

## Performance: Our strategy and KPIs

# Our clear corporate strategy drives the business

This is focused on the following four objectives:

### Strategic objective

### What are we trying to achieve?

Actively manage our assets to drive sustainable outperformance against our commercial targets

**We have two key commercial targets, agreed with the Treasury, which underpin our strategy:**

To increase our net revenue profit at an agreed rate, measured on a three-year rolling basis.

To outperform our MSCI total return bespoke benchmark on a three-year rolling basis.

Nurture a high-performance culture and reputation as a great place to work

**Through nurturing a high-performance culture we are creating an environment that attracts and retains the best people.**

Our annual 'One Voice' survey tracks employee sentiment, enabling us to identify both strong performance as well as areas for improvement. We measure this against the UK national benchmark for employee engagement.

Build ever stronger relationships through high levels of customer and partner satisfaction, loyalty and recommendation

**Customer experience is at the heart of our approach, driving excellence in how we do business.**

We undertake regular customer engagement surveys to better understand our customers and anticipate future trends. We implement our findings, working alongside our partners and customers, through portfolio action plans.

Be a leading responsible and resilient business which thinks long term

**We seek to create value beyond financial return through acting responsibly and sustainably in everything we do.**

Our evolving Total Contribution methodology helps us understand our broader impact against each of the capitals. To support business resilience we implement robust systems that drive efficient and effective operations, including health and safety, governance and crisis preparedness.

**Key**

- A Achieved
- O On track
- M More work to do

**Other metrics**

These are our key performance indicators used to measure overall performance of the organisation. We also use a number of other metrics to monitor performance across our business, which are highlighted throughout the report.

## How did we perform this year? ➔

## Priorities for 2018/19

**2017/18 Target**

5% annualised growth in net revenue profit on three-year rolling basis

Outperform our bespoke total return benchmark on an annualised three-year rolling basis

A **6.0% p.a.\***  
**Three-year rolling growth in net revenue profit on an annualised basis**  
\*Excludes discontinued operations

Growth in annualised net revenue profit on a three-year rolling basis

|                |              |
|----------------|--------------|
| <b>2017/18</b> | <b>6.0%*</b> |
| 2016/17        | 7.0%         |
| 2015/16        | 6.6%         |

A **12% p.a.**  
**Compared to our bespoke total return benchmark of 9.0%**

Relative outperformance on three-year rolling annualised basis (percentage points)

|                |            |
|----------------|------------|
| <b>2017/18</b> | <b>2.8</b> |
| 2016/17        | 2.5        |
| 2015/16        | 2.7        |

**2017/18 Target**

Outperformance of UK national benchmark for employee engagement (77%\*)

\*Willis Towers Watson

A **88%**  
**Consider The Crown Estate to be a 'great place to work'**

Annual employee engagement survey (2016/17: 84%)



**2017/18 Target**

Outperform the Institute of Customer Service benchmark of 78.1%

M **78.0%**  
**Customer satisfaction rating**



**2017/18 Target**

Improve carbon emissions intensity by 40% against 2012/13 baseline for property under direct control by 2022

10% improvement in Incident Severity Score on 2016/17

O **10.8%<sup>Δ</sup>** **Improvement in carbon emissions intensity on 2016/17 bringing us to a 22% improvement against the baseline**

A **12%** **Improvement in the Health and Safety Incident Severity Score, representing a 2%<sup>Δ</sup> outperformance of the target**

- Continue to meet our revenue target
- Outperformance of our bespoke total return benchmark
- Develop our vision for the portfolios and progress key asset management initiatives
- Deliver developments in our Regional portfolio and progress the development pipeline in Central London

- Outperform the UK national benchmark
- Continue our focus on learning and developing talent
- Invest in new skills and expertise, particularly around digital, placemaking and customer experience
- Realise the full potential of our new flexible, modern HQ

- Outperformance of Institute of Customer Service benchmark
- Deliver an evolving customer experience strategy that reflects the ongoing transformation of our business and the changing needs of our customers
- Embed customer experience across the business and establish stronger partnerships with customers and partners

- Improve carbon emissions intensity against 2012/13 benchmark for property under our direct control
- 10% year-on-year improvement in Incident Severity Score based on two-year average (moving to a three-year rolling average from 2018/19)