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Argyll
ESG Impact Report 2023

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Glossary

Carbon Literate Organisation

Carbon Literate Organisation (CLO) is a corporate commitment that demonstrates an organisations commitment to carbon literacy and embedding it into ways of working. Carbon literacy is an awareness of the carbon dioxide costs and impacts of everyday activities and the ability and motivation to reduce emissions on an individual, community and organisational basis.

Circular economy

An alternative to our current 'linear' materials and waste system (take-waste-dispose). In a circular economy waste is substantially reduced and materials are circulated throughout the economy at their highest value and utility.

Climate resilience

The ability to anticipate, prepare for, and respond to hazardous events or disturbances related to climate change (e.g. floods, extreme weather). Includes adaptation to climate change, resilience to adverse climate events, and community climate preparedness.

Embodied carbon

The carbon emissions of a building created by its materials: their extraction, transportation, construction, maintenance, replacement, and end of life treatment.

Energy Use Intensity (EUI)

A commonly used metric to assess the energy performance of a building. It is calculated by calculating the annual gas and electricity consumption divided by GIA (m²) to give kWh/m²/yr.

EPC

An Energy Performance Certificate provides an energy efficiency rating in relation to a property's running costs taking into account the energy performance of the property and its services such as heating, lighting, hot water etc.

Net Zero carbon

Reducing greenhouse gas emissions and then ensuring that any ongoing emissions are balanced by removals.

Operational carbon

The carbon dioxide and equivalent global warming potential (GWP) of other gases associated with the in-use operation of the building. This usually includes carbon emissions associated with heating, hot water, cooling, ventilation, and lighting systems, as well as those associated with cooking, equipment, and lifts (i.e. both regulated and unregulated energy uses).

Science-based targets

A target that provides companies with a clearly defined path to reduce emissions in line with the Paris Agreement goals.

Scope 1, 2 and 3

Scope 1: direct GHG emissions arising from energy use (combustion) on site.

Scope 2: indirect GHG emissions arising from the use of purchased electricity, heat or steam.

Scope 3: other indirect (embodied) GHG emissions, according to the GHG Protocol.

Introduction



A message from our COO



As the COO of Argyll, I am proud to present our first ever ESG Impact Report. This milestone reflects our unwavering commitment to sustainability, heritage preservation, and social responsibility. Over the past year, we have invested significantly in renovating our heritage buildings, enhancing their EPC performance while maintaining their historical charm. Our workspaces are not just offices; they are vibrant environments where history meets modernity, designed to inspire productivity and wellbeing.

Our people are the heart of our business. We believe that happy employees are essential for delivering the five-star service our customers expect. Our diverse team is our greatest asset, and we are dedicated to their growth and satisfaction. We know that investing in our employees translates to exceptional experiences for our clients, creating a positive cycle of success and satisfaction. We are proud to have been recognised as a Great Place to Work in October 2023.

Environmental stewardship and social impact are key pillars of our strategy. This year we have started the journey to decarbonising our business

by calculating our base year carbon footprint and are committed to setting science-based carbon reduction targets in 2024. Also, as a London-based company, we are proud of the support we have provided to The Connection at St. Martin's over the past year, an iconic charity making a real difference in our community.

Finally, we strongly believe that diversity is not just a goal; it is a necessity for innovation and progress. Together, we are building an organisational culture where diversity is not just welcomed, but celebrated. This commitment extends beyond our internal operations to our interactions with partners, customers, and the broader community.

Thank you for your support as we continue to build a sustainable, inclusive, and exceptional future together.

Emily Smith
Chief Operating Officer

About us

For over twenty years, Argyll have been the proud custodians of some of London's most iconic buildings where we offer exclusive office environments at the most prestigious addresses in London.

Driven by a desire to provide businesses with a sophisticated place to work, meet and host events, we design every element of our beautiful properties to create a lasting impression – on our customers, and their guests.

Our unique combination of distinctive buildings, contemporary yet classic interiors, unrivalled attention-to-detail, and consistently exceptional service, defines our signature Argyll experience.

We pride ourselves on never imposing our brand on our customers. Instead, our unbranded spaces provide a stylish backdrop, while our empowered team delivers a personal service with discretion, to support our customers' success.

Our iconic buildings are a vital part of our business, and we play an important role in maintaining these assets to preserve the city's heritage, whilst balancing this against the need to address the climate, biodiversity, and resource crisis. We are therefore committed to minimising the carbon, energy, water and material we use and will work to deliver positive benefits for the natural environment.



Our ESG strategy

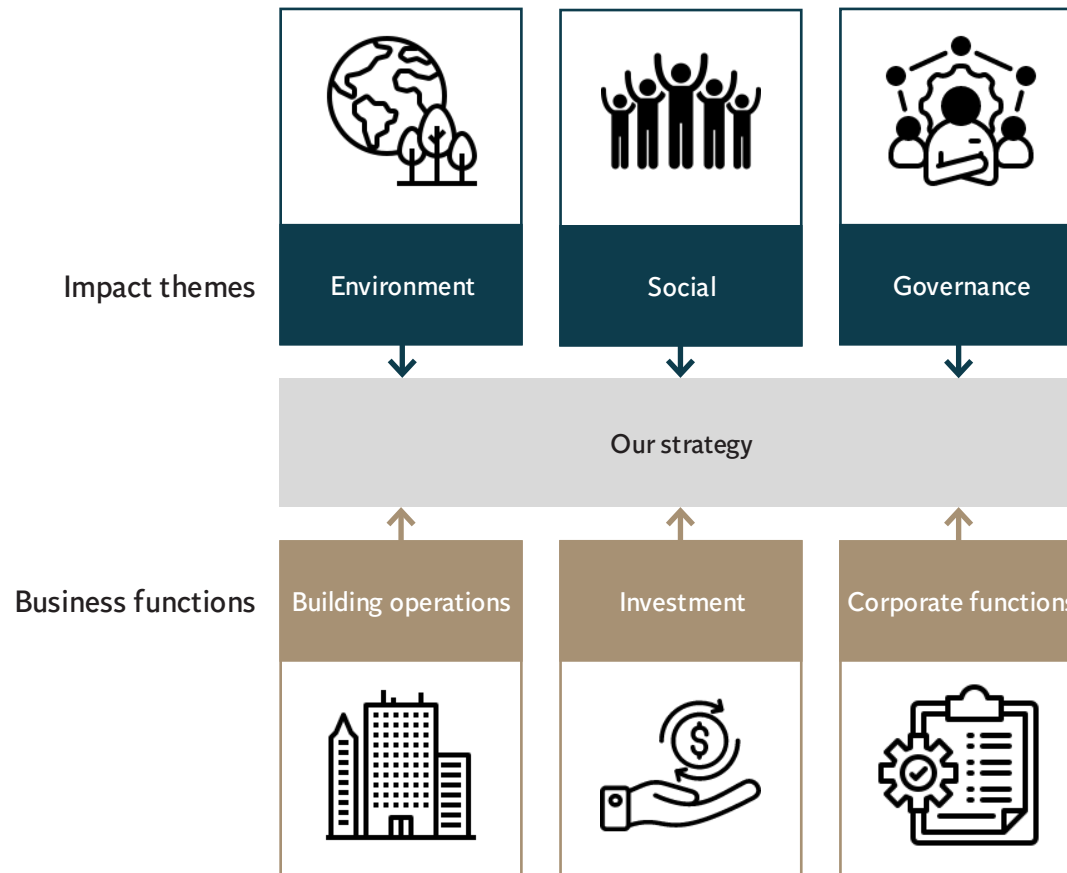
At Argyll, we recognise the urgency of the climate, biodiversity, and resource crisis. We are fully committed to having a positive impact on the environment and ensuring that we deliver positive social outcomes for our team, customers, suppliers, and community. We understand that sustainability can no longer be seen as an optional add-on but needs to be a fundamental part of everything we do as a business.

We created a strategy that sets out our commitments to specific and measurable ESG targets that we will work to embed into every part of our business. This strategy has defined our governance structure, sets out reporting requirements and has assisted us over the past 12 months as we have tracked our progress.

Our buildings are at the heart of our business operations and, as guardians of some of London's most iconic buildings, we acknowledge our crucial role in preserving these assets to maintain both embodied carbon and the city's heritage. Our ESG strategy reflects the vital role that our buildings play and our investment into improving these assets forms a core focus for our ESG strategy.

Our ESG strategy covers 10 core commitments (see page 8) across the environmental, social and governance pillars. A detailed review of our progress on these commitments is included in the appendix.

In addition, our strategy sets out specific actions for each business function: Building operations, Investment, and corporate functions.



ESG core commitments



Environment

Establish Net Zero Carbon strategy

We are working on a roadmap to achieve Net Zero Carbon by 2040, with a climate-resilient portfolio and aim to align with the Science Based Targets initiative*.

Reduce the carbon emissions of the buildings we own and operate

We are committed to procuring 100% renewable electricity and improving the Energy Use Intensity of our buildings.

Increase carbon literacy across Argyll

Become a 'Carbon Literate Organisation' by 2026.

Embrace the circular economy

We aim to increase our recycling rates each year and are rolling out water filtration systems to reduce reliance on bottled water. We aim to set waste reduction targets during 2025.

Support the wider industry

We aim to play a key role in driving the sustainability agenda within our industry.



Social

Empowering and upskilling our workforce

We are committed to fostering a work culture that empowers, unifies and develops exceptional people, who collectively offer great talent, skills and passion to the capital.

Charity & community

We are committed to creating positive partnerships with local charities to maximise the impact of our donations and we aim to raise career aspirations through access to work experience opportunities for those in need, particularly London's young people.

Diversity & inclusion

We are committed to developing a strong culture of diversity and inclusion, encouraging and fostering diversity of thoughts and ideas, and ensuring we are the best we can be.



Governance

ESG leadership




We are committed to developing ESG leadership and embedding ESG into the wider culture of the organisation.

Transparency & ESG reporting

Through our annual ESG impact reporting we will be transparent about the areas our customers and employees care about. We celebrate what we are good at and are honest about what we need to work on.

*At this stage we are using the Science Based Targets initiative as an informal framework.

2023 ESG risks

	Risk factors	Argyll's response
 <p>Environment</p>	<ul style="list-style-type: none"> • UNEP Report - Earth is on pace to warm by between 2.5°C and 2.9°C this century, well above the goals of the Paris Agreement • Global warming is likely to breach 1.5 degrees in 2024 	<ul style="list-style-type: none"> • Calculating base year emissions and commitment to developing Net Zero pathway • CapEx improvements to properties, raising EPC ratings and improving energy efficiency
 <p>Social</p>	<ul style="list-style-type: none"> • The cost of living crisis' negative impact on employee's health and wellbeing, as well as the wider societal impact, is leading to a significant increase in rough sleeping (27% inc. on previous year) 	<ul style="list-style-type: none"> • Wellbeing support for employees • Strategic partnership with central London homeless charity (throughout 2023)
 <p>Governance</p>	<ul style="list-style-type: none"> • The strategic importance of ESG issues continues to rise up the corporate agenda • Employee turnover rates rising to 41% in 2023 	<ul style="list-style-type: none"> • ESG strategy adopted internally in early 2023 • COO formally takes on ownership of ESG and oversees the development of an overarching strategy and action plan • Great Place to Work certification (October 2023)

Highlights of 2023



9,900 tCO₂e

Our base year carbon emissions (tonnes) (scopes 1, 2 & 3)

76%

of employees at Argyll say it is a great place to work

£11.3m*

CapEx investment in 2023. Total of £28.5m invested over last 3 years, covering 28% of owned buildings

92%

of our customers would rate the service we deliver as “excellent”

Board level ESG lead

Chief Operating Officer appointed as board level ESG lead

£25,764

Total value of community investment throughout 2023

* NOTE: this figure does not include CapEx spend on IT infrastructure in FY23

Highlights of 2023

5/7 properties
increased EPC
rating from D to B

as a result of our CapEx
investment

£4,140

Total value of direct
charitable donations

Net Zero

We committed to setting an
ambitious carbon reduction
target and aim to align with
the Science Based Targets
initiative*, striving to achieve
Net Zero by 2040

E

S

G

16%

% of employees
engaged in
volunteering

GPTW
certification

Achieved Great Place to
Work (GPTW) certification
in October 2023

168 hrs

Total number of hours
spent volunteering across
2023

*At this stage we are using the Science Based Targets initiative as an informal framework.

Environment



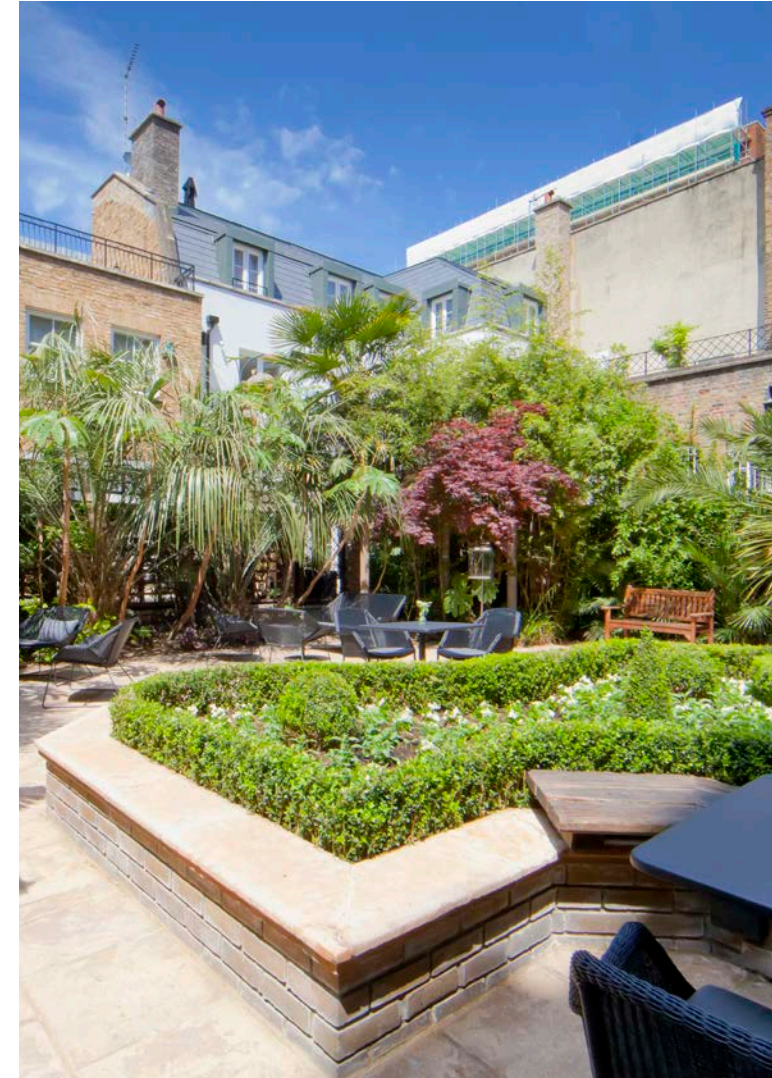
Environment overview

Argyll is committed to reducing the impact our buildings and wider operations have on the environment. A key step is understanding the extent of that impact. To this end, we conducted a carbon footprint for our financial year 2023. Through calculating our scope 1, 2 and 3 emissions we have been able to identify key areas of impact across our operations, and our focus for 2024 will be on developing a more granular understanding of our base year carbon footprint so that we are able to develop a robust carbon reduction plan that articulates our route to Net Zero. We are also committed to setting an ambitious carbon reduction target aiming for alignment with the Science Based Targets initiative*, striving to achieve Net Zero by 2040.

Even before we carried out our carbon footprint baseline, we knew that our buildings would be our greatest impact and that a key focus of our work would be our CapEx investment programme. We recognised that if we are to align ourselves with a science-based decarbonisation target, it will require us to de-gas our properties, improve their energy efficiency, procure renewable energy from credible sources as well as address

other key carbon hotspots as identified in our carbon footprint baseline. Therefore, our CapEx programme has been guided by two purposes: Firstly to ensure that these period buildings are renovated in a way that is sensitive to their heritage, enabling them to continue to provide valuable uses into the future. And secondly to take action to reduce their ongoing environment impact.

Another challenge we face as we upgrade our property portfolio is that we often find ourselves with elements such as furniture, office equipment, and even artwork that we no longer have a use for. During 2023, we committed to taking a circular economy approach to how we handled this, finding partners we could work with to ensure that where possible, we would find a new home for these things, and ensure that they were kept in use and out of waste streams.



*At this stage we are using the Science Based Targets initiative as an informal framework.

Our carbon footprint

We are committed to establishing a Net Zero Carbon strategy to achieve Net Zero Carbon by 2040. The first and most fundamental step for us was to calculate our base year carbon footprint. We selected 2023 as our baseline year, as it was a full year of normal operation unaffected by Covid.

We therefore present our base year operational (scope 1, 2 & 3) carbon footprint. This marks a significant milestone as we establish a comprehensive understanding of our base year emissions across all three scopes (1, 2 & 3).

We recognise that operating and maintaining our buildings is a resource and carbon-intensive process. We are committed to decarbonising the assets we own, as well as improving the operational performance of our owned and leased assets.

By quantifying our base year carbon footprint, we have laid the necessary groundwork that will enable us to develop a robust carbon reduction strategy which reinforces our dedication to mitigating climate change.

In the following pages, we have provided details of our initial findings and outlined our initial response for how we plan to develop a robust carbon reduction strategy.

Our baseline operational carbon footprint is approximately 9,900 tonnes of carbon dioxide equivalent greenhouse gases (tCO₂e). The emissions scopes totals are provided in the summary table below.

Emissions Scope	tCO ₂ e	tCO ₂ e/FTE	% of footprint
Scope 1: natural gas & refrigerants	557	2.8	6%
Scope 2: market-based electricity	2,064	10	21%
(Scope 2: location-based)	(1,340)*	-	-
Scope 3: value chain	7,262	36	73%
Total	9,883	49	100%

*Location-based electricity emissions are lower than market-based electricity emissions due to Argyll's electricity contract from 2023 providing electricity from a more carbon-intensive fuel mix than the UK grid average for that year.

Our carbon footprint

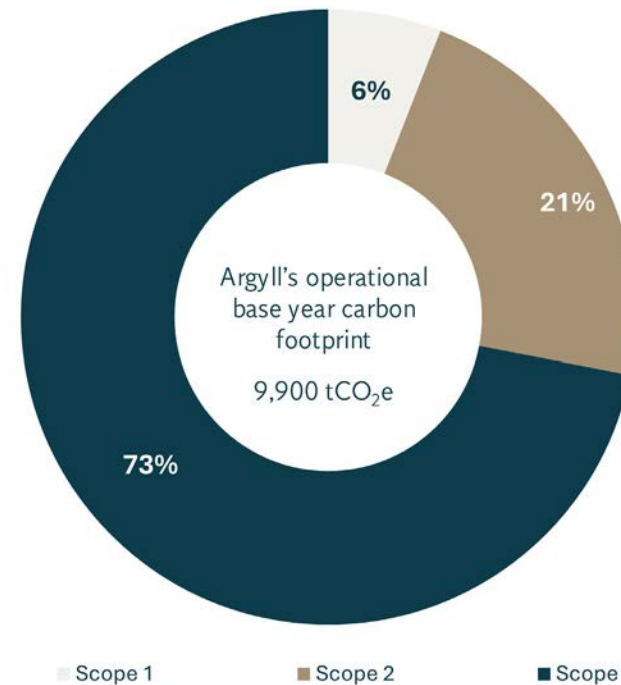
Argyll's base year carbon footprint breakdown by scope:

- 6% of the base year carbon footprint is from scope 1 emissions sources, which are from gas heating and refrigerant use in air-conditioning equipment at Argyll's facilities.
- A further 21% of the footprint is scope 2 emissions from purchased electricity at Argyll's facilities.
- Finally, the remaining 73% of Argyll's base year carbon footprint is from scope 3 emissions.

We have also calculated the following intensity metric:

- Total tonnes of CO₂e per employee = 49tCO₂e / employee. This is based on the average FTE of 202 employees in the base year 2023.

Scope 3 categories included within the base year calculation include purchased goods and services*, capital goods*, business travel, employee commuting, homeworking energy use, waste generated in operations and downstream leased assets. Categories with an * are based on spend data only. Scope category breakdowns are detailed further on the following page.



Argyll's Base Year Carbon Footprint breakdown by scope

Our carbon footprint by categories

The largest emissions sources contributing to Argyll's 2023 Base Year Operational Carbon Footprint are:

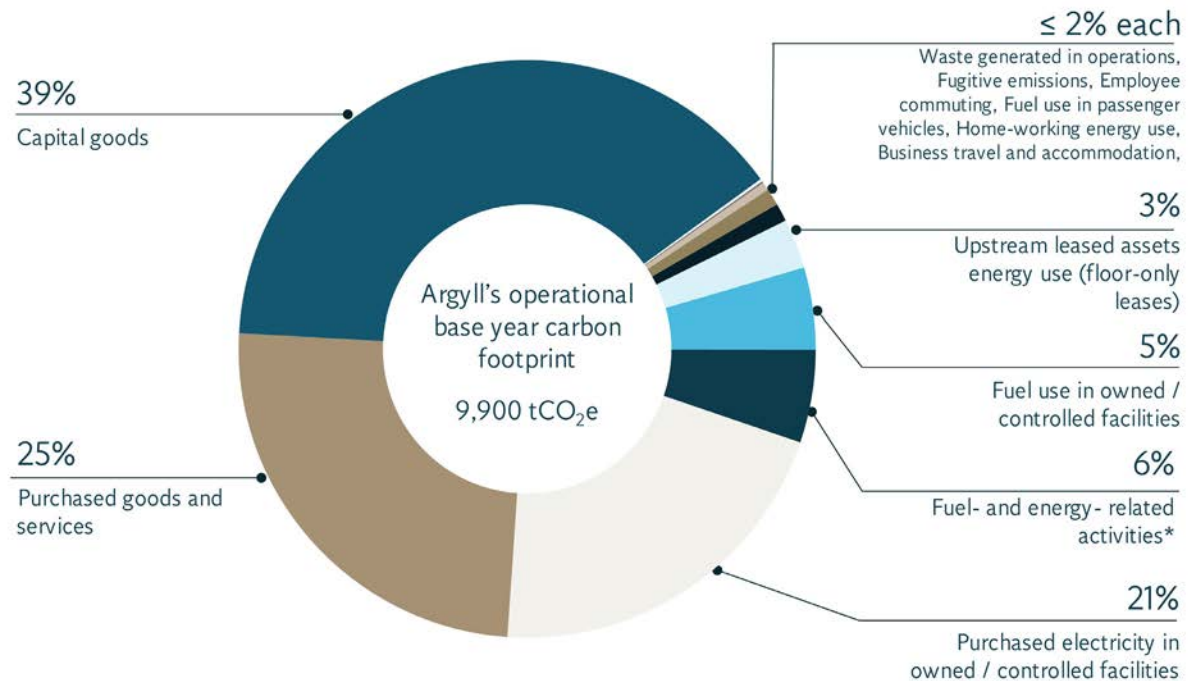
- Capital goods at 39%
- Purchased goods and services at 25%
- Purchased electricity at 21%

Limitations of our methodology

Carbon emissions from capital goods and purchased goods and services were estimated using spend-based emissions factors.

Whilst we recognise that spend-based emissions factors can only provide a high-level estimate of emissions associated with the good or service, as a first step it has given us insight into our hotspots.

This analysis provides us with the necessary impetus to better understand these hotspot areas and develop actions to reduce the carbon emissions associated with them.



Argyll's Base Year Carbon Footprint breakdown by scope category

*Fuel- and energy- related activities are the 'embodied' emissions associated with scope 1 and 2 fuels. For example, the extraction, refining, and transportation of the raw fuels, or the grid losses associated with purchased electricity.

Our carbon footprint: our hotspots

Through this exercise, Argyll now has a deeper insight into key hotspots which enables us to focus our attention as we look to develop a robust carbon reduction plan. We have outlined our hotspots below.

Capital goods:

Argyll invests in the properties it owns and leases and we expected the emissions associated with our refurbishment projects to be a large component of our footprint. In 2023, Argyll's CapEx investment totalled £11.7m of which £11.3 was invested in our buildings. This investment formed the final part of a total CapEx expenditure of £28.5m over the last three years). This spend, combined with the high embodied emissions associated with building works (reflected in the relevant emissions factor), underpins why capital goods are the highest emissions category for 2023 and why they will be a key focus for the business going forward.

Purchased goods and services:

Our second biggest category was our purchased goods and services, providing us with a clear call to action to understand this better and to seek ways we can work with our suppliers to reduce the embodied emissions associated with this spend.

Purchased electricity:

During the process of calculating our carbon footprint it became clear that the electricity we purchased in 2023, for the properties we own and where we lease a whole building, was being provided from a more carbon-intensive fuel mix than the UK grid average for that year. It is for this reason that purchased electricity featured as our third biggest category in our base year footprint.

We are committed to reducing emissions from purchased electricity and therefore prioritised moving over to a 100% renewable energy tariff as soon as feasible. We negotiated a new contract during 2023 that came into effect in early 2024, and will be able to report on the impact of this on our carbon emissions in our 2024 ESG impact report.

Next steps:

We acknowledge that there is a degree of uncertainty inherent in base year carbon footprint calculations and subsequent footprints may increase against the base year as more accurate data is captured. We are committed to improving our carbon data collection and calculation accuracy in future years.

Now that we have a best estimate of our baseline emissions (based on the data available), we have been able to identify carbon hotspots and focus areas for the development of Net Zero targets and targeted decarbonisation actions which will be our priority during 2024.

Investing for the future

Preserving heritage whilst enhancing sustainability through our CapEx programme

Our role as custodians of our buildings means investing in their improvement so they can be inhabited and appreciated for as long as possible.

At Argyll, enhancing the heritage and health of our buildings is central to our commitment to sustainable growth. Balancing these priorities in retrofitting listed buildings has been a rewarding challenge, reflecting our dedication to preserving heritage and promoting environmental wellbeing.

To this end, we have invested £11.3m* on CapEx improvements across our portfolio in 2023. The investment was part of a three year CapEx programme that saw a total of £28.5m invested over this period. This was the first such works since the creation of our ESG strategy which enabled us to ensure that the CapEx improvements were geared towards ensuring improved environmental performance of the buildings included.

* Total CapEx spend in 2023 was £11.7m with the additional amount being invested in IT software and website upgrades.

Seven buildings were the focus of this round of investment, and we undertook a suite of improvements to give our buildings new leases of life and boost their environmental performance. This included shifting entirely to LED lighting, switching from gas-fired boilers to electric heat pumps, and the replacement of aged and inefficient air conditioning systems.

These works incurred EPC improvements for all 7 buildings, with 5 of those rising from D to B. We recognise there is still work to be done and we will use the valuable lessons learned from 2023's works to inform the improvements we make to the rest of our portfolio.



No.1 Cornhill EPC improvements

The refurbishment of 1 Cornhill, led by architects at DMBA, exemplified sustainable design while preserving heritage features. By collaborating with an FSC-accredited joinery company, we prioritised the use of sustainably sourced materials, including metals, stones, and timbers.

An energy-efficient lighting plan was developed that integrates unique feature lighting to honour the buildings' history and reduce energy consumption. The heating and cooling systems were also upgraded, moving away from a water-based system to more energy-efficient solution.

For the softer furnishings, we collaborated with sustainable fabric suppliers who specialise in sourcing eco-friendly materials and reducing their impact by using ocean waste and recycling their own waste for acoustic felts.

Cornhill's blend of contemporary sustainability and intricate design resulted in a heritage workplace that will serve both current and future customers.



Championing the circular economy

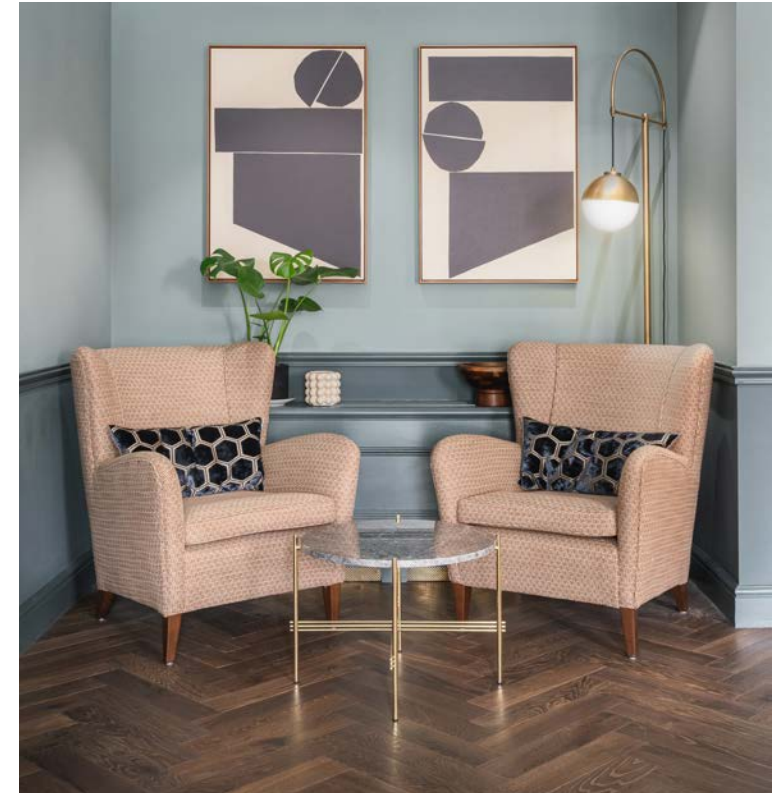
Championing the circular economy during our workspace refurbishments

Faced with the prospect of disposing of a significant amount of office furniture as part of our comprehensive refurbishment programme, we decided to take a more active role in determining where it went; hoping for a worthwhile solution that would also support our ESG ambitions.

To involve our colleagues, we asked them to recommend charitable organisations who may be interested in receiving our outgoing furniture. This approach led us to METRO, a charity providing health and wellbeing services to all people experiencing issues related to sexuality, identity, gender, diversity and HIV status.

A total of 50 tables and 30 chairs, alongside other fittings and appliances, were donated to METRO in 2023. The items were used to furnish a new space for their outreach services. Other items, including a printer, were also donated to another small charity recommended by one of our team members.

We also have a partnership with art agency Artiq, who facilitate the process of donating artwork we no longer have use for. In 2023, we donated approximately 180 artworks to hospices for the elderly, children, retirement living sites and care workers' treatment spaces. Since 2021, we have donated almost 300 artworks.



“These donations have honestly made such a huge difference to what we have been able to achieve. Everyone at Argyll has been so helpful and kind, often going above and beyond with their support.”

Mark Delacour, METRO Charity

Looking forward to 2024

As we advance into 2024, our commitment to environmental sustainability remains steadfast. We are committed to setting an ambitious carbon reduction target aiming for alignment with the Science Based Targets initiative*, striving to achieve Net Zero by 2040. This will ensure our goals are aligned with the latest climate science and contribute meaningfully to global efforts to mitigate climate change.

We are committed to ensuring we procure 100% renewable electricity across our entire portfolio and will aim to start this as soon as our current contract expires. This will ensure that the electricity purchased for all our operations is renewable (REGO backed).

In addition, the next round of CapEx will continue to focus on enhancing our sustainability initiatives whilst sensitively renovating our heritage property portfolio. We are committed to better understanding the impact of our investment on the energy efficiency of our buildings and will start looking at the Energy Use Intensity (EUI) of our refurbished assets within our portfolio compared to our remaining assets.

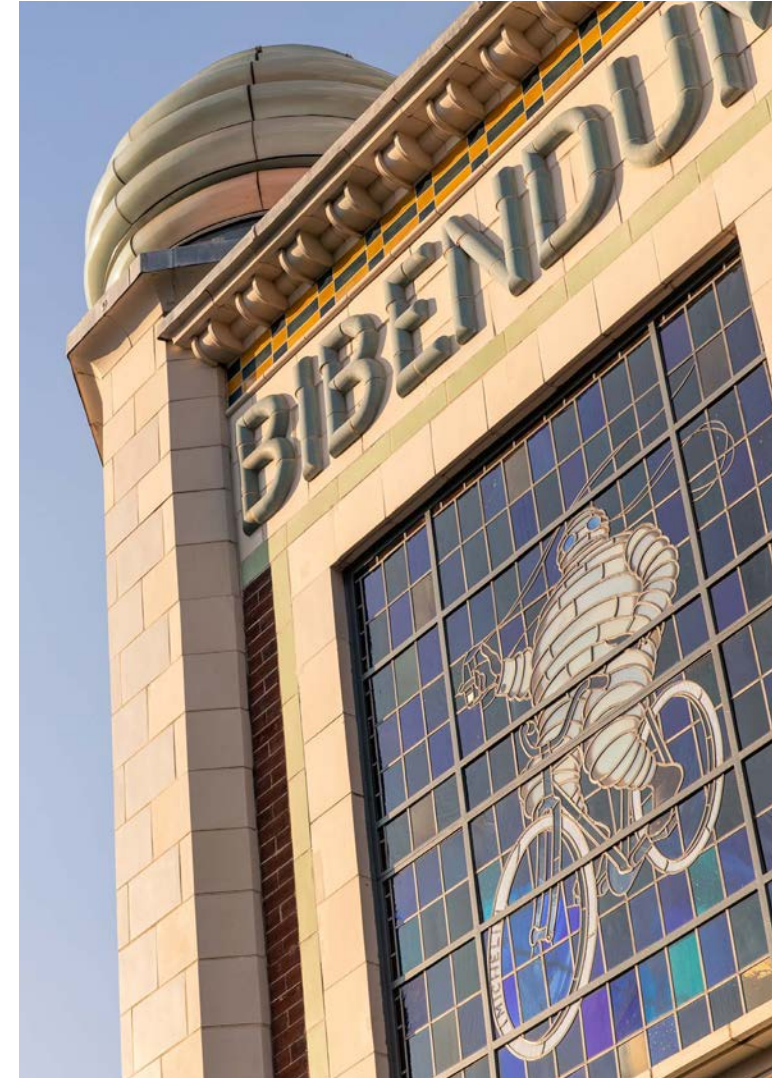
*At this stage we are using the Science Based Targets initiative as an informal framework.

In 2024, we will begin the roll out of our Carbon Literacy Training, aiming to achieve bronze level accreditation. This initiative will educate our team on the importance of carbon reduction and empower them to make more sustainable choices in their daily operations.

We will also continue our practice of donating all surplus furniture, equipment, and artwork. By partnering with appropriate charities, we ensure that these items are reused, benefiting both the environment and our community.

Finally, we plan to continue the roll out of water filtration systems across our sites, enabling us to replace bottled water, which will reduce our overall volume of waste.

Through these initiatives, we are dedicated to fostering a sustainable future and reducing our environmental footprint. We look forward to sharing our progress and continuing to drive positive environmental impact in the year ahead.



Social



Social overview

Argyll is committed to increasing our social impact and enhancing the wellbeing of our key stakeholders through our business operations and our future investment programs. We believe that by fostering a supportive and inclusive environment, we can contribute positively to the communities we serve, our customers, our team, and our wider supply chain.

Investing in the wellbeing of our team

Our workforce is the backbone of our organisation, and we are committed to creating a culture that supports good health and wellbeing. One of the biggest issues facing our employees during 2023 was the ongoing cost-of-living crisis. As a result, we provided free breakfasts and subsidised lunches to help reduce the financial burden our employee's faced during this challenging time. In addition, we launched the Mintago Platform, providing employees with access to financial advice and support with managing pensions.

Equality, Diversity & Inclusion

A cornerstone of our ESG strategy is fostering a culture of equality, diversity and inclusion. Our employees come from diverse backgrounds, and we believe that this diversity brings a wealth of

ideas and perspectives, driving innovation and excellence. We held our first Pride celebration in 2023 to celebrate our LGBTQ+ team members.

Engaging with our community

Our community engagement efforts are centred around creating positive partnerships with local charities and providing opportunities for the use of our spaces by charitable organisations and NGOs. During 2023, we built upon our existing charitable fundraising relationship, and extended our partnership by enabling our employees to start volunteering their time to support our charity partner.

Empowering our customers

For our customers, our goal is to provide exceptional workplaces. However, we also want to facilitate our customers' journey towards achieving their own Environmental, Social, and Governance (ESG) objectives. We are dedicated to creating spaces that promote health and wellbeing, ensuring that our customers have the support they need to thrive. By collaborating closely with them, we aim to help them meet and exceed their ESG goals, fostering a shared commitment to sustainability and social responsibility.



Our commitment to a thriving workplace

Achieving the Great Place to Work certification

At Argyll, we are committed to improving employee engagement. To benchmark our current situation, we chose the Great Place to Work Certified™ process, a well-regarded external benchmark. This certification provides valuable insights into our workplace culture and equips our leadership team with tools to measure, understand, and develop it further.

To achieve the certification, we conducted an employee survey called the Trust Index and a Culture Brief questionnaire, completed by our People team, which explored the history and demographics of our workplace.

We were encouraged by the results, which found that 76% of employees at Argyll say it is a great place to work, compared to 54% of employees at a typical UK based company.



In addition, our Equality, Diversity and Inclusion initiatives were also recognised with the following results:

- 94% - People are treated fairly, regardless of their sexual orientation
- 92% - People are treated fairly, regardless of their sex
- 92% - Customers would rate the service we deliver as “excellent”
- 91% - People are treated fairly, regardless of their race
- 90% - This is a physically safe place to work

Strategic volunteering to combat homelessness

Our strategic partnership with The Connection at St. Martin's

The social issue of homelessness is critical, particularly in London. That is why we have partnered with The Connection at St. Martin's to support them with their crucial work that helps people who are rough sleeping to move away from, and stay off, the streets of London. During 2023, the ongoing cost-of-living crisis forced even more people into homelessness with estimates suggesting that rough sleeping increased by around 27% during 2023.

To date, we have raised £4,140 through various initiatives, including quiz nights and charity walks, with contributions from both Argyll employees and our customers.

Beyond supporting the charity through financial donations, we sought additional ways to make a difference. The Connection at St. Martin's provides hot meals and drinks to rough sleepers on weekdays, supported by dedicated kitchen volunteers. Despite having several formal partnerships to supply volunteers, last-minute

dropouts posed a significant challenge, causing disruptions with limited time to organise replacements. Recognising an opportunity to offer dynamic and impactful support, we stepped in to help fill these short-notice volunteer needs.

Throughout 2023, 32 Argyll team members volunteered at The Connection for a total of 168 hours. This equates to over one month's work, Monday to Friday 9am-5pm. Our team members served breakfast and lunch and provided valuable support to the staff at The Connection, enabling them to focus on the wellbeing of their clients.



Diversity and inclusion

In June 2023, we hosted a Pride-themed summer party for our team members on the rooftop of 1 King William Street, celebrating diversity and inclusion within our workplace.

This was the first Pride celebration for the business and a huge step forward in celebrating and supporting our LGBTQ+ team members.

The event featured a performance by Candy the Drag Queen, who also led an engaging “Spin the Wheel” activity designed to raise funds for our chosen charity.

We successfully raised £250 for charity during the event, demonstrating our commitment to supporting the LGBTQ+ community and fostering a culture of giving.



A shift in workplace culture

Championing diversity in the property industry

Over the last few years, the leadership team has spearheaded a paradigm shift in the working culture of Argyll, navigating the business successfully through the pandemic by doubling down on an inclusive workplace offering.

Equity over equality is central to Argyll's approach, ensuring all team members have access to training, career progression, and job security, thereby eliminating systemic bias. New initiatives have transformed Argyll's working culture, reducing the team churn rate from 30% in 2021 to an impressive 3.5%.

Progressive policies have been introduced, including flexible working from day one, maternity and surrogacy leave far ahead of government mandates, and comprehensive support for pregnancy loss and menopause. With a 56% female leadership team, Argyll is committed to diversity and building a more inclusive workplace.

A bonus system and extensive benefits package have been introduced, resulting in nearly 80% of staff reporting enjoyment at work and 76% recommending Argyll as a great place to work.

By focusing on potential over professional experience in new hires and eliminating probationary periods, the Leadership team has fostered a trusting and inclusive culture. They have also driven Argyll's ambitious ESG goals, targeting Net Zero by 2040, and ensuring a compelling ESG offering for new joiners.

The successful rollout of market-leading policies and dedication to fostering diversity earned Argyll recognition in Newsweek's 'Most Loved Workspaces' and we were thrilled to celebrate our COO, Emily Smith, being awarded Team Leader of the Year at Property Week's inaugural Inspiring Women in Property Awards.

The team's strategic and inclusive leadership continues to inspire, creating a diverse, award-winning workplace and asserting Argyll's market competitiveness.



Looking forward to 2024

Our focus in 2024 will be to continue to build on the investment in our people. Staff training will be a big focus in 2024, having launched our new e-learning platform eloomi in December 2023. The platform will enable mandatory training to be rolled out across 2024 and, as part of our commitment to upskilling our employees, we will be working towards becoming a Carbon Literate Organisation. Additionally, we will be working with our employees to better understand their career aspirations.

We will be rolling out our improved Equality, Diversity, and Inclusion policy across the organisation and will also be launching a new mandatory training session on EDI for all staff. In addition, we will be launching a summer internship scheme that also enables us to reach under-represented groups.

We will continue to build on our partnership with The Connection at St. Martin's and hope to increase our charitable donations. We will also look to extend our support to other charitable activities such as providing access to our spaces and, as and when surplus furniture or artwork becomes available, we will find suitable partners who are keen to take these items.



Governance



Governance overview

Embedding ESG into our operations

In 2023, our organisation took significant strides in embedding ESG principles into our operational and strategic framework. We prioritised the role that ESG will play at Argyll through the appointment of Emily Smith, our Chief Operating Officer, as the Board-level lead for ESG initiatives and we identified an internal operations lead to further drive these efforts across the wider organisation.

As our buildings sit at the heart of our purpose and operations, to ensure a comprehensive culture shift, we introduced new acquisition appraisal criteria based on ESG commitments. This formalised process, which began in 2023, was fully implemented in early 2024. We also introduced a pre-qualification questionnaire for any new suppliers which includes a request for their environmental policy. By requesting this information, we're able to align ourselves with partners and suppliers who share our values and commitment to sustainable working practices.

By integrating ESG into our decision-making processes, we aim to embed these values deeply within our organisational culture.

Policy Development and Future-proofing

In our quest to lead with ESG, we conducted a gap analysis to identify areas needing policy development. The insights from this analysis guided the creation of policies that were finalised and launched in 2023.

- **Menopause Policy:** To support employees experiencing menopause, promoting awareness and understanding.
- **Bullying and Harassment Policy:** To create a safe and respectful workplace environment.
- **Domestic Abuse Policy:** To provide support and resources for employees affected by domestic abuse.

Additional policies in 2024 will help us future-proof our operations and ensure sustained ESG compliance and leadership. To support these policies, we are putting systems in place to facilitate their implementation and ensure they are effectively integrated into our daily operations.



Governance continued

Transparency and ESG Reporting

We believe in transparency and accountability, particularly in areas that matter most to our customers and employees. Our approach involves celebrating our successes while openly addressing areas for improvement. We have committed to reporting our ESG progress at Board meetings and publishing an annual impact report. This 2023 impact report will be released in late-2024 and highlights our achievements to date whilst providing an up-to-date insight into our ongoing efforts. To enhance our communication, we also updated our website in 2023 to include key ESG commitments and incorporated these into our customer welcome guides. This step ensures that both our internal and external stakeholders are better informed about our ESG initiatives.

Workplace Culture: Accreditation

Our commitment to creating an exceptional workplace was recognised in October 2023 when we achieved the Great Place to Work accreditation. This accreditation is a testament to our ongoing efforts to foster a positive and supportive work environment.

Looking Ahead

As we move forward, we remain dedicated to embedding ESG principles into every facet of our organisation. Our efforts in leadership, policy development, transparency, diversity, and accreditation are just the beginning. We are committed to continuous improvement and look forward to sharing our progress in the years to come.



Appendix



ESG core commitments: 2023 update

Headline commitment	2023 actions	RAG rating ^{*2}	Update on progress in 2023	Objectives for 2024
Environment				
Establish Net Zero Carbon strategy: We are working on a roadmap to achieve Net Zero Carbon by 2040, with a climate-resilient portfolio aiming for alignment with the Science Based Targets initiative ^{*1} .	Measure Scope 1, 2 and 3 emissions to understand baseline carbon emissions.	RAG	Achieved. Base year footprint included on page 15.	Our focus for 2024 will be on further understanding our base year carbon footprint so that we are able to develop a robust carbon reduction plan that articulates our route to Net Zero. We are committed to setting an ambitious carbon reduction target aiming for alignment with the Science Based Targets initiative ^{*1} , striving to achieve Net Zero by 2040.
	Disclose emissions annually.	RAG	Achieved. Base year footprint included on page 15.	
	Align our 2040 Net Zero target with the approach outlined by the Science Based Targets initiative.	RAG	In progress.	
Reduce the carbon emissions of the buildings we own and operate: We are committed to procuring 100% renewable electricity and improving the Energy Use Intensity of our buildings.	Improve energy efficiency of buildings during CapEx programme.	RAG	5 out of 7 buildings targeted in the most recent CapEx round improved their EPC rating from D to B. Case study on page 18.	We are committed to better understanding the impact of our investment on the energy efficiency of our buildings and will start looking at the Energy Use Intensity (EUI) of our refurbished assets within our portfolio compared to our remaining assets. We are committed to ensuring we procure 100% renewable electricity across our entire portfolio.
	Procure renewable electricity for all buildings we own and where possible for all buildings/floor we lease.	RAG	Negotiated 100% renewable energy contract that came into effect in 2024 as soon as existing contract ended.	

^{*1} At this stage we are using the Science Based Targets initiative as an informal framework.

^{*2} RAG is a colour-coded, traffic light system to indicate project progress.

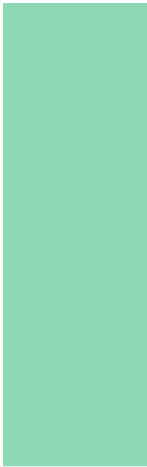

ESG core commitments: 2023 update

Headline commitment	2023 actions	RAG rating	Update on progress in 2023	Objectives for 2024
Increase carbon literacy across Argyll: We are committed to becoming a 'Carbon Literate Organisation' by 2026.	Develop course content in 2023 and get this signed off by The Carbon Literacy Project in early 2024.		In progress. First round of Carbon Literacy training will be held during 2024.	Roll out Carbon Literacy Training in 2024, aiming for bronze level by 2026.
Embrace the circular economy: We aim to increase our recycling rates each year and are rolling out water filtration systems to reduce reliance on bottled water. We aim to set waste reduction targets during 2025.	Donate surplus furniture, equipment and artworks to VCOs (Voluntary & Community Organisations).		Achieved. Full details provided in case study on page 20.	Continue to donate all furniture, equipment and artwork that is surplus to requirements due to our renovation programme, working with appropriate charity partners.
	Monitor and aim to reduce overall waste produced by operations (tonnes/m2 GIA).		Recycling rate was 55% in 2022, and 54% in 2023.	Our focus in 2024 will be rolling out water filtration to remove bottled water from sites, reducing overall waste produced on site.
	Pilot separate food waste collection.		Not started.	Our focus in 2024 will be rolling out water filtration to remove bottled water from sites, reducing overall waste produced on site.
Support the wider industry: We aim to play a key role in driving the sustainability agenda within our industry.	Host a roundtable discussing the challenges and benefits of retrofitting heritage buildings.		Achieved. Covered in the press online, and in print.	We've been vocal about the importance and value of retrofitting buildings in the press and will share our 2023 ESG impact report with customers, our team and external stakeholders on our website.

ESG core commitments: 2023 update

Headline commitment	2023 actions	RAG rating	Update on progress in 2023	Objectives for 2024
Social				
Empower and upskill our workforce: We are committed to fostering a work culture that empowers, unifies and develops exceptional people, who collectively offer great talent, skills and passion to the capital.	Achieve Great Place to Work Certification.		Achieved in October 2023. Case Study on page 24.	Maintain, and improve where possible our engagement scores. Aiming for The Sunday Times Best Places to Work accreditation in 2024.
	Launch new training platform.		New training platform scoped out in 2023 and set for launch in early 2024.	Launch in 2024 and track levels of completion of mandatory modules as well as other modules. Developing clear processes and guidelines for career progression within Argyll.
	Introduce basic sustainability training for all staff.		Not started.	Roll our Carbon Literacy training in 2024.
Diversity & Inclusion: We are committed to developing a strong culture of diversity and inclusion, encouraging and fostering diversity of thoughts and ideas, and ensuring we are the best we can be.	Develop mandatory EDI training and roll out.		Not achieved. Although this work was started in 2023, the training platform only went live in December 2023 and the mandatory EDI training will be rolled out in 2024.	The EDI training will be rolled out as a mandatory module during 2024.

ESG core commitments: 2023 update

Headline commitment	2023 actions	RAG rating	Update on progress in 2023	Objectives for 2024
Charity & Community: We are committed to creating positive partnerships with local charities to maximise the impact of our donations and we aim to raise career aspirations through access to work experience opportunities for those in need, particularly London's young people.	Develop our fundraising partnership with The Connection at St. Martins into a strategic relationship, providing not only funding but additional support through employee volunteering. Donate surplus furniture and artwork to a range of charity partners.		Achieved. £25,764 total community investment. Case study on page 25. Donated artwork and furniture through partnerships with Artiq and METRO. Details on page 20.	We are committed to our ongoing strategic partnership with The Connection at St. Martins and will continue to seek out other opportunities for community investment.
	Work experience opportunities for young people (targeting those in under-represented groups).			

ESG core commitments: 2023 update

Headline commitment	2023 actions	RAG rating	Update on progress in 2023	Objectives for 2024
Governance				
ESG Leadership: We are committed to developing ESG leadership and embedding ESG into the wider culture of the organisation.	Identify board level lead and operations lead.	Green	Achieved. Emily Smith, COO, appointed as Board level lead, and internal operations lead identified.	Achieved in 2023. No further objectives for 2024.
	Ensure culture shift to ensure that ESG is embedded into decision making.	Yellow	Partially achieved: Acquisition appraisal criteria to select sites based on ESG commitments to inform leadership team decision making process – formalised process in 2023 and rolling out in early 2024.	From 2024 onwards, all new acquisitions costed to be fully electric and Gold Standard SKA.
	Develop and future proof policies.	Yellow	Gap analysis conducted and new policies will be finalised and signed off in 2024.	All material internal policy gaps will have been addressed with new policies being developed and signed off by end of 2024.

ESG core commitments: 2023 update

Headline commitment	2023 actions	RAG rating	Update on progress in 2023	Objectives for 2024
Transparency & ESG reporting: Through our annual ESG impact reporting we will be transparent about the areas our customers and employees care about. We celebrate what we are good at and are honest about what we need to work on.	Report on progress at board meetings.	Yellow	Our ESG strategy was discussed together with various areas such as becoming B Corp, agreeing our long-term commitments and aligning governance structure to ESG commitments.	ESG will continue to feature on the agenda at board meetings going forwards.
	Publish external impact report annually.	Green	2023 impact report will be published in 2024.	We are committed to reporting on our ESG impact on an annual basis.
	Gender pay gap reporting (internally).	Yellow	Delayed until 2024.	We are committed to undertaking Gender Pay Gap reporting, and plan to include the results of this in our next ESG impact report.
	Embed ESG into internal and external communications and marketing, including website.	Yellow	Website updated with key headline commitments, and ESG information including headline commitments included in office guides.	Achieved in 2023. No further objectives for 2024.



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