

SUSTAINABILITY CHARTER

BCSC
SHAPING RETAIL PROPERTY

This Charter outlines the **core commitments** that managers of shopping centres and managed retail properties can make to address their **sustainability impacts**. It covers 4 key issues:

- **Energy** (and climate change)
- **Waste**
- **Community**
- **Water**

While sustainability covers a much wider set of issues, these four are chosen due to their significance, and the need to make the Charter immediately relevant and accessible to all BCSC members, including those for whom sustainability is still a relatively new concept. The Charter is primarily for the **managers** of managed retail properties, so the measurements and suggested actions relate most closely to the operation of existing buildings. However, **owners** and **occupiers** have a crucial role in moving the built environment (as well as their other business activities) towards greater sustainability. Therefore, the issue of sustainability needs to be addressed in other property activities, including: acquisition and disposal and refurbishment development.

Underlying the four impact areas of this Charter is the need for **deepened engagement and collaboration** between the owners and occupiers of property.

The sections below outline the basic aims and necessary **actions** to address and **improve the sustainability of retail real estate**.

A common set of base-level actions, starting with measuring/ assessing the impact, are provided - though each property should consider its own unique actions. In addition, **performance thresholds** derived from Upstream's performance benchmarking¹ are provided, enabling properties to think about their performance in relation to the minimum standards emerging from the industry leaders in the Upstream sustainability performance benchmarking.



¹ The Upstream performance benchmarking service enables properties and portfolios to track relative performance over time, as well as share and promote good practice amongst the group of participants. The performance thresholds in this Charter represent the minimum levels that all properties should aim to surpass - or at least understand and justify if their performance is poorer. The thresholds are based on the dividing line between the poorest quartile and the best three quartiles. Participants in the benchmarking contribute to, and have access to, the typical (median) and good practice benchmarks. Additionally, Upstream's unique 'near peer' analysis enables comparisons to be made, anonymously, against the most appropriate set of bespoke peers.



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1 Energy

Overall aims

- Most importantly - make the most **efficient use** of energy consumed
- Consider sourcing **renewable and cleaner** sources of energy (whether it be from 'near-site' district Combined Heat and Power schemes, onsite renewables, or offsite renewables delivered via the national grid)

Measurement

- **Measure** all forms of energy consumption (electricity, gas, other fuels, thermal energy), in kiloWatt-hours (kWh)
- Take **actual** meter readings - estimations/invoices are not sufficiently reliable
- The more **frequent meter readings** are taken, the better
 - **annual** or **quarterly** can suffice for basic reporting, but for active management, **monthly** or **half-hourly** (with automatic meters) readings are advisable
- Understand and improve the **metering arrangement** in the property - good sub-metering underpins successful energy management, as well as enabling accurate re-charging from landlord to tenant
- Make proactive use of energy consumption data, using appropriate **Monitoring and Targeting** techniques²

Specific actions

- Ensure that all Building Management System (BMS) controls are optimised, often BMSs have never been properly commissioned
- Promote awareness through a 'switch off' policy, e.g. placing stickers above light switches
- Lighting, heating and cooling in unoccupied areas should be switched off, but remember to consider health and safety
- As part of routine maintenance, ensure:
 - light fittings, windows, occupancy and daylight sensors are clean
 - old/dim lamps are replaced
 - HVAC equipment is serviced regularly
- Utilise natural ventilation and 'night cooling'
- Make sure heating and cooling do not operate at the same time (e.g. no heating or cooling between 19°C and 24°C - a 'dead-band' of 5°C)
- Customers wear warmer clothing if it is cold outside, so indoor temperatures should be set to avoid them becoming uncomfortably hot, and staff uniforms should not require excessive heating for them to be comfortable
- Install time controls so that equipment (such as escalators and vending machines) only run during opening hours
- As part of refurbishment, check the credentials of contractors to see if they are accomplished at creating quality environments that are also energy efficient

More practical tips: <http://www.carbontrust.co.uk/publications/publicationdetail.htm?productid=CTV001>

Performance thresholds

Energy intensity for 75% of participants in Upstream's Sustainability Benchmarking is perform better than:

All kWh	Of which Electricity kWh	
116	101	principally open schemes
276	204	enclosed non-A/C
365	292	enclosed A/C

kWh of landlord-provided energy sources/m² of covered common parts/year³

Case Study 1

Realm

With efforts to identify and measure electricity consumption across the factory outlet portfolio, a campaign was devised to set a target for a significant reduction in kWh consumption that could be easily communicated to REALM employees, retail staff and tenants. It was felt that a target of 1m kWh saving (approx. 5%) could be achieved by adopting a series of measures including, site audits, in-house staff awareness raising, and regular communication with retailers via newsletters and meetings. The campaign, through newsletters and communications sought to encourage ideas such as energy-saving tips and incentivising staff to purchase low-emission light fittings. Through the publication of consumption "league tables" REALM created a degree of competition amongst centre managers to strive to maximise their own savings potential.

<http://www.realm.ltd.uk/>

Case Study 2

British Land

As part of their carbon management programme British Land continued to review opportunities to switch to no or low-carbon energy sources. 67.5% of the 22,527 tonnes of CO₂ emissions reported for the common (landlord-controlled) areas of their portfolio in 2005-2006 was from energy that was 100% supplied from Climate Change Levy (CCL) exempt sources.

<http://www.britishland.com/crReport/2006/renewable-energy.asp>

² See http://www.carbontrust.co.uk/energy/savings/tech_MMT_introduction.htm

³ Participants in the Upstream benchmarking provide more detailed data that enables them to benefit from normalised key performance indicators for CO₂ (e.g. adjusted for weather and hours of operation), alongside other performance indicators such as separate measures of intensity for electricity, gas, delivered thermal energy etc. It is important to distinguish between the forms of energy, as the amount of initial energy (and associated greenhouse gases emissions) required to deliver a kWh at the point of use varies significantly - with electricity being a more refined form of energy than fuels. This is important in thinking about environmental impact and the relative merits of different design approaches. Two rules of thumb are to always be as efficient as possible with each energy source, and to not use a higher grade of energy for a purpose that a lower grade of energy can fulfil.



2 Waste

Overall aims

- Minimise waste to landfill
- Maximise waste segregation and recycling

Measurement

- Require waste contractors to provide you with the **weight (kilogrammes or tonnes)** of waste leaving site **by each disposal route** (e.g. direct to landfill, direct to be recycled, to a Materials Recovery Facility) - **record** this data for your property
- Advanced managers will measure by **waste type** too

Specific actions

- Engage with tenants on waste minimisation, discussing how the total quantity, type and level of segregation of waste affects the service charge - regularly share performance data on total waste handled and the proportion recycled with retailers
- Encourage all retailers to co-operate in segregating waste for recycling
- Provide separate storage systems (e.g. coloured bins) for easy segregation
- Label all containers clearly with the waste types allowed
- Provide clear instructions and training to all staff
- Arrange for separated materials to be collected by specialist recycling contractors
- Seek options for dealing with food waste, waste fats and cooking oils; separating these is also important to avoid contaminating recyclable material
- Train and incentivise all staff and retailers in good practice

More practical tips: <http://www.envirowise.gov.uk/retail>

Performance thresholds

75% of participants in Upstream's Sustainability Benchmarking segregate onsite and send at least:

29% of their waste specifically for recycling

Case Study 1

British Land - Meadowhall

In 2005 Meadowhall became the first UK shopping centre to develop an on-site Resource Recovery Centre. The Centre invested £35,000 in facilities to sort, separate and send materials for recycling, including paper, cardboard, plastics and metals. In 2006 it is estimated that the return on investment was over £100,000. This is due to the savings on transport and disposal costs, combined with the revenue from the segregated materials. In 2006 92% of waste entering the facility was recycled.

<http://www.britishland.com/crReport/2006/resource-recovery-centre.aspx>

Case Study 2

Hermes - thecentre:mk

Thecentre:mk shopping centre has smashed the government's national target by recycling a massive 41% of its waste. An ambitious but achievable target to have a 'zero-waste' (to landfill) policy in place by 2008 has been set by the centre's team to expand upon existing waste management initiatives. The underlying approach is to reuse, refurbish and recycle resources as an alternative to landfill.

http://www.hermes.co.uk/pdf/publications/RPI_interim_report_2006_web.pdf



3 Community

Overall aims

- Understand and support the needs of the local community

Measurement

- Giving is only one aspect of community engagement, but it is an important one and one that is often measured. Record cash donations given to community and not-for-profit organisations, and also calculate the **cash-equivalent donations** of space/facilities provided and staff-time volunteered

Specific actions

Community issues are often specific to the area in which each property operates

- However, arranging retail skills training is one clear way for managers and retailers to assist the local community and economy, as well as benefiting from improved skills in the local workforce
- Share your experiences of community initiatives with other property managers
 - Hermes' Responsible Property Investment Good Practice Matrix is a leading example of a method for recognising and encouraging the take up of appropriate community initiatives through sharing learning across a portfolio, see page 21 of http://www.hermes.co.uk/pdf/publications/RPI_annual_report_2007_web.pdf
- Submit your initiatives for awards, such as, Business in the Community's Big Tick Awards e.g. http://www.bitc.org.uk/resources/case_studies/prupim_silver.html

Performance thresholds

For 75% of participants in Upstream's Sustainability Benchmarking, contributions to community groups (including cash and in-kind giving of space and staff-time expressed as £-equivalent) amounts to a figure at least:

0.56% the value of the total service charge

Case Study 1

Hermes - Freeport Talke

Hermes, through specialist managers REALM initiated the onsite provision of training in GNVQ qualifications to all of its tenants' staff at Freeport Talke Outlet Village, after directly engaging with them to see if this service would be useful. The training is provided by a government funded initiative, with the outlet village providing facilities and information to all those who take part.

http://www.hermes.co.uk/pdf/publications/RPI_interim_report_2006_web.pdf

Case Study 2

Sonae Sierra

In November 2006, Sonae Sierra organised a staff volunteering initiative in aid of the 'Against Hunger' campaign. Sierra employees helped to separate and store products at a Food Bank warehouse in Alcântara (Greater Lisbon), while Sierra CEO Álvaro Portela and other colleagues helped to collect food items at the Modelo Bonjour Supermarket in Norteshopping.

<http://www.sonaesierra.com/uploadfiles/crreports/4bc21c29-8b66-4144-a6d9-a6a56e75ad76.pdf>



4 Water

Overall aims

- Most importantly - make the most **efficient** use of water consumed
- Consider rainwater harvesting and water re-use

Measurement

- Measure all forms of water consumption (mains, borehole, collected rainwater), in cubic metres (m³)
- Take **actual** meter readings - estimations/invoices are not sufficiently reliable
- The more **frequent meter readings** are taken, the better
 - **annual** or **quarterly** can suffice for basic reporting, but for active management, **monthly** or **half-hourly** (with automatic meters) readings are advisable
- Understand and improve the **metering arrangement** in the property - good sub-metering underpins successful water management, as well as enabling accurate re-charging from landlord to tenant
- Make proactive use of water consumption data, using appropriate **Monitoring and Targeting** techniques

Specific actions

- Monitor consumption trend to spot leaks - and fix them rapidly
- Fit water-saving devices in toilets and washrooms
- Fit regulators on cleaning hoses
- Where landscaping is irrigated, consider low-water plants and drip irrigation

More practical tips: <http://www.envirowise.gov.uk/retail>

Performance thresholds

Water-intensity for 75% of participants in Upstream's Sustainability Benchmarking is perform better than:

3.3 litres per visit (landlord and tenant water)

Case Study 1

Hermes - Tower 42

In late 2005 Tower 42 embarked on a process of upgrading the urinals to a waterless system. The system used was the Whiff-away system that operates on a completely waterless basis. This has significantly reduced the amount of water used at Tower 42 from 8,500 units in September 2005 to a monthly average usage of just 2,600 units in 2006. Coupled with this the financial savings are quite considerable, from an annual cost of £16,500 to just £7,300 which includes quarterly servicing and deep cleaning. The modifications are working satisfactorily and no adverse effects have been noted.

http://www.hermes.co.uk/pdf/publications/RPI_interim_report_2006_web.pdf

Case Study 2

Sonae Sierra

Sonae Sierra sought to investigate different ways to reduce consumption within its shopping centres. In Spain they launched a water efficiency contest for tenants in Dos Mares in Murcia. Another can be found at Luz del Tajo in Toledo, where water saving devices have been installed in taps which are estimated to reduce water consumption by 3 litres a minute without compromising the water flow quality. The water saving initiative proves to be both beneficial for the environment and profitable since it was calculated that the investment will be paid back within about six months.

<http://www.sonaesierra.com/uploadfiles/crreports/4bc21c29-8b66-4144-a6d9-a6a56e75ad76.pdf>

