

**Sustainability
Performance Report**
2009



Introduction

This Sustainability Performance Report complements the 2009 Annual Report by providing greater depth and insight into our sustainability performance over the past year. It examines our performance across four areas of sustainability, namely:

- Climate change and energy security;
- Driving environmental value;
- Working together; and
- Sustaining communities.

We believe that reporting our performance using data provides greater transparency as we try to put into practice our duty to act as a sustainable business. This allows our customers, employees, business partners, and other interested parties to compare us to peers. We hope the greater breadth of our performance reporting drives the property sector towards innovation and efficiency.



2008/09 highlights






Table 1. Performance highlights from 2008/09

Climate change and energy security	Driving environmental value	Working together	Sustaining communities
21% reduction in CO ₂ emissions in Windsor fleet (32 tonnes)	8% reduction in water consumption across urban portfolio (6,338m ³ saved)	134 employees (32%) attended health and wellbeing programmes	Just under 1,000 groups (mostly school groups) visited our farms
647,622 tonnes of CO ₂ averted by electricity generated from wind farms on Crown land	£40,611 saved in landfill tax by diverting 55% of waste from going directly to landfill from commercial properties and Windsor	Our urban managing agents scored on average 29 percentage points higher than last year against the environmental index that we have developed for them	56% of full time staff volunteered their time
14% reduction in CO ₂ emissions from administrative deliveries	All estates have biodiversity action plans	34% reduction in health and safety incidents	£800,000 invested into Marine Communities and Research Funds
50% of Housing Business Group's residential units and 29% of Windsor's have undertaken an energy efficiency stock assessment survey	13% of UK's Special Areas of Conservation (SACs) are located on the marine estate	4.3% of total catering spend was on Fairtrade items	30,693 hectares of our estates are open to the public

3 Our business

The Crown Estate is divided up into four main estates – marine, rural, urban and Windsor – with the majority of head office functions carried out centrally. The following table outlines key information about these four estates and our corporate functions.

Table 2. Key information about the estates

Key facts	 Head office	 Marine	 Rural	 Windsor	 Urban	Total
Number of hectares	N/A	N/R	145,000	6,300	N/R	151,300
Number of employees	103 (25%)	41 (10%)	30 (7%)	203 (48%)	41 (10%)	418
Property value (£ million and %)	N/A	409 (7.4%)	920 (16.7%)	166 (3%)	4,018 (72.9%)	5,513
Revenue (£ million and %)	N/A	49.7 (16.3%)	26.7 (4.8%)	6.3 (2.1%)	221.4 (72.8%)	304.1
Number of commercial properties	4	N/A	134	3	562	703
Number of residential properties	N/A	N/A	843	541	861	2,245
Number of agricultural tenancies	N/A	N/A	780	23	N/A	803

Data note: N/R stands for 'not recorded' and N/A stands for 'not applicable'.

4 Our performance

We believe it is important to monitor our progress to understand where we are succeeding and to identify areas for improvement. The following section provides a detailed look at our performance across a wide variety of sustainability indicators.

We are working towards best practice sustainability reporting and we look to reporting standards to help us to achieve this. The Global Reporting Initiative (GRI) is a widely used standard that allows for comparison between organisations. Whilst this report is not GRI compliant, we have indicated throughout the indicators that are reported in line with GRI by using the following symbol.



In highlighting where performance measures are consistent with GRI guidelines we hope to demonstrate how we are moving towards compliance with the standard and also make it possible for readers to make comparisons with peers. (For further information about GRI see www.globalreporting.org).

As the previous section demonstrates, our operations are complex and wide ranging. Therefore, some performance data is only relevant to one estate, or in some cases, it has not been possible to gather the information across all estates. Where this is the case, we attempt to clarify whether the information relates to the marine, rural, urban or Windsor estates by a symbol relating to that estate.

-  16 Head office
-  Marine
-  Rural
-  Windsor
-  Urban



4 Our performance continued

4.1 Climate change and energy security

4.1.1 Mapping our energy use across the estates

It is our responsibility to monitor and manage our carbon emissions. So far, our focus has been very much on mitigation activities, although adaptation will also become increasingly important in the future. We are measuring and monitoring CO₂ associated with energy use and transport on our urban estate but on our rural and marine estates this is a far more complex process. We lease the seabed and land to potential wind farms and dredging or mining companies. We also act as a landlord to an extensive property portfolio of commercial and residential buildings, harbours, ports and agricultural tenancies as well as managing our forestry assets and Windsor Great Park.

Our first priority, therefore, has been to measure and reduce energy used by activities over which we have direct control, although we have been exploring the opportunities of carbon modelling. With this in mind, we have undertaken the following carbon management initiatives in the past year:

- Monitored and set reduction targets for gas, electricity and heating fuel consumption across 94 commercial properties that we manage.



- Monitored our fleets' fuel use and other business travel.



- Collaborated with the Carbon Accounting for Land Managers organisation to calculate carbon emissions and sequestration from agricultural activities on one trial estate – Patshull.



- Collaborated with Edinburgh Centre for Carbon Management to review the potential for the forestry estate to contribute to long-term positive carbon management.



- Published the report 'Energy consumption of marine aggregate extraction' which researches the typical energy use associated with the dredging, processing and transport of marine aggregates.



- Assessed the energy efficiency of part of our residential portfolio (over 2,200 tenancies).



- Reviewed our Information Systems' (IS) energy strategy and consolidated our IS systems to reduce energy consumption at our London head office.



- Monitored and set reduction targets for part of our supply chain's emissions.



We are committed to continuing to explore, monitor and map the carbon emissions of our portfolio and activities in line with the overall aim of reducing our contribution to climate change.


4.1.2 Performance: we achieved reductions in carbon emissions from fleet and deliveries

Our performance in table 3 reinforces our analysis and mapping of energy trends at The Crown Estate. The energy consumption has been reported in line with the Greenhouse Gas Protocol (Scope 1, 2 and 3) and encompasses all energy data we were able to monitor in 2008/09 from the estates. This is further represented in the graph entitled 'Carbon emissions by energy source' showing energy use in terms of the Greenhouse Gas Protocol.

We continue to widen the scope of our energy monitoring and this means that the total carbon emissions that we have reported have increased. This year, energy use from 84 commercial buildings was included in our CO₂ figures, whereas last year we only included 47 commercial buildings. We have also included more Windsor properties, and the marine estate team's business travel data. However, specific initiatives have led to decreases in carbon emissions in certain areas. For example, we have reduced the fleet emissions at the Windsor Estate by 21% compared to last year and have achieved a 14% reduction in CO₂ emissions from deliveries from our document storage facility in Peterborough.

4 Our performance continued

Table 3. Climate change and energy security performance

Climate change and energy security performance	2006/07	2007/08	2008/09	Comments
 Direct energy consumption (Scope 1)				
Gas and heating fuel in buildings (CO ₂ tonnes)	1,430	2,700	3,024	Commercial buildings we manage and Windsor
Fleet and car hire (petrol and diesel) (CO ₂ tonnes)	238	285	236	Rural and Windsor fleet and marine car hire
TOTAL Scope 1 emissions (CO₂ tonnes)	1,668	2,985	3,260	
Electricity – Indirect energy consumption (Scope 2)				
Electricity – Emitted (Standard tariff) (CO ₂ tonnes)	11,235	6,695	7,265	Commercial buildings we manage and Windsor
Electricity – Averted (Climate Change Levy exempt tariff) (CO ₂ tonnes)	0	6,288	6,322	Commercial buildings we manage and Windsor
TOTAL Scope 2 emissions (CO₂ tonnes)	11,235	12,983	13,588	
Business travel (Scope 3)				
Travel – Taxi (CO ₂ tonnes)	N/R	N/R	5	Marine team only
Travel – Bus (CO ₂ tonnes)	N/R	N/R	0	Marine team only
Travel – Rail (CO ₂ tonnes)	N/R	N/R	7	Marine team only
Travel – Air (CO ₂ tonnes)	N/R	24.3	40	Marine team only
TOTAL Scope 3 emissions (CO₂ tonnes)	N/R	24.3	52	
EN5 Energy saved due to conservation and efficiency improvements (Gj)	N/R	N/R	3,994	Commercial buildings we manage and Windsor

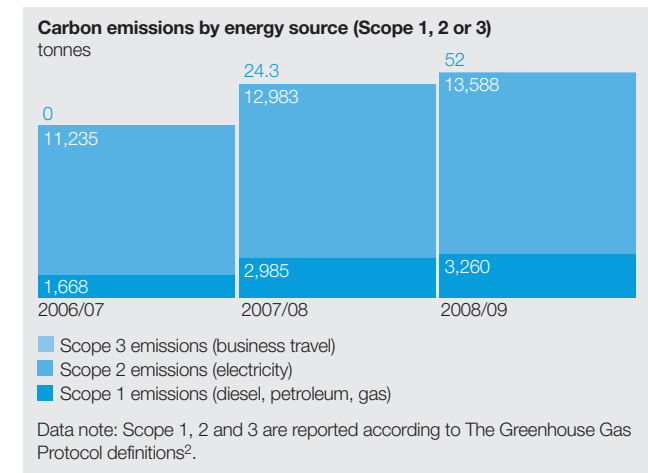
Data note: N/R stands for 'not recorded'.

Data note: All gas and electricity from Windsor is based on the calendar year.

Data note: All conversion factors used in our calculations were those recommended by Defra¹.

¹ <http://www.defra.gov.uk/environment/business/reporting/conversion-factors.htm>

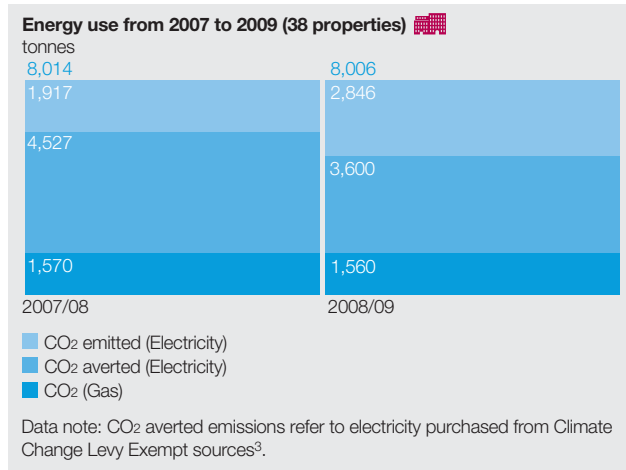
² <http://www.ghgprotocol.org/>



For properties that have been consistently in our portfolio for two years or more, we have measured the change in energy consumption over this time period. These buildings we term 'like for like' (L4L) and the data from these 38 properties is represented in the graph on page 8. On this consistent portfolio, we have achieved a slight decrease (0.1%) in CO₂ emissions. This year we began monitoring energy consumption at an additional 35 properties, which could not be included in the analysis below.

We did not meet our 3% CO₂ reduction target this year, but we view the slight decrease in emissions (0.1%) in a positive light since it was a particularly cold winter and more energy was required for heating. We will continue to pursue a reduction in emissions across The Crown Estate and for the 2009/10 period we have set another 3% reduction target. We have also significantly expanded our energy monitoring to include our housing business group.

4 Our performance continued



Tables 4 and 5 list in further detail our energy consumption by primary energy source. The distribution of electricity sources is estimated according to the International Energy Agency (IEA) data⁴. For example, on average, 22% of grid electricity is powered by coal in the UK. Therefore, 22% of electricity we used in 2008/09 (i.e. 19,801 GJ) is stated as coming from coal sources.

Table 4. Direct energy consumption by primary energy source (EN3) 

Fuel Type in GJ	Use	2006/07	2007/08	2008/09
Natural Gas	Consumed at premises	24,954	44,600	50,258
Fuel Oil	Consumed at premises	28	818	1,885
Petrol (gasoline)	Company fleet and plant	79	89	65
Diesel	Company fleet	3,217	3,874	2,977
Diesel	Consumed at premises	N/R	N/R	36
TOTAL		28,277	49,381	55,222

Data note: N/R stands for 'not recorded'.

Data note: The distribution of electricity sources for EN3 is estimated according to IEA data (www.iea.org).

Table 5. Indirect energy consumption by primary energy source (EN4) 

Intermediate Energy Type in GJ	2006/07	2007/08	2008/09
Coal	15,790	18,247	19,801
Oil	520	600	652
Gas	14,690	16,975	18,421
Nuclear	7,841	9,062	9,833
Non-renewable energy subtotal	38,841	44,884	48,706
Solar	10	12	12
Wind	6,265	7,239	7,280
Biomass	12,176	14,071	14,149
Waste	5,483	6,336	6,372
Hydro-electric	12,541	14,492	14,573
Renewable energy subtotal	36,476	42,151	42,385
TOTAL	75,317	87,035	91,092

Data note: N/R stands for 'not recorded'.

Data note: The distribution of electricity sources for EN3 is estimated according to IEA data (www.iea.org).

³ <http://www.carbontrust.co.uk/climatechange/policy/ccl.htm>

⁴ http://www.iea.org/Textbase/stats/electricitydata.asp?COUNTRY_CODE=GB&Submit=Submit

4 Our performance continued

4.1.3 How to measure performance over time

Measuring the energy and water performance of building stock is a complex process. We have monitored energy and water use at our commercial properties on a quarterly basis for three years now, which has enabled us to compare a building's energy and water use to that of the previous years – the most accurate benchmark.

However, there are other ways of analysing environmental data, including normalisation by floor area or by head count. Normalisation gives us a 'per metre squared', or 'per person' figure for energy and water use, and is intended to allow comparison of buildings within portfolios and also between companies. It can also be useful to monitor the changes in energy and water efficiency of a shifting portfolio over time.

Normalisation is sound in theory and can be very helpful when comparing buildings and when comparing changing portfolios over time. However, in practice, there are a number of issues which can lead to variations between results that are not linked to the efficiency of the building. Our hope is both to explore the concept of normalisation and to enhance discussion on energy reporting across the real estate sector.

There are four key challenges confronting accurate normalisation of energy use, namely: floor area data, building energy dynamics, tenant type and metering systems. More detail regarding these challenges and The Crown Estate's response to them is given in the table 'Normalisation challenges facing the real estate sector'.

When deciding how to report our energy and water consumption this year, we investigated normalisation by net lettable area. However, the range of values between buildings was extreme, and, in most cases, resulted from a combination of the reasons mentioned in Table 6. Because of this variation, we do not feel that normalisation gives us a robust picture of the efficiency of our buildings. Instead, we have decided to report energy use in two other key ways:

- 1 Total energy consumption and associated carbon emissions and total water consumption (in line with GRI indicators EN3, EN4, EN5 and EN8 and the Greenhouse Gas Protocol); and
- 2 Comparison of buildings that have been in our portfolio for multiple years and for which we have accurate data (referred to as 'like-for-like' buildings).

We believe that presenting our data in these two ways allows us to compare changes in energy and water use within our portfolio in the most reliable, meaningful way.

4 Our performance continued

Table 6. Normalisation challenges facing the real estate sector

Issue	Challenges	The Crown Estate's response
<p>Selecting the normaliser – normalisation by floor area is the most commonly used, probably because this is static information, as opposed to head count, visitor numbers or desk spaces.</p>	<p>Collecting accurate information on head count or visitor numbers can be time consuming and arduous, particularly given that this is constantly shifting.</p> <p>If normalising by headcount, buildings that are very densely populated can appear to be more efficient than is the case.</p> <p>The available floor area (for example net lettable) does not always seem the most sensible normaliser of the energy that a landlord purchases for a building (for example energy for common parts lighting only). This means that buildings where only a minimal amount of the energy use is procured by the landlord can appear as more efficient than they actually are.</p> <p>If normalising by floor area, buildings with larger common parts areas can appear as more efficient, when this is not necessarily the case.</p>	<p>Currently we have net lettable area for all buildings.</p> <p>We are looking into recording head count in the future.</p> <p>We set targets related only to buildings that have been consistently in the portfolio for two years, removing the need for normalisation.</p>

4 Our performance continued

Table 6. Normalisation challenges facing the real estate sector continued








Issue	Challenges	The Crown Estate's response
<p>Building energy dynamics – the energy for systems such as heating, ventilation and cooling (HVAC) is often provided by us for the entire building. In fact, in some buildings we purchase energy for everything in the building, including lighting, lifts and small power. We then charge our tenants for its consumption.</p> <p>However, in many instances, we may only control some parts of a building's energy systems and the procurement of energy is often split within a building between tenant(s) and landlord.</p>	<p>The variations in energy provision make meaningful comparison very challenging. In particular, buildings with only landlord area data cannot be compared to buildings with both tenant and landlord data (especially if metering does not allow for the consumption to be broken down in this way).</p> <p>It can be difficult to look at the landlord only provision when energy for HVAC systems cannot simply be divided up into landlord and tenant use in this way.</p>	<p>Our managing agents are asked to record energy data for tenant and landlord areas separately where possible.</p> <p>We are looking into smart metering options so that we can record energy data even when we do not purchase it and break down what the energy is used for.</p> <p>We are starting to explore the introduction of 'green leases' to make provision for sharing energy data between landlord and tenant. When we have energy consumption data for the entire building, meaningful comparisons will be possible.</p>
<p>Tenant type – the energy needs of tenants range dramatically, especially in the case of information and technology companies or trading floors.</p>	<p>A high energy using tenant skews the data when normalised, showing a building to be inefficient when it is simply used more intensively than others.</p> <p>This can be particularly problematic if tenant and landlord data cannot be split (for example if sub metering does not allow).</p> <p>Tenants' hours of operation can range with some using office space during traditional working hours (nine to five) and others, such as trading companies, all through the night, meaning that plant cannot be turned off.</p>	<p>We are looking into smart metering options for our buildings.</p> <p>We ask our managing agents to monitor tenant types and note extreme users so that context can be added to the data that is collected.</p>
<p>Metering systems – the energy systems within buildings and the associated meters can be complex, especially in older properties, where there can sometimes be historic faults such as meters reading data for neighbouring properties.</p>	<p>This poses a high risk when recording and reporting energy emissions data for older properties.</p> <p>Some more modern meters allow us to separate energy consumption data between tenants and landlord and between different energy uses. However, many older meters provide data for the entire building only.</p>	<p>We have commissioned meter surveys at our oldest buildings to map these systems correctly.</p> <p>We are looking into smart metering options for our buildings.</p>

4 Our performance continued

4.2 Driving environmental value




Our business impacts upon the natural environment as we consume resources, produce waste and impact on biodiversity. However, we are committed to ensuring that the negative effects are minimised and the positive impacts maximised through actions such as reducing our water use, increasing our recycling rates, and improving conservation sites. Our progress against these objectives is detailed in the table below.

Table 7. Driving environmental value performance by estate

		Global Reporting Initiative Driving environmental value			
		2006/07	2007/08	2008/09	Data notes
All		N/R	N/R	5.5	
		6.3%	8.7%	4.3%	
	EN8	309,318	280,453	340,572	Windsor and commercial buildings we manage  
		N/R	N/R	1,619	Marine, rural and Windsor   
	EN11	N/R	N/R	167,694	Marine, rural and Windsor
Urban commercial properties we manage (94 properties)		N/R	N/R	8% decrease	This is at properties for which we had data over two years (27). Savings are based on an assumed unit price of £1.0955/m ³ 2007/08's water efficiency data has been changed. We gained backdated water data for additional properties this year.
		N/R	N/R	6,943	
		1.07	0.41	0.37	
	EN8		93,499.81	107,656.38	This is for all properties for which we purchase water
	EN22	N/R	N/R	2,260	This is for all 13 properties for which we manage waste
		N/R	N/R	1,269	
		N/R	N/R	55%	
		N/R	N/R	40,611	This is based upon the savings from landfill tax of £32/tonne
		0 (0%)	0 (0%)	12 (80%)	
	EN23	N/R	2	1	
		0	1	7	
		0	0	8	
		0 (0%)	2 (2%)	32 (34%)	
		N/R	2 Excellent; 1 Good	N/R	Unit 4, Cambridge Business Park and One Vine Street 7 Savile Row,
		0	0	11	
Marine		24.18	23.09	21.5	Calendar year
		140.7	134.7	137.9	
		N/R	N/R	0.7	Calendar year
		N/R	N/R	1.3	Calendar year
		N/R	N/R	1,474	
	EN11	N/R	N/R	160,000	
		N/R	N/R	116,685	Gutted weight – provisional for Jan–Dec 2008
		N/R	N/R	1,894	Gutted weight – provisional for Jan–Dec 2008

4 Our performance continued

Table 7. Driving environmental value performance by estate continued

		2006/07	2007/08	2008/09	Data notes
 Driving environmental value					
Rural	 Proportion of woodland that is FSC certified (%)	N/R	N/R	100%	
	Proportion of woodland that complies with the UKWAS scheme (%)	N/R	N/R	100%	
	Code for Sustainable Homes rating achieved on developments certified	N/R	N/R	2, both Level 4	
	Proportion of rural developments meeting Code Level 4 or higher (%)	N/R	N/R	100%	
	Number of SSSIs units	N/R	N/R	123	
	EN11 Land covered by SSSIs (hectares)	N/R	N/R	5,001	
	Proportion of land covered by SSSIs (%)	N/R	N/R	4%	SSSIs only as other classification areas were not recorded because of budget cuts
Number of estates with Biodiversity initiatives	0	0	1	At Ashby St. Ledgers	
Windsor	 Proportion of woodland that is FSC certified (%)	N/R	N/R	100%	
	Proportion of woodland that complies with the UKWAS scheme (%)	N/R	N/R	100%	
	Number of SSSIs units	N/R	N/R	22	
	EN11 Land covered by SSSIs (hectares)	N/R	N/R	2,693	
	EN11 Land covered by SACs (hectares)	N/R	N/R	1,687	
	EN11 Land covered by SPAs (hectares)	N/R	N/R	746	
	Proportion of land covered by SSSIs or conservation areas (%)	N/R	N/R	30%	
	EN8 Water consumption (m ³)	174,428	186,953	232,916	Calendar year

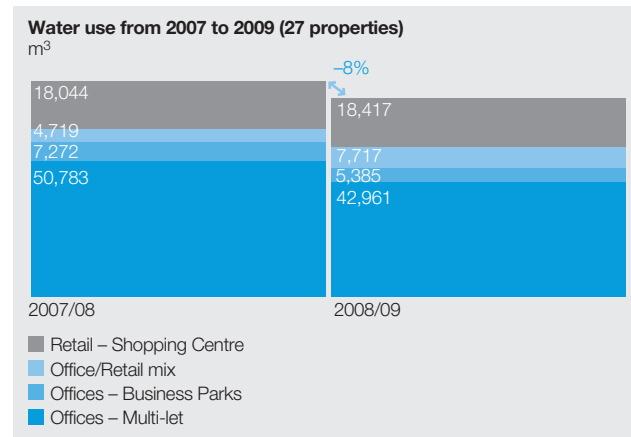
Data note: N/R stands for 'not recorded'.

4 Our performance continued

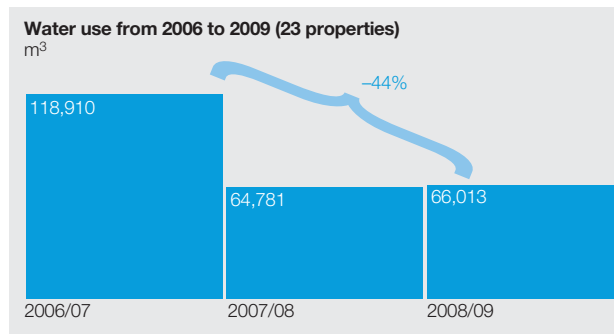
4.2.1 Water: reduction of 8%

The Crown Estate monitors water use at the Windsor Estate and 56 commercial buildings that we directly manage. At Windsor our influence is limited as a large proportion of water use is by residential tenants. However, we have direct control over 56 commercial buildings within the urban estate. Therefore, we have focused our attention on reducing water use at these buildings.

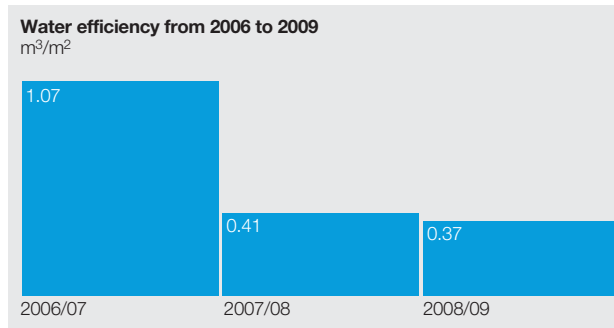
Our efforts and that of our urban managing agents has paid off as we met and exceeded our water reduction target of 3% with an actual reduction of 8%, equivalent to saving 6,338m³ of water. Assuming a conservative average unit price of £1.10 per m³, we saved £6,943 this year.



As discussed previously, there are challenges associated with monitoring efficiency over time in a changing portfolio and we therefore report on properties that have been within the portfolio consistently for two or more years. Of the 56 properties for which we purchase water, just 27 have been in the portfolio for two or more years and consumption at these properties is demonstrated in the graph above.



Looking at a longer timeframe, just 23 properties have been in the portfolio over the three year period 2006–2009. However, when looking at just these 23 properties, one can see a 44% drop in water use (see the graph above). This is evidence that properties that remain under our management significantly improve their water performance over time, demonstrating the effectiveness of our internal environmental management system and our managing agents.



Many of the issues with normalisation discussed in the previous section do not present the same concerns when normalising water use. For example, we would usually provide all or none of the water for a building. We have therefore normalised water use by the net lettable area of the buildings. By doing this we can look at data from all 56 buildings for which we purchase water and can compare the entire portfolio's water use in 2006/07 and 2007/08. As evident in the graph showing water efficiency we have increased the efficiency of water use across the portfolio by 65% over three years.

4.2.2 Waste: 55% of waste diverted from landfill

A significant achievement this year has been the introduction of a system to monitor and report waste generation across the 13 commercial properties for which we manage waste. We are especially proud to report that of the total of 2,260 tonnes of waste that were produced, 55% was diverted from landfill (see Table 8 and graph beneath it).



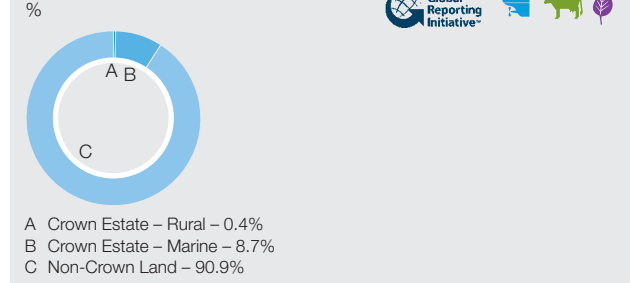
Across a diverse property portfolio, there is no one waste management solution that will result in the highest diversion of waste from landfill. We work with our managing agents and tenants to find the best and most user friendly solution for each property. At our business parks and shopping centre we have the space to undertake on site segregation of recyclables. However, this is often not possible at city centre offices and we rely heavily on Material Recycling Facilities (MRFs), which we find allows us to achieve higher recycling rates than would otherwise be possible. In addition, a significant amount of food waste is composted in central London using a microvac system. We hope to trial other composting systems, individually suited to the needs of each site, on other parts of the portfolio in the future.

4 Our performance continued

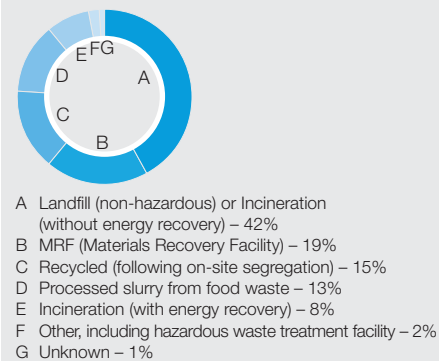
Table 8. Total weight of waste by disposal route (EN22) 

	Tonnes
Landfill (non-hazardous) or Incineration (without energy recovery)	977
MRF (Materials Recovery Facility)	440
Recycled (following on-site segregation)	333
Processed slurry from Food Waste	290
Incineration (with energy recovery)	172
Other, including hazardous waste treatment facility	34
Unknown	14
TOTAL	2,260
Total diverted from landfill	1,235

The Crown Estate's Sites of Specific Scientific Interest (SSSIs) as a proportion of the UK total (EN11)



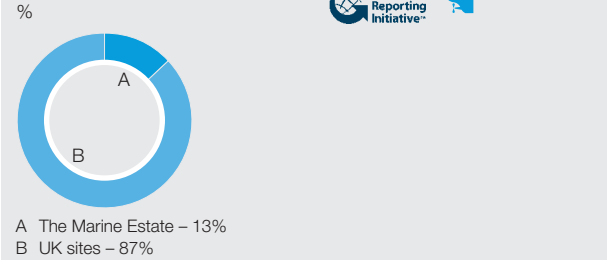
Waste production by disposal route in 2008/09
%



4.2.3 Biodiversity: All estates have biodiversity action plans

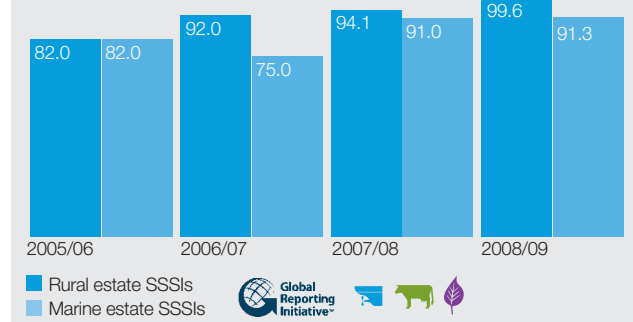
We hold significant influence over the state of the UK's overall biodiversity. The Crown Estate as a whole manages over 9% of the UK's Sites of Special Scientific Interest (SSSIs) and the marine estate alone manages 13% of the UK's Special Areas of Conservation (SACs). We have made significant improvements this year in the management of biodiversity. A plan of action has been drawn up for the business as a whole and each of the four estates has its own specific biodiversity action plan.

Marine estate Special Areas of Conservation (SACs) sites as a proportion of the UK total (EN11)



We have spent years investing in conservation areas to improve their condition. The Crown Estate has been working to help Defra meet its 2010 Public Service Agreement (PSA) target of ensuring 95% of UK SSSIs are in favourable or recovering condition. The graph below shows the progress we have made in meeting the PSA target. Over four years, both the marine and rural (including Windsor) teams have seen a 10% or greater improvement, with now more than 90% of SSSIs in favourable or recovering states.

Proportion of The Crown Estate's Sites of Special Scientific Interest (SSSIs) meeting PSA targets (EN13) %




4 Our performance continued

4.3 Working together


For us 'working together' encompasses working not only with our employees but with our customers, business partners and a wide range of stakeholders to ensure our business runs effectively. The following KPIs focus on key issue areas such as Fairtrade spend, health and safety, training and gender in the workforce.

Table 9. Working together performance

		 Working together performance					Data notes	
		2004/05	2005/06	2006/07	2007/08	2008/09		
Supply chain	Total spend (£)	N/R	N/R	N/R	N/R	213,000		
	Fairtrade spend (£)	N/R	N/R	N/R	N/R	9,200		
	Proportion Fairtrade spend (%)	N/R	N/R	6.3%	8.7%	4.3%		
	Total invoices paid	32,408	34,382	32,823	30,667	35,348		
	Invoices paid after 30 days	19%	27%	29%	39%	38%		
Employees	Total employees	200	380	N/R	326	418	Based on the total employees at 31 March 2009	
	Total female employees	N/R	N/R	N/R	105	146		
	Total male employees	N/R	N/R	N/R	221	272		
	Female as a proportion	N/R	N/R	N/R	32%	35%		
	Male as a proportion	N/R	N/R	N/R	68%	65%		
	LA10	Average hours of training per year per employee	N/R	78	N/R	34	16	As total employees for 2006/07 is unknown a number of KPIs could not be calculated
		Total hours of training	N/R	29,477	N/R	11,088	6,556	
		Total number of different training events	91	152	50	99	117	
	LA1	Full-time employees as a proportion of total employees	N/R	N/R	N/R	N/R	88%	
	LA1	Part-time employees as a proportion of total employees	N/R	N/R	N/R	N/R	12%	
	LA13	Female employees as proportion of total employees	N/R	N/R	N/R	32%	35%	
		Proportion of female employees on the Board of Directors	N/R	N/R	N/R	17%	17%	
		Proportion of female employees working	N/R	N/R	N/R	N/R	75%	
– Full time		N/R	N/R	N/R	N/R	25%		
– Part time		N/R	N/R	N/R	N/R	25%		
	Female employees paid more than £60,000 as a proportion of total female employees	N/R	N/R	N/R	N/R	8%		

4 Our performance continued

Table 9. Working together performance continued

 Working together performance		2004/05	2005/06	2006/07	2007/08	2008/09	Data notes
Employees	Number of employees attending Health Days	N/R	N/R	N/R	N/R	134	
	Proportion of employees attending Health Days (%)	N/R	N/R	N/R	N/R	32	
	LA7 Total incidents	N/R	41	100	87	57	
	LA7 Fatalities	N/R	0	0	0	0	
	LA7 Total injuries	N/R	40	74	69	53	
	Near misses	N/R	0	26	16	4	
	LA7 Diseases	N/R	1	0	1	0	
	Public incident	N/R	1	14	22	14	
	Public near miss	N/R	0	18	10	1	
	LA7 Lost days	N/R	N/R	N/R	N/R	21	
	H&S infringement notices	N/R	N/R	N/R	N/R	0	
	H&S fines	N/R	N/R	N/R	N/R	0	
	RIDDOR incidents	N/R	6	2	2	6	

Data note: N/R stands for 'not recorded'.

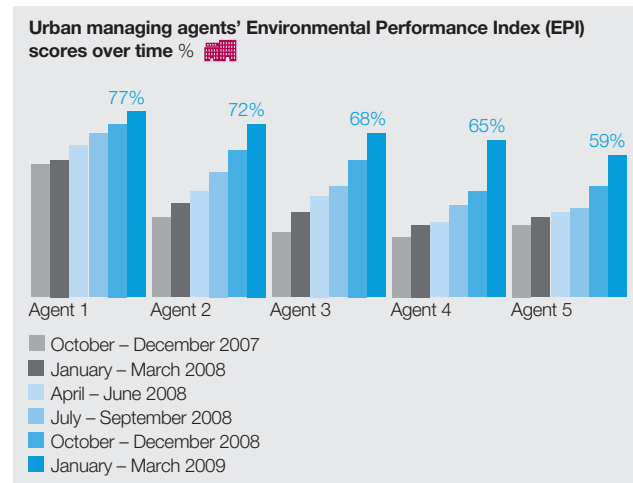
Data note: Health and Safety data collection has been centralised since 2007/08.

As part of that process historic data has been re-categorised to follow a standardised approach. As a result, historic data may differ from previous years' reporting.

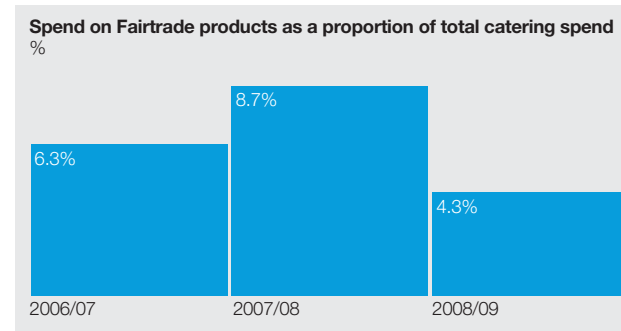
4 Our performance continued

4.3.1 Supply chain: four out of five urban managing agents met the environmental standards we set for them

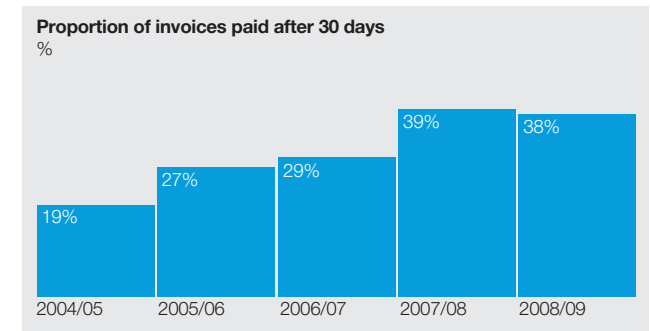
We aim to support our suppliers through engagement and timely payment. In 2005, we introduced an Environmental Performance Index (EPI) programme for our urban managing agents. This programme allows us to engage with our agents on environmental issues to ensure that our buildings are managed in a way that is consistent with our environmental objectives. It also allows us to rate the environmental performance of our agents and to set them targets in order to ensure improvement over time. This programme has been very successful and many of the achievements reported in previous sections have been as a result of the work of our managing agents.



We also try to influence our supply chain through our procurement decisions. For example, we require all timber purchased to be from sustainable sources and we monitor our procurement of Fairtrade products. As shown in the graph below, the proportion of goods from Fairtrade sources decreased this year. We plan to review our catering and other procurement needs to ensure that Fairtrade and sustainable sources continue to be considered in our purchasing decisions.

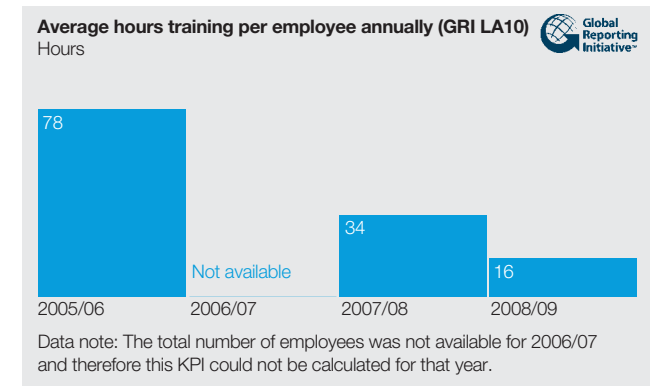


This year we overhauled our invoicing and administrative systems, which resulted in late payments to our suppliers and contractors. As demonstrated in the following graph, 38% of invoices were paid after 30 days. We hope to improve on this in the coming year as the system has become more familiar and most employees have received training.



4.3.2 Employees: Average of 16 hours training per employee

Training in key areas continues to be a priority for The Crown Estate. However, in line with general market trends, in the past year we have focused our training activity on core competencies and have cut back on what we perceive to be peripheral or non-essential activities.



4 Our performance continued

Table 10. Total number and rate of employee turnover (GRI LA2) 

Gender	Number	Rate
Female	14	9%
Male	25	8%
Region/Department	Number	Rate
Rural	3	9%
Windsor	14	6%
Marine	2	5%
Urban	4	9%
Head Office functions	16	13%

Table 11. Ratio of basic salary of men to women (GRI LA14) 

Salary divisions of total workforce by gender	Under £20k	£20-£29,999	£30-£39,999	£40-£49,999	£50-£59,999	£60-£90,000	£90,000+
Female as proportion	30%	44%	41%	27%	54%	23%	13%
Male as proportion	70%	56%	59%	73%	46%	77%	87%

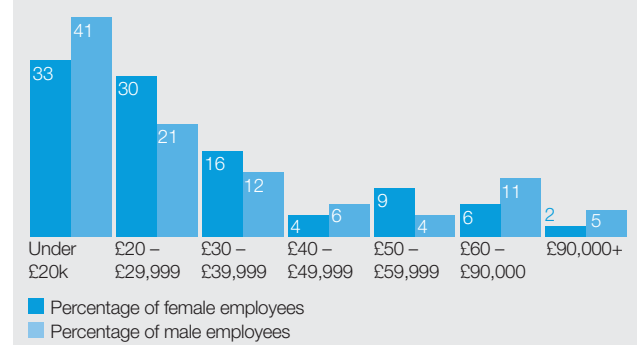
Table 12. Comparison of The Crown Estate with national figures (based on full-time employees)

	The Crown Estate	UK National Figures (from National Statistics Office, April 2008)
Median male salary	£20,092	£27,102
Median female salary	£28,637	£21,400
Top 10% of males earn over:	£70,908	£54,813
Top 10% of females earn over:	£58,938	£40,362

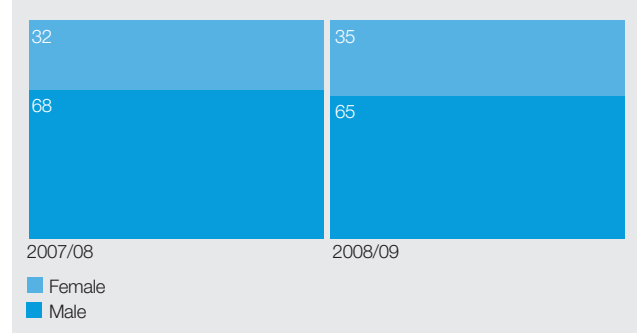
The Crown Estate strives to be an equal opportunity employer. Our workforce is split into the ratio of two thirds male to one third female, though in the last year this has slightly changed as demonstrated in the graph 'Total workforce by gender'. Table 11 clearly shows that at the two extremes of the salary band (i.e. below £20,000 and above £90,000) men represent a much higher proportion of employees. At the lower end, this is primarily due to a high number of male non-professional

workers employed at the estates. At the higher end, only one of The Crown Estate's Board of Directors is female. In the middle-range salary brackets, the proportion of men and women are relatively similar, demonstrating that the gender ratio at middle management level is much more equal. As can be seen in the Table 12, broadly speaking, national gender pay gaps are not reflected at The Crown Estate.

Proportion of employees in each pay bracket



Total workforce by gender



4 Our performance continued

4.4 Sustaining communities

Healthy, vibrant, sustainable communities are essential to the long-term success of our business. The places where our employees, customers, suppliers and business partners live should enhance their quality of life and be viewed as good places to do business. What makes a sustainable community is multifaceted and complex but we have sought to represent the role that The Crown Estate can play in contributing to sustainable communities by reporting on our progress against a range of indicators, including community investment through funding and volunteering as well as through the contribution our scientists make to the research community. This is demonstrated below in Table 13.

4.4.1 Access: 20% of land is open to the public

The Crown Estate's rural holdings stretch over a vast area of land and of that, 20% by area is open to the public. This includes forests, the Great Park, mountain biking trails, gardens, bridleways and much more. Providing public access to green space enhances communities across the country.

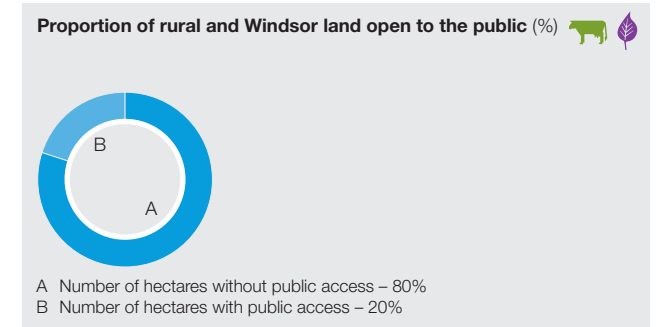







Table 13. Sustaining communities performance

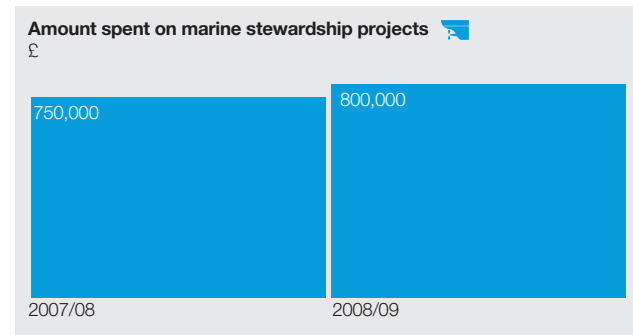
	2006/07	2007/08	2008/09
Total spent in cash – marine estate (£) 	N/R	750,000	800,000
Number of projects funded by Marine Communities Fund 	48	38	37
Number of projects funded by Marine Research Fund 	30	33	23
Number of marine research reports published in public domain 	N/R	N/R	5
Number of full time employees volunteering	11	20	234
Proportion of full time employees that volunteered (%)	3%	6%	56%
Number of groups that have visited the rural estate 	N/R	N/R	959

Data note: N/R stands for 'not recorded'.

4 Our performance continued

4.4.2 Community investment: 7% increase in funding of marine stewardship projects

The marine stewardship fund was established in 1998 to provide support for research projects that would aid The Crown Estate's understanding of the best way to sustainably manage its marine resources, and for marine community projects that improve current management practices. Despite the economic downturn we have increased our funding by 7% across 62 different projects.

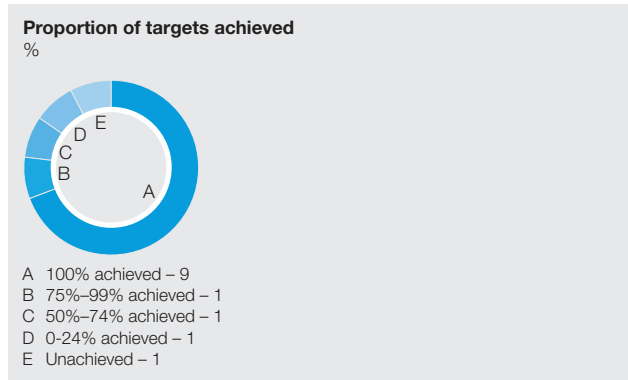


In 2008/09, 234 full-time employees spent time volunteering, representing 56% of the total workforce. This is a significant increase from former years as demonstrated in the graph below. In 2007/08 6% of employees volunteered and 3% in 2006/07. The Windsor team had a big part to play in this uplift, with the entire team of 203 employees spending the day showcasing their work to 1,600 primary school children, giving them the opportunity to understand the activities and dynamics of a large rural estate (this will be a biennial event). Thirty-one employees, including three Management Board members, were involved in volunteering from other areas of the business.



5 Our targets

5.1 Number of targets at different achievement thresholds



We are proud to report that we fully achieved 69% of our targets this year.

Target	Progress	Comments
To develop an e-procurement policy.	75%	An e-tendering system has been trialled by the marine estate and there are now plans to roll this out across the organisation. The next department to be involved in this process will be the urban development team and we aim to roll out the system across this team and the rural team by the end of next year. An overarching e-procurement policy has not yet been developed although significant work has been undertaken to advance this target.
To incorporate sustainability considerations into purchasing decisions with a view to reducing pollution, enhancing energy efficiency and reducing waste. This will initially be applied to the following product areas: IS equipment, paper for legal deeds and print management systems.	100%	Sustainability considerations have been successfully incorporated into purchasing decisions in all identified areas. Paper with a mix of recycled material and FSC certified fibre is now being used by the legal team and this has been communicated to legal partners, with a result that many have implemented this change themselves as well. A print management system which significantly cuts paper usage is in the process of being rolled out after a successful initial trial. A programme of consolidating and replacing energy inefficient hardware has also taken place throughout the year.

5 Our targets continued

Target	Progress	Comments
To pilot the 'customer focus' projects, which involve the implementation of business efficiency and development measures, at Taunton, Dunster, Bryanston, St James' (London) and on the Scottish west coast.	100%	Projects have been successfully trialled across all estates and have led to improved service for customers. The urban estate has focused on improvements to rent accounting system. Reductions to service charge have also been achieved through the introduction of a new facilities management system. The rural estate team has explored opportunities to promote tenant businesses by trialling a supply chain project with Waitrose and by conducting a marketing pilot to help The Crown Estate understand how its brand is perceived by its tenants and visitors. The marine estate team has ensured more convenience and ease of use for customers by placing application packs online. A better customer experience has also been targeted by establishing clearer roles and responsibilities for managing agents.
To launch the report 'Socio-economic indicators of marine-related activities in the UK economy' and extend this work by developing sustainability indicators, and gather quarter 1 data, for two marine business strands.	100%	The report 'Socio-economic indicators of marine-related activities in the UK economy' was launched in the House of Commons on 5 November. This work has now been continued to produce a small list of sustainability indicators that will be used to assess the impact of different marine industries. The initial focus is on three business streams within the marine portfolio namely: offshore wind, marine aggregates, and carbon capture and storage (CCS), and initial data has been gathered in relation to these industries.
To promote health and wellbeing to all employees via a programme of at least three awareness raising events and via a web based lifestyle questionnaire, for completion by employees, to help inform relevant health promotion activities for delivery in 2009/10.	100%	Working with Connaught Compliance, The Crown Estate held health check promotional events at its offices throughout 2008. Through these programmes The Crown Estate offered its employees an opportunity to check their cholesterol, blood pressure, weight and BMI and provided more in depth consultation on other health issues. Questionnaires were sent out to employees and data from these questionnaires and from the events has helped to inform The Crown Estate's HR department and will significantly influence their programme of events for 2009.
To achieve all of those objectives in the housing energy efficiency strategy designated for completion within the first year.	65%	The housing business group fully achieved six out of 12 of the housing energy efficiency objectives for 2009. It partially achieved three objectives, which raises its overall score to 65%. One of the most time consuming objectives was to complete a formal, quantified assessment of the energy efficiency of the entire housing stock. By 31 March 2009 50% of the stock assessment was complete. We will continue to work through the strategy and aim to complete all objectives uncompleted this year.
To reduce water usage, in those parts of the urban estate that are under our control, by 3% compared with 2007/8 levels (like-for-like properties only).	100%	An 8% reduction in water use was achieved at 'like-for-like' properties across the urban close-managed portfolio. Reductions came from a range of different properties including a 56% reduction at a Guildford Business Park and a 44% reduction at Fleet Place House, a central London office. The target was met by implementing low and no cost measures such as installing hippos and spray taps as well as by identifying and fixing leaks and by installing waterless urinals.

5 Our targets continued

Target	Progress	Comments
To develop a sustainable development brief for development and refurbishment in Regent Street, London.	100%	A sustainable development brief draft was completed in December 2008 and included numerous targets related to energy, water, biodiversity and other development impacts. This has now been finalised and will be applied to future developments on Regent Street, all of which will need to aim towards the targets set out on in the brief. It is intended that these guidelines will now be rolled out to development activity across the urban estate.
To reduce carbon dioxide emissions associated with energy use in those parts of the urban estate that are under our control by 3% compared with 2007/08 levels (like-for-like properties only).	3%	There was a 0.1% decrease in CO ₂ emitted at 'like-for-like' properties across the urban close managed portfolio. Energy efficient measures were rolled out across the portfolio this year such as the review of temperature set points to ensure heating and cooling mechanisms are not operating simultaneously. A greater decrease would have been expected from these measures, however, a particularly cold winter made the reduction target a challenge.
To reduce the carbon emissions associated with vehicle usage in the administrative functions of our HQ building by 6% compared with 2007/08, in order to support the government target to reduce carbon emissions from vehicles by 15% by 2010/11.	100%	Deliveries to The Crown Estate's offices have been reduced on an ad hoc basis throughout most of the year, resulting in a 14% reduction in CO ₂ . As of 1 April 2009, there will be only three deliveries a week (Mondays, Wednesdays and Fridays). This should lead to yet further reductions in carbon emissions.
To develop an action plan for the reduction of the carbon emissions from the marine estate's employee business travel.	100%	The following action plan has been developed and agreed: (i) Offset 08/09 travel carbon with PURE credits as per 07/08 [31 July 2009] (ii) Publish (internally) detailed individual 08/09 travel carbon data [30 June 2009] (iii) Initiate estate debate on future management of carbon budgets [1 September 2009] (iv) Agree incentivised future carbon reduction plan and set targets [31 December 2009] The marine estate team undertook to monitor carbon emissions from business travel throughout the year and established that this contributed to 52 tonnes CO ₂ e of carbon in the 2008/09 period.
To increase the number of employees participating in the Employee Volunteering Scheme from 6% of permanent employees to 10%.	100%	On 23 June 2008 1,600 primary schoolchildren attended an open day at Windsor Park which gave these children an opportunity to understand the activities and dynamics of the large rural estate. For this event, all Windsor employees were on site showcasing their work, which includes a total of 203 employees. In addition, 31 other employees from rural, legal, urban and corporate departments also volunteered their time over 2008/09 period. Approximately 56% of employees were involved in volunteering in 2008/09.
As a minimum to meet the Decent Homes Standard across the whole of The Crown Estate's domestic portfolio by 2010.	Unachieved	Pilot projects have been undertaken to assess compliance with the standard and it has now been decided that the costs associated with meeting this target have made it unviable. It is also felt that it might not be of much value to tenants as significant investment will need to be made on activities such as relocating plug sockets. Therefore, it has been decided that The Crown Estate will develop its own standard that its properties will be required to meet. This will be developed over the course of this year and full details will be released in the next annual report. It has been decided that the energy efficiency aspects of the standard will offer most value to tenants and will also have the most significant positive benefit to the environment.

5.2 Targets for the year ahead

Please see our 2009 Annual Report for the new targets we have set to improve our sustainability performance.