

Tritax Management LLP

As Tritax's sustainability initiatives grew, the company realised it needed to formalise its strategy for the future. Helen Drury, the company's Sustainability Lead, takes us step-by-step through the investment management firm's process.

For Tritax Management, sustainability was driven by the investor community, who were eager to move beyond EPC improvements and building specs to a wider strategy for the firm. Tritax started the process with a materiality assessment to find out just what the company should be thinking about.

“Sometimes there can be a gap between what your external stakeholders think and what you think internally. Really understanding what your stakeholder views are means that you have all the information to build your sustainability up. For me, it's a cornerstone of any sustainability strategy,” she explains.

For Tritax, this was quite a formalised process of interviewing and workshoping with stakeholders over three months. But it doesn't have to be that involved to be effective. As long as there is a discussion with stakeholders that yields a list of issues and a ranking in importance of those issues, that's where a company of any size can start.

Around the issues, Tritax and its stakeholders also considered their level of ambition, whether they wanted the company to be a leading voice in sustainability or just focus on a compliance-led approach, for example. And then it was time to assess just how far it could extend its influence.

The sphere of influence

“It's really important that this is tailored to you and your business. If we look at our assets, our occupiers rather than us have operational control of the buildings, we build them or we acquire them, and we'll asset manage them to add value. But, ultimately, if we want to deliver sustainable solutions, we need to look at the whole building and not just the part we're responsible for. We want to work with our stakeholders to achieve this,” she says.

Tritax Management LLP is the appointed manager for Tritax Big Box REIT plc, Tritax EuroBox plc, Tritax Metrobox and Tritax Property Income Fund (TPIF), and is responsible for setting and delivering the sustainability strategy. Tritax has created its own responsible business plan to minimise its operational impact and provide low-carbon services to the funds it manages.



“Ultimately, if we want to deliver sustainable solutions, we need to look at the whole building and not just the part we're responsible for. We want to work with our stakeholders to achieve this.”

Helen Drury, Tritax Management LLP

Case study

As part of its management practices, Tritax undertakes a formal Green Property Review of assets. The process begins pre-acquisition, with a detailed review of environmental and building surveys, combined with physical inspections to outline the Sustainability Action Plan for each individual property. These initiatives cover both asset management and operational improvements, which it looks to progress with the occupiers of the buildings.

For that, Tritax needs engagement from stakeholders and looks at ways to incentivise them to engage in sustainability. For some stakeholders, awareness and information is enough. Others may look to a larger firm to provide key resources, such as training or strategies. For Tritax, which operates in logistics, the lease lengths are very long, so that offers an opportunity to bring in a green lease. Other firms may choose to add a memorandum of understanding [MoU] or similar document to align and partner with stakeholders. Whatever the mechanism, it's about achieving cooperation on targets and goals.

“To me, having a good relationship with somebody is ultimately more valuable than having a piece of paper,” says Drury. “We want them to share their data with us so that we can understand how the building is performing in terms of sustainability. It's about how we can help them manage that building better and also how we can benchmark that against their peers, so they get some insight. What's hugely important is that people understand what they can get out of it. It's not just taking a generic set of green lease clauses and inserting them in your lease. It's about what we, as responsible managers, are offering to our tenants.”

Green leases/MoUs

What are green leases?

Green leases enable greater collaboration between owners and occupiers of buildings in meeting sustainability targets. Whether companies want to comply with regulations, retain asset value, reduce operational costs or manage their brand's reputation, it helps both parties to cooperate on goals.

A memorandum of understanding (MoU) can be a similar written agreement about how a building's environmental performance will be managed and improved by both parties, without adding these requirements as clauses within the lease. Or it can be in addition to the green lease, and outline the specific environmental issues the parties want to focus on. MoUs can be a very useful tool where a lease is in place but there is more for landlord and occupier to collaborate on.



How do they work?

At a minimum, green leases usually include provisions on sharing data about environmental performance and how the parties will cooperate on improving that performance. There are a wide range of issues that might be considered, including:



Energy



Water



Waste



Works



Transport



Biodiversity



Service provision



Reporting.

Find out more

More information, including model green lease clauses, can be obtained from the [Better Buildings Partnership Green Lease Toolkit](#).