

OUR STAKEHOLDERS



Our stakeholders are those most significantly affected by our activities and whose actions can affect our business performance. Our main stakeholders are our occupiers, the communities close to our shopping centres, our staff, suppliers and our parent company, Prudential plc.

COLLABORATING WITH INDUSTRY BODIES AND ASSOCIATIONS

We are committed to maintaining PRUPIM's thought-leadership through continued involvement in relevant industry bodies, forums and conferences and through contributing to publications concerning sustainability issues. We actively participate in several sustainability initiatives launched by industry bodies, associations and non-governmental organisations. Our Managing Director, Martin Moore, chairs the Sustainability Committee of the British Property Federation (BPF). This Committee was established to create the Sustainability Strategy for the BPF, and focuses on working with government and policy makers to develop industry solutions for incoming legislation and policy affecting the property sector.

Our Head of Research, Paul McNamara, is a member of the Steering Committee of the Institutional Investors Group on Climate Change. Paul also co-chairs the Property Working Group of the United Nations Environment Programme Finance Initiative. More information on Paul's outstanding contribution to sustainability and the property industry is highlighted online.

"Forum for the Future has worked in partnership with PRUPIM for a number of years, and has found them to be one of the most progressive companies in their sector."

Martin Hunt, Head of Built Environment, Forum for the Future

Forum for the Future is a charity committed to sustainable development. The built environment is one of the organisation's focus areas and it has a long-term goal of transforming the sector. See page 15 for more information about our work with Forum for the Future.

INDUSTRY BODY AND ASSOCIATION MEMBERSHIPS

- Association of Foreign Investors in Real Estate (AFIRE)
- Association of Real Estate Funds (AREF)
- British Council for Offices (BCO)
- British Council of Shopping Centres (BCSC)
- British Property Federation (BPF)
- City Property Association (CPA)
- European Association for Investors in Non-listed Real Estate Vehicles (INREV)
- Investment Property Forum (IPF)
- Real Service.

STAKEHOLDER GROUP	HOW WE LISTEN AND RESPOND
<p>SUPPLIERS</p> <p>We procure goods and services from over 2,000 suppliers or contractors. Our supply chain priorities are to ensure that our suppliers are treated fairly and operate in accordance with our standards.</p>	<p>We have an extensive supply chain which includes contractors, service partners and other suppliers from construction companies to shopping centre security guards and cleaners.</p> <p>Through Buying Force, our procurement company (a joint venture partnership with DTZ), we engage with our suppliers to ensure that they meet minimum sustainability standards. Since we began monitoring this in 2007, we have seen significant improvements in the sustainability performance of our supply chain, described in more detail on page 15.</p> <p>In 2009 we aim to incorporate requirements for measuring and monitoring performance against our development and refurbishment targets into the contracts of our new development suppliers.</p>
<p>EMPLOYEES</p> <p>Our business employs nearly 300 direct employees. We aim to attract and retain the best staff, and to contribute to their continuing professional development.</p>	<p>Our employee survey 'Shaping our Future' provides employees with a chance to provide our management team with feedback on a range of issues including job satisfaction, motivation and sustainability.</p> <p>In our 2008 employee survey, 81% said that they would recommend PRUPIM as a good place to work, 9% above the financial services benchmark; 71% of our employees agreed that our involvement in community and environmental activities brings business benefits. In 2009 we will be launching a staff engagement programme for employees with strategic or operational responsibility for the implementation of our new strategy.</p>
<p>COMMUNITIES</p> <p>We manage and invest in hundreds of properties and development projects. We seek to maintain strong links with local communities in the locations where we operate.</p>	<p>During our development projects we listen to and communicate with local stakeholders in a number of ways. These range from statutory planning consultations to more proactive means of engagement, such as organising open days and exhibitions of new development proposals and sending out community newsletters during construction works. All our new developments are registered with the Considerate Constructors Scheme and in 2009 we aim to achieve a minimum average score of 32 out of 40 over the course of each project.</p>
<p>OCCUPIERS</p> <p>Over 4,500 individual tenancy agreements in place. We are committed to providing the highest standards of customer service and supporting our occupiers to improve their own sustainability performance.</p>	<p>In 2008 we put the groundwork in place to become the first major landlord to offer a monthly rental payment option to retailers on existing leases without any financial penalties. To date, nearly half of our retail occupiers have taken advantage of this new arrangement which has provided immediate relief to struggling retailers. We have also offered this opportunity to smaller retail businesses on a permanent basis.</p> <p>We also seek opportunities to support our occupiers in improving their own sustainability credentials because we believe this can bring mutual benefits. For example, in collaboration with the Landlords and Retailers Working Group, The Mall at Cribbs Causeway in Bristol is trialling a number of initiatives, including energy saving measures, to reduce costs and occupier service charges.</p> <p>To improve communication with our tenants, we also plan to develop and launch an occupier web portal which will provide – amongst other things – access to PRUPIM's policies on topics including insurance, H&S and sustainability, and an easy way to provide feedback on the services we deliver.</p>
<p>CLIENTS & PARENT COMPANY</p> <p>We are managers of one of the largest property funds in the UK. We are committed to protecting and enhancing long-term fund performance by incorporating sustainability factors into our investment decisions.</p>	<p>PRUPIM's single largest client is our parent company Prudential plc. We maintain strong links with Prudential's Board. As one of the largest real estate investment managers in the UK, we also provide portfolio management services to a wide range of other clients, including UK and overseas institutional investors. We communicate our sustainability performance via our annual Sustainability Reports, and Prudential plc's Corporate Responsibility Reports.</p> <p>Since 2003 we have assisted Prudential plc in compiling the company's response to the Carbon Disclosure Project: an independent not-for-profit organisation which holds the largest database of corporate climate change information in the world and represents the largest institutional investor collaboration on the business implications of climate change.</p>

CASE STUDY: PRUPIM'S MULTI-STAKEHOLDER REVIEW PANEL

PRUPIM was one of the first real estate companies to develop a Sustainability Strategy and has been producing annual Sustainability Reports since 2002. After several years of reporting on our sustainability performance we felt it was important to involve our stakeholders in our approach.

In October 2008 we asked a panel of stakeholders to challenge our reporting practices and our Sustainability Strategy. Approximately 30 representatives from public interest groups, our occupiers, industry bodies, supplier organisations and academic institutions participated in a workshop independently facilitated by Upstream.

The panel commended PRUPIM for its initiative in convening a multi-stakeholder review and raised a number of observations which were presented to PRUPIM's management.

In response to the feedback provided by our panel we have significantly revised our Sustainability Strategy and reporting practices. In 2009 we launched our new strategy which communicates our long-term sustainability commitments, underpinned by a series of short-term targets and performance indicators which will enable us to monitor our progress. We also considered the panel's feedback when developing and designing this Sustainability Report, which we hope you enjoy reading. We are planning to host our second stakeholder workshop which is likely to focus on specific issues and engage specific stakeholder groups, particularly those on whom we have a direct impact.

"I was very encouraged that an organisation such as PRUPIM would seek 360 degree feedback from its clients and stakeholders in such an open and transparent way. The recommendations from the stakeholder panel give them a real opportunity to focus on a much tighter set of targets and KPIs that should move their ambition for purely compliance to becoming a leader within the sector that they operate."

Crispin Burridge,
Head of Plan A & Sustainable Construction,
Marks & Spencer