



SUSTAINABILITY POLICY

Shaftesbury

October 2017

CHIEF EXECUTIVE'S STATEMENT



SHAFTESBURY IS A LISTED REAL ESTATE INVESTMENT TRUST, WHICH INVESTS EXCLUSIVELY IN LONDON'S WEST END. OUR WHOLLY OWNED HOLDINGS EXTEND TO 14 ACRES OF FREEHOLDS ACROSS NEARLY 600 BUILDINGS. THE LONGMARTIN JOINT VENTURE IN WHICH WE HAVE A 50% INTEREST, OWNS A 1.9 ACRE ISLAND SITE.

Our ownerships are concentrated in popular areas in the West End: Carnaby, Covent Garden (Seven Dials, Coliseum and Opera Quarter districts), Chinatown, Soho and Charlotte Street. Street patterns and many of the buildings in these areas date back to the late 17th and early 18th century. We estimate the average age of our buildings is around 150 years. All of our buildings are in Conservation Areas and around 25% are listed.

We are committed to act in a responsible manner throughout our business and are committed to sustainability by the re-use and careful management of existing buildings, which supports Government and local policies for sustainable development. In order to ensure appropriate standards are maintained throughout our operations, the following sustainability principles have been established

- Operate in an environmentally sustainable manner and minimise the environmental impact of our operations, including on climate change;
- Wherever practical, extend the economic useful lives of our buildings through changes of use and reconfiguration;
- Comply with all legal and regulatory requirements, and, where feasible, exceed minimum compliance;
- Establish annual targets and encourage continual improvement in environmental performance;
- Engage with advisors, suppliers, tenants and stakeholders to disseminate the Group's sustainability policies and requirements;
- Invest in and engage with our local community;
- Conduct our business with integrity and in an open and ethical manner and require the same standards throughout our supply chain;
- Invest in the welfare and development of our employees.

We support the ten principles of the UN Global Compact on human rights, labour, environment and anti-corruption.

The statement of policies on pages 3 to 7 explain how we aim to implement our strategy whilst maintaining these principles. This document is disseminated to all employees, our advisors and suppliers and is available on our website.

Employee responsibilities and remuneration include key performance indicators based on sustainability objectives and targets and these are reported on annually in the remuneration report contained in the annual report.

The policies are updated annually and approved by the Board. This forms the framework for establishing objectives and targets against which we monitor and report publicly on our performance at the financial year end. Actual performance is independently monitored and reported at the financial year end. The annual action plan and the annual report on achievement is on our website. A summary of performance is contained within each year's annual report.

I am responsible to the Board for the implementation of the Group's policies throughout our operations.

Brian Bickell
Chief Executive

October 2017

SUSTAINABILITY POLICIES

OCTOBER 2017

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¹ A Conservation Area is an area of special architectural interest, the character or appearance of which is deemed by the local authority to be desirable to preserve or enhance. It is the quality and interest of an area rather than individual buildings which is important.

² A listed building is a building which has been placed on the Statutory List of Buildings of Special Architectural or Historic Interest. A listed building may not be demolished, extended or altered without special permission from the local authority.

1 STATEMENT OF PRINCIPLES

SHAFTESBURY IS COMMITTED TO:

Operate in an environmentally sustainable manner and minimise the environmental impact of our operations, including on climate change;

Wherever practical, extend the economic useful lives of our buildings through changes of use and reconfiguration;

Comply with all legal and regulatory requirements and where feasible, exceed minimum compliance;

Establish annual targets and encourage continual improvement in environmental performance;

Engage with advisors, suppliers, tenants and stakeholders to disseminate the Group's corporate responsibility policies and requirements;

Invest in our local community;

Conduct our business with integrity and in an open and ethical manner and require the same standards throughout our supply chain;

Invest in the welfare and development of our employees.

We seek to achieve this through our policies which are set out on the following pages:

2 ENVIRONMENT

SHAFTESBURY OPERATES IN AN ENVIRONMENTALLY SUSTAINABLE MANNER AND ENDEAVOURS TO MINIMISE ENVIRONMENTAL IMPACT THROUGH OUT OUR OPERATIONS.

OUR BUILDINGS

The buildings we own are generally old (average age circa 150 years), relatively small (average size 350 m2) and contain a mix of uses. Lower floors are occupied by shops, restaurants, cafes and leisure. Upper floors comprise offices or apartments or a mix of both. Space occupied by shops, restaurants, cafes and leisure is provided in "shell" form i.e. the tenant is responsible for fitting out.

All of our buildings are in conservation areas and around 25% are listed. Within the often strict constraints imposed by legislation which governs these designations, we restore and maintain our buildings in a good state of repair, improving their environmental sustainability. We extend the economic useful lives of our buildings through changes of use and reconfiguration, so they continue to meet the needs of modern occupiers.

This emphasis on restoration and repair is environmentally significant. We extend the life of existing buildings, giving them a much longer life than that expected of most modern structures. This is an environmental benefit and in line with Government policy for maximising the re-use of existing property, minimising the use of resources and saving the carbon emissions required in the construction process of new buildings. As a measure of the sustainability performance of our buildings we will aim to achieve BREEAM Very Good (or equivalent) for our larger refurbishment schemes.

We rarely construct new buildings. When we do, we will also expect to achieve BREEAM "Very Good" (or equivalent).

We recognise the potential for inheriting environmental risks through property acquisitions and therefore will ensure that:

- Prior to acquisition of a property, a review is conducted to identify past uses and the potential for ground contamination as well as the presence of hazardous materials.
- Consideration is given to risks from climate change, flooding, rising water tables and localised flooding that might apply to the property. However, it is recognised that within central London most of the mitigation or control is at a Government or Local Authority level.
- Opportunities are identified for achieving environmental improvements in the operation of the building, including climate change adaptation, through the refurbishment process.

Given our portfolio is located within central London we are concerned by the issue of air pollution as a result of activities outside our control. In order to help address this, we will proactively work with other local occupiers, local authorities and the Mayor's office to investigate and promote solutions.

2 ENVIRONMENT CONTINUED

REFURBISHMENT AND CONSTRUCTION

Design

We require our consultants and contractors to adopt best environmental practice in the design and refurbishment of the Group's property portfolio as set out in Appendix 5. We require our design consultants, within the constraints of any listed building restrictions, to adhere to the following:

- Maximise the retention of embodied carbon (compared to adopting a redevelopment strategy) and other materials;
- Include appropriate design measures to address climate change through adaptation;
- Investigate opportunities for the use of on-site renewables;
- Efficient use of energy and water;
- Avoidance of materials hazardous to health;
- Careful choice of building materials to minimise adverse impacts on the environment. Timber, in particular, will be sourced, where possible, from well managed sources certified by third-party certification bodies accredited by the Forest Stewardship Council and neither illegal timber nor uncertified high risk timber species will knowingly be sourced;
- Maximise reuse of existing materials, including timber;
- Identify opportunities for enhancing biodiversity through the use of appropriate measures such as the inclusion of bird boxes and green roofs;
- Minimise the increased risk of runoff resulting from the development through the use of appropriate sustainable urban drainage systems;
- Minimising waste through design and specification of materials;
- Minimise the emissions to air and water.

With respect to the implementation of the Disability Discrimination Act, we endeavour to accommodate disabled access within the portfolio within the constraints of listed building and Conservation Area legislation.

Refurbishment

During refurbishment or construction, we endeavour to minimise adverse impacts on the environment and be considerate to occupiers of neighbouring property and local communities with regard to the following:

- The transport, delivery and storage of materials;
- Noise and vibration during construction works;
- Dust control and emissions to air;
- Site access and cleanliness;
- Emissions and discharge to water;
- Use of energy and water on site;
- Avoiding use of hazardous materials;
- Management and disposal of construction waste;
- Remove and dispose of hazardous materials (e.g. asbestos, lead piping) in accordance with relevant regulations via specialist contractors.

For projects of a capital value over £150,000 and/or over 3 months duration, we formalise the above objectives by requiring contractors to sign up to the Considerate Constructor's Scheme with the relevant local authority. Furthermore, all contractors we engage are encouraged to register with the scheme as a corporately entity.

MANAGING OUR BUILDINGS

We engage reputable firms of agents to deal with the day-to-day management of our buildings. Extensive reporting and control procedures are in place to ensure the activities of our agents are properly monitored (see Appendix 6).

We require our managing agents to comply with our sustainability policies and in particular to:

- Monitor and, where possible, reduce energy consumption and investigate opportunities for the use of renewable energy;
- Monitor and, where possible, minimise water consumption;
- Monitor and reduce waste and maximize recycling;
- Ensure that contractors (including cleaners, maintenance personnel etc) comply with the policy with respect to the use of hazardous materials and materials from non-renewable resources;
- Consider management and maintenance of planting and landscape and improve biodiversity, where appropriate.
- Engage with the local community.

3 STAKEHOLDERS AND OUR LOCAL COMMUNITY

SHAFTESBURY RECOGNISES THE IMPORTANCE OF ITS RELATIONSHIPS WITH STAKEHOLDERS AND THE LOCAL COMMUNITY.

STAKEHOLDERS

We engage with stakeholders to ensure we are aware of and respond to their expectations. Our sustainability policies are available on our website and are provided to our principal advisors, suppliers and tenants. We expect the organisations we employ to meet the standards of sustainability we have set for ourselves.

We engage regularly with our institutional investors to ensure we continue to meet globally recognised sustainability standards and best practice.

THE LOCAL COMMUNITY

Our business strategy is focused on London's West End, and our long term prosperity depends on its success as an unrivalled destination for domestic and international visitors, a prosperous location for businesses and a pleasant environment for residents. We align our charitable giving and community involvement to organisations which focus their activities in the West End, including those which support the arts, bodies which encourage sustainability, as well as community groups, schools and charities. We aim to build long-term relationships with these groups.

We nominate charities for each village for a specified period ensuring that there is a link to the village and its identity. We then work with the charity during that time to use events to publicise and promote the charity as well as raise funds for them.

We invite local groups and charities including representatives of local authorities to visit Shaftesbury to obtain a better understanding of the Group's business and its sustainability objectives. We encourage Shaftesbury's employees to be involved in the work of these and other charities and identify any additional assistance that the Group may be able to provide or procure.

We measure and report our engagement with a recognised benchmark, The London Benchmarking Group.

We work closely with Westminster City Council and Camden Council, within whose jurisdictions our portfolio is located, to improve the public environment in and around our villages, funding street improvements, pedestrianisation, street lighting schemes and CCTV and security.

4 CONDUCT OF OUR BUSINESS

SHAFTESBURY CONDUCTS ITS BUSINESS WITH INTEGRITY AND REQUIRES THAT ITS DIRECTORS, EMPLOYEES AND OTHER BUSINESSES ENGAGED BY THE GROUP INCLUDING CONTRACTORS, SUPPLIERS AND AGENTS (TOGETHER KNOWN AS “EMPLOYEES”) WILL:

-
- Be honest, open, transparent, helpful and polite;
 - Obey all relevant laws and regulations;
 - Be prepared to admit and correct mistakes without delay and encourage ‘whistle blowing’ by employees;
 - Declare any potential conflicts of interest that may compromise the Group’s business dealings;
 - Not give or receive illegal or inappropriate inducements in order to retain or bestow business or financial advantages or provide facilitation payments to promote business advantage;
 - At all times promote the ethical conduct of business.

Our Bribery and Anti-Corruption Policy (Appendix 1) is adopted by the Board and is communicated to all our employees as part of the Staff Handbook. The Board is fully committed to its implementation and ensures that its management and employees are aware of its zero tolerance to acts of bribery and corruption.

Our Whistleblowing Policy is reviewed annually (Appendix 2) and expands on the commitment to encourage the reporting of inappropriate business behaviour.

We do not have affiliation to any political party nor is it the Group’s policy to make political donations.

We are signatories to the Government’s Prompt Payment Code and encourage our supply chain to also adopt the policy.

We are aware of the risks of Money Laundering in the property industry and as such we employ agents who will ensure that the money we receive is legitimate when it comes into our business. We clearly state in our Supplier Code of Conduct that all suppliers must be aware of and comply with any applicable anti money laundering laws. In addition, our agents all have their own money laundering policies which state individually how they address the matter and ensure that the money transferred to our business is legitimate.

5 EMPLOYEES

SHAFTESBURY RECOGNISES THE IMPORTANCE OF THE WELFARE OF ITS EMPLOYEES. EVERY EMPLOYEE IS IMPORTANT AND THEIR EXPERIENCE AND CONTRIBUTION TO THE BUSINESS IS ESSENTIAL TO THE DELIVERY OF OUR BUSINESS STRATEGY AND CORPORATE RESPONSIBILITY COMMITMENTS.

We promote the best of our human resources on the basis of individual skills and experience matched against those required for the work to be performed.

Our remuneration policy is to have a simple, transparent reward structure, aligned with our long term business strategy. All employees receive a competitive base salary and participate in an annual bonus scheme and a long term incentive plan. Benefits provided to all employees include a pension contribution together with health and life insurance.

We are committed to the training and development of our employees, which includes an annual personal development review and an ongoing compliance training programme.

We are committed to providing our employees with safe and suitable, modern working conditions that are free from unnecessary risk and fully comply with the requirements of the Health and Safety at Work etc. Act 1974 and all other relevant statutory provisions and recognised codes of practice. We also acknowledge our responsibilities for the health and safety of others who may be affected by our activity. This commitment is set out in the Group's Health and Safety Policy Statement which is reviewed annually (Appendix 3).

With respect to freedom of association and collective bargaining we acknowledge the right of our employees' to join or not to join a trade union and as such they are free to join an organisation of their choice to represent them in line with legislation.

HUMAN RIGHTS AND EQUAL OPPORTUNITIES IN EMPLOYMENT

We support the Universal Declaration of Human Rights and respect the human rights of our employees through providing equal opportunity for all our employees and potential employees regardless of their sex, sexual orientation, age, race, disability, marital status, religion, colour and nationality. The key policy goals are:

- To adhere to internationally recognized human rights as expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work;
- To comply in all respects with applicable employment legislation;
- To ensure the Equal Opportunities Policy applies to the advertisement of jobs, recruitment and appointment, training, conditions of work, pay and to every aspect of employment;
- To ensure that people with disabilities are afforded equal opportunities to employment and progress within the Group.

In addition, we ask our principal advisors and suppliers to commit to the Universal Declaration of Human Rights with respect to all employees and sub-contractors employed by them and in particular:

- Comply with all national and other applicable laws and regulations;
- Maintain an appropriate compliance and ethics programme that reflects the legal and ethical requirements applicable to the supplier's business and its dealings with Shaftesbury;
- Respect and promote the equality of opportunity consistent with the legal requirements for the suppliers' business;
- Establish an appropriate system for remuneration and benefits in compliance with the supplier relationship with Shaftesbury and the defined living wage;
- Never use forced, compulsory or child labour and ensure all labour is voluntary and is employed in accord with applicable labour laws and international standards. In this regard, we are committed to implementing the requirements of the Modern Slavery Act throughout our supply chain and will report annually on our progress.

To further reflect these commitments we will also sign up to the RICS Quality Mark which encourages firms to look carefully at their employment practices and have inclusivity at the heart of what they do.

APPENDIX 1

BRIBERY AND ANTI-CORRUPTION POLICY

The Company, in compliance with the UK Bribery Act 2010, has a policy that it will conduct its business with integrity and expects its Directors, employees and other organisations employed by the company including all contractors, suppliers and agents (together known as “employees”) will conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships.

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. Any non-employee who breaches this policy may have their contract terminated with immediate effect.

Examples of Bribery and Corruption

Bribe means a financial or other inducement or reward for action which is illegal, unethical, a breach of trust or improper in any way. Bribes can take the form of money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or any other advantage or benefit. Bribery includes offering, promising, giving, accepting or seeking a bribe. Corruption is the abuse of entrusted power for private gain. All forms of bribery and corruption are strictly prohibited. If you are unsure about whether a particular act constitutes bribery, raise it with the Company Secretary. Specifically, you must not: (a) give or offer any payment, gift, hospitality or other benefit in the expectation that a business advantage will be received in return, or to reward any business received; (b) accept any offer from a third party that you know or suspect is made with the expectation that we will provide a business advantage for them or anyone else; or (c) give or offer any payment (sometimes called a facilitation payment) to a government official in any country to facilitate or speed up a routine or necessary procedure.

Due Diligence on Agents (managing, letting, project managers or any company procuring goods or services on our behalf).

All agents will be required to provide the company with written confirmation that they have comprehensive policies and procedures in place.

Gifts and Hospitality

The Company has a policy that all gifts and corporate hospitality in excess of £250 must be recorded. The form should be lodged with the Company Secretary. All corporate entertainment and gifts given to public officials must be recorded in the register.

Charitable Donations/Political Donations

The Company has a policy of not making political donations. Under no circumstances is it ever permissible to do so. The Company permits charitable donations on its behalf to a variety of organisations, particularly those which fall within the scope of the Company’s Sustainability policy. However, all charitable donations will require the prior approval of the Company Secretary or an Executive Director.

How to Raise a Concern

If you are offered a bribe, or asked to make one, or if you suspect that any bribery, corruption or other breach of this policy has occurred, you must notify the Company Secretary or report it in accordance with our Whistleblowing Policy.

APPENDIX 2

WHISTLEBLOWING POLICY

About this Policy

The Company is committed to conducting our business with honesty and integrity and we expect all staff to maintain high standards. Any suspected wrongdoing should be reported as soon as possible.

This Policy covers all employees, consultants, contractors, and agency workers.

This Policy takes account of the Whistleblowing Arrangements Code of Practice issued by the British Standards Institute and Public Concern at Work, and the Whistleblowing Guidance for Employers and Code of Practice issued by the Department for Business Innovation & Skills.

The Audit Committee has overall responsibility for this Policy, and for reviewing the effectiveness of actions taken in response to concerns raised under this Policy.

What concerns can I raise?

Whistleblowing is the reporting of suspected wrongdoing or dangers in relation to our business. You can raise a genuine concern that is in the public interest about risk, malpractice or wrongdoing that you think is harming our business. Examples of this include (but are by no means restricted to):

- Bribery, fraud or other criminal activity;
- Miscarriages of justice;
- Health and safety risks;
- Damage to the environment;
- Breach of legal or professional obligations;
- Breach of our internal policies and procedures;
- Conduct likely to damage our reputation or financial well-being;
- Unauthorised disclosure of confidential information; and
- The deliberate concealment of any of the above matters.

Do not wait until you have proof. We would like you to raise the matter while it is still a concern. It does not matter if you turn out to be mistaken as long as you are genuinely troubled.

This Policy should not be used for complaints or concerns about your employment that affect only you, such as the way you have been treated at work. In those cases you should use our grievance policy.

Feeling safe to raise your concern

The Company recognises that making a decision to report a concern may be difficult. If you raise a genuine concern under this Policy, you will not be at risk of losing your job or suffering any form of reprisal as a result.

The Company will not tolerate the harassment or victimisation of anyone raising a concern, nor will the Company tolerate any attempt to bully you into not raising a concern. Any such behaviour, if upheld following investigation, could result in disciplinary action. If you believe that you have suffered such treatment, you should inform the Company Secretary.

The Company aims to encourage openness and will support whistleblowers who raise genuine concerns under this Policy, even if they turn out to be mistaken. However, if we conclude that you have made false allegations maliciously, or with a view to personal gain, you may be subject to disciplinary action.

Confidentiality

We hope that you will feel comfortable raising your concerns openly under this Policy, but also appreciate that you may want to raise your concern confidentially. This means that while you are willing for your identity to be known to the person you report your concern to, you do not want anyone else to know your identity. The Company will keep your identity confidential, unless required to disclose it by law (for example, by the police). If it is necessary for anyone investigating your concern to know your identity, we will discuss this with you.

How to come forward

We hope that you will be able to raise any concerns, formally or informally, with your manager. Where you do not think it is appropriate to do this, you can use any of the options set out below in the first instance.

If raising it with your manager does not resolve matters, or you do not feel able to raise it with them, you can contact one of the following people:

- Our Chief Executive; or
- Our Company Secretary.

If you still remain concerned after this, you may wish to contact the Senior Independent Director. Contact details are at the end of this Policy.

We will arrange a meeting with you as soon as possible to discuss your concern.

If you feel you need to take advice before coming forward, you may contact the independent charity, Public Concern at Work, which provides free confidential legal advice on whistleblowing matters. Their contact details are at the end of this Policy.

What will we do?

We are committed to treating disclosures fairly and consistently.

On receipt of your concern, it will be recorded, along with the following details:

- The date the concern was received;
- Whether you have requested confidentiality;
- A summary of your concerns; and
- Dates when we have given you updates or feedback.

We will discuss your concerns with you to ensure we understand exactly what you are worried about. We will tell you how long we expect the investigation to take and will keep you up to date with its progress. Wherever possible, we will share the full investigation report with you (while respecting the confidentiality of others).

APPENDIX 3

HEALTH AND SAFETY POLICY STATEMENT

Shaftesbury PLC acknowledges its responsibilities under the Health and Safety at Work Act 1974, and subsequent health and safety legislation. Compliance with the legislation is the minimum standard that is expected throughout the organisation. We therefore make the commitment, as far as is reasonably practicable, to provide a safe working environment for all employees and others who may be affected by any activities undertaken by the organisation. This policy statement applies to all of our activities as both an employer and as an owner, developer and manager of property.

In particular, it is our responsibility to ensure that:

- All are aware of and support the Health and Safety Policy.
- Healthy and safe working conditions are provided and maintained and, taking into account statutory requirement, that appropriate information, instruction, training and supervision is provided for employees.
- Adequate resources are provided to ensure that the Health and Safety Policy is fully implemented.
- Employees are consulted and actively involved in Health and Safety matters.

It is our objective to establish and maintain the positive management of Health and Safety within the Organisation and to this end the co-operation of all employees is expected. Employees have a legal duty to co-operate in the implementation of the Health and Safety Policy by not misusing or interfering with anything that is provided in the interests of Health and Safety. Employees are expected to comply with all written Health and Safety Procedures.

It has been subject to Board review and is owned by the Executive directors within the organisation who are responsible for carrying out the Health and Safety Policy. Within the framework of this policy, the executive directors will ensure that the arrangements for Health and Safety are current and accurately reflect the procedures to be followed by their staff. The Health and Safety performance of the organisation will be monitored and reviewed regularly.

This Health and Safety Policy will be reviewed on a regular basis, at not longer than annual intervals, or when deemed necessary by changes within the organisation.

This policy is made available to all staff within the employee handbook, available on the company's intranet system. It will be covered in induction training for all new staff, and ongoing periodic health and safety training for existing staff where appropriate.

This policy is published on the company's website so that it can be accessed by all of our stakeholders and other interested parties.

APPENDIX 4

RICS QUALITY MARK

We have adopted the RICS Quality Mark and will promote it through our business and to our suppliers. The six principles of the Quality Mark are detailed below.

- **Leadership and vision**
Demonstrable commitment at the highest level to increasing the diversity of the workforce
- **Recruitment**
Engage and attract new people to the industry from under-represented groups; best practice recruitment methods.
- **Staff development**
Training and promotion policies that offer equal access to career progression for all members of the workforce.

- **Staff retention**
Flexible working arrangements and adaptive working practices that provide opportunities for all to perform at their highest levels.
- **Staff engagement**
An inclusive culture where all staff engage with developing, delivering, monitoring and assessing the diversity and inclusivity policies.
- **Continuous improvement**
Continually refreshing and renewing the firm's commitment to being the best employer; sharing and learning from best practice across the industry.

APPENDIX 5

REQUIREMENTS FOR REFURBISHMENT PROJECTS

The following are the principles to be followed by the project management and design team and contractors working for Shaftesbury.

Legislative compliance

The Company's consultants and contractors are required to have regard to all current UK environmental and health & safety legislation. A register of legal requirements is updated and reviewed and issued annually to all the above.

- **Planning application**

When Shaftesbury makes planning applications to restore buildings or to change uses, the Company and its consultants should engage with all relevant statutory bodies including as a minimum English Heritage, the Local Authority where applicable and local community groups.

- **Design**

In the design of developments and during refurbishment, Shaftesbury issues detailed checklists to its project teams and expects its managers and consultants to consider the following:

ENERGY

General: Detailed consideration at design stage of methods to achieve adaptation to climate change such as optimising natural light, orientation, passive design, thermal response and control strategies and the suitability of renewable energy technologies to maximize opportunities

Heating: Avoiding over-specification and consider fuel sources, temperature controls, types and positions of heat emitters.

Lighting: Making best use of daylight, selecting efficient fittings and bulbs, installing time clocks and switches and avoiding excessive use of lighting in unoccupied areas.

Cooling & Ventilation: Maximising natural ventilation, install time clocks, temperature controls and humidity controls.

Insulation: Minimising air gaps to windows and doors, insulating roof voids, cavities and solid slabs. Avoid excessive glazing and consider secondary glazing and use of low emissivity glass.

Controls: Install efficient control systems generally and apply minimum settings commensurate with work.

WATER

Storage: Assessing requirements for efficient storage and include options for rainwater and greywater systems.

Efficiency: Selecting water-efficient appliances such as taps, showers, WC's and urinals, etc.

Meters: Ensure effective water meters are installed to allow monitoring and leak detection systems are included within the design.

MATERIALS

Refurbishment: It is preferable to refurbish rather than rebuild where relevant and feasible.

Demolition: Consider recycling and disposal of demolition and other waste as well as salvage and re-use of materials, in particular timber.

Construction: Avoid inefficient construction techniques.

Specification: Use reputable materials specification guide for timber and timber products (source from certified sustainable sources), blocks and bricks, plasterboards, paints and varnishes, floor finishes and other building products.

Environmental Impact: Obtain impact data from manufacturers and suppliers on extraction, - manufacturing, processing, transport and in-use performance.

Waste: Minimise material wastage at both design (by selecting standard modules, etc) and construction stages.

HEALTH & COMFORT

General: Ensuring adequate comfort levels in lighting, heating and ventilation installations.

Noise: Minimising noise levels during construction and applying noise level criteria during construction and occupation.

Pollution: Minimising air, water and ground pollution and nuisance during construction. Note Considerate Contractors Scheme.

CDM Issues: Ensure that CDM issues are properly integrated at all stages from planning to design and construction.

Sick Buildings: Review and evaluate 'sick building' factors - e.g. legionella. Service: Routes Design access to aid maintenance and cleaning.

BIODIVERSITY

Vegetation: Retain existing trees and vegetation where feasible and consider use of plants and landscaping where relevant.

Habitat creation: Identify opportunities for use of green/brown roofs and/or walls and use of bird boxes.

TRANSPORT

General: Consider transport issues where relevant including provision of cycle parking and associated facilities.

Service & Deliveries: Ensure efficient facilities are provided for servicing and delivery vehicles.

Suppliers: Using of local suppliers where possible to minimise transport impacts.

POLLUTION

General: Minimising air, water and ground pollution and nuisance during construction.

APPENDIX 5 continued

D. Contractors requirements

The following are to be followed by all contractors working for us.

CONSIDERATE TO THE COMMUNITY

- The contractor shall show consideration to occupiers of neighbouring properties and local communities.
- No vehicles in pedestrianised streets after 11am.
- All rubbish and debris to be removed only between 8am and 11am.
- No skips shall be permitted.
- The street outside the site and common parts shall be cleaned each night.
- Shopfronts to be washed down on regular basis.
- Contractors signboards shall not be permitted.
- Rubbish/debris shall not be stored on the street or common parts but shall be loaded directly from the site or scaffold.
- At least 48 hours' notice shall be of any disruptive work. This includes noisy and dirty works. This is to allow adjacent tenants to be notified accordingly.
- Operations on site shall be confined only to the contract area, unless prior approval is granted.

STAFF WELFARE

- The contractor shall comply with any other additional requirements set out in the tender documents or pre-tender health and safety plan.
- Adhere to the labour standards required by Shaftesbury in the main body of the policy in the employment of suppliers and sub-contractors working on the portfolio. Ensure all are offered a safe workplace free from discrimination, harm, intimidation, harassment or fear.
- Promote the implementation of payment of the living wage throughout the supply chain but ensure that all suppliers and contractors comply with the payment of the minimum wage to their employees.
- Ensure that all suppliers and contractors working on the Shaftesbury portfolio never use forced, compulsory or child labour

ENVIRONMENTAL PROTECTION

- The contractor shall register with Community Repaint Scheme for disposal of unused paint.
- Ensure that all contracts above complete an appropriate Site Waste Management Plan.
- Ensure that emissions to air and water are prevented through appropriate use of protective measures e.g. use of spill kits and dust suppression measures.

Considerate Constructors Scheme (CCS)

If the scheme is above the threshold of £150,000 and/or 3 months duration of works, the contractor should ensure that the scheme is registered with CCS and comply with all of the requirements as appropriate. In addition, contractors are encouraged to register as a company with the scheme and follow the principles for all development.

APPENDIX 6

REQUIREMENTS FOR MANAGEMENT OF THE PORTFOLIO

This Guidance is a summary of the information to Shaftesbury's staff, managing agents and consultants as to the environmental and social issues which they must address to comply with the Sustainability Policy in the management of the portfolio.

Legislative compliance

The Company's consultants, managing agents and sub-contractors are required to have regard to all relevant UK legislation.

Pre-purchase environmental audit

Prior to purchase of a proposed property the Company should consider and where appropriate commission an environmental social audit of the building. The following issues should be addressed, as a minimum:

Planning constraints

- Listed building and conservation area considerations

Physical condition

- Past uses of the site and potential ground contamination.
- Presence of hazardous substances e.g. asbestos, lead piping.
- Presence and condition of air conditioning units.

Community issues

- Issues of local culture and heritage.
- Presence of sensitive local land use e.g. schools, hospitals.

Environmental

- Biodiversity considerations and opportunities
- Proximity of watercourses.
- Risks from climate change, flooding, rising water tables and localised flooding that might apply to the property.
- Existing Energy Performance Certificate and opportunities for improvement
- Current waste management arrangements

Health and Safety

- Fire safety risk assessment
- Overshadowing and the effects on rights of light.
- Noise emission and vibration.

Transport

- Proximity of public transport nodes

Shaftesbury expects its managing agents to comply with the Sustainability Policy and in particular to address the following:

ENVIRONMENT

Energy

- Monitor energy consumption and identify ways to improve efficiency.
- Consider purchase of renewable energy tariff electricity for use within the portfolio.
- Ensure regular maintenance and replacement of inefficient equipment.
- Clean equipment and fittings regularly to prevent scale which reduces efficiency.

WATER

- Install meters throughout portfolio and monitor levels of consumption.
- Identify cause of excessive consumption promptly.
- Minimise water consumption where possible by installing energy efficient taps and appliances, where appropriate.

Waste

- Monitor waste generation and identify ways to maximise segregated waste recycling including composting food waste.
- Engage with tenants to ensure understand waste segregation arrangements.

Use of Materials

- Ensure that contractors including cleaners, maintenance personnel etc are familiar with
- and comply with the Company Policy with respect to the use of hazardous materials and
- materials from non-renewable resources.
- Control use of ozone-depleting refrigerant and ensure all systems are legally compliant

Biodiversity

- Consider management and maintenance of planting such as green roofs, walls and planters, if appropriate, and opportunities for biodiversity enhancement.

Transport

- Ensure that tenants and occupiers are made aware of nearest public transport links and timetables.

SOCIAL

Health & Safety

- Provide adequate management systems and support to deliver Shaftesbury's health and safety standards.
- Meet as a minimum all legal occupational health and safety requirements within the management of the portfolio.
- Maintain appropriate permits to work for all suppliers and contractors working on site.
- Maintain a record of all accidents and incidents in accordance with RIDDOR that occur within the portfolio.

Labour Practices

- Adhere to the labour standards required by Shaftesbury in the main body of the policy in the employment of suppliers and sub-contractors working on the portfolio. Ensure all are offered a safe workplace free from discrimination, harm, intimidation, harassment or fear.
- Promote the implementation of payment of the living wage throughout the supply chain but ensure that all suppliers and contractors comply with the payment of the minimum wage to their employees.
- Ensure that all suppliers and contractors working on the Shaftesbury portfolio never use forced, compulsory or child labour

Community

- Engage with the local community and actively support Shaftesbury's investment and charitable support strategy.

Local Employment

- Be proactive in offering local businesses and local people the opportunity to work as suppliers and contractors within the Shaftesbury portfolio.