

Environmental,  
Social &  
Governance  
Report 2021



# Property Income Trust for Charities

Working with UK Charities since 2004

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## Introduction

### Christi Vosloo, Head of ESG

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 2022. Since joining Mayfair Capital mid-way through 2021, I have been working very closely with the PITCH Team, Simon Martindale, Scott Fawcett and Hector Ahern to ensure effective and accelerated implementation of ESG.



Significant progress has been made this past year, which is evident through the following notable achievements: a 10-point improvement in GRESB score with PITCH awarded 3 Green Stars, implementation of an ESG data management system called Siera, and solar panel installations at Newmarket with another large installation currently underway in Stockport.

In 2022 we aim to focus our ESG efforts on further improving ESG data collection and management, conducting a solar portfolio review of the existing portfolio to develop a rollout plan for priority assets, and applying for Living Wage accreditation for PITCH.

ESG is a key consideration of all PITCH investments, and the team is committed to actively managing and improving the environmental performance and climate related resilience of its investments, whilst also promoting safe, healthy, buildings which contribute positively to the communities in which we invest. I look forward to reporting on the PITCH Fund's ESG progress and achievements made in 2022 in our next annual PITCH Sustainability Report.

### Simon Martindale, Fund Director of the Property Income Trust for Charities

With 1,200 charity investors, PITCH has always adopted a responsible approach to property investment, mindful of the impact that its capital can have on the environment or on society. As we set out in this report in detail, the Fund continues to improve its ESG credentials particularly through its enhanced GRESB score and increased energy data coverage but also its on-site solar installations. This last point remains a key initiative for 2022 as we focus on decarbonising the portfolio with the aim of committing to a clear pathway to operational net zero.



ESG presents many challenges but, as this report demonstrates, we see an increasing alignment between highly sustainable, well managed buildings and, tenant demand. For an income-focused fund like PITCH, we believe this presents a great opportunity to generate long term and resilient returns to investors, but within a responsible framework. We hope that you find the report of interest and look forward to building on our ESG achievements during 2022.

# Environmental, Social & Governance

Responsible property investment

PITCH Ethical Policy

Governance

## Responsible property investment

Mayfair Capital has long recognised the importance of being a responsible investor since its formation 20 years ago. We are committed to managing our funds responsibly and to using our influence to improve sustainability of the built environment.

The Property Income Trust for Charities (PITCH) has practiced responsible investment and has had a strict ethical policy since Fund inception in 2005. This reflects Mayfair Capital's longstanding track record of 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 ESG UK. Christi is the first ESG hire for Mayfair Capital and works closely with the PITCH Fund Team, ensuring that ESG considerations are embedded in all stages of the investment process. All Mayfair Capital 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.

Notably, this past year the PITCH Fund Team completed a roof mounted solar panel installation of 100 kWh on an industrial asset in Newmarket and another project in Stockport is currently underway. In light of future net zero carbon requirements, the evident impacts of climate change and Mayfair Capital's ESG ambitions, we plan to build on our progress this coming year, scaling up our ambitions and actions.

This ESG update outlines progress and actions for the year ended 2021. Year ended 2020 environmental data included in this report has been assured to the AA1000AS Assurance Standard, however year ended 2021 data has yet to undergo formal data assurance.

### Responsible Property Investment Policy

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 (ESG) 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.

Our Mayfair Capital RPI Policy sets out our core principles and RPI objectives categorised across each investment stage.

These objectives are fully integrated within our investment processes featuring prominently in our investment decision-making and execution. Please find the link to our RPI Policy [here](#).

#### RPI Principles



##### Environmental

Actively manage and improve the environmental performance and climate related resilience of our real estate investments.



##### Social

Promote safe and healthy buildings which encourage productivity and positive customer experiences for the communities, workers and visitors who use them.



##### Governance

Ensure robust processes are in place to minimise legislative, environmental and social risks and to obtain reliable asset level data throughout the investment cycle, whilst disclosing our activities and progress towards achieving our objectives.

## ESG priorities

One of, if not, the most critical ESG priorities for the real estate sector is the transition to net zero carbon. According to the UK Green Building Council (UKGBC), 80% of buildings in the UK that will exist in 2050 have already been built, signifying the immense challenge of tackling the existing built environment<sup>1</sup>. Research and modelling for the Climate Change Committee (CCC) has outlined that natural gas heating must all but be eliminated for the UK to meet its net zero carbon target by 2050<sup>2</sup>.

This past year we have commenced an extensive Group-wide project defining our pathway to net zero carbon, including detailed analysis for PITCH. This has resulted in our parent company Swiss Life Asset Managers committing to a 20% reduction in CO<sub>2</sub> intensity by 2030 in line with the aims of the Paris Agreement<sup>3</sup>. The result of this comprehensive analysis, once finalised for PITCH, will allow us to publicly set out our approach to net zero carbon this coming year. In parallel to this project, we are scaling up our sustainability programme and practical actions in support of our approach to net zero carbon.

### These actions include:

1. **ESG data** – implementation of a data management system and quarterly sustainability programme and reporting
2. **On-site renewable energy (e.g. roof mounted solar)** – solar feasibility assessment of the existing portfolio and rollout plan for priority assets
3. **Reduce reliance on fossil fuels** – electrification and decommissioning of oil and gas for heating during refurbishment projects or at system replacement
4. **Asset level targets** – setting asset level environmental performance targets to drive performance improvements where we have operational control

## Living Wage Accreditation

In 2021, Mayfair Capital was accredited as a Living Wage Employer by the Living Wage Foundation. The real Living Wage is the only UK wage rate that is voluntarily paid by almost 9,000 UK businesses who believe their staff deserve a wage which meets basic everyday needs. Mayfair Capital'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 a majority of our impact and influence is in the PITCH supply

chain. This coming year we plan to develop an implementation plan and apply for Living Wage accreditation for PITCH – ensuring that all those working on behalf of PITCH are paid a wage rate that allows them to meet their basic needs.

## Integrating ESG into our investment process

### Investment Acquisition

As part of standard practice, Mayfair Capital conducts rigorous ESG and sustainability due diligence prior to any purchase.

The Mayfair Capital 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

- Energy source, quality of systems, quality of building fabric, data availability, EPC, accreditations, alternate use, flood risk, site contamination, deleterious materials, building resilience, waste and water factors

### Social

- Mobility/accessibility, tenant survey, health and wellbeing and social initiatives

### Governance

- Green lease clauses and tenant reputation
- Compliance with the PITCH Ethical Policy

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

## Improvements & Refurbishments

Undertaking a major fit-out or refurbishment is a complex operation – not just in the execution, but also in the early stages of consideration and planning to ensure that the space created works optimally for tenants, their staff and the buildings' longer term owners.

Mayfair Capital 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. Mayfair Capital aims for sustainability best practice on all refurbishments.

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.

## Integrating ESG into operations

### Data Management System

As part of our continued efforts to improve environmental data collection, management and performance monitoring, this past year we successfully implemented an ESG data management system called Siera. Siera is the proprietary ESG data management software that is provided by our sustainability advisors EVORA Global.

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). 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 and further support the aim of collecting quality whole building data.

### Sustainability Programme

Implementation of ESG initiatives for PITCH centres around the quarterly sustainability programme. This past year 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, working in collaboration with our consultants, are responsible for the maintenance of the ESG Asset Logbooks for all assets where we have operational control. The Logbooks, alongside regular reporting form the foundation of the Quarterly Sustainability Programme, ensuring momentum is maintained and actions implemented.

### Renewable Tariffs

All landlord-controlled assets within the PITCH portfolio are 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.

## Energy Performance Certificate (EPC)

Energy Performance Certificates (EPCs) cover 100% of the portfolio and 85.4% of the portfolio is rated A-C. As of December 2021, 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.

In light of the Minimum Energy Efficiency Standard (MEES) regulation, this information is critical from a compliance perspective as, since April 2018, landlords are unable to let properties with F & G ratings. From 1 April 2023, this is expanded to capture all existing lettings. 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 (MEES) will be EPC B by 2030

EPC Rating	Portfolio by floor area %
A	19.7%
B	20.7%
C	45.0%
D	14.5%
E	0.1%
F	0%
G	0%
Exempt	0%
No EPC	0%
Coverage	100%

### Notes:

- EPC data included in this report is valid as of 31 December 2021 and covers 100% of assets under management in PITCH.
- EPC E - 0.1% refers to a small restaurant unit that is currently vacant but will be refurbished on re-letting to receive an enhanced EPC.
- The Fund team maintains close oversight of the EPCs and reviews these on a regular basis.
- As of April 2018, it is unlawful to lease any property that does not meet the Minimum Energy Efficiency Standards (MEES). At this stage the minimum energy efficiency standard is an EPC E rating.

<sup>1</sup> The <https://www.ukgbc.org/climate-change-2/>

<sup>2</sup> <https://www.theccc.org.uk/publication/living-carbon-free-energy-systems-catapult/>

<sup>3</sup> [https://www.swisslife.com/content/dam/com\\_rel/dokumente/investors\\_day/id\\_2021/03\\_SL\\_2024\\_AM\\_final.pdf](https://www.swisslife.com/content/dam/com_rel/dokumente/investors_day/id_2021/03_SL_2024_AM_final.pdf)



# Responsible property investment continued

## Compliance

Maintaining compliance with all environmental and sustainability legislation is a priority for PITCH. Mayfair Capital and PITCH's external consultants, EVORA Global, 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 provide further support with compliance updates, briefings and regular ESG training sessions for Mayfair Capital.

## Environmental Performance Data (Unaudited)

The tables below set out the Funds environmental performance for the 2020 and 2021 calendar year. Please see pages 7 and 8 for all methodological notes relating to this data.

	Absolute (kWh)		Like-for-like (kWh)		Change (%)
	2020	2021	2020	2021	
<b>Gas</b>	2,181,783	1,824,091	1,762,404	1,518,403	-13.84%
Coverage	6	5		4	
<b>Electricity</b>	3,572,592	3,154,366	3,106,280	2,788,996	-10.21%
Coverage	16	16		13	
<b>Total</b>	<b>5,754,375</b>	<b>4,978,458</b>	<b>4,868,684</b>	<b>4,307,399</b>	<b>-11.53%</b>
Energy Intensity (kWh/m <sup>2</sup> )	90.19	78.03	97.24	86.03	-11.53%

	Absolute (tCO <sub>2</sub> e)		Like-for-like (tCO <sub>2</sub> e)		Change (%)
	2020	2021	2020	2021	
Scope 1 (location based)	378	335	309	279	-9.71%
Scope 2 (location based)	743	649	644	572	-11.18%
<b>Total</b>	<b>1,121</b>	<b>984</b>	<b>953</b>	<b>851</b>	<b>-10.70%</b>
Scope 2 (market based)	0	0	0	0	0
GHG Emission Intensity (tCO <sub>2</sub> e/m <sup>2</sup> )	0.02	0.0158	0.0255	0.0201	-21.18%

	Absolute (m <sup>3</sup> )		Like-for-like (m <sup>3</sup> )		Change (%)
	2020	2021	2020	2021	
Water	19,301	3,711	1,166	336	-71.18%
Coverage	10	8		1	
Water Intensity (m <sup>3</sup> /m <sup>2</sup> )	0.4094	0.0787	0.3554	0.1023	-71.22%

	Absolute (tonnes)		Like-for-like (tonnes)		Change (%)
	2020	2021	2020	2021	
<b>Waste</b>	226.9	101.2	152	91.3	-39.93%
Incinerated	108.2	40.2	108.2	32.9	-69.59%
Recycled	118.7	53.3	43.8	50.7	15.75%
Anaerobic digestion	0	7.7	0	7.7	-
Diverted from landfill (%)	100%	100%	100%	100%	0%

## Environmental Performance Data Continued (Unaudited)

	Absolute (kWh)											
	Total		Office: Corporate: Mid-Rise Office		Office: Corporate: Low-Rise Office		Retail: Retail Centers: Warehouse		Retail: High Street		Industrial: Distribution Warehouse	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
<b>Gas</b>	2,181,783	1,824,091	172,948	268,263	2,007,249	1,555,828	0	0	1,586	0	0	0
Coverage	6	5	1	1	4	4	0	0	1	0	0	0
<b>Electricity</b>	3,572,592	3,154,366	842,019	1,021,552	2,592,952	2,061,351	37,304	37,411	92,530	32,109	7,786	1,943
Coverage	16	16	2	2	8	8	3	3	2	2	1	1
<b>Total</b>	<b>5,754,375</b>	<b>4,978,458</b>	<b>1,014,967</b>	<b>1,289,815</b>	<b>4,600,201</b>	<b>3,617,179</b>	<b>37,304</b>	<b>37,411</b>	<b>94,116</b>	<b>32,109</b>	<b>7,786</b>	<b>1,943</b>

	Absolute (tCO <sub>2</sub> e)											
	Total		Office: Corporate: Mid-Rise Office		Office: Corporate: Low-Rise Office		Retail: Retail Centers: Warehouse		Retail: High Street		Industrial: Distribution Warehouse	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Scope 1 (location based)	378	335	29	49	349	286	0	0	0	0	0	0
Scope 2 (location based)	743	649	179	217	535	417	8	8	20	7	2	0
<b>Total</b>	<b>1,121</b>	<b>984</b>	<b>207</b>	<b>266</b>	<b>884</b>	<b>703</b>	<b>8</b>	<b>8</b>	<b>20</b>	<b>7</b>	<b>2</b>	<b>0</b>
Scope 2 (market based)	0	0	0	0	0	0	0	0	0	0	0	0

	Absolute (m <sup>3</sup> )											
	Total		Office: Corporate: Mid-Rise Office		Office: Corporate: Low-Rise Office		Retail: Retail Centers: Warehouse		Retail: High Street		Industrial: Distribution Warehouse	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Water	19,301	3,711	7,274	1,132	12,016	2,577	0	0	11	2	0	0
Coverage	10	8	1	1	8	6	0	0	1	1	0	0

## Terminology

- Scope 1** Direct greenhouse gas emissions from owned or controlled sources e.g. landlord-controlled consumption of fuels.
- Scope 2** Indirect greenhouse gas emissions from purchased or acquired electricity, steam, heat and cooling.
- Scope 3** All other indirect greenhouse gas emissions
- Market-based** A market-based method reflects emissions from energy that companies/funds have purposefully chosen. It derives emission factors from contractual agreements i.e. where a Fund is on a renewable tariff.
- Location-based** A location-based method reflects the average emissions intensity of grids on which energy consumption occurs, regardless of the presence of green energy contracts.

## Methodological Notes:

### Scope and boundaries

- All environmental performance data reported relates to the 2020 and 2021 calendar years.
- Environmental data reported only relates to assets within the Funds operational control, where it has the full authority to introduce and implement operating policies and where the Fund is responsible for payment of utility invoices and/or arrangement of waste disposal contracts.
- The data presented covers 17 assets, covering 63,800m<sup>2</sup> of floor area for which Mayfair Capital has operational control. These assets fall within the office, retail, and industrial sectors.

### Methodology

- Greenhouse gas emissions are calculated in accordance with the Greenhouse Gas Protocol and reported as tonnes of CO<sub>2</sub>e.
- Absolute data: relates to absolute consumption for assets that were purchased and/or sold during the reporting period and where the Fund held operational control.
- Like-for-Like data: relates to consumption data that excludes assets that were not in ownership for the 24 months of the reporting period, assets that have undergone significant change to a degree that would unjustly skew the data set, or where there was insufficient data coverage over the reporting period.
- Like-for-like analysis considers performance for assets held for the complete duration of 2020 and 2021. It is not adjusted to take occupancy and weather variations into account. This methodology is aligned with the GRESB approach. Landlord procured energy consumption patterns are also heavily influenced by tenant activities. Increased tenant activity, for example, will place a higher demand on building services (heating and cooling) and this can increase landlord energy consumption.
- No environmental performance data has been estimated in this analysis.

### Greenhouse gas emissions conversion factors and sources

Country	Emissions Source	GHG emissions factor	Emissions factor data source
United Kingdom	Electricity 2020	0.2333 kgCO <sub>2</sub> e	UK Government Greenhouse gas reporting: conversion factors 2020
	Electricity 2021	0.2123 kgCO <sub>2</sub> e	UK Government Greenhouse gas reporting: conversion factors 2021
	Gas 2020	0.184 kgCO <sub>2</sub> e	UK Government Greenhouse gas reporting: conversion factors 2020
	Gas 2021	0.183 kgCO <sub>2</sub> e	UK Government Greenhouse gas reporting: conversion factors 2021

### Scope 3

The majority of the PITCH portfolio scope 3 emissions are a result of energy consumption by tenants. Efforts are made to obtain this information on an annual basis to further improve data coverage and understanding of the Fund environmental performance. This report only relates to environmental performance data for assets within our operational control, as a result, the performance data in this section may vary to that reported to the Global Real Estate Sustainability Benchmark (GRESB).

### Units of measurement and emission factors

- Intensity calculations: 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>). Floor area meter coverage (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 that were not in ownership for the 24 months of the reporting period, and those with insufficient data coverage over the reporting period.
- Emissions have been calculated using a location-based methodology. Location based emissions factors reflect the average emissions intensity of grids on which energy consumption occurs, regardless of the presence of green energy contracts. The carbon factors used have been sourced from the UK Governments 'Greenhouse gas reporting: conversion factors for 2020 and 2021' as outlined in the table below.

### Additional commentary

- **Energy** – In some sectors, namely high-rise offices, retail and industrial, a like-for-like increase was observed in energy consumption, likely due to the relaxation of COVID-19 restrictions and increase in occupancy associated with a return to usual operational hours. However, an overall 10% decrease in electricity has been observed, primarily driven by large decreases in consumption amongst the low-rise office sub sector. While some assets within the subsector have seen an increase in consumption due to the reasons above, a multi-let office (which constitutes 42% of overall like-for-like electricity data within the subsector) has reported a 36% decrease. Similarly, the low-rise office sub-sector also drove the significant 14% decrease in gas consumption, due to trends observed at two particular assets.
- **Greenhouse gas** – Overall like-for-like carbon emissions have fallen by 9.7% for Scope 1 and 11.2% for Scope 2. These figures are closely linked to electricity and gas consumption respectively, although changes in carbon factors between 2020 and 2021 mean that the figures reported differ slightly.
- **Water** – there is only one asset for which we have like-for-like data, due to water invoices generally being issued on a bi-annual basis. A sizeable decrease in water consumption was reported from July 2021, which continued for the remainder of the year.
- **Waste** – Overall there has been a 40% reduction in total waste generated. Like-for-like recycling rates increased from 29% to 56% in 2020 and 2021 respectively and anaerobic digestion which was introduced in 2021, now accounts for 8% of waste. Incineration accounted for 71% of like-for-like waste in 2020 but just 36% in 2021. It should be noted that 100% of waste is diverted from landfill.

### Assurance

- Environmental data is assured on an annual basis as part of the annual PITCH GRESB submission process. YE 2020 environmental data has been assured to the AA1000AS Assurance Standard. YE 2021 environmental data has been externally reviewed, but has not been assured. YE 2021 environmental data will be assured as part the 2022 GRESB submission process.
- Should there be an improvement in data coverage or quality, following the publication of this report, we will restate our environmental data in our next available environmental reporting.

### ESG Engagement

#### Tenants

In order to improve data collection across the portfolio, and to foster collaboration and engagement with tenants on ESG matters, 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, typically these clauses cover information sharing, collaboration and co-operation with the landlord to support improvement works and to ensure that the EPC is improved or maintained.

We also undertake regular tenant surveys to seek formal feedback to improve assets in line with tenant requirements and sustainability expectations. PITCH benefits from having an intentionally leaner portfolio of assets, allowing the Fund team to foster close tenant relationships to obtain direct and actionable feedback from occupiers about their future requirements.

We continue to offer the £5,000 PITCH Charity Award which encourages our tenants to actively support charities that are local to them by providing money to either enhance their fundraising or facilitate their own charity causes. This year, given the devastating events occurring in Ukraine we have made the decision to donate the award to the Ukraine Emergency Appeal which is being run by the Methodist Church's independent disaster relief charity, All We Can. The funds will be utilised to provide much needed aid to Ukrainian refugees providing psychosocial support, non-food items, medicine, water, food, hygiene products and shelter.

#### Suppliers

As part of standard practice, Mayfair Capital conducts regular supplier sustainability reviews to ensure suppliers are meeting sustainability expectations. Last year, a review was conducted of all material PITCH suppliers with the responses assessed to ensure minimum standards and expectations are maintained. The supplier review covers topics including (but not limited to): Diversity & Inclusion, anti-bribery, human rights and modern slavery, Living Wage, community impact, supply chain risk, environmental policies, sustainable procurement and health and safety.

## Industry initiatives and reporting

### 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 for property funds. PITCH has participated in GRESB for the past 8 years and we have made substantial progress over this period. In 2021 the Fund achieved a score of 76 (out of 100) and gained an additional Green Star to achieve 3-star status. 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 2022 for the 9<sup>th</sup> consecutive year.



Please find the 2021 GRESB Results Report available [here](#)

### United Nations Principles for Responsible Investment (UNPRI)

Mayfair Capital has been a signatory to UNPRI since 2017, and in 2020, our PRI submission and reporting was combined with that of our parent company, Swiss Life. The Group UNPRI response was rated an A+ for both Strategy and Governance.



Please find the Swiss Life UNPRI transparency report available [here](#)

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

Mayfair Capital and PITCH are acutely aware of both the physical and transition risks posed as a result of climate change. Mayfair Capital is a subsidiary of Swiss Life Asset Managers (SLAM) and the 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 response to TCFD available [here](#)

The TCFD response is also included within the Swiss Life Asset Managers Responsible Investment Report available [here](#)

### Other industry initiatives

As part of the wider Swiss Life Group, we play an active role in a number of industry bodies and memberships that support the advancement of ESG within the real estate sector.

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

## Portfolio Activity

### Newmarket Business Park, Newmarket

Acquired by PITCH in 2006, this property comprises a high bay warehouse extending to 70,429 sq ft. In April 2021, the Fund commenced a £1.1m refurbishment with the aim to deliver a net zero building and improve the value of the asset through a high quality letting.



Newmarket Business Park, Newmarket

This refurbishment included:

- 100 kWh roof-mounted solar installation
- Removal of gas and installation of new electric powered heating/cooling system
- Installation of new Electric Vehicle (EV) car charging points
- EPC improvement to A from C

Prior to completion of the refurbishment the property was put under offer to a new tenant which is committing to a long lease and at a rent 38% ahead of the previous passing level.

### Binsey House, Wallbrook Court, Oxford

Wallbrook Court was constructed in 1989 and comprises four linked office buildings.



Binsey House, Wallbrook Court, Oxford

Binsey House comprises 5,300 sqft arranged over ground and first floors and has been occupied continuously by a single tenant for over 30 years. Consequently, when it finally became vacant it was in need of substantial upgrading as both the M&E and building facilities were beyond their useful life. The EPC was C67.

We undertook a complete refurbishment including:

- Full strip out to provide open plan offices with new ceilings which has greatly improved the natural light and flexibility of the space.
- The old gas central heating system was removed and replaced with a new efficient HVAC heating and cooling system incorporating a heat recovery ventilation system.
- New LED lighting was installed throughout with PIR sensors and WCs and showers were replaced.
- New windows were installed and the thermal insulation to the roof was upgraded.

As a result of the above, the EPC for the property has increased to A24. Shortly after refurbishment, a new letting was agreed to at a significantly enhanced rent.



# PITCH Ethical Policy

The Property Income Trust for Charities (PITCH) adheres to a responsible investment policy in the management and investment of the Fund, with a particular focus on the underlying charitable purpose of its investor base.

Many charities have their own ethical policies measured alongside their mission or charitable objectives. Whilst a pooled Fund such as PITCH cannot adhere to each investor's policy requirements in every case, it is important for its own ethical policy to provide a clear and transparent set of ethical guidelines that are adhered to in the management of the property portfolio.

Due diligence screening of tenants is carried out by PITCH's Fund management team at the time of acquisition of a property and then reviewed across the portfolio on a quarterly basis. This is reported to both Mayfair Capital's

Investment Risk Committee and the Fund's external Investors' Committee who meet with the Manager on a quarterly basis.

The Investors' Committee includes representatives from a religious body and from one university. These charities are at the forefront of ethical investment. The Investors' Committee 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 includes companies whose primary business is in the production of alcohol, tobacco, armaments, gambling, pornography and the sex industry. Those companies that are involved in other industries that may be considered by the Investors' Committee appropriate for exclusion or restrictions are assessed on a case by case basis.

Listed below are those tenants who derive some turnover from a 'flagged' activity within our ethical policy:

Ethical Policy	Comment	% of Fund Income <sup>1</sup>
Alcohol production or consumption (we hold no pubs, bars or wine merchants as tenants)	The Fund holds several restaurants: Las Iguanas, Pizza Express, Côte, Café Rouge and Zizzi.	<2%
Gambling	None	0%
Manufacture or sale of armaments	None	0%
Manufacture or sale of tobacco products	None	0%
Pornography or the sex industry	None	0%
Other activities deemed to be unacceptable from time to time	None	0%

<sup>1</sup> The amount of income received from a tenant where their business turnover includes some activity highlighted by the Fund's ethical policy  
Source: Mayfair Capital (31.12.21).

# 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 Sustainable Benchmark (GRESB)
4. 2020 UK Stewardship Code

Mayfair Capital 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 £1,354,960 (2020: £1,693,882), 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.

## Mayfair Capital Investment Risk Committee

Responsibility for the implementation of Mayfair Capital's investment risk processes sits with the Investment Risk Committee (IRC).

Our risk management framework covers our entire investment process. The Investment Risk Committee (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 IRR.

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.



## 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. It includes representatives from a religious body and one university. These charities are at the forefront of ethical investment. 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. Further details of the current members of the Investors Committee can be found here.

## 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 twelve 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.

Consistent with our long history of stewardship and responsible investment, Mayfair Capital has adopted the Principles of the UK Stewardship Code 2020 and was approved as a signatory to the code in September 2021. The Code recognises the importance of effective stewardship among asset managers, institutional investors and other stakeholders and identifies the challenges involved in good stewardship. It aims to address these obstacles by developing a 'Stewardship Framework' which Mayfair Capital is implementing through its approach to governance.



Newmarket Business Park, Newmarket



# Mayfair Capital Industry Awards

			
			
			
			
			
			

# Management of the Fund



Simon Martindale,  
Fund Director



James Lloyd,  
Head of Business  
Development



Scott Fawcett,  
Director of Asset  
Management



Clare Berthoud,  
Director of Business  
Development - UK Charities



Hector Ahern,  
Investment Associate



Deanna Oyin,  
Investor Relations and  
Marketing Associate



Frances Spence,  
Director of Research,  
Strategy and Risk



Sophie Carr,  
Investor Relations and  
Marketing Associate



Christi Vosloo,  
Head of ESG



James Goldsmith,  
Finance Manager



James Thornton,  
Non-Executive Chairman



Louisa Demetriou,  
Fund Accountant



Property Income Trust for Charities

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Authorised and regulated by the Financial Conduct Authority (FCA)  
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**PITCH helps 1,200 charities  
to invest in property in  
an ethical, responsible  
and tax-efficient way**

[www.pitch-fund.co.uk](http://www.pitch-fund.co.uk)