

Independent Limited Assurance Report to the Board of Commissioners of The Crown Estate



The Board of Commissioners of The Crown Estate engaged us to provide limited assurance on the information described below and set out in The Crown Estate Annual Report and Accounts 2017 for the year ended 31 March 2017.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 March 2017 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of our report.

Selected Information

The scope of our work was limited to assurance over the information marked with the symbol **A** in The Crown Estate Annual Report and Accounts 2017 (the "Selected Information"). The Selected Information and the Reporting Criteria against which it was assessed are summarised in Appendix A. Our assurance does not extend to information in respect of earlier periods or to any other information included in The Crown Estate Annual Report and Accounts 2017.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our Independence and Quality Control

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We apply International Standard on Quality Control (UK & Ireland) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. Our work was carried out by an independent team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

The Selected Information needs to be read and understood together with the Reporting Criteria, which The Crown Estate is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Information are as at 31 March 2017.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of The Crown Estate's management, including the Sustainability team, relevant third party data managers and those with responsibility for sustainability management and group reporting of sustainability information;
- evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information;

- considered the significant estimates and judgements made by management in the preparation of the Selected Information;
- performed limited substantive testing on a selective basis of the Selected Information at corporate Head Office and in relation to a limited number of sites to check that data had been appropriately measured, recorded, collated and reported; and
- considered the disclosure and presentation of the Selected Information.

The Crown Estate's responsibilities

The Commissioners of The Crown Estate are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing objective Reporting Criteria for preparing the Selected Information;
- measuring and reporting the Selected Information based on the Reporting Criteria; and
- the content of the sustainability section of their website.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Commissioners of The Crown Estate.

This report, including our conclusions, has been prepared solely for the Board of Commissioners of The Crown Estate as a body in accordance with the agreement between us, to assist the Commissioners in reporting The Crown Estate's sustainability performance and activities. We permit this report to be referred to in the Annual Report and Accounts for the year ended 31 March 2017 and disclosed at www.thecrownestate.co.uk/pwc-statement/, to assist the Commissioners in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Commissioners as a body and The Crown Estate for our work or this report except where terms are expressly agreed between us in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London
9 June 2017

ⁱ The maintenance and integrity of The Crown Estate's website is the responsibility of the Commissioners, the work carried out by us does not involve consideration of these matters, and

accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on The Crown Estate's website.

Appendix A: Selected Information subject to limited assurance procedures

The Selected Information subject to limited assurance procedures and the Reporting Criteria against which it was assessed is presented in the table below. The Reporting Criteria also explains the definitions and terminology used to describe the Selected Information.

Assured indicator	Reported performance for the year ending 31 March 2017	Reporting Criteria
Environmental Indicators		
• GW of operational renewable energy capacity installed during the year (FY17).	259	www.thecrownestate.co.uk/offshore-energy-reporting-criteria
• Scope 1: Direct emissions from fleet and heating of buildings (tCO ₂ e).	5,906	www.thecrownestate.co.uk/environmental-reporting-criteria
• Scope 2: Emissions from generated electricity usage (tCO ₂ e) under the location based method.	12,621	www.thecrownestate.co.uk/environmental-reporting-criteria
• Scope 2: Emissions from generated electricity usage (tCO ₂ e) under the market-based method.	7,159 -	www.thecrownestate.co.uk/environmental-reporting-criteria
• Total Scope 3 (tCO ₂ e - includes indirect emissions from; business travel, energy used exclusively by our tenants, electricity and transmission distribution losses).	14,459	www.thecrownestate.co.uk/environmental-reporting-criteria
• Gross Scope 1, 2 and 3 (tCO ₂ e)	32,986	www.thecrownestate.co.uk/environmental-reporting-criteria
• GHG emissions intensity (indexed kg CO ₂ e).	82	www.thecrownestate.co.uk/environmental-reporting-criteria
• GHG emissions intensity change (%)	7%	www.thecrownestate.co.uk/environmental-reporting-criteria
Our People		
• Employee salary ratios by gender (% of male/female employees for each salary bracket).	Refer to Employee salary ratios by gender table below.	www.thecrownestate.co.uk/gender-pay-reporting-criteria
• Accident severity rate (ASR): Total number of employee lost days per 1,000 hours worked.	0.85	www.thecrownestate.co.uk/health-and-safety-reporting-criteria
• Accident frequency rate (AFR): Total number or reportable incidents per	0.11	www.thecrownestate.co.uk/health-and-safety-reporting-criteria

100,000 employee hours worked.

• Incident Severity Score for directly managed properties for FY17	36	www.thecrownstate.co.uk/health-and-safety-reporting-criteria
• Incident Severity Score for indirectly managed properties for FY17	98	www.thecrownstate.co.uk/health-and-safety-reporting-criteria
• Overall Incident Severity Score for FY17	134	www.thecrownstate.co.uk/health-and-safety-reporting-criteria
• Overall Incident Severity Score target for FY17	171.9	www.thecrownstate.co.uk/health-and-safety-reporting-criteria
• Overall Incident Severity Score improvement (%)	22%	www.thecrownstate.co.uk/health-and-safety-reporting-criteria

Indicators reviewed for FY16 but to be published in FY17 Annual Report

• Incident Severity Score for directly managed properties for FY16	110	www.thecrownstate.co.uk/health-and-safety-reporting-criteria
• Incident Severity Score for indirectly managed properties for FY16	81	www.thecrownstate.co.uk/health-and-safety-reporting-criteria
• Overall Incident Severity Score for FY16	91	www.thecrownstate.co.uk/health-and-safety-reporting-criteria

Employee salary ratios by gender 2016/17 (64% Male, 36% Female)



