

# Green News & Views

Real Assets – Sustainability initiatives

August 2020



Springfields Outlet – Spalding, United Kingdom

The emerging trend of incorporating and measuring social value is an opportunity for investors to find the hidden value some sustainable properties already provide.

Ultimately, through social impact investment and integrating the Triple Bottom Line Framework (profit, people, planet), both smaller and larger assets can increase their contributions to society and positively impact investment returns in the long run.

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all.

## We care about social value, but can it unlock tomorrow's ESG opportunities?

**Social impact is an increasingly important item on investors' agendas, and one that is proving hard to ignore. Over the last few years, we have seen a momentous shift in attitude when it comes to the item of measuring social value. But how can we best understand it, and, how can it *actually* be measured?**







Social value is the positive social, economic and environmental value created by an asset or business. Our business has been highly proactive in integrating ESG into our investment processes and is now seeking quantifiable ways to measure the social and environmental progress of our investments. Our business follows the Triple Bottom Line Framework (TBL) that recommends companies commit to focusing on social and environmental concerns just as they do on profits. The TBL posits that instead of one bottom line for measuring the financial aspects of sustainable investments, that there should be three: profit, people, and the planet.

In addition, UBS utilizes a measurement methodology aligned to the National Themes Outcomes and Measures Framework (TOMs) to quantify the social value created to assess the social value of a number of our real asset investments. The National TOMs are built around five key themes:







- promoting jobs and skills;
- supporting regional growth;
- empowering communities;
- protecting the environment; and,
- promoting social innovation.

### The case for measuring social value






In 2019, we carried out a social value assessment for the Springfields Outlet Shopping & Leisure Center. The social value report details the social, economic and environmental value that has been generated in 2018/19 and how this has been mapped against the UN's Global Goals for Sustainable Development (shown in table below). The assessment was used to estimate how the property management team, the suppliers and retailers have contributed to each of the 17 Global Goals and the UN's 2030 Agenda for Sustainable Development. We plan to assess further properties, with the aim of having a social value across not only our UK portfolio but other properties and portfolios held by us globally.

	<b>1 NO POVERTY</b>	<b>2 ZERO HUNGER</b>	<b>3 GOOD HEALTH AND WELL-BEING</b>	<b>4 QUALITY EDUCATION</b>	<b>5 GENDER EQUALITY</b>	<b>6 CLEAN WATER AND SANITATION</b>
						
<b>Total social value (GBP)</b>	<b>35,109</b>	<b>135</b>	<b>21,776</b>	<b>14,776</b>	<b>1,840</b>	<b>1,254</b>
% of total	0.81	0.003	0.50	0.34	0.04	0.03
OUT/IMP component (GBP)	34,482	–	19,888	12,629	–	–
INP/OUT component (GBP)	627	135	1,888	2,146	1,840	1,254
Local estimated value components	–	–	–	–	–	–
Non-financials	–	–	81 % of local people employed on contract (FTE)	–	–	–

	<b>7 AFFORDABLE AND CLEAN ENERGY</b>	<b>8 DECENT WORK AND ECONOMIC GROWTH</b>	<b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b>	<b>10 REDUCED INEQUALITIES</b>	<b>11 SUSTAINABLE CITIES AND COMMUNITIES</b>	<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b>
						
<b>Total social value (GBP)</b>	<b>1,080</b>	<b>2,021,613</b>	<b>2,016,593</b>	<b>227,934</b>	<b>1,946</b>	<b>852</b>
% of total	0.02	46.49	46.38	5.24	0.04	0.02
OUT/IMP component (GBP)	19	142,484	19	227,162	–	129
INP/OUT component (GBP)	1,061	579	386	772	1,946	723
Local estimated value components (GBP)	–	1,878,551	2,016,188	–	–	–
Non-financials	–	–	–	–	–	–

	<b>13 CLIMATE ACTION</b>	<b>14 LIFE BELOW WATER</b>	<b>15 LIFE ON LAND</b>	<b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b>	<b>17 PARTNERSHIPS FOR THE GOALS</b>
					
<b>Total social value (GBP)</b>	<b>193</b>	<b>1,080</b>	<b>965</b>	<b>933</b>	<b>96</b>
% of total	0.004	0.02	0.02	0.02	0.002
OUT/IMP component (GBP)	–	19	–	–	–
INP/OUT component (GBP)	193	1,061	965	933	96
Non-financials	–	–	–	–	–

Note: Estimated total social value by Goal is broken down as outcome/impact (OUT/IMP) components of value excluding local economic value and additional input/output (INP/OUT) invested. Local economic value is outcome/impact value but reported separately for displacement evaluation. Non-financial contributions related to specific Goals that have not been monetized have been included.

We collected data on their activities and initiatives, specifically those that have generated value for local people, their communities and society at large. Supporting the local community is an integral part of Springfield's Outlet's foundations including engaging with schools, supporting local charities, to sponsoring regional music festivals and awards.

60% of the 600 staff employed on site lives within 5 miles of Spalding, UK. With backing from UBS, Springfield utilizes 25 local contractors with 64% based within 20 miles of Spalding, adding to the local economy, lowering carbon emissions and keeping costs down.

## Breakdown of outcome from the social value report



### Promote local skills and employment

GBP 437,278 social value;

GBP 3,757,101 local economic value

- 81% of employees are local
- 8 long-term unemployed people were taken on
- 22 NEETs were given a job opportunity
- 96 weeks of apprenticeships were undertaken
- 44 hours of employability support was delivered



### Support growth of responsible regional business

GBP 137,638 local economic value

- 18% of total supply spend to local businesses
- 5% to local small or medium sized enterprises



### Healthier, safer and more resilient communities

GBP 15,952 social value

- GBP 2,960 invested in crime reduction initiatives
- GBP 5,000 donated to local community projects
- 230 hours volunteered to support community projects



### Protecting and improving our environment

GBP 205 social value

- 1.43 tonnes CO<sub>2</sub>e saved through investing in LED lighting and installing electric car chargers
- 100% waste diverted from landfill

### Now what?

Having such data at hand would assist our efforts to measure and incorporate the social benefits of a property into our investment decisions and to quantify our progress towards the 17 Sustainable Development Goals. With the importance of the "Social" in ESG continuing to grow and evolve, so too must investors if they want to stay competitive and increase the long-term value of their assets.

### Certifications



Signatory of:



### Global goals



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