

The Tenacity Group | ESG Manifesto

2020

Tenacity has long recognised the importance and value of environmental, social and governance (ESG) principles to our investments. We believe that the recent COVID-19 pandemic will now serve to put a renewed focus on each of these areas as the world looks towards recovery and a more human approach.

Why ESG matters

ESG is about more than just a collection of buzzwords. It is about the world we want to live in.

At Tenacity, ESG is perhaps most evident in our real estate investments and our proposed development projects where we believe that this will fundamentally re-shape the approach to development on each of our projects. The stewardship of these assets brings many responsibilities, including to the wider environment and to the local community.

The impact of the COVID-19 outbreak has been devastating, resulting in the loss of many lives and destroying livelihoods in every corner of the globe. But times such as these also lead to a complete re-appraisal of our societies: from the air that we breathe through to the things that truly matter such as family, friends, strong communities, mental and physical health and the importance of a true work-life balance.

In the corporate world, the COVID-19 pandemic has raised significant questions about the long term future of the office. At Tenacity, we do not believe that COVID-19 will create a long term and permanent switch to 'working from home,' instead we believe we will see a movement towards a new type of office space, one that prioritises the workforce and their mental and physical wellbeing. This change was long in the making, but the pace will now quicken, and Tenacity will look to embrace it.

Environmental considerations have long been seen as *the* crucial element of ESG. While this will remain, it is clear in the emerging landscape post-COVID that the gap between the E and SG elements will narrow significantly.

The best, and we believe only way forward post-COVID, is to bring ESG from being in the footnotes, to being the fundamental pillars of the future.

Environmental

Environmental sustainability has already become engrained in our approach to building design and development throughout each of our projects. We are committed to embracing modern methods of construction, the circular economy and minimising waste. We are also at the forefront of delivering innovative and next generation solutions to servicing and consolidation on our properties. We are pushing policy boundaries in these areas, for example promoting the use of electric vehicles to service our proposed new buildings in the City of London and using last mile logistics and robotic distribution within workspaces.

We will also aim to embrace the growing urban greening agenda, with green spaces, green walls, green wind mitigation measures prominent wherever possible throughout our

developments. And in Hong Kong, we have sponsored initiatives that seek to reduce the amount of plastic used in the economy.

Social

Social considerations will be more important than ever post-COVID-19 as we move towards recovery and as employees expect more flexibility from their employers and from their workplaces. Tenacity realises that now more than ever people want and need safe clean places and spaces which they can enjoy as the balance between work and play blurs with an increased demand for authentic experiences which contribute to a sense of wellbeing. This social element will we believe manifest itself in a need for building owners and employers to be able to evidence a new pastoral side to their approach to building design and management.

Our developments in the City of London will allow us to fundamentally improve the public realm and permeability of the City along Gracechurch Street and surrounding streets. This will provide a significant improvement in the ability of City workers and visitors to both socially distance and to continue to enjoy the City's public spaces, as well as increasing the availability of walking routes from the Pool of London in the south to Leadenhall Market in the north and from Bank Station in the west to Fenchurch Street Station in the east.

Our ongoing support for the Sculpture in the City programme – now in its 10th year – helps to activate a mixture of public and private spaces in the City, bringing artwork and artists from around the world to the City of London.

Tenacity has also been the driving force behind the creation of the EC Partnership – a business partnership with an ambition to become a formal Business Improvement District (BID) within the Eastern City Cluster area of the City of London. Once established, the EC Partnership will be one of the largest BIDs in the country, eventually raising several millions pounds every year to invest in localised projects and programmes to enhance the environment of the area, support business growth, and create social value.

Outwith the BID, Tenacity is also committed to playing its role in tackling the growing issue of homelessness within the City of London. This has again been exacerbated by the pandemic, with local government funding already stretched due to the unprecedented crisis. Tenacity are in discussions with the Corporation of London about how we can assist in the immediate post COVID response and to contribute to an ongoing longer-term commitment to assist the City's homeless and rough sleeping initiatives.

Governance

The third element Governance gives the structure which allows impactful interventions, and which must underpin both the Environmental and Social elements of ESG.

As a founding partner of the EC Partnership, Tenacity has founded a new organisation with a shared view to champion local priorities, amplify the significant assets across the area and ensure we facilitate the creation and provision of all that is needed to foster and maintain a sustainable, agile, greener City with a greater social purpose in the post COVID world.

Alongside our partners in the proposed BID and at The City of London Corporation, Tenacity will work positively and collaboratively together with all the relevant stakeholders to ensure that we as a company, and crucially our proposed developments, play a key part in the recovery from the COVID pandemic and the long term success of the cities we work in all over the world.
