

Sustainability

U+I's focus on complex, mixed-use regeneration enables us to unlock value across our development, trading and investment projects so that we can deliver lasting economic, environmental and social benefits for all our stakeholders, including the people who live, work and spend time in our places.

We mainly achieve this in three ways:

1. Our places

We foster close, trusted partnerships with a range of different stakeholders so that we can transform overlooked, underestimated areas and brownfield sites into vibrant neighbourhoods where communities can thrive.

2. Our buildings

We build resilience and improve eco-efficiency whether we are developing projects from scratch to meet the needs of the local catchment or managing assets in our investment portfolio.

3. Our people

We invest in our people to create a motivated and purpose-driven team, so they can see opportunities where others see obstacles and deliver benefits where others cannot.

The positive impacts of our approach are clear from the places that we have delivered, the communities that we have helped to flourish, and the opportunities we have created for new businesses to prosper. All of this is delivered by our committed and talented employees.

The world in which we operate however, is changing rapidly, exacerbated by Covid-19. This is likely to accelerate trends that were already underway in how people live and work, and has increased the importance of responsible regeneration.

As the scale of effort necessary to combat global challenges such as climate change – and most recently Covid-19 – become clear, the business community must redouble its activities and articulate its broader social purpose if it is to succeed and thrive.

These expectations are materialising across the political, investment and social spectrum. Together, they cast a sharper light on the business case for us to provide a much broader account of our role in society and the value we create, ensuring that we are responding to changing trends and behaviours. We have been capturing this value through our innovative approach to urban regeneration since we were founded in 2015, and in 2020 we have committed to talk more about our achievements and formalise our approach so that we can meet our stakeholders' growing expectations.

For this reason, this year we are providing a more detailed account of two issues that are deeply ingrained in every project we do, and which are considered important barometers of responsible business practices for our sector – environmental management and Health and Safety. Policy summaries can be found on our website at: www.uandiplc.com

We are at the start of this journey, but the next twelve months will be a period of intense activity as we undertake three complementary work streams that will deliver a step change in our strategic approach and reporting on sustainability.

Key performance indicator dashboard

Use the KPI dashboard, created in FY2020, to establish a consistent framework to collect key environmental, employee and social data across the Company. The dashboard will allow us to evaluate the non-financial KPIs we created in FY2020 to ensure they are right for the long-term, measure our performance on a quarterly basis across new ESG areas, and set reduction targets covering the scope of our activities.

Social impact assessment

Delivering social value is embedded in our DNA. We want to ensure we are capturing the full worth of our activities, so we are creating a framework to identify, describe, measure and communicate the value created across our projects. The framework will allow us to monitor improvements, compare outcomes and generate credible data for our reporting.

Strategic sustainability review

We are undertaking a critical review of our sustainability approach to understand what we do well, and where the opportunities lie for us to do more. The findings will feed into a new sustainability blueprint supported by long-term objectives that deliver the greatest benefit for our communities and the environment.

We have already established four initial non-financial key performance indicators that the Board will use to monitor the success of the Group's performance against its strategic priorities (more details on page 73). The KPI dashboard and social impact assessment will provide a consistent set of performance measures to monitor and benchmark our performance, and support target setting across a much broader set of sustainability indicators.

We are also in the process of undertaking a much deeper review of our sustainability credentials so that we can ensure our efforts are directed at the most significant opportunities to deliver tangible benefits for our stakeholders, and across the scope of our business, in line with our ambition to be a recognised leader in this area. This will inform the roll out of a U+I blueprint on sustainability in FY2021, which will shape our approach across the business and give us clear metrics to track our progress as we aim to become best-in-class in this important area.

Sustainability is fundamental to all our schemes.



Mark Richardson
Director, Delivery

1. Our places

Key performance indicators

0.1%

Achieve 0.1% lost time for accidents/incidents rate across U+I's sites

3

Ensure at least three locally employed people across our project portfolio for every £1 million of project spend

Highlights from FY2020

0.08%

lost time for accidents/incidents rate across U+I's sites

1.9

locally employed people for every £1 million of project spend

64%

average procurement spend with local suppliers per development project

12.4

acres of green space/public realm delivered

Platinum

Well certification achieved at Plus X Innovation Hub in Brighton

We see regeneration as a catalyst for sustainable growth. We build on the unique heritage and identity of each site to deliver inspiring places that stimulate economic growth, foster wellbeing and create thriving communities, where people feel safe. The success of our approach relies on the relationships that we nurture with communities, planning authorities, governments, development agencies and enterprises.

Listening to those around us is integral to garnering support for our developments and to fulfilling our shared ambition to deliver the best projects that have a lasting positive impact. We involve communities from the start, developing direct and transparent channels of communication, opening our sites and inviting people in. This ensures we leave places better than when we found them. By working with local communities and partners, we can create a unique legacy, delivering positive benefits that generate value for all our stakeholders and enhance the lives of residents.

Our efforts are not just confined to our immediate sphere of influence; we also seek to extend the economic and social benefits of our regeneration activities through the supply chain. From the outset, we encourage our partners to identify suitable, sustainable employment and training opportunities, hiring local talent, aimed to ensure that at least three local people are employed for every £1 million of development spend. We achieved 1.9 locally employed people in FY2020. We prioritise local suppliers within a twenty-five mile radius of our core regions and are targeting at least 20% of our procurement spend with these suppliers to reduce procurement risk, support local businesses and boost local economies.

Health and Safety

Protecting the health and safety of our employees, service partners, contractors and all people who visit or occupy our developments is an utmost priority for U+I. We aim for continual improvement in all areas of health and safety, and target a lost time for accidents/incidents rate of under 0.1% across our sites.

Our Group-wide Health and Safety Policy (summary available on our website) sets out our commitment to protect the health and safety of all our stakeholders and the processes, procedures and executive oversight we have in place to fulfil this commitment. It covers injury and ill-health risk prevention, training and the steps we take to encourage better health and wellbeing of building occupants.

Significantly, our sub-contractors are expected to co-operate in implementing this policy and must ensure that their own work, so far as is reasonably practicable, is carried out without risk to themselves or others. Evidence of this is required as part of the tendering process for major contractors. Regular health and safety audits are conducted across our sites by NEBOSH certified external parties. We also commission independent advice on best practice health and safety application, risk mitigation and current legislation, supported by performance monitoring and spot checks to ensure compliance.

We have been proactive throughout the Covid-19 pandemic, working with our team and suppliers to ensure the safety and wellbeing of our stakeholders and places. The Government's guidance has helped inform our approach, as we put measures in place – including temporarily closing our offices – to protect the people we work with.

2. Our buildings

Key performance indicators

100%

Achieve BREEAM Excellent/LEED Gold across all new developments (and target Outstanding)

N/A

Target a 13% year-on-year reduction in Scope 1 and 2 emissions across our investment portfolio and office assets, using FY2020 as a baseline

Highlights from FY2020

89%

BREEAM Excellent/LEED Gold or above across our new developments

1,768

tonnes of CO₂ equivalent Scope 1 and 2 emissions across our investment portfolio and office assets

As a major developer, our biggest environmental impacts are associated with energy use and associated GHG emissions during construction works, in the building materials we use and the lifetime energy consumption of a building once it is operational.

The UK Government – and a growing number of local authorities we operate in – have declared a climate emergency and ramped up their commitments to dramatically cut carbon emissions. Within this context, the UK Government’s recent commitment to achieve ‘net zero’ carbon by 2050 will require a step change in the way buildings are designed, built and operated. It promises to have far reaching implications for the property sector as it will require developers and owners, managers and occupiers to work collectively to achieve the significant reductions in greenhouse gas emissions that will be required to hit this goal, whilst implementing new design needs resulting from Covid-19.

Our focus on mixed-use, brownfield sites located in the urban areas of London City Region, Manchester and Dublin, means we can take advantage of these opportunities as we redevelop and refurbish existing buildings that have lower embodied carbon, incorporate recycled materials and achieve high levels of energy, water and waste efficiency.

Environmental management

U+I’s Environmental Policy (available on our website) sets out our commitment to run our business in a way that protects and enhances the environment. All contractors are expected to fulfil a list of requirements; we have procedures in place to monitor compliance and track our performance.

We take a lifecycle approach to our development projects, guided by the National Planning Policy Framework and other relevant legislation. We continually strive to improve our performance and have consequently set a new target to achieve BREEAM Excellent/LEED Gold across all our new, future developments, while aiming for ‘Outstanding’. Where appropriate, we include lease provisions requiring tenant fitouts and maintenance consistent with the level of certification achieved.

We are also targeting a 13% year-on-year reduction in our Scope 1 and 2 emissions across our investment portfolio and office assets, using FY2020 data as a baseline, with a target of becoming net zero carbon by 2030.

As the industry moves to a low-carbon model we are formalising our sustainable design principles to align with these significant shifts and we are expanding our approach to measure the whole-life carbon of our developments, identifying the carbon embodied not only in our materials, but through to building design and specification, construction and operation.

To assist with this, we are exploring how computer modelling can support design specifications by measuring the embodied carbon and operational carbon footprint of different options. Other options already underway include the installation of high energy-efficient equipment such as air-sourced heat

pumps with heat recovery and the installation of solar photovoltaic panels.

We are also looking at how new construction techniques, such as design for manufacture and assembly can be applied to reduce the consumption of resources and prioritise low-carbon materials and those with recycled content. Such measures have the additional benefit of reducing construction waste and ensuring all unavoidable waste is, where possible, reused, recycled or disposed of responsibly.

Our average Considerate Construction Scheme score over the year across our portfolio was 37.5.

Our investment portfolio is made up of retail-focused properties that we have acquired or developed, where we see long-term potential. We work with property managers and tenants to target practical improvements given each asset’s needs, age and annual investment budgets. These range from energy efficiency initiatives, such as the roll-out of LED lighting, to smart meters to facilitate the collection of more accurate energy consumption data. Much of this investment is directed towards our goal of only holding assets rated EPC ‘B’ or above.

Data covering energy, GHG emissions, water and waste is reported in line with EPRA’s Sustainability Best Practice Recommendations (sBPR). The sBPR provide an industry-standard framework for reporting on the environmental impact of property, allowing us to be benchmarked against our peers. Tables detailing our performance can be found on our website at www.uandiplc.com/aboutus/sustainability

6.5

acres of new public parkland

12,800

new jobs will be created

45%

reduction in power
consumption targeted
across the site

Zero

carbon footprint targeted

Case study: Mayfield, Manchester

Our mission to transform underestimated sites into vibrant mixed-use neighbourhoods is materialising on a scale previously unseen in Manchester. We have committed to restoring the industrial character of the 24-acre former railway depot, which had been empty for more than thirty years, to create a thriving new business and residential quarter in the heart of the city.

The scale of our ambition is matched not just by Mayfield's size, but by our vision to create a world-class, transformational, distinctive and imaginative neighbourhood.

We have put placemaking centre stage, seizing this huge opportunity to work with our partners, the community, creatives and the city to collectively shape the kind of place Mayfield will be. What we have heard has helped to create a plan that will respect and restore the rich heritage and distinctive personality of the original site.

Underpinning our plans to rejuvenate the site and secure its long-term success is our goal to create a place that the wider community is drawn to, and will embrace as their own. Applying our 'Worthwhile Use' experience, we have brought together historians and artists to reconnect Mancunians with Mayfield's history, and opened up its disused spaces for events, workshops and consultations that together attracted more than 370,000 visitors in 2019.

These include the arts and entertainment venue The Warehouse Project; Dirt Factory, the UK's first indoor mountain biking centre that has set up home in a disused 25,000 sq.ft. warehouse; and, from 2017 to July 2020, Mayfield & Co, a co-working space for young businesses that are helping to bring back industry to the site.

With planning secured for the first phase of the £1.5 billion project, the next stage of Mayfield's development is underway. Our plans for the site incorporate leading environmental features and are aligned with Manchester City Council's green and blue infrastructure plan, which sets out its vision to create a network of well-maintained and accessible parks, green spaces and safe routes for walking, cycling and exercise throughout the city. The Covid-19 pandemic has increased the importance of outside areas, that offer open space to relax and support wellbeing.

To this end, work has begun to create Manchester's first purpose-built public park in more than a century. The 6.5-acre Mayfield Park will follow the banks of the River Medlock providing a green thoroughfare through the heart of Mayfield, drawing people into the area and serving future residents.

Manchester is also one of the growing number of UK cities to declare a climate emergency, and in 2019 set out its ambition to achieve carbon neutrality by 2038 – twelve years earlier than the national target. We are stepping up to the challenge and using Mayfield as an opportunity to pioneer an approach that can be replicated across all our future developments to meet these goals.

As a first step, we are developing a full carbon accounting framework that can be used to map a route to net zero, accounting for both construction activities and operational emissions once the development is complete. Reducing embodied carbon emissions by preserving much of the existing infrastructure, coupled with new planting in the park, will already go some way to achieving this goal. As we further develop our plans for the site, we are focusing on steps to reduce total energy demand through means such as the application of design for performance principles.

Chief strategies under review include a private power grid across the development that, together with an energy optimisation system which combines smart grid technology and battery storage to balance demand, will reduce total power consumption across the site by an estimated 45%. The remaining demand will be sourced from renewables as far as possible; and only then will we offset any residual carbon emissions using a robust compensation approach.

While Mayfield presents a once-in-a-lifetime opportunity to reinvigorate a historic district in Manchester, its significance will extend far beyond this city's boundaries as it sets a blueprint for U+I's approach to sustainable development going forward.



3. Our people

Highlights from FY2020

61%

of employees benefitted from subsidised gym membership

89%

of employees enrolled in private medical insurance

£54,000

raised for Shelter, our charity partner, and more than 400 hours volunteered

5

work experience placements

Our success relies on our people: their ingenuity, their creativity and their commitment. We cultivate a sense of belonging to nurture an inclusive culture and retain key talent. We want our people to develop and flourish. We listen to them, we develop strong channels of communication and we invest in their personal learning and development to help them achieve their best.

By motivating our people, furthering their careers, promoting diversity and encouraging volunteering, we strive to create connections, foster engagement and reinforce our reputation as a rewarding place to work that supports and brings out the best in our people. This is more important than ever in challenging times, such as during the Covid-19 pandemic.

Learning and development

A culture of continuous learning flows throughout our Company and this is encouraged from the very top. Training is designed to help our employees reach their full potential, develop their skills and embed our values of imagination, intelligence and audacity.

Over the past twelve months we have held a series of workshops to help us all to work more effectively – by understanding more clearly what it means to work in a U+I way, by communicating our Company purpose more clearly in our daily work, and by using our values as guiding principles.

The U+I talent strategy builds the skills our teams need to succeed, and supports their overall career progression through tailored development objectives. Our strategy reaches everyone in the organisation, including our Executive Directors, to support our culture of inclusion so we can deliver inspiring places.

We have also completed psychometric profiling to support this process by identifying each employee's core skills and areas they would benefit from developing further.

The results have offered valuable insights into how our business functions, the behaviours involved in delivering our projects and managing our portfolio, and areas of improvement.

We have selected six key behaviours that align with our brand – creativity, curiosity, emotional intelligence, grit, adaptability and communication.

Employees are encouraged to stretch themselves by taking on new projects, and we have organised a series of training events on emotional intelligence and interpersonal skills to equip our client-facing employees.

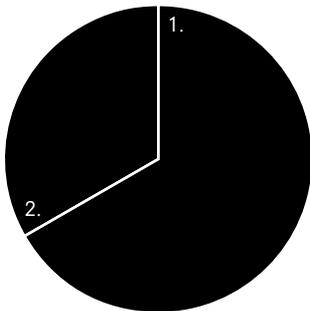
The auditorium space at our London headquarters regularly hosts events – supplemented by virtual events during Covid-19 – that provide a shared opportunity to explore emerging trends in the real estate sector and open employees' minds to new thinking that can be applied to our business.

Equality and diversity

U+I provides a working environment where all individuals can make the best use of their skills, free from discrimination, harassment or bullying to allow them to develop and flourish. This starts from the top down. Over the year, Independent NED Professor Sadie Morgan set up a new T.E.A.M. employee engagement forum, holding quarterly group meetings, as well as 1:1 'Sadie's Surgery' drop-in clinics every six weeks. Key themes are fed back to the Board to ensure U+I can continue to strengthen its team culture. Employee satisfaction levels were also assessed in our annual survey. This work will be particularly important in guiding our longer-term

Employee gender diversity

Board

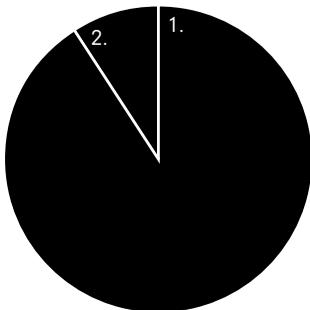


- 1. Male
- 2. Female

response to Covid-19 as we align our workplace and engagement strategies to an era where remote working is likely to become more prevalent as a result of social distancing.

We promote inclusive processes, practices and a culture that encourages equality and diversity. U+I's Equality and Diversity at Work Policy prohibits any form of discrimination against an individual and applies to all aspects of our relationship with our employees, consultants, contractors, trainees, volunteers, interns, casual workers and agency staff. Over the last year, we set up an equality and diversity panel to help create a supportive, inclusive working environment, bringing together feedback from a Company-wide questionnaire.

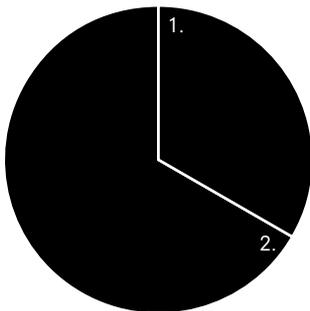
Senior management (excluding Board)



- 1. Male
- 2. Female

Attracting and nurturing people from a diverse range of backgrounds is a priority for us and our industry. By offering work experience placements we look to inspire a future generation to pursue careers in property. Every year we welcome students from a variety of backgrounds through our doors. Two are selected from a local school near our development projects; we took on one intern through the Reading Real Estate Foundation that promotes opportunities within the property sector for students from diverse backgrounds; and provided two further placements.

Remaining team



- 1. Male
- 2. Female

Health and wellbeing
We work hard to create an environment where our staff can flourish, through a supportive, collaborative, open, professional – and fun – culture. We have a Wellbeing at Work Policy which places huge value in physical and mental health. It recognises that mental health issues can be triggered by excessive levels of work.

We accordingly offer a range of employee benefits. These include access to medical healthcare schemes; initiatives to encourage healthy eating and living; wellbeing activities and forums to reduce stress; setting up individual groups and surveys to engage with staff and understand their needs and concerns; and access to 24-hour confidential support lines and counselling with independent experts.

Wellbeing has been paramount during the Covid-19 pandemic as we closed our offices to ensure employee safety. To bring the team together and encourage collaboration and engagement, we organised regular team and all Company Zoom calls, held events – such as quizzes, team socials and cookery classes – and provided feedback loops to address any concerns or challenges with home working. There were also daily emails from the CEO and senior team providing business updates and celebrating successes.

A dedicated team has been set up to focus on safe office working, including new practices and wellbeing initiatives to support individual needs.

Charitable giving

We have been committed to supporting charitable giving since we were formed in 2015. We believe this is important not only for the wellbeing of our staff but also as part of our responsibility to help support the prosperity of communities. Our Charitable Giving Policy formalises our commitment to work with charities that have a clear link with our business' vision and values, with homelessness, education or creativity at their heart. It is managed by our Charity Committee, overseen by the senior management team.

Everyone at U+I has the opportunity to participate through an inclusive programme suited to a range of diverse skills and interests supported by a maximum of two additional paid days' leave per holiday year for volunteering or fundraising events. Our charity partnership with Shelter raised over £54,000 (including match funding), and employees committed over 400 volunteering hours in FY2020. U+I set aside a matched giving fund of £25,000 last year for employee fundraising activities. This sum is under review in FY2021 due to Covid-19.

4. ESG policy and target index

As we have less than 500 members of staff, the Non-Financial Reporting requirements contained in the Companies Act 2006 do not apply to U+I. However, U+I is committed to delivering quality, sustainable developments through its places and buildings, as well as through its people and supplier relations.

With this in mind, we have created a number of new and more detailed Company-wide policies, with tangible targets, to demonstrate our commitments and hold us to account. Many of our new policies can be found on the governance or sustainability sections of our website and include the below:

| | Key policies | Commitments | Where to find it in the Annual Report |
|----------------------|--|---|--|
| Environmental | <ul style="list-style-type: none"> – Environment. | <ul style="list-style-type: none"> – Achieve BREEAM Excellent/LEED Gold across all new developments (target Outstanding). – 13% year-on-year reduction in Scope 1 and 2 emissions, compared to FY2020 baseline. – Become net zero carbon by 2030. | <ul style="list-style-type: none"> – Strategic review, pages 73, 87. – Governance, page 177. |
| Social | <ul style="list-style-type: none"> – Health and Safety. – Anti-bribery and corruption. – Anti-slavery and human trafficking. – Whistleblowing. – Equality and diversity at work.* – Wellbeing.* – Charitable giving and volunteering. – Sabbaticals.* – Flexible working.* – Shared parental leave.* | <ul style="list-style-type: none"> – 0.1% lost time to accidents/incidents across U+I's sites. – At least three locally employed people for every £1 million of project spend. – Zero tolerance to bribery, corruption or slavery. – Deliver >1 acre per annum of green space. | <ul style="list-style-type: none"> – Strategic review, pages 73, 86, 90. – Governance, pages 147, 150. |
| Governance | <ul style="list-style-type: none"> – Remuneration. – Expenses.* – GDPR.* | <ul style="list-style-type: none"> – GDPR committee to ensure compliance. – New remuneration policy aligned with shareholder feedback. | <ul style="list-style-type: none"> – Governance, pages 147, 156-171. |

* internal policies

“
Our aim is
exceptional ESG
performance
and to become
best-in-class.

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Richard Upton
Chief Development Officer