



Capital & Counties Properties PLC

Corporate Policies

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BUSINESS CODE OF PRACTICE

Capital & Counties Properties PLC (“Capco”) is one of the largest listed investment and development companies in central London.

All the parties with whom we have dealings - our employees, shareholders, investment partners, local authorities where we have property interests, retailers and other occupiers, suppliers and the general public - should feel confident that Capco is a Company they can trust. We value our reputation, not least as a vital component of long-term success.

Creating, building and maintaining that trust requires a strong and long-term commitment to high standards of ethics throughout the entire business. Ethics encompass and inform all aspects of Capco business through to our relationships with stakeholders, our attitude to the environment, the quality of the services and facilities we supply, how we interrelate within the communities in which we operate, our corporate reporting, together with our procurement and employment policies. A sound and well-developed code of business ethics is a prerequisite of a successful business and our aim is that it should be firmly embedded in the culture of Capco.

We will be producing an annual report on Corporate Responsibility ("CR") stewardship for shareholders and other stakeholders. Its content will demonstrate that we take CR seriously.

Capco operates in a way that recognises the important role that its properties play in local communities, and we provide members of the public who visit our property interests with a safe, healthy and comfortable environment. Where appropriate, we look to procure goods and services from local suppliers, and our policy is that payments are made in accordance with contracted terms.

Our core business activities constantly involve us with the public sector in many forms and, in particular, with local authorities of all political persuasions. As a matter of policy, we do not contribute directly to political parties. Facilitation payments, other than those officially recognised through Planning processes, are not permitted.

Capco aims to attract and retain the best people, motivate and develop our staff, and provide them with a good and safe working environment.

We have a Whistleblowing Policy in place to ensure that our employees know who to contact should they suspect any form of malpractice. We take appropriate action to eradicate any form of improper practice which is brought to our notice.

We are committed to obeying all relevant laws and regulations in the countries where we operate.

We expect our employees to adopt high standards of behaviour in dealing with suppliers, especially regarding gifts involving pecuniary benefits or benefits in kind. Guidance notes have been issued to employees and are up-dated as appropriate. In addition, internal rules govern employee dealings in the shares of Capital & Counties Properties PLC.



CR POLICY

Capital & Counties Properties PLC ("Capco") is one of the largest listed investment and development companies in central London.

We recognise the mutual benefits of incorporating the principles of sustainability into our business. For Capco, Corporate Responsibility ("CR") is our contribution towards sustainable development by considering environment, social and stakeholder issues in formulating our business objectives. Land is a scarce resource and our skill is in continuing to develop and manage it in a sustainable manner to create maximum value for all our stakeholders.

We recognise our responsibility towards the environment and the need to meet all legislative requirements. We aim to use natural resources both efficiently and effectively and to protect valuable habitats and ecosystems. Our strategy is to enhance the quality of life of those communities where we operate and where we are an employer. This means developing a constructive partnership approach with local authorities, supporting where practical their sustainable development objectives and complying with applicable regulations. We also aim to communicate with our suppliers of goods and services and to involve them in the understanding and implementation of this policy, working in partnership to deliver the highest standards.

In our dealings with customers our policy is to provide high standards of service and safe environments. We are committed to comply with employment laws and to maintain a clean, safe and healthy working environment that provides appropriate benefits, training and personal development. We do not discriminate, we recognise equal opportunities and encourage an open culture and the involvement of all employees.

Our primary driver is to create value for our shareholders and we aim to communicate and report regularly on our progress in an open and transparent way. We seek to encourage understanding, support and participation from all our stakeholders in the value created by our approach to Corporate Responsibility. We will continue to apply appropriate governance processes to deliver our CR objectives.

SUPPLY CHAIN POLICY

Capital & Counties Properties PLC (“Capco”) is one of the largest listed investment and development companies in central London.

Capco recognises the wide range of potential environmental, social and ethical consequences arising from the products and services purchased by the Company. We recognise that how we source the raw materials, products and services required during the design and development of our property portfolio and for the ongoing management and operation of these properties impacts on our suppliers, their employees and the environment in which they operate. The key objectives of our Supply Chain Policy are to:

- Work in partnership with suppliers of goods and services to understand and help implement appropriate environmental, ethical and health and safety standards.
- Work with our suppliers to reduce the social and environmental impact when procuring goods and services in both the development, management and operation of our properties and venues.

We will do this by:

- Seeking to reduce the supply chain impact of our business through this policy and in line with our CR, Health & Safety and Environmental Policies and our Business Code of Practice.
- Identifying the environmental/social/ethical issues, in line with best value and our CR Policy, associated with the main products and services we procure.
- Expecting our direct suppliers to meet all relevant legal environmental, health & safety, employment requirements.
- Continuing to work toward the development of minimum environmental, social and ethical standards by which to assess our suppliers and provide appropriate guidance to inform the procurement process.
- Using products that are produced in safe working conditions which do not involve the exploitation of workers.
- Regularly liaising and communicating with our key suppliers to understand how the performance of products and services can be improved and providing our support as appropriate.
- Working with suppliers to help deliver local community initiatives.
- Continuing to use local suppliers and contractors where appropriate.
- Paying our suppliers and contractors promptly according to contracted terms.



- Continuing to identify and purchase sustainable or ethical alternatives where appropriate, taking account of the product's entire lifecycle and making use of environmental and ethical labels to guide product specification.
- Conducting regular audits and reviews of our management systems and key suppliers, for the ongoing management and operation of properties and venues, providing support where appropriate.
- Promoting awareness of our Supply Chain Policy to our staff responsible for procurement and wider employees through internal communications.



Capital & Counties Properties PLC

**Environmental Policy
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ENVIRONMENTAL POLICY

A responsible and forward-looking approach to environmental issues is an important factor in Capco's continuing success in the UK property industry. We recognise the mutual benefits of incorporating sustainability into our business strategies and of dealing appropriately with any impact on the environment caused by our operations.

In support of this, we are committed to:

- Maintaining high standards in respect of environmental matters.
- Meeting the needs of occupiers and customers.
- Integrating the concept of sustainability into our business.
- Applying best practice in the design, construction and management of buildings and their surroundings.
- Using materials from sustainable sources and as set out in our Environmental Guide, which details, inter-alia, prohibited materials.
- Complying with all legal requirements.
- The prevention of pollution and contamination of land.
- The reduction of our carbon footprint.

and where practical or relevant to the varying requirements of our business, we:

- Take account, through consultation, of the needs and aspirations of local communities and other stakeholders.
- Seek to reduce the Group's consumption of energy, water and natural resources to appropriate levels commensurate with the operational needs of the business and the requirements of occupiers.
- Help to reduce the Group's waste generation and increase the proportion recycled.
- Ensure occupiers and customers have efficient access to our properties and a practical choice of transport.
- Act as a 'good neighbour' and ensure that noise, nuisance and site-generated traffic are minimised.
- Seek to develop on brownfield land and ensure the efficient use of this land, thereby helping to revive the economic vitality of the area.
- Work with all stakeholders, be they employees, suppliers, occupiers, investors or the local community, to improve environmental performance.



These policy commitments are supported by clear objectives and we aim to deliver continual improvement in environmental performance.

As an aid towards meeting these policy commitments and objectives, we have provided our employees and consultants and building contractors with an 'Environmental Policy and Guide' covering all aspects of our business and will monitor compliance with this Guide. In line with our Business Code of Practice we provide induction and training courses for our employees covering Corporate Responsibility (CR) related matters.

This forms part of our overall policy on Corporate Responsibility. The Company strives continuously to improve its performance. Management systems and procedures are regularly reviewed to ensure that the Company maintains its commitment to this policy.

All employees of the Group must comply with this Environmental Policy and Guide and its development and implementation is the responsibility of the CR Executive Committee.

**CAPITAL & COUNTIES PROPERTIES PLC
ENVIRONMENTAL GUIDE 2011**

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This Guide was reviewed and updated in January 2011



**CAPITAL & COUNTIES PROPERTIES PLC
ENVIRONMENTAL GUIDE 2011**

This Environmental Guide has been prepared for use by all operating companies within the Capco group. It will assist designers and managers assess the range of environmental issues.

At appropriate points throughout the life of a project – from inception through to completion – it will be necessary for the project team to demonstrate how they are complying both with the contents of the Environmental Policy as well as the Environmental Guide.

Compliance with current legislation is essential together with adherence to Capco's Environmental Policy. It must be clearly demonstrable how the overall aims and objectives as set out in this document have been met. Any conflicts, discrepancies or divergences must be raised at the earliest opportunity and guidance sought before proceeding.

1. INTRODUCTION

In support of the Environmental Policy, the following guidelines have been produced to assist designers, managers and those involved in the construction process to assess a range of environmental issues. It is intended that this document will apply to all aspects of our business, covering development, refurbishment and on-going asset or operational management.

Designers, managers and those involved in the construction process may be asked to demonstrate how they have considered and satisfied the appropriate requirements set out in this guide.

The range of potential issues is very wide, and whilst not all items are appropriate or relevant to every situation, the intention of this Environmental Guide is to establish the issues that should be considered as part of the application of the Environmental Policy.

2. DESIGN AND CONSTRUCTION CONSIDERATIONS

This section applies to contractors, designers and consultants employed by Capco as part of the design and construction process.

2.1 Acquisition of Development Site

- Undertake environmental surveys, as necessary, that cover inter alia land contamination, ecological sensitivity, archaeology, ground and surface water and drainage, asbestos, flood risk and other prohibited materials, and transport issues.
- Assess the need for control, monitoring or remediation of contaminated land and ensure that Capco's and statutory requirements are met.
- Continue to ensure the efficient use of land to support regeneration and economic growth and maintain our development programme on brownfield land.

2.2 Design

- Base approach to building design upon meeting needs of potential occupiers, whilst taking into account the best of current practice in terms of environmentally sensitive design: promote designs that incorporate environmental good practice in terms of energy use, water use, waste management and materials conservation.
- Design new build retail and office developments to achieve a BREEAM rating of 'Very Good' or better.
- Design new build residential buildings to achieve a Code for Sustainable Homes rating of Level 4
- Calculate life cycle costing for major energy consuming plant and equipment and evaluate the findings.
- Take all significant environmental factors into consideration at the design stage to ensure that the design team uses these criteria as part of the decision-making process.
- Seek to select materials from sustainable sources where fit for their purpose and readily available in the United Kingdom.

- Seek to maximise design life of buildings by optimising the use of durable materials that last longer, reducing volume of waste produced over the building's lifetime.
- Examine potential for the reuse of existing foundations.
- Examine the potential for the recycling and reuse of any demolition materials.
- Consider use of prefabrication and standardisation techniques to minimise construction waste.

2.3 Development & Refurbishment

- Undertake an Environmental Impact Assessment (EIA) on major schemes in line with statutory requirements and best practice guidelines e.g. Institute of Environmental Management and Assessment (IEMA) EIA guidelines.
- Undertake detailed dialogue with the local community and local interest groups.
- Undertake detailed dialogue with the local Planning Authority and statutory bodies.
- Review transport requirements and opportunities.
- Ascertain rights of light and party wall matters.
- Assess archaeological impacts and the need for a study.
- Study and attempt to minimise the ecological impacts of the proposals.
- Review energy demand of any development and the potential for energy minimisation.
- Review waste minimisation and recycling opportunities during the construction and operation phases, and comply with the requirements and obligations of the Site Waste Management Plans Regulations 2008.
- Study review and improve where feasible water resources and ground water quality.
- Consider landscape and urban design issues.
- Consider materials to be used, taking into account those that are prohibited.
- Consider noise and vibration and minimise where feasible and practical.
- Consider general nuisance and air quality and minimise where feasible and practical.

2.4 Energy Use

- Seek to maximise provision of natural lighting whilst minimising solar gain.
- Seek to optimise natural ventilation and aim to eliminate the need for mechanical ventilation where practicable.

- Examine low-energy HVAC systems and options such as heat recovery. .
- Specify energy efficient lighting systems and controls where appropriate. Consider incorporation of energy minimisation measures such as use of photocells or passive infrared technology to control lighting and water consumption.
- Assess non-carbon based energy resources for their commercial viability for new developments.
- Comply with the provisions of The Energy Performance of Buildings (Certificates and Inspections) (England and Wales) 2007 or similar relevant and applicable legislation relating to the requirement to produce Energy Performance Certificates.

2.5 Materials Specification

- Ensure prohibited materials (list appended) are not specified or used.
- Procure Forest Stewardship Council (FSC), or alternative equivalent certifying body, certified timber unless no alternative is available. Ensure that any hardwood timber specified for finishes etc. is not vulnerable / endangered.
- Use materials with a low embodied carbon footprint where possible.
- Seek to optimise the use of natural finishes and reclaimed materials, where possible.

2.6 Water Conservation

- Specify low-flow taps and showers.
- Specify low cistern capacity / dual flush WCs.
- Investigate the feasibility of grey-water recycling and rainwater harvesting in larger developments.

2.7 Site Ecology

- Specify low water-consuming planting and landscaping.
- Aim to improve biodiversity by encouraging local flora and fauna in line with Local Authority Biodiversity Plans or best practice.

2.8 Construction

- Seek to be a 'good neighbour' and ensure that noise, nuisance, dust and site generated traffic movements are minimised. Install mitigation facilities during

construction/demolition for control of mud, dust and other nuisance emissions to the surrounding environment

- Install site hoardings to reduce visual impact.
- Support initiatives in the construction industry such as the 'Considerate Constructors Scheme'
- Encourage waste minimisation, and the separation and recycling of waste on site.
- Aim for 'just-in-time' delivery to reduce site wastage and storage issues.
- Consider transport requirements for site operatives where appropriate. Produce a construction transport plan for very large-scale projects.
- Consider creating of training schemes and job opportunities for local young people and unemployed.
- Employ contractors who have robust environmental policies and environmental management systems/practices in place.
- Ensure contractors employ appropriate measures to prevent incidents of pollution, such as land, surface water or groundwater contamination. Put in place appropriate pollution prevention and control plans to reduce the risk of, and respond to, pollution incidents.

2.9 Waste Management

For large scale projects:

- Ensure that contractors develop a site waste management plan prior to construction which complies with the requirements and obligations of the Site Waste Management Plans Regulations 2008.
- Agree appropriate targets for waste reduction, recovery and the use of recovered materials.
- Ensure that contractors comply with and monitor their performance in relation to each site waste management plan.
- Review the waste management plan on project completion, compare forecast against actual performance and use the information gained to update targets and inform future projects.

2.10 Supply Chain

- Work in partnership with key suppliers to improve and implement the appropriate standards.
- If possible, aim to work with local suppliers.



- Use supply chain partners who have robust environmental policies and management systems in place

3. OPERATIONAL CONSIDERATIONS

This section applies to all those actively involved with building management in general.

3.1 Property Management and Operations

- Manage existing properties to achieve an appropriate environmental impact commensurate with their use.
- Undertake maintenance to ensure the efficient operation of the building's plant and equipment.
- Maintain a log of refrigerants used on each site. Ensure that refrigerants (e.g. R22) are phased out along the timescales dictated by ozone-depleting substances legislation.
- Work with occupiers in multi-let properties to help reduce waste generation and increase the proportion recycled.
- Encourage use of recycled materials and goods, where possible.

3.2 Energy

- Monitor energy consumption. Investigate and try to address the causes of any particularly high periods of energy use.
- Minimise energy use through active energy management and good maintenance.
- Communicate the importance of energy minimisation to staff on an ongoing basis and encourage staff and occupiers to switch off non-essential equipment out of hours.
- Comply with the provisions of The Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007 or similar relevant and applicable legislation relating to the requirement to produce Energy Performance Certificates.

3.3 Water Conservation

- Monitor water consumption.
- Minimise water use through active management, use of low water fixtures, ongoing maintenance and awareness-raising.

3.4 Waste Management

- Ensure waste management complies with all relevant environmental legislation, and ensure contractors comply with our standards.



- Monitor waste production and recycling rates and encourage recycling wherever possible.
- Continually communicate the importance of waste segregation and recycling to staff, contractors, occupiers and service partners.

3.5 Supply Chain

- Conduct procurement activities in accordance with the Supply Chain Policy.

APPENDIX A: Materials Specification and Prohibited Materials

Capco policy is to avoid the use of materials that are believed to, or are proven to, pose a hazard, either by themselves or as a result of the manner of their installation, to the environment or the health of any person. In particular the Company will not specify substances that are not in accordance with the relevant British Standards or Codes of Practice existing at the time of specification.

1. Each of the following is a Prohibited Material:
 - 1.1 Any material which is known to or is reasonably believed to pose a hazard (by itself or as a result of the manner of its installation) to the health of any person or to the environment;
 - 1.2 Any material which, although not in itself novel or unusual, is knowingly used in a manner or combination which is unproven;
 - 1.3 Any material which at the time of specification or use in the Project is generally accepted as being or is reasonably believed to be deleterious or capable of:
 - (a) Becoming deleterious when used in a particular situation or in combination with any other material or materials; or
 - (b) Becoming deleterious without a level of maintenance which is higher than that which would normally be expected in a building of comparable type; or
 - (c) Being damaged by or causing damage to any structure in which it is incorporated or to which it is affixed;
 - 1.4 Tropical hardwood which is not obtained from a source accredited in the Good Wood Guide published by Friends of the Earth;
 - 1.5 Any other materials which are not in accordance with Statutory Requirements, British Standards, Codes of Practice, BRE Green Guide to Specification or good building practice.

COMMUNICATION - STAKEHOLDER ENGAGEMENT POLICY

Effective communication with stakeholders at all levels is a key element of our business approach. We recognise it is important to engage with local communities and regulatory bodies, our customers and staff, and other interested parties so that their views and opinions inform the development of our business.

In support of this, we

- Engage with our key stakeholders - occupiers, local communities, regulatory bodies and customers - on a wide range of issues relating to the development and management of our properties.
- Communicate our CR Policy and objectives to key stakeholders to gain their support.
- Where relevant, carry out market research and consultation.
- Publish our CR Report.

This policy forms part of our overall policy on Corporate Responsibility. The Company strives continuously to improve its performance. Management systems and procedures are regularly reviewed to ensure that the Company maintains its commitment to this policy.

COMMUNITY RELATIONS

Our property assets form a pivotal link with their local communities, providing a catalyst for long-term economic benefits. We aim to enhance the quality of life in those communities and endeavour, where practical, to provide amenities in support of this objective.

Our policy is to:

- Work closely with local authorities and other stakeholders.
- Identify and respond to the needs of the local community when building new developments.
- Support relevant training and education initiatives.
- Provide support to local organisations and charities.
- Support local suppliers where appropriate.

This policy forms part of our overall policy on Corporate Responsibility. The Company strives continuously to improve its performance. Management systems and procedures are regularly reviewed to ensure that the Company maintains its commitment to this policy.

POLICY TOWARDS OCCUPIERS

We are responsible landlords and a vital focus of all our business activities is to ensure that our properties and venues are safe, healthy and provide a high quality environment in which to work.

Although our ability to influence occupier decision-making is indirect, we seek opportunities to work with others and interact with occupiers on a range of issues.

In support of this, we:

- Provide consistent high standards of accommodation and facilities to our occupiers.
- Provide safe and healthy working environments.
- Maintain high standards of service.
- Communicate our CR policy to occupiers.

This policy forms part of our overall policy on Corporate Responsibility. The Company strives continuously to improve its performance. Management systems and procedures are regularly reviewed to ensure that the Company maintains its commitment to this policy.