

OUR FUTURE TARGETS

Following feedback received from our stakeholder panel and our internal strategy review, we set ourselves 27 targets to be completed by the end of 2009 (unless otherwise stated). These targets reflect the most material impacts of our business and are aligned with our sustainability commitments.

SUSTAINABLE PROPERTY MANAGEMENT

We will further develop our sustainable practices to monitor and improve utilities efficiency, resource management and waste management in order to deliver cost savings, minimise environmental impact and enhance relations with occupiers, suppliers and communities.

- Achieve a 10% reduction in carbon emission intensity for shopping centres and managed offices against the 2008 baseline (end 2010)
- Achieve onsite recycling rates of 40% at shopping centres and managed offices (end 2010)
- Send no more than 20% of waste from shopping centres directly to landfill (end 2010)
- Engage with occupiers at managed offices on energy reduction and efficiency measures, encouraging the display of at least five Tenant Energy Reviews
- Ensure that all shopping centres and managed offices are able to accurately monitor energy use
- Achieve a reduction of 10% in water consumption from a 2008 baseline in landlord controlled parts of the top 20 water-consuming managed properties (end 2010)
- Develop and implement green travel plans for all shopping centres
- Develop and launch an occupier web portal.

SUSTAINABLE DEVELOPMENT & REFURBISHMENT

Through our Sustainable Development and Refurbishment Frameworks we will adopt cost-effective design solutions and implementation strategies for our developments and major refurbishments to maximise their social and economic contribution and minimise the adverse impact of our activities on the environment.

- Undertake certified BREEAM assessments (standard versions) on all new build projects with a construction spend in excess of £2m with the intention of obtaining a minimum rating of "Very Good"
- Include contractual requirements that contractors measure and monitor performance against our development and refurbishment targets
- Investigate the potential opportunities from renewable energy generation on our strategic land portfolio and on large sites with a long-term delivery programme, over which we have development control
- Achieve a minimum average score in the Considerate Constructors Scheme of 32 out of 40 over the course of the project for all new developments and refurbishments
- Work with our contractors to establish and implement measurement systems to enable us to calculate our 2009 baseline weight of non-hazardous construction and excavation waste sent to landfill, with a view to reducing landfilled waste in the future
- Reuse or recycle 80% of non-hazardous construction and demolition waste (end 2010)
- Achieve a 25% improvement for new commercial offices and 15% improvement for all other new properties on requirements for energy performance set out by Part L of the Building Regulations (2006)
- Establish a set of key performance indicators to more robustly measure our achievements and performance in socio-economic areas such as health & wellbeing, jobs & skills, community, ecology & biodiversity and investment in public transport
- Achieve at least 15% (by weight) total recycled or reclaimed content of materials used in new developments (end 2010).



SUSTAINABLE FUND MANAGEMENT

We will protect and enhance long-term fund performance by incorporating environmental and socio-economic thought-leadership within our investment and risk management processes and promoting responsible property investment throughout all teams' activities.

- Maintain PRUPIM's thought-leadership through continued involvement in the relevant industry bodies, meetings and conferences like the UNEPFI Property Working Group, the Property Workstream of IIGCC, the Green Property Alliance and through continued publication and conference presentations on these issues
- Integrate sustainability into the FairVal asset appraisal system to assess the likely investment implications of sustainability factors on assets in ownership and those that we might acquire.

SUSTAINABLE ASSET MANAGEMENT

We will optimise and future-proof the value and performance of our assets by integrating cost-effective sustainability measures into the planning, implementation and asset management process, to ensure that our responsible property investment vision is strategically driven from policy to property level.

- Roll out our environmental risk profiling system to all properties in the managed portfolio
- Roll out ISO 14001 certification to a further six significant offices
- Develop a management dashboard to illustrate the sustainability performance of shopping centres, to be presented at quarterly asset day meetings
- Incorporate cost effective recommendations from EPC reports into asset plans
- Where appropriate, and in agreement with tenants, roll out the "Memorandum of Understanding on Green Issues", concentrating initially on the Improver Portfolio, and also actively seeking opportunities to roll out to other properties under management.

RESPONSIBLE BUSINESS PRACTICES

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.

- Measure energy performance at our headquarters in City Place House and display a Tenant Energy Review (TER) certificate
- Develop and deliver a staff engagement programme for employees with strategic or operational responsibility for the implementation of our Sustainability Strategy
- Integrate sustainability objectives into the Performance & Development Application (PDA) objectives of employees with strategic or operational responsibility for the implementation of our Sustainability Strategy.