

REUSE AND REPURPOSE

**SUSTAINABLE SPACES
FOR SMALL AND MEDIUM
SIZED BUSINESSES**
OUR THREE YEAR
ESG PLAN
2023-2026





FOREWORD

THE ARCH COMPANY'S PURPOSE IS MAKING SPACE FOR BUSINESSES TO THRIVE.

We are retrofitters, not developers, and most of our spaces – many of which currently lie empty or derelict – are in the heart of urban communities.

This means we are uniquely placed to do two things – minimising our environmental footprint whilst maximising our positive economic and social impact. These two objectives underpin our Environment, Social and Governance (ESG) Strategy.

The history of the railway arch portfolio is one of continual reuse and repurpose. Most of the arches were built over 150 years ago. They have been reused and repurposed many times to become the homes of thousands of different businesses since the 19th century. Their age, and the local sourcing of the bricks that built them, makes them some of the most sustainable commercial spaces in the country. A recent study showed a light industrial unit in a refurbished railway arch has less than half the embodied carbon of equivalent new build space.

Most of the arches are in urban areas close to other commercial neighbours. The predominantly small and medium sized businesses within them are typically located close to the communities they serve and the people who work in them. Being under the railway means they are usually easy to reach by public transport too.

Many hundreds of these spaces are currently derelict after decades of underinvestment, often blighting the inner-city neighbourhoods where they are located.

We have a plan to bring a thousand of them into use by 2030 under our £200m investment plan, Project 1000. This will see unloved vacant properties turn into productive ones, providing space for more businesses, creating employment opportunities, and adding activity and animation to urban neighbourhoods.

But we want to go further, reducing our own carbon impact where possible, so it remains well below comparable industry standards. We will maintain a low carbon approach across all operational activity and support our customers to do the same. Many of the measures in this plan – reducing energy consumption and waste – will help our business customers to save on costs too.

We also want to maximise our economic and social impact in the communities around the arches, promoting a vibrant mix of businesses, allowing them and the people living around them to thrive. We started in 2019 by publishing a Tenants' Charter – a series of commitments to our customers – as well as developing initiatives like our annual ARCH DAY community events to celebrate our unique and diverse customer base. Now we want to deepen that relationship to understand more about our customers and how we can facilitate successful businesses contributing to healthy and happy communities.

This three year ESG plan sets out a path for The Arch Company to do just that.

Craig McWilliam, CEO

A handwritten signature in black ink, appearing to read 'CMW' followed by a flourish.

LOW CARBON SPACES

WE PROVIDE LOW CARBON SPACES FOR BUSINESSES BY CHAMPIONING RETROFIT, IDENTIFYING OPPORTUNITIES TO CUT FURTHER THE EMBODIED CARBON LEVELS OF OUR REDEVELOPMENTS, AND ENCOURAGING OUR CUSTOMERS TO MINIMISE THEIR OPERATIONAL CARBON USE.

RETROFIT VERSUS NEW BUILD SPACE

Retrofitting old railway arches can reduce carbon emissions by 50% compared to building new industrial space, according to a study carried out by sustainability consultants Engineering Services Consultancy (ESC) in 2022. The Arch Company commissioned ESC to evaluate the environmental impact of creating commercial space in railway arches, versus a new build development. The study found that creating light industrial space in a typical derelict railway arch was found to have an embodied carbon level – the emissions during the construction of a building rather than when it is in use – of around 148 kgCO₂e/m², significantly lower than the range of 300-700 kgCO₂e/m² for comparative new build developments. This is because the brick viaducts that provide the external walls and roof were built in the mid-19th century, and remain largely unchanged since then.

50%
REDUCED
CARBON
EMISSIONS



ENERGY EFFICIENCY

WE IMPROVE THE ENERGY EFFICIENCY OF OUR PORTFOLIO, TARGETING EPC B ON DERELICT ARCHES THAT ARE BROUGHT BACK INTO USE, AND INCREASING CUSTOMER AWARENESS ABOUT SUSTAINABILITY.

UPGRADING EPCs

Arch 86, North Western Street Manchester has been upgraded from EPC D to EPC A as part of the Arch Company's upgrading of the property portfolio. Classed as B1 Light Industrial / Office usage, this space was empty when The Arch Company took over responsibility in 2019. The renewal works took place from November 2020 - April 2021.

This property and the arch next door were both in poor condition, and required £145,000 worth of investment to bring it to a viable standard, so that a new business could move in. The improvement works included installing new drainage, toilet block & linings, along with lighting and electrical meters, replacing water supply pipe and improving the infill. These were designed to improve the efficiency of the building and ensure the space was MEES compliant.

£145K
IMPROVEMENT
WORKS



MINIMISE WASTE

WE MINIMISE WASTE TO LANDFILL BY REDUCING CONSTRUCTION WASTE, MONITORING WASTE STREAMS, AND ENCOURAGING REDUCTION OF CUSTOMER WASTE THROUGH THE IMPROVED OPERATION AND DESIGN OF COMMON AREAS.

RECYCLEYE: REVOLUTIONISING WASTE MANAGEMENT

An innovative growing business at the cutting edge of waste reduction is Recycleye, based in a railway arch in Waterloo. Recycleye's six axis robotic arm sorts different types of dry mixed recyclables to increase operational efficiency in material recovery facilities compared to manual picking. Recycleye's competitive advantage is that their Artificial Intelligence system learns and improves continuously, to refine the recycling process, alongside the robotic arm, which can be easily retrofitted to existing recycling centre belts at a relatively low cost. Their arch is used as the test centre for improving their offering, and the central London location enables the business to attract and retain the very best tech talent.



CUSTOMER BASE

WE CELEBRATE OUR UNIQUE AND DIVERSE CUSTOMER BASE, ENGAGING WITH CUSTOMERS TO PROMOTE THEIR BUSINESSES, TO REDUCE THEIR CARBON FOOTPRINT, AND TO HELP THEM CREATE HEALTHY AND HAPPY COMMUNITIES AROUND THEIR PLACES OF WORK.



**ARCH
DAY
2022**

CELEBRATING THE ARCH BUSINESS COMMUNITY

The Arch Company hosts an annual celebration of the arch customer community, called ARCH DAY. The Arch Company provides match-funding to support those customers taking part, as they create special events or activities designed to encourage members of the community to discover their local arch businesses. In 2022, 25 customers were involved in the celebrations across the country, including digital marketing agency Bryter Digital in Kent, who used the match funding to create a new outdoor space for customers. Jack Dent from Bryter Digital said: *“The transformation of the yard into a social venue is almost complete and was the significant success of the day and something that we will be repeating. We’re proud of the new space that we have created and have had some great feedback from friends and customers.”*



PROVIDING HELP

WE PROVIDE HELP FOR THOSE IN NEED BY OFFERING VACANT SPACE FOR CHARITIES FOR FREE ON A TEMPORARY BASIS AND PROVIDING DISCOUNTS TO LONG-STANDING CUSTOMERS WHO MIGHT STRUGGLE WITH INCREASES IN MARKET RENT.



CHARITIES AND COMMUNITY ORGANISATIONS IN THE ARCHES

Railway arches have long been popular homes for charities. **Battersea Cats and Dogs Home, The Campaign Against Living Miserably (CALM) and Ebony Horse Club are just three longstanding arch occupants.** In 2020, during the Covid pandemic, The Arch Company offered charities and community organisations temporary vacant space for free – an offer that was taken up by a foodbank in Deptford and by the NHS to help with storage of PPE. In 2022, this policy of providing vacant space for charities and community organisations for free on a temporary basis was rolled out more widely and is now advertised on The Arch Company website.



DIVERSITY & INCLUSION

WE AIM FOR INDUSTRY-LEADING LEVELS OF DIVERSITY AND INCLUSION BY CHANGING RECRUITMENT PRACTICES, PROMOTING INTERNAL TRAINING AND PROGRESSION, AND FAVOURING SUPPLIERS WHO SUPPORT OPPORTUNITIES FOR PEOPLE FROM DIVERSE BACKGROUNDS.

CHAMPIONING DIVERSITY AND INCLUSION

“Diversity and Inclusion is a real issue in the property industry and one that we are determined to address. Whilst our diversity levels across the business are good, we need to make progress at the senior level, which is why we have adopted a target of half of senior appointments having diverse characteristics. We have also set up a staff group to ensure we have the right policies in place – such as inclusive recruitment practices, maternity and paternity leave, and menopause awareness – so that The Arch Company is inclusive to everyone, which will ultimately make us more successful as a business too.”

Charlotte Cywinski, Asset Management Director and Chair, Staff Diversity & Inclusion Group

