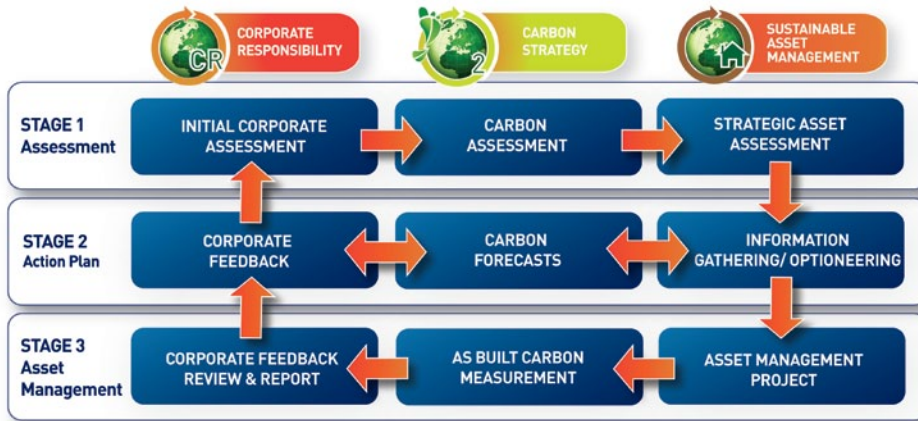


RLB | Rider Levett Bucknall

A guide to Responsible Management



Corporately responsible property solutions



The benefits of responsible business include:

- Brand value and reputation – benefits realised from responsible business
- Employee and future workforce – talent retention, attraction, motivation, loyalty, engagement and productivity
- Operational effectiveness – innovation and improvement in practices and processes
- Risk management – improve your ability to identify and reduce risk
- Financial impact – reducing costs, access to capital, improving shareholder value
- Growth – access to new markets, clients, lateral expansion and partnerships
- Business opportunity – creating win - win opportunities for all stakeholders

Our service philosophy is based on 'Responsible Management' -

a commitment to help clients spend less money and to deliver more efficient, cost conscious and environmentally sustainable results.

The requirement for sustainability in built assets is set to increase significantly - nearly 50% of global CO₂ emissions come from buildings.

The Government's strategy is to reduce the cost of construction by 20% by the year 2015 and this will be supported by legislation and guidance.

Companies will need to track the impact of their activities at a social and environmental level as part of their financial reporting process and it will have an increasing effect on achieving planning consents and attracting new staff and customers.

By developing or remodelling property assets with sustainability in mind, and considering it as part of the wider corporate strategy, there are significant financial benefits which can often lead to payback within one year.

Our approach identifies social, environmental and economic impacts and enables customers to:

- Be corporately responsible
- Become carbon efficient
- Meet sustainability targets
- Reduce costs with more efficient assets

We use a three stage flexible assessment which combines corporate and socially responsible business improvement, carbon efficiency and property asset management strategies in an integrated package.

Our model focuses on the commercialisation of sustainability and is underpinned by an extensive range of services including Total Cost Management (RLB TCM), Building Quality Assessments (RLB BQA) and our Carbon Tax and Legislation Navigation Tool (RLB CATNAV).

Together with our partners Agents4RM we provide advice covering the effective management of facilities, assets and resources, through improved corporate responsibility. This results in carbon efficiency, sustainability and cost reduction, through a range of procurement services, performance measurement and service improvement techniques.

• Corporate sustainability improves the bottom line for businesses by 7%

• Companies who report on a CR Index can outperform their peers by 10%

• Effective delivery of quick wins can save 20% in cost and carbon reductions

• Sustainable buildings command 6 – 8% higher rents and sale prices

• Sustainable buildings have 25% higher occupancy levels



Corporate Responsibility

What we will do:

- Clarify business objectives
- Determine corporate sustainability targets
- Measure corporate responsibility
- Benchmark performance data
- Prepare an improvement plan

Measuring Corporate Responsibility makes businesses more sustainable. By identifying and addressing gaps in the business plan the organisation will improve its operations, leading to enhanced business performance and long term savings.

Organisations that measure their broader CR performance are less likely to receive fines or penalties from regulators, are more likely to be able to access finance – as this forms part of the due diligence process – and are more profitable. The public sector has the added challenge to lead by example in this area and deliver high quality front line services with fewer resources.

Most large corporate clients are committed to CR and issue formal statements against a recognised reporting methodology such as the Global Reporting Initiative (GRI), FTSE4Good or Dow Jones Sustainability Index.

These indices are recognised throughout the corporate world and are used to compare the relative performance of organisations' CR processes.

However, these assessments are often carried out to assess the impact of actions already taken, rather than to plan what is the most effective approach.

Being responsible is a fundamental objective for our business. We are the first UK property consultancy to be Global Reporting Initiative (GRI) checked. Our CR process is based on industry best practice and delivered with ISO 9001 (quality), ISO 14001 (environmental) and IIP (people) assurance.

We have received national recognition for our employment practices, including the Daily Telegraph-sponsored CRF's 'Britain's Top Employer 2011' and the Sunday Times '100 Best Companies to Work for 2011'. We have achieved Investors in People Champion status, placing us in the top 1% of companies with an IIP rating.

Process

Stage 1: Assessment - Initial corporate assessment

We have developed a simple model to measure current CR performance and to test the impact of future CR plans.

The index looks at a range of factors including; environmental, social, economic, energy, water, CO₂, sustainable assets, management processes and organisational culture and operations.

Stage 2: Action – Corporate feedback

We will make recommendations on a sustainable property asset strategy which will deliver improvements to the organisation's overall CR performance.

In developing this strategy we will consider the carbon footprint forecast, carry out a robust fact finding exercise of the sustainability of the property assets, and demonstrate the social, environmental and economic benefits.

Stage 3: Asset management – Corporate feedback review and report

Following the delivery of the projects contained within an agreed strategy we will measure the financial, environmental, social and HR impacts on the organisation and compare them against the predictions identified at Stage 2. This provides evidence of the success of our involvement and engenders confidence to repeat the process.

Services

- An assessment of performance through the RLB CR Index
- Recommendations that will identify performance improvements, which can be measured financially, environmentally and socially
- Post project review reports that quantify the benefits to the organisation's CR performance
- Consultancy in achieving accreditations including; GRI (Global Reporting Initiative), SAM, ISO 9001, 14001 and 18000, Investors in People and industry awards

We will have a high impact at the business planning stage by drawing together the organisation's overall CR objectives and one of the biggest areas of both capital and revenue expenditure – property assets.

Staff turnover: Typical cost of recruiting and training a new member of staff £16,000. Reduce churn by ten to save £160,000 pa. We help by... developing flexible working space, utilising efficient design, consulting with staff, making people feel that they work for a 'good employer'

Public image: Business impact of negative publicity at a social or environmental level. Potential cost – multi-million. We help by... providing data so that you can report on progress and achievements, devising new business strategies, providing audit and improvement function

Global consequences: Impact on global GDP of a one degree rise in temperature. Potential cost – multi-billion. We help by... providing sustainable and energy efficient design solutions, managing and limiting your impact on the environment



Carbon Strategy

What we will do:

- Guide you through the maze of carbon legislation and potential tax and funding opportunities
- Evaluate carbon emissions based on the Greenhouse Gas Protocol
- Demonstrate performance against legal and environmental legislation
- Provide best practice in carbon measurement, benchmarking and reporting
- Provide accurate carbon forecasting on considered options
- Advise on quick wins, long-term goals and accurate pay back periods
- Calculate embodied energy and emissions on completed projects
- Reduce energy costs and carbon emissions

In the UK, CO₂ emissions from the operation of buildings account for over 50% of the total UK CO₂ emissions. This percentage does not include the amount of CO₂ produced in the construction of buildings, which would bring the figure closer to 75%.

New carbon strategies can produce up to a 20% CO₂ saving through better management and a further 20% through asset optimisation. Often, these savings can be achieved in the first year. Failure to comply with carbon legislation can cost up to £500 per day in fines.

By utilising Whole Life Cost and Carbon Modelling, we analyse the total cost and environmental impact of owning the asset over its lifetime, from planning, design, construction, acquisition, operations, maintenance, refurbishment, depreciation and disposal.

This avoids decisions being made based on the short-term costs of design and construction; the long-term maintenance and operational costs contribute a significant proportion of the whole-life cost and should be considered before development begins.

Process

Stage 1: Assessment – Carbon assessment

We analyse your current carbon emissions to provide benchmark data which supports a strategic plan for your organisation. This assessment will help us to implement improvements, estimate costs savings and track progress. Our flowchart will help you successfully navigate your way through the maze of carbon legislation, tax incentives and penalties.

Stage 2: Action – Carbon forecasts

Any business strategy will have a multitude of influences that can be conflicting and confusing. We have the ability to provide cost models which show the resultant carbon saving, cost implications and pay back periods when changing elements of the business strategy. We measure these predicted results against industry benchmarks to ensure that you are keeping up with industry trends.

Stage 3: Asset Management – As built carbon measurement

Throughout the project delivery stage we will ensure that we embed best practice into any changes to existing assets or the provision of new assets. We will deliver the best performing assets with accredited and industry recognised sustainability credentials.

We can continuously monitor the on-going performance of your assets to ensure our predictions are delivered and opportunities for further enhancements are captured.

Services

- RLB CATNAV (Carbon Associated Tax and legislation Navigation tool)
- Calculate your carbon footprint in accordance with the GHG Protocol
- Record and analyse the carbon performance of your property portfolio from energy usage or from existing DEC or EPC's
- Analyse permutations for design options for sustainability enhancement projects
- Provide whole life costing, carbon in use and carbon in construction for your proposed projects through RLB Total Cost Management (TCM)
- Record, benchmark and monitor your carbon in use and quantify the associated cost savings

New carbon strategies can produce up to a 20% CO₂ saving through better management and a further 20% through asset optimisation. Often, these savings can be achieved in the first year

CRC allowance burden: One tonne of CO₂ emission costs £12 in CRC allowance (in year one). Reduce emissions by 1,000 tonnes and save £120,000 pa. We help by... providing commercially aware consultancy to save energy, carbon and costs

CO₂ emissions: For every 1,000 tonnes of CO₂e saved the equivalent value is:

- £245,000 cost of gas
- £229,000 cost of electricity
- £228,000 cost of heating oil
- £12,000 cost of allowances under the CRC Taxation in 2011/2012
- £3,000 cost of allowances under the CRC Taxation in 2020

We help by... prioritising initiatives and projects to reflect an organisation's strategy

CRC non-compliance: Failure to provide an adequate evidence pack on CO₂ emissions will lead to a fine of £40 per tonne of emissions. Potential cost – multi-million. We help by... tracking and providing the data in the form of a detailed report

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Sustainable Asset Management

What we will do:

- Utilise our core services to support project delivery, including project management, design, quality and cost controls
- Offer a suite of services that can quickly assess and compare property assets
- Advise on any gaps in knowledge that will inform a robust business strategy
- Save costs, reduce carbon, add value
- Advise on quick wins and long term strategies
- Deliver projects to fit your strategy through a 'one stop shop' service
- Assist with continual improvement of your portfolio throughout our relationship with you

Less efficient buildings, although sometimes cheaper to build, will become increasingly difficult to sell, use or let. More efficient properties will have a lower operational cost and will ultimately increase in asset value compared with less efficient property.

Property investors are increasingly looking for responsible investments; nearly 1,000 global companies are signed up to the UN Principles of Responsible Investment and collectively have \$22 trillion of assets under management.

We employ a range of cost effective tools which measure and benchmark the quality and compliance of an organisations assets, either existing or proposed new build.

We can join at any point in the process, either starting from scratch or analysing existing information, and incorporate the information within the asset strategy.

Our strategy is focused on providing property assets that best fit your business requirements and delivering maximum value for money and embedding sustainability into the assets.

Process:

Stage 1: Assessment – Strategic asset assessment

We evaluate the condition, quality and use of property assets against corporate objectives, focusing on sustainability factors.

We will review quality, efficiency, environmental performance, statutory compliance, liquidity and commercial aspects as part of a due diligence exercise.

Stage 2: Action – Information gathering / optioneering

Having identified knowledge gaps at Stage 1 we will advise on the strengths and weaknesses of property assets utilising our high level, low cost appraisal tools. We will work with you to develop viable options for improving your property strategy and develop whole life costs models.

Our recommended strategy will include quick wins as well as medium and long term goals.

Stage 3: Asset management – Asset management project

Our expertise will ensure that environmental performance is embedded into design and construction in accordance with accreditations including BREEAM and Ska Ratings.

On completion we analyse project success against agreed goals, and identify best practice for integration into subsequent projects. We will also provide strategic advice on facilities management to ensure optimum operation at industry benchmarked costs.

Services

- Review existing asset information, utilising the Facility Condition Index and RLB Building Quality Assessment tools
- Assess performance against legislation
- Carry out optioneering on property asset strategies
- Use RLB TCM (Total Cost Management) to analyse embedded and in use carbon
- Facilities Management consultancy

Sustainable
buildings command
6 – 8% higher rents
and sale prices and
have 25% higher
occupancy levels

Building performance: Typical annual cost of running a building is £50/m². Reduce running costs by 20% to save £100,000 pa on a 10,000m² building. We help by...ensuring design optimises opportunities for innovation

Portfolio efficiency: Typical rent and service charge £300/m² - £500/m² p/a. Reduce portfolio by 1,000m² and save £400,000 pa. We help by... utilising our estate rationalisation and space-planning techniques, developing 3D models and efficient layouts to suit the operational needs of the business

Building effectiveness: Typical new construction cost £1,000 per m². Reduce size of building by 10% and save £1m on a 10,000m² building. We help by... carrying out a full operational survey

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The design of this product, selection of materials and finishes has been informed by our Corporate Responsibility policy: bit.ly/rlbcr