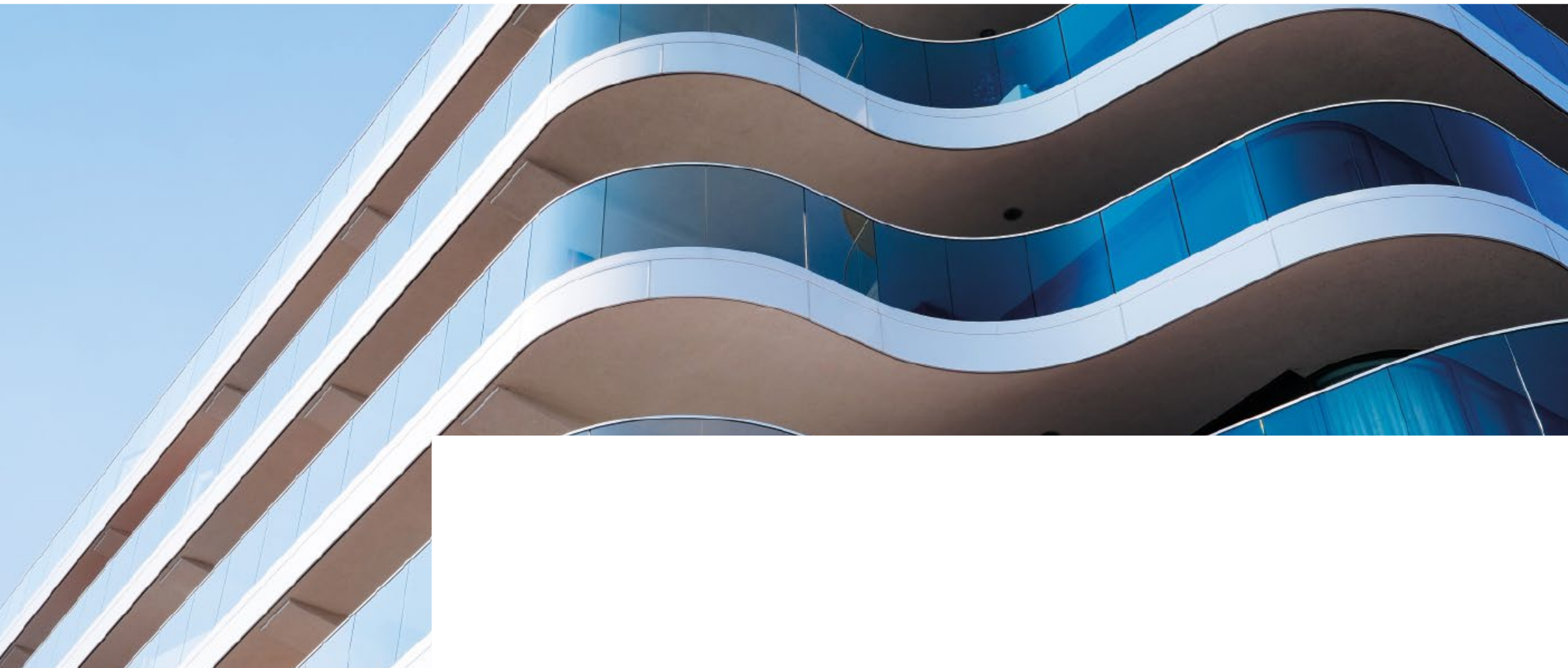


**Sustainable Development Standard (SDS)**  
M&G Real Estate



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# Introduction

Welcome to the M&G Real Estate Sustainable Development Standard (SDS). At M&G Real Estate we aspire to lead within the field of Responsible Property Investment. As part of this we have created a set of sustainability requirements which are applicable to all our development projects, including forward-funded and purchase scenarios, and refurbishment projects exceeding £3 million in construction value.

Our aim is to consistently embed and integrate these key sustainability considerations across our development and refurbishment pipeline. Through the application of our requirements, we seek to influence decision-making over the design, procurement and construction of projects in ways that achieve positive environmental and social benefits, while delivering strong investor returns.

Our aim is to apply a consistent approach to all our investment decisions and ensure that full consideration is given to people, places and planet. This document is the starting point for all our decision-making and enables our stakeholders to apply clear standards and deliverables in achieving those goals.

The choices made during development and refurbishment directly impact the environmental, social, and economic performance of an asset throughout its operational phase. This document along with an accompanying reporting proforma sets out the sustainability expectations and considerations for our development and refurbishment schemes from feasibility stage through design and construction. These requirements are aligned with M&G Real Estate's approach to Responsible Property Investment (RPI) and extend beyond our legislative and regulatory duties.

With this document we aim to communicate at a high level our sustainability aspirations and the principles that should guide the design and delivery of M&G Real Estate projects. The detailed requirements are explained and desired outcomes are outlined in the reporting proforma. We will periodically review our requirements, drawing insights from completed projects and updating them to reflect evolving customer expectations, as well as changes to legislation.

By remaining adaptive and at the forefront of these trends, M&G Real Estate adopts a progressive approach to delivering a more sustainable built environment and strong return for our investors.

# Guiding principles and objectives

Our Standard, and accompanying proforma, seeks to embed sustainability within our development and refurbishment activities and is designed to stretch our people and partners. It translates our corporate commitments and sustainability vision into a comprehensive guide for our development teams and external partners.

## Guiding principles

Each project will present a distinct mix of aspirations and limitations, leading to bespoke design and construction solutions. To ensure consistency, project teams are expected to adhere to the following guiding principles in all instances:

- Agreeing and setting specific performance requirements in the SDS reporting proforma.
- Referencing the requirements in our Standard and using them to define the strategy for the project.
- Integrating sustainability considerations early in the project, to optimise opportunities throughout the design process.
- Reporting performance against the requirements in the SDS proforma.
- Considering the impact of both short and medium-term regulatory, physical and market risks on the asset; seeking to manage and reduce the risk of obsolescence and depreciation, to protect asset value.

## Objectives

Sustainable built environments are a critical solution to climate change; they also help create resilient, thriving communities, and drive economic growth. By setting sustainability requirements, we aim to ensure that M&G Real Estate develops in ways that respect environmental limits and improve quality of life through the creation of sustainable, tech-enabled buildings which support well-being and local communities.

We seek to achieve the following five key objectives through the application of our Standard:

1. **Drive sustainable outcomes:**  
By establishing clear targets and reporting criteria that effectively convey our aspirations, the Standard will enhance the sustainability performance of our assets and support the transformation toward a more sustainable industry.

# Guiding principles and objectives (continued)

## 2. Improve collaboration:

By encouraging open discussions, facilitating collaboration and informed decision-making with development partners and design and construction teams, the Standard will drive sustainable development principles into the design and delivery of our projects and assets.

## 3. Provide transparency:

By clearly describing M&G Real Estate's ESG aspirations and requirements, this Standard offers clear and explicit guidelines for new buildings and major (over £3 million in construction costs) refurbishment works, and serves as a platform for continuous monitoring and reporting of sustainability performance.

## 4. Increase understanding:

By giving clear, accessible and easy to use guidelines we will foster greater engagement and understanding of our requirements. With tailored requirements for key sectors, the SDS serves as a comprehensive tool for development partners and design and construction teams, and provides clarity around their roles and the expectations we place upon them.

## 5. Track progress:

The Sustainable Development Standard provides a consistent approach to sustainability reporting; an accompanying proforma will be used by project teams to monitor performance of projects. By adopting this approach, project teams enhance their capacity to track progress in meeting our requirements, thereby gathering valuable insights for future reviews.

## Themes

Our Sustainable Development Standard is aimed at driving sustainability leadership across the development and refurbishment of our commercial, residential and retail buildings and includes requirements for the following assets classes:

- Office
- Retail
- Logistics
- Alternatives (healthcare, leisure, hospitality)
- Residential (private rented accommodation, shared ownership, student accommodation, senior living and retirement homes)

The requirements apply to UK and European new buildings, whether developed directly or via a forward funding route, and to major refurbishment works on existing assets. In circumstances where deviations to these requirements are recommended, existing governance mechanisms will be used to obtain necessary approvals.

In collaboration with M&G Real Estate, project teams are required to determine the specific performance requirements that take into consideration the use class, works proposed and design stage. Project teams should aim to achieve and exceed these performance requirements where possible to deliver strong sustainability outcomes.

The requirements are categorised by five sustainability themes. We have created a suite of desired targets, outcomes and actions to guide decision-making and demonstrate how our developments address these five themes – climate action, health and well-being, resources and circularity, community and society, and building certifications.

## Guiding principles and objectives (continued)

Climate action	Health and well-being	Resources and circularity	Community and society	Building certifications
Adopting design and construction practices which deliver built environments which can cope with a changing climate and achieve the significant carbon reductions required in future.	Designing buildings in ways that promote human health and well-being. Focussing on minimum performance outcomes to ensure our developments support healthy lifestyles and occupant well-being.	Focussing on designing buildings for re-use, incorporating modulatory in the building phase, reducing the consumption of materials, recycling construction and demolition waste and promoting repairs and refurbishment.	Emphasising the need for meaningful community engagement to shape how we build and design our properties so they are integral to their local community. Supporting the local community through training, skills and employment programmes.	Clarity on our approach to targeting building certifications, which provide an independent assessment of how our developments contribute to sustainable development and are increasingly important to our tenants and investors.

# Climate action

The requirements set out within the Standard align with our commitments to become Net Zero by 2050<sup>1</sup> and seek to future-proof assets for a changing world, to reduce portfolio carbon emissions and minimise exposure to physical risks.

We are intensifying our focus on making our entire portfolio Net Zero Carbon. Therefore, we require all developments and assets to have strategies in place to assess, manage and aim to reduce climate change risks and impacts. We should deliver high-quality products that optimise operational performance and reduce embodied carbon. This should be incorporated in the way that we design, construct and operate our spaces, and through working collaboratively with our supply chain.

We are committed to ensuring all our existing and planned assets are resilient to the anticipated impacts of climate change. Decision-making on the design, construction and operation of our projects should be taken with consideration of the whole life cycle, to ensure our buildings are cost-effective over their lifetime and that they remain resilient and adaptable for the long term.

The aims and categories relating to climate action are summarised in the following table:

<sup>1</sup> Source: M&G plc.

Climate action	
<b>Aim</b>	To reduce climate impacts by delivering Net Zero Carbon in the construction and operation of our buildings. We will also design and adapt our buildings, so they are fit for future climate scenarios and the risks posed by inevitable climate change, with a focus on flooding and temperature variations.
<b>Sub-categories</b>	<ul style="list-style-type: none"><li>• embodied carbon assessments and intensity targets</li><li>• net zero carbon pathway and stranding year</li><li>• energy performance labels, modelling and intensity targets</li><li>• nearly zero energy buildings (NZEB) and improvements on local building regulations codes</li><li>• primary energy, cooling and heating demand</li><li>• electrification of buildings and construction practices</li><li>• on-site renewable energy generation</li><li>• energy and water metering</li><li>• water efficiency and re-use</li><li>• design against over-heating / storm water damage</li></ul>



## Climate action (continued)

Project teams must take effective measures to:

- ensure the completed scheme is or can be readily adapted in the future to be Net Zero Carbon, while aligning with 'Paris Proof' energy performance targets.
- minimise the embodied carbon impact of construction and throughout the asset's lifecycle, informed through undertaking a whole-life carbon assessment by the end of RIBA Stage 2<sup>2</sup>.
- track embodied carbon throughout the scheme's lifecycle and identify further reduction opportunities throughout detailed design, procurement and construction.
- ensure completed schemes minimise energy consumption in operation, through both effective design and provision of infrastructure to facilitate effective utility monitoring and management.
- follow the Energy Hierarchy (Be Lean, Be Clean, Be Green, Be Seen) approach to prioritise passive design measures, optimise low carbon solutions and the use of on-site renewables.
- pursue zero on-site fossil fuel use for construction, whereby principal contractors should use electric machinery, connect to the grid as early as possible and procure 100% of energy used on-site through REGO-backed renewable sources, moving towards Power Purchase Agreements (PPA) where possible.
- maximise the proportion of total operational energy consumption from low and zero carbon technologies, including district heating networks and renewables, and aim for all completed developments to be 100% electric with no energy generated from fossil fuels.
- assess asset resistance to predicted weather hazards such as overheating and flooding due to climate change, and implement necessary resilience measures into development design to bring risks to acceptable levels.
- incorporate water efficiency measures into scheme design, including water recycling strategies to reduce mains water use.
- devise a water-metering strategy including an auto shut-off and leak detection strategy for water systems in the buildings.

<sup>2</sup> Royal Institute of British Architects



# Resources and circularity

More sustainable patterns of consumption and production are crucial to achieving sustainable development. Landfilling construction waste contributes to the emission of greenhouse gases such as methane, which exacerbates climate change. Additionally, the extraction and production of virgin materials for construction projects contributes to deforestation, habitat destruction and the depletion of natural resources. Through our SDS we seek to support the move to a more resource-efficient and circular economy and to protect natural resources.

The aims and categories relating to resources and circularity are summarised in the following table:

Resources and circularity	
<b>Aim</b>	To minimise construction waste and improve resource efficiency throughout the supply chain. We aim to promote the re-use and recycling of building materials, products and components and to encourage change within the supply chain through implementing responsible procurement practices.
<b>Sub-categories</b>	<ul style="list-style-type: none"><li>• reporting construction waste volumes and disposal routes</li><li>• recycling rates for construction waste</li><li>• responsible sourcing including sustainable timber</li><li>• sustainable procurement plans</li><li>• recovery and re-use of demolition material</li></ul>



## Resources and circularity (continued)

To achieve our aspirations relating to resources and circularity, project teams must take effective measures to:

- minimise construction waste and maximise recycling rates through both lean design and effective construction management.
- where feasible, re-use and retain existing building components and structural elements such as steel, glass and aluminium.
- maximise opportunities for material recovery and re-use, targeting zero waste to landfill.
- where feasible, use construction and fit-out materials derived from recycled and re-used content and products/manufacturers offering take-back schemes.
- explore modern methods of construction such as cross-laminated timber (CLT) or modular construction techniques during the lead-up to RIBA Stage 2 (Concept) design.
- implement responsible procurement principles for all products and materials, including minimising environmental impact, and maximising socio-economic benefits through the supply chain.
- source all timber and timber products used in construction (including site timber) from sustainable sources accredited by the Forest Stewardship Council or the Programme for the Endorsement of Forest Certification Schemes.
- utilise materials with ISO 14001 and where possible BES 6001 Very Good certification for example plasterboard, aggregates, concrete, cement, asphalt, blockwork and rebar.
- where feasible, specify cement replacement in concrete and pre-cast concrete products.
- source all stone through Ethical Trading Initiative (ETI) accredited companies.
- specify structures, mechanical, electrical, plumbing products and internal materials with Environmental Product Declarations (EPDs).
- divert 95% (by weight) of non-hazardous demolition, strip-out, excavation, construction and fit-out waste from landfill and recycle or recover this for purposes other than energy generation.
- hold Designing out Waste workshops with the design team by the end of RIBA Stage 2 to identify and eliminate major areas of waste (including embodied waste).
- as contractors, report on waste figures, highlighting reduction measures undertaken as part of construction.
- design for adaptation and deconstruction to reduce waste in operational phase and allow for easier recycling of core building components at end of life.

# Health and well-being

We spend most of our time indoors so the quality of our indoor environment and surrounding built environment can have a profound impact on a wide range of health outcomes. Effective design can mitigate negative effects and promote a healthier more socially integrated community. Factors such as ventilation, natural light, noise control and the presence of green and communal spaces can encourage physical fitness and support community cohesion. Environments that foster happiness, well-being and productivity can, therefore, be desirable places to live and work. For this reason, those working on M&G Real Estate's behalf must seek to understand our customers' – both existing and prospective – and to create spaces and amenities that best respond to their needs and preferences.

The aims and categories relating to health and well-being are summarised in the following table:

Health and well-being	
<b>Aim</b>	To design buildings with the consumer in mind. We want to create healthy, productive and accessible environments for our customers and visitors to enjoy.
<b>Sub-categories</b>	<ul style="list-style-type: none"><li>• maximising daylighting</li><li>• healthy and non-hazardous materials</li><li>• interior air quality</li><li>• acoustics and soundproofing</li><li>• accessible and inclusive design</li><li>• biophilia and biodiversity net gain</li><li>• amenities and outdoor space including public art</li><li>• sustainable travel, eg, electric vehicles, bicycle storage and public transport links</li><li>• digital connectivity and security</li></ul>



# Health and well-being (continued)

To achieve our aspirations relating to health and well-being, project teams must take effective measures to:

- maximise the quality of the indoor environment through both material choices and best-practice ventilation approach, to ensure a positive impact on health and well-being for occupants.
- install air quality sensors and monitors in offices as per the requirements of the WELL Building Standard.
- integrate well-being principles into design and management
- utilise acoustic treatments to minimise noise, transmission, and reverberation between spaces.
- maximise natural daylight to support occupant health and well-being, as well as reduce energy demand resulting from artificial lighting.
- where feasible, incorporate elements of nature and biophilia such as biodiverse green roofs, terraces, allotments, gardens and green walls into the design to support occupant well-being and enhance wildlife.
- consider only native varieties of plants for landscape design, favouring those with hardiness to weather extremes and low irrigation requirements. Peat-free compost to be used as part of landscaping.
- eliminate the use of materials and products with widely known hazardous substances.
- incorporate materials with low levels of harmful emissions into the design and use paints and varnishes with low volatile organic compounds (VOC) in line with the latest best practice.
- ensure completed schemes are accessible and inclusive in their design and can accommodate a diverse range of occupants, regardless of ability or age to ensure everyone can use the space.
- encourage active forms of travel, such as cycling and walking, with provision of appropriate facilities such as secure weather-proof cycle parking, cycle/ pedestrian lanes, shower facilities, changing rooms, active stairwells, etc. Align with planning requirements, BREEAM, LEED and WELL as appropriate.
- promote car-free developments by connecting with good public transport access, minimising private parking through development design and operation, alongside and by providing shared use of electric vehicle car clubs where appropriate.
- consider electric vehicle use and infrastructure requirements in development design to maximise operability, including the provision of charging points.
- optimise digital technology for user experience and building performance and achieve applicable certifications for the property type, eg, WiredScore, SmartScore and RESET.

# Community and society

By actively engaging in communities, we can contribute to job creation, promote economic growth, and enhance the overall vibrancy of the places we develop and operate in.

The aims and categories relating to community and society are summarised in the following table:

Community and society	
Aim	We want our developments to play a positive role in the communities they serve. This should include community engagement, responsible procurement of services and goods that promote skills, and development and education within the construction sector and local area.
Sub-categories	<ul style="list-style-type: none"><li>• educational initiatives for local people</li><li>• local training and jobs</li><li>• support for local businesses</li><li>• local peoples' well-being and enjoyment</li><li>• apprenticeships and training</li><li>• living wage and fair labour practices</li><li>• local employment and job creation</li><li>• Considerate Constructors Scheme</li><li>• community engagement</li><li>• Biodiversity Net Gain</li></ul>



## Community and society (continued)

To achieve our aspirations relating to community and society, project teams must take effective measures to:

- consider opportunities for socio-economic benefit to the local community including employment and training, involvement of local small and medium-sized enterprises (SMEs), and broader benefits through enhancing the provision of amenities for the local community.
- account for human rights considerations and ensure no modern slavery or similar practices occur on site or through the supply chain.
- take account of community consultation comments into the design to ensure positive outcomes.
- avoid, minimise or mitigate effects of construction activities on the environment and surrounding area, in line with local environmental regulations and best practice standards.
- achieve a Considerate Constructors Scheme score of at least 38 for UK sites and adopt best practices to limit dust and pollution levels, and mitigate the impacts of air quality, noise and light pollution.
- implement a strict anti-idling policy on all sites during construction.
- enhance site ecology as far as possible, to protect and restore habitat, and consider opportunities to enhance connectivity to the natural environment through design.
- on applicable projects, look to include public art, greenery and natural elements and reflect local cultural heritage within the design of public realm, open space and reception areas.
- support community engagement activities during the construction phase, whereby members of the site team give time to support the local community.
- support the provision of training and skills initiatives in the local area during the construction phase. For example, take apprenticeships or work experience students, mentoring and paid internships, and facilitate site visits for local schools/residents. Such opportunities should be available for local people of all ages (schools, universities and community groups), particularly those experiencing disadvantage or who may not otherwise have access to opportunities.
- consider impact of design and materials in relation to local procurement, eg, aim to source materials locally where possible to support the local economy.
- monitor and measure the agreed social value metrics and outcomes.

# Building certification

Green building certifications are used to independently review and assess how our projects contribute to sustainable development. Pursuing green certification for a construction project or existing structure is an effective way to demonstrate our commitment to sustainability and give customers and potential occupants confidence that the premises they occupy are sustainable. They are primarily used for quality assurance and to publicly communicate that the respective certification and rating has been obtained.

Certifications can be useful for helping tenants identify buildings which reflect their corporate sustainability aims. Likewise, investors often see certification as a benchmark, and seek to purchase assets or invest in portfolios which have the appropriate credentials. For these reasons, M&G Real Estate is expanding its portfolio of green-certified buildings.

There are a wide range of green building standards available across the globe, with different levels of certification and encompassing a broad range of criteria. Some certification schemes are used and recognised internationally (eg, LEED, BREEAM), while others are only adopted in specific countries

such as DGNB (Germany) and CASBEE (Japan) or applicable to certain asset classes such as the Home Quality Mark (HQM) for residential buildings in the UK. Within M&G Real Estate, we target several building certifications across our global portfolio. Ultimately the type of certification and the desired level or rating selected for a particular scheme will depend on where it is located and the use class.

The aims of our certification program and a high-level summary of the some of the schemes we consider, along with the desired rating level is described in the following section:

Building certification	
<b>Aim</b>	Achieve high ratings of green building certification for both new builds and for the renovation of existing buildings using transparent, evidence-based and reputable assessment systems.
<b>Sub-categories</b>	<ul style="list-style-type: none"><li>• National Australian Built Environment Rating System UK (NABERS UK)</li><li>• Building Research Establishment Environmental Assessment Methodology (BREEAM)</li><li>• WELL Building Standard (WELL)</li><li>• Home Quality Mark (HQM)</li><li>• Leadership In Energy and Environmental Design (LEED)</li><li>• WiredScore</li></ul>





Table 1: Summary of the some of the certification schemes we consider, along with the minimum desired rating level

Name	Organisation	Region/Country in-scope	Property types	Project type	Focus	Minimum level
BREEAM	Building Research Establishment Environmental Assessment Methodology	International	Office, Retail, Logistics, Alternatives	New buildings and major renovations	Energy; Water; Pollution; Transport; Materials; Waste; Management Processes	Excellent
LEED	Leadership In Energy and Environmental Design	International	Office, Retail, Logistics, Alternatives	New buildings and major renovations	Energy Efficiency; Water Efficiency; Materials and Resource Use; Indoor Environmental Quality; Emissions; Operations and Maintenance	Gold
Home Quality Mark	Building Research Establishment	UK	Residential	New buildings	Cost; Well-being; and Footprint	Level 4
NABERS UK	Chartered Institution of Building Services Engineers	UK	Office	New buildings	Energy; Water; Waste; and Indoor Environment Quality	Level 5
WELL	Green Building Certification Inc.	International	Office and Retail	New buildings	Lighting; Health and Well-being; Fitness; Comfort; Indoor Environmental Quality; Water	Gold rating on direct developments in the UK and WELL Ready for direct/forward fundings in Europe
WiredScore	WiredScore Ltd	International	Office, Retail, Residential	New buildings	Resilience and future readiness of digital infrastructure; extent of mobile coverage; and choice of high-speed providers	Gold on direct developments in UK for Office, Retail, Residential



To achieve our aspirations relating to green building certification, projects must take effective measures to:

- select the right green building certifications and benchmarks for the property and develop a sensible certification strategy. This should include:
  - assessing the stage of the property's life cycle and looking at appropriate certification schemes.
  - thinking about the end goal – is it to enhance occupiers' well-being, to gain energy efficiency ratings and achieve savings, or a mix of these?
- map the most cost-effective and site-suitable route to achieving the required rating, maximising scoring where practical.
- monitor progress towards targeted rating level throughout the project, escalating where minimum rating level of chosen scheme is at risk of not being achieved and developing a corrective action plan.
- maintain and handover relevant site records to enable recertification in future.

# How-to guide and application of the SDS

We have set out this document with a view to embedding sustainability across the lifecycle of our schemes from feasibility to completion. The SDS proforma is divided into the following five tabs:

1. Project set-up, which asks details about the project which are then used to filter and tailor the requirements depending on its location, sector etc. Once this section is completed, only the relevant requirements in the subsequent tabs will be visible.
2. Pre-due diligence: designed to quickly identify if the project meets basic sustainability requirements before embarking on detailed due diligence.
3. Due diligence: checklist of requirements and expectations that must be fulfilled before approving the project.
4. Design: checklist of requirements that are relevant during the RIBA (or European equivalent) design stages of the project.
5. Construction: checklist of requirements that are relevant during the construction phase of the project.

## Requirement levels

The Standard sets out the requirements we expect to see implemented on all new development and major refurbishment projects.

Nonetheless, we acknowledge the importance of differentiating between priority requirements and those that are more aspirational, especially considering the range of topics encompassed in the Standard.

Requirements are therefore classified using a star system:

Requirement level	Description
1 star	A requirement that must be complied with at the appropriate phase
2 stars	A requirement that must be complied with unless demonstrated to be infeasible
3 stars	An aspirational requirement to be targeted where market context allows

We recognise there may be occasions where 1-star requirements are not achievable during a development or major refurbishment.

In these circumstances, the requirement remains valid, and the asset business plan must include activities to comply; fully costed and with a timeframe. Therefore, the route to manage compliance of any such requirement will be planned for when the asset is operational.

## Roles and responsibilities

The Sustainable Development Standard and accompanying proforma must be used at the inception of any new development or major refurbishment. It provides a comprehensive guide to ensure sustainability is considered from the outset.

For direct developments, the external development manager will proceed from setting-up the project to briefing the project team and assigning responsibilities, such that they are each clear on the reporting scope and programme. This will be overseen by the deal owner responsible for the project and at key stages of design will be presented to the M&G Real Estate ESG team for commentary and verification.

For major refurbishments, the briefing follows the same procedure.

For developments procured via a forward-funded route, the M&G Real Estate deal owner will brief the developer and its consultants on the Sustainable Development Standard, its underlying requirements and the evidence needed. The frequency of reviews and reporting against the

SDS will also be confirmed, which will be influenced by the stage of design and construction. The deal owner will also instruct an independent sustainability consultant, on behalf of M&G Real Estate, whose scope will include verifying the developer's inputs and monitoring progress and attainment of requirements up to completion.

The party managing the completion of the SDS proforma will ensure the design tab is completed, starting from the current design stage. A direct development will always commence from Concept Design (RIBA Stage 2), however forward-funded or purchased developments will often commence from Planning and Scheme Design (RIBA Stage 3) or Detailed Design and Procurement (RIBA Stage 4). A review should then be undertaken for each subsequent design/RIBA stage, to assist with tracking and maximising attainment of the requirements. The Construction tab covers Manufacturing and Construction (RIBA Stage 5) and Handover (RIBA Stage 6). These will generally be completed via two reviews, unless a forward-purchase opportunity is reviewed close to completion of the works.

Sustainability is a complex concept in projects with many diverse stakeholders. On the following page is a summary of the core stakeholders involved in delivering against our Sustainable Development Standard and an outline of their key roles and responsibilities.

Role	Applicability	Responsibility
Fund manager	All	Approves the sustainability strategy for the fund, along with costs and any divergences from the Sustainable Development Standard (SDS) requirements.
M&G deal owner	All	<p>Communicates the sustainability strategy alongside costs and any divergences from the Sustainable Development Standard (SDS) requirements to the fund manager.</p> <ul style="list-style-type: none"> <li>• Direct developments: Manages the external development manager, ensuring timely and accurate completion of the SDS requirements and proforma.</li> <li>• Forward-funded or purchased developments: Presents the SDS to the developer and negotiates enhancements, ensuring the best possible alignment with our requirements. Appoints an external sustainability consultant to oversee and verify the developer's attainment of the requirements throughout the project.</li> </ul>
M&G Real Estate ESG team	All	Monitors effective implementation of the SDS and proforma across developments within M&G Real Estate's portfolio. Advises on environmental and social matters, confirming appropriate targets and requirements, according with other relevant M&G policies and goals.
External contractors	All	<p>External contractors are responsible for delivering the project in accordance with the agreed designs and specifications. They are tasked with meeting the SDS requirements and targets throughout the procurement and construction process by engaging with their suppliers and operating their site in a responsible manner.</p> <p>The contractor takes responsibility for delivering the build in accordance with the procurement and construction-related targets and requirements. The contractor also monitors and reports performance, and identifies opportunities for improvement to the external development manager or developer.</p>
External design team	All	External design team contributes to the delivery of project targets and requirements including incorporation in the design, specifications, tender documents and specific requirements where needed. Design teams should aim to achieve and exceed these performance requirements where possible to deliver strong sustainability outcomes.

Role	Applicability	Responsibility
External development manager	Direct developments	Development manager appointed by M&G Real Estate to manage a direct development. They are responsible for delivery of project targets and requirements. They oversee the consultants and contractors feeding into completion of the SDS proforma, ensuring full, correct, and timely completion and reporting of progress at each stage. They provide updates to the M&G deal owner to identify and share improvements. They work with various teams and partners to ensure successful delivery, and take ownership for implementation and reporting against sustainability requirements and targets throughout the lifecycle of the project. They liaise with M&G Real Estate, the external design team and contractor to ensure that the sustainability requirements and plan are on track, and targets are met at practical completion and during the operational phase.
Leasing teams	Direct developments; major refurbishments	Collaborate with project teams to develop project-specific highlights to showcase our developments to future customers and to incorporate M&G's Green Lease clauses into new leases.
Developer	Forward-funded or purchased developments	Developer of a forward-funded or purchased development; responsible for appointing and managing consultants and contractors to complete the SDS proforma and provide evidence of the attained requirements.
External sustainability consultant	Forward-funded or purchased developments	Sustainability consultant appointed via an M&G Real Estate Framework consultant; responsible for verifying the developer's inputs into the SDS proforma and preparing underlying reporting, such as a Net Zero Pathway study, should the developer's team not have the necessary skills and experience. Reports to the M&G Real Estate deal owner.

In the following table we summarise the typical activities and actions that must occur for the stakeholders above to deliver on our sustainability aspirations at each RIBA stage, from Project Brief (RIBA Stage 1) right through to Handover and Close Out (RIBA Stage 6).

Following handover, once in use and operational, the Property Management team shall monitor and report on the asset's operational performance (eg, carbon, energy, waste, and water). M&G Real Estate's ESG team, with the support of property and asset managers, will continuously monitor and review the environmental performance of the asset against pre-defined ESG targets.

Table 2: Typical activities and actions across each RIBA stage

Set objectives		Integrate into design		Implementing and monitoring	
Brief	Concept	Developed design	Technical design	Construction	Handover and close out
RIBA Stage 1	RIBA Stage 2	RIBA Stage 3	RIBA Stage 4	RIBA Stage 5	RIBA Stage 6
<ul style="list-style-type: none"> <li>• Incorporate sustainability objectives within the strategic brief</li> <li>• Identify project sustainability aspirations, objectives, and certification requirements</li> <li>• Assign and agree roles and responsibilities within project team</li> <li>• Identify opportunities for innovation in design and construction</li> </ul>	<ul style="list-style-type: none"> <li>• Engage with project teams and stakeholders</li> <li>• Set project specific sustainability requirements</li> <li>• Identify local and regional planning policy requirements and applicability to scheme</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to engage project teams and stakeholders around sustainability</li> <li>• Embed requirements into design and performance specifications</li> </ul>	<ul style="list-style-type: none"> <li>• Include sustainability requirements in tender documentation of main contractor</li> <li>• Engage main contractor</li> </ul>	<ul style="list-style-type: none"> <li>• Embed requirements during construction</li> <li>• Monitor construction performance and procurement activities</li> <li>• Engage with site teams on performance</li> </ul>	<ul style="list-style-type: none"> <li>• Handover to asset management and property management on relevant sustainability requirements</li> <li>• Review of performance and process</li> <li>• Review lessons learned with project team and main contractor</li> </ul>

## Reporting

Reporting, employing the proforma, is required for all projects to demonstrate how the requirements of the SDS are being considered and delivered.

For direct developments and major refurbishments, project teams should adopt the following:

- **RIBA work stages 0-1:** Agree and set out project-specific performance requirements within the proforma.
- **RIBA work stages 2-4:** Demonstrate attainment across the agreed design, specification and procurement requirements.
- **Across RIBA work stages 5-6:** Quarterly reporting against the requirements, completed and submitted within three weeks of the end of each financial quarter.
- **All RIBA stages:** The updated proforma should be issued at the conclusion of each RIBA stage, including an update to the summary tab, to be signed off by M&G Real Estate ESG team.

In addition to project monitoring, project teams are required to collect and make available auditable evidence to demonstrate how performance requirements have been achieved for the duration of the project and liability period. Independent audits against specific performance requirements may be conducted to support data verification and assurance.

Where RIBA is not the local method of reporting design stages then the local team should adopt the relevant methodology for their jurisdiction.

For forward-funded and acquired developments follow broadly the same procedure, however are subject to due diligence prior to proceeding to full reporting:

- **Pre-due diligence:** Via inputs from the developer, deal owner to establish if the project meets M&G Real Estate's basic sustainability requirements.

- **Due diligence:** Developer to confirm and provide evidence of compliance with the requirements, which are then verified by the external sustainability consultant.
- **RIBA stages:** Reporting to commence at the current RIBA stage, then to follow the sequence outlined above for direct developments and major refurbishments. □

For enquiries or further information, please contact [sustainability.team@mandg.com](mailto:sustainability.team@mandg.com)

