

UK Mandatory GHG Reporting

ENTITY DETAILS

Name of Entity :	Shaftesbury PLC
Address of Entity :	22 Ganton Street, Carnaby, London. W1F 7FD
Protocol/ programme :	The second year of Mandatory GHG reporting in the Company Annual Report and voluntary reporting in the twelfth annual Corporate Responsibility Data Report against action plan 2013-14; both published on the corporate website.

EMISSIONS DETAILS

Reporting Period :	01/10/2013 to 30/09/2014
Reference document :	Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance (version of June 2013); The Global Reporting initiative (Version 3.1) (& relevant sector protocol); and European Real Estate Association Best Practice Recommendations on Sustainability (Version Sept 2014)
Type of report :	Annual Data Report, CR Report and statement of annual emissions (published in the Director's Report - Page 84 of the Company Annual Report)
Date of Emissions Report :	Effective 27th November 2014
Total Emissions tCO₂e :	1705.23

SITE VERIFICATION DETAILS

Locations visited during verification:	No site visits were implemented, all work was completed electronically and via conference call
Date(s) of visit(s):	-
Number of days for site visit:	-
Justification for not undertaking site visit:	Initial audit of cycle conducted a site visit which indicated that there was minimal activity at the corporate site level and at the offices of the third party agent that impacted the accounting of data and that could not be handled remotely in the audit.

CONFORMANCE WITH PROTOCOL AND PROGRAMME RULES

Monitoring Protocol requirements met :	Yes
Reporting programme requirements met :	Yes

CONFORMANCE WITH GENERALLY ACCEPTED MONITORING AND REPORTING PRINCIPLES

Accuracy :	Yes
Completeness :	Yes
Consistency :	Yes
Comparability over time :	Nofor base emissions data but No for emissions intensity due to a change of methodology for determining the denominator in the intensity calculation.
Materiality :	Yes
Transparency :	No because - the entity follows recognised financial accounting standards, these are different to those used for GHG reporting (see above). Building on the findings from last year, at entity level the selected GHG standards have been translated into a draft documented company protocol specific to the reporting entity which records the approach adopted, specific definitions (eg of scope etc) and guides its accounting process to ensure it is consistent year on year; this will be finalised during the forthcoming year. The transparency over the control of data at the subsidiary level which is the responsibility of the Managing Agents is not clear. The three Managing Agents have however provided a signed Management Representation attesting to their contractual responsibilities and the quality assurance they have over the data submitted to Shaftesbury.

OPINION

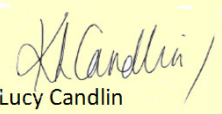
OPINION - verified with comments: We have conducted a verification of the greenhouse gas data reported by the above entity in its Annual Report for the period 1/10/2013 to 30/09/2014 and as presented in total above. On the basis of the verification work undertaken (see Annex 2) nothing has come to our attention to suggest that these data are not fairly stated, with the exception of the following non-material issues:

Comments for information:

1. a restatement was made of the 2012-13 electricity data for Seven Dials due to an error in the source data from the Managing Agents. This represented a 0.73% overstatement of the prior year's total emissions.
2. Data for the refurbishment at 11 Long Acre is missing from the current year data set.
3. Prior year data on intensity was mis-stated as a result of assumptions made on the proportion of floor area that was common parts.

VERIFICATION TEAM

Lead Auditor: Lucy Candlin
Independent Reviewer: Annelisa Grigg

Signed on behalf of Planet & Prosperity Ltd:
Name of authorised signatory : 
 Lucy Candlin

Date of Opinion : 25th November 2014

Name of verifier: Planet & Prosperity Ltd
Contact Address : 60 Reverdy Road, London. SE1 5QD
Date of verification contract: 12 September 2014

Annex 1 - Misstatements, Non-conformities and Recommended Improvements

A.	Misstatements that were not corrected before issuance of the verification opinion	Material?
A1		
B.	Uncorrected Non-conformities with specified Monitoring Protocol and/or Reporting Programme requirements	Material?
B1		
C.	Recommendations for improvements to address weaknesses in the accounting process and procedures	
C1	The draft GHG monitoring/ accounting protocol needs to be completed, finalised and formally issued; there are some further elements that could be added including details on internal data checking and quality assurance; control of spreadsheets & data and signposts to sources of reference information and calculators (eg for travel data).	
C2	A more formalised approach to QA over the underlying data would increase robustness of reporting including for example, formal tracking and close out of queries; a formalised declaration from all Managing Agents in relation to a structured self-assessment of accounting processes for all properties and/or inclusion of a sample of Managing Agent accounting processes in the annual audit programme conducted by RPS.	
C3	A common template should be considered for the Managing Agents Management Representation Letter. This should be updated each year to reflect issues identified during the Action Plan audit process.	

Annex 2 - Basis of the Opinion and other relevant information

Objectives and scope of the Verification:	To verify the entity's reported emissions (as summarised in the attached Opinion Statement and as presented on pages 84 of the entity's Annual Director's Report) and confirm conformance with stated monitoring requirements and reporting programme rules.														
Responsibilities:	<p>The entity is solely responsible for the preparation and reporting of their declared greenhouse gas (GHG) emissions for the stated reporting purposes, in accordance with the rules and their stated monitoring protocol (as listed in the attached Opinion Statement); for any information and assessments that support the reported data; for determining the entity's objectives in relation to GHG information and reporting; and for establishing and maintaining appropriate procedures, performance management and internal control systems from which the reported information is derived.</p> <p>The Verifier (as named on the Opinion Statement), in accordance with its verification contract, is responsible for carrying out the verification of the entity in the public interest, independent of the entity. It is the responsibility of the Verifier to form an independent opinion, based on the examination of information and data presented in the Emissions Report in accordance with the agreed level of assurance, and to report that opinion to the entity. We also report if, in our opinion:</p> <ul style="list-style-type: none"> • the declared Emissions Report is or may be associated with mis-statements (omissions, misrepresentations or errors) or non-conformities; or • the Lead Auditor has not received all the information and explanations that they require to conduct their examination to the agreed level of assurance; or • improvements can be made to increase the robustness of the entity's accounting process for monitoring and reporting of emissions and/or conformance with the stated monitoring protocol. <p>Such issues or improvements are identified in Annex 1. Our statement of competence and impartiality is given in Annex 3.</p>														
Work performed & basis of the opinion:	<p>We conducted our examination having regard to the verification criteria referenced in documents 1-3 listed below. This involved examining, based upon our risk analysis, evidence to give us assurance, in accordance with the agreed level of assurance stated below, that the amounts and disclosures relating to the data have been properly prepared in accordance with the stated monitoring protocol and reporting programme, as outlined in accounting criteria reference documents A-C below.</p> <p>This also involved assessing where necessary estimates and judgements made by the entity in preparing the data and considering the overall adequacy of the presentation of the data in the Emissions Report and its potential for material misstatement.</p>														
Level of Assurance :	The level of assurance agreed with the entity is - Limited Assurance														
Materiality level :	<p>The materiality threshold applied to the evaluation of mis-statements is - ± 5% of the declared total CO2e value</p> <p>Limited scope of assurance is based upon a risk assessment and scope of verification procedures that is different from, and less than, the extent applied for reasonable assurance work; and may, consequently mean that not all significant issues can be identified.</p> <p>The limited scope of work for this verification covered the corporate processes, procedures and aggregation/analysis spreadsheets. Testing did not extend back to source within Managing Agent processes where reliance has been placed by the reporter on its commercial contracts with the Managing Agents and their associated Energy Management Agents (where relevant). Some Managing Agents are reported to have ISO14001 systems in place and which cover the generation and manipulation of data before its submission to the entity; although this has not been checked. The reasonableness of the self-assessment against the GRI indicators etc and the breakdown of data against EPRA categories are not included within the scope of work; nor is a recheck of the prior year's data with the exception of adjustments made to 2012-13 data, as identified above.</p>														
Uncertainty :	GHG quantification is subject to inherent uncertainty due to the designed capability of measurement instrumentation and testing methodologies and incomplete scientific knowledge used in the determination of emissions factors and global warming potentials. Users of this report and opinion need to take this into account.														
Reference documents cited :	<table border="1"> <tr> <td colspan="2" data-bbox="354 1760 1505 1787">Conduct of the Verification</td> </tr> <tr> <td data-bbox="328 1816 347 1843">1)</td> <td data-bbox="354 1816 1505 1843">EN ISO/IEC 14064-3:2006 Specification with guidance for the validation and verification of GHG assertions</td> </tr> <tr> <td data-bbox="328 1854 347 1881">2)</td> <td data-bbox="354 1854 1505 1881">ISEA 3410 - Assurance engagements on greenhouse gas statements</td> </tr> <tr> <td data-bbox="328 1892 347 1919">3)</td> <td data-bbox="354 1892 1505 1982">EN ISO/IEC 14065:2012 Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition. <i>Planet & Prosperity is NOT accredited to this Standard but takes account of the requirements in its verification activities.</i></td> </tr> <tr> <td colspan="2" data-bbox="354 2016 1505 2042">Monitoring Protocol(s) and reporting requirements applied by the entity</td> </tr> <tr> <td data-bbox="328 2063 347 2089">A)</td> <td data-bbox="354 2063 1505 2119">Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance (version of June 2013)</td> </tr> <tr> <td data-bbox="328 2130 347 2157">B)</td> <td data-bbox="354 2130 1505 2157">The Global Reporting initiative (Version 3.1) (& relevant sector protocol)</td> </tr> </table>	Conduct of the Verification		1)	EN ISO/IEC 14064-3:2006 Specification with guidance for the validation and verification of GHG assertions	2)	ISEA 3410 - Assurance engagements on greenhouse gas statements	3)	EN ISO/IEC 14065:2012 Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition. <i>Planet & Prosperity is NOT accredited to this Standard but takes account of the requirements in its verification activities.</i>	Monitoring Protocol(s) and reporting requirements applied by the entity		A)	Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance (version of June 2013)	B)	The Global Reporting initiative (Version 3.1) (& relevant sector protocol)
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Annex 3 - Statement of independence, impartiality and competence

Statement of independence - Planet & Prosperity Ltd declares that it is independent of the entities for which it provides assurance, other than the fees paid to it for delivery of assurance services. Fees paid for assurance work for this client represent <5% income for the most recent financial year accounts.

Statement of impartiality - Planet & Prosperity Ltd declares that it does not seek to favour any set of stakeholders over others in its assurance activities. In delivering assurance over greenhouse gas emissions, Planet & Prosperity Ltd is acting in the public interest to uphold the robustness of emissions accounting and reporting in line with national, european and international norms; and to support where necessary financial market activities which rely upon reported emissions data.

Statement of competence - The Lead Auditor conducting this assurance engagement has -

- * over thirteen years of experience in GHG emissions accounting, reporting and assurance and has worked on assurance, guidance and verifier training for mandatory regulated programmes in the UK, Europe, North America and South Korea;
- * supported the development and application of guidance for voluntary GHG reporting programmes in North America;
- * contributed to the development of regulation, guidance and standards for monitoring, reporting, verification and accreditation for the UK ETS, EU ETS, CCAR, TCR, CARB; ISAE 3410; the GHG protocol; and the Global Reporting Initiative Technical Protocols;
- * been an ISO14065 accreditation assessor and accreditation technical advisor for a number of jurisdictions;
- * has, since 2008, been co-chair for the UK Emissions Trading Group's Working Groups on Monitoring, Reporting, Verification and Accreditation and latterly ETS;
- * has been an IEMA registered Principal Auditor since 1999.