

# PITCH

Property Income Trust For Charities



SwissLife  
Asset Managers

# *Environmental, Social and Governance Report*

2023



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# 2023 ESG Highlights

Responsible and ethical investment is integral to the way in which the PITCH Fund is managed and ESG remains a top priority for the Fund Team in 2024. Significant progress has been made this past year, which is evident through our notable achievements outlined below. In 2024 we aim to focus our ESG efforts on continuing to improve ESG data coverage and quality, and to accelerate the implementation of our decarbonisation strategy in support of PITCH's net zero carbon commitment. We look forward to reporting on the PITCH Fund's ESG progress and achievements made in 2024 in our next annual report.

## Data Coverage:

**72%** Energy data coverage achieved  
(+16% from the previous year)

Please see the 'Data Management and Monitoring' section on page 6 for further information.

## Decarbonisation:

**36%** Greenhouse gas emissions intensity reduction achieved since 2019.

Please see the 'Net Zero Carbon' section on page 6 for further information.

## GRESB\*:

**5%** PITCH ranked in the top 5% of its GRESB peer group in 2023.

Please see the 'Global Real Estate Sustainability Benchmark (GRESB)' section on page 16 for further information.

## UK Social Value Strategy:

**£20,000** donated in 2023

Please see the 'UK Social Value Strategy' section on page 12 for further information.

\* GRESB: Global Real Estate Sustainability Benchmark (GRESB).

# Introduction

*The Property Income Trust for Charities (PITCH) has practised responsible investment and has had a strict ethical policy since Fund inception in 2004. This reflects Swiss Life Asset Managers UK's longstanding track record of Environmental, Social and Governance (ESG) integration as well as the underlying investor base, consisting of a diverse group of charities.*

ESG continues to be a critical and strategic priority for PITCH. In August of 2021, Christi Vosloo joined as Head of UK ESG. Christi is the first ESG hire for Swiss Life Asset Managers UK and works closely with the PITCH Fund Team, ensuring that ESG considerations are embedded in all stages of the investment process.

All Swiss Life Asset Managers UK employees have ESG and Stewardship Key Performance Indicators (KPIs) included as part of their standard performance objectives, ensuring that financial incentives are linked to ESG performance.

This ESG update outlines progress and actions for the year ended 2023.

## Responsible Property Investment

We regard Responsible Property Investment (RPI) as a core part of our management approach and define it as the consideration of environmental, social and governance issues within our investment process and operations. We integrate ESG criteria, as well as risk factors and financial metrics, into a controlled and structured investment process. We invest selectively, prioritising a high quality of specification on new acquisitions and in the refurbishment and ongoing management of the buildings under our care. We believe this generates long-term risk-adjusted returns, supports climate change mitigation, and aligns our investment goals to those of our investors and stakeholders.

Please find the link to our Responsible Investment Policy [here](#).

### Swiss Life Asset Managers PRI scores<sup>1</sup>



**77%** Policy Governance and Strategy score accredited by PRI

**78%** PRI score for Real Estate

(1) The topics assessed and scores can be found in the full PRI assessment and transparency reports (see [swisslife-am.com/pri-assessment](https://swisslife-am.com/pri-assessment)). The PRI accreditations are based on 2022 reporting figures. The Investment and Stewardship policy score accredited by PRI shown in the Responsible Investment Report 2022 is replaced by the new indicator "Policy Governance and Strategy". The new indicator combines the "Investment & Stewardship Policy" with the "Listed Equity" indicator.



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## ESG Strategy

As part of the Swiss Life Asset Managers UK ESG Strategy development process, we have identified five ESG priority focus areas outlined below. These focus areas form the building blocks of our UK ESG Strategy that is implemented at portfolio and asset level.

### The focus areas are:



#### Managing Sustainability Risks and Resilience

Managing sustainability risk and resilience as part of our fiduciary duty.



#### Reducing Climate Impact

Reducing the climate impact of our real estate products.



#### Enhancing Health, Safety and Wellbeing

Enhancing health, safety and wellbeing to manage risk and improve the experience at our assets.



#### Fostering Social Inclusion

Fostering social inclusion as part of our market leader role.



#### Increasing Transparency and Stakeholder Engagement

Increasing transparency and stakeholder engagement to deliver more value.

### Contributing to the following SDGs:



The Sustainable Development Goals (SDGs) are a collection of 17 interlinked goals designed to be a “blueprint to achieve a better and more sustainable future for all”. The SDGs were set in 2015 by the UN General Assembly and are intended to be achieved by 2030.

Included in the following section are ESG updates for the PITCH portfolio, centred around each focus area and tailored to The Fund’s specific ESG requirements.

# Managing Sustainability Risks and Resilience



*We aim to proactively manage sustainability risk to build portfolio resilience and maintain value over the long term.*

## Compliance and Risk Management

Maintaining compliance with all environmental and sustainability legislation is a priority for PITCH. External consultants advise on entity compliance and significant legislative changes that can impact advisory or discretionary mandates. JLL, as managing agents are responsible for ESG compliance matters at asset level and report on a quarterly basis to the Fund team or as a matter arises.

External consultants and law firms provide further support with compliance updates, briefings and regular ESG training sessions for Swiss Life Asset Managers UK.

## Minimum Energy Efficiency Standard (MEES) Risk

Under the Minimum Energy Efficiency Standard (MEES) regulation, since April 2018, landlords are unable to let properties with F and G EPC ratings. From 1 April 2023, this has expanded to capture all existing lettings. The MEES threshold is an EPC in band “E”. It is unlawful to lease or sell any property in England and Wales which does not meet MEES.

In addition, the Government’s 2019 consultation on a future regulatory target for the non-domestic private rented sector of EPC B by 2030 gained large support. As a result, the 2020 Energy White Paper confirmed that the future trajectory for non-domestic minimum energy efficiency standards will be EPC B by 2030.

In view of the likely forthcoming legislation, we are conducting MEES planning sessions, reviewing the portfolio to assess units that are below the EPC B threshold, and that have a lease expiry that falls after a MEES deadline. We are prioritising these tenants for engagement whilst also identifying opportunities to enhance the EPC ratings of assets as part of refurbishment planning.

Energy Performance Certificates (EPCs) cover 100% of the portfolio and 90.7% of the portfolio by floor area is rated A-C. All units are compliant with the current MEES threshold of E. As of December 2023, the EPC position has improved since last year as we have reduced the number of D rated properties through a combination of asset improvements and sales.

## Energy Performance Certificates (EPCs)

The table below includes the EPC profile of the PITCH portfolio by percentage of portfolio floor area.

Energy Performance Certificate Rating	% of portfolio floor area
A	19.1%
B	27.6%
C	44.0%
D	9.3%
E	0.0%
F	0.0%
G	0.0%
Exempt	0.0%
No EPC	0.0%
Coverage	100%

## Notes:

EPC data included in this report is valid as of 31 December 2023 and covers 100% of assets under management in PITCH (where EPCs are required).

**99%** of the office portfolio is rated EPC A-C (by ERV)

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## Flood Risk

In line with our strict Swiss Life AM UK Flood Risk Policy, as part of our acquisition process, we assess flood risk for all new acquisitions and document this in our ESG Acquisition Checklist. On a regular basis, we review the flood risk ratings of the portfolio using the Environment Agency (EA) flood maps.

Future flood risk is assessed as part of the portfolio climate risk analysis process (details included below and alongside) that we repeat annually. At acquisition, we conduct climate risk screening and we also commission detailed flood risk assessments by specialist advisors where applicable.

## Climate Risk

Swiss Life Group are supporters of the Task Force on Climate-related Financial Disclosures (TCFD) with the latest TCFD report [available here](#).

Swiss Life Asset Managers UK Limited, as the managers of PITCH, are acutely aware of both the physical and transition risks posed as a result of climate change. As a result, we assess physical and transition risks for both standing investments and new acquisitions.



*Unit 1, Newmarket (Industrial)*

## Integrating Flood and Climate Risk into our Investment Process

### Standing Investments

As part of a Division-wide project, we conduct climate risk analysis of the portfolio on an annual basis assessing both physical and transition risk exposure.

This Real Estate Climate Value-at-Risk tool assesses current and future exposure to the following physical hazards: coastal flooding, fluvial flooding, tropical cyclones, extreme heat, extreme cold and wildfire. Physical risks are assessed based on the geolocation of assets and their increased or decreased exposure to individual hazards as a consequence of climate change.

Transition risk (specifically policy or regulatory) risk is assessed based on the carbon intensity of an asset and the gap to meeting sector specific emission reduction targets.

We have incorporated findings into our annual internal ESG Risk Reporting, where areas for further analysis are identified and actions assigned.

### New Acquisitions

We undertake extensive sustainability due diligence on all acquisitions. This includes an assessment of climate risk and flood risk.

We also undertake net zero carbon assessments for all acquisitions to better understand the assets energy performance potential, and the cost to improve the asset in line with net zero carbon operational targets.



*Sky House, Waverley (Residential)*

# Reducing Climate Impact



*Comprehensive environmental data is key to providing an accurate understanding of performance and to informing targeted actions.*

## Data Management and Monitoring

Obtaining comprehensive and high quality ESG data is an ongoing and industry-wide challenge and consequently, also a challenge for PITCH. Tenant data can be particularly difficult to obtain due to the nature of Full Repairing and Insuring (FRI) lease terms, where tenants are responsible for the procurement of their utilities and do not have an obligation to share this data. PITCH holds a relatively high proportion of single let assets on FRI lease terms (with limited landlord control or restricted access to energy data).

Improving data collection, coverage, management and monitoring is a priority for PITCH. Comprehensive environmental data is key to providing an accurate understanding of performance and to informing targeted actions.

To further improve our data coverage, we have appointed a third-party to automate tenant data collection, subject to tenant permissions. This technology will automatically collect tenant data directly from the supplier or national database and further support the aim of collecting quality whole building data.

To support the implementation of this solution, the PITCH Fund Team and managing agents continue to actively engage tenants on data sharing to obtain signed Letters of Authority or collect data via manual means.

The table below outlines PITCH's data coverage (as assessed by GRESB)<sup>1</sup>:

Data Coverage	YE 2018	YE 2019	YE 2020	YE 2021	YE 2022
Energy	20%	34%↑	54%↑	56%↑	72%↑
GHG	26%	35%↑	55%↑	53%↓	70%↑
Water	11%	18%↑	45%↑	30%↓	51%↑
Waste	14%	22%↑	32%↑	49%↑	62%↑

1 - 2023 figures will be available following the annual submission to GRESB.

## Net Zero Carbon

Swiss Life Asset Managers UK, as investment manager of the Property Income Trust for Charities (PITCH), has a duty to take practical steps to decarbonise, future-proof and maintain value of the real estate portfolios under our care. As a result, building climate resilience and developing a clear pathway to net zero carbon has been a primary focus for Swiss Life Asset Managers UK and our parent company, Swiss Life Asset Managers ("The Division"). In 2021, we commenced a Division-wide project to develop a decarbonisation pathway, with the analysis based on the CRREM (Carbon Risk Real Estate Monitor) tool. This culminated in a Divisional commitment to reduce the carbon intensity (kgCO<sub>2</sub>e/m<sup>2</sup>) of the direct real estate portfolio by 20%, in line with the aims of the Paris Agreement.

In May 2022, the Division became signatories of the Net Zero Asset Managers Initiative (NZAMi), reinforcing its commitment to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner for the direct real estate portfolio, in line with global efforts to limit warming to 1.5 degrees Celsius; and to support investment aligned with net zero emissions by 2050 or sooner.

**36%** Greenhouse gas emissions intensity reduction achieved since 2019.

**RACE TO ZERO**



### PITCH's Commitment

In 2022, we advanced the analysis for PITCH, whilst progressing our programme of asset and portfolio level net zero actions in line with our parent company's commitment to the Net Zero Asset Managers initiative. We set out the Fund-level commitment below:

# By 2030

we aim to reduce the carbon intensity (kgCO<sub>2</sub>e/m<sup>2</sup>) of the portfolio by 32% across scope 1, 2 and 3 greenhouse gas emissions\* and to disclose our progress.

# By 2050

(or sooner), our commitment is for the Property Income Trust for Charities portfolio to be net zero carbon.

### 2023 Update

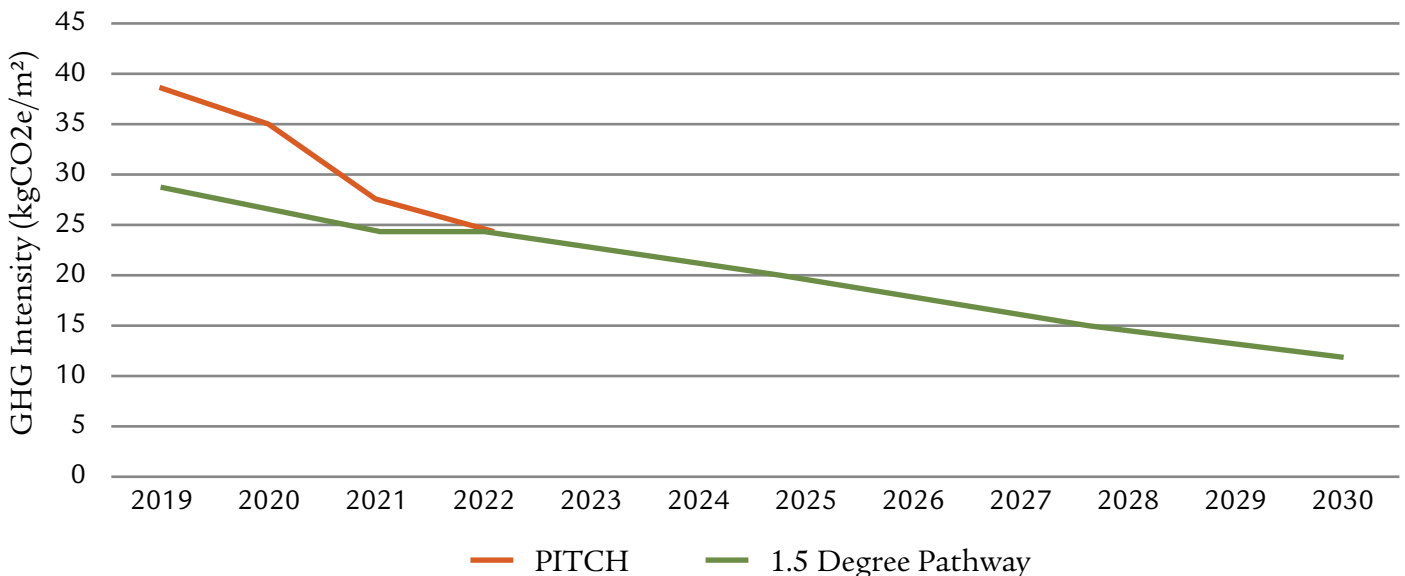
#### Decarbonisation Dashboard Analysis

In 2023, we completed a comprehensive data review and validation exercise reviewing the portfolio data, estimation methodology and assumptions. The decarbonisation dashboard data and assumptions are updated on an annual basis, with a focus on continually improving data quality, coverage and cost estimations. The purpose of the tool is

to be actively used by fund teams to inform asset management initiatives and investment decisions.

A 36% greenhouse gas emissions intensity reduction has been achieved since 2019. Progress is monitored on an annual basis in the decarbonisation dashboard tool. Please find below our most recent decarbonisation pathway:

### PITCH Decarbonisation Pathway

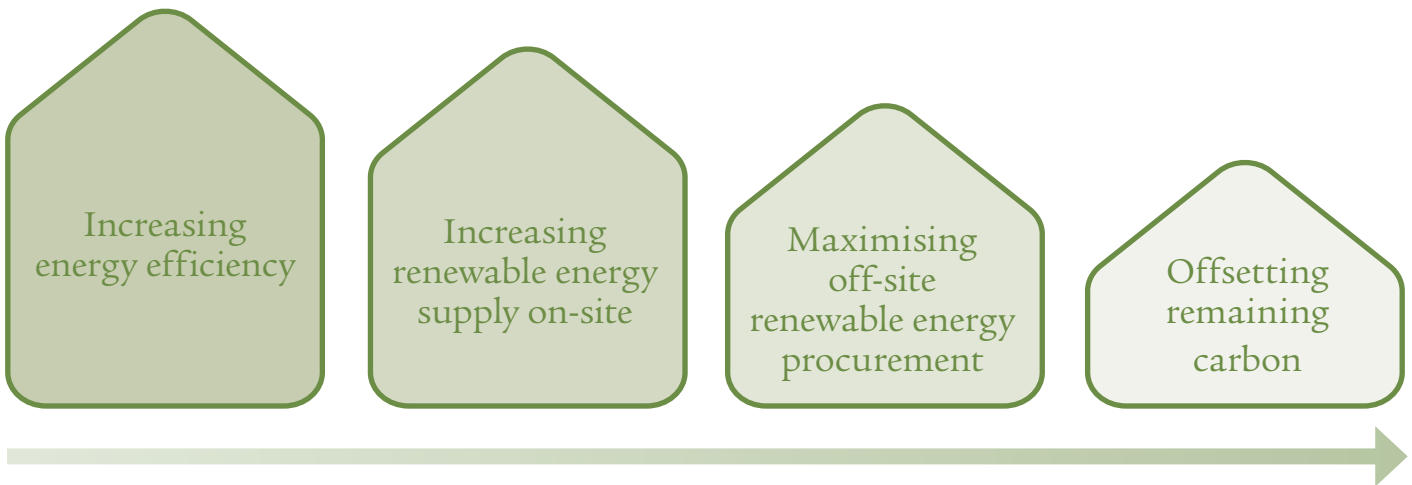


\* Against a 2019 baseline.

# Reducing Climate Impact

## PITCH's Approach

Our decarbonisation strategy follows the operational net zero carbon hierarchy, of:



As part of our analysis, we have conducted a high-level assessment of cost. Many measures are met through standard maintenance and system replacement, whilst other energy reduction and carbon saving measures, e.g. LED lighting and solar PV installations, offer attractive payback periods. Energy and carbon reduction measures are included as part of our standard approach to refurbishment and enhancing the assets' sustainability credentials. As we undertake more asset level net zero audits, our view on expected costs will become more exacting, which will improve over time.

PITCH's decarbonisation strategy is not static, it will evolve as our approach to net zero carbon is enhanced, new and

improved solutions become available, and we improve our energy data coverage across the portfolio. We will proactively report on changes and updates as and when appropriate.

By having a clear understanding of our pathway to net zero, we will be able to plan carefully, prioritise effectively, and utilise all the decarbonisation levers available, in order to make informed investment decisions and maintain value and performance for our PITCH investors over the long term.

For the full detail on our commitment and methodological notes – please find the briefing note [here](#).

*“We will continue to prioritise opportunities to decarbonise the portfolio by working closely with the Fund’s tenants.”*

*Simon Martindale, PITCH Fund Director*

(1) Source: 2021, The 10 Green Building Principles aiming to get real estate to net zero, World Economic Forum.

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## Integrating ESG into our Investment Process

### Investment Acquisition

As part of standard practice, Swiss Life Asset Managers UK conducts rigorous ESG and sustainability due diligence prior to any purchase.

The Swiss Life Asset Managers UK ESG Acquisition Checklist is completed as part of due diligence for all new acquisitions. The checklist covers a comprehensive list of ESG areas including (but not limited to):

#### Environmental

Green Building Certification

Energy source(s)

On-site renewable energy

Building system information and characteristics

Environmental consumption data

EPC

Site contamination information

Climate risks analysis

Net zero carbon assessment

#### Social

**Mobility:** e-mobility, cycling, public transport

**Inclusion:** accessibility, affordable living

**Wellbeing:** access to green space

#### Governance

Safety (fire safety and evacuation plan)

Health and safety

Controversial tenants

In consideration of future requirements and our net zero carbon ambitions, in 2021 we have also included net zero carbon screening as part of the standard due diligence process.

## Improvements and Refurbishments

Swiss Life Asset Managers UK has a Sustainable Development and Refurbishment Guide that is used to guide all refurbishment projects ensuring that during each refurbishment, strong sustainability credentials and efficiency improvements are targeted. Swiss Life Asset Managers UK aims for sustainability best practice on all refurbishments. In 2024, the aim is to update the refurbishment guide to include quantitative sustainability targets.

We have also assembled a guide covering Sustainable Fit-Outs-that is available to all of our tenants and contractors to assist with this process. The guides include sustainable design considerations in terms of specification and materials, layout, supply chain and flexibility as well as energy and waste considerations.



*Citu, Leeds (Residential)*

# Reducing Climate Impact

## Integrating ESG into Operations

The table below outlines how ESG initiatives are integrated into the ongoing management and operations of the PITCH Portfolio:

Initiative	Actions																								
Green lease clauses	<p>The PITCH Team engage with tenants to try and include green lease clauses in all new lettings and lease renewals. These clauses help address ESG compliance, energy, water and waste data sharing and co-operation on ESG matters.</p> <p>This negotiation remains very challenging (as experienced across the industry), given landlords are not able to oblige tenants to share data. However, we have had success with automated tenant data solutions and find that it provides a useful and practical solution to overcoming some of the data sharing challenges.</p>																								
On-site renewable energy	<p>The PITCH Team is actively seeking to increase the number of solar installations across the PITCH Fund, with careful consideration for the net zero carbon hierarchy. Solar installations will be considered during planned refurbishment projects where we aim for best practice energy and carbon reduction measures. Solar installations will also be considered as standalone installations, for both existing and future acquisitions, engaging with our tenants to obtain approval where required.</p>																								
Renewable tariffs	<p>Electricity at landlord-controlled assets within the PITCH portfolio is supplied by a 100% renewable tariff. In terms of the current contract, the power used over the course of the year is fully matched with Renewable Energy Guarantees of Origin (REGOs) from wind, solar and hydro sources. The managing agents are currently exploring higher quality options (market permitting).</p>																								
Electric Vehicle (EV) charging	<p>The PITCH Team is working to increase the number of EV charging points across the portfolio, enabling the transition to low/no emission vehicles. The PITCH Team, with the support of Syzygy (specialist renewables and Electric Vehicles consultancy), launched a tender process to carefully select a Charge Point Operator (CPO) for a number of PITCH retail sites. At the time of reporting, a provider has been selected, a lease is being negotiated and various planning permissions are underway along with tenant consultations. Once concluded, the chosen party will install the EV chargers across the selected PITCH sites in 2024.</p>																								
Green Building Certification	<p>We target strong certification standards in refurbishment projects in alignment with our Swiss Life Asset Managers UK Sustainable Development &amp; Refurbishment Guidelines. For standing investments green building certifications are targeted on a case-by-case basis where applicable and of value.</p> <p>Please see the table below outlining current green building certification coverage for PITCH:</p> <table border="1"> <thead> <tr> <th>Certification</th> <th>Number of Assets</th> <th>Area (sqft)</th> <th>% of total area</th> </tr> </thead> <tbody> <tr> <td>BREEAM/Refurbishment and Fit-out</td> <td>1</td> <td>111,301</td> <td>4%</td> </tr> <tr> <td>BREEAM/New Construction</td> <td>6</td> <td>329,244</td> <td>10%</td> </tr> <tr> <td>BREEAM/In Use</td> <td>6</td> <td>759,450</td> <td>24%</td> </tr> <tr> <td>WiredScore</td> <td>2</td> <td>134,654</td> <td>4%</td> </tr> <tr> <td><b>Total</b></td> <td><b>15</b></td> <td><b>1,334,649</b></td> <td><b>42%</b></td> </tr> </tbody> </table>	Certification	Number of Assets	Area (sqft)	% of total area	BREEAM/Refurbishment and Fit-out	1	111,301	4%	BREEAM/New Construction	6	329,244	10%	BREEAM/In Use	6	759,450	24%	WiredScore	2	134,654	4%	<b>Total</b>	<b>15</b>	<b>1,334,649</b>	<b>42%</b>
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# Enhancing Health Safety and Wellbeing



*Enhancing health safety and wellbeing to manage risk and improve the experience at our assets.*

The real Living Wage is the only UK wage rate that is voluntarily paid by over 14,000 UK businesses who believe their staff deserve a wage which meets basic everyday needs. Swiss Life Asset Managers UK's Living Wage accreditation demonstrates not only a commitment to our employees, but also to those who work in our supply chain, ensuring they are paid the 'real Living Wage'.

We recognise the majority of our impact and influence is in the PITCH supply chain. As a result, in 2022 we undertook an extensive supply chain review to prepare for Living Wage accreditation, and The PITCH Fund was approved by the Living Wage Foundation as an accredited Living Wage Employer. To support the accreditation, the PITCH Fund team and managing agents regularly review and monitor supply chain contracts to ensure Living Wage accreditation is maintained and that all those working on behalf of PITCH are paid a wage rate that allows them to meet their basic needs.

# Living Wage Employer

In 2022, PITCH was accredited as a Living Wage Employer by the Living Wage Foundation.



# Fostering Social Inclusion



*Fostering social inclusion as part of our market leader role.*

## UK Social Value Strategy and Community Fund in partnership with PITCH

In 2023, Swiss Life Asset Managers UK launched the 'Empowering Places' UK social value strategy and community fund, in partnership with our charity fund, the Property Income Trust for Charities. This strategy was the culmination of an extensive social value project completed in 2022 and signals our continued commitment to creating positive social impact within the communities in which we invest.

The UK Government launched its 'Levelling Up' agenda in recognition of the geographical inequality affecting towns and cities across the UK. There are significant differences in productivity, pay, education levels and health and wellbeing, with regional towns and cities disproportionately affected. As a UK real estate investor with significant regional exposure (c. 72% of our AuM\* is located outside of London and the South East), we believe we can make a positive and meaningful contribution to tackling these disparities and challenges through our approach to social value.

## Our Strategy: 'Empowering Places'

Our strategy is 'place based' and aims to tackle these challenges by relying on local authority data and the close community connections of local charities, so that we have a clear understanding of the needs within the communities in which we invest. Through our strategy we aim to make a substantial contribution to these focus areas by supporting local community projects, and by using our influence within our supply chain and with our stakeholders.

# £20,000

*donated in 2023 via our UK Community Fund to support local community projects and causes.*

### Focus Areas of our UK Social Value Strategy:



**1** Creating healthy, sustainable and inclusive communities in and around our assets



**2** Promoting access to education and skills for underserved groups



**3** Creating an inclusive economy within our value chain and collaborating with our partners to maximise impact

\* AuM - Assets under Management

## Delivering on This Commitment

We are delivering on this commitment through our UK Community Fund that was launched in partnership with our Property Income Trust for Charities Fund. This included a commitment of £20,000 in 2023 to support local community projects and causes. In addition to this, we plan to review our processes and policies to incorporate social value considerations, and to use our influence to engage with our supply chain and collaborate with our partners to maximise our impact.

## Delivery Mechanisms

Initiative Focused	 <p>In partnership with</p> 	<p>UK COMMUNITY FUND</p> <h1>£20,000</h1> <p>committed to support local community projects and causes in 2023*</p>
Procedural	<h2>Process, policies &amp; stakeholder engagement</h2>	

\* Swiss Life Asset Managers UK and The Property Income Trust for Charities have each contributed £10,000 to the UK Community Fund to support local community projects in 2023. All donations are paid for separately.



Orion Business Park, Stockport (Industrial)

# Fostering Social Inclusion

## 2023 Update

In 2023, we assessed our portfolio by value, area and number of properties to identify our exposure to different locations, and overlaid this with an assessment of placed based needs. Doncaster was selected as the first location to support through our strategy, due to a high deprivation ranking across a range of social issues (e.g. income, employment, education levels, health, crime and barriers to accessing local services). In addition, PITCH owns two large industrial assets in Doncaster, Trax Park and West Moor Park.

To support delivery of our social value initiatives in Doncaster, we partnered with South Yorkshire's Community Foundation (SYCF) who have a strong understanding of local needs. Through the support of South Yorkshire's Community Foundation, we selected two charities to support in 2023 with missions that were aligned with our strategy goals. These charities are:

1. **Active Fusion** aims to help every child to develop a love for being active by creating positive habits that last a lifetime, through the provision of diversionary physical activity programmes.
2. **Flying Futures** provides a range of social programmes focussed on employability, leadership and mentoring, for children and young people aged 5-25.

In addition, the PITCH Fund Team had the opportunity to participate in the Flying Futures programme, providing a career session on real estate at Harrison College. Harrison College is a specialist enterprise school for children and young people with autism and special education needs.

We look forward to reporting on the first year of the strategy in 2024 in our first annual dedicated Social Value Report.



*PITCH Team visit to Harrison College, Doncaster*

*“Our organisation is passionate about inspiring and preparing young people for the fast-changing world of work. The support received from SwissLife Asset Managers’ has been instrumental in enabling SYCF to achieve this objective, through the funding of community providers which underpin this employability agenda.”*

*South Yorkshire's Community Foundation*



# Increasing Transparency and Stakeholder Engagement



*We are committed to transparent reporting and continual improvement on ESG.*

## Industry Initiatives and Reporting

Swiss Life Asset Managers plays an active role in a number of industry bodies and memberships that support the advancement of ESG.

We are a member of the following:

### Swiss Life Group:

- UN Principles for Responsible Investment (UN PRI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Carbon Disclosure Project (CDP)
- UNEP FI Principles for Sustainable Insurance (PSI)
- UN Global Compact (UNGC)

### Swiss Life Asset Managers:

- International Corporate Governance Network (ICGN)
- Institutional Investors Group on Climate Change (IIGCC)
- Climate Action 100+
- Net Zero Asset Managers initiative (NZAMi)
- Global Real Estate Sustainability Benchmark (GRESB)

### Swiss Life Asset Managers UK:

- UK Stewardship Code

The full list of industry memberships is available [here](#).

## ESG Reporting

Swiss Life Group publishes an annual **Sustainability Report** and Swiss Life Asset Managers publishes an annual **Responsible Investment Report**.

### Task Force on Climate-related Financial Disclosures (TCFD)

The Swiss Life Group have been supporters of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) since 2018 and are reporting in line with the recommendations.

Please find the Swiss Life Group response to TCFD available [here](#).

### United Nations Principles for Responsible Investment (UN PRI)

Swiss Life Asset Managers UK has been a signatory to UN PRI since 2017, and in 2020, our PRI submission and reporting was combined with that of our parent company, Swiss Life.

Please find the Swiss Life UN PRI transparency report available [here](#).

### UK Stewardship Code

Swiss Life Asset Managers UK has been accepted as signatory to the UK Stewardship Code and we will publish our fourth report for the year ending 31 December 2023. In line with our responsibilities, we report on our progress annually.



# Increasing Transparency and Stakeholder Engagement

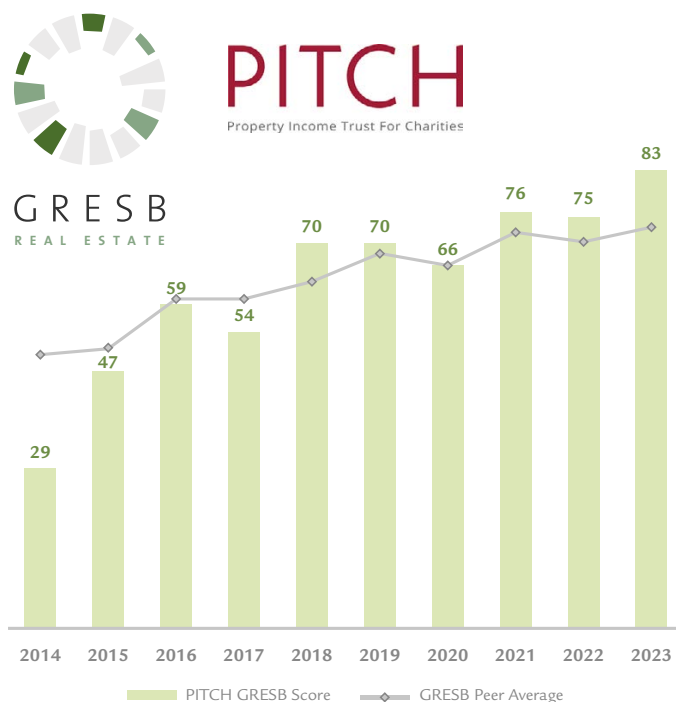
## Global Real Estate Sustainability Benchmark (GRESB)

The Global Real Estate Sustainability Benchmark (GRESB) has developed over the past several years to become the dominant measure or benchmark for assessing Environmental, Social and Governance (ESG) performance of property funds. PITCH has participated in GRESB for the past 10 years and we have made substantial progress over this period.

In 2023 the Fund achieved a score of 83 (out of 100) and gained an additional star to achieve four Green Star status. The key improvement areas for PITCH are: energy, water and waste data coverage and green building certification. The Fund Team and the property managers are focussed on driving the sustainability programme forward through implementation of asset level initiatives that improve the ESG credentials of the assets and further support GRESB reporting. PITCH intends to participate in GRESB in 2024 for the 11<sup>th</sup> consecutive year.

Please find the 2023 GRESB Results Report available [here](#).

### *PITCH Fund GRESB Track Record (2014-2023)*



## *GRESB 2023 Scores:*

*PITCH achieved a score of 83 (out of 100) and was awarded four Green Stars.*



## Stakeholder Engagement

'Increasing transparency and stakeholder engagement' is one of the five priority focus areas of our strategy, as collaboration and engagement with our key stakeholders is fundamental to ensuring successful ESG outcomes. Depending on the type of engagement, the Fund Director, Head of Asset Management and Head of UK ESG play pivotal roles in the process.

Property managers, tenants, suppliers and investors are considered the primary stakeholders of the PITCH portfolio.

## Property Managers

*Implementation of property level ESG initiatives for PITCH centres on collaborating with our managing agents to deliver on our sustainability programme.*

In 2021, we commenced a process to clearly define sustainability standards, expectations and reporting requirements for property managers. The PITCH property managers are pivotal to ESG implementation and ESG improvement for the Fund. The Property Managers, are responsible for the maintenance of the ESG Logbooks for all assets where we have operational control. The Logbooks, alongside regular reporting and monthly meetings, form the foundation of the sustainability programme, ensuring momentum is maintained and actions implemented.

PITCH ranked in the **top 5% of its GRESB peer group** in 2023.

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## Tenants

*PITCH benefits from its lean property portfolio with fewer assets, allowing the Fund's management team to maintain regular dialogue with its tenants, to foster close tenant relationships and to obtain direct and actionable feedback from occupiers.*

We seek to incorporate green lease terms in all leases. Green lease clauses are included in the standard lease offered as part of all new lettings. The clauses typically cover information sharing, collaboration and co-operation with the landlord to support improvement works and to ensure that the Energy Performance Certificate (EPC) is improved or maintained. During these negotiations, we explain the rationale and intention of these clauses to encourage that these are retained in the lease agreement.

We regularly engage with tenants on various ESG initiatives: e.g. the installation of roof mounted solar, conducting energy audits, energy and carbon reduction measures and data sharing. Data sharing is a key priority as this supports implementation of automated tenant data collection solutions, and collaboration on sustainability initiatives that will improve the ESG performance of the occupied properties. We request environmental performance data from tenants on an annual basis and encourage the signature of Letters of Authority to automate data collection via our ESG data management system.

We also undertake regular tenant surveys to seek formal feedback to improve assets in line with tenant requirements and sustainability expectations. This allows us to obtain direct and actionable feedback from occupiers about their future requirements.

We have developed a Sustainable Fitout Guide for tenants, to encourage sustainable fitouts and provide additional guidance. The managing agents provide this to any new tenant in the PITCH Fund.

We engage with our tenants regularly on ESG matters, sharing occupier sustainability newsletters/updates and sustainability is a standing agenda item at property manager and tenant meetings.

## Suppliers

*As a responsible investor, we recognise the influence we have within our supply chain and are committed to ensuring that ESG and responsible property investment principles are integrated throughout. We aim to work with suppliers that are aligned with our ESG ambitions, with this forming a key consideration in our procurement decisions.*

In 2022, we asked all material suppliers to sign The Swiss Life Asset Managers UK Supplier Code of Conduct. All new, material, suppliers are asked to sign this code of conduct prior to contract signing. This code of conduct sets out our minimum ESG expectations of all suppliers or third-party contractors, that are working with or on behalf of Swiss Life Asset Managers UK.

We undertake regular sustainability reviews of the Fund's suppliers and their approach to ESG, to ensure that they have a compatible approach to our own. A detailed sustainability survey is provided, responses reviewed, and any suppliers failing to meet minimum expectations are engaged with as required.

In addition, in 2022, The PITCH Fund was accredited as a Living Wage Employer, which involved extensive review and engagement with our supply chain.

# Governance

*As a responsible investor, it is essential that we adhere to high standards of conduct in our business dealings. We cannot expect or encourage our stakeholders to operate ethically and with probity unless we do so ourselves.*

## Industry Standard Reporting

1. United Nations Principles of Responsible Investment (UNPRI)
2. Association of Real Estate Funds (AREF)
3. Global Real Estate Sustainability Benchmark (GRESB)
4. 2020 UK Stewardship Code



Swiss Life Asset Managers UK Limited is an FCA regulated business and an approved Alternative Investment Fund Manager (AIFM). We are also signatories to UN PRI and a member of the Association of Real Estate Funds. We adhere to their principles and believe that a good understanding of regulation and policy requirements demonstrates responsible risk management.

## Alternative Investment Fund Managers Directive (AIFMD)

The AIFMD was transposed into UK Law on 22 July 2013. The Manager is authorised by the FCA to manage both authorised and unauthorised Alternative Investment Funds (AIFs). PITCH is considered an AIF and as such the Manager is required to comply with the disclosure, reporting and transparency obligations of the AIFMD.

### The Manager's remuneration Policy:

- aims to promote sound and effective risk management and discourage risk-taking that exceeds the level of risk tolerated by the Manager and the AIFs it manages
- is in line with the business strategy, objectives, values and long-term interests of the Manager, the AIFs and their investors
- aims to reward performance and retain talented employees

The Manager has established a Remuneration Committee to ensure the requirements of the AIFM Remuneration Code are met proportionately for AIFM Remuneration Code Staff.

The aggregate total remuneration paid to the AIFM Remuneration Code Staff of The Manager for the accounting period was £1,561,225 (2022: £1,424,682), all of which was paid to senior management. The AIFM Remuneration Code Staff provide services to other funds managed or advised by the Manager, and are included in this disclosure as their professional activities are considered to have a material impact on the risk profile of the Manager and/or PITCH.

## Swiss Life Asset Managers UK Investment Risk Committee

Responsibility for the implementation of Swiss Life Asset Managers UK investment risk processes sits with the Investment Risk Committee (IRC).

Our risk management framework covers our entire investment process. The IRC is central to this framework and has the following responsibilities:

- Approval of all purchases and sales
- Monitor and ensure all transactional activity is in accordance with pre-agreed strategy and risk parameters
- Review and approve the Investment Strategy annually
- Overall responsibility for implementing ESG strategy

On an annual basis, the investment report will also include comments on the stress testing of the assumptions that underpin the annual hold-sell analysis and prospective base case Internal Rate of Return.

These assumptions are stress tested under a number of different economic scenarios that have been outlined by Property Market Analysis in order to determine the Fund's resilience to a change in market conditions.



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## PITCH Investors' Committee

The Investors' Committee (IC) has been established to represent the Unitholders and is primarily drawn from representatives of the investors. It holds quarterly meetings with the Manager and the Trustee.

The IC approves all transactions (both acquisitions and sales) and also monitors risk parameters on a quarterly basis. The IC monitors the tenants in the property portfolio, according to the Fund's stated policy, and ensures that none are involved in any activity which would likely bring the Fund into disrepute with its investors or wider stakeholders. This would include careful consideration of those companies whose primary business is in the production of alcohol, tobacco, armaments, gambling, pornography and the sex industry or involved in other matters that may also be considered by the IC to be relevant and are therefore judged on a case by case basis.

## UK Stewardship Code

Effective from 1 January 2020, the Financial Reporting Council's ("FRC") UK Stewardship Code (the "Code") was updated to be applicable to a broader range of investment strategies, such as real estate and infrastructure. It also reflects the increasing importance of environmental factors, particularly climate change, as well as social and governance factors as material issues for asset managers to consider when making investment decisions.

In the 2020 version, the Code defines stewardship as "the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society". The Code has 12 Principles and the FRC requires that firms intending to be signatories to the Code must produce an annual Stewardship Report explaining how they have applied the Principles of the Code in the previous twelve months. The FRC will evaluate reports against an assessment framework and those meeting the reporting expectations will be listed as signatories.

Swiss Life AM UK has adopted the Principles of the UK Stewardship Code 2020. We were included as one of the first real estate Investment Managers accepted as a signatory in September 2021, and retained our signatory status in both 2022 and 2023.



Swiss Life Asset Managers UK was accepted as a signatory to the UK Stewardship Code for the third year in a row.

# Management of the Fund



**Simon Martindale**

Fund Director



**James Lloyd**

Head of Charities and Endowments



**Scott Fawcett**

Head of Asset Management



**Charlotte Cook**

Investment Associate,  
Charities and Endowments



**Hector Ahern**

Senior Investment Associate



**Georgie Lockwood**

Sales Team Assistant



**Frances Spence**

Head of UK Research,  
Strategy and Risk



**Tim Cridland**

Finance Director



**Christi Vosloo**

Head of UK ESG



**Louisa Gulati**

Finance Manager



**James Thornton**

Non-Executive Chairman

# Appendix

## Environmental Performance Data (Unaudited)

The tables below set out the Funds environmental performance for the 2022-2023 calendar years.

### Absolute Energy Consumption

The table below sets out total landlord obtained energy consumption by sector from the Swiss Life AM UK PITCH Fund managed assets.

Sector	Total electricity consumption (kWh)		Total fuel consumption (kWh)	
	2022	2023	2022	2023
<b>Office</b>	3,165,987	2,525,952	2,121,962	1,871,395
Data Coverage (number of assets)	10	9	7	6
<b>Industrial</b>	18,626	17,417	0	0
Data Coverage (number of assets)	2	2	0	0
<b>Retail</b>	84,540	72,288	0	0
Data Coverage (number of assets)	2	2	0	0
<b>Total</b>	<b>3,269,153</b>	<b>2,615,657</b>	<b>2,121,962</b>	<b>1,871,395</b>
<b>Data Coverage (number of assets)</b>	<b>14</b>	<b>13</b>	<b>7</b>	<b>6</b>

### Like-for-Like Energy Consumption

The table below sets out the like-for-like landlord obtained energy consumption by sector from the Swiss Life AM UK PITCH Fund managed assets.

Sector	Total electricity consumption (kWh)			Total fuel consumption (kWh)			Energy Intensity (kWh/m <sup>2</sup> /yr)		
	2022	2023	% Change	2022	2023	% Change	2022	2023	% Change
<b>Office</b>	2,713,632	2,306,108	-15%	1,350,515	1,361,718	1%	82.48	79.55	-4%
Data Coverage (number of assets)		7			3				
<b>Industrial</b>	15,935	15,503	-3%	0	0	0%	0.98	0.95	-3%
Data Coverage (number of assets)		1			0				
<b>Retail</b>	84,540	72,288	-14%	0	0	0%	6.62	5.66	-14%
Data Coverage (number of assets)		2			0				
<b>Total</b>	<b>2,814,108</b>	<b>2,393,899</b>	<b>-15%</b>	<b>1,350,515</b>	<b>1,361,718</b>	<b>1%</b>	<b>90.08</b>	<b>86.17</b>	<b>-4%</b>
<b>Data Coverage (number of assets)</b>		<b>10</b>			<b>3</b>				

# Appendix

## Location-Based Greenhouse Gas Emissions

The table below sets out the Swiss Life AM UK PITCH Fund managed assets location based greenhouse gas emissions by sector.

Sector	Absolute emissions (tCO <sub>2</sub> e)		Like-for-Like (LFL) emissions (tCO <sub>2</sub> e)			Absolute Intensity (tCO <sub>2</sub> e/m <sup>2</sup> )			LFL Intensity (tCO <sub>2</sub> e/m <sup>2</sup> )		
	2022	2023	2022	2023	% Change	2022	2023	% Change	2022	2023	% Change
<b>Office</b>											
Scope 1	387	342	247	249	1%	0.00786	0.00742	-6%	0.00500	0.00540	8%
Data Coverage (number of assets)	7	6		3							
Scope 2	474	386	386	340	-12%	0.00962	0.00837	-13%	0.00784	0.00738	-6%
Data Coverage (number of assets)	10	9		7							
<b>Industrial</b>											
Scope 1	0	0	0	0	0%	0	0	0%	0	0	0%
Data Coverage (number of assets)	0	0		0							
Scope 2	3	3	3.08	3.21	4%	0.00019	0.00020	7%	0.00019	0.00020	7%
Data Coverage (number of assets)	2	2		1							
<b>Retail</b>											
Scope 1	0	0	0	0	0%	0	0	0%	0	0	0%
Data Coverage (number of assets)	0	0		0							
Scope 2	16	15	16	15	-8%	0.00128	0.00117	-8%	0.00128	0.00117	-8%
Data Coverage (number of assets)	2	2		2							
<b>Total Scope 1</b>	387	342	247	249	1%						
Data Coverage (number of assets)	7	6		3							
<b>Total Scope 2</b>	493	404	406	358	-12%						
Data Coverage (number of assets)	14	13		10							



# Appendix

## Water Consumption

The table below sets out water consumption from Swiss Life AM UK UK PITCH Fund managed assets by sector.

Sector	Absolute Water consumption (m <sup>3</sup> )		Like-for-Like (LFL) Water consumption (m <sup>3</sup> )			Absolute Intensity (m <sup>3</sup> /m <sup>2</sup> )			LFL Intensity (m <sup>3</sup> /m <sup>2</sup> )		
	2022	2023	2022	2023	% Change	2022	2023	% Change	2022	2023	% Change
<b>Office</b>	15,954	11,738	12,334	10,253	-17%	0.32	0.25	-21%	0.25	0.22	-11%
Data Coverage (number of assets)	13	12	6								
<b>Industrial</b>	0	0	0	0	0%	0	0	0%	0	0	0%
Data Coverage (number of assets)	0	0	0								
<b>Retail</b>	0	0	0	0	0%	0	0	0%	0	0	0%
Data Coverage (number of assets)	0	0	0								
<b>Total</b>	15,954	11,738	12,334	10,253	-17%						
Coverage (number of assets)	13	12	6								

## Waste

The table below sets out waste from Swiss Life AM UK PITCH Fund managed assets by disposal route and sector.

		Absolute tonnes		Like-for-Like tonnes		
		2022	2023	2022	2023	% Change
<b>Office</b>	Waste Produced	93	55	13	9	-32%
	Recycled (%)	32%	32%	34%	58%	71%
	Diverted from Landfill (%)	98%	58%	100%	100%	0%
	Data Coverage (number of assets)	9	5	1		
<b>Industrial</b>	Waste Produced	18	0	0	0	0%
	Recycled (%)	16%	0%	0%	0%	0%
	Diverted from Landfill (%)	98%	0%	0%	0%	0%
	Data Coverage (number of assets)	1	0	0		
<b>Retail</b>	Waste Produced	0	0	0	0	0%
	Recycled (%)	0%	0%	0%	0%	0%
	Diverted from Landfill (%)	0%	0%	0%	0%	0%
	Data Coverage (number of assets)	0	0	0		
<b>Total</b>	Waste Produced	111	55	13	9	-32%
	Recycled (%)	29%	32%	34%	58%	71%
	Diverted from Landfill (%)	98%	58%	100%	100%	0%
	Data Coverage (number of assets)	10	5	1		

# Appendix

## Tenant Energy Data 2021/22

The table below sets out tenant energy consumption and greenhouse gas emissions for Swiss Life AM UK's PITCH Fund using data reported for the 2022 and 2023 GRESB submission. 2023 tenant energy data will be collected as part of the PITCH Fund's 2024 GRESB submission.

<b>Absolute Energy Consumption (kWh)</b>		
2021	2022	
24,433,013	29,099,105	

<b>Absolute Energy Consumption Coverage (% of total GIA)</b>		
2021	2022	
67%	76%	

<b>Absolute Scope 3: Tenant Emissions (tCO<sub>2</sub>e)</b>		
2021	2022	
4,973	5,631	

<b>Like-for-Like Energy Consumption (kWh)</b>		
2021	2022	% change
23,143,282	24,488,926	6%

<b>Like-for-Like Scope 3: Tenant Emissions (tCO<sub>2</sub>e)</b>		
2021	2022	% change
4,618	4,646	1%

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## Scope & Methodological Notes

### Reporting Period, Scope and Boundaries:

The reporting boundary is limited to assets within the Swiss Life AM UK PITCH fund, to include the following property types:

- **Direct operational control:** data is collected and reported for managed assets where PITCH is responsible for payment of utility invoices and/or arrangement of waste disposal contracts.
- **Indirect control (tenant controlled):** data is collected and reported for indirectly managed assets as part of PITCH's annual Global Real Estate Sustainability Benchmark (GRESB) submission where the tenant is responsible for payment of utility invoices and/or arrangement of waste disposal contracts. Note: this data is reported under Scope 3 (indirect emissions).

All environmental performance data reported relates to where there are two years of data available for reporting, in this case, the 2022/23 calendar year for directly managed (operational control) assets and the 2021/22 calendar year for indirectly managed (tenant control) assets. Energy consumption data is reported according to automatic meter reads, manual meter reads or invoice estimates. Where required, missing consumption data has been estimated by pro-rating data from other periods using recognised techniques aligned with the GRESB estimation methodology.

### Methodology and Definitions:

**GHG emissions calculations:** The Fund's greenhouse gas (GHG) emissions inventory is based on the following methodology:

- GHG emissions from energy consumed on-site were produced using conversion factors taken from UK BEIS (2022).
- Aligned with the guidance of the UK Government's Department for Business, Energy & Industrial Strategy (BEIS), 2022 emission factors have been applied to the consumption within the reporting period January 2022 - December 2022, and 2023 emission factors to January 2023 - December 2023 accordingly.
- GHG emissions from electricity, gas, district heating and district cooling are calculated using the 'location-based' approach.
- Scope 3 GHG emissions from tenant-procured utility consumption data, including both fuels and purchased energy, have been sourced from the PITCH Fund GRESB 2022 and 2023 submission. This data has been provided directly from the tenants following a request in April 2023.
- GHG emissions are reported as tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e).

**Absolute data:** consumption for all assets with both full and partial data coverage (including those that were purchased and/or sold during the reporting period).

**Like-for-Like data:** consumption data excludes assets which were not in ownership for the 24 months of the reporting period, or those with insufficient data coverage over the reporting period and assets that have undergone significant change to a degree that would unjustly skew the data set.

*Note:* Like-for-like analysis considers performance for directly managed assets held for the complete duration of 2022 and 2023 and indirectly managed assets held for the complete duration of 2021 and 2022. It is not adjusted to take occupancy and weather variations into account. This methodology is aligned with the GRESB approach.

**Intensity data:** Intensities have been calculated for energy (kWh/m<sup>2</sup>), water (m<sup>3</sup>/m<sup>2</sup>) and CO<sub>2</sub> emissions (tCO<sub>2</sub>e/m<sup>2</sup>). Sector total floor area (GIA m<sup>2</sup>) has been used as the denominator for intensity for all sector types. These figures are given for both absolute and like for like consumption. Like for like performance intensity data excludes assets where they were not in ownership for the 24 months of the reporting period, and those with insufficient data coverage over the reporting period.

Water consumption data excludes surface, ground, rainwater or wastewater purchased from another organisation, and relates to utility charges from a municipal supply for consumption and disposal only.

# PITCH

Property Income Trust For Charities

## Property Income Trust for Charities

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