

## Directors' Report continued

### Group structure

A & J Mucklow Group plc has five main subsidiaries for property development and investment. All of the Group's properties are wholly owned.

Properties let to a single tenant are tenant managed, and portfolio managers at A & J Mucklow Group plc monitor the management of the sites regularly.

On multi-let properties the day-to-day management is outsourced to managing agents, who report to portfolio managers at A & J Mucklow Group plc.

### Environmental policy

There are five main areas of the environmental policy:

- An independent environmental report is required for all potential acquisitions, which considers, amongst other matters, the historic and current usage of the site and the extent of any contamination present.
- Consideration is given in the design process of development and refurbishment projects to the choice of materials used to avoid the use of materials that are hazardous to health or damaging to the environment.
- An ongoing examination of the business activities of existing and new tenants is carried out to prevent pollution risks occurring. The Group monitors all incoming tenants through its insurance programme to identify potential risk, and high-risk business activities are avoided. As part of the active management of the portfolio any change in tenant business practice considered to be an environmental hazard is reported and suitably dealt with.
- All sites are visited at least annually and any obvious environmental issues are reported to the Board.
- All leases prepared after the adoption of the policy will commit occupiers to observe any environmental regulations.

We are also improving the environmental performance of our development properties. At our Wednesbury One, Yorks Park and Apex Park developments, BREEAM (Building Research Establishment Environmental Assessment Method) was used to assess the impact of the schemes, with the aim of securing a 'Very Good' rating as a minimum. It is intended that the experience gained during the project at Wednesbury One will be used to improve the environmental performance of other schemes within the portfolio, which will also be assessed using BREEAM.

Any problems are referred to the Managing Director immediately and the Board of Directors at the next Board meeting.

### Social policy

The activities of the Group are carried out in a responsible manner, taking into account the social impact. The two main areas of social impact have been identified as planning and developments/refurbishments.

### Planning

The Group considers the impact on the surrounding areas and communities where planning permissions are to be submitted and considers the legitimate concerns of interested parties as part of the process.

### Developments and refurbishments

Development and refurbishment projects are subcontracted. The Group monitors the works, directly and in conjunction with project managers on larger projects, to ensure they are carried out in accordance with relevant guidelines and laws. All subcontractors are assessed to ensure that they have sufficient resources to meet legal requirements.

### Head office and administration

The Group moved head offices in 2006 and a health and safety review was carried out.

We have introduced procedures to reduce the waste produced by the Group, including incentives for Company car drivers to move to more CO<sub>2</sub> efficient vehicles and reducing the volume of paper used.

### Review and responsibility

The Social and Environmental policy, which applies to all companies in the Group, will be reviewed annually as part of the Group's Turnbull Committee meetings. Rupert Mucklow has main Board responsibility for social and environmental issues. Responsibility for health and safety, equal opportunities and business ethics is given to the whole Board.

### Donations

No political contributions were made during the year and donations to charities amounted to £2,850 (2008: £3,175).

### Directors

The present Board is as shown on page 14.

Justin Parker (Managing Director) and David Austin (non-executive director) retire by rotation and, being eligible, offer themselves for re-election.

The three executive directors, Rupert J Mucklow, Justin Parker and David Wooldridge, have one-year rolling service contracts with the Group. Non-executive directors do not have service contracts.