



**ethical**property

# Adherence Framework Update

Reviewed 2023

A annual review of this document will take place in May of each year.

## THIS FRAMEWORK SETS OUT HOW WE REPORT ON OUR ADHERENCE TO OUR QUINTESSENTIALS

- **THE ANNUAL REPORT WILL PROVIDE A COMPREHENSIVE OVERVIEW OF OUR TRIPLE BOTTOM LINE PERFORMANCE**
- **SOME PRINCIPLES WILL ONLY BE REPORTED ON THROUGH OUR WEBSITE**
- **SOME PRINCIPLES WILL NOT BE REPORTED ON ANNUALLY, BUT WILL BE REPORTED ON OVER A LONGER PERIOD OF UP TO THREE YEARS**
- **THE COMPANY'S SOCIAL IMPACT IS TO BE AUDITED BY AN INDEPENDENT QUALIFIED SOCIAL IMPACT AUDITOR ON AN ANNUAL BASIS**
- **THE RESPONSIBILITY FOR IMPROVING THE COMPANY'S SOCIAL IMPACT WILL BE HELD BY THE DEPUTY MANAGING DIRECTOR**
- **THE COMPANY'S ENVIRONMENTAL IMPACT IS TO BE AUDITED BY AN INDEPENDENT QUALIFIED ENVIRONMENTAL AUDITOR ON AN ANNUAL BASIS**
- **THE RESPONSIBILITY FOR IMPROVING THE COMPANY'S ENVIRONMENTAL IMPACT WILL BE HELD BY THE HEAD OF ASSETS**

## COMPANY GOVERNANCE AND MANAGEMENT

Ref	Principle to be adhered to	Methodology or indicator / target	How reported
G1	The company will actively seek the views of staff, tenants and investors and this information will be taken into account when any strategic decisions are made.	Staff: Annual survey, supervisions and all staff meetings. Tenants: Annual survey, tenant meetings. Investors: AGM and ease of contacting senior management.	Data to be made available to SMT (Senior Management Team) and Board members.
G2	The company will actively communicate with staff, tenants and investors.	Staff: All staff meetings, one in-person event per year, staff newsletter, staff updates. Tenants: Centre-based tenants meetings and tenant newsletter. Investors: AGM, Annual Report, The Environmental and Social Impact Report, investor updates.	Newsletters, Annual Report and updates.
G3	The company will ensure that staff are aware of and understand the company's values and are able to apply them in their roles.	Company inductions, Quintessentials and updates.	Appraisals.
G4	Staff pay will be fair and equitable. The ratio between the highest to lowest paid worker should not exceed the published level.	Regular review of income and benchmarking.	Ratio published annually.
G5	Investment opportunities will be easily accessible by a wide range of social impact investors, individual through to institute.	Information on investment opportunities will be published on the website and access will be via accessible and inclusive platforms.	Finance Director to report to the Board and SMT at each Board meeting.

# ETHICAL CRITERIA FOR TENANCY

Ref	Principle to be adhered to	Methodology or indicator / target	How reported
T1	Tenants need to meet our ethical tenants criteria.	80% of tenants across our centres (combined) need to meet this criteria.	When a tenant gives consent to do so, a list will be produced showing the area our tenants work in, and this will be published annually.
T2	A breakdown of tenants by size, legal form and nature will be collected on an annual basis.	Collected by central Operations team.	A high-level report will be published annually.
T3	Wherever possible, a report will be generated on how many organisations use our centres.	Information to be collected from centres open to the public.	To be collected where possible and to be used by the management team.

# ETHICAL PROPERTY MANAGEMENT

Ref	Principle to be adhered to	Methodology or indicator / target	How reported
<b>Social Impact</b>			
M1	Rents will be affordable to our target market and offer value for money.	Regular reviews of local market rents using comparable and independent data by the Sales team and tenants questioned via the annual survey. The Tenant Survey is made available to the Social Impact Auditor.	Reviews of local market data reported to SMT to assist in decision making.
M2	The company will provide opportunities for tenants to meet and collaborate.	Providing physical spaces within the design of each centre. Wherever possible, to hold events in which tenants can meet. Centre meetings, Tenant Resources, digital screens, encouraging tenants to contribute to the Tenant Newsletter.	Anecdotally on website and Annual Report.
M3	The company will prioritise good mental health for staff and all that use our centres.	Break-out space and, if applicable, gardens/ outdoor space.	Anecdotally on website.
<b>Environmental Impact</b>			
M4	The company is committed to a 50% reduction (by 2030) of the tCO2e generated by our buildings and by our business. The baseline against which we will measure carbon reduction will be 0.7769 kgCO2/m2/year (gas, electricity, wood and water only). This is calculated from the average usage pre-pandemic (2017-19) but using the carbon factors for 2022. This gives the best combination of "average" usage and up-to-date carbon factors, which take into account the suppliers we currently use.	To be broken down into measurements, including a carbon plan for each centre, which will be produced by November 2022. The company will run an ongoing educational campaign across our centres to raise awareness with staff, tenants and visitors.	The Environmental and Social Impact Report.
M5	The company is committed to, wherever possible, using fully renewable energy within our buildings.	To be audited on a centre by centre basis.	The Environmental and Social Impact Report.
M6	The company is committed to reducing the amount of waste from its buildings that go to landfill.	To be audited on a centre by centre basis. The company will run an ongoing educational campaign across our centres to raise awareness with staff, tenants and visitors.	The Environmental and Social Impact Report.
M7	The company is committed to reducing water consumption across our buildings.	To be audited on a centre by centre basis. The company will run an ongoing educational campaign across our centres to raise awareness with staff, tenants and visitors.	The Environmental and Social Impact Report.
M8	The company will measure and report on the impact of staff travel.	An annual Commuter Travel Survey will be sent out, and for staff, a record of work-based travel will be set up from 22/23.	The Environmental and Social Impact Report.
M9	Increasing biodiversity impact.	The company will run an ongoing educational campaign across our centres to raise awareness with staff, tenants and visitors.	The Environmental and Social Impact Report.
M10	Increasing sustainable food engagement.	The company will run an ongoing educational campaign across our centres to raise awareness with staff, tenants and visitors.	The Environmental and Social Impact Report.
M11	The company is committed to a reduction of impact via our supply chain (carbon).	We will develop the process of our supply chain (procurement) by 2023.	The Environmental and Social Impact Report.

# INVESTMENT PERFORMANCE

Ref	Principle to be adhered to	Methodology or indicator / target	How reported
IP1	A dividend policy will be in place at all times. The issuing of dividends will be reviewed on an annual basis.	The Board will review and decide on the level of dividends annually.	Investors will be notified of the Board's decision on an annual basis.
IP2	The company will produce a minimum of two investor updates per year.	Investor updates to be made available via website at least twice a year in addition to the Annual Report. Those investors who have opted for digital communication will be advised when it is available.	Website.
IP3	The company will ensure that it has an effective mechanism for trading shares.	To ensure that any platforms used are accessible and easy to access.	Information on reporting will be made available to investors via the website and updates.
IP4	When a dividend is issued, all shareholders will have the option to waive their dividend, so that it can be used to support those tenants in need and further the company's impact.	To be managed by the Finance Director.	Annual Report.



Reviewed in 2023, no additions or changes made.



**ethical**property

**The Ethical Property Company PLC**

The Old Music Hall  
106-108 Cowley Road  
Oxford  
OX4 1JE

**Contact us**

[info@ethicalproperty.co.uk](mailto:info@ethicalproperty.co.uk)