

Shaftesbury PLC

Sixth Annual Corporate Responsibility Audit



2008



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1.0 Corporate Responsibility Overview 2008

1.1 Introduction

This is the sixth annual Corporate Responsibility (CR) Audit following on from the Baseline Review of 2002. It provides Shaftesbury PLC and its stakeholders with a progress report of how it has performed against its Policy Objectives and highlights areas in need of further improvement.

1.2 Key Achievements

Shaftesbury continued to make good progress from September 2007 until September 2008 managing its environmental and associated corporate responsibility issues. The company has maintained its listing in the FTSE4Good Index Series and the internationally-recognised Dow Jones Sustainability Index. It is also listed on the Kempen SNS Smaller European Index.

Key achievements for 2007-08 include updating the supplier documentation process, including key checklists and the contractor's induction card, together with issuing a revised version of the tenant's information leaflet. This has enabled collation of more quantitative data and has ensured the procedures follow the most up-to-date best practice guidelines.

The company continued to issue its environmental policy and sustainability checklists to members of the refurbishment project teams to encourage good practice. Ongoing communication with tenants has also continued, including provision of its environmental policy and feedback questionnaires, together with the issue of an updated tenant information leaflet. Shaftesbury continues to use its website as the main means of reporting on its performance against its objectives and targets and also as a means of engaging with external stakeholders.

Shaftesbury continues to work towards meeting objectives and targets; those for 2007-08 were outlined in an Action Plan in November 2007. This audit report includes both qualitative and quantitative information on year-on-year performance.

Notably for this year, there has been a significant increase in quantifiable data to demonstrate the company's policy on responsible timber sourcing, with an average of 56% from sustainable sources, and with some projects achieving more than 80%. A new waste contract at Carnaby and Seven Dials has resulted in improved waste data for that part of the portfolio and quantitative information on the recycling rate, which has increased to 32%. Water efficiency in the Carnaby / Seven Dials estates has improved, based on the benchmark set last year.

With regards to energy, there has been a decrease in usage at Head Office. Although there has been an increase in usage in some parts of the managed portfolio this year, it should be noted

that usage still remains low as the common parts areas over which Shaftesbury has direct control typically only include lighting. Furthermore, it is considered that the company's approach of refurbishing existing buildings rather than constructing new properties could be its most significant contribution to reducing carbon emissions, through reducing the need for new materials with high embodied carbon.

All refurbishment sites over a certain threshold are registered with the Considerate Constructors Scheme and in 2007-08, the average score was 28.6/40, exceeding the general compliance figure of 24/40.

1.3 Performance against main KPIs

Performance Area	Key Performance Indicator	2003-04	2004-05	2005-06	2006-07	2007-08
Stakeholder Engagement	Ranking amongst Real Estate companies in BiTC CR Index (overall position)	2 (78 th)	1 (Joint 69 th)	1 (Joint 48 th)	N/A	N/A
	Listing on FTSE4Good	Yes	Yes	Yes	Yes	Yes
	Listing on Dow Jones Sustainability Index	-	-	-	Yes	Yes
	Good Companies Guide	-	-	-	3 rd	6 th (highest ranked property company)
Employees	Proportion of employees that are female	33%	33%	47%	50%	50%
	Proportion of females in managerial grade	50%	50%	57%	71%	71%
	Number of employees having an annual training and development review	25%	66%	100%	100%	100%
Environment	Carbon dioxide emissions from direct energy use for the Head Office (tonnes CO ₂)	24.2	25.9	17.9	22.1	27.3 (22.8)*
	Carbon dioxide emissions associated with energy use in common parts of tenanted portfolio (tonnes CO ₂)	858.7	962.1	919.3	926.4	1,160.5 (929.2) *
	Waste recycled as proportion of waste generated at Carnaby / Seven Dials (tenant generated waste)	6.5%	8.8%	2.4%	Not quantified by contractor	32%

Performance Area	Key Performance Indicator	2003-04	2004-05	2005-06	2006-07	2007-08
	Performance against requirements of Considerate Constructor Scheme – percentage of assessed schemes that achieved target	80% achieved target of 24/40	89% achieved target of 24/40	80% achieved target of 26/40	75% achieved target of 26/40	89% achieved target of 26/40
Health & Safety	Number of days/1000 employees lost to accidents	0	0	0	0	0
	Number of notifiable health & safety incidents in refurbishment projects	0	1	1 prohibition notice	0	2 prohibition notices
Community Investment	Total value of community investment	£134,000	£531,372	£266,433	£930,055	£301,816
	Proportion of pre tax profit spent on community investment	1.1%	3.72%	1.9%	7.32%	2.63%

**Revised carbon conversion factors were released by Defra in June 2008. Value in brackets denotes carbon emissions calculated on a like-for-like basis with previous years for comparison.*

2.0 Introduction and Methodology

2.1 Background

RPS Health, Safety & Environment (RPS) was first commissioned by Shaftesbury in March 2002 to undertake a Baseline Corporate Responsibility (CR) Review of activities throughout its operations. Subsequently an Action Plan was implemented in 2002, which has since been subject to an annual review and update. This is the sixth annual audit of Shaftesbury's CR activities. It assesses the progress against the objectives and targets set out in the Action Plan and Shaftesbury's overall performance with respect to CR issues.

The company employs 20 staff, of whom 17 are based in the Head Office. In September 2008, the wholly owned portfolio comprised the following:

- 300 shops with a total area of 375,000 sq. ft;
- 163 restaurants, bars and clubs with a total area of 396,000 sq. ft. The main concentrations of restaurants are in Chinatown and the Opera Quarter;
- 404,000 sq. ft of office space, let to 333 tenants; and
- 279 apartments, flats and maisonettes.

Its activities are divided into the core areas of acquisition, refurbishment and property management and its primary operations can be divided between its Head Office activities, the management of a large portfolio concentrated in the areas of Carnaby Street, Seven Dials / Covent Garden and Chinatown, and the refurbishment of additional properties in these areas. Shaftesbury's business activities have not significantly changed in the year 2007-08 and it still operates as a property management and investment company with a defined focus in Central London. Generally there has been the continuation of a slight decrease in office space and an increase in residential and other commercial uses such as restaurants, bars and clubs.

All of the properties are within Conservation Areas and a number of the buildings are also listed as being of architectural and historic interest. Within the constraints of Listed Building and Conservation Area legislation, Shaftesbury refurbishes and manages properties to meet the needs of existing and prospective tenants, whilst retaining the existing character and features of the buildings.

2.2 Methodology

Three key sources of information have been used to assess CR issues within Shaftesbury in 2008, as follows:

- 1) Interviews with Shaftesbury personnel and members of their consultant team
 - a. Shaftesbury PLC
 - Penny Thomas – Company Secretary
 - Julia Wilkinson – Surveyor
 - Andrew Price - Surveyor
 - b. Managing Agents
 - Stewart Avery – NB Entrust (responsible for Chinatown and Opera Quarter)
 - Wade Standen – EA Shaw (responsible for Covent Garden and Carnaby)
 - c. Refurbishment Project Managers
 - Andrew Matthews – Single Point Project Management Ltd (SP.PM, responsible for Carnaby)
 - Robert Say, Colin Martin and Tom Balme – Fresson & Tee (Responsible for smaller individual projects)
 - Jacqui Allen – TFT (Responsible for a limited number of refurbishment projects)
- 2) Site visits to a number of refurbishment sites and parts of the managed portfolio.
- 3) Review of key documentation, including energy and water meter readings, completed CR checklists for refurbishment projects and Considerate Constructors Reports. In 2008, there was more refurbishment activity than in the previous year and consequently more data to report. A total of 23 sites were either completed in 2008 or in the process of being refurbished. Considerate constructors audit information is presented within this report for all sites which were registered. Information such as timber usage is only reported for those for which all work has been completed, totaling 16 sites.

3.0 Managing Corporate Responsibility Internally and Through the Supply Chain

3.1 Policy

Shaftesbury has an integrated Corporate Responsibility (CR) Policy, which was originally drafted and signed off by the Board in July 2002 (as the Environment, Social and Community Policy). The Policy is reviewed annually and approved by the Board in July 2008.

The Policy is available to the public via the company website. It has also been issued to the company's key advisers and is included as part of the tenant's pack. In addition, the Annual Report includes an overview of the company's environmental strategy, health & safety issues and community issues, together with a list of CR objectives for the forthcoming year.

In support of the overall CR Policy are various other policies including those relating to Equal Opportunities, Health & Safety and Whistleblowing.

3.2 Responsibilities

Jonathan Lane, the Chief Executive, exercises overall responsibility for the implementation of Shaftesbury's CR Policy. The responsibility for the implementation of the specifics of the Policy is passed directly to the managing agents and the project managers, both of whom have regular meetings with Shaftesbury.

Brian Bickell, Shaftesbury's Finance Director, has overall responsibility for overseeing personnel issues such as health & safety, training and staff welfare.

Below Board-level, individuals have been identified for the implementation of specific aspects of the Policy through the annually updated Action Plan. Penny Thomas, as Company Secretary, reports directly to Jonathan Lane and coordinates the reporting and progress of the Action Plan.

The Policy is included within the contracts with suppliers and subcontractors through the project managers for all refurbishment projects above a capital sum of £75,000.

The Policy is also included within the standard contract for maintenance contractors in the Chinatown part of the estate and is issued to commercial tenants as part of the tenant's pack.

3.3 Management Systems

As identified in earlier CR Audits, there are no plans to implement an externally-certified Environmental Management System (EMS) within any part of Shaftesbury. This is to be expected given the structure of the organisation and the fact that it has relatively low direct environmental impacts.

A bespoke environmental management system is in place, which includes the core elements of a Policy, measurable objectives and targets, an audit programme and reporting.

Similarly, with respect to health & safety, there are no formal systems in place, although, a health & safety risk assessment undertaken in October 2003 for Shaftesbury's Head Office identified key actions which were subsequently implemented.

Health & safety is identified within the pre-tender documentation as an issue that contractors must address as part of the contract submission and is monitored on site by the contractor's site manager and Shaftesbury's project managers. All contractors working for the property managers undertaking ongoing maintenance of the portfolio work to the health and requirements of the principal agents (EA Shaw and Nelson Bakewell). Health & safety policies are required as part of standard contract.

3.4 Internal Audits

Shaftesbury continues to monitor and measure its performance against the requirements of its Corporate Responsibility Policy through the use of a series of mechanisms outlined below.

3.4.1 Annual Corporate Responsibility Audit

An annual CR audit programme is in place to review Shaftesbury's performance against its Policy and Action Plan, of which this report forms a part.

3.4.2 Pre-Purchase Audit

A property purchase checklist was introduced in 2005 as part of the pre-purchase due diligence which confirms whether the property is subject to potential environmental liabilities such as previous contaminative uses, the presence of asbestos-containing materials etc. This was reviewed and revised in September 2006 and is used for all property acquisitions to highlight any environmental liabilities at an early stage so the appropriate action can be taken.

3.5 Managing the Supply Chain

Shaftesbury's most significant impacts could be considered to occur through its supply chain as the management of its portfolio on a daily basis and the refurbishment of new properties is undertaken by third party companies; if not responsibly managed, Shaftesbury could inadvertently contribute to significant environmental impacts, through factors such as the use of energy at these sites, waste produced and materials used.

The company has a number of systems set up in order to integrate environment and social / ethical factors into the procurement process of new services and into the ongoing work of its long-term managing agents and refurbishment contractors. Those suppliers which meet Shaftesbury's qualification criteria are defined as those companies that have been assessed and prioritised on the basis of potential environmental or business risk associated with their provision of products, processes or services, which Shaftesbury monitors as below:

3.5.1 Use of Policy & Contractor's Induction Leaflet

Shaftesbury's prioritised suppliers would, in the first instance, be its managing agents and project managers and through these - down the supply chain - to selected subcontractors and suppliers. The Corporate Responsibility Policy is included as standard in all contract documentation issued by the project managers Fresson & Tee and SP.PM.

In addition, the Contractor's Induction leaflet is issued to all subcontractors working on Shaftesbury refurbishment projects and by the managing agents (NB and EA Shaw) to contractors working for the managed portfolio. The Contractor Induction Leaflet was updated in July 2008 to include the updated CR Policy and latest best practice guidance, and includes key goals and steps to be taken to achieve them. For example, it promotes the efficient use of energy by switching off all lights and machinery when not in use as one way of minimizing adverse impacts on the environment and wearing PPE appropriate to the task at all times as one way of adhering to safe working practices.

3.5.2 Use of Checklists

As part of the contract documentation, the project managers issue Shaftesbury checklists at the opening site meeting of each refurbishment project. These were updated in late 2007 to reflect new legislation and best practice, and with the aim of improving the data collection process. The following checklists are now issued:

- Legislation guidance for Project Managers;
- Legislation guidance for Site Managers;

- CR Reporting checklist to confirm key aspects have been considered;
- Contractor's checklist to flag key site-specific issues, such as the storage of hazardous materials, planning constraints, neighbouring properties etc, together with providing the basis for the collection of quantifiable timber and waste data; and
- Specification checklist to highlight key considerations during the specification stage, including energy and water efficiency measures, timber and other material sourcing.

The key change in the updated checklists is the requirement for project managers to quantify timber re-use within the building and to collate and retain documentation for all timber purchases in order that responsible sourcing can be demonstrated. In 2007, the audit report detailed the proportion of sustainable timber sourcing for several projects and the change in checklists aimed to both increase the number of sites for which data could be reported and to promote the sourcing of sustainable timber.

The checklists are completed during the course of the project and analysed as part of the annual audit. As part of the completion of the checklists, the project team is also required to submit supporting documents, such as the Considerate Constructors audit report, waste transfer notes, certification of timber supplies etc.

3.5.3 Considerate Constructors Scheme

Refurbishment projects of a capital value above £75,000 are required by Shaftesbury to be signed up to the national Considerate Constructors Scheme (CCS). The scheme includes external audits against an eight point Code of Considerate Practice, including categories such as consideration of neighbours, cleanliness, environmental awareness, waste management and health & safety. All registered sites are given a score out of 40, and a score out of 5 within each of the individual categories. Three points in any of the sections indicates that a site is complying with the Code and is therefore operating beyond standard industry requirements. Shaftesbury sets an in-house target of achieving 26/40 within the CCS site visits, indicating an achievement beyond general compliance.

In 2007-08, 18 projects (83% of those exceeding the financial threshold set by Shaftesbury) were assessed against the scheme. The following projects over £75,000 were not assessed:

- East Slingsby Place & 3-5 Mercer Street – the majority of work is to be undertaken in late 2008 and 2009. The scheme has been registered, but no audits have been undertaken to date. (Managing Agent: SP.PM).

- 45/47 Endell St & Shelton Street – the scheme was originally below the threshold and therefore was not registered (Managing Agent: Fresson & Tee).
- 14/16/18 Monmouth Street – originally each property was going to be refurbished separately and therefore they were not registered as they would have been below the thresholds (Managing Agent: Fresson & Tee).
- 21-24 Newport Court – site work has ceased and been postponed until the next reporting year (Managing Agent: Fresson & Tee).

Results for each site and issues raised / recommendations made can be seen in Appendix A. CCS reports are available for viewing upon request. The scores for each site ranged between 25.5 and 33.5 out of 40, with 89% of projects in excess of the in-house target of 26/40. The average score was 28.6/40.

This is considered to be a good achievement for schemes frequently constrained by space and locality. Overall the comments were generally positive, with several sites stated as being good examples of taking on board the Considerate Constructors Code of Practice. Some sites were noted as being well-presented and organized and with good procedures. 11 Gerrard Street, with a score of 33.5/40, was noted as being an excellent example of a small firm taking on the requirements of the Scheme and ensuring that the criteria were not only applied but exceeded. The NCP and Courtyard Building scheme at Longmartin also achieved an excellent score of 33.

Of the 18 schemes assessed, only two (36/38 Tavistock Street and 27 Catherine Street) achieved scores lower than the in-house target of 26, but both exceeded the score required for general compliance. As with many Shaftesbury projects, the Tavistock Street site had limited space for welfare facilities (particularly to provide separate toilet facilities for men and women, and shower facilities), and welfare facilities had to be moved around the building as the works progressed. The auditor noted that there was restricted access and space and that the project manager was maintaining a good working relationship with the client and restaurant tenant below. The Catherine Street site was subject to two audits and improvements were demonstrated between the two visits. During the second visit, the auditor noted that the site was fully complying with the code of practice following the attention given to the items highlighted in the initial audit. The project manager is due to have a meeting with the contractor to see if anything could have been done to meet the higher scores aimed for by Shaftesbury, and this meeting will include a review of the CCS 'Higher than Satisfactory Performance' document. The same contractor has also been commissioned for a new refurbishment site and the project manager will raise these issues at the start-up meeting to see if improvements can be made on the next site.

Some of the main action points / recommendations raised during the audits were also raised in CCS audits reviewed in previous years, namely:

- Written contact should be made with site neighbours at the beginning of the project.
- There should be a policy in place for smoking.
- Sites should be provided with lockers, showers and suitable toilet facilities (including for female and disabled site users), where feasible within the constraints of the scheme.
- It would be beneficial to include a location plan of the nearest hospital (A&E).
- All first aiders should be identified with a green cross on their hat. Photos should be shown during the induction process and displayed on site.
- Identification cards should be used.
- Records of operative medical conditions and skills should be kept on site.

3.6 Performance Against Targets

Target 2007-2008	Comments	Achieved
Review Policy May 2008 for approval at the Board meeting in July 2008.	Policy reviewed and signed off by the Board.	✓
Ensure Policy continues to be issued to all new commercial tenants as part of tenant's pack.	The policy is circulated by the managing agents to all new tenants.	✓
Continue to provide all contractors with a copy of the Company Policy & Specification questionnaires etc. in tender documentation.	All contractors are provided with the Policy and checklists.	✓
Undertake annual audit in August – September 2008 to monitor performance against the Policy and Action Plan.	This report forms part of the annual audit.	✓
Report performance against Action Plan on Company website.	This audit report assesses the company's performance against the Action Plan.	✓
Include summary of performance in Annual Report 2007-08.	A summary of performance is also included in the Annual Report.	✓
Ensure environmental/building health surveys are utilised to screen properties prior to purchase of all properties and audit findings of surveys.	An audit is undertaken prior to purchase of all properties.	✓
Review content of Contractor's Induction leaflet.	The Contractor's leaflet was updated in April 2008.	✓

Target 2007-2008	Comments	Achieved
Continue to issue Induction Leaflet to all contractors working on portfolio and maintain documented audit trail of contractors that have received leaflet.	The induction leaflet is issued to all contractors.	✓
Review legislation checklists to ensure are current.	Legislation checklists were updated in November 2007.	✓
Monitor environmental compliance on refurbishment and construction projects for 2007-08 using checklist.	All construction projects over the threshold used the checklists.	✓
Project managers to utilise revised Specification and Contractor's checklists for all projects above £75,000 from November 2007.	All projects used the checklists, with the exception of two which were initially planned to be below the threshold.	✓
Ensure all eligible schemes are signed up to Considerate Constructors Scheme.	All schemes were signed up to CCS (apart from schemes originally below the threshold).	✓
Project managers to advise contractors of areas for improvement by December 2007.	Project managers aware of the issues, but no formal process for disseminating information and providing feedback on areas for improvement.	✗
Under-performing contractors (one substandard score) to attend CCS training course. If performance does not improve, contractor's inclusion on tender list to be reviewed.	No formal training courses attended.	✗
Improve on last year's performance by achieving a minimum score of 26/40 (above satisfactory performance) on 80% of schemes audited.	Around 90% of schemes exceeded the in-house target of 26/40, with an average score of 28.6/40.	✓
Audit CCS results & identify any areas for further improvement.	Audit results generally considered to be good, but areas were highlighted for further improvement.	✓
Ensure findings of Considerate Constructors Scheme are implemented at 100% of projects.	Some issues raised in 2008 were similar to the findings in last year's audit report, although it was noted that some are a result of the restricted nature of most of the sites.	✗
Ensure 100% of eligible sites have at least one external audit by CCS (includes health & safety criteria).	All registered schemes completed in 2008 were subject to at least one audit.	✓

3.7 Recommendations

- Ensure that all schemes adhere to the Considerate Constructors Code. Specifically, the following should be considered: making written contact with site neighbours, providing adequate welfare facilities, displaying a location plan of the nearest hospital, ensuring that all first aiders are easily identifiable on site and using ID cards.
- Discuss sites which did not meet the in-house CCS target with project managers and contractors. Under-performing contractors to attend CCS training course.
- Continue to issue checklists and legislation guidelines for all refurbishment projects.
- Ensure the Contractor's induction leaflet continues to be issued to all subcontractors working on the portfolio, both for managing agents and within refurbishment projects.
- Ensure that the Environmental Policy and Occupiers leaflet continues to be issued to all new commercial tenants. Review the content of the leaflet on a regular basis (e.g. every two years) and revise and reissue as necessary.

4.0 Carbon Management and Performance

4.1 Re-use of Existing Buildings

Shaftesbury's strategy is to invest in the West End and this results in all properties within the portfolio being in Conservation Areas, with some buildings also having listed status. The majority of the buildings are historic buildings and are maintained in the vast majority of cases. The re-use of these existing buildings is by definition sustainable as it avoids unnecessary waste and materials required to construct new properties.

Currently, significant emphasis is being placed on carbon emissions of dwellings throughout their operational lifetime, with drivers such as improvements in the Building Regulations, Energy Performance Certificates (EPCs) and BREEAM / Code for Sustainable Homes. Whilst this is an important issue, it neglects to consider the embodied energy contained within the fabric of the building. Shaftesbury's policy of re-using buildings ensures embodied energy within the existing materials is preserved.

The recent Empty Homes Agency study 'New Tricks with old Bricks' compared the carbon dioxide given off in building new homes against that from creating new homes through refurbishing old properties. The findings indicated that reusing a building could make an initial saving of 35 tonnes of carbon dioxide per property by removing the need for the energy locked into new build materials and construction. Over a 50-year period, there was found to be almost no difference in the average emissions of new compared with refurbished housing.

4.2 New Buildings

Shaftesbury's strategy does not generally include the construction of new properties, selecting instead to retain existing historic buildings. However, where new buildings are constructed, the aim is to consider energy efficiency within the design to not only meet the Building Regulations, but to aspire to exceed them.

The Longmartin joint venture project, currently in the construction phase, includes principles of energy efficient design within both the building envelope and services installations. In addition, it also incorporates photovoltaic cells and water heating panels to supplement standard power supplies with a renewable, low carbon source. The scheme aims to achieve a 'Very Good' rating under the Building Research Establishment's Environmental Assessment Method (BREEAM) and the energy efficiency measures planned for the scheme will support this achievement.

4.3 Refurbishments

Given the constraints of the existing buildings in Conservation Areas and with some having listed status, it is considered that there are limited areas in which significant improvements can be made. However, it is Shaftesbury's policy for its project teams to consider energy efficiency as part of the specification of refurbishment, where it is feasible within the constraints of the listing (or otherwise) of the property. The applicability of energy saving measures varies according to each building, but could typically include:

- Energy efficient light fittings (with timer / sensor controls);
- High-efficiency individual boilers installed within each unit with thermostatic controls;
- Insulation used in roof voids to reduce losses;
- Secondary glazing (where possible).

36-38 Tavistock Street has been refurbished this year after previously being disused for around 10 years. Whilst there was limited opportunity for significantly improving energy efficiency due to its listed status, its original features such as shutters act as insulation and further benefits were achieved through removing the need for air conditioning.

4.4 The Managed Portfolio

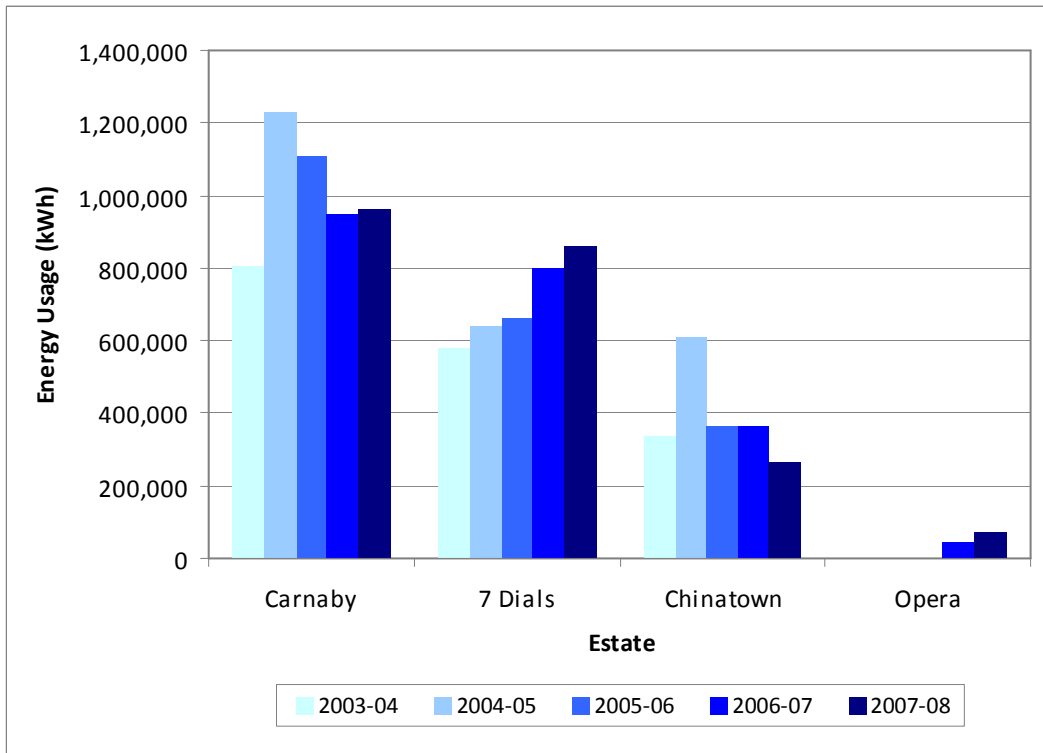
The use of energy within the managed property portfolio is the responsibility of the tenants, with the exception of certain common areas such as stairwell lights and facilities. Generally there is no heating in the common parts and energy use is restricted to lighting, which reduces the environmental impact of these areas. Energy usage is measured and a summary of the data is provided in Figure 1. More detailed data is provided in Appendix B.

Although not under the direct control of Shaftesbury, the company aims to encourage improvements in energy usage in tenant areas, for example through information presented in the tenant environment leaflet.

In 2008, DEFRA released new guidance on the reporting of greenhouse gas emissions (Guidelines to Greenhouse Gas Conversion Factors for Company Reporting with Annexes, June 2008). This provides updated factors for converting fuel use to carbon dioxide emissions and confirmed that the factor 0.43kgCO₂/kWh for electricity should not be used for corporate reporting purposes; instead, the grid rolling average figure of 0.53702kgCO₂/kWh should be used. For Shaftesbury, like many other companies which have typically used the lower value, this will result in an apparent increase in emissions

for this reporting year. In order to show how this change in methodology has impacted the results and to enable comparisons with previous years, both calculations will be reported for 2008. The total carbon dioxide emissions associated with energy usage in common parts of the tenanted portfolio was calculated to be 1,160.5 tonnes CO₂ using the revised DEFRA guidelines, a slight increase on figures for 2007. This includes approximately 141.5 tonnes relating to the Chinatown and Coliseum parts of the portfolio, 39.2 tonnes from the Opera Quarter, 517.8 tonnes from Carnaby and 462 tonnes from Seven Dials.

Figure 1 – Energy Usage in the Managed Portfolio



Carnaby and Seven Dials

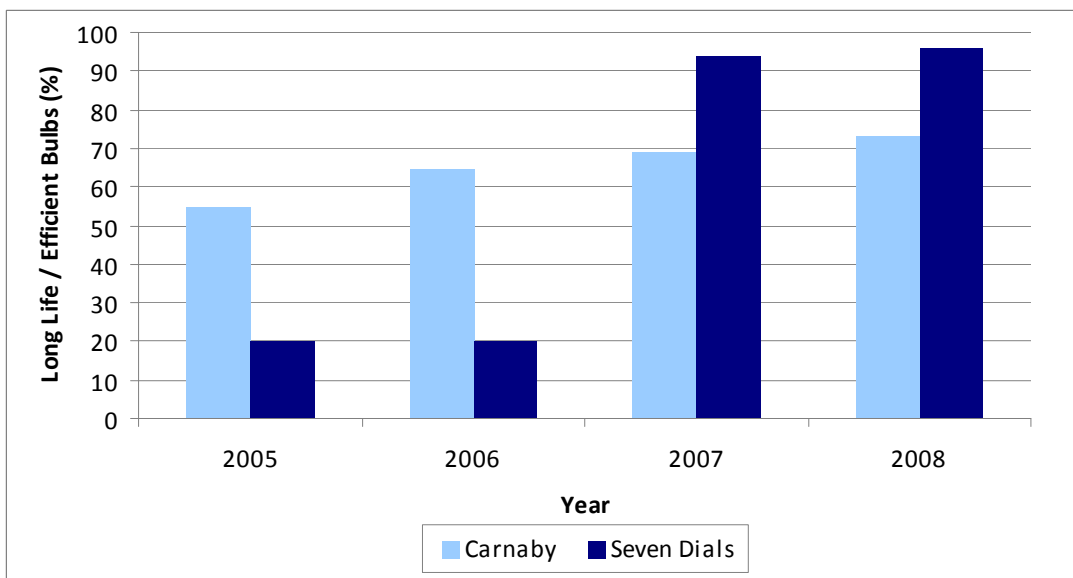
Energy usage on the Carnaby estate in 2007-08 is equal to usage in 2006-07, with a value of 964,280kWh compared to 947,732kWh. Assuming a like-for-like comparison, i.e. the former carbon conversion factor being used, only a slight increase in carbon dioxide emissions per area of floorspace has occurred, at 8.3kgCO₂/sq.m compared to the previous year’s figure of 8.2kgCO₂/sq.m. However, on the basis of the five-year rolling average figure, which will be used from this year onwards, emissions are 10.4kgCO₂/sq.m. There are no suitable benchmarking figures against which to compare this data, however, energy use is considered to be low.

Energy usage in the Seven Dials estate has been increasing slightly over time since 2004, and total usage in 2008 was 860,301kWh compared to 799,187 in 2007. This

equates to 17.1kgCO₂/sq.m using the revised electricity conversion factor. This result was unexpected given the work undertaken on the estate in 2007-08 to reduce usage and readings are currently being queried with the utility company. However, it was noted that 2007 data was partially based on estimated readings and that the true values recorded in 2008 may have contributed to a higher recorded total usage.

Efforts continue to be made within both estates to reduce energy usage, and a key project has been the increase in the proportion of long-life bulbs. A significant increase on both estates can be seen in Figure 2, with 96% of those in Seven Dials and 73% in Carnaby now long-life.

Figure 2 – Proportion of Long-life Bulbs in the Managed Portfolio



The two-year green energy tariff contract expired in July 2008. On re-tendering the Carnaby portfolio electricity, it was estimated that the cost of green electricity was significantly more expensive than a standard grid electricity tariff. Owing to the current financial market, it was not considered appropriate to procure energy from a green tariff, due to the resultant additional service charge which would be applied to tenant areas. Furthermore, there has been ongoing concern about some green tariff schemes due to the issue of the carbon savings being double-counted. As such, since July 2008, electricity in Carnaby has been sourced from standard grid tariffs. The position will be monitored and it is still an objective of the company to source electricity from sustainable sources where possible and economically viable.

As with previous years, consideration was also given to providing energy efficient Christmas lighting on both estates. In Carnaby, the Christmas display did not require any additional lighting, as it comprised oversized light-reflective paper chains.



Reflective paper chains used as Christmas decorations in Carnaby

It was noted that spotlights which uplift the buildings are not currently energy efficient and this is something that may be considered in the future.

Chinatown, Coliseum and Opera Quarter

Overall energy usage in the common areas of Chinatown decreased in 2007-08 despite a growth in total floor area. However, it is recognised that the reduction is partially attributable to changes in the areas under Shaftesbury's control, for example with some buildings now becoming occupied by a single tenant with no common parts.

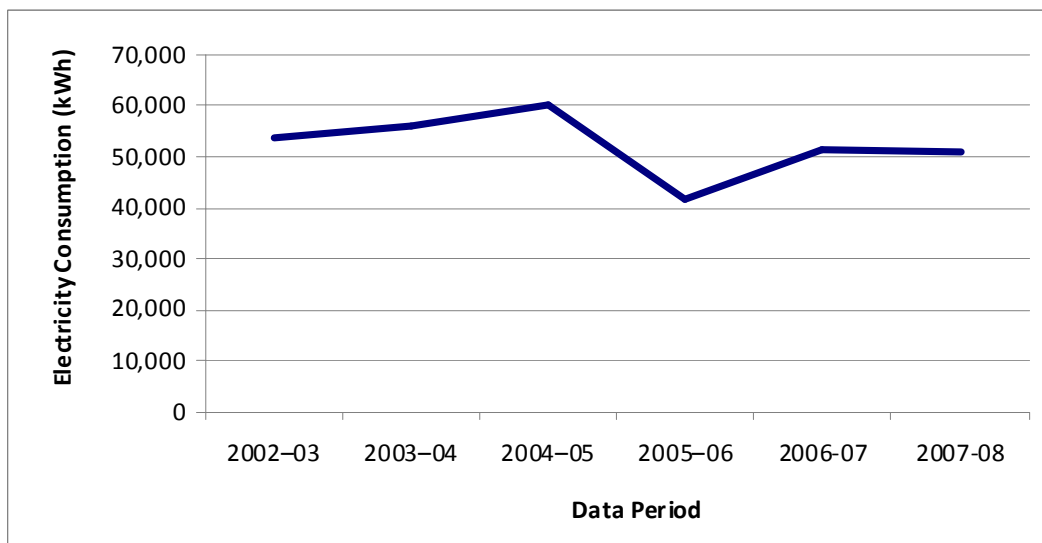
Usage in the Opera Quarter increased over the same time period, which reflects the rising occupancy levels, with four major projects completed over the past few months. It is anticipated that full data will be able to be reported next year.

Within Chinatown, Coliseum and Opera Quarter in 2007-08, further efforts were made to replace bulbs with long-life bulbs. Of the bulbs fitted since November 2007, more than 50% were long-life. Those not long-life include halogen bulbs used in entrance halls or flood lights used for security and metal halide bulbs used only in 11 Charlotte Street where there are special fittings in the staircase. Some tungstram bulbs were used earlier in the reporting year, but their use has since been replaced by long-life bulbs.

4.5 Head Office

The use of electricity within the Head Office is monitored through a review of bills over the year. No gas or other fuels are used within the office. Shaftesbury switched to a 'green tariff' electricity supplier in October 2006 and has retained this supply throughout 2007-08. Electricity consumption in head office over time can be seen in Figure 3, indicating a slight decrease in the reporting year (from 51,342kWh in 2006-07 to 50,747 in 2007-08). Full data is provided in Appendix C.

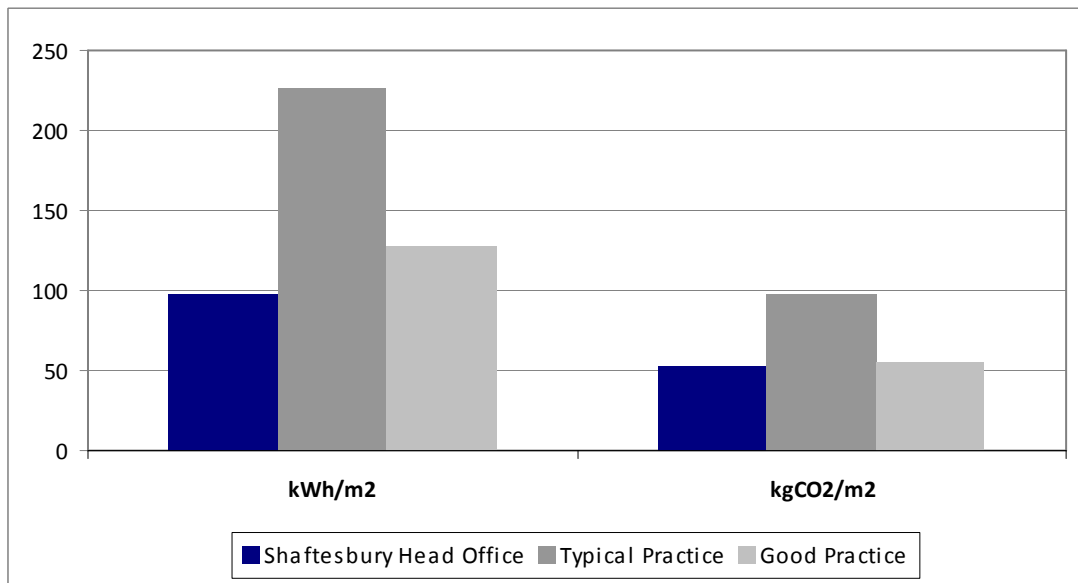
Figure 3 – Electricity Usage within the Head Office



Based on the revised conversion factor adopted for electricity usage, greenhouse gas emissions per area of floorspace are now calculated to be 52.51kgCO₂/sq.m. Despite this increase in the conversion factor, the office still compares favourably against figures provided for the most relevant office type (Type 3: an air-conditioned standard office)¹, as demonstrated in Figure 4 below. Total carbon emissions were calculated to be 27.3 tonnes CO₂ based on the revised DEFRA guidelines.

¹ The Government's Best Practice Energy Efficiency Programme - Energy Consumption Guide 19, Energy Use in Offices, 2000.

Figure 4 – Comparison of Energy Usage and Carbon Emissions at Head Office with ‘Typical’ and ‘Good’ Practice Offices.



4.6 Energy Performance Certificates

A significant legislative change relating to the property market in 2008 has been the implementation of the EU Energy Performance of Buildings Directive (EPBD), and the new requirement for most commercial buildings to have an Energy Performance Certificate (EPC).

As part of its duty as landlord, Shaftesbury will provide an EPC to all prospective tenants to demonstrate the predicted energy performance of the building. Shaftesbury will also acquire EPCs for all newly purchased buildings and consider the implementation of any of the improvement recommendations during the refurbishment stage. No EPCs were undertaken in 2007-08, as the legislation was not effective for most buildings until October 2008. The company is fully aware of the legislation and the first EPCs are due to be completed at the beginning of the next reporting year.

It should be noted that owing to the nature of Shaftesbury's portfolio of buildings in conservation areas, with some having listed status, the vast majority of the buildings are unlikely to achieve a high energy rating. Furthermore, whilst Shaftesbury endeavours to improve energy performance during refurbishment, there are limits to what can be undertaken with heritage buildings and it may not be possible to improve performance considerably. This includes restrictions on factors such as cavity wall insulation, double glazing and visible renewable technologies.

English Heritage Guidance for energy assessors indicates that the standardised approach used for buildings could produce less accurate ratings for historic buildings. The

organization has also raised concerns that the automatic recommendations made may not be suitable for listed or historic buildings, and that each recommendation should be considered carefully so as not to detriment the historic value of the building or value of a conservation area in which a building may be located.

4.7 Performance against Targets

Target 2007-2008	Comments	Achieved
Continue to monitor energy consumption in Shaftesbury Head Office and common parts of portfolio.	Energy consumption has continued to be monitored at Head Office and throughout the managed portfolio.	✓
Extend proportion of green tariff electricity to Seven Dials i.e. total of 60% of portfolio.	In the current market, it was considered inappropriate to choose a higher cost utility service on behalf of tenants.	✗
Continue to monitor use of long-life light bulbs within common parts of managed portfolio – aim for 100% utilisation.	This continues to be monitored, with 96% of those in Seven Dials and 73% in Carnaby currently long-life.	Ongoing
By end 2007, EA Shaw to undertake and review findings of questionnaire regarding energy use issues by tenants and identify key suggestions to take forward.	Tenant engagement is an ongoing exercise. Questionnaire responses have been received and further analysis will be undertaken.	Ongoing
Implement installation of retrospective measures to improve energy and water efficiency in Neals Yard.	This has not been undertaken to date.	✗

4.8 Recommendations

- Continue to develop existing buildings and promote the re-use of materials to reduce the need to introduce additional ‘embodied’ carbon.
- Continue to assess the applicability for renewable energy technologies to be incorporated into new developments.
- Consider setting an in-house target for the inclusion of a certain proportion of internal energy efficient lights in all refurbishment projects – this is considered to be an achievable way of reducing operational carbon emissions within the constraints of Conservation Area / Listed Building status.
- Continue to use utility bill data to monitor energy consumption in the Head Office and managed portfolio. Use this data to calculate GHG emissions according to the revised Defra guidance.

- Continue to use the tenant's leaflet to encourage improvements in energy management.
- Increase the proportion of long-life bulbs at the Carnaby Estate.
- Investigate the feasibility of using energy efficient uplighters in external areas of the managed portfolio.

5.0 Environmental Management and Performance

5.1 Waste

5.1.1 *The Managed Portfolio*

With respect to the managed portfolio, the volume of waste generated is a result of the tenants' activities and outside of Shaftesbury's direct control. However, Shaftesbury, via its managing agents, is responsible for waste disposal.

Carnaby and Seven Dials

There are currently 4 sites within Carnaby / Seven Dials where Shaftesbury is responsible for waste management: (1) Kingly Court; (2) Carnaby Court; (3) 22 Ganton Street; and (4) Thomas Neal's Centre.

Previously data on waste for Carnaby and Seven Dials was presented in cubic litres, however, as a result of a change in the waste contractor, reporting is now provided by the new contractor in tonnes. Appendix D presents the data for 2007 and 2008 in this new format. Total waste collected reduced from 789 tonnes in 2006-07 to 714 tonnes in 2007-08.

The new waste contract has also enabled precise figures to be provided on the proportion of waste recycled for the first time, as illustrated in Figure 5. A notable achievement is all waste from Ganton House being recycled, and in other areas, recycling rates vary between 18 and 50%, with an overall rate for this part of the portfolio of 32%. This is considered to be a good achievement given the variety of land uses and various wastes produced within the estate.

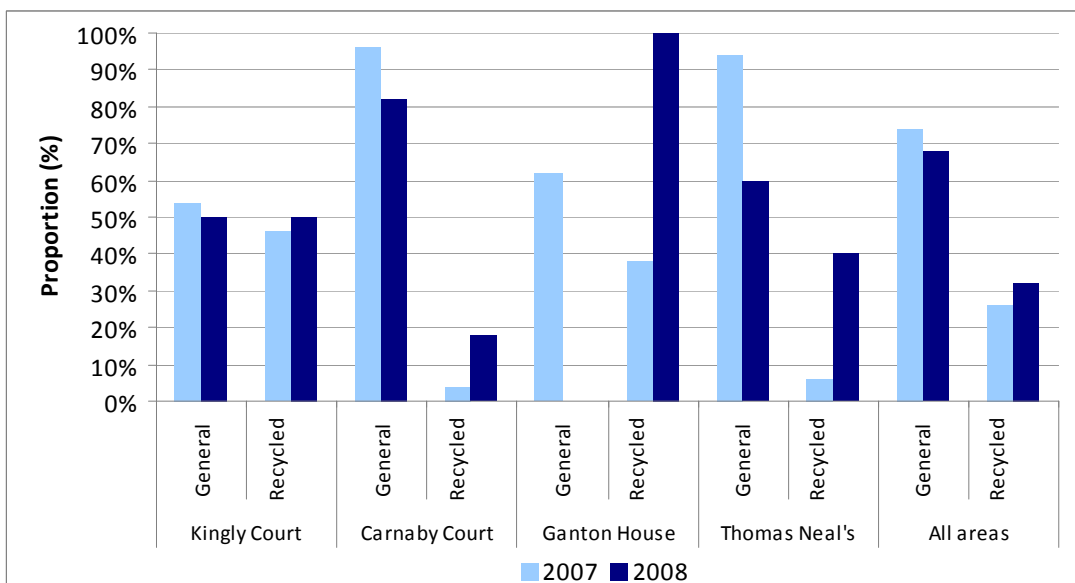
RPS undertook site visits to waste storage areas at Carnaby and Seven Dials within the audit period. Waste storage at Carnaby was generally found to be of high standard, with clear signage displayed on the recycling system in operation. The storage area at Thomas Neal's was found to be adequate, with recycling in operation, however, there were some odour issues. Shaftesbury's surveyor for this area has also identified the need for management of this refuse store to be improved.



Labelled waste recycling facilities in Carnaby

Recyclable waste is segregated into glass, card and waste oil. The remaining waste is collected as general waste. Tenants are also encouraged to recycle waste food oil – collection points are included around the estate and it is collected weekly by *Hep Oils*. The separation of waste into four streams is considered to be a positive step, particularly given the space constraints for waste storage in such Central London locations. As the Shaftesbury-owned waste storage areas are all internal, their use also helps to remove waste from the street. The managing agents visit tenants to discuss the facilities available and explain the advantages of using this service. Any hazardous waste is managed on a case-by-case basis by specialist contractors.

Figure 5 – Proportion of Recycling in Carnaby and Seven Dials.



Chinatown, Coliseum and Opera Quarter

Waste is not currently quantified in Chinatown, however, Shaftesbury continues to work closely with Westminster City Council to manage the issues that are specific to the area such as controlling the problems of fly tipping and disposal of food and oil waste.

There are two main waste storage areas in the estate: South Service Yard and Horse & Dolphin Yard. *Veolia* collects waste from both areas.

South Service Yard has a dedicated cleaner to maintain the area and ensure the bins are kept clean, however, there are some ongoing issues regarding flytipping despite security systems being in place. NB, the managing agent working on behalf of Shaftesbury, would ideally like to install mixed commercial and residential waste bins in the yard, however, there has been no progress with Westminster City Council regarding recycling and / or compacting due to the lack of space and / or a suitable site available from the Council. However, options are being investigated to encourage restaurants in the area to recycle bottles. This has already been initiated by the brewery serving a number of restaurants and it is proposed to extend this to cover a larger proportion of the portfolio in the coming years. There have also been ongoing discussions regarding the placement of a bottle bank in this yard, however, issues such as noise for the adjacent residential properties have been raised and no decision has been reached. A Council pavement recycling scheme is also in place for the residential properties.

The new refuse store built in Horse & Dolphin yard has been working effectively and has taken the bins off the street in this area. Following initial problems with tenants tying doors open and the risk of unauthorised waste being disposed of, there is now a timed door which cannot be left open. RPS visited the yard as part of this audit and it was found to be well kept. Bins are reportedly emptied twice a day.

Waste food oil continues to be collected for recycling on the estate at no charge by a private firm. This ensures that no waste oil is fly-tipped on the estate or poured down drains. Hazardous waste (including asbestos) is dealt with as and when required by specialist contractors.

The managing agent assists the Council where it can with regards to waste management, for example by checking its CCTV coverage of the area when fly tipping has occurred.

5.1.2 Refurbishment Projects

A waste duty of care audit was undertaken of two refurbishment projects by RPS in Spring 2008. The majority of waste was confirmed to be construction / demolition waste and the audits confirmed that the waste management procedures practised by Shaftesbury's contractors are generally compliant with the current regulations. The

shortage of space on one of the sites restricted opportunities for waste management, although the contractor was still found to be segregating the waste as much as possible to ensure a high recycling rate.

The larger site audited, the Longmartin scheme, had areas where various waste streams could be segregated and stored and activities were observed to be in order. Spraying down of dry waste was undertaken during pick-up to reduce dust impacts. The site also had a Site Waste Management Plan (SWMP), which was found to be in order and under the regulations will be updated regularly.

The management of waste is generally the responsibility of the subcontractor. Waste arisings are specific to each site and decisions will be made on a site-by-site basis regarding whether certain materials can be re-used. This includes not only structural elements, but also features such as fireplaces. Through its contractor management procedures, including checklists and supporting information, Shaftesbury required project managers for all refurbishment schemes undertaken in 2007-08 to manage waste appropriately, to segregate and recycle where possible and to collate information on waste quantities produced. Owing to the variation in projects, the extent of the work undertaken at each site, and the absence of any industry benchmarks for construction waste, it is not considered meaningful to present absolute waste data within this audit. However, the process encourages site managers and contractors to adopt responsible waste practices and provides Shaftesbury with details of waste quantities attributable to its activities.

An ongoing issue identified with Shaftesbury's refurbishment projects is the limited space available for waste storage and segregation. Contractors operating on these sites often specify a waste contractor which is able to sort the waste for recycling post-collection, to ensure that recycling occurs.

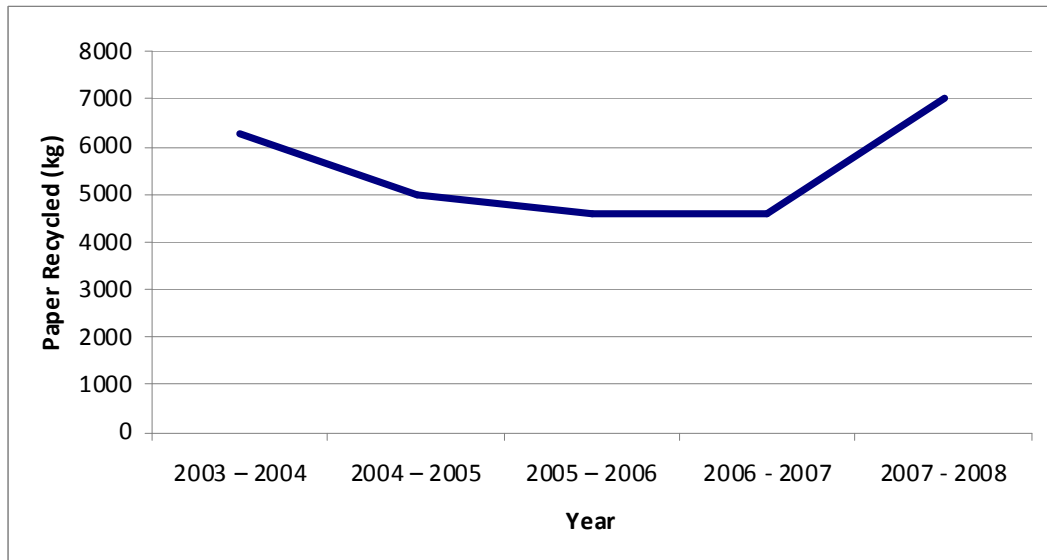
It is anticipated that waste data could be reported for the larger refurbishment projects in the future as a result of the implementation of the Site Waste Management Plans Regulations 2008. All works above £500,000 must provide a comparison of the estimated quantities of each waste type against the actual quantities produced. This could provide a meaningful way of assessing the responsibility of contractors in ensuring that waste is minimised and that high proportions are recycled.

5.1.3 Head Office

Due to the Head Office being leased, there are significant limitations on controlling waste management issues. However, the principal solid waste is paper and this is all now

recycled. The amounts of paper recycled are shown in Figure 6 below and detailed in Appendix G.

Figure 6 – Waste Paper Recycled at Head Office.



Whilst waste paper volumes increased significantly in the time period compared to previous years, it should be noted that paper waste generated is to a certain extent outside Shaftesbury’s control as a significant proportion relates to incoming post and reports etc (including junk mail).

In general, redundant IT equipment and furniture go in the first instance to staff, and then to selected charities. The company also recycles old mobile phones, with the money going to charity. Given the number of staff employed by Shaftesbury, the volume of waste produced is limited.

5.2 Timber

5.2.1 Reuse

Shaftesbury is not a significant user of timber and project managers and contractors are encouraged to reuse as much of the existing timber as possible during refurbishment work. This year, for the first time, contractors and project managers were asked to estimate the proportion of timber that was retained or reused within the project. The results indicated that a significant amount of timber had been retained at several of the refurbishment sites, including the following:

- *Windows* – Approximately 95% of those at 36&38 Tavistock Street, 90% of those at 32 Wellington Street and 80% of those at 11 Gerrard Street were retained.

- *Doors* – 5-7 Carnaby Street and 11 Gerrard Street retained 100% of the existing doors.
- *Flooring* – Several projects were able to retain a high percentage of floor joists, including 5-7 Carnaby Street (100%), 11 Gerrard Street (100%), 12-13 Kingly Street (90%) and 32 Wellington Street (90%). 11 Gerrard Street also retained all the existing floorboards.
- *Staircases* – 100% of staircase retained at 12-13 Kingly Street and 11 Gerrard Street.
- *Roof* – 100% of the roof joists and 60% of the roof structure were retained at 12-13 Kingly Street and around 80% of each at 11 Gerrard Street.

Taking 36&38 Tavistock Street as an example of timber re-use, it can be demonstrated that the majority of the original wooden features have been retained. For example, numerous windows still retain their original timber shutters and all of the wooden fireplaces have also been conserved. The majority of the internal walls and internal face of external walls are panelled and these panels were repaired wherever possible rather than replaced. It is estimated that 80% of the timber panels were retained. Within the properties, 48 sq.m. of the original floorboards were recovered and reused equating to 19% of the overall floorboards of the two buildings, a large sum considering the state of disrepair which they were in. Re-flooring in some rooms was undertaken using existing floorboards from the property and recycled floorboards from a salvage yard in some locations. In addition, 95% of existing floor joists were preserved, although they had to be strengthened and levelled by additional new joists. 90% of the original stairs and 30% of the staircases were also retained and restored.



Strengthening of existing floor joists at 36&38 Tavistock Street

5.2.3 Sustainable Procurement

Where timber is purchased, and it should be emphasized only 113m³ of timber was procured for refurbishment schemes undertaken this year, the aim is for the sourcing of sustainably sourced products, particularly those certified to the Forestry Stewardship Commission (FSC) or Programme for the Endorsement of Forest Certification (PEFC) schemes. Whilst this is not a legal requirement, Shaftesbury has set an internal target for 30% to be sourced from sustainable supplies.

In the 2007 audit report, quantitative timber data was reported for the first time, based on a trial of data collection from three projects. In late 2007, the contractor checklists and data collection systems relating to timber were updated in order to increase the amount of data available on timber sourcing, and to promote the sustainable sourcing of timber. This appears to have been successful and this year data is available for twelve refurbishment projects, out of a total of fifteen completed in the reporting year. Of the remainder, two did not require the use of any new timber. The other reportedly used only a small amount of timber which was certified to either FSC/PEFC schemes, however, the invoices were not made available.

Overall, the results are considered to be positive, with an average of 56% sustainably sourced timber used on the projects. However, there was a large range in the sourcing of timber when viewed on a project-by-project basis, with two projects (5-7 Carnaby Street and Seven Dials Court) found not to source timber from sustainable supplies, although it is noted that only small volumes of timber were used on these sites (less than 1.5m³). Other sites were able to source high proportions of sustainable timber, including 35 Catherine Street (87%), Horse and Dolphin Yard Phase III (79%), 55/57 St Martin's Lane (59%) and 14 Wardour Mews (58%). Full results are provided in Appendix E.

Shaftesbury maintains a policy commitment to only use legally sourced timber, and this is clearly required in all specification documentation. Whilst the company does not have a policy restricting the use of tropical hardwoods, it requires all hardwoods to be certified.

5.3 Water

5.3.1 Head Office

The Head Office is a leased premises, hence the use of water is part of the lease and is currently not monitored.

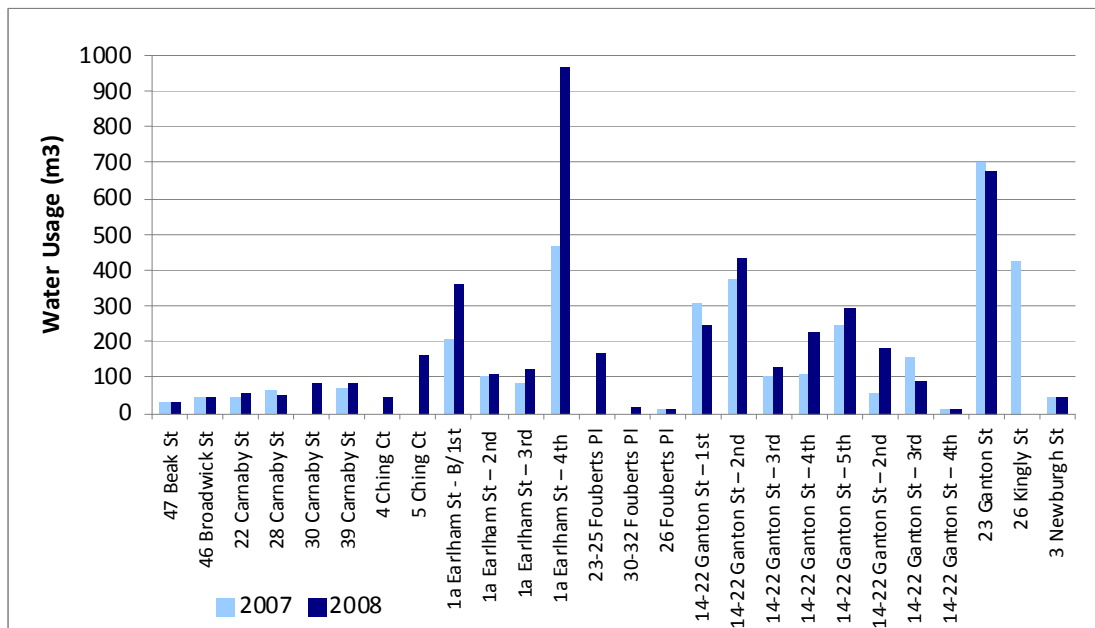
5.3.2 The Managed Portfolio

Seven Dials and Carnaby

Water meters have been installed throughout Seven Dials and Carnaby to measure water use in the common parts.

Water data in 2008 was available for 25 of the 33 properties (75%) with water meters. This is presented in Figure 7 below.

Figure 7 – Water Usage on the Seven Dials and Carnaby estates.



Total usage rose slightly from the 2007 figure of 3647m³ to 4651m³ in 2008. However, when compared against the increased floor area, the usage reduced from 0.09m³/m² to 0.08m³/m², indicating a slight improvement in water efficiency. Full details are provided in Appendix F. Given the mixed use of the properties including office, retail and catering facilities, and the consequent differing water demands, no appropriate benchmarking figures are available.

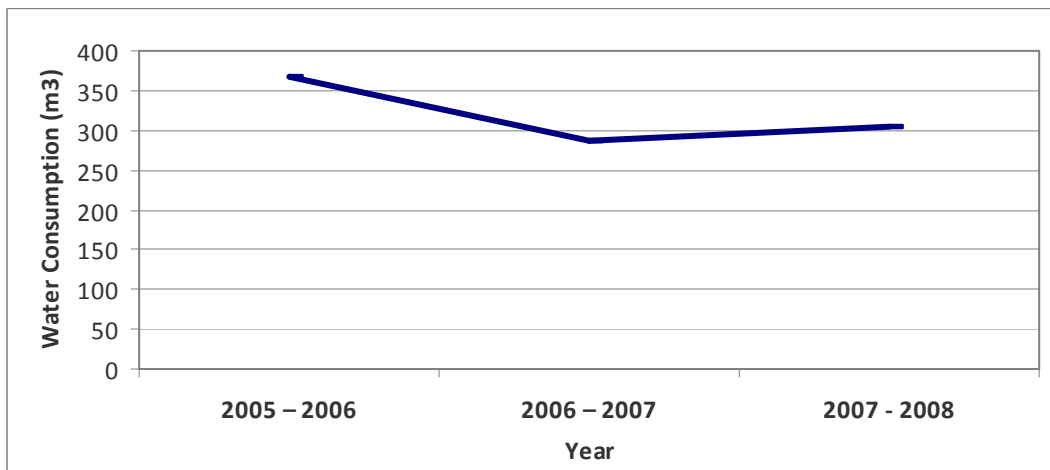
The results indicate that there has been a significant increase in water usage supplied by the meter on the 4th Floor of 1a Earlham Street, with an increase in usage also evident in the basement of the same building. It is recommended that further action be taken to identify the reasons for the change and ensure no leakage is occurring.

Chinatown, Coliseum and Opera Quarter

Water is not monitored for Chinatown and it is considered inappropriate to install meters for the very small volume of water used in the common parts. However, a meter was

installed in 2006 for the water supply to South Service Yard, which is the highest water use location in this part of the portfolio. This area is used for the storage of waste items and requires regular cleaning and, therefore, the use of a relatively significant volume of water. A decrease was recorded between 2005-06 and 2006-07 owing to the change to steam cleaning, a more water efficient method. This year, there has been a slight increase in usage (see Figure 8), however, the value is comparable to last year. Full data is provided in Appendix F. The bin area in Horse & Dolphin Yard is also cleaned daily, but this area is not metered.

Figure 8 – Water Usage in South Service Yard, Chinatown.



5.3.3 Refurbishment Projects

Water efficiency is also considered during refurbishment projects. Measures incorporated generally include dual flush WCs, with other features such as low flow taps, motion detectors / timers for urinal flushing, low flow showers and energy efficient appliances being specified in some locations. The Shaftesbury specification checklist ensures that these are considered at an early stage in the design process.

Due to water company works to replace old Victorian pipework in the Chinatown area, and the resultant wider pipe diameters, water pressure has dropped significantly. Unfortunately, this may mean that residential properties have to be provided with pumps to ensure the shower pressure is sufficient. It is noted that this will lead to increased energy usage, however, this is considered to be a matter outside of Shaftesbury’s control.

5.4 Hazardous Materials

No refurbishment projects in the reporting year reportedly incorporated the use of any materials containing CFCs and HCFCs.

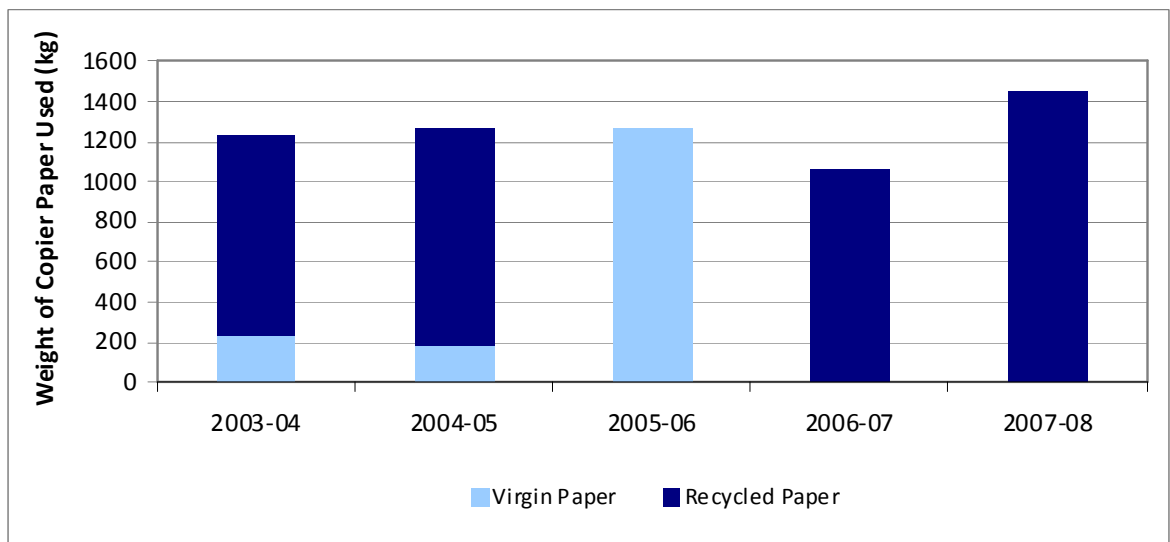
The vast majority of the refurbishment sites require the use and storage of paint, and other potentially hazardous materials such as glues. Storage is generally considered to be satisfactory and the majority of sites have spill kits.

5.5 Use of Other Materials

5.5.1 Head Office

Paper is the main resource used within the Head Office. Usage has increased in 2007-08, as shown in Figure 9 (detailed data is provided in Appendix E). However, 100% of paper is from a recycled source. A small proportion of paper usage also results from the use of business cards and compliments slips.

Figure 9 – Paper Usage at Head Office



5.5.2 Refurbishment Projects

Within refurbishment projects, there is the potential for significant use of raw materials. However, by the nature of reusing buildings rather than constructing new-build properties, Shaftesbury is significantly reducing the need for raw materials.

The specification checklist issued to all project managers ensures that the re-use and prudent use of raw materials is considered at an early stage of the design process. The

use of materials is then dictated by the specification that is included within the contract tender documentation to the contractor.

Shaftesbury encourages contractors to try and re-use as many features (e.g. fireplaces) as possible. If they are not used in their original location, they will be used elsewhere in the portfolio.

5.6 Transport

With respect to transport issues, since the Head Office is within central London employees generally use public transport (or walk). To encourage use of public transport, season ticket loans are available from Shaftesbury for its employees (except directors). The majority of employees have taken up the opportunity for the use of this loan so maximising the use of public transport. Directors also use public transport.

Given the small-scale nature of refurbishment projects, it is often not possible to install bicycle facilities within the buildings or external areas. However, efforts are made to incorporate them where sufficient space is present. In addition, all sites are located within Central London and are in close proximity to the public transport network. Within the Longmartin Project it is proposed to include electric vehicle recharging facilities in order to encourage the use of hybrid vehicles. Cycle parking will also be provided for all new residents as will a car club to reduce the reliance upon private vehicles.

Within refurbishment projects, contractors are encouraged to use local suppliers where possible to reduce the impact of transportation of materials to the site and, within 2008, the majority of refurbishment projects reportedly were able to do so.

5.7 Other Issues

5.7.1 Environmental Incidents

There were no notifiable environmental incidents within the managed portfolio or the refurbishment schemes in 2007-08.

5.7.2 Biodiversity

The majority of sites within the portfolio are of a small size and are laid entirely to building / hardstanding cover. Where possible, features such as window boxes and terraces are included, however, these are considered to be of limited ecological value. Consequently, there is rarely any vegetation on site and few opportunities available to enhance biodiversity.

Within the Longmartin scheme, green roofs and a green wall will be incorporated, together with bird and bat boxes. Whilst the majority of Shaftesbury's sites are considerably smaller than this scheme, it is noted that there may be opportunities at other sites to include some of these features and further investigation is recommended.

Shaftesbury does have influence over the public areas within its estates and these are enhanced where possible. Recently, this has included the planting of trees in Carnaby.

5.7.3 BREEAM

Whilst Shaftesbury does not require the formal certification of schemes to the Building Research Establishment's Environmental Assessment Method (BREEAM), the sub-contractor checklists are designed to follow the principles of the scheme and to encourage environmental factors to be considered during design, specification and refurbishment works.

The Longmartin scheme will be formally assessed and achieve certification under BREEAM and the aim is to achieve a 'Very Good' rating.

5.7.4 Re-use of Land

100% of Shaftesbury's sites are on brownfield land, reducing the need for Greenfield development and often regenerating disused sites or those in a poor state of repair.

5.7.5 Construction Site Impacts

Construction site impacts such as noise and dust are controlled on site by the contractor. Damping down occurs on sites where dust and mud may be an issue and all sites adhere to local authority noise restrictions. Noisy works are generally undertaken in consultation with neighbouring properties and at restricted times of day.

In order to reduce noise impacts throughout the operational phase of the site, several of the refurbishment projects also incorporate noise reduction measures; this included an acoustic floor being fitted at one site in 2008.

5.8 Performance Against Targets

Target 2007-2008	Comments	Achieved
By November 2007, utilise single waste contractor for Carnaby/Seven Dials and collate data.	New waste contract in place, including the reporting of recycling rates (currently averaging 32%).	✓
Implement proposal for residential recycling point on west side of South Service yard and monitor use.	This has not been possible to date, but discussions are ongoing with Westminster City Council.	✗
Record volume of hazardous waste disposed to landfill	This has not been undertaken to date.	✗
Implement findings of questionnaire sent to tenants regarding waste by investigating ways of providing additional recycling facilities.	Limited response from tenants. Ongoing research will be undertaken.	Ongoing
Continue to monitor construction waste generated data for all projects above £75,000.	Waste documentation is retained and monitored.	✓
Project managers to ensure waste transfer notes retained as part of contract documentation.	Waste transfer notes retained.	✓
RPS to repeat Duty of Care of 10% of waste contractors used for refurbishment contracts.	Waste Duty of Care audit completed in July 2008.	✓
Continue to monitor volume of paper sent for recycling from Head Office.	Monitoring has continued. Volumes have increased this year, although it is noted that this includes post and junk mail outside of Shaftesbury's control.	✓
Maximise proportion of timber that is reused within projects and monitor for reporting purposes.	Timber continues to be retained and reused where possible, and this year proportions of reuse have been estimated for the first time.	✓
Contractors to retain all timber supply invoices and RPS to collate information to identify proportion sourced from certified timber. Ensure that preferred suppliers demonstrate sourcing of a minimum of 30% of other types of timber from a certified sustainable source.	Timber information collated for all available projects and projects calculated to use an average of 56% certified timber.	✓
Ensure that 100% of hardwood timber is sourced from a certified sustainable source.	All hardwood used was certified, and many projects did not source any hardwoods.	✓
Continue to monitor specification of timber and maintain documented audit trail	Timber checklist incorporated within the Specification Checklist in November 2007 to ensure consideration of issues at an early stage.	✓
Investigate high water meter readings at 23 Ganton Street, 14-22 Ganton Street, 1a Earlham Street and 26 Kingly Street.	This was an issue raised in 2006-07 and still needs to be resolved.	✗

Target 2007-2008	Comments	Achieved
Monitor water use in Carnaby/Seven dials common parts – aim for 75% reporting of readings.	Currently reporting more than 80% of the properties with water meters in these estates.	✓
Monitor water use for South Service yard in Chinatown.	Monitoring ongoing. Water usage roughly comparable to last year.	✓
Implement installation of retrospective measures to improve water efficiency in Neals Yard.	This has not been undertaken to date.	✗
Continue to monitor volume of paper purchased.	Monitoring has continued. An increase was recorded in 2008.	✓
Continue to achieve 100% use and regeneration of 'brownfield' land during expansion and refurbishment of portfolio	All purchases and refurbishment works were on 100% Brownfield land.	✓
Achieve 100% legal compliance.	No environmental non-compliance issues.	✓

5.7 Recommendations

- Improve the management of the refuse store at Thomas Neal's, Seven Dials.
- Continue to promote recycling facilities to tenants.
- Continue to work with Westminster City Council to investigate potential improvement of waste management and increased recycling in Chinatown.
- Encourage more Chinatown tenants to use the brewery scheme for recycling glass.
- Continue to collect quantitative timber details and determine what obstacles stopped certain projects from achieving the in-house target. It is noted that certain suppliers are easily able to provide information on certification and it may be beneficial to compile a list to aid contractor choices.
- Continue to take water meter readings for Carnaby and Seven Dials. Investigate those sites highlighted to have relatively high water usage, especially 1a Earham Street.
- Aim to incorporate more water efficiency measures in refurbishment projects.
- Continue to investigate opportunities to promote biodiversity, perhaps through the incorporation of bird / bat boxes (where appropriate).
- Continue to use 100% Brownfield land.

6.0 Health and Safety Management and Performance

6.1 The Managed Portfolio

Health and safety issues within the managed portfolio are generally the responsibility of the managing agents.

Carnaby and Seven Dials

Within Carnaby and Seven Dials, EA Shaw maintains a programme of inspections for the following:

- Asbestos surveys;
- Water risk assessments (legionella) – 6 monthly testing;
- Health & Safety audits;
- Fire risk assessments; and
- Disability Discrimination Act assessments where feasible within the constraints of listed building restrictions

Chinatown, Coliseum and Opera Quarter

An asbestos register is held by NB for the Chinatown part of the estate. There are no high-risk areas and annual inspection is undertaken to ensure that any asbestos present is being managed. Asbestos-containing materials (ACMs) were removed in September 2008 from 2 Gerrard Place by a specialist contractor, *Cohort Asbestos Disposal Ltd.* Documentation of the removal was provided by the managing agent to RPS and indicated that the ACMs comprised less than 10% amosite. One bag of white asbestos was also removed from 11 Gerrard Street in April 2008. In anticipation of a change of legislation in the near future, NB has also started to arrange surveys of all residential areas, including the units themselves.

The managing agent also undertakes annual health & safety audits of each building and annual fire risk assessments. No significant issues were reportedly raised during the audits undertaken in 2008.

In 2008, work has also been undertaken by an external consultancy to produce risk assessments for working at height in this part of the portfolio. This will cover a variety of users, including window cleaners.

Pest control has been undertaken on the estate since 2002, with the overall goal of reducing as far as possible the level of pest activity throughout Chinatown. The activity to control pests over the last six years has led to a reduction in pest activity by approximately 75%. The regular treatments to the common parts of the estate have significantly reduced the ability of pest to travel and spread to un-infested areas as they once did. This has also prevented the common areas being the source or, reservoir for infestation in the commercial units improving their chances of success with pest control measures.

6.2 Refurbishment

In 2007-08, RPS was provided with details of two health and safety issues raised by the Health and Safety Executive (HSE) during refurbishment works, as follows:

- 1) 36/38 Tavistock Street - A prohibition notice was served to the contractor in January 2008 following an inspection due to work occurring on floors or adjacent to floors where there are open floor joists (apart from remedial work to make the floor safe). It was considered that persons were liable to fall through unprotected openings in floors and fall a distance liable to cause injury. This was deemed a contravention under the Health and Safety at Work Act 1974, Sections 2(1) and 3(2) and Regulation 6(3) of the Work at Height Regulations 2005. It was recommended that floor openings be covered with a suitable material and for a safe system of work to be put into action for working to open edges during work on the floors.
- 2) 32 Wellington Street - A prohibition notice was issued in November 2007 after issues were raised during an HSE visit concerning working on open floor areas and removal of asbestos. The HSE officer spoke to Fresson & Tee and the issues were rectified. At the same site, there was also an issue with the scaffold in November 2007 and a potentially serious incident.

6.3 Head Office

No health and safety issues were reported at Head Office in 2007-08. Shaftesbury continues to provide training to members of staff, including fire safety and first aid.

The workplace environment is viewed positively by Shaftesbury's employees. Again the relaxed management structure of Shaftesbury means that if employees consider that improvements are required to their individual work station, they are able to make those requests which are dealt with accordingly.

6.4 Performance Against Targets

Target 2007-2008	Comments	Achieved
Achieve zero non-compliance for 2007-08 and zero reportable accident/incidents throughout 100% of the portfolio.	Two prohibition notices issued on refurbishment sites by the HSE.	✘
Ensure health & safety induction training is being undertaken by contractors for 100% site staff including use of contractor induction leaflets.	Induction training is provided for all site staff.	✓
Ensure up to date asbestos register is held for managed portfolio	The managing agents continue to maintain asbestos registers and undertake regular audits.	✓

6.5 Recommendations

- Investigate the prohibition notices and ensure similar issues do not occur on other sites.
- Continue to maintain asbestos registers for the portfolio and undertake regular health and safety audits.

7.0 Community and Social Issues

7.1 Employment

7.1.1 Equal Opportunities

Shaftesbury has a total of twenty employees with seventeen based in its Head Office and three on site. Two of these employees are part time. The Corporate Responsibility Policy is supported by an Equal Opportunities Policy (signed and dated September 2006), which contains policy statements with respect to recruitment and promotion, job descriptions and selection, training, disabilities, harassment and complaints.

There remain five women in senior executive positions (71% of senior executive staff, excluding directors) and there is also one female non-executive on the Board. In addition, since Shaftesbury only has 20 staff, a number of specialist advisors are employed by the company to provide the necessary expertise – including lawyers, accountants, surveyors, project managers etc. Of these, women represent 50% of the senior advisors.

7.1.2 Training

Corporate Responsibility Awareness Training has been undertaken annually since August 2002 for all Shaftesbury staff. It is considered unnecessary for the internal Shaftesbury staff to have more detailed training given that their remit is to oversee the management of the property portfolio and they rely on the project managers and property management agents to deal with day-to-day issues relating to environmental, health & safety and social issues.

Given the small number of staff, the most effective measure is the percentage that receive training for the benefit of their jobs – this figure has been retained at 100%. Training and development needs are assessed as part of the annual review process for all employees including Directors, undertaken in November 2007. In addition, executive and non executive Directors' needs are assessed as part of the annual board evaluation process. Professional staff attend appropriate training as required to maintain their Continued Professional Development (CPD).

7.1.3 Employee Development

In October 2005, a formal review process was initiated which allowed individuals to identify goals to work towards for each year as well as identify training requirements. This process has proved successful and is repeated annually.

7.1.4 Staff Welfare

Flexible working is accommodated according to individual circumstances and the holiday allowance is five weeks. Employees receive comprehensive employment packages and receive the same benefits as Directors.

7.2 Community

7.2.1 General

Shaftesbury is proactive in addressing its responsibility to the local Community. The Corporate Responsibility Policy identifies Shaftesbury's approach to charitable giving and involvement with the Community.

Shaftesbury has long established relationships with several NGOs which are directly relevant to its business, in particular the company provides advice to the Theatres Trust, the Royal Shakespeare Company, the Art Fund and the Tennis Foundation. The company also provides support and free business assistance to the National Campaign for the Arts, the Association of British Orchestras and the Orchestra of the Age of Enlightenment who would otherwise be unable to afford to be in central London.

Shaftesbury's strategy of developing clusters of buildings within discrete areas such as Carnaby, Seven Dials and Chinatown lends itself to more community involvement as the company and its managing agents are directly involved in estate management, any community issues that may arise and ongoing liaison with the local authority. The strategy also enables Shaftesbury to make choices which benefit the community, such as the ongoing lease of properties in Carnaby to individual stores, and the refurbishment of disused office space into much needed residential space in the heart of London. Shaftesbury reviews each purchase and its proposed use carefully to ensure it will fulfill the needs of the estate and the company's overall objectives. Community benefits result from refurbishment of previously disused or run-down properties and Shaftesbury also contributes to street cleaning and improvements, such as new pavements in Gerrard Street this year.

Within its managed portfolio Shaftesbury continues to maintain strong community links by providing a full time on site estate manager in each of its key locations: Carnaby Street, Seven Dials and Chinatown. These estate managers act as interface between Shaftesbury and the tenants as well as the local Councils.

As a new initiative for 2007, Shaftesbury introduced payroll giving. The amount donated is at the discretion of the individual employee and the administration costs paid by Shaftesbury.

In 2008, the total value of community investment was £301,816, corresponding to 2.63% of the company's pre tax profit.

Chinatown, Coliseum and Opera Quarter

Within Chinatown this year, a key initiative aimed at strengthening the community and promoting the area's unique cultural focus was Shaftesbury's contribution to two art commissions in conjunction with Supporting Chinatown Art Space. Mural '1888' in Horse & Dolphin Yard is a public piece of artwork to represent Chinatown's history, heritage and diversity, comprising a mural of a bowl of rice made up of 1888 photos of London's Chinatown, its residents and its visitors. With this focal point, it is considered that the improved Horse & Dolphin yard will provide social and community benefits, once all the shopfronts are open.



Mural 1888: Horse & Dolphin Yard

A further piece of art will be installed in conjunction with Chinatown Art Space on the corner building of Shaftesbury Avenue and Wardour Street when completed.

Other activities of note are the offering of discounted office space within Chinatown to the ABO and Yellow Earth Theatre Group. Shaftesbury also helped the Chinatown Community Centre with fees on their Rent Review.

Shaftesbury is one of the partners with the Princes Foundation for the Design Strategy for Chinatown, London. Other members are Rosewheel (developers), London Chinatown Association and Chinese Community Centre. The Strategy identifies a series of initiatives to promote London's Chinatown as the 'best Chinatown in the world' and to recognize Asian culture and diversity. Shaftesbury is already an active partner in implementation of Chinatown Action Plan.

Carnaby and Seven Dials

Shaftesbury has facilitated many exhibitions in empty units in both Carnaby and Seven Dials. With most of these exhibitions, they are up and coming artists, giving them a chance to exhibit in a central London location. Exhibitors are asked to donate a charitable amount to either the Samaritans, Banardos or the Seven Dials Monument Charity instead of paying for the exhibition space.

The Larger than Life Exhibition, a hospice charity, was housed in 39 Earlham Street, Seven Dials. Not only did this create awareness for the charity, but Shaftesbury staff also contributed time to the charity. Space is also provided at Thomas Neals at no cost for support of Trinity Hospice and up and coming designers exhibit their products.

In 2007-08, Shaftesbury partnered with the charity Banardos. Contributions included both staff time and external PR agencies' fees for organizing and housing a secret gig in one of their clubs within Carnaby. Proceeds from tickets sold for the gig went to the charity. The charity was also given a shop on Carnaby Street for the month of December 2007, again creating awareness for the charity, and enabling them to sell a significant increase of vintage clothes and accessories over the Christmas period.

7.3 Performance Against Targets

<i>Target 2007-2008</i>	<i>Comments</i>	<i>Achieved</i>
Continue annual system of formal annual staff appraisal.	Each member of staff has an annual performance appraisal.	✓
Monitor approach to internal staff management & recruitment to ensure compliance with equal opportunities policy	Given low turnover of staff and no new starters this year, this target is not applicable.	✓
Ongoing financial support to key charities for 2007-08	Shaftesbury has continued to provide financial support to charities.	✓
Barnados has been identified as the preferred charity for 2007-08 and specific events will be organised throughout the year.	Barnados was supported through staff time, payments for PR fees, housing a gig and providing a shop on Carnaby Street for the festive season.	✓
Ongoing support to nominated charities through staff involvement for 2007-08	Barnados supported in 2008, as above.	✓
Continue to provide office space for small charities within whole portfolio.	Chinatown Community Centre helped with fees, and some charities given free space.	✓
Continue to investigate opportunities to mentor big business in the estate and improve their community engagement.	No opportunities arose in 2007-08, but this is an ongoing target.	Ongoing

7.4 Recommendations

- Continue to partner local community groups and charities.

- Continue to mentor local companies to help them improve their involvement with the local community.

8.0 Communication and Stakeholder Engagement

8.1 Internal Communication

Shaftesbury continues to maintain a proactive approach to the communication of its Corporate Responsibility performance to its key stakeholder groups: employees, customers and consumers, lenders and insurers, investors and analysts, local government, regulators, local communities and suppliers.

With respect to Shaftesbury's internal stakeholders – the employees – the Corporate Responsibility Policy has been issued to all Head Office staff and all attend an annual Corporate Responsibility seminar, which reviews the contents of the Policy and progress against the Action Plan.

The forum for staff feedback is possible at monthly staff meetings and through the annual Corporate Responsibility seminar. No staff questionnaires are issued, as it is not considered necessary within the structure of the company.

As stated in Section 3.0, the Corporate Responsibility Policy is issued to the Shaftesbury's principal consultants who then include the Policy within contract documentation for subcontractors. All the key project managers and property management consultants attend the annual Corporate Responsibility seminar.

8.2 External Communication

8.2.1 *Investors & Shareholders*

Brian Bickell and Jonathan Lane of Shaftesbury communicate regularly with the major investors in the company with respect to Shaftesbury's business performance.

Shaftesbury continues to maintain its listing on the FTSE4Good Index and the internationally-recognised Dow Jones Sustainability Index. Shaftesbury also completed the Kempen Capital Management Socially Responsible Investment questionnaire. Membership is available only to those companies with the very highest standards and practice in the three areas of business ethics, human resources and the environment. The information made available by the company was noted to be highly commendable and maintained a pass status in the Kempen SNS Socially responsible universe. It was considered that Shaftesbury is working towards open and transparent communication and demonstrates good SRI practice.

Shaftesbury again performed well in the second annual Good Companies Guide. The Guide is compiled with research from Co-operative Investments and is reported in the Observer. It assesses all companies within the FTSE350 on a range of social, environmental and corporate governance criteria. Shaftesbury was ranked sixth, this was slightly down on last year's performance of third, but it was again the highest ranked property company. Shaftesbury was particularly praised for 'philanthropy such as giving free or low-rent office space to groups such as the Philharmonic Orchestra'.

As in previous years, Shaftesbury published a summary of its performance against the Action Plan in its Annual Report for 2007 and made its CR audit report available publicly on the internet.

A report by the Europe Equity Research section of JP Morgan in September 2008 (European Property: Sustainability Outperforms) assessed 32 property companies on their commitment to sustainability. Shaftesbury was given a score of 4 out of 5 based on its commitment to integrating sustainability management with company strategy (based on publicly available information). It was noted that Shaftesbury presents information publicly within a section on Environmental Responsibility and that it uses 100% brownfield land during expansion and refurbishment.

8.2.2 Tenants & Customers

There are over 800 tenants within the portfolio and Shaftesbury has personal contact with them all. These tenants range from a large number of small specialist businesses and restaurants, particularly in the Chinatown estate, to the larger retail lets in the Carnaby estate. Each tenant has direct contact with at least one director of the company and tenants are encouraged to contact the company with any issues or concerns. This is particularly the case for the Chinatown estate where specific cultural issues need to be recognised when dealing with the community. In addition, full time estate managers are on each of the three estates to deal with day-to-day problems.

Shaftesbury continues to maintain a close and direct relationship with its tenants, which has been further enhanced by the activities of the Communications Manager whose role is to maintain contact with the smaller retail tenants.

Shaftesbury has issued the Corporate Responsibility Policy to its current tenants and all new tenants receive a copy of the Corporate Responsibility Policy and a copy of the Environmental Policy and Occupiers leaflet.

In 2007-2008, EA Shaw sent out a questionnaire which included questions about the environment and requests for suggestions on where Shaftesbury could improve to a selection of tenants. Some responses were received.

8.2.3 Local Councils & Regulatory Bodies

Shaftesbury predominantly deals with Westminster City Council (WCC) but also with the London Borough of Camden. The company maintains direct contacts at Councillor and Senior Officer level. The main issues of concern relate to planning, solid waste removal, street lighting and street cleaning. Shaftesbury also provides support and finance, for example with street cleaning and improvements and further road and pavement improvements have been completed in 2007-08 with Shaftesbury's assistance.

Another key initiative is Shaftesbury's ongoing involvement with the Steering Group for a Soho Retrofitting and Sustainability for City Centres Project. The group includes representatives from the University of Westminster, WCC, the Soho Society, the Crown Estate, the Max Lock Centre and Central Cities Institute. The aim of the project is to look at sustainability in city centres, particularly those that are historic and focus on refurbishment and sustainability issues. It is intended that there will be a pilot project, which is focusing on Soho and its specific issues particularly with regard to dealing with conservation areas and listed buildings. A report from the project is anticipated by the end of the year.

8.3 Performance Against Targets

Target 2007-2008	Comments	Achieved
Remain in FTSE4Good Index for 2007-08.	Shaftesbury is listed on the FTSE4Good Index.	✓
Remain in Dow Jones Sustainability Index for 2007-08.	Shaftesbury is listed on the Dow Jones Sustainability Index.	✓
Meet with key investors to discuss their expectations.	This target was not considered appropriate for this year.	✗
Continue to maintain existing constant liaison between tenants, managing agents & Shaftesbury.	Shaftesbury maintains ongoing liaison between tenants and managing agents.	✓
Continue to provide CR awareness training to all staff and key suppliers with annual awareness training.	Undertaken in October 2007 and due in November 2008.	✓
Continue to work with statutory bodies through financial support to improve the local environment e.g. lighting projects, pavement maintenance etc. Extend support to Chinatown and other schemes in Carnaby/Seven Dials	Shaftesbury provides financial assistance for various community enhancements, including pavement maintenance.	✓

Target 2007-2008	Comments	Achieved
Put case studies on the website of projects demonstrating sustainability initiatives.	Case studies have not yet been uploaded onto the website, but are included within this document.	✘

8.4 Recommendations

- Continue to maintain proactive stance to stakeholder engagement and where appropriate maintain listing on recognised indices.
- Continue to monitor and report publicly on its performance. Use of the Company website and the Annual Report are considered to be the most sensible means of reporting.
- Ensure that managing agents issue the Policy to all new commercial tenants and new customers when granting new tenancies and also issue copies of the Environmental Policy and Occupiers leaflet.
- Continue to undertake awareness training for environmental/social responsibility of full time staff to highlight Shaftesbury's performance against the Policy and Action Plan.
- Follow up the issue of the Environmental Policy and Occupiers leaflet to identify particular issues that can be promoted with a selected sample of tenants.
- Build on success of community investment schemes at Seven Dials and Chinatown.

Data Appendices

- A Considerate Constructors Scheme Audit Results**
- B Energy Usage and Long-life Bulbs in the Managed Portfolio**
- C Electricity Consumption at Head Office**
- D Waste Collection Data for the Managed Portfolio**
- E Sustainable Timber Sourcing in Refurbishment Projects**
- F Water Usage in the Managed Portfolio**
- G Paper Usage and Recycling at Head Office**

A Considerate Constructors Scheme Audit Results

Scheme	Managing Agent	Contractor	Score	Issues Identified / Recommendations
11 Gerrard Street	Fresson & Tee	T G Gregory & Associates Ltd	33.5	<ul style="list-style-type: none"> None identified – noted as being an excellent example of a small firm taking on, and exceeding, the requirements of the Code.
Longmartin Phase C: NCP and Courtyard Building (enabling works)	SP.PM	Keltbray Specialist Works Ltd	33	<ul style="list-style-type: none"> Smokers use the street, not ideal.
Longmartin Phases D&E, 10-14 Upper St Martin's Lane and West Slingsby Place (enabling works)	SP.PM	Keltbray Specialist Works Ltd	32	<ul style="list-style-type: none"> Smokers use the street, which is not ideal Female toilet yet to be provided. No contact made with local school or community.
14 Wardour Mews	Fresson & Tee	T Gregory & Associates	31	<ul style="list-style-type: none"> Recommended to put red and white bunting to highlight scaffold standards.
5-7 Carnaby St	SP.PM	Nicholas Stephens Construction Ltd	30.5	<ul style="list-style-type: none"> No designated female toilet No privacy for wash basins or changing area. Fire points in place but no assembly point identified.
Wellington House, Upper St Martin's Lane (double height way through)	SP.PM	Nicholas Stephens Construction Ltd	30	<ul style="list-style-type: none"> Jan 08 Width of pavement inadequate due to hoarding location Some graffiti to be over painted Welfare facilities basic but adequate Consider first aid helmet stickers Consider issuing operatives handouts of CCS
Seven Dials Court	Fresson & Tee	KPM Construction Ltd	30	<ul style="list-style-type: none"> The company did not currently have an environmental policy (although one was in the process of being compiled)
12-13 Kingly St	SP.PM	Kingswood Construction (London) Plc	28.5	<ul style="list-style-type: none"> Environmental issues not specifically included in the induction. No 24-hour hotline in place for complaints Scaffolding not boxed-in. Site manager was not aware of nearest hospital with A&E facilities and information not displayed.
49-51 Carnaby St	SP.PM	Lakemead Construction	28	<ul style="list-style-type: none"> The placement of a small sign explaining how visitors can gain access providing a name and contact number. The compilation of a site-specific environmental plan, the appointment of an energy champion and adoption of energy saving measures. The placement of a notice board adjacent to the welfare / rest area to display key information. Encourage operatives to change before leaving site. First aid stickers on helmets and display of photographs. Display contractor's headquarters contact information.

Scheme	Managing Agent	Contractor	Score	Issues Identified / Recommendations
17 Catherine Street	Fresson & Tee	KPM Construction Ltd	28	<ul style="list-style-type: none"> • Pedestrian access to the site is shared with material movements. • No feedback received on actual recycling being achieved. • Site does not measure carbon emissions. • Welfare facilities fall short of industry standard • No lockers or showers provided. • A door bell on entrance door could benefit visitors. • Skills and medical conditions of operatives not recorded at present. • Company signage does not prominently display contact information.
35 Catherine St	Fresson & Tee	KPM Construction Ltd	27.5	<ul style="list-style-type: none"> • Materials are initially stored outside on pavement. • No drying room with lockers or showers • No barrier creams available in the toilets. • No pedestrian warning signs outside site area • No fire drills as yet • No procedure to deal with near misses • First aiders should be identified with green cross on helmet and photos should be shown at induction and posted on notice board. • Unaware of subcontractors first aiders. • No site ID card system.
Longmartin Phase C: NCP and Courtyard Building (strip out)	SP.PM	Lakemead Construction	27	<ul style="list-style-type: none"> • Environmental policy not site specific and no recycling of office paper or segregation of canteen waste. • No emergency spill kits available • No carbon emissions monitoring. • Suggested a newsletter for neighbours. • No disabled WCs available and no lockers or showers on site. • No safety incentives in operation. • No local school contact. • No site ID scheme with photo.
Longmartin Phase B: East Slingsby and 3-5 Mercer St (enabling works)	SP.PM	Lakemead Construction Ltd	26.5	<ul style="list-style-type: none"> • Some trip hazards identified. • Suggestion to introduce a behavioural policy. • Sign to site office recommended, together with a no unauthorised access sign at the side access. • Induction process does not require medical history to be disclosed. • Consider issuing operatives handouts of CCS
55/56 + 57 St Martins Lane London	Fresson & Tee	Kingwood Construction (London) plc	26.5	<ul style="list-style-type: none"> • Public footpath with gantry scaffolding, but not boxed in. • No disabled access available. • No designated smoking area – outside on public footpath. • No feedback available on recycling. • No monitoring of carbon emissions. No energy saving measures or lighting. • No Company signage in place – client request. • No 24 hour hotline displayed for public.

Scheme	Managing Agent	Contractor	Score	Issues Identified / Recommendations
				<ul style="list-style-type: none"> No disabled WC. No lockers and shower available. No fire drills held as yet. No company safety incentives A & E and police contact numbers not displayed No local school visits have been contacted. No ID cards issued. CCS posters displayed internally only (at client request). No company name displayed with contact numbers (at client request)
Horse & Dolphin Yard – Phase 3	Fresson & Tee	KPM Construction Ltd	26	<ul style="list-style-type: none"> No monitoring of carbon emissions or energy saving measures implemented. No newsletters or letters for neighbours. No 24-hour hotline displayed for the public. No designated female WCs. No lockers or showers available. No company safety incentives. No local school visits have been made. No ID cards issued.
36 & 38 Tavistock St	Fresson & Tee	Scott Osborn Ltd	25.5	<ul style="list-style-type: none"> No site specific environmental policy Canteen waste not separated. No emergency spill kits available. No recycling feedback. Carbon emissions not monitored. No newsletters / letters to neighbours No 24-hour hotline displayed. No designated female / disabled WCs No lockers or showers available. No fire drills carried out. No police or A&E details displayed. No local schools have been contacted. No ID cards issued. No company signage on display with contact details.
32/34 Wellington Street	Fresson & Tee	KPM Construction Ltd	25	<ul style="list-style-type: none"> No disabled access available. No designated smoking area. Environmental policy not site-specific No feedback available on recycling. No monitoring of carbon emissions or energy saving measures implemented. No company signage in place – client request. No newsletters or letters for neighbours. No female or disabled WCs. No lockers or showers available. No fire drills held prior to visit. No route map displayed to nearest A&E facility. No local school visits arranged. No photo ID cards issued. CCS posters not on public view – client request. No company name displayed with contact numbers – client request.

Scheme	Managing Agent	Contractor	Score	Issues Identified / Recommendations
			27.5	<ul style="list-style-type: none"> No designated smoking area. No feedback available on recycling. No monitoring of carbon emissions No company signage in place – client request. No female or disabled WCs. No lockers or showers available. No local school visits arranged. No photo ID cards issued. CCS posters not on public view – client request. No company name displayed with contact numbers – client request.
27 Catherine Street	Fresson & Tee	KPM Construction Ltd	23.5	<ul style="list-style-type: none"> June 08 – operatives should be encouraged to report all incidents and near misses. Operatives' skills and medical conditions should be asked at inductions. Membership of the CCS should be noted to contractors and during inductions, as part of standard procedure.
			25.5	<ul style="list-style-type: none"> (Aug 08) Contact information on CCS posters required changing.

Number of schemes assessed: 18

Average Score: 28.7 (taking into account 2nd audit scores where available)

Score Range: 25.5 – 33.5 out of 40

Proportion not achieving in-house target of 26/40: 11% (2 schemes)

B Energy Usage in the Managed Portfolio

Year	Floor Area (sq m)	Energy Consumption (kWh)	Carbon Dioxide Emissions (kgCO ₂)	Carbon Dioxide Emissions per area of floorspace (kgCO ₂ /sqm)
Chinatown				
2002 – 2003	No data	84,471	37,167	No data
Chinatown & Coliseum				
2003 – 2004	31,958	337,886	145,290	4.5
2004 – 2005	31,958	612,523	263,385	8.2
2005 – 2006 (a)	31,958	364,610	156,782	4.9
2006 – 2007 (b)	37,983	363,349	156,670	4.1
2007 – 2008 (c)	50,201	263,476	113,295 (e)	2.3
			141,492 (f)	2.8
Opera Quarter				
2006 – 2007 (b)	8,231 (d)	43,152	18,555	2.3 (d)
2007 – 2008	8,231	72,930	31,360 (e)	3.8
			39,165 (f)	4.8
Carnaby Estate				
2002 – 2003	No data	6 months: 232,821	102,441	No data
2003 – 2004	49,887	806,371	346,739	7.0
2004 – 2005	49,887	1,231,107	529,376	10.6
2005 – 2006	49,887	1,109,912	477,262	9.6
2006 – 2007	49,877	947,732	407,525	8.2
2007 – 2008	49,877	964,280	414,640 (e)	8.3
			517,838 (f)	10.4
Seven Dials				
2002 – 2003	No data	No data	No data	No data
2003 – 2004	26,941	578,108	248,586	9.2
2004 – 2005	26,941	641,642	275,906	10.2
2005 – 2006	26,941	663,438	285,278	10.6
2006 – 2007	26,941	799,187	343,650	12.8
2007 – 2008	26,941	860,301	369,929 (e)	13.7
			461,999 (f)	17.1

Note:

- (a) Data for Chinatown was collected from a 20% sample of properties, which represented typical examples, e.g. common parts with lifts, stairs only etc. These figures have then been extrapolated for the Chinatown / Coliseum part of the portfolio for energy purchase from Shaftesbury.
- (b) Data extrapolated from meter readings from two quarters.
- (c) The majority of data taken directly from meter readings, data for some properties still extrapolated.
- (d) Incorrect area figure reported for 2006-2007 (area of 71,421m²). Data has been revised accordingly.
- (e) Based on previously used conversion factors, i.e 0.43kgCO₂/kWh electricity used.
- (f) Based on best practice methodology as defined in the Defra 2008 Guidelines on Greenhouse Gas (GHG) Conversion Factors, using the grid-rolling average figure for electricity (currently 0.53702kgCO₂/kWh).

Estate	Proportion of Long-life Bulbs (%)			
	2005	2006	2007	2008
Carnaby	55	65	69	73
Seven Dials	20	20	94	96

C Electricity Usage Head Office

Year	Total Electricity Consumption (kWh)	Greenhouse Gas Emissions (kgCO ₂ equivalent)	Greenhouse Gas Emissions per area of floorspace (kgCO ₂ /sqm) (Office area: 519 sqm)
2002 – 2003	53,761	23,117	44.5
2003 – 2004	56,254	24,189	46.6
2004 – 2005	60,277	25,919	49.9
2005 – 2006	41,703	17,932	34.6
2006 – 2007	51,342	22,077	42.5
2007 – 2008	50,747	21,821 (a)	42.0
		27,252(b)	52.5

(a) Greenhouse gas emissions using previously used conversion factor of 0.43kgCO₂/kWh to enable comparison over time.

(b) Greenhouse gas emissions using revised methodology released by Defra in 2008 and a conversion factor of 0.53702kgCO₂/kWh.

D Waste Collection Data for the Managed Portfolio

Carnaby and Seven Dials

Site	Breakdown	Waste Collected (tonnes)		Waste Proportions (%)	
		2007	2008	2007	2008
Kingly Court	General	131	122	54%	50%
	Recycled	112	123	46%	50%
	Total	243	245	100%	100%
Carnaby Court	General	195	270	96%	82%
	Recycled	9	60	4%	18%
	Total	204	330	100%	100%
Ganton House	General	103	0	62%	0%
	Recycled	62	77	38%	100%
	Total	165	77	100%	100%
Thomas Neal's	General	164	85	94%	60%
	Recycled	11	56	6%	40%
	Total	175	141	100%	100%
All areas	General	584	486	74%	68%
	Recycled	205	228	26%	32%
	Total	789	714	100%	100%

Note: Previously waste data for Carnaby and Seven Dials was presented in cubic litres. As a result of a change in contract, reporting is now provided by the contractor in tonnes. Therefore a direct comparison cannot be made between 2007 and 2008 data and that of previous years. This audit report presents the data for 2007 and 2008. Previous years' data can be found in previous audit reports.

E Sustainable Timber Sourcing Results

Scheme	Managing Agent	Total timber volume (m ³)	Total certified	% Certified	% FSC	% PEFC	% Unspecified certified
35 Catherine St	F&T	29.4	25.7	87.2	1.7	40.7	44.8
Horse and Dolphin Yard W1 Phase III	F&T	3.3	2.6	78.7	0.0	0.0	78.7
55/57 St Martin's Lane	F&T	10.0	5.9	58.7	56.8	1.9	N/A
14 Wardour Mews	F&T	3.0	1.7	58.0	14.4	43.6	N/A
36 & 38 Tavistock St	F&T	30.7	16.4	53.5	6.8	7.0	39.6
11 Gerrard St	F&T	5.1	2.3	46.1	12.7	33.4	N/A
12-13 Kingly St	SPPM	0.4	0.2	45.5	0.0	45.5	N/A
32/34 Wellington St	F&T	15.6	6.4	40.7	4.4	1.5	34.8
14/16/18 Monmouth St	F&T	6.8	1.5	21.7	4.5	17.2	N/A
1st Floor, 49 Carnaby Street	SPPM	7.2	0.7	10.0	10.0	0.0	N/A
5-7 Carnaby Street	SPPM	1.3	0.0	0.0	N/A	N/A	N/A
Seven Dials Court	F&T	0.1	0.0	0.0	0.0	0.0	0.0
Total / Average		113	63.4	56.1	10.1	17.3	16.5

F Water Usage in the Managed Portfolio

Seven Dials / Carnaby

Property	Water Usage 2006-07 (m ³)	Water Usage 2007-08 (m ³)
41-45 Beak Street	-	-
47 Beak Street	31	27
46 Broadwick Street	43	45
5-7 Carnaby Street	-	-
22 Carnaby Street	42	54
28 Carnaby Street	65	51
30 Carnaby Street (meter 1)	-	86
30 Carnaby Street (meter 2)	-	-
39 Carnaby Street	69	81
46-47 Carnaby Street	-	-
48-49-51 Carnaby Street	-	-
4 Ching Court	-	45
5 Ching Court	-	164
1a Earham Street -1 st /Basement	209	362
1a Earham Street – 2 nd	104	111
1a Earham Street – 3 rd	83	121
1a Earham Street – 4 th	464	967
23-25 Fouberts Place	-	169
30-32 Fouberts Place	-	19
26 Fouberts Place	10	10
14-22 Ganton St – 1 st	307	250
14-22 Ganton St – 2 nd	371	434
14-22 Ganton St – 3 rd	102	128
14-22 Ganton St – 4 th	109	226
14-22 Ganton St – 5 th	248	297
14-22 Ganton St – 2 nd	55	181
14-22 Ganton St – 3 rd	157	90
14-22 Ganton St – 4 th	11	12
23 Ganton St	700	678
26 Kingly St	426	New meter
16 Neal Yard	-	-
3 Newburgh St	41	43
Total Usage (m³)	3,647	4,651
Number of Meters	32	32
Properties with Readings	11	25
Total Number of Properties	21	21
Total Area of Properties (m²)	76,818	76,818
Approx. Area coverage of readings (m²)	40,253	59,995
Usage by area (m³/m²)	0.09	0.08

South Service Yard, Chinatown

Year	Water Consumption (m ³)
2005 – 2006	368
2006 – 2007	286
2007 - 2008	304

G Paper Usage and Recycling at Head Office

Year	Paper Usage (kg)	Proportion from Recycled Supply (%)	Paper Recycled (kg)
2003 – 2004	1236	81	6270
2004 – 2005	1271	86	4990
2005 – 2006	1271	0	4600
2006 – 2007	1063	100(a)	4597.5
2007 - 2008	1447	100	6994

(a) 100% recycled paper procured from Summer 2007.