

**Liberty International PLC**  
Corporate Social  
Responsibility Report 2003



**1**  
Carrington House,  
Regent Street,  
London W1.  
**2**  
The Chimes  
Shopping Centre,  
Uxbridge.

- **Major progress since first CSR Report produced 12 months ago**
  - comprehensive CSR audits undertaken at CSC's shopping centres
  - retailer liaison programme enhanced
- **Stakeholders**
  - our UK shopping centres are estimated to have generated employment for 33,000 people
  - extensive public consultation on new development proposals
  - major initiatives on security, local employment and other community involvement
  - sustainable travel co-ordinator appointed at MetroCentre
  - MetroCentre receives Sword of Honour from British Safety Council for second time
- **Environment**
  - 100 per cent of current development programme on brownfield land
  - partnership with The Carbon Trust to advise on initiatives to reduce energy consumption
  - initiatives on emissions, waste and sustainable travel
- **Workplace**
  - Importance of People initiative
  - retention rate of management staff over 95 per cent
  - female staff represent 39 per cent of total workforce
- **Donations**
  - 3,500 hours of our centre management time donated to local community activities
  - £390,000 community support donated by UK shopping centres

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# A year of progress

## Chief Executive's statement

Our first report on Corporate Social Responsibility ("CSR"), which was published with our 2002 Annual Report, described our approach to environmental issues, how we engaged with our key stakeholders and the CSR objectives which we had set ourselves for the initial period of three years to 2005.

We are pleased to report that we have made considerable progress during 2003 in meeting these objectives, primarily through the establishment of governance processes and the collection and dissemination of relevant data. This will form the basis of appropriate benchmarking in future years. Whilst we have concentrated on our core regional shopping centre business, we have also addressed CSR issues relating to our commercial portfolio in the UK and USA.

We commissioned a detailed CSR Audit of our UK shopping centre portfolio which identified areas of potential CSR best practice and improvement which are in the course of being progressed.

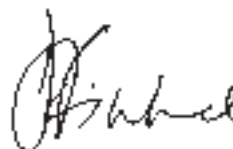
Liberty International operates within the parameters of our Business Code of Practice, supported by major policies covering Environment, Communications, Community Relations, our Occupiers and Shoppers, and our employees. Together, these represent the major CSR impacts affecting the Liberty International group's business.

We remain committed to promoting CSR awareness throughout our organisation and are convinced that this approach will be to the long-term benefit of our shareholders and stakeholders alike.

We believe this year's report represents a further worthwhile contribution to the subject and will help to promote, at this embryonic stage of the CSR industry, a greater understanding of the role of business in developing sound and sustainable CSR initiatives which can be supported on economic terms.

Specifically in the case of Liberty International, we strongly believe that our prime quality property assets have made a major positive impact on lifestyles in the UK, amply demonstrated by the 175 million customer visits each year to our UK regional shopping centres.

We will be delighted to receive any comments you may have on the contents of this report.



**David Fischel** Chief Executive  
February 2004



# A further year of growth

**1**  
The Piazza at  
The Chimes,  
Uxbridge.  
**2**  
The Glades,  
Bromley.

**3**  
Capital Park,  
Cambridge.  
**4**  
A typical mall.

## Profile

### Scope of report

This report covers the entire group activity, both in the UK and the USA. As our second report, it covers activities for the year to 31 December 2003, although most of the shopping centre statistical information is for the year to 30 September 2003. In compiling this report, we have informally applied best practice guidance, including that from the Global Reporting Initiative (GRI), Association of British Insurers (ABI), Department for the Environment, Food and Rural Affairs (DEFRA) and Business in the Environment (BiE).

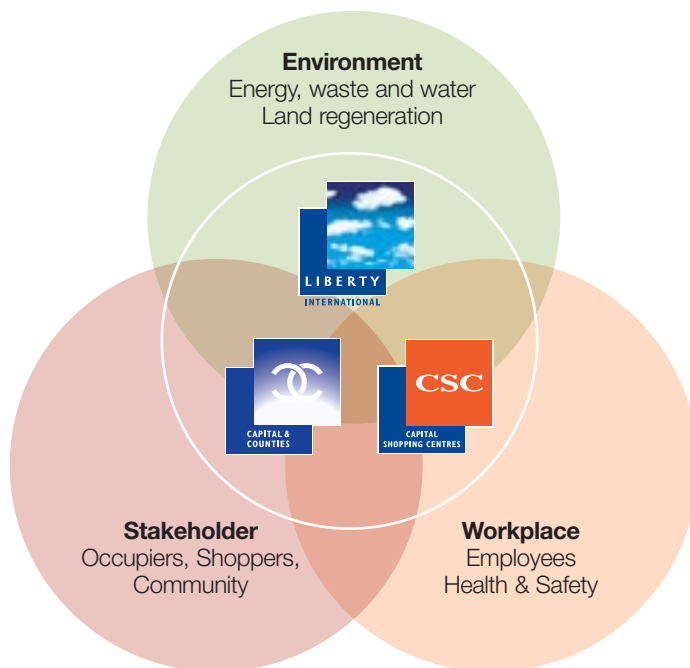
### Liberty International at a glance

Capital Shopping Centres (CSC), the UK's leading shopping centre business, and Capital & Counties (C&C), a commercial and retail property investment and development company, are both wholly-owned subsidiaries of Liberty International (LI). Key facets of the business are presented opposite.

Please see our 2003 Annual Report for further information on the group.

### Highlights from 2003 Accounts

- £237.3 million net property investment income.
- £235.9 million operating profit including joint ventures.
- £110 million profit before taxation.
- 27.45p earnings per share before exceptionals.
- £5 billion total property assets including investments and trading properties.
- £2.9 billion shareholders' funds.
- 906p net assets per share diluted.



## Capital & Counties

Capital & Counties is our commercial property arm with a focus on office and retail properties in the UK and California. Our tenancies span a broad range of businesses from management consultancies and media businesses through to oil companies and foreign governments. Our retail holdings include prime shops in well-known London locations such as Covent Garden, Kensington, Piccadilly and Regent Street.

Key facts about Capital & Counties:

- 6.3 million sq. ft. of commercial property.  
48 per cent offices (by value)  
52 per cent retail (by value)
- 885 occupiers.

Capital & Counties' properties by location:

- Central London – 38 per cent.
- Business space outside London – 24 per cent.
- Retail outside London – 15 per cent.
- USA – 23 per cent.

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## Capital Shopping Centres

Capital Shopping Centres is the United Kingdom's leading shopping centre company. For over 30 years, we have specialised in regenerating redundant and derelict land to create high-quality regional shopping centres. Our shopping centres provide not only first-class shopping facilities but also a range of leisure, residential and social facilities designed to respond to the needs of each area.

Key facts about CSC:

- Three out-of-town and six in-town shopping centres.
- Six of the UK's top 16 centres.
- Eight million sq. ft. of retail space.
- UK's major retailers represented in our centres including Marks & Spencer, John Lewis, House of Fraser, Debenhams, BhS, Boots, Next and WH Smith.
- Total number of retail units: 1,418.
- Over 175 million shopper visits per annum.
- Catchment areas covering over one-third of the UK's population.

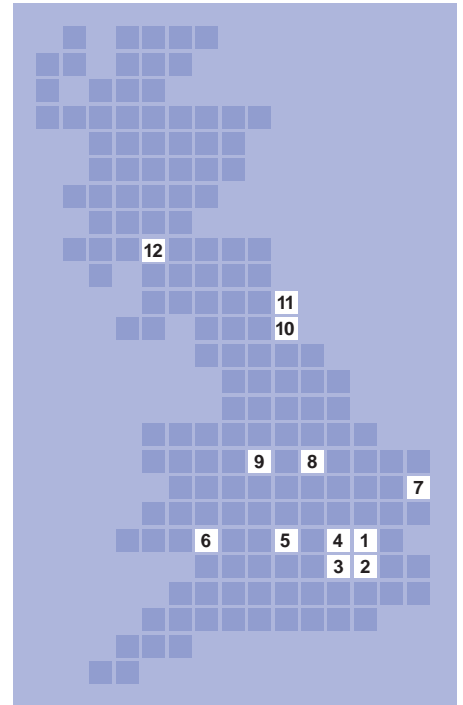
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## Shopping centre locations

- 1 Lakeside, Thurrock
- 2 The Glades, Bromley
- 3 The Chimes, Uxbridge
- 4 The Harlequin, Watford
- 5 Westgate, Oxford\*
- 6 St David's 2, Cardiff\*
- 7 Chapelfield, Norwich\*
- 8 Victoria Centre, Nottingham
- 9 The Potteries, Hanley, Stoke-on-Trent
- 10 MetroCentre, Gateshead
- 11 Eldon Square, Newcastle upon Tyne
- 12 Braehead, Glasgow

\*developments



3

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# Strategic direction

- 1** The Potteries Shopping Centre, Hanley, Stoke-on-Trent.
- 2** Capital Court, Uxbridge.

## Governance

In October 2002, Liberty International nominated a group of senior executives to review CSR issues related to the operation of the business in line with best practice and standards.

Such best practice included the Global Reporting Initiative, the guidance on CSR risks by the Association of British Insurers, the UK Department for Environment, Food and Rural Affairs (DEFRA) guidance on environmental reporting and the criteria in indices, including Business in the Environment (BiE) corporate engagement index, Business in the Community Corporate Responsibility Index and FTSE4Good.

From this review, the CSR Policy, strategy and objectives were developed and published in our first CSR Report in February 2003.

That Report was widely circulated, both internally and externally, to all major stakeholder groups and has been used as a basis for meetings with representatives of these groups. These meetings have helped identify opportunities of working together on CSR-related issues.

### CSR Committee

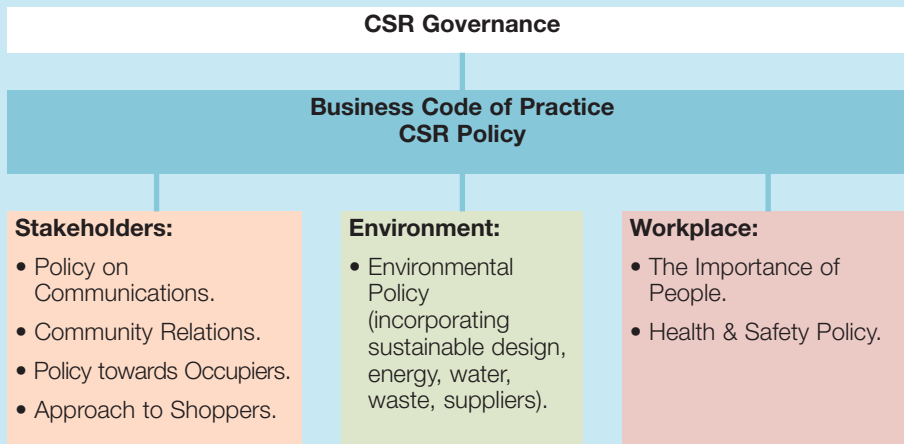
The CSR Committee was formally constituted in February 2003, chaired by Liberty International Director, Peter Badcock. Committee members are senior executives from both operating companies, CSC and C&C, and external advice is provided to the Committee by CSR consultants Casella Stanger.

The Committee has continued to monitor best practice and standards and we believe all the CSR risks and opportunities appropriate to our business have been identified. We will continue to ensure a comprehensive assessment of risks is undertaken throughout the coming year and specific details of our approach are provided throughout this Report.

During the year, the Committee has received training on best practice in CSR. This included attendance at seminars, and a training pack has been provided by our CSR consultants to enable the Committee to understand and assess key CSR issues and risks. Training will continue throughout the coming year.

### CSR Governance

During the year, measures to implement a formal governance structure for monitoring CSR issues were implemented. The CSR Committee reports to the company's Audit Committee and has provided two progress reports over the last year. Quarterly management reports from the shopping centres also include CSR-related information. Systems for gathering information at each shopping centre and reviewing progress are being standardised.



**CSR Committee**

The terms of reference are:

1. Provision of strategic direction for the Liberty International group CSR programme. This will include:
  - Reviewing, drafting (as necessary) the CSR Policy and obtaining approval from the Board.
  - Recommending objectives and targets for the CSR programme, based on the group’s identified significant CSR aspects, and ensuring synergy with any other corporate targets and policies; also taking account of the needs and interests of internal and external stakeholders.
  - Agreeing the annual plan and setting priorities for the CSR programme.
  - Encouraging and supporting ownership, communication, training and awareness-raising throughout all businesses.
2. Reviewing progress of the CSR programme. This will include:
  - Receiving regular updates of progress towards CSR objectives and targets.
  - Engaging in discussion, interacting with other relevant groups and departments and offering advice to aid achievement of programme objectives.
  - Ensuring a CSR review is undertaken annually.
3. Reporting progress to the Board.
  - A progress report will be made to the Audit Committee and the Board annually in November and the annual CSR Report will be approved by the Board prior to its publication in February.

As part of this governance process we have reviewed the applicability of the international environmental management standard – ISO 14001. Following this review we are putting in place an environmental management system (EMS) to address any significant environmental impacts and provide the catalyst for identifying environmental performance improvement. This system will engender a proactive approach and ensure continued compliance with legislation and changing regulations. The EMS will be in line with the requirements of ISO 14001, but we do not believe at this time that achieving certification to ISO 14001 will provide additional benefits.

**Corporate policies**

The Committee has continued to formalise systems and has agreed a series of policies to support implementation of the CSR strategy across the business. This has resulted in an overarching Business Code of Practice on business ethics and a framework of policies that support the Business Code and the CSR policy.

In line with best practice we have grouped these policies into three areas – stakeholders, environment and workplace (see pages 22-25 for the detailed policies). We have also structured this Report under these three headings to ensure clarity and consistency. Next year, we intend to develop an audit programme to assess how these policies are being implemented, the lessons that need to be learned and the elements of best practice to be rolled out across the company.

**Shopping centre audits**

Following a pilot scheme in 2002, audits of our other UK shopping centre properties were undertaken to measure their activities against CSR objectives. The audits provided data and recommendations to help establish best practice at each individual shopping centre and also across CSC as a whole. The recommendations were reviewed and are being implemented where appropriate. We believe these audits have provided a robust foundation for our CSR strategy and, as the shopping centres represent over 80 per cent of the group’s business, this will help establish relevant benchmarks for future reporting.

**CSR indices**

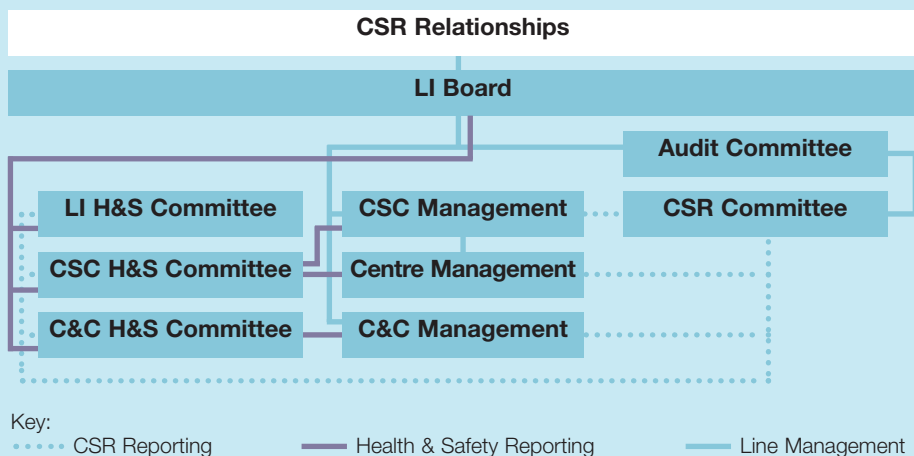
Our work has allowed us to respond to the key CSR indices relevant to our business – Business in the Environment Index for Corporate Environmental Engagement and the EIRIS questionnaire that is used for the FTSE4Good index.

**Compliance**

During the year, the company has complied with all applicable legislation and has been subject to no sanctions or fines for environmental, health & safety or any other infringements.

**Objectives**

During 2004, we will continue our three-year programme to formalise the reporting of CSR-related issues and to identify and implement initiatives to manage our impacts in business-related areas. More information on our objectives is set out on pages 6 and 7.



# Progress towards objectives

## Objectives

### Governance

#### Objectives for 2003 – 2005

- To have a process in place to manage and monitor the progress of our CSR strategy.

#### Progress in 2003

- CSR Committee formally constituted chaired by a Director.
- External advisers appointed.
- Reporting system set up in the shopping centres to formalise the gathering of relevant information and data.
- Business Code of Practice adopted and formal policies established for Environmental, Communication and Stakeholder Engagement, Community, Occupier, Shopper and The Importance of People.
- UK shopping centre audits undertaken to review best practice, opportunities and risks.
- Register of relevant environmental legislation established for shopping centre management.

#### Plans for 2004

- To monitor the reporting systems established in 2003 and to review their effectiveness.
- To continue to review and monitor systems to improve performance and the reporting of information.
- To monitor the Business Code of Practice and associated policies.

### Stakeholders

#### Objectives for 2003 – 2005

##### *Communication and Stakeholder Engagement*

- To involve and engage all our stakeholders in a constructive manner.

##### *Customers – Shoppers and Occupiers*

- To sustain high standards of service that integrate CSR objectives.

##### *Community Involvement*

- To continue to involve our communities and support their quality of life.

#### Progress in 2003

##### *Communication and Stakeholder Engagement*

- 5,000 CSR reports sent to investors and major stakeholders (our partners, local authorities, our principal retailers and other stakeholders with whom we do business) and through shopping centres to store managers and local stakeholders.

- Follow-up meetings held where appropriate to identify areas of mutual opportunity.

##### *Customers – Shoppers and Occupiers*

- Survey of principal retailers undertaken to benchmark our performance.
- A formalised retailer liaison programme has been established at all levels to build on our relationships with retailers.

##### *Community Involvement*

- Formalised the reporting of the wide range of community activity undertaken by the shopping centres.

#### Plans for 2004

- We will formalise a communications strategy and continue to engage with stakeholders to identify and progress joint initiatives.
- We will review and standardise our Retailer Handbooks and include reference to our corporate policies on the environment and other CSR-related issues.
- We will continue to identify opportunities to support the activities of local communities.

## Environment

Objectives for 2003 – 2005	Progress in 2003	Plans for 2004
<p><i>Transport</i></p> <ul style="list-style-type: none"> <li>To further encourage sustainable transport options at all sites where we operate.</li> </ul> <p><i>Energy, Water and Waste</i></p> <ul style="list-style-type: none"> <li>To increase our energy efficiency and reduce the use of natural resources and the associated impacts.</li> </ul> <p><i>Sustainable Design and Development</i></p> <ul style="list-style-type: none"> <li>To ensure that the design and development of all our buildings integrates appropriate sustainable development considerations.</li> </ul> <p><i>Regeneration of Derelict and Brownfield Sites</i></p> <ul style="list-style-type: none"> <li>To ensure the efficient use of land to support regeneration and economic growth.</li> </ul> <p><i>Supply Chain</i></p> <ul style="list-style-type: none"> <li>To work in partnership with suppliers of goods and services to understand and help implement CSR standards.</li> </ul>	<p><i>Transport</i></p> <ul style="list-style-type: none"> <li>Sustainable transport co-ordinator appointment at MetroCentre.</li> <li>Christmas shopping public transport initiative established at MetroCentre.</li> </ul> <p><i>Energy, Water and Waste</i></p> <ul style="list-style-type: none"> <li>Audits undertaken at all our UK shopping centres.</li> <li>Environmental policy published.</li> <li>Progress made towards establishing benchmarks.</li> <li>Partnership with Carbon Trust established.</li> </ul> <p><i>Sustainable Design and Development</i></p> <ul style="list-style-type: none"> <li>Environmental policy and guidelines for our project teams established.</li> <li>Design guide for office properties reviewed and updated.</li> <li>Meetings with principal contractors.</li> </ul> <p><i>Regeneration of Derelict and Brownfield Sites</i></p> <ul style="list-style-type: none"> <li>All the current development programme is on brownfield land.</li> </ul> <p><i>Supply Chain</i></p> <ul style="list-style-type: none"> <li>We have engaged with our cleaning contractors at the shopping centres to review the environmental impacts of the cleaning operation.</li> </ul>	<p><i>Transport</i></p> <ul style="list-style-type: none"> <li>We will work with the Sustainable Travel Co-ordinator and transport operators to identify sustainable transport opportunities.</li> </ul> <p><i>Energy, Water and Waste</i></p> <ul style="list-style-type: none"> <li>We will appoint an energy consultant.</li> <li>We will continue to work to establish benchmarks for energy, waste and water.</li> <li>We will implement policies to ensure the efficient management of these resources.</li> <li>We will continue to work with our retailers to facilitate increased recycling of waste.</li> </ul> <p><i>Sustainable Design and Development</i></p> <ul style="list-style-type: none"> <li>We will communicate our environmental policy and guidelines to our consultants and contractors.</li> <li>We will continue to work with our consultants to ensure that our buildings reflect best practice in sustainable design.</li> <li>We will apply BREEAM standards where appropriate.</li> </ul> <p><i>Regeneration of Derelict and Brownfield Sites</i></p> <ul style="list-style-type: none"> <li>We will continue to ensure the efficient use of land to support regeneration and economic growth.</li> </ul> <p><i>Supply Chain</i></p> <ul style="list-style-type: none"> <li>We will explore the integration of environmental performance into key supplier and contractor contracts.</li> </ul>

## Workplace

Objectives for 2003 – 2005	Progress in 2003	Plans for 2004
<p><i>Human Resources</i></p> <ul style="list-style-type: none"> <li>To provide appropriate benefits, personal development and working conditions for all employees.</li> </ul> <p><i>Health &amp; Safety</i></p> <ul style="list-style-type: none"> <li>To continue to ensure a safe and healthy environment for all our employees, shoppers and occupiers.</li> </ul>	<p><i>Human Resources</i></p> <ul style="list-style-type: none"> <li>The Importance of People policy formalised.</li> <li>We have undertaken a survey of staff travel in the UK.</li> <li>CSR report distributed to all staff and awareness increased through presentations.</li> </ul> <p><i>Health &amp; Safety</i></p> <ul style="list-style-type: none"> <li>We have completed an asbestos assessment at all our multi-let office properties and embarked on a rolling programme at our UK shopping centres.</li> <li>We have completed a DDA audit of our multi-let office portfolio and our UK shopping centres.</li> <li>Sword of Honour awarded to MetroCentre for second year.</li> </ul>	<p><i>Human Resources</i></p> <ul style="list-style-type: none"> <li>We will continue to place the highest priority on the provision of appropriate benefits, personal development and working conditions for all our employees.</li> </ul> <p><i>Health &amp; Safety</i></p> <ul style="list-style-type: none"> <li>We will continue to regard the provision of a safe and healthy environment as a top priority.</li> </ul>

# Working together

- 1 Public consultation in the Eldon Square mall.
- 2 Information on job vacancies is available in the malls.

## Stakeholders

In 2003, we have been formalising our communication with stakeholders and now have in place policies on our engagement with our major stakeholder groups (see page 24 for the detailed policies). We have continued to enhance our communication programmes to ensure that we are in close touch with all our stakeholder groups.

5,000 copies of our 2002 CSR Report were circulated widely to shareholders and other stakeholders, including major retailers, our staff, local authorities and consultants and through our centre management offices. We are also distributing copies of an information leaflet through the malls and information desks in our centres, telling shoppers about our approach to CSR issues such as the environment, transport, our customers and the local community.

We have arranged meetings with representatives of some of our major shareholders to discuss our approach to CSR and for us to understand their expectations. During the year, we have made presentations to potential investors, bankers and other City organisations and our Chief Executive and/or Finance Director have met with over 70 investor groups, 30 of whom were overseas. There were 13 visits by investor and similar groups to our properties this year. We have also met representatives of groups with special interest in the environment and Corporate Social Responsibility.

These meetings have provided a basis for future dialogue with our stakeholders on working together on CSR-related issues for our mutual benefit. The meetings have also highlighted the wider interpretation of CSR adopted by institutions, in particular in addressing CSR in the context of corporate governance.

This CSR Report contains detailed information on the impacts of CSR on the separate business areas of Liberty International, and should be read in conjunction with our 2003 Annual Report for information on how the company has addressed corporate governance generally in 2003. The Annual Report also includes information on the composition of the Board of Directors and, in particular, on the independence of the membership of the Board as measured against the Combined Code.

### Stakeholder policies

Communication  
Community  
Shopper  
Occupier

#### Eldon Square – public consultation on new development proposals

In 2003, CSC undertook a programme of public consultation in Newcastle to obtain feedback from stakeholders on its proposals for three new development schemes with an estimated total cost of £150 million. The schemes will involve the relocation and modernisation of the bus station, the provision of improved ground floor access through the centre and into Old Eldon Square, improvements to the public realm in Old Eldon Square, and the provision of an improved retail offer.

The consultation was undertaken in two phases. Before submission of the planning applications, six half-day workshops were held with a wide range of stakeholders, including local businesses, special interest groups and members of the general public, to obtain feedback and comment on the schemes. Following the planning applications, a major exhibition was held in the mall, using a model and information boards to provide further details to shoppers. A newsletter was distributed to some 100,000 homes in the city and further feedback was obtained by hotline, email and comment forms collected in the malls. Specific research was commissioned from 200 shoppers. This consultation process has helped to inform the detailed design of the proposed schemes and highlighted issues of importance to our stakeholders. Overall, the proposals received strong support.



Meetings have also been held on CSR-related issues with some key contractors and suppliers – for example, our main UK shopping centre cleaning contractors and two main contractors on development sites. We are gaining a good understanding of how we can work together to support each other's approaches to CSR. These discussions have helped to inform the creation of our policies and contributed to the development of actions in 2004 necessary to achieve our three-year objectives.

#### **Working with retailers**

We continue to foster improvement through direct engagement with our major stakeholder, our retailers. CSC is responding on the comments and suggestions put forward. We intend to continue this programme of engagement to ensure that we remain the market leader in the shopping centre sector.

During 2003, CSC undertook a survey of 20 of its most significant retailers with units across the portfolio, visiting their offices, to benchmark our performance against our peers and to establish their needs and expectations in dealings with us. Frank and open discussion was encouraged and issues raised included the letting process, communication and the operation of the centres. The process highlighted areas in which we excel and those where improvements could be made. For example, we are taking steps to further streamline the shopfitting process, and implementation of these changes will take place in 2004.

We will continue a close working relationship with our retailers at all levels.

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#### **Braehead Employment Partnership**

A major challenge at Braehead is ensuring that employers have access to a ready pool of qualified, trained and motivated staff, particularly as the development of the further phases comes on line.

In a further development of the Braehead Forum, reported in our 2002 CSR Report, Braehead, Scottish Enterprise Renfrewshire, Renfrewshire Council and Further Education Colleges have pioneered a specialist employment initiative, The Braehead Employment Partnership. The Partnership has designed a six-week pre-employment course that equips prospective employees with the skills and training required to undertake a wide range of retailing jobs, from the shop floor to managerial and specialist positions.

Following a successful pilot, the first formal course began in the autumn, and four courses involving 32 people had been completed by December 2003. Applicants apply via their local job centre and careers service. Once accepted, they will be given training on retail operations, customer care, IT, stock control, cash handling and job-seeking skills. The course also includes a work placement lasting one week.

## Shoppers

Shoppers are fundamental to the success of retailers and therefore to the success of our business. In the UK we have some 175 million customer visits each year and it is important that we understand their changing needs and requirements. We undertake formal research through mall questionnaires and ad hoc focus groups, and we gather information through feedback forms, information desks and other contacts. During the year we have been working on the standardisation of our feedback procedures. Each year, we receive a wide range of comments, including on such issues as the misuse of disabled car parking spaces, smoking, website information and music on the malls. We respond to shoppers and use their comments to inform the management of the centres and the development of our facilities.

Over recent years, the views of shoppers on smoking have undergone considerable change. As a result of our research, all our shopping centres have now adopted non-smoking policies in the malls, except for Eldon Square, where the process to adopt the necessary new city bye-law is underway.

As well as a first-class retail offer, shoppers look for excellent facilities and a comfortable shopping environment. We work to ensure that our centres meet their expectations through an ongoing programme of refurbishment.

## Suppliers

Two major suppliers by value at the UK shopping centre operational level are our cleaning contractors. Frequent management meetings covering quality control, staffing and practices are held at centre level. During 2003 we also held meetings at senior executive and Director level to discuss CSR-related issues.

Both our cleaning contractors are major companies in the Facilities Management industry and they have in place a range of policies that include CSR. They have demonstrated a commitment to work together with our teams. At several of our shopping centres, their staff play a critical role in our waste-handling process and some of the achievements cited in this report are the result of joint efforts.

We shall continue to liaise with them and other key suppliers during 2004.

- 1 Policing MetroCentre.
- 2 The sculpture at The Glades.
- 3 Farmer's Market, Serramonte Shopping Centre, California.



### Significant reduction in car crime at MetroCentre

An important element of the operation of the shopping centres is ensuring that they are safe and comfortable places to shop.

MetroCentre has been developing its pioneering initiative of working with its local police authority to finance a team of Community Beat Managers. As well as providing high profile officers in the centre, they are working with centre management and the centre's security company to tackle car crime.

The initiative was put forward by the Home Office as an example of UK best practice to a meeting of the European Union Crime Prevention Network meeting in Rome. Using the problem solving approach, a series of short, medium and long-term innovative measures was put in place in addition to the use of improved CCTV, high profile patrols and covert operations. As a result, car crime at the centre fell by 88 per cent between 2001 and 2003, with no displacement elsewhere in the area (which has also shown an overall reduction of 25 per cent).

# 3,500 hours

of community involvement

# £390,000

community support donated by UK shopping centres

# £84,400

group charitable donations

## Community activity at The Glades

The Glades in Bromley has a close working relationship with local schools and encourages inter-action with both teachers and pupils. We are working with our retailers and local schools to provide special training courses at The Glades so that local teachers can obtain a better understanding of the opportunities available to their students in the retail environment.

In another initiative, presentations were given to schools who were introducing a new Art and Craft GCSE, inviting students to take part in a competition to design a piece of jewellery as part of a diamond promotion week. The winning entry was made by Fraser Hart, jewellers at The Glades, who donated it to the school to auction for school funds. The project was run in conjunction with Education in Business Partnership and The Diamond Trading Company.

The Glades also works with the London Borough of Bromley to support the historic Queens Garden, which lies alongside the Centre. This year, we have loaned the Council a bronze figure sculpted by American artist, Seward Johnson Jr. This is sited in the Garden and has become a photo venue for visitors to the town. The Glades also organised Summer Jazz Concerts in the Park. The Gardens received a Green Flag Award in recognition of environmental sustainability and community involvement this year.

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## Community involvement

Our shopping centres play a pivotal role in their local communities and are in themselves a catalyst for long-term economic benefits. Our Centre Managers work with local groups to identify ways in which we can contribute to enhancing the quality of life in those communities.

During the year, over 3,500 hours of centre management time was devoted to our involvement with the local community in the UK. This involvement included a wide range of activities, including working with schools, both with the children and serving as school governors, assisting local community groups and contributing both time and resources to support town centre partnerships.

As focal points of their communities, places where people gather and trade is conducted, our shopping centres are not immune from petty crime. At our city centre schemes in particular, we work in structured and informal partnerships with the police, local authorities and retailers on a variety of schemes designed to prevent, deter or detect criminal activity.

In addition to the partnerships, we are working with Crimestoppers on an initiative to promote awareness of the Crimestoppers hotline and their role in reducing crime. Plans are well advanced for a pilot scheme at Victoria Centre in Nottingham to raise awareness among the general public. This will involve a high-profile event to launch the project, and reinforces our long-term commitment to the reduction of crime in the city centre.

Through our shopping centres, we support the work of local charities in a variety of ways. We facilitated 350 charitable collections in the malls, raising an estimated £185,000. We also distribute the money donated by the public through the fountains, and at the Christmas grottos. The UK shopping centres have provided some £390,000 in community support including sponsorship of local causes, support for Town Centre Management and the provision of free mall space and services.

Liberty International provided a total of £84,400 in donations to charitable causes during 2003, nearly £65,000 of which was made to causes local to the shopping centres.

## Community Activity in the USA

In California, the shopping centres have also established a commitment to their communities. Examples of activity include a year-round weekly Farmer's Market in Serramonte, the provision of a Salvation Army donation collection area in the car park at Serramonte, participation in the waterfront Clean Team event in San Francisco by Ghiradelli Square, and the landscaping of a popular local pedestrian path where The Willows worked with East Bay Regional District Council.

3



# Continuing focus

## Environment

### The Environment

This year we have incorporated transport, energy, waste and water, sustainable design and development, regeneration of land and our supply chain under the one heading of "Environment".

We are committed to a responsible and forward-looking approach to environmental issues. This has been an important factor in the company's continuing success in the UK property industry. We have long recognised the mutual benefits of incorporating sustainability into our business and taking account of any impact on the environment caused by our operations.

Our policy on these environmental issues has been rewritten and updated to address current requirements. The policy can be found on page 23.

In support of the policy, an Environmental Guide has been produced to help designers and managers to assess the range of environmental issues.

The Guide will apply to all aspects of our business, covering development, refurbishment and ongoing asset or operational management. The range of issues is potentially very wide, and, whilst not all issues are relevant to every situation, the main purpose of the Environmental Guide is to highlight the issues that must be addressed in order to comply with the Environmental Policy.

It is intended to undertake a communication programme to roll out the Environmental Guide over the coming months. This will include our management, architects, development consultants and contractors, to ensure that due regard is given to best practice at all stages of the development process.

### Relevant policy

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#### Environmental

### Habitat management

There are no designated biodiversity sites within our portfolio, but we recognise our responsibility for the areas under our management. Lakeside, MetroCentre, Braehead and Capital Park in Cambridge all have open spaces which are actively managed to conserve and enhance existing flora and fauna.

The environment around the lake, along the chalk cliffs and around the surface car parks at Lakeside is carefully managed to encourage birds and natural flora. Seven years ago, two rare Bee Orchids (*ophrys apifera*) were discovered growing on the site; last year there were 80 plants, growing and flowering in 11 different areas. Each orchid site is now carefully marked to avoid damage through mowing and other maintenance activity.



- 1**  
The Bee Orchid  
at Lakeside.
- 2**  
The New Red Mall  
at MetroCentre  
takes shape.

2



### Red Mall Redevelopment – MetroCentre

- Re-use of existing land.
- Substantial improvements in local public transport infrastructure.
- Appointment of Sustainable Travel Co-ordinator.
- Re-use of 5,500 cubic metres of crushed concrete and bricks, and the general recycling of other demolition materials.
- Surveys of ecology and archaeology undertaken.
- Planting of 346 new trees, 35,000 shrubs and 6,750 herbaceous plants.

MetroCentre, built in the mid 1980s as a modern high quality regional shopping centre, is now recognised as an established and successful location.

Construction is underway on two new major developments. The first is the major remodelling and extension of an existing mall within the Centre that will result in the New Red Mall, and the second involves a number of transport improvements including the building of a new state-of-the-art Public Transport Interchange.

During the early design and planning stages of both schemes, extensive consultation was undertaken and many opinions have been taken into account. There were several public meetings, together with an exhibition of our ideas. We are delighted that so many local people and interested parties expressed their views and are in favour of our proposals.

The New Red Mall required the demolition of an existing redundant supermarket and an outdated bus station to make way for the new Transport Interchange. In both cases, serious attention was paid to recycling as much of this material as possible.

Approximately 5,500 cubic metres of crushed concrete and brick has been reused as piling mat, hardcore and general stabilising ground material. As the works have progressed, the contractor, Sir Robert McAlpine, instigated a system to manage and control waste. This has involved the segregation of construction waste into timber, scrap steel and general mixed waste. This process will continue through to the end of the construction works, paying particular attention to the amount of packaging waste, which traditionally is at its greatest towards the end of the project.

### Regeneration of Derelict and Brownfield sites

100 per cent of our current development programme is on brownfield land. This remains integral to the way we do business and create value. The regeneration of brownfield land acts as a catalyst for reviving the

economic vitality of those areas, with consequential benefits for future employment and the creation of new amenities. Our existing UK shopping centre investment portfolio has been created in total from previous brownfield land as shown below:

- 1** The power station site at Braehead – before and after remediation.
- 2** The Potteries Shopping Centre.
- 3** 350 Parnassus Ave, San Francisco, USA.

	Lakeside	MetroCentre	Braehead	Harlequin	The Glades	The Chimes	Eldon Square	Victoria Centre	The Potteries
Year opened	1990	1986	1999	1992	1991	2001	1976	1972	1988
Pre-developed land use	Redundant quarry	Redundant power station	Redundant industrial area	Derelict and underused town centre sites	Derelict and underused town centre sites	Derelict and underused town centre sites	Derelict and underused town centre sites	Closed railway station	Derelict and underused town centre sites



#### Brownfield remediation – Braehead

During construction of Braehead Shopping Centre, the possibility of contamination in the adjoining disused power station became apparent. The power station had been partially demolished by a previous owner, but it was unclear if all contaminants had been removed.

Surveys were undertaken by CSC and it was discovered that extensive deposits of asbestos and polychlorinated biphenyls (PCBs) were present, together with oil-filled tanks. The asbestos had been illegally fly-tipped, with the potential to contaminate the local area. To mitigate the hazard, it was decided to purchase the site and put in hand an immediate programme of decontamination.

The objective was to remove safely all asbestos products, contaminated rubble or other hazards and then demolish the remainder of the power station. A protocol for monitoring air quality was agreed with the statutory authorities and put in place prior to any physical work commencing. With the full monitoring system in place the decontamination was safely undertaken, with the contaminants removed from site to licensed tips.

The contractors moved on to decontaminate an adjoining site, designated for a nature park. This half-acre site had also been heavily polluted by asbestos. The contaminated waste was removed and replaced with clean material to an approved depth.

During this remediation exercise, a deep culvert connecting the power station to the River Clyde was discovered. This also had significant deposits of asbestos. The culvert was immediately plugged to prevent polluted water running into the river and the contamination removed and replaced with clean material.

The whole decontamination and demolition exercise took 75 weeks and cost a substantial amount. At the end of the exercise, monitoring showed the air around the site to be clean and the ground remediated ready for future development.

## Energy reduction

### *The Potteries*

Towards the end of 2002, and following an Environmental Audit, an independent energy survey was carried out at the Potteries Shopping Centre. The survey covered energy and water consumption and the report included a number of recommendations.

A number of recommendations have been implemented, including training to increase awareness among staff or relatively minor changes to existing practice. This increased awareness prompted the removal of 320 unnecessary decorative lamps and the replacement of 170 150W lamps with 52W equivalents. This resulted in an estimated annual saving of 125,000kWh (54 tonnes of CO<sub>2</sub>) – approximately 5 per cent of electricity consumption. More lighting will be changed during the planned replacement programme.

Certain little-used non-public corridors now operate on half lighting at times and car park and atrium lighting is computer controlled, taking into account measured natural light levels.

Recommendations with financial outlay were considered on their merits. The brief for refurbishments and developments requires energy saving options to be included, as evidenced by the introduction of percussive taps and simplified ventilation for the proposed toilet refurbishment project.

### *USA*

In the USA, photocells and timers are used in the common area lighting of the retail properties to limit excessive energy use, and all the office properties have now received lighting retrofits. In some office buildings, window film has been installed to reduce the demand for cooling during the summer.

2



3



## Shopping centre audits

In 2002 we commissioned an independent environmental audit of The Potteries Shopping Centre and reported extracts of the results in last year's CSR Report.

During 2003 the remaining eight centres were audited and we widened the scope of the audit to include other CSR aspects. Casella Stanger conducted the audits in two stages – a comprehensive questionnaire which was followed by a visit and staff interviews. The scope included a review of shopping centre operation against the published CSR strategy and objectives, with a review of operational controls and legislative compliance. The audit produced recommendations and identified many examples of good practice. Following consultation with our shopping centre managers, we selected the following initiatives to be implemented in all centres:

1. Standardise the system of recording retailer contact, ensuring that a member of the management team visits each occupier on a regular basis.
2. Enhance the local public transport information available in the shopping centres and facilitate the display of real-time information where it is made available to us and feasible to do so.
3. Introduce a formal system to measure the amounts of waste that we handle, recording the amounts recycled and identifying the ultimate destination of the residue.
4. Standardise the content and format of the Retailer Handbook across all centres, building on the good practice identified in the audit.
5. Formalise the quarterly reporting of key indicators.

## Energy and water

This year we reviewed our usage of energy and water and have introduced more formal methods of collecting and reporting data. These are not yet fully evaluated, but we are confident they will provide the basis for improved monitoring and management of resources consumed in the future. Our strategy is to review each centre individually and identify how consumption can be reduced through proactive management.

The review underlined the difficulty of making meaningful comparisons of consumption between different centres. Each centre has its own characteristics and normalisation of data is extremely difficult to achieve reliably. For example:

- The age, footprint and method of construction differ greatly.
- Opening hours differ significantly.
- Energy and water as currently metered does not allow for meaningful comparison.
- Centres have a differing mix of surface and multi-storey car parks.
- Some centres provide condenser water to retailers.
- Some centres supply energy and water to other users.

At four of our centres, there are outstanding issues with water supply companies and we are unable to provide actual water consumption data. Consequently we are reporting on energy data for all nine centres and water data for five centres.

**104m kWh**  
**39,995 tonnes**  
**of CO<sub>2</sub>**

Electricity and gas consumption –  
in nine UK shopping centres

**130,000m<sup>3</sup>**

Water consumption –  
five UK shopping centres

**Carbon Trust**

Energy consumption and associated carbon emissions are key issues and we have been looking at ways to reduce our use of natural resources. CSC has now signed a Partnership Agreement with the government organisation, the Carbon Trust, under which we will work together on an agreed action plan to reduce carbon emissions. The Carbon Trust will provide substantial free energy consultancy to CSC, from surveys to training, for up to three years. CSC will cooperate with Carbon Trust in carrying out the activities under the action plan and implement the recommended measures that are compatible with CSC's operational and business constraints. We shall be reporting in future years on the progress of the partnership, the measures taken and the results of implementing the recommendations.



**Waste**

Our occupiers and visitors generate the vast majority of the waste that we handle at the shopping centres. Whilst we cannot control directly the volume or type of waste, our stated aim is to increase the proportion that is recycled and to reduce the amount going to landfill.

Each centre has its own waste profile and, historically, the availability of a local market has been a significant factor in deciding whether or not to recycle specific types of waste. During 2003 we have encouraged our teams to adopt a more proactive approach to recycling and to collect and record data in order to measure progress towards our aim.

The shopping centre audits identified good practice at several centres. We have tasked an internal team with reviewing how waste is handled at each centre and how the management and diversity of materials recycled at Braehead could be adopted at other centres. Its recommendations will be reviewed during 2004.

- 1, 2, 3, 4 Recycling waste at Braehead
- 5 MetroCentre public transport guide.

**At nine UK shopping centres**

**15,000**

tonnes of waste handled

**18%**

recycled

**41%**

incinerated for energy

**6%**

incinerated

**35%**

sent to landfill



## Transport

The provision of a comprehensive range of transport options is a key element of our approach at all our major properties. We work with local transport operators, local authorities and the Government to identify opportunities for further improving public transport to our shopping centres. At MetroCentre, we have employed a Sustainable Travel Co-ordinator to identify new initiatives, and the resulting best practice will be rolled out to the other centres where appropriate. We recognise, however, that we can have only an indirect influence on the travel decisions of the shoppers and retailer staff at our centres.

During the year, a travel survey undertaken to understand the travel patterns of our staff, showed that over 50 per cent use public transport. This research is discussed in more detail on page 19.

The table below shows customer travel patterns and the extensive range of public transport options available at the UK shopping centres.

## Sustainable Travel

In the first quarter of 2003 we recruited a Sustainable Travel Co-ordinator based at MetroCentre. Although the brief focuses on MetroCentre, we aim to apply the knowledge and experience gained from this initiative at our other UK Shopping Centres.

Our Sustainable Travel Co-ordinator has established close working relationships with key authorities and transport providers. In addition, having a full-time person devoted to the role has helped to ensure that public transport is promoted in centre publications and has raised the profile of public transport through these key achievements:

- The MetroCentre Public Transport Guide was published in November 2003 and has been distributed to all CSC and contract staff at MetroCentre. Copies have been supplied to retailers, who have been asked to distribute it to all existing and prospective employees. It is available at Customer Services Desks, at the MetroCentre Travel Centre and at all travel centres throughout the region. The Guide will be updated at regular intervals and will eventually form part of a travel information pack to be produced for retailers. There will be a copy on the website and on posters displayed around the Centre.

- We arranged with local bus companies to provide free weekday evening shuttle bus services between Gateshead, Newcastle city centre and MetroCentre during November and December 2003. An estimated 76,000 people used this service.
- We negotiated and promoted additional late night buses for staff during the 10 till 10 Christmas shopping period, and for the provision of a bus service to and from the centre on Boxing Day.

During 2004 we shall build on the achievements of 2003, be involved in the refurbishment of the MetroCentre railway station, continue to liaise with the Bus Station manager during the rebuilding works and provide input for Tyne and Wear's 20-year transport plan.



## Transport links to our UK shopping centres

	Lakeside	MetroCentre	Braehead	Harlequin	The Glades	The Chimes	Eldon Square	Victoria Centre	The Potteries
Shoppers not using cars***	17%	23%	19%	23%	46%	31%	74%	62%	26%
Bus station	✓	✓	✓				✓	✓	
Bus stops				✓	✓	✓	✓	✓	✓
Number of buses per year*	130,000	333,000	213,000	167,000	270,000	91,000	239,000	257,000	159,000
Coach park	✓	✓	✓						
Coach visits per year	1,350	4,800	600					50	360
Railway station within 10 minutes	On site	On site		✓	✓	✓	✓	✓	
Number of trains per year*	27,000	32,000		11,000	95,000	53,000	169,000	88,800	
Taxi rank	✓		✓	✓	✓	✓	✓	✓	✓
Cycle parking	✓	✓	✓	✓	✓	✓	✓	✓	✓
Other transport			River bus						
Car visits per year**	7,987,000	6,840,000	n/a	3,341,000	1,489,000	1,615,000	656,000	1,462,000	944,000

\*Estimate \*\*Centre car parks \*\*\*Figures from customer surveys n/a Figure not available.

# The importance of people

- 1** Stuart Huggan – Braehead. Scottish Security Association, winner of Security Officer of the Year.
- 2** Customer Service desk at The Glades.

## Workplace

Our employees are central to the successful development and delivery of high-quality services for our shoppers and occupiers. Throughout the group, team working and employee involvement are actively encouraged. We firmly believe that full participation at all levels enables our employees to identify with our business culture and strategy. Having a flexible framework and systems for employee-related issues is essential to achieve all these objectives and to attract and retain excellent staff and recognise their value.

During 2003 we further formalised our approach by developing our policy “The Importance of People” which embodies our approach to staff throughout the group. The full policy is set out on page 25.

The Importance of People policy brings together our key objectives on staff and how we aim to achieve these objectives. We value our reputation and our Business Code of Practice is the overarching policy that sets out our approach to ethics and, together with comprehensive human resources sub-policies, establishes the framework for the high standards of behaviour and values we expect from our employees.

The development and implementation of these human resources policies is overseen by our Chief Executive.

We operate a non-discriminatory employment policy, and full and fair consideration is given to applications for employment from all parts of society. We believe that to get the best staff we need to recruit from the widest pool of applicants, and that our workforce should reflect the rich diversity of our local communities and customers.

We ensure that, as part of the recruitment process, the right staff with the right qualifications and experience are in place to deliver the required business outcomes. We provide a range of staff benefits, including life insurance, pension benefits and bonuses. 62 per cent of eligible staff currently participate in pensions arrangements (82 per cent of eligible management). The retention rate of our management staff this year is over 95 per cent and 71 per cent across all employees.

### Related policies

The Importance of People

#### Sub-policies:

- Adoption leave
- Data protection
- Discipline
- Equal opportunities
- Gifts
- Grievance
- Maternity
- Parental leave
- Paternity leave
- Time off for dependants
- Use of internet, world wide web and email
- Whistleblowing
- Working time

**802**  
Average staff number  
(UK 99% US 1%)

**83%**  
Full-time

**13%**  
Part-time

**4%**  
Casual

#### Pension scheme membership:

**82%**  
of eligible management

**62%**  
of eligible employees

#### Staff retention: over

**95%**  
of management

**71%**  
of all employees

#### Female employees:

**30%**  
of management

**39%**  
of all employees

1



**Travel survey**

In the UK, we offer staff interest-free season ticket loans to encourage the use of public transport. In California, we participate in a national public transit subsidy through the purchase of corporate commuter cheques.

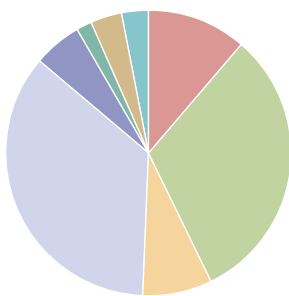
In 2003, we carried out a travel survey in the UK to find out more about how our staff travel to and within work. Questionnaires were sent to every employee asking about their journey to work, and their attitudes to other possible forms of transport. Subcontracted employees were also included in this survey.

From this survey, we have established that, across the country, over 50 per cent of our staff travel to work by public transport, some 40 per cent travel by car, with the remainder travelling by motorbike, bicycle etc.

The associated carbon dioxide emissions equated to just over 1 tonne per employee per year.

This survey has provided us with useful information on travel patterns, not only at group level but also at our individual shopping centres. During the coming year, we will be reviewing the data to decide whether any local initiatives can be introduced to make staff travel easier, and better for the environment by reducing total carbon dioxide emissions.

More than **50%** of staff travel by public transport



**2003 Employee commuting**

- Bus 11%
- Rail 32%
- Tube 8%
- Car 35%
- Car as passenger 5%
- Cycle 2%
- Motorcycle 4%
- Other (walk, river bus) 3%

**Induction**

An induction process ensures that new staff are provided with an appropriate and comprehensive induction so that they understand the aims and objectives of our business and the importance we place on business ethics, Health & Safety, CSR and customer service.

Staff employed at our properties are provided with a comprehensive Employee Handbook on joining the company. The Employee Handbook provides complete information relating to company benefits, policies, procedures and Codes of Conduct, with an appropriate induction carried out by local senior staff and team leaders.

**Training**

Property management and development is a demanding business, requiring people with appropriate skills, knowledge and experience.

During 2003, we have continued to organise training course programmes for our employees, based on training needs identified between employees and their managers during an annual employee review. Training is also in place for practical "on the job" skills such as First Aid, and for personal and professional development and long-term support to develop employees' skills. Regular courses are also provided to ensure that staff are fully trained as appropriate on issues such as conducting appraisals, dealing with disputes and grievances, workplace discrimination and countering terrorism. Some 1,189 days' training were provided during the year.

Health & Safety training has been undertaken for all property services employees connected with our office portfolio. This includes Induction Safety Training, Specific Needs Training, Appointed Person First Aid Training, as well as the two-day Working Safety Training Course passed by examination and accredited by the Institute of Occupational Safety and Health, IOSH. It is proposed that during the coming year, training will be focussed on the Disability Discrimination Act. This will provide further understanding of DDA requirements, together with more practical knowledge of how to welcome and manage persons with disabilities at our office properties.

**Charitable support**

In addition to donations at corporate and shopping centre level, we have supported the Government's initiative by actively promoting "Give As You Earn" to all employees. By making charitable donations through this tax-efficient scheme, an employee's chosen charities benefit not only from an increased sum but also from the additional 10 per cent contribution made by the Government. Information has been provided to staff through emails and the distribution of leaflets with payslips. We have increased our membership numbers steadily throughout the year, and aim to continue to grow the membership in 2004 by continuing to promote the scheme to existing and new employees.



## Health & Safety

The health and safety (H&S) of our employees, occupiers and shoppers is paramount to our business and we are committed to delivering high health and safety standards across all aspects of our operations. As a minimum, we comply with all relevant legislation and our performance is monitored by external advisors, National Britannia.

Our H&S policy is implemented through a H&S management system, which promotes a strong culture of safety-consciousness across the organisation. The structure is summarised on page 5.

Each H&S Committee is chaired by an Executive Director, with representatives from various disciplines and levels of the business. The role of the Committees is to review updates of new legislation, oversee H&S progress and review a full accident report. In addition, each shopping centre has its own H&S Forum.

Liberty International has a top-level commitment to H&S. Issues relating to H&S, including data and the response to accidents involving employees or third parties, are reported to the Board, and H&S is regularly reassessed as part of its risk management review.

## Performance

We keep detailed records of any accidents, as required by legislation. During 2003, we recorded 24 reportable accidents among our 175 million customer visits and seven reportable accidents among our 802 staff. (2002: 54 and nine). The continuing low level of these figures is encouraging and we will continue to strive to improve these statistics.

## Responding to new legislation

We are aware of several legislative changes that lie ahead, but two have particular significance for our business, the Control of Asbestos at Work Regulations and the Disability Discrimination Act. We have been clarifying our responsibilities under the Regulations and Act and working towards compliance for some time. We are confident of meeting the requirements by the due dates.

In respect of our responsibilities under the Control of Asbestos at Work Regulations, we set out in 2002 to assess and survey all of our UK properties. During 2003, we completed the audit of our multi-let office portfolio and the older shopping centre properties. We plan to complete audits of the remaining shopping centres in the first quarter of 2004.

The Disability Discrimination Act is being implemented in phases and we have been working diligently to be compliant with the Act. We have now completed an audit of our shopping centres and multi-let office portfolio.

To date no major works have been necessary, and a programme is underway to address the recommendations that have emerged from these audits.

## Relevant policy

### Health & Safety

## British Safety Council Sword of Honour: MetroCentre

The British Safety Council (BSC) is one of the leading bodies promoting Health & Safety by training all industries and lobbying Government to improve legislation. Organisations who obtain five stars in the BSC audit (usually above a 90 per cent rating over the full spectrum of management procedures) are eligible to receive the Sword of Honour, the highest accolade the BSC can bestow. This year, MetroCentre was one of only 38 organisations to be awarded a Sword of Honour, the second time it has won the Award.



# Providing a high quality service

## Awards

The UK Shopping Centre Management teams are responsible for all aspects of the operation of the centres and provide a wide range of customer services. Regular feedback is gathered from shoppers and is used both to ensure that we are meeting their expectations and to inform our future plans.



During the year, we have received a variety of awards from many independent bodies, reflecting the determination of our staff to maintain high standards of customer service and care.

### Operations

*Kimberly Clark Golden Service Award* (the Oscars of the cleaning industry)  
 Category winner: Braehead,  
 Runner-up: The Glades.

At both centres, cleaning is contracted out to GBM.

*BOMA, San Francisco*  
 Commercial Office Recycling Award:  
 Ghiradelli Square – honorable mention

### Customer Service

*Loo of the Year Awards*  
 Best overall retail facility: Braehead  
 5 star Loo of the Year: Braehead  
 Loo Attendant of the Year: Braehead team  
 Loo of the year – England: Lakeside

### Marketing

*British Council of Shopping Centres*  
 Purple Apple Award for Marketing:  
 The Potteries  
*BBC Midlands Today Grotto of the Year:*  
 The Potteries



### Security and Health & Safety

*Association of Chief Police Officers*  
 Secured Car Park Award:  
 Braehead  
 The Chimes  
 The Glades  
 The Harlequin  
 Lakeside  
 The Potteries  
 Victoria Centre

*Scottish Security Association*  
 Security Officer of the Year:  
 Stuart Huggan – Braehead

*British Safety Council*  
 Sword of Honour: MetroCentre

*Northumbria Police*  
 Partner of the Year: MetroCentre

*British Retail Consortium*  
 Safe Shopper Award: MetroCentre



## Corporate policies

### Business Code of Practice

Liberty International, through Capital Shopping Centres, is the leading owner and manager of regional shopping centres in the UK. In addition, the company owns, through Capital & Counties, a portfolio of high-quality commercial and retail property in the UK and USA.

All the parties with whom we have dealings – our employees, shareholders, investment partners, local authorities where we have property interests, retailers and other occupiers, suppliers and the general public – should feel confident that Liberty International is a company they can trust. As a FTSE-100 company, we value our reputation, not least as a vital component of long-term success.

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

We produce an annual report on Corporate Social Responsibility ("CSR") stewardship for shareholders and other stakeholders. Its content demonstrates that we take CSR seriously. We have a long history of a

responsible and forward-looking approach to sustainability and, throughout the group, we actively promote business practices that protect the environment. Within our Human Resources policy, we provide induction and training courses for our employees covering, inter alia, environmental issues, customer relations and Health & Safety.

Liberty International operates in a way that recognises the important role that its properties play in local communities, and we provide members of the public who visit our shopping centres with a safe, healthy and comfortable environment and the widest choice of retailers and amenities. Where terms are appropriate, we look to procure goods and services from local suppliers, and our policy is that payments are made promptly in accordance with the conditions of the relevant contract.

Our core business activities constantly involve us with the public sector in many forms and, in particular, with local authorities of all political persuasions. As a matter of policy, we do not contribute directly to political parties.

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

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



## CSR policy

Liberty International is a major FTSE-100 property group owning Capital Shopping Centres, the UK's leading shopping centre business, and Capital & Counties, a commercial and retail property investment and development company. We are focussed on providing high standards of service to our shoppers and occupiers.

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

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

In our dealings with customers – shoppers and occupiers – our policy is to provide high standards of service and safe environments in which to shop and work. We are committed to comply with employment laws and to maintain a clean, safe and healthy working environment that provides appropriate benefits, training and personal development. We recognise equal opportunities and encourage an open culture and the involvement of all employees.

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

## Introduction to supporting policies

The following policies form part of our overall policy on Corporate Social Responsibility. The company strives continuously to improve its performance. Management systems and procedures are regularly reviewed to ensure that the company maintains its commitment to these policies.

## Environmental policy

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

In support of this, we are committed to:

- Maintaining high standards in respect of environmental matters.
- Meeting the needs of occupiers and shoppers.
- Integrating the concept of sustainability into our business.
- Applying best practice in the design, construction and management of buildings and their surroundings.
- Complying with all legal requirements.
- and where practical or relevant to the varying requirements of our business, we
- Take account, through consultation, of the needs and aspirations of local communities and other stakeholders.
- Seek to reduce the company's consumption of energy and water in our multi-let properties to appropriate levels commensurate with the operational needs of the business and the requirements of occupiers.
- Help to reduce waste generation at our multi-let properties and increase the proportion recycled.
- Ensure occupiers and shoppers have efficient access to our properties and a practical choice of transport.
- Act as a 'good neighbour' and ensure that noise, nuisance and site-generated traffic are minimised.
- Seek to develop on brownfield land, thereby helping to revive the economic vitality of the area.
- Work with all stakeholders, be they employees, suppliers, retailers, investors or the local community, to improve environmental performance.

As an aid towards meeting these objectives we have provided our employees and consultants with an 'Environmental Guide' covering all aspects of our business.

In line with our Business Code of Practice we provide induction and training courses for our employees covering CSR-related matters.

## Communication – Stakeholder engagement policy

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

In support of this, we:

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

## Community relations

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

Our policy is to:

- Work closely with local, county and regional authorities and other stakeholders at our existing shopping centres.
- Identify and respond to the needs of the local community when building new developments.
- Promote and participate in town centre management initiatives.
- Help the local community benefit from new employment opportunities at our shopping centres.
- Support relevant training and education initiatives through our shopping centre operations.
- Provide support to local organisations and charities.
- Support local suppliers wherever possible.

## Policy towards occupiers

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

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

In support of this, we:

- Provide the consistent high standards of accommodation and facilities that the occupiers of our retail and office space expect.
- Provide safe and healthy working environments.
- Maintain high standards of service.
- Work to encourage the provision of appropriate public transport at our properties.
- Communicate our CSR strategy to occupiers.

## Approach to shoppers

The customers who visit our shopping centres are major stakeholders in our business. We aim to ensure that the centres are clean, safe, healthy, properly equipped and to provide an attractive and high quality retail environment. Although our ability to influence shoppers' decision-making is indirect, we seek to identify opportunities to interact with shoppers on a range of issues.

In support of this, we:

- Provide a comprehensive range of services and facilities for our shoppers.
- Maintain high standards of customer service.
- Provide a safe and healthy environment.
- Work to ensure that comprehensive public transport options are available at each shopping centre.
- Carry out market research to monitor shopper needs.
- Communicate our CSR strategy to shoppers.

**1** Uxbridge High Street, where flats and shops form part of The Chimes Shopping Centre.

**2** The fish tank at Victoria Centre Nottingham is a great attraction.

**3** Prime retail and offices in Kensington High Street.

**4** The developing Transport Interchange at MetroCentre.



## The Importance of People

Our employees are central to the successful delivery of high quality services to our shoppers and occupiers. We aim to provide our employees with a stimulating, fair and challenging environment in which to work. Team working and employee involvement are actively encouraged, as we believe firmly that full participation at all levels of the organisation enables our employees to identify with Liberty International's business strategies and culture.

We do this by:

- Attracting, developing and retaining excellent people, recognising their value and rewarding them accordingly.
- Providing benefits to employees that include life insurance, pensions and bonuses.
- Providing a safe and healthy environment in which to work.
- Providing a comprehensive induction process to ensure all employees understand the aims and aspirations of our business and the importance we place on business ethics, Health & Safety, Corporate Social Responsibility and customer service.
- Providing, through the employee review process, appropriate learning and training opportunities to up-date and develop our employees' skills in, and knowledge of, the various aspects of our business.
- Continuing to seek the views of our employees and use these to help shape our business and its activities.
- Recognising that our employees must manage effectively the "work – life balance".

- Providing detailed sub-policies on key Human Resources issues that cover the following:

Adoption leave  
Data protection  
Disciplinary  
Equal opportunities  
Gifts (including benefits in kind)  
Grievance  
Maternity  
Parental leave  
Paternity leave  
Time off for dependants  
Use of internet, world wide web and email  
Whistleblowing  
Working time

In addition, we regard our Business Code of Practice as fundamental to the operation of our business.

### Group Health & Safety policy

We acknowledge and accept our statutory responsibilities for securing the health, safety and welfare for all users of our buildings and expect to adhere to this principle by adopting best practice within the framework and spirit of the Health & Safety at Work Act 1974.

We provide and maintain safe and healthy working conditions for all our employees ensuring that appropriate training is provided and that proper arrangements are in place for the welfare of staff at work. Detailed procedures are provided to individual members of staff relative to their duties.

We set out strict regulations governing the scope and working practices of contractors appointed to carry out maintenance work on our premises.

Our occupiers are responsible for Health & Safety within their demised areas, but we maintain a clean, safe and secure environment in the common areas for the benefit of both occupiers and visitors alike.

We are rigorous in maintaining high standards of Health & Safety in our shopping centres and are committed to reducing accidents to the minimum consistent with the high volume of the public who visit our centres.

In support of the above, we will ensure that:

- Adequate resources are directed to health and safety matters.
- Risk assessments are carried out.
- Independent annual audits are conducted where appropriate.
- Systems of work recognise best practice.
- Contractors and visitors are made aware of the procedures and rules in place to safeguard Health & Safety.
- Plant and machinery can be operated safely without risk to health.

The group's Health & Safety policies are implemented through a H&S management system which aims to promote a strong culture of safety-consciousness across the organisation.

Detailed Health & Safety procedures are managed separately by Capital Shopping Centres in respect of the group's UK shopping centre portfolio, by Capital & Counties for the UK commercial and retail portfolio and the USA operations, and by Liberty International in respect of employees at 40 Broadway, London.

Issues relating to Health & Safety, including data and responses to accidents involving employees or third parties, are reported to the Board. Health & Safety is regularly reassessed by the Board, as part of its risk management review.

# In line with best practice

## Performance indicators

All indicators are Global Reporting Initiative (GRI) core indicators unless stated otherwise and, where appropriate, cross reference to other CSR indicators is shown (such as those from BiTC, FTSE4good)

GRI Reference

<b>Economic Performance</b>		
<b>Direct Economic Impacts: Customers</b>		
<b>EC1</b>	• Turnover	£362.1 million
	• EBITDA	£253.9 million
<b>EC2</b>	• Breakdown of markets by turnover	93% UK; 7% USA
<b>Direct Economic Impacts: Suppliers</b>		
<b>EC4</b>	• % contracts paid in accordance with agreed terms	100%
<b>Direct Economic Impacts: Employees</b>		
<b>EC5</b>	• Total payroll	£29.3 million
<b>Direct Economic Impacts: Capital</b>		
	• Total value of gross assets	£5.2 billion
<b>EC7</b>	• Increase in earnings per share before exceptionals	7.3%
<b>EC6</b>	• Breakdown of capital	see Annual Report page 75
<b>Direct Economic Impacts: Public Sector</b>		
<b>EC8</b>	• Total sum of taxes paid	£24.2 million
<b>EC10</b>	• Donations made (including community support)	£474,400

GRI Reference

<b>Environmental Performance</b>		
<b>Environmental: Energy* (also BiTC, FTSE4good indicator)</b>		
<b>EN3</b>	• Direct energy use	104 million kWh
	• Associated carbon dioxide emissions from direct energy use	39,995 tonnes
<b>Environmental: Water* (also BiTC, FTSE4good indicator)</b>		
<b>EN5</b>	• Total water use (five centres)	130,000m <sup>3</sup>
<b>Environmental: Waste* (BiTC, FTSE4good indicator)</b>		
	• Total waste handled	15,000 tonnes
	• Breakdown of waste disposal routes	18% recycled; 41% energy from waste; 6% incinerated; 35% landfill
<b>Environmental: Biodiversity (BiTC, FTSE4good indicator)</b>		
<i>Additional Indicators</i>		
<b>EN6</b>	• Location, size of land owned, leased, managed in biodiversity rich habitats	None
<b>EN25</b>	• Impacts of activities and operations on protected/sensitive sites	None
<b>Environmental: Compliance (also BiTC, FTSE4good indicator)</b>		
<b>EN16</b>	• Incidents of and fines for non-compliance with all environmental legislation	None

\*Data refers to CSC only

## GRI Reference

**Environmental Performance continued**

<b>EN34</b>	<b>Environmental: Transport (also BiTC, FTSE4good indicator)</b> <i>Additional Indicators</i>	
	<ul style="list-style-type: none"> <li>Significant environmental impacts of transport: associated carbon dioxide of travel to and within work</li> </ul>	1,758 tonnes
	<ul style="list-style-type: none"> <li>Breakdown of travel to shopping centres by shoppers</li> </ul>	see page 17
	<b>Environmental: Brownfield (BiTC indicator)</b>	
	<ul style="list-style-type: none"> <li>% of land developed on brownfield</li> </ul>	100%

## GRI Reference

**Social Performance****Social, Labour Practices and Decent Work: Employment***Core Indicators*

<b>LA1</b>	<ul style="list-style-type: none"> <li>Breakdown of workforce</li> </ul>	802 employees (99% UK; 1% USA) 83% full time; 13% part time; 4% casual
	<i>Additional Indicators</i>	
<b>LA12</b>	<ul style="list-style-type: none"> <li>Local employment used</li> <li>Employee benefits – eligible employees pension scheme membership</li> </ul>	All 62% (82% management)

**Social, Labour Practices and Decent Work: Health & Safety**

<b>LA5</b>	<ul style="list-style-type: none"> <li>Practices on recording and notification of occupational accidents and diseases</li> </ul>	See page 20
<b>LA6</b>	<ul style="list-style-type: none"> <li>Description of formal joint H&amp;S Committee comprising management and workforce and proportion of workforce covered by such committees</li> </ul>	See page 20
<b>LA7</b>	<ul style="list-style-type: none"> <li>H&amp;S performance</li> </ul>	7 RIDDOR per 802 employees

**Social, Labour Practices and Decent Work: Training and Education**

<b>LA9</b>	<ul style="list-style-type: none"> <li>Average hours/days of training per year per employee</li> </ul>	1,189 days of training provided to employees
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**Social, Labour Practices and Decent Work: Diversity and Opportunity (also BiTC indicator)**

<b>LA10</b>	<ul style="list-style-type: none"> <li>Description of equal opportunity policies and monitoring systems to ensure compliance and results</li> </ul>	See page 18
<b>LA11</b>	<ul style="list-style-type: none"> <li>Composition of senior management, including male/female ratio</li> </ul>	30% female employees in management; 39% female employees overall

**Social, Society: Community***Core Indicators*

<b>SO2</b>	<ul style="list-style-type: none"> <li>Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures to address issues including results of monitoring</li> </ul>	See pages 8–11
	<i>Additional Indicators</i>	
<b>SO4</b>	<ul style="list-style-type: none"> <li>Awards received relevant to social, ethical and environmental performance</li> </ul>	See page 21

**Social, Society: Political Contribution***Core Indicators*

<b>SO3</b>	<ul style="list-style-type: none"> <li>Description of policy/procedures and mechanisms for managing political lobbying and contributions</li> </ul>	Policy is to make no political contributions
	<i>Additional Indicators</i>	
<b>SO5</b>	<ul style="list-style-type: none"> <li>Amount of money paid to political parties</li> </ul>	None

**Social, Product Responsibility: Customer Health & Safety***Core Indicators*

<b>PR1</b>	<ul style="list-style-type: none"> <li>Description of policy for preserving customer H&amp;S during use of services and how this is applied and results of any monitoring</li> </ul>	See page 20
	<i>Additional Indicator</i>	
<b>PR4</b>	<ul style="list-style-type: none"> <li>H&amp;S performance for shoppers*</li> </ul>	24 RIDDOR per 175 million customer visits
<b>PR5</b>	<ul style="list-style-type: none"> <li>Number of complaints upheld by H&amp;S regulatory bodies</li> </ul>	None

\*Data refers to CSC only

## EXTERNAL ASSURANCE STATEMENT

### Objectives

Casella Stanger has been commissioned by Liberty International PLC to provide an external assurance statement of the information presented within this Corporate Social Responsibility (CSR) Report 2003. The overall aim of the assurance statement is to provide confidence to Liberty International's stakeholders that the information and data provided in the Report is accurate, reliable and objective. In providing this assurance statement we have reviewed Liberty International's progress against CSR best practice – such as the Global Reporting Initiative, the Association of British Insurers, the Institute of Social and Ethical Accountability Standard AA1000 – and provided recommendations.

### Responsibilities of the assurance provider – Casella Stanger

Our obligation is to the stakeholders and readers of the Report to provide assurance that the information and data contained within the Report is accurate, reliable and objective. Casella Stanger is Liberty International's external CSR advisor providing key support on developing their CSR strategy. In the preparation of this Report, Casella Stanger advised Liberty International about the structure of the Report, its content and alignment with best practice. We were not involved in the preparation of any of the text included in this Report and Casella Stanger has assured data (as defined in the Scope below) through a separate CSR audit process earlier in 2003.

### Scope of the assurance

The scope was limited to reviewing and assuring the statements made within the Report. We have also assured the processes for collecting CSR related data through a separate CSR audit (see Methodology Section below).

The assurance process does not include the economic data and information, company profile information and any information relating to Liberty International's non-UK business activities.

### Methodology

Earlier in 2003, Casella Stanger undertook a CSR audit of all of Liberty International's shopping centres that represent over 80 per cent of the UK investment portfolio. The audit covered all of the objectives of Liberty International's CSR strategy. This audit involved the completion of a questionnaire by the shopping centre managers, which was then substantiated through a series of interviews and interrogation of data with CSC staff and external sources where appropriate.

For the statements within this Report, Casella Stanger has reviewed the Report and provided feedback and recommendations on the detail of the statements, their scope and accurateness.

### Opinion and recommendations

We continue to be impressed that Liberty International undertakes CSR related initiatives as part of its normal business activities e.g. in relation to urban regeneration, job creation, use of brownfield land and community activities. The information and data that was collected and reviewed as part of Casella Stanger's CSR audit process substantiate this.

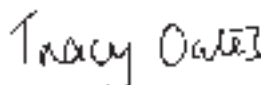
Over the year since Casella Stanger has been working with Liberty International, effective governance and data collection processes have been put in place that will enable the CSR strategy to continue to be implemented and be in line with best practice.

Detailed recommendations for each shopping centre and on taking forward the Group's CSR strategy have been provided to Liberty International following the CSR audits. Casella Stanger has also reviewed the action programme that Liberty International has put in place to address the recommendations.

An overall recommendation is that Liberty International should continue to formalise its CSR systems and data to ensure that information collected is not only robust but that Liberty International gains the benefits from its CSR strategy.



**Ken Smith**  
Director  
Casella Stanger



**Tracy Oates**  
Principal Consultant  
Casella Stanger

## Glossary

**Association of British Insurers (ABI)** An industry association which explores public policy and other issues relevant to the insurance industry. The ABI has published guidelines on implementing CSR.

**Association of Chief Police Officers** Assists chief police officers to provide excellence in the leadership of the service; ensure a professional and ethical service is delivered to all communities; and provide professional advice to Government, police authorities, and other appropriate organisations and individuals.

**Biodiversity** Short for biological diversity, means the diversity of species, the diversity of the habitats in which they live, and genetic diversity within species.

**Building Owners and Managers Association (BOMA)** A commercial real estate industry association. It provides information on office building development, leasing, building operating costs, energy consumption patterns, local and national building codes, legislation, occupancy statistics and technological developments.

**BREEAM** Building Research Establishment's Environmental Assessment Method. This is used to assess the environmental performance of both new and existing buildings. It is regarded by the UK's construction and property sectors as the measure of best practice in environmental design and management.

**British Council of Shopping Centres** An organisation for those involved in shopping centre development and management. It produces a range of technical guidance and position papers.

**Brownfield land** Land that has previously been used for development.

**Business in the Environment (BiE)** This is a UK charity whose aim is to inspire businesses to work towards environmentally sustainable development as a strategic, mainstream business issue. The organisation publishes an Annual Index of Corporate Environmental Engagement and Corporate Responsibility which benchmarks FTSE 350 companies on their performance in these areas.

**Business in the Community (BiTC)** This is a UK charity whose aim is to inspire, challenge, engage and support business in continually improving its positive impact on society.

**Bye-law** A rule made by a local authority to regulate its own affairs.

**The Carbon Trust** Launched in April 2001, this Government body works with businesses and the public sector to meet the UK's ongoing targets for carbon dioxide emissions; to improve the competitiveness of UK business through resource efficiency; and support the development of a UK industry sector that capitalises on low carbon technologies.

**Community Beat Managers** Special officers put in place by the local police authority to work with the local community to improve community policing.

**Corporate Social Responsibility (CSR)** This concept considers many aspects of a company's performance and risks associated with issues such as employment, environment, human rights, communities and business relationships and is a corporate's response to the sustainable development agenda.

**Crimestoppers** An independent charity which helps to prevent and solve crimes. The scheme allows individuals to give information about crimes that affect themselves and their community.

**DEFRA** The UK Government Department for Environment, Food and Rural Affairs.

**Disability Discrimination Act (DDA)** An Act of Parliament put in place in 1995 which enforces the rights of and prevents the discrimination against disabled people in areas of employment, access to goods, facilities and services and property.

**EIRIS** The Ethical Investment Research Service provides the independent research into corporate behaviour required by ethical investors to enable them to make informed and responsible investment decisions.

**Environment Agency (EA)** The Environment Agency in England and Wales (Scottish Environmental Protection Agency (SEPA) in Scotland) is responsible for regulating all aspects of the environment including water, air and waste pollution.

**FTSE4Good** FTSE4Good indices (part of the FTSE set of indices) have been designed to measure the performance of companies that meet corporate responsibility standards to facilitate investment in those companies.

**Give As You Earn** The UK's largest payroll giving scheme administered by the Charities Aid Foundation. Enables any employee paid under PAYE to donate to any charitable organisation in the UK (including places of worship).

**Global Reporting Initiative (GRI)** An international process whose mission is to develop and disseminate globally applicable sustainability reporting guidelines for voluntary use by organisations for reporting the economic, environmental and social dimensions of their activities.

**Governance** The management processes and systems that determine how decisions are made and a company is managed.

**ISO 14001** An international standard on Environmental Management intended to assist organisations to achieve environmental and economic goals.

**Retailer Handbook** Reference book provided to each shopping centre retailer containing information on shopfitting procedures and the operation of the shopping centre

**RIDDOR** Reporting of Injuries, Diseases and Dangerous Occurrences from the 1995 Regulations. These Regulations require an employer to report certain dangerous events to the appropriate enforcement body. Such events include fatalities, major injuries, injuries where employees are away from work over three days and a wide range of occupational diseases as well as an extensive list of other defined dangerous events.

**Scottish Enterprise** Scotland's main economic development agency, funded by the Scottish Executive.

**Scottish Security Association** Regulates and licenses the private security industry in Scotland.

**Shareholders** Individuals and organisations that own shares in Liberty International.

**Shoppers and Occupiers** Our customers – the tenants of our office, retail and shopping centres and their employees and visitors to our premises or those of our tenants.

**Stakeholders** Any person who is affected by, or has an effect upon an organisation. A stakeholder is also a person who perceives an effect as a result of an organisation's activities.

**Sustainability/Sustainable Development** Integrating economic, social and environmental policies to ensure a better quality of life for everyone, now and for generations to come.

**Sword of Honour** One of the top awards in safety. The Sword of Honour recognises organisations that implement safety systems that protect people, plant, equipment and the environment and increase productivity and profitability.

**Whistleblowing** Disclosing information about malpractice where the disclosure is in the public interest.

**We would welcome your feedback on this report.**

**Please send your comments to Margaret Harwood at Liberty International PLC, 40 Broadway, London SW1H 0BT, telephone 020 7960 1200, or email [margaret-harwood@lib-int.com](mailto:margaret-harwood@lib-int.com)**

**This report is also available as a pdf file on the Liberty International website [www.liberty-international.co.uk](http://www.liberty-international.co.uk)**



Members of the Liberty International Group

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