

This Supplementary Performance Report has been designed to provide the fully detailed data behind our 2011 [Responsible Property Investment Report](#). In it, you will find the following information:

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Please contact the Sustainability Team with any questions or feedback on this document:

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[or, to contact us online, click here.](#)

GLOBAL REPORTING INITIATIVE COMPLIANCE TABLE

We have benchmarked our sustainability reporting against the Global Reporting Initiative sustainability reporting guidelines, and its Construction and Real Estate Sector Supplement. We assess our application of the GRI reporting framework to be at level C. The table below sets out the details of how we conform with the GRI guidelines.

STANDARD DISCLOSURES PART I: Profile Disclosures				
1. Strategy and Analysis				
Profile Disclosure	Description	Reported	Cross-reference/Direct answer	Reason for omission/Explanation
1.1	Statement from the most senior decision-maker of the organization.	Fully	Martin Moore's statement in our 2011 RPI Report	
2. Organizational Profile				
Profile Disclosure	Description	Reported	Cross-reference/Direct answer	Reason for omission/Explanation
2.1	Name of the organization.	Fully	Prudential Property Investment Managers Ltd, known as PRUPIM	
2.2	Primary brands, products, and/or services.	Fully	Our primary products are the properties that we develop, manage, buy and sell. Our primary service is the management of property portfolios and the leasing of space to our occupiers.	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	As at 31 March 2011, PRUPIM had no subsidiaries, but was a partner in three joint ventures: PRUPIM (Singapore) PTE - a 50/50 joint venture with Prudential Corporation Asia Ascent Insurance Brokers Ltd - a 50/50 joint venture with Valad Buying Force - a 50/50 joint venture with DTZ Further details are available at http://www.prupim.com/About-Us/What-We-Do	
2.4	Location of organization's headquarters.	Fully	PRUPIM's headquarters are based at Laurence Pountney Hill, London, EC4R 0HH. Our postal address, and the location of the Sustainability Team, is City Place House, 55 Basinghall Street, London, EC2V 5DU.	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	PRUPIM operates predominantly in the UK, where 82% by value of our properties are based. We also have property holdings in North America, Europe and Australasia.	
2.6	Nature of ownership and legal form.	Fully	PRUPIM is part of the M&G Group of Companies - the asset management arm of Prudential plc in the UK and Europe. It is a privately-owned limited company.	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	PRUPIM has approximately 3,500 property occupiers across the UK, Europe, North America and Asia.	
2.8	Scale of the reporting organization.	Partly	PRUPIM is a top 20 global real estate fund manager. We form part of the M&G Group of Companies, which is the asset management arm of Prudential plc in the UK and Europe. We have nearly £16bn of assets under management, including £3.1bn of assets across Europe, North America and the Asia Pacific region. We have investments in 740 properties with approximately 3,500 occupiers. The average number of employees (full-time equivalent) during the reporting year was 252.	We do not report publicly on our financial results
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	There were no significant changes during the reporting period. Minor changes include the usual portfolio 'churn' (ie, 87 properties sold and 65 purchased). However, since the end of the reporting period, we have outsourced our property management and property accounts functions to CBRE.	
2.10	Awards received in the reporting period.	Fully	No awards were received in the reporting period.	

STANDARD DISCLOSURES PART I: Profile Disclosures				
3. Report Parameters				
Profile Disclosure	Description	Reported	Cross-reference/Direct answer	Reason for omission Explanation
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	The report data covers the period 1 April 2010 to 31 March 2011. Where this is different for any reason, it is clearly stated in the explanatory notes.	
3.2	Date of most recent previous report (if any).	Fully	Our last report was published in November 2010 and covered the period April 2009 to March 2011.	
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Our reporting cycle is annual. We have been reporting our sustainability performance since 2002.	
3.4	Contact point for questions regarding the report or its contents.	Fully	The Sustainability Team can be reached via the contact us page of www.prupim.com	
3.5	Process for defining report content.	Fully	In defining the content of this report, we have considered the likely audience, the amount of control we have over various aspects of our impacts, and the significance of the impacts themselves. We undertook internal and external stakeholder reviews as part of the development of our new strategy, which has in turn helped to define material issues and report content. Further insight into the issues that we consider to be material can be found in our 2011 report document, available via our website.	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	The data contained in this report relates largely to our UK operations, where the vast majority of our business activities are undertaken, and 82% of our properties are held. The report does not cover the operations of our joint venture, PRUPIM Singapore. However, we are committed to continuing to expand the boundaries of our sustainability reporting. This year we are pleased to be able to include environmental data from North American and European property assets; a further 390,000 m ² of floor space.	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	The scope of sustainability topics covered in this report is limited to those aspects which we believe are material and significant to our business. The environmental data we report is limited to data that we believe is accurate and robust. At present we are not able to report on environmental data from Asian properties.	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	This sustainability report only includes information and data that relates to PRUPIM's UK operations and UK, North American and European properties. The facilities management of PRUPIM's Shopping Centre and major managed office buildings is outsourced. During the period in question, the facilities management providers were Interserve FM and EMCOR, respectively. Since the end of the reporting period, in June 2011, we outsourced our Property Management and Property Accounts functions to CBRE.	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	In our last report (on 2009/10), we moved our reporting cycle from January to December to April to March, and, where possible, re-stated previous years' data. We continue to report on an April to March cycle. We have updated the greenhouse gas emissions factors that we use in accordance with revised data from DEFRA, available at http://archive.defra.gov.uk/environment/business/reporting/pdf/110807-guidelines-ghg-conversion-factors.xls We have identified supplies of energy and water to a property which is not a shopping centre, and which had previously been reported as part of the shopping centre consumption. These supplies have this year been stripped out of all reported data in the entire shopping centres data set, in order to improve the comparability of data.	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	The major change is the inclusion of environmental data from our American and European property assets into the appropriate KPIs (a total floor area of 389,627m ²) Full details of inclusions and exclusions can be found in the KPI table.	
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	This table.	

STANDARD DISCLOSURES PART I: Profile Disclosures				
4. Governance, Commitments, and Engagement				
Profile Disclosure	Description	Reported	Cross-reference/Direct answer	Reason for omission Explanation
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	PRUPIM's Board, chaired by our Managing Director, Martin Moore, is the highest governance body, and receives reports from the Risk Management, Property Investment, Institutional Business, Business Operating and Asset Management Committees. PRUPIM has one non-executive Board member: Martin Lewis of M&G. Martin Moore and Martin Lewis are both also members of M&G's Board of Directors. As a wholly-owned subsidiary of M&G, the asset management arm of Prudential plc in the UK and Europe, PRUPIM has no public shareholders.	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully		
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully		PRUPIM's staff are represented on M&G's Staff Consultative Committee, where PRUPIM's Board is represented by our Human Resources Director. The Terms of Reference of this committee enable staff to make suggestions and respond to consultations by PRUPIM's Board, and provides a mechanism for employees to engage with PRUPIM's Board. In connection with Sustainability, issues were raised around PRUPIM's 'cycle to work' scheme, and the availability of cycle parking spaces at a PRUPIM office.
4.14	List of stakeholder groups engaged by the organization.	Fully	Stakeholders are engaged at an organisational level - including civil society, our parent companies M&G and Prudential plc, occupiers, employees and suppliers - and at a property or asset level, including visitors to our properties, local civil society, and local communities. We engaged with both internal and external stakeholders as part of the development of the Responsible Property Investment strategy. Specific engagement with key stakeholder groups is highlighted in our RPI report.	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Stakeholder groups are selected based on PRUPIM's extensive experience of real estate fund management.	

STANDARD DISCLOSURES PART III: Performance Indicators			
Economic			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	No	As a privately-owned company, we do not disclose our financial results publicly.
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change and other sustainability issues.	Fully	See introductions to our Responsible Property Investment Report, also KPI table.
EC3	Coverage of the organization's defined benefit plan obligations.	No	
EC4	Significant financial assistance received from government.	Fully	PRUPIM does not receive any significant financial assistance from government.
Market presence			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	No	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	No	
EC7	Procedures for local hiring and proportion of senior management and all direct employees, contractors and sub-contractors hired from the local community at significant locations of operation.	No	
Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	No	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Partly	See case studies in our RPI report
Environmental			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
Materials			
EN1	Materials used by weight, value or volume.	No	
EN2	Percentage of materials used that are recycled and reused input materials.	No	
Energy			
EN3	Direct energy consumption by primary energy source.	Fully	KPI table
EN4	Indirect energy consumption by primary source.	Fully	KPI table
EN5	Building energy intensity.	Partly	KPI table (for certain specific asset classes where we have the best quality data and a high degree of control)
EN5	Energy saved due to conservation and efficiency improvements.	Partly	KPI table (for certain specific asset classes where we have the best quality data and a high degree of control). Also, see Environmental Improvements section of our RPI report.
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partly	For an example of a green refurbishment, please see the case study on Page 08 of our RPI report. Also, see Environmental Improvements section of our RPI report.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partly	KPI table

STANDARD DISCLOSURES PART III: Performance Indicators			
Environmental			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
Water			
EN8	Total water withdrawal by source.	Fully	KPI table. All our water supplies come from the relevant local water company
EN9	Water sources significantly affected by withdrawal of water.	No	As our water supplies come from local water companies, no water sources are significantly affected
EN10	Percentage and total volume of water recycled and reused.	No	
CRE2	Building water intensity.	Partly	KPI table (for certain specific asset classes where we have the best quality data and a high degree of control)
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	No	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	No	
EN13	Habitats protected or restored.	No	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	No	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	No	
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Reported as CO2e in the KPI table
EN17	Other relevant indirect greenhouse gas emissions by weight.	No	
CRE3	Greenhouse gas emissions intensity from buildings.	Partly	KPI table (for certain specific asset classes where we have the best quality data and a high degree of control)
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity.	No	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Partly	See the 2011 RPI report for some examples
EN19	Emissions of ozone-depleting substances by weight.	No	We convert all our energy use into CO2 equivalent (CO2e) as the most widely-understood unit of measurement
EN20	NOx, SOx, and other significant air emissions by type and weight.	No	We convert all our energy use into CO2 equivalent (CO2e) as the most widely-understood unit of measurement
EN21	Total water discharge by quality and destination.	No	
EN22	Total weight of waste by type and disposal method.	Partly	KPI table (for certain specific asset classes where we have the best quality data and a high degree of control)
EN23	Total number and volume of significant spills.	Fully	KPI table
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	No	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	No	
Land Degradation, Contamination and Remediation			
CRE5	Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations.	No	

STANDARD DISCLOSURES PART III: Performance Indicators			
Environmental			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
Products and services			
EN26	Initiatives to enhance efficiency and mitigate environmental impacts of products and services, and extent of impact mitigation.	Partly	KPI table. For an example of a green refurbishment, please see the case study on Page 08 of our 2011 RPI report. Also, see Environmental Improvements section of the RPI report.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	No	
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	No fines or non-monetary sanctions were imposed.
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	No	
Overall			
EN30	Total environmental protection expenditures and investments by type.	No	

Social: Labour Practices and Decent Work			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Partly	See KPI table
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Partly	See KPI table
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	No	
LA15	Return to work and retention rates after parental leave, by gender.	No	
Labour/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	No	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	No	
Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	No	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	No	
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.	No	

STANDARD DISCLOSURES PART III: Performance Indicators			
Social: Labour Practices and Decent Work			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
Occupational health and safety			
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	No	
LA9	Health and safety topics covered in formal agreements with trade unions.	No	
Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	KPI table
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	No	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	100% of PRUPIM employees - male and female - receive annual performance and career development reviews
Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Partly	For a breakdown of PRUPIM's employees by gender and ethnic group, see the KPI table. PRUPIM's Board consists of six people: all of whom are male and five of whom are white. We do not report on any employee group by age.
Equal remuneration for women and men			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	No	

Social: Human Rights			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	No	
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	No	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	No	
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken.	No	
Freedom of association and collective bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	No	
Child labour			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	No	
Forced and compulsory labour			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	No	

STANDARD DISCLOSURES PART III: Performance Indicators			
Social: Human Rights			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
Security practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	No	
Indigenous rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	No	
Assessment			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	No	
Remediation			
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	No	

Social: Society			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
Local communities			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	No	
SO9	Operations with significant potential or actual negative and positive impacts on local communities.	No	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	No	
CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.	No	
Corruption			
SO2	Percentage and total number of business units analysed for risks related to corruption.	No	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	100% of PRUPIM staff have taken part in compulsory annual training against fraud and corruption.
SO4	Actions taken in response to incidents of corruption.	Fully	There have been no incidents of corruption during the reporting period.
Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	No	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	PRUPIM did not make any such financial or other contributions
Anti-competitive behaviour			
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	Fully	No such actions were taken against PRUPIM
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	No fines or non-monetary sanctions were imposed.

STANDARD DISCLOSURES PART III: Performance Indicators			
Social: Product Responsibility			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	No	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Partly	See KPI table
Product and service labelling			
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	No	
CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment.	Fully	PRUPIM is certified to Environmental Management Standard ISO14001 and has properties with BREEAM, LEED and Energy Star ratings in its portfolio. Two buildings in the USA are certified LEED Silver and three are certified LEED Gold. All five of these are Energy Star certified. In the UK, eight buildings are certified as BREEAM Very Good, and two as BREEAM Excellent. As at 31 March 2011, all nine of our UK shopping centres were certified to EMS ISO14001 as part of their PAS99 certification, and 23 large multilet offices in the UK were ISO14001 accredited.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	No	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Partly	A customer satisfaction survey was carried out during the course of the reporting year. However, the results will not be made publicly available. Some extracts are published in our 2011 RPI Report.
Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	No	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	No	
Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	No	
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	No fines or non-monetary sanctions were imposed.

PERFORMANCE AGAINST 2010/11 TARGETS

In 2010, we set ourselves 25 Responsible Property Investment targets to achieve in 2011 (below), and six more which remain in force until March 2012 (from [page 17](#)). The level of progress achieved against each target has been established by an internal review of the evidence of achievement, supported by an external assessment by Jones Lang LaSalle's Upstream Sustainability Services, on a representative sample of targets. For Upstream's statement, please see our 2011 RPI report, available on our website: www.prupim.com.

We assess our progress as follows:

- For the 25 targets where the deadline has passed: **3 not achieved (13%)**, **8 partially achieved (42%)**, **8 achieved (42%)**, 5 not applicable (21%)
- For the 6 targets which remain in force: **2 not on course to achieve (33%)**, **3 on course to achieve (50%)**, 1 not applicable (17%).

SECTION 1: TARGETS WHERE THE COMPLETION DATE HAS PASSED

TARGET	DEAD-LINE	AWARDED	COMMENTS
PORTFOLIO RESILIENCE			
Review and update the 'sustainability screen' in the in-house appraisal model, FAIRVAL	30 June 2011	PARTIALLY ACHIEVED	Work was undertaken to review the questions within the 'sustainability screen' during the past year, looking both at how clearly the current questions were understood as well as what metrics/questions other initiatives such as the Investment Property Databank's Sustainable Property Index (ISPI) were using. Due to the fact that a number of these external initiatives are under review, PRUPIM has delayed the revision of its sustainability questionnaire to ensure that we can align with these other initiatives (if we deem this appropriate).
Ensure that all asset plans are accompanied by a completed 'sustainability screen'	30 June 2011	ACHIEVED	The process for completion of an asset plan is now such that an asset plan can only be created when the 'sustainability screen' has been completed.
Maintain PRUPIM's thought-leadership through continued involvement in the relevant industry bodies, meetings, conferences and industry consultations	30 June 2011	ACHIEVED	PRUPIM continues its active involvement in relevant industry bodies of all types, and sustainability is no exception. For example, we are members of the Institutional Investors Group on Climate Change and United Nations Environment Programme, amongst many others, and helped inform the thinking in both those groups.
Continue to commit to internationally recognised sustainable investment principles, and participate in relevant industry benchmarks and surveys to help shape future policy and standards	30 June 2011	ACHIEVED	PRUPIM remains committed to the UN Principles for Responsible Investment, taking part in their annual survey; we also participate in the Better Buildings Partnership's survey on office buildings, Upstream's survey on shopping centre performance, and the Sustainability In Real Estate survey. In 2011/12, several of our funds participated for the first time in the Global Real Estate Sustainability Benchmark, and three were recognised as 'Green Stars'. We also lent our signature to the call on the UK Government to extend the remit of Display Energy Certificates to all commercial buildings.

TARGET	DEAD-LINE	AWARDED	COMMENTS
PORTFOLIO RESILIENCE			
Continue to work with regulators and industry bodies in relation to the effective implementation and operation of the Carbon Reduction Commitment Energy Efficiency Scheme.	30 June 2011	ACHIEVED	PRUPIM's Energy and Environment Manager attended working group meetings in the most recent round of consultations, and PRUPIM also supplied responses, both via the British Property Federation and direct to the UK Government, to the 2010 consultation.
ENVIRONMENTAL IMPROVEMENTS			
Aim to achieve a 25% improvement for new commercial offices and 15% improvement for all other new properties on requirements for energy performance set out by Part L of the Building Regulations	31 March 2011	NOT APPLICABLE	During the course of the year 2010/11, we did not complete any new build development projects and therefore this target is not applicable.
Ensure that all new development and refurbishment projects valued over £2m where practical and possible systematically investigate options for low energy passive and active solutions, zero and low carbon solutions (as specified by our Sustainable Development and Sustainable Refurbishment Frameworks)	31 March 2011	NOT APPLICABLE	During the course of the year 2010/11, we did not complete any new build development projects and therefore this target is not applicable.
Achieve a minimum average score in the Considerate Constructors Scheme of 32 out of 40 over the course of the project for all new developments and refurbishments, with an aspiration to achieve 35 points	31 March 2011	PARTIALLY ACHIEVED	Three projects qualified for this target during the course of the year, and two achieved it. At Dallam Lane, Warrington, the CCS score was 33, at Withybush, Haverfordwest, the score was a very impressive 34.5. Here, the inspector was sufficiently impressed by the project that he issued a 'Performance Beyond Compliance' certificate, indicating that the project team had gone the extra mile. Unfortunately, one project was not registered with the scheme and therefore we did not fully achieve this target.

TARGET	DEAD-LINE	AWARDED	COMMENTS
ENVIRONMENTAL IMPROVEMENTS			
Maintain the high construction waste recycling rates achieved in 2010, aiming to reach an average recycling rate of over 90% and for all projects to achieve a minimum threshold of 80% excluding hazardous and regulated materials	31 March 2011	NOT ACHIEVED	Three projects qualified for this target during the course of the year. While data was supplied for these projects from our contractors, we were not able confidently to assess performance against the target for all projects due to data quality issues and on that basis we have assumed that this target has not been met. Our Development Team will be working with contractors to improve the quality of data that they supply to us in order for us to robustly report performance in future.
Achieve at least 15% (by value) total recycled or reclaimed content of materials used in new developments	31 March 2011	NOT APPLICABLE	During the course of the year 2010/11, we did not complete any new build development projects and therefore this target is not applicable.
Investigate the potential opportunities for renewable energy generation on our strategic land assets, as well as carrying out feasibility studies at a minimum of 6 shopping centres	31 March 2011	PARTIALLY ACHIEVED	We undertook an extensive study into the feasibility of renewable energy generation at four shopping centres and two strategic sites. During the final stages of these projects the Government announced the review of feed-in tariff rates, which made all the projects we had been considering unviable for the funds at this time. We will continue to the review this position, as a number of the factors that impact returns (such as the cost of equipment and installation and energy costs) are constantly changing, and returns could become attractive to the funds at a later date.
Develop and implement green travel plans for all shopping centres	31 March 2011	PARTIALLY ACHIEVED	Green travel plans have now been developed and implemented at 10 of our 11 shopping centres. The only exception is Rams Walk, Petersfield, which was felt to be too small to benefit from a green travel plan. 9 out of 10 of the plans were authorised by the target deadline, and are available to view on the centres' own websites.
Incorporate the costs associated with meeting sustainability benchmarks and EPC recommendations into our investment appraisals and decision-making process	30 June 2011	PARTIALLY ACHIEVED	A small project team was established to develop a proposal for how sustainability benchmarks and EPC recommendations could be incorporated into the asset planning process. Considerable work was undertaken on this project, and proposals were developed to incorporate more detailed sustainability performance information and benchmarks into asset plans for asset managers and others to use in decision making processes. In addition to this, a process was developed for more explicitly considering EPC recommendations in investment appraisals, building on work we have undertaken on several refurbishment projects to do this. Due to the outsourcing of property management, these projects were not fully completed by the target deadline. They continue to be developed however, and will be implemented in the coming year.

TARGET	DEAD-LINE	AWARDED	COMMENTS
ENVIRONMENTAL IMPROVEMENTS			
Roll out ISO 14001 certification to a further 6 large managed offices	30 June 2011	ACHIEVED	We are continuing to actively implement ISO14001 certification. As well as retaining ISO14001 certification for our own business and processes, we implement environmental management systems at our largest managed offices. At the end of June 2011, 20% of our UK portfolio (by floor area) was independently certified by BSI as meeting international standard ISO14001. This included 6 offices which were newly certified in the course of the year.
Sign a "Memorandum Of Understanding on green issues" with at least 5 lease renewals or new tenants	30 June 2011	PARTIALLY ACHIEVED	<p>We currently have four such Memoranda of Understanding (MoUs) signed. We have now incorporated green clauses into our standard leases and will be rolling these out from November 2011 to all leases. In addition to this, we will be incorporating the green MoU into all new multi-let office leases at the same time, with the view of establishing more formal dialogue on environmental issues at these buildings. We have already undertaken training for our asset and property managers on what these changes mean and how they will need to implement them, and we are hoping that next year we will be able to report considerable progress on these issues.</p> <p>Our 2011 Responsible Property Investment Report contains a case study of the work we are doing with Skanska to establish a Green Building Working Group.</p>
Establish a methodology for monitoring energy efficiency which takes into account variations in occupancy levels at our ISO14001 offices	30 June 2011	NOT ACHIEVED	While we currently have qualitative commentary on the impact that occupancy has on energy performance, a detailed methodology for monitoring occupancy levels against energy efficiency was not developed. We are putting in place a better process to take account of this over the coming year, with the aim of more clearly monitoring the relationship between occupancy and energy performance.
Evaluate methodologies and approaches to benchmarking environmental performance at ISO14001 offices and shopping centres against industry and internal benchmarks	30 June 2011	ACHIEVED	We carried out an internal review of industry benchmarks that we could use to compare performance for our offices and shopping centres. We have developed our shortlist of benchmarks that PRUPIM is, or should be, involved in. See our comments on the target "Continue to ... participate in relevant industry benchmarks", above, for examples.
STRONG RELATIONSHIPS			
Develop a community framework, for use at all new developments with a contract value of £10m and above	30 June 2011	NOT APPLICABLE	During the course of the year 2010/11, we did not have any projects for which this target was applicable. However, in the event that we are developing a project where such a framework would be applicable, we will reinstate this target.

TARGET	DEAD-LINE	AWARDED	COMMENTS
STRONG RELATIONSHIPS			
Launch a satisfaction survey among PRUPIM's office tenants (including questions on the topic of sustainability)	30 June 2011	NOT APPLICABLE	It was decided after this target was published that this survey should be focused on retail rather than office tenants. The satisfaction survey, run on our behalf by independent customer service experts, investigated our performance in a number of areas, including sustainability. The findings included 80% of retail occupiers saying that environmental issues are very important to them. They will enable us to improve our service by building on our strengths and addressing areas for improvement identified by our occupiers. Following this valuable piece of work, we will next address our enquiries to our key office occupiers.
Incorporate sustainability in discussions with all Key Occupiers to understand their sustainability expectations and ensure we are delivering services in line with their expectations	30 June 2011	ACHIEVED	PRUPIM's Key Occupiers meet with our Customer Relationship Management and Asset Management Teams on a regular basis. Sustainability is a standard agenda item for these meetings, and discussions can range from identifying the right person at the Key Occupier to speak with, to the potential for working together to improve the property's environmental performance. In the coming months, we will be working to improve our procedures for recording the outcomes of these meetings, to enable us to better monitor our progress.
Organise and host environmental awareness events for visitors and tenants at a minimum of 8 shopping centres and 4 ISO14001 offices	30 June 2011	PARTIALLY ACHIEVED	Very successful environmental awareness events were held at five shopping centres and four offices during the year in question. Since then, five more events have taken place at shopping centres, and feedback from participants, occupiers and centre visitors has been very positive. We intend to continue delivering these popular events across our portfolio.
Enable and encourage non-commercial organisations to utilise void spaces in our shopping centres on a temporary basis	30 June 2011	ACHIEVED	Following a review, PRUPIM now has a 'preferred supplier' which we will promote for non-commercial use of carefully selected vacant spaces in shopping centres.
OUR OWN OPERATIONS			
Develop a community investment strategy for our own office and operations	30 June 2011	ACHIEVED	PRUPIM's new community investment strategy and policy was created and approved by our Sustainability Operations Committee, and is currently awaiting Board approval. In it, we have sought to clarify our position, and believe that this improved clarification will benefit our staff and charity partners. The Community Investment Policy will be published on our website when Board approval is received.

TARGET	DEAD-LINE	AWARDED	COMMENTS
OUR OWN OPERATIONS			
Reduce electricity consumption by 5% at our office in City Place House against the 2009/10 baseline	31 March 2011	NOT ACHIEVED	<p>We are disappointed to report that electricity consumption at our head office increased by 5.5% over the 2009/10 baseline year. This is due in part to a recently-discovered element of underreporting of our 2009/10 electricity consumption, where not all electricity supplied to us was charged to us by our Landlord (we have not been able to amend the baseline).</p> <p>Our office already incorporates a number of energy saving features (such as low energy lightbulbs, daylight and movement sensors). We also recognise the importance of engaging with staff, particularly since around 100 PRUPIM employees previously based at a different office have now moved into City Place House. We provided information to all employees following the office move within the new staff handbook on how they could reduce energy use. Over the next year we are looking to work with Prudential's corporate property team (who manage City Place House) to better engage with staff to ensure that they are implementing simple measures such as switching off lights.</p>
Include sustainability within the role profiles of everyone that works at PRUPIM and introduce a sustainability award scheme to reward best practice at an individual or team level	30 June 2011	PARTIALLY ACHIEVED	<p>The requirement to "understand PRUPIM's Sustainability vision and apply the Sustainability Strategy as appropriate" is now included as standard in all of PRUPIM's role profiles.</p> <p>However, the sustainability award scheme was postponed while PRUPIM's business review and subsequent outsourcing of property management and accounts took place. We will reconsider the introduction of an award scheme when our new structure is embedded.</p>

SECTION 2: TARGETS WHICH REMAIN IN FORCE

Assessment of our progress on these targets is based on data from the period 1 April 2010 to 31 March 2011. In each case, a further 12 months of data will determine whether we achieve, part achieve or fail to achieve each of them.

TARGET	DEAD-LINE	AWARDED	COMMENTS
ENVIRONMENTAL IMPROVEMENTS			
Undertake certified BREEAM assessments (standard versions) on all new build projects with a construction spend in excess of £2m with the aim of obtaining a minimum rating of "Excellent"	31 March 2012	NOT YET APPLICABLE	During the course of the year 2010/11, we did not complete any new build development projects and therefore this target is not yet applicable.
Aim to achieve a BREEAM "Very Good" rating on all refurbishment projects with a construction spend in excess of £3m	31 March 2012	NOT ON COURSE TO ACHIEVE	Two refurbishment projects qualified for this target during the course of 2010/1. Neither achieved a BREEAM rating however, as the small scale of the projects meant that the cost of achieving the targeted BREEAM rating would be disproportionate compared to the overall budget. We will continue to seek BREEAM Very Good on refurbishment projects, taking into account commercial constraints.
Achieve recycling rates of at least 50% at shopping centres and ISO14001 offices	31 March 2012	ON COURSE TO ACHIEVE	The deadline for achieving this target is March 2012, giving us two years to achieve it. However, over the course of the first year, 2010/11, both groups of properties have achieved their targets. The challenge for the next twelve months will be for all properties to continue to maintain the high levels of recycling.
Achieve a 20% reduction in carbon emissions intensity for shopping centres and ISO14001 offices against the 2008 baseline	31 March 2012	ON COURSE TO ACHIEVE	The deadline for achieving this target is March 2012, giving us two years to achieve it. However, over the course of the first year, 2010/11, both groups of properties are on course to achieve their targets. The challenge for the next twelve months will be for all properties to continue to reduce carbon emissions intensity.
Investigate and implement measures to improve the accuracy of water data at ISO14001 offices and shopping centres	31 March 2012	ON COURSE TO ACHIEVE	We now receive monthly updates on water consumption across our managed property portfolio, and are able to pick up anomalies as the year progresses, rather than retrospectively, after the year has ended. This enables us to ensure that gaps are filled and inaccuracies are addressed more promptly, and ensures more accurate data can be reported.
Achieve a reduction of 15% in water consumption from a 2008 baseline in landlord controlled areas of ISO14001 offices and shopping centres	31 March 2012	NOT ON COURSE TO ACHIEVE	The deadline for achieving this target is March 2012, giving us two years to achieve it. Over the course of the first year, 2010/11, ISO office properties performance have deteriorated and shopping centres' has improved. The challenge for the next twelve months will be all properties to improve their performance.

For details of all our targets for 2012, please go to [page 18](#).

2012 TARGETS

In 2010, we set ourselves 25 Responsible Property Investment targets for completion in 2011. Full details of our progress on these can be found starting on [page 11](#). In line with our new RPI strategy, we have set the following targets. The list also includes the six targets, set in 2010, which had a completion date of 2012 (shown below in light blue text). The deadline for all 21 of the following targets is 31 March 2012.

PORTFOLIO RESILIENCE

- Ensure that all properties and new acquisitions are assessed in relation to responsible property investment criteria.
- Work with others in the industry (specifically IPD and RICS) to develop industry wide, 'short form' metrics and use the outcomes of this to redefine the criteria we use internally to assess the performance of our funds.
- Develop an internal working group to examine opportunities for further integration of sustainability into our investment processes.
- Assess the impact of the proposed ban on letting properties with an energy performance rating of F and G by 2018 on our funds, and put in place a strategy to address the risks identified.
- Establish a process for engaging with our indirect investments to enable us to assess their management of sustainability issues and performance.

ENVIRONMENTAL IMPROVEMENTS

- Introduce property-specific environmental targets for shopping centres and ISO 14001 offices.
- Reduce carbon emissions intensity by 20% at shopping centres and ISO14001 offices against a 2008/9 baseline
- Achieve recycling rates of at least 50% at shopping centres and ISO 14001 offices.
- Reduce water consumption by 15% against a 2008 baseline at landlord controlled areas of shopping centres and ISO 14001 offices.
- Achieve BREEAM Excellent on all new build projects with a construction spend of £2m or more.
- Achieve BREEAM Very Good on all refurbishment projects with a construction spend of £3m or more.
- Investigate and implement measures to improve the accuracy of water data at ISO 14001 offices and shopping centres.

STRONG RELATIONSHIPS

- Green leases clauses and MoUs to be included in all new multi-let office leases signed by the Life Funds from 1 January 2012.
- Review the success of the green lease clause and MoU roll out and review implementation in other funds and asset classes.
- Put in place a working group to develop a strategy and objectives to address issues raised from the retail study.
- Hold a workshop with retail tenants on environmental management to identify areas where we can work with them to drive improvements.
- Ensure that all shopping centres have a community investment strategy in place.

OUR OWN OPERATIONS

- Reduce electricity consumption (normalised by occupancy) by 5% at our office in City Place House against the 2010/11 baseline.
- Undertake an employee survey to measure staff engagement, and use the results to identify areas of good practice and also improvements that could be made.
- Review the induction process and other training to ensure that all employees are receiving sustainability training appropriate to their role.
- Review our own approach, and that of our top five suppliers, to responsible procurement. Use the outcomes of this to develop responsible procurement guidelines.

KEY PERFORMANCE INDICATORS

We have been monitoring the sustainability performance of our assets and our own operations using key performance indicators since 2006. This section of our Supplementary Performance Report summarises our performance from 1 April 2008 to 31 March 2011.

Where a Key Performance Indicator is also a Global Reporting Initiative (GRI) Key Performance Indicator, its reference number is given thus: [EN16]. Where a Key Performance Indicator is also an EPRA Key Performance Indicator, it is shown thus: [EPRA]. Our full compliance table for the GRI can be found on [page 2](#).

PORTFOLIO RESILIENCE

Key Performance Indicator	How we performed			Our Comments
	2008/9	2009/10	2010/11	
% Proportion of completed developments on brownfield land	100 (by area)	5 (by area)	100 (by area)	No new developments were completed during the year. All three of the projects which were completed were refurbishments and therefore, by their very nature, on brownfield land. All three projects were in the UK.
% Proportion of EPCs rated 'C' or above (UK)	Not recorded	40	40	The proportion of properties where we have commissioned an EPC, where the EPC was rated 'C' or above, remains consistent at 40%. We also have EPC data on our EU properties, but it is not included in these figures.
% Proportion of properties rated as 'moderate risk' or better (UK)	Not recorded	91	89 ¹	The proportion of our properties rated by our internal environmental risk database as either low, low to moderate, or moderate risk remains high, at 89%. The environmental risk of each property is assessed at purchase through an externally procured Phase 1 Environmental Review. This process ensures that we are well-informed on the environmental risk aspects of our properties, and that these aspects are incorporated in our decision-making processes as appropriate.

Key Performance Indicator	How we performed – 2010/11
Financial implications and other risks and opportunities for the organisation's activities due to climate change and other sustainability issues [EC2]	<p>We contribute to Prudential plc's response to the Carbon Disclosure Project. The full response is available from the Carbon Disclosure Project's website (www.cdproject.net), and below is an extract from that response:</p> <p>REGULATION What are the current and/or anticipated significant regulatory risks related to climate change and their associated countries/regions and timescales? UK ONLY: 1) Increasingly stringent building regulations regarding Green House Gas (GHG) emissions/energy efficiency including Energy Performance of Buildings Directive (EPBD) and the EPBD recast; 2) requirement for Energy Performance Certificates (EPCs) at property transaction – current and continuing; 3) Anticipated extension of mandatory Display Energy Certificates (DECs) to the commercial sector – date unknown; 4) Carbon Reduction Commitment Energy Efficiency Scheme (CRC) – current and continuing; 5) Increasingly stringent local planning regulations enforcing the use of micro-generation – current and continuing; and 6) Proposals for new commercial buildings to be zero carbon - 2019.</p>

¹ Proportion calculated at 13 September 2011, after cleansing work had been carried out to ensure the data was as accurate as possible

Key Performance Indicator	How we performed – 2010/11
<p>Financial implications and other risks and opportunities for the organisation's activities due to climate change and other sustainability issues (cont'd) [EC2]</p>	<p>Describe the ways in which the identified risks affect or could affect your business and your value chain. UK ONLY: 1) Administration of CRC (paying/repaying/records/etc) creates unnecessary burden ; 2) Negative publicity if we fail to comply with regulations; 3) Negative publicity if we fail to improve year on year in the CRC league table; and 4) Inability to complete property transactions without EPCs leading to increased illiquidity of assets.</p> <p>Financial implications associated with the identified risks 1) Increasing the cost of new developments and refurbishments to comply with regulations; 2) Extra cost of capital investment required to existing building stock in order to comply with new legislation; 3) Rise in cost of CRC allowances; 4) Rising cost of sending waste to landfill; 5) Penalties/fines if we fail to comply with regulations; 5) Negative impact on Prudential share price of bad publicity; and 6) cost of implementing 'early action metrics' to reduce impact of CRC. 7) Cost of CRC administration</p> <p>What are the current and/or anticipated significant regulatory opportunities and their associated countries/regions and timescales? UK only: 1) Introduction of Feed-in tariffs (UK Investment Property Portfolio) – immediate; 2) CRC – immediate; and 3) Use of Energy Performance Certificates (EPCs) – current and ongoing.</p> <p>Describe the ways in which the identified opportunities affect or could affect your business and your value chain. UK INVESTMENT PROPERTY PORTFOLIO: 1) Information on EPCs will be useful in stock selection; 2) Information on EPCs will be used by tenants to select properties and possibly even to negotiate rental discounts on the basis of a poor EPC rating; and 3) Feed-in tariffs offer additional income stream through energy generation or leasing opportunities.</p> <p>Financial implications associated with the identified opportunities UK INVESTMENT PROPERTY PORTFOLIO: 1) Feed-in tariffs present the opportunity to open up a further income stream.</p> <p>PHYSICAL</p> <p>What are the current and/or anticipated significant physical risks, and their associated countries/regions and timescales? 1) Flooding; 2) Damage to external facing part of building structure caused by extreme weather; 3) Wind-related structural damage; 4) Decreased durability and performance of materials; 5) Poorer internal environment; 6) Subsidence; 7) Pressure on water resources; 8) Pressure on infrastructure; and 9) Delays to construction.</p> <p>Describe the ways in which the identified risks affect or could affect your business and your value chain. UK INVESTMENT PROPERTY PORTFOLIO: 1) Physical damage to buildings leading to decreased income streams and capital value; 2) Reduced demand for buildings unable to cope with climate change, leading to decreased investment returns and capital value; 3) Lost rent periods leading to decreased income streams and capital value; 4) Requirement to compensate affected tenants leading to reduction in profitability; and 5) Expense of repairing damage and increase in insurance premiums leading to reduction in profitability.</p> <p>Financial implications associated with the identified risks UK INVESTMENT PROPERTY PORTFOLIO: 1) Higher specifications will increase cost of construction; 2) Decreased investment returns on buildings not sufficiently future-proofed; and 3) Future-proofed buildings will be more desirable and therefore more expensive.</p> <p>What are the current and/or anticipated significant physical opportunities and their associated countries/regions and timescales? UK INVESTMENT PROPERTY PORTFOLIO: Opportunity to develop, refurbish and manage properties sustainably – UK – immediate and ongoing.</p> <p>Describe the ways in which the identified opportunities affect or could affect your business and your value chain. UK INVESTMENT PROPERTY PORTFOLIO: Future-proofed buildings become more attractive to occupiers and present greater investment returns.</p> <p>Financial implications associated with the identified opportunities UK INVESTMENT PROPERTY PORTFOLIO: The financial implications are the same as those for risks – to develop sustainable buildings or refurbish existing stock to appropriate level will require more funding.</p>

Key Performance Indicator	How we performed – 2010/11
<p>Financial implications and other risks and opportunities for the organisation's activities due to climate change and other sustainability issues (cont'd) [EC2]</p>	<p>OTHER</p> <p>What are the current and/or anticipated other significant risks, and their associated countries/regions and timescales? UK INVESTMENT PROPERTY PORTFOLIO: Risk that property, as a physical asset is susceptible to climate change, resulting in it being perceived as a less desirable investment option – global, medium to long term. Describe the ways in which the identified risks affect or could affect your business and your value chain. UK INVESTMENT PROPERTY PORTFOLIO: Reduced investment in property. Financial implications associated with the identified risks UK INVESTMENT PROPERTY PORTFOLIO: 1) Reduction in management fees for real estate investment; and 2) Reduction in value of real estate.</p> <p>What are the current and/or anticipated other significant opportunities and their associated countries/regions and timescales? UK INVESTMENT PROPERTY PORTFOLIO: 1) Opportunity to launch a “green portfolio” – UK – medium term; 2) Opportunity to work with occupiers to reduce whole building environmental impacts – UK – immediate and ongoing; and 3) Opportunity to shape and inform industry and government thinking on key property-related climate change issues – UK – immediate and ongoing. Describe the ways in which the identified opportunities affect or could affect your business and your value chain. UK INVESTMENT PROPERTY PORTFOLIO: 1) The provision of a “green property portfolio” could identify PRUPIM as a forward-thinking and innovative business and unlock new business; 2) The provision of future-proofed properties could establish PRUPIM as a landlord of choice for high-profile organisations who recognise the embedded benefits in the enhanced reputation gained through occupying more sustainable buildings. Financial implications associated with the identified opportunities UK INVESTMENT PROPERTY PORTFOLIO: Cost of developing a new product.</p>

ENVIRONMENTAL DATA QUALIFYING NOTES

Organisational Boundaries: We have included data from assets where we have operational control. In some instances, this includes assets which are part-owned as joint ventures; in these cases, we have included data as we have management control of the properties.

Entire Portfolio: Where appropriate, we provide absolute indicators, which include data for all properties which consumed the utility/resource in question at any point between 1 April 2008 and 31 March 2011. These indicators enable us to compare the impact of the entire portfolio over time.

The Entire Portfolio category includes the 27 ISO 14001 offices and 10 shopping centres detailed below that we owned on 31 March 2010, as well as additional properties that had a utility supply at any point between 1 April 2008 and 31 March 2010, and for the first time, properties in our USA and European portfolios. These additional properties number 164 and are not included in all performance indicators. This is because, generally, we provide limited or no landlord services at these premises and it is challenging for PRUPIM accurately to monitor, influence or control operational performance and occupier behaviour at these sites. Furthermore, the relatively small size of these properties in comparison to ISO 14001 offices and shopping centres means that they collectively account for a relatively small proportion of the overall impact of the portfolio. In 2010/11, for example, these 164 properties collectively accounted for 16% of our total energy consumption.

Like-for-like analysis: Where possible, the sustainability performance of our assets has also been analysed on a like-for-like basis. These analyses only include properties where reasonable quality, comparable data is available for the full period 1 April 2008 and 31 March 2011. The scope of each like-for-like indicator is defined within the title of each indicator and refers to the following asset classes:

Shopping Centres: Unless otherwise stated, this category covers all 10 UK shopping centres (with a total net lettable area of 497,580 m², and common parts covering 142,064m²) that we owned on 31 March 2011 which were managed on our behalf by Interserve. The relatively large size of these properties means that they account for a significant amount of the overall impact of our entire UK portfolio. Further, the direct management arrangements in place with Interserve means that as a landlord we have an opportunity to influence or control operational performance and occupier behaviour at these sites. All 10 shopping centres are certified to PAS 99, an integrated management system which incorporates ISO 14001, the international standard for environmental management. One of our shopping centres includes an office tower, data from which is not included in the Shopping Centre like-for-like analysis.

ISO 14001 Offices: Unless otherwise stated, this category covers 27 large, multi-let ISO 14001 accredited offices in the UK, which we owned on 31 March 2011 which were managed on our behalf by EMCOR (with a total net lettable area of 322,463 m²). PRUPIM had 31 ISO 14001 offices during the period, but four were excluded from the like-for-like analysis. This is because one was not owned in the baseline year and three have undergone significant refurbishment during the three-year period and therefore data is not comparable at this point. The relatively large size of these properties means that they also account for a significant amount of the overall impact of our entire UK portfolio. Furthermore, although the facilities management of these properties is outsourced, the direct management arrangements in place means that as a landlord we have an opportunity to influence or control operational performance and occupier behaviour at these sites.

Landlord/Tenant Arrangements: As a fund manager, PRUPIM provides energy to tenants on behalf of the funds (ie, the landlords). We indicate against the performance indicators whether data includes utilities or other services purchased on behalf of, and for the use of, tenants. Information is provided in the indicators as to whether tenant data is included. In future years, we will be looking to provide a more detailed split between landlord and tenant use.

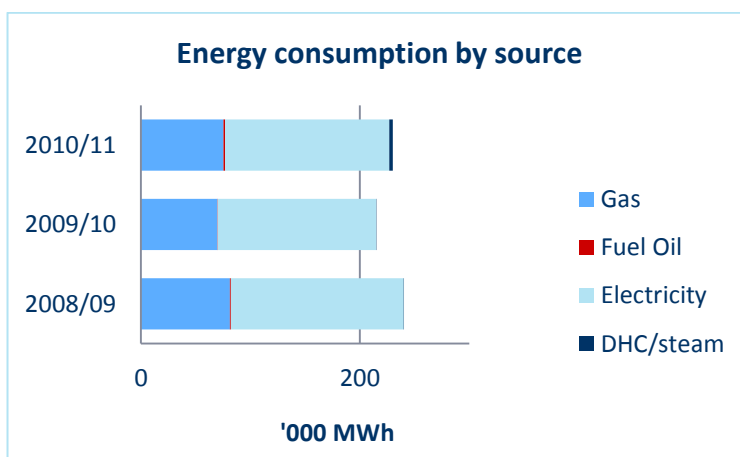
Our existing targets for energy, waste and water performance relate to the data we gather which includes tenant consumption. Here too, we will be looking in future years to report separately on landlord consumption and tenant consumption, and to set targets that relate specifically to 'landlord only' consumption.

Performance trends have been analysed since 1 April 2008 and are presented in the following tables. Please note that figures from 2008/9 were based on calendar year reporting periods, and have been recalculated to conform with our sustainability reporting period of 1 April to 31 March.

ENVIRONMENTAL IMPROVEMENTS

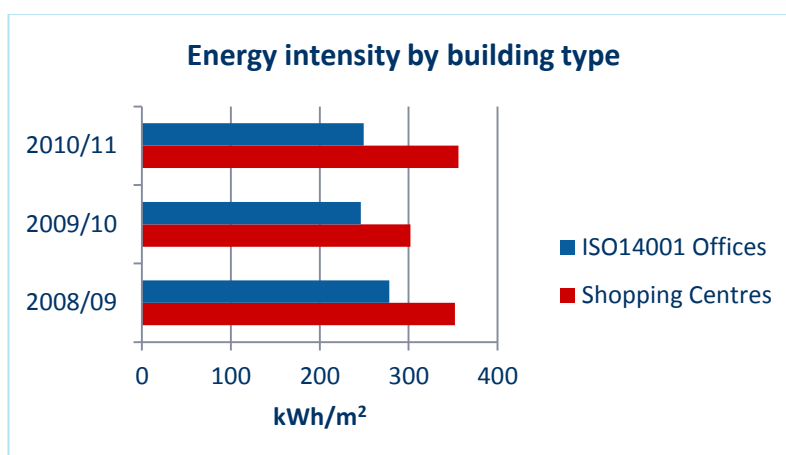
ENERGY

Key Performance Indicator	How we performed			Our Comments
	2008/9	2009/10	2010/11	
Absolute values: The data analysed to calculate absolute indicators includes all properties which consumed energy at any point from 1 April 2008 to 31 March 2011. This type of analysis enables us to compare the impact of our entire portfolio over time.				
Direct energy consumption by primary energy source (kWh) [EN3, EPRA]	82,106,146 Of which gas: 81,311,156 Fuel oil: 794,991	70,075,025 Of which gas: 69,815,457 Fuel oil: 259,569	76,918,401 Of which gas: 75,301,567 Fuel oil: 1,616,834	This data set includes energy (gas and fuel oil) consumed as follows: 2008/09 – all UK and all US properties where we purchase direct energy 2009/10 – all UK and all US properties where we purchase direct energy 2010/11 – all UK and all US properties where we purchase direct energy; data for our European properties was available for this year, but only on a calendar year basis and therefore is not incorporated in this data set. We will be looking to include this data in the correct format in future years. These figures include gas purchased for tenants for their direct use. In the UK, some fuel oil data from previous years has not been recorded.
Indirect energy consumption by primary energy source (kWh) [EN4, EPRA]	158,333,187 Of which electricity: 157,983,960 District heating/cooling: 349,227	145,189,806 Of which electricity: 145,010,994 District heating/cooling: 178,813	153,292,624 Of which electricity: 150,065,352 District heating/cooling: 3,227,272	This data set includes energy (electricity and district heating and cooling) consumed as follows: 2008/09 – all UK and US properties where we purchase direct energy; 2009/10 – all UK and all US properties where we purchase direct energy; 2010/11 – all UK and all US properties where we purchase direct energy, 4 out of 5 European properties where we purchase electricity and both of the two European properties where we purchase district heating and cooling This data set does not include electricity consumption at our Head Office, which is detailed separately (see page 33). Energy consumption showed a 6% increase over the preceding reporting year, although the longer-term trend remains downward.



ENERGY

Key Performance Indicator	How we performed			Our Comments
	2008/9	2009/10	2010/11	
Like-for-like values: the data analysed to calculate like-for-like indicators includes properties that have complete and accurate energy data for the entire period 1 April 2008 to 31 March 2011. This type of analysis enables us to compare the performance of our assets over time.				
Building energy intensity: shopping centres (kWh/m ²) [CRE1, EPRA]	352.2	302.2	355.9	This data set includes energy consumption at the 10 UK shopping centres that we owned consistently between 1 April 2008 and 31 March 2011. Building energy encompasses gas, electricity and fuel oil consumption at the buildings, including a small amount of tenants' energy consumption, and is normalised against the floor area of the centres' common parts (142,064 m ²). Energy intensity at shopping centres shows a decline in performance over the years. We will be addressing this with the introduction of property-specific targets.
Building energy intensity: ISO 14001 offices (kWh/m ²) [CRE1, EPRA]	278.1	246.4	249.4	This data set includes consumption at the 27 ISO14001 accredited UK office buildings that we owned consistently between 1 April 2008 and 31 March 2011. Building energy encompasses gas, electricity and fuel oil consumption at the buildings, and includes tenants' energy consumption. In future years we will look to provide a more detailed split of this data. Performance has deteriorated slightly since the previous year but the longer term trend is still downward.

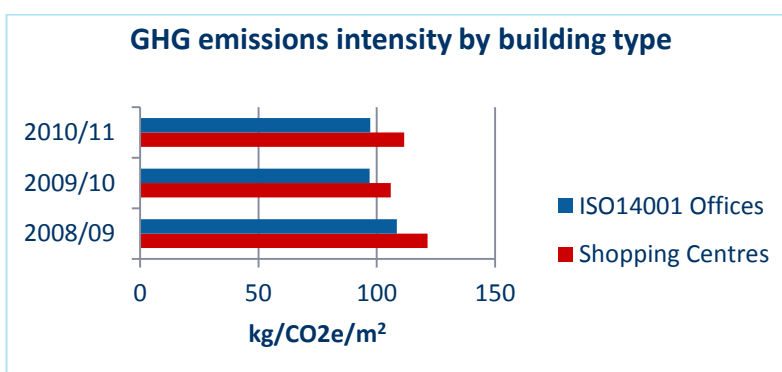


GREENHOUSE GAS EMISSIONS

Key Performance Indicator	How we performed			Our Comments
	2008/9	2009/10	2010/11	
Absolute values: The data analysed to calculate absolute indicators includes all properties which consumed energy at any point from 1 April 2008 to 31 March 2011. This type of analysis enables us to compare the impact of our entire portfolio over time.				
Total direct and indirect greenhouse gas emissions by weight. This includes scopes 1 & 2 of the GHG protocol ² (tonnes, CO ₂ e) [EN16, EPRA]	Total: 101,124 Indirect: 79,086 Direct: 22,037	Total: 84,885 Indirect: 71,909 Direct: 12,946	Total: 87,133 Indirect: 72,744 Direct: 14,359	This data set represents greenhouse gas emissions from all energy consumption (gas, fuel oil, electricity, district heating and cooling) at UK and US properties in 2008/09 and 2009/10, and UK, US and EU properties in 2010/11. It does not include greenhouse gas emissions from energy consumption at our Head Office or from our business travel, which is detailed separately (see page 34).

Like-for-like values: the data analysed to calculate like-for-like indicators includes properties that have complete and accurate energy data for the entire period 1 April 2008 to 31 March 2011. This type of analysis enables us to compare the performance of our assets over time.

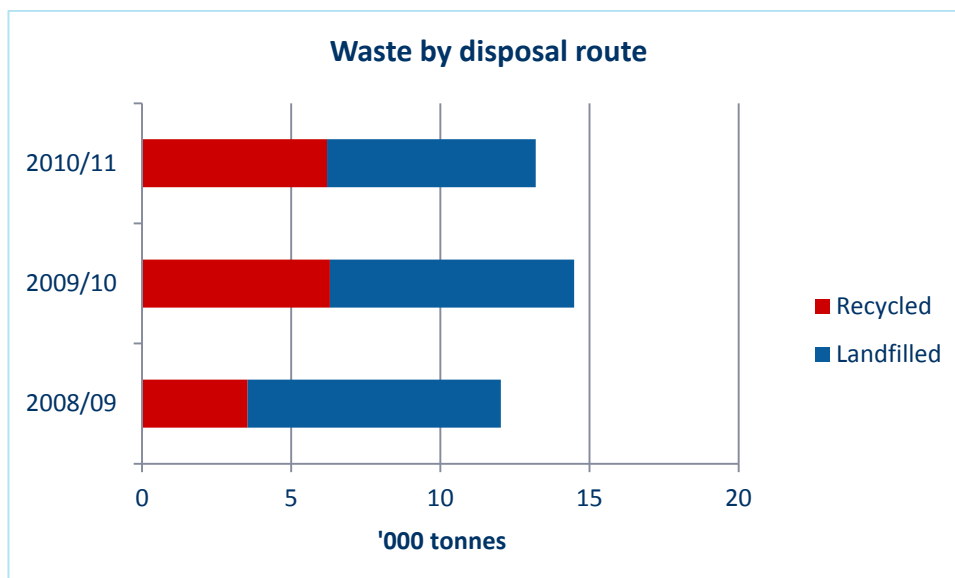
Greenhouse gas emissions intensity from buildings: shopping centres (kg CO ₂ e/m ²) [CRE3, EPRA]	121.48	105.89	111.55	This data set draws on energy consumption data at the 10 UK shopping centres that we owned consistently between 1 April 2008 and 31 March 2011. Building energy encompasses gas, electricity and fuel oil consumption at the buildings, where common parts cover 142,046m ² .
Greenhouse gas emissions intensity from buildings: ISO 14001 offices (kg CO ₂ e/m ²) [CRE3, EPRA]	108.49	96.90	97.20	This data set draws on energy consumption data at the 27 UK offices accredited to ISO 14001, that we owned consistently between 1 April 2008 and 31 March 2011. Building energy encompasses gas, electricity and fuel oil consumption at the buildings, which cover 322,463m ² .



² In accordance with the World Resources Institutes' Greenhouse Gas (GHG) protocol, 'scope 1' or 'direct emissions' are emissions from sources that are owned or controlled by PRUPIM such as natural gas, gas oil and propane consumed on-site. 'Scope 2' or 'indirect emissions' are emissions that result from PRUPIM's activities but are owned or controlled by another organisation such as GHG emissions from the generation of electricity that is supplied to and consumed at PRUPIM's properties. For more information see <http://www.ghgprotocol.org>. UK emissions are calculated using Defra's 2011 figures; overseas emissions factors are provided by our on-site teams.

WASTE

Key Performance Indicator	How we performed			Our Comments
	2008/9	2009/10	2010/11	
<p>Absolute values: The data analysed to calculate absolute indicators includes all properties where we were responsible for waste management at any point from 1 April 2008 to 31 March 2011. This type of analysis enables us to compare the impact of our portfolio over time.</p>				
<p>Total weight of waste by disposal route (tonnes) [EN22, EPRA]</p>	<p>Recycled: 3,543 Landfilled: 8,492</p>	<p>Recycled: 6,297 Landfilled: 8,189</p>	<p>Recycled: 6,199 Landfilled: 7,005</p>	<p>This data relates to waste at shopping centres and ISO 14001 accredited offices, where we, through our facilities managers, have responsibility for collection and disposal of waste. Waste data incorporates tenants' waste and waste from buildings' common parts. Our aim is two-fold; firstly, to reduce the amount of waste generated at our assets – which we seek to achieve by education of and co-operation with our occupiers, and secondly, to ensure that as little of it as possible is sent to landfill – which we seek to achieve through our facilities management companies.</p>
<p>Percentage of waste by disposal route [EPRA]</p>	29%	43%	47%	<p>This data relates to waste at shopping centres and ISO 14001 accredited offices, where we, through our facilities managers, have responsibility for collection and disposal of waste.</p>

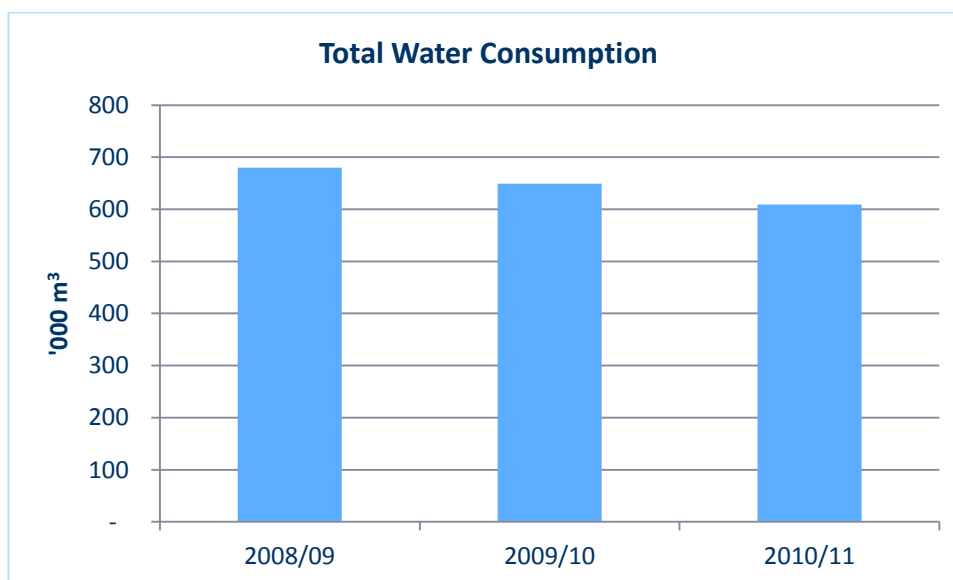


WATER

Key Performance Indicator	How we performed			Our Comments
	2008/9	2009/10	2010/11	

Absolute values: The data analysed to calculate absolute indicators includes all properties which consumed water at any point from 1 April 2008 to 31 March 2011. This type of analysis enables us to compare the impact of our entire portfolio over time.

Total water consumption (m ³) of the entire portfolio [EN8, EPRA]	680,035	649,170	609,423	This data set includes water consumed as follows: 2008/09 – all UK and US properties where we purchase water 2009/10 – all UK and US properties where we purchase water 2010/11 – all UK and US properties where we purchase water, 3 out of 4 EU properties where we purchase water.
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Like-for-like values: the data analysed to calculate like-for-like indicators includes groups of similar asset classes that have complete and reasonably accurate water consumption data for the entire period 1 April 2008 to 31 March 2011. This type of analysis enables us to compare the performance of our assets over time.

Water efficiency of shopping centres (litres/visitor) [CRE2, EPRA]	0.14	0.13	0.12	Calculated using water consumption at the 10 UK shopping centre assets which were consistently held between 1 April 2008 and 31 March 2011. This indicator shows a consistent improvement, and we will ensure this continues by introducing property-specific targets.
Water efficiency of ISO 14001 offices (litre/m ²) [CRE2, EPRA]	444	541	488	Calculated using water consumption at the 27 UK office properties accredited to ISO 14001, which were consistently held between 1 April 2008 and 31 March 2011. This indicator shows an improvement over the last year but a longer-term deterioration in performance, which we will address by introducing property-specific targets.

REGULATORY COMPLIANCE – ENVIRONMENTAL

Key Performance Indicator	How we performed			Our Comments
	2008/9	2009/10	2010/11	
Significant pollution incidents and fines or penalties from the Environment Agency	0	0	0	We believe that pollution incidents can be avoided by following environmental management procedures and we ensure that these are in place at all our developments and held assets. We also expect the same standards of our principal and sub-contractors who undertake work on our behalf.

STRONG RELATIONSHIPS

REGULATORY COMPLIANCE³

Key Performance Indicator	How we performed			Our Comments
	2008/9	2009/10	2010/11	
RIDDOR accidents at managed properties ⁴	29	4	12	There were 10 RIDDOR accidents at shopping centres, and two at ISO14001 properties, a regrettable deterioration in this indicator. We continue to work with our property managers to reduce the number of accidents in our portfolio to an absolute minimum.
RIDDOR accident rate for shopping centres (ratio of RIDDORs per million visitors)	1:4.4	1:50	1:12	Disappointingly, the RIDDOR accident rate at shopping centres has increased. However, we continue to work with our shopping centre facilities management provider, Interserve, to minimise the number of accidents across the portfolio.
Enforcement notices served for customer related incidents	0	0	0	We continue to work with our occupiers to ensure they are aware of and adhere to our Health & Safety standards, and the continuing lack of enforcement notices means that our tenants are committed to operating safe practices while occupying our properties.
Total community contributions through planning agreements with local authorities (including Section 106). £	373,000	506,500	0	No such contributions were made during the course of the year as there were no appropriate development projects in train.

³ Regulatory compliance for our portfolio includes all UK shopping centres managed by Interserve, all offices accredited to ISO 14001 managed by EMCOR during the reporting period, and our own office at City Place House in London

⁴ The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR), place a legal duty on employees to report work-related deaths, major injuries or over-three-days injuries, work-related diseases, and dangerous occurrences.

OUR OWN OPERATIONS

SUPPLIERS

Key Performance Indicator	How we performed			Our Comments
	2008/9	2009/10	2010/11	
% of suppliers paid within 26 days	86	88	89	Ensuring our suppliers are paid promptly is important, and we are pleased that performance is continuing to increase. ⁵
% of suppliers with a recognised ⁶ Environmental Management System (EMS)	69	80	62	75% (by value of spend) of PRUPIM's main contractors have responded to the questionnaire sent out by EMCOR. Of those, 62% are certified to ISO 14001 standard. We will endeavour to increase the range of this data as well as the result.
% of preferred suppliers with an environmental policy	94	92	94	75% (by value of spend) of PRUPIM's main contractors have responded to the questionnaire sent out by EMCOR. Of those, 94% confirmed that they have an environmental policy in place.

COMMUNITY INVESTMENT

Key Performance Indicator	How we performed			Our Comments
	2008/9	2009/10	2010/11	
Total corporate community investment (£)	802,585	762,481	577,193	The cash equivalent of all our community investment activities takes into account everything, including charitable activities at our Head Office, volunteering by PRUPIM staff, support for communities by our Shopping Centres, and in-kind donations, and is calculated according to London Benchmarking Group guidelines. We remain committed to all these activities and are in the process of formalising our commitment, with a community investment policy and strategy.
% of staff participating in the staff community involvement scheme	14	27	22	In 2010/11, PRUPIM employees gave 54.5 days of their time, 42 of which were as part of team-building events. PRUPIM's volunteering supports all permanent and fixed-contract staff to take up to 2 days a year to volunteer for a charity or community group of their choice, and departments are encouraged (and supported financially) to use volunteering for a team-building event. This support is reflected in the continuing high volunteering rate for 2010/11.

⁵ 2008 data is January to December, 2009/10 and 2010/11 data is April to March. All figures exclude R&I funds which are operated differently.

⁶ A recognised EMS is one that is certified to the ISO14001 Environmental Management Standard or equivalent.

EMPLOYEES				
Key Performance Indicator	How we performed			Our Comments
	2008/9	2009/10	2010/11	
Employee turnover (%)	11	4	5.5	Employee turnover remains low. This figure does not include redundancies (voluntary or other) or dismissals, and therefore reflects our ability to retain staff. Since the end of the reporting period, approximately 33% of PRUPIM staff, from the Property Management and Property Accounts Teams, based both at Head Office and our shopping centres, have been outsourced to CBRE. ⁷
Length of service (% of employees who have been employed by PRUPIM for ten or more years)	43	40	42	We are pleased that the number of PRUPIM employees who have chosen to remain with us for ten or more years remains consistently high. This suggests that we continue to be responsive to staff feedback. ⁸
Average number of hours training per employee [LA10]	23.8	11.2	18.2	We continue to meet training needs as and when they are identified by staff and their managers, and to support staff in performing to the best of their ability. In 2010, we delivered on average over two hours of tailored sustainability training to every PRUPIM employee. ⁹
Average spending on training and development per employee (£)	987	326	479	Making greater use of delivery methods such as internal coaching and shadowing and e-learning continues to enable us to deliver best value training and development. Our Sustainability Education Programme enabled us to ensure that all PRUPIM staff have a base level of understanding of the sustainability issues that pertain to their roles, and was delivered with input from industry-leading experts in their fields. ¹⁰
% of female employees	45	46	46%	46% of our workforce is female, as are 25% of our managers. PRUPIM has strict policies in place to ensure equal opportunities. ¹¹

⁷ 2008 data is January-December, 2009/10 data is 1 January 2009 to 31 March 2010, the total for 15 months being averaged out to 12 months for ease of comparison. 2010/11 data runs from 1 April 2010 to 31 March 2011.

⁸ 2008 data is as at 31 December, 2009/10 and 2010/11 data is as at 31 March each year.

⁹ 2008 data is January-December, 2009/10 data is 1 January 2009 to 31 March 2010, the total for 15 months being averaged out to 12 months for ease of comparison. 2010/11 data runs from 1 April 2010 to 31 March 2011.

¹⁰ 2008 data is January-December, 2009/10 data is 1 January 2009 to 31 March 2010, the total for 15 months being averaged out to 12 months for ease of comparison. 2010/11 data runs from 1 April 2010 to 31 March 2011.

¹¹ 2008 data is as at 31 December, 2009/10 and 2010/11 data is as at 31 March each year.

EMPLOYEES

Key Performance Indicator	2008/9	How we performed		Our Comments
		2009/10	2010/11	
Ethnicity	N/A			As an equal opportunity employer, we continue to promote diversity and equality of opportunity for all staff, and within our recruitment process. The numbers do not total 100% due to rounding. ¹²
% BME/Asian		4	5%	
% Black		3	3%	
% Chinese		2	2%	
% Mixed		1	1%	
% White		90	90%	

OWN OFFICE – ENVIRONMENTAL

Key Performance Indicator	2008/9	How we performed		Our Comments
		2009/10	2010/11	
Electricity consumption (kWh)	No data	395,085	416,775	<p>We are disappointed to report that electricity consumption at our head office increased by 5.5% over the 2009/10 baseline year. This is due in part to a recently-discovered element of underreporting of our 2009/10 electricity consumption, where not all electricity supplied to us was charged to us by our Landlord (we have not been able to amend the baseline).</p> <p>Gas at our head office is supplied via our Landlord and recharged to us through the service charge. It is not metered and we are therefore unable to report on its consumption with any accuracy.</p> <p>Our office already incorporates a number of energy saving features (such as low energy light bulbs, daylight and movement sensors). We also recognise the importance of engaging with staff, particularly since around 100 PRUPIM employees previously based at a different office have now moved into City Place House. We provided information to all employees following the office move within the new staff handbook on how they could reduce energy use. Over the next year we are looking to work with Prudential's corporate property team (who manage City Place House) to better engage with staff to ensure that they are implementing simple measures such as switching off lights.</p>

¹² In 2008, our data was reported in a different way and is not directly comparable with our current way of reporting, which uses the Equality and Human Rights Commission's categories. The 2010/11 data is as at 31 March 2011.

OWN OFFICE – ENVIRONMENTAL

Key Performance Indicator	How we performed			Our Comments
	2008/9	2009/10	2010/11	
Scope 3 GHG emissions – business travel (tonnes of CO ₂)	148	111	140	The number of miles travelled on PRUPIM business rose by 19%, with the biggest mileage and CO ₂ increases coming from flying, and the biggest decrease in miles driven by car. We have recalculated emissions data from 2008 and 2009/10 using Defra's most up to date GHG conversion factors. ¹³
Recycled waste as a proportion of total waste (by mass)	36	100	100	None of the waste generated by PRUPIM at our City Place House office is sent directly to landfill.

¹³ CO₂ emissions associated with business travel are calculated using Defra's conversion figures of June 2011 – available at <http://www.defra.gov.uk/environment/economy/business-efficiency/reporting/>