

RESPONSIBLE BUSINESS PRACTICES



We believe that behaving responsibly is not simply the right thing to do but is also a way of generating significant benefits which are closely aligned with our business objectives. As a leading real estate investment company, the range of activities that we undertake requires us to act responsibly in many different areas. We have a number of policies and standards in place to guide our business decisions and we ensure that our principles are put into practice through our leadership, training and performance appraisals.

OUR SUSTAINABILITY COMMITMENT

We will minimise the adverse social and environmental impacts of our business, uphold the integrity of our business relationships and ethics, and focus on the engagement and satisfaction of our staff to build long-lasting market advantage through increased competitiveness and brand value.

OUR SUSTAINABILITY STRATEGY

Responsible business practices are central to and underpin our Sustainability Strategy which encompasses all our operations and activities. There are a number of sustainability issues which are relevant to all aspects of our business and/or require a centralised approach.

These include:

- Working in partnership with our suppliers and joint venture partners to ensure that their operations are in line with our standards and principles
- Engaging with our customers to understand and respond to their evolving needs
- Treating our employees fairly and with respect and identifying ways to maximise job satisfaction
- Maintaining the highest standards of H&S to protect employees and contractors at our managed assets and on our development sites
- Ensuring our business conduct is in line with the minimum legislative requirements and, where feasible, exceeding these requirements
- Managing our own office environmental footprint in the same way as the assets we manage on behalf of client funds and investors
- Contributing to local communities surrounding our managed assets and development projects.

KEY FACTS

- Operating in 17 countries and headquartered at City Place House, London, UK
- With over £15 billion of assets under management, PRUPIM is one of the largest real estate investment managers in the UK
- PRUPIM manages over £3 billion of international real estate assets across Europe, North America and the Asia Pacific region
- PRUPIM has 273 UK employees.

WHAT WE HAVE ACHIEVED

In 2008 we fully and partially achieved 80% of our responsible business practice targets. This section contains just a selection of our recent achievements and initiatives. More case studies and a comprehensive account of our performance against our targets and key performance indicators can be found on our website.

Health and Safety: Our RIDDOR Accident Rate at shopping centres fell to 1 in 4.4 million visitors (2007: 1 in 2.9 million visitors). This represents a 42% reduction in the number of such incidents.

Suppliers: Buying Force, our joint venture with DTZ, continues to increase the environmental standards of our supply chain. In 2008 69% of suppliers had a recognised EMS in place compared to only 35% in 2007 and 94% had an environmental policy compared to 77% in 2007.

Community Investment: Our community contributions rose by 93% in 2008, to just over £800,000. This increase is largely attributable to new procedures introduced in 2008 to accurately measure and capture the value of the space our shopping centres give, free of charge, to local charities and community groups.

Office Environmental Impacts: In 2008 we moved into City Place House, our new headquarters. To demonstrate our commitment to our sustainability principles, we ensured that our new office was fitted out in accordance with those principles. We also recorded a 21% reduction in the CO₂ emissions associated with our business travel in comparison to 2007.

Staff Satisfaction: The amount of employees who have been with the company for ten years or more continues to rise, now standing at 43%. In our 2008 employee survey 81% of our employees stated that they 'believe PRUPIM is a good place to work' compared to 79% in 2006. Furthermore, 71% of respondents also agreed that 'our involvement in community and environmental activities brings business benefits to PRUPIM'.

HEADLINE KEY PERFORMANCE INDICATORS

INDICATOR	2006	2007	2008
Scope 3 GHG emissions – Business Travel (tonnes of CO ₂)	317	320	251
Total corporate community investment (£)	609,000	416,410	802,585
RIDDOR accidents at managed properties	57	44	29
RIDDOR Accident Rate for shopping centres (ratio of RIDDORs per million visitors)	1:2.4	1:2.9	1:4.4

CASE STUDY: COMBINING NATURE CONSERVATION AND TEAM BUILDING, LONDON

In September 2008 over 40 volunteers from PRUPIM and law firm CMS Cameron McKenna participated in conservation activities at Stave Hill Ecological Park, South London. The event was held in partnership with CMS Cameron McKenna, who generously organised and funded the day, and PRUPIM employees were able to use one of their two annual volunteering days to take part.

The group was split into four teams, and spent a day at the site undertaking a variety of tasks including preparing the land for next spring, planting bulbs and clearing riverbanks, with the overall aim of ensuring that a variety of plants and habitats can thrive in the exceptionally poor soil found at the site.

"Despite the gruelling nature of the work, the blisters, aching knees and creaking backs, I think we all agreed it was a really worthwhile event and a great opportunity for us to make a real contribution to a charity which is very reliant upon people's generosity with their time" said Charles Mordaunt, PRUPIM volunteer.

The event had the added benefit of introducing people who often work closely together without necessarily meeting face-to-face, and cementing relationships with CMS Cameron McKenna outside the office.



Conservation: volunteers from PRUPIM and law firm CMS Cameron McKenna

CASE STUDY: FUTURE SCENARIO PLANNING

In June 2008 we commissioned Forum for the Future to facilitate a sustainability workshop entitled "A Positive Future for PRUPIM". All PRUPIM Board members and the company's Leadership Forum attended the workshop which aimed to raise their awareness of sustainability and to encourage them to consider future trends when making operational and strategic decisions.

Our Leadership Forum was established in 2007 and comprises of over 30 individuals from across the business who report to members of PRUPIM's Board.

The overall aims of the Leadership Forum are to improve idea generation, productivity and communication across PRUPIM. For this reason, we selected this group of individuals to join the Board in attending this sustainability workshop.

The workshop was opened by Jonathon Porritt (founder director of Forum for the Future and chairman of the UK Sustainable Development Commission) with an introduction to sustainability. During the workshop, participants agreed to undertake a number of actions in order to ensure that the company adjusts to anticipated future social, environmental and business trends which are of relevance to the property sector. Actions included:

- Promotion of environmental benchmarks
- Development of a Sustainable Refurbishment Framework to complement PRUPIM's Sustainable Development Framework
- Reduction in office space and cost of occupation through establishing flexible working arrangement such as hot-desking and home working and developing initiatives to increase the energy efficiency of buildings
- Development of an education programme for PRUPIM staff, investors and occupiers.

Since June 2008 we have made excellent progress towards implementing some of these actions and we will continue to build on this work with Forum for the Future.

OUR FUTURE TARGETS

We have set ourselves three targets to achieve by the end of 2009 with the aim of improving the sustainability performance of our business practices. These are listed on page 23.



See more at
www.prupim.com/about/sustainability