Like and Intensity
- Table 2: GHG emissions – Absolute, Like-for-Like and Intensity

We are in the process of collecting water and waste data. Future annual reports will include this information.

The reporting boundary has been defined according to where Moorfield has Operational Control, i.e. where it has the full authority to introduce and implement operating policies.

**Absolute data**

Includes consumption for assets that were sold during the reporting period and where SREF held operational control.

**Like for Like data**

Performance data excludes assets where they were not in ownership for 24 months covering the reporting periods (2015 and 2016).

**Intensity data**

Performance data excludes assets where they were not in ownership for 24 months covering the reporting periods (2015 and 2016). Net lettable area has been used as the denominator for intensity for all sector types. It is acknowledged that the intensity indicator is affected due to the mismatch between numerator and denominator.

**Energy - Purchased and Consumed** (Not applicable: Electricity self-generated from non-fuel sources (e.g. solar, wind); Renewable fuels use)

		Absolute kWh			Like for Like kWh			Intensity kWh/m²	
		2015	2016	% Change	2015	2016	% Change	2015	2016
OFFICE	Electricity	4,758,606	10,231,665	115%	1,437,323	1,528,271	6%	159	290
	Fuels	3,583,723	6,087,043	70%	1,654,654	1,845,847	12%		
	Area (NLA M²)	56,340	56,340	0%	13,192			13,192	56,340
	Coverage No. of assets	14	14		1			1	14
OTHER (MIXED)	Electricity - shared services	196,204	199,732	2%	196,204	199,732	2%	N/A	16
	Fuels	0	0	N/A	0	0	N/A		
	Area (NLA M²)	91,617	110,569	21%	91,617			0	18,952
	Coverage No. of assets	1	2		1			0	1
RESIDENTIAL	Electricity - shared services	133,156	427,293	221%	0	0	N/A	N/A	140
	Fuels	598,115	2,310,749	286%	0	0	N/A		
	Area (NLA M²)	19,536	19,536	0%	0			0	19,536
	Coverage No. of assets	1	1		0			0	1
TOTAL	Electricity - shared services	5,087,966	10,858,690	113%	1,633,527	1,728,003	6%		
	Fuels	4,181,838	8,397,793	101%	1,65,654	1,845,847	12%		
	Area (NLA M²)	167,493	186,445	11%	104,809				
	Coverage No. of assets	16	17		2				

### Commentary on Performance Trends

- A major asset acquisition phase took place throughout 2015. Moorfield has seen significant growth in portfolio composition between 2015 and 2016. This is represented in the absolute energy use increases over the period. Absolute percentage change is included above for completeness and to ensure alignment with best practice reporting requirements.
- Like for like analysis considers assets owned in both 2015 and 2016. However, no further adjustment for occupancy or weather has been completed. Because of the significant portfolio changes, like for like analysis involves only one office asset and one mixed use asset.
- Office Asset** - Like for like increases of 6% for electricity and 12% fuels at the office asset have been investigated. Increases were caused by tenant activity and changes in weather conditions. In 2016, there were 39% more heating degree days<sup>1</sup> than in 2015. Heating degree days are directly proportional to heating demand. Weather is the primary cause for the increase in fuel use at the property.
- Mixed Use Asset – The 2% increase in consumption at the mixed-use asset is *de minimis* and accounts for an increase in spend of approximately £350.
- Net lettable area has been used as the denominator for intensity as this is most consistently available across all assets and closely aligned to the numerator (energy consumed). One asset has been excluded from intensity calculations because the landlord energy provision covers car park and external areas.
- Mixed Use Asset – The 2% increase in consumption at the mixed-use asset is *de minimis* and accounts for an increase in spend of approximately £35.
- Net lettable area has been used as the denominator for intensity as this is most consistently available across all assets and closely aligned to the numerator (energy consumed). One asset has been excluded from intensity calculations because the landlord energy provision covers car park and external areas.

<sup>1</sup> Heating Degree Days: The number of degrees that a day's average temperature is below 15.5C (the temperature below which, it is broadly recognised that heating is needed). Degree day data can be used to assess the impact of weather on heating energy use.



**Greenhouse Gas Emissions** (Scope 1 – gas; Scope 2 – electricity, district heating / cooling; Scope 3 – tenant consumption, distribution / transmission losses)

		Absolute tonnes CO <sup>2</sup> e			Like for Like CO <sup>2</sup> e			Intensity kg CO <sup>2</sup> e/M <sup>2</sup>	
		2015	2016	% Change	2015	2016	% Change	2015	2016
OFFICE	Scope 1	661	1,120	69%	305	340	11%	73	95
	Scope 2	2,199	4,216	92%	664	630	-5%		
	Area (NLA M <sup>2</sup> )	56,340	56,340	0%	13,192			13,192	56,34
	Coverage No. of assets	14	14		1			1	14
OTHER (MIXED)	Scope 1	0	0	N/A	0	0	N/A	N/A	6
	Scope 2	91	82	-9%	91	82	-9%		
	Area (NLA M <sup>2</sup> )	91,617	110,569	21%	91,617			0	19,952
	Coverage No. of assets	1	2		1			0	1
RESIDENTIAL	Scope 1	110	425	285%	0	0	N/A	N/A	31
	Scope 2	62	176	186%	0	0	N/A		
	Area (NLA M <sup>2</sup> )	19,536	19,536	0%	0			0	19,536
	Coverage No. of assets	1	1		0				0
TOTAL	Scope 1	771	1,545	100%	305	340	11%		
	Scope 2	2,352	4,474	90%	755	712	-6%		
	Area (NLA M <sup>2</sup> )	167,493	186,445	11%	104,809				
	Coverage No. of assets	16	17		2				

Commentary on Performance Trends

- Table 1 comments on energy performance trends remain relevant. Carbon emissions are directly related to energy performance.
- Reported percentage changes (absolute and like-for-like) for carbon differ from energy as they also take changes to UK carbon intensities of electricity and fuel into account.





# Assurance Statement

EVORA Global Limited has been appointed by Moorfield to complete verification of reported energy consumption data presented within this report. Utility data is reported to EVORA by Moorfield's property managers based on a combination of meter readings and invoices. Data is reported on a quarterly basis. EVORA reviews the data received on a quarterly basis.

## Methodology

Moorfield utilises SIERA as its Data Management System platform. Sustainability performance data (including energy and GHG emissions) is captured and reported.

Furthermore, I can confirm that EVORA has used ISO 14064 as the methodology for data collection, verification and calculation for energy and Greenhouse Gas emissions

In summary the applied process includes:

- i. Confirmation of asset coverage
- ii. Submission of property data
- iii. Initial data accuracy checks (completed by our software platform)
- iv. Initial approval of data (by Moorfield)
- v. Verification of data and results (completed by Software with specialist consultant review)

Notes:

- Property management data is sourced from Moorfield and their appointed Property Management firms.
- Environmental performance data (electricity, gas, water) is based on invoiced data. However, in some cases, energy supplier estimates have been used. Records of estimated consumption data, and methodologies used have been reviewed and are held on file.
- Step 3 – initial data checks are used to clarify obvious errors.

## Opinion

Data is accurately reported, based on methodology allied above. Moorfield continue to work towards improving accuracy of data. This will support improvement programmes going forwards.

## About EVORA

EVORA is an independent, pan-European sustainability consultancy and software provider, specialising in the commercial real estate sector.

**Paul Sutcliffe, Director February 2017**

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