

UK Mandatory GHG Reporting

ENTITY DETAILS

Name of Entity :	Shaftesbury PLC
Address of Entity :	22 Ganton Street, Carnaby, London. W1F 7FD
Protocol/ programme :	The third year of Mandatory GHG reporting in the Company Annual Report and voluntary reporting in the thirteenth annual Sustainability Data Report against action plan 2014-15 and Sustainability Report for 2015; all published on the corporate website.

EMISSIONS DETAILS

Reporting Period :	01/10/2014 to 30/09/2015
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, Sustainability Report and statement on annual emissions (published in the Director's Report - Page 147-148 of the Company Annual Report)
Date of Emissions Report :	Effective 1st December 2015
Total Emissions tCO₂e :	1676.93

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

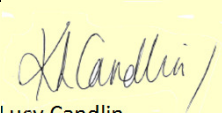
CONFORMANCE WITH GENERALLY ACCEPTED MONITORING AND REPORTING PRINCIPLES

Accuracy :	Yes
Completeness :	Yes
Consistency :	Yes
Comparability over time :	No because - despite formal Representation Letters from the Managing Agents attesting to completeness and quality control, the prior year data for electricity/gas consumption at several locations has been restated to adjust for errors that were identified in the underlying data provided by the relevant Managing Agent subsequent to the publication of last year's report; therefore there is not backward comparability to previous reports. The restatements are clearly identified in the current year Annual Data Report.
Materiality :	Yes
Transparency :	No because - the entity follows recognised financial accounting standards, these are different to those used for GHG reporting (see above); there is a formal GHG accounting protocol at corporate level which is specific to the reporting entity and which records the approach adopted, specific definitions (eg of scope etc) and guides its accounting process to ensure it is consistent year on year. However, 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 again 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:	<p>We have conducted a verification of the greenhouse gas data reported by the above entity in its Annual Reports for the period 1/10/2014 to 30/09/2015 and as presented in total above. On the basis of the scope and verification work undertaken (see Annex 2) nothing has come to our attention to suggest that these data are not fairly stated.</p> <p>However, we also highlight the following issue:</p> <p>1. a restatement was made of the 2013-14 electricity/gas data for locations in Carnaby, Longmartin and Opera Quarter due to errors in the source data from the Managing Agents. Checking of this was outwith the scope of this audit, but based on the information provided, the aggregate adjustment declared is a material adjustment which equates to an understatement of prior year declared emissions of 6%. This highlights the risks associated with the limitation of scope for this audit which excludes checks at the Managing Agent level.</p>
Comments for information:	

VERIFICATION TEAM

Lead Auditor:	Lucy Candlin
Independent Reviewer:	Michele Sanders
Signed on behalf of Planet & Prosperity Ltd:	 Lucy Candlin
Name of authorised signatory :	
Date of Opinion :	2nd December 2015
Name of verifier:	Planet & Prosperity Ltd
Contact Address :	60 Reverdy Road, London. SE1 5QD
Date of verification contract:	14 September 2015

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	A more formalised approach to QA over the underlying MA data would increase robustness of reporting including for example, formal tracking and close out of queries and inclusion of a sample of Managing Agent data accounting processes in the annual audit programme conducted by RPS (or the independent GHG data audit) as well as the formalised declaration from all Managing Agents in relation to a structured self-assessment of accounting processes for all properties. This would address the issue that has resulted in the restatement of last year's data to account for a material understatement.	
C2	Some further improvement can be made to the Master calculation spreadsheet, including : * transparent recalculation and explanation of prior year data where a restatement is made. * clearer identification of the mode of travel in the base calculations of travel data.	
C3		

Annex 2 - Basis of the Opinion and other relevant information

Objectives and scope of the Verification:	<p>To verify the entity's reported emissions (as summarised in the attached Opinion Statement and as presented on pages 147-148 of the entity's Annual Director's Report) and confirm conformance with stated monitoring requirements and reporting programme rules.</p>								
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 :	<p>The level of assurance agreed with the entity is - Limited Assurance</p>								
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 as restated.</p>								
Uncertainty :	<p>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.</p>								
Reference documents cited :	<table border="1"> <tr> <td colspan="2" data-bbox="352 1738 1497 1780"> Conduct of the Verification </td> </tr> <tr> <td data-bbox="352 1783 343 2004"> 1) 2) 3) </td> <td data-bbox="352 1783 1497 2004"> EN ISO/IEC 14064-3:2006 Specification with guidance for the validation and verification of GHG assertions ISEA 3410 - Assurance engagements on greenhouse gas statements 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="352 2007 1497 2049"> Monitoring Protocol(s) and reporting requirements applied by the entity </td> </tr> <tr> <td data-bbox="352 2051 343 2139"> A) B) </td> <td data-bbox="352 2051 1497 2139"> Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance (version of June 2013) The Global Reporting initiative (Version 3.1) (& relevant sector protocol) </td> </tr> </table>	Conduct of the Verification		1) 2) 3)	EN ISO/IEC 14064-3:2006 Specification with guidance for the validation and verification of GHG assertions ISEA 3410 - Assurance engagements on greenhouse gas statements 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) B)	Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance (version of June 2013) 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 fourteen 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; and since 2015 a main Board Director of the UK ETG;
- * has been an IEMA registered Principal Auditor since 1999.