

Independent Greenhouse Gas Verification Statement

Carbon Smart Ltd has prepared this Verification Statement for Shaftesbury Plc, through which it is confirmed that Shaftesbury's reported scope 1, 2 and 3 greenhouse gas (GHG) emissions have received limited verification in accordance with the requirements of the ISO 14064 – part 3 standard.

The verification covers Shaftesbury's stated historic emissions for one reporting year – the 12 months starting 1st October 2018 and ending 30th September 2019 (financial year 2019), the year-on-year performance change and the intensity metric (tCO₂e/annual turnover) compared to financial year 2018, as shall appear in Shaftesbury's wider environmental reporting.

Responsibilities of Shaftesbury and Carbon Smart

Shaftesbury and RPS Group were responsible for the preparation of the GHG emissions assertion and the internal management controls governing the data collection process. Independent managing agents were responsible for the data aggregation, any estimations and extrapolations applied to the utilities data (as required).

Carbon Smart was responsible for carrying out a limited verification assessment in accordance with the ISO 14064 – part 3 standard, and providing an independently expressed conclusion on the reported GHG emissions totals, for each of the data sources included in the scope of this verification exercise.

Organisational scope and subject matter

The boundary of the verification process included the properties where Shaftesbury has sole ownership, which are clustered in 6 villages (Carnaby, Soho, Seven Dials, Chinatown, Covent Garden and Fitzrovia), the joint venture at Longmartin and the head office for which Shaftesbury report their emissions on an operational control basis. Their GHG inventory excludes tenanted areas over which they do not have operational control.

GHG sources included in the verification process:

- Scope 1: Refrigerant and natural gas
- Scope 2: Electricity (location-based methods)
- Scope 3: Business travel (air travel, rail, taxis), hotel stays, electricity Transmission & Distribution and Well-to-Tank, WTT natural gas, waste, water and paper purchased
- Types of GHGs included, as applicable: CO₂, N₂O, CH₄, HFCs, PFCs and SF₆

Shaftesbury GHG assertions:

tCO ₂ e	Scope 1	Scope 2 (location based)	Scope 3	Intensity – Scope 1 & 2 emissions/annual turnover (tCO ₂ e/£M)
FY2018 (restatement)	223	941	466	9.54
FY2019	191	886	374	8.5

Methodologies

Shaftesbury's GHG inventory has been completed in accordance with the WBCSD and WRI Greenhouse Gas Protocol GHG corporate and scope 3 standards; and adheres to the best practice reporting principles of relevance, completeness, consistency, transparency and accuracy.

Carbon Smart conducted the verification engagement in October 2019. We used the appropriate verification planning, validation, GHG assessment and evaluation steps in accordance with the requirements of ISO 14064:3. And in adherence to the standard's principles of independence, ethical conduct, fair presentation and due professional care.

Objectives

The objectives of the verification engagement were to ensure Shaftesbury's GHG assertion is free of material misstatements to an acceptable materiality threshold of 5% at the GHG source level and organisational level; and to ensure the GHG inventory provides the relevant, material information required by stakeholders for the purpose of decision making.

Carbon Smart's verification process

Our verification conclusions are based on the following activities:

- Agreement on the level of verification, objectives, criteria, organisational scope and materiality thresholds.
- Review of the processes and procedures for establishing the organisational and operational boundary ensuring relevance in emissions reporting across scope 1, 2 and 3 emissions sources.
- Development of the verification project plan and data sampling plan (based on risk and materiality).
- Assessment of the GHG data collection system and controls through interviews by phone and face-to-face.
- Assessment of the data collection process from raw data comparison with primary evidence, through to central collation in the submission forms. This step included assessment of estimations and extrapolation systems in place and the underlying assumptions used.
- Review of the appropriateness and application of the methodologies and calculations used for conversion of activity data to CO₂e emissions.
- Evaluation of the internal quality assurance procedures and results.
- Our activities included interviews with all the managing agents involved in data collection and submission, consultants at RPS and 12 site visits.

Limited verification statement

Based on the verification procedures followed by Carbon Smart of Shaftesbury's scope 1, 2 and 3 emissions across the 2019 reporting period, we found no evidence to suggest that the GHG emissions assertions of Shaftesbury's operational GHG inventory are not:

- Prepared in accordance with Shaftesbury's relevant internal GHG emissions reporting methodologies, which adhere to the internationally recognized WBCSD and WRI Greenhouse Gas Protocol GHG corporate and scope 3 standards.
- Materially correct and a fair representation of their GHG emissions.
- Prepared in adherence to the best practice reporting principles of relevance, completeness, consistency, transparency and accuracy.
- Worthy of the award of limited verification.

Carbon Smart's independence and team competencies

We can confirm our independence and objectivity as follows:

- We are independently appointed by Shaftesbury - no member of the verification team has a business relationship or reason for bias in regard to Shaftesbury.

- Our team is experienced in GHG reporting to WRI GHG protocol and ISO 14064:1 standards; and have extensive experience of verification using ISO 14064:3.

Recommendations for improvement


In future Shaftesbury should:

1. Improve documentation regarding the managing agents' data collection and checking procedures to increase transparency and alignment of processes applied across the estate.
2. Establish a "hierarchy" of relevant estimation methodologies used to fill in the data gaps or unknown / un-metered consumption, thereby ensuring completeness of data reported and methodological consistency across the portfolio and emission sources.

We declare that Shaftesbury have received limited verification for the reporting year 1st October 2018 - 30th September 2019 for the following:

- Scope 1, 2 and 3 emissions
- Year-on-year change in emissions (scope 1, 2 and 3)
- Intensity metric - tCO₂e/annual turnover

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