Overview

This report discusses the activities carried out by BAPIML to fulfil the Trustees’ requirements on Corporate Governance (CG) and Socially Responsible Investment (SRI). BAPIML monitors policy changes and themes emerging over the year and suggests potential next steps to improve the programme. Corporate Governance reports accompany each Investment Committee (IC) meeting, providing stock by stock and issue by issue voting records. The individual annual reports on UK CG, International CG and SRI provide more details on specific engagement/company issues.

In the UK the number of occasions where the Funds voted against at least one proposal at investee companies’ annual general meetings fell by a third compared to the prior fiscal year. However, this was largely a function of substantially fewer triennial remuneration policy resolutions put to shareholders in the period under review, and certainly not a reflection of companies increased compliance with the UK Corporate Governance Code. Remuneration and re-election of directors remain the most common areas of concern to the Funds. The UK Equity Team continues to engage with investee companies when they fall short of best practice in all areas of corporate governance.

In International equities the percentage of corporate meetings where BAPIML voted against management on at least one proposal increased five per cent from the previous fiscal year. The most contentious items were director elections and remuneration. The Funds assessed the level of board independence on director elections and looked for appropriate levels of remuneration along with the balance of performance based compensation. North America had the largest percentage of votes contrary to management. The number of shareholder proposals continues to increase in the US and in particular the proposal for the adoption of proxy access attracted support by the funds. BAPIML continues engagement activities across the regions.

In the Report on the Socially Responsible Investment Programme annual and extraordinary general meetings are examined for proposals containing environmental, social or ethical issues during the reporting year. In the UK portfolio this is expanded to monitor investee company participation in community and ethical indices, and the disclosure of key environmental data. BAPIML monitor Member enquiries through the dedicated email folder, which are reported alongside global regulatory and policy changes.

Developments in Corporate Governance

This is the first year of enhanced corporate reporting on risk and internal control and the inclusion of a viability statement under the 2014 UK Corporate Governance Code (The Code). This followed the adoption of The Companies Act 2006 (Strategic Report and Directors’ Report) Regulations, changes to The Large and Medium-sized Companies (Accounts & Reports) Regulations and changes to the Enterprise and Regulatory Reform Act in 2013. The Financial Reporting Council (FRC) is allowing time for these changes to embed and will not consider further changes to The Code until 2019, other than those required as a result of the implementation of the Audit Regulation and Directive (ARD).

In April 2014, the European Parliament and the Council of the European Union issued Regulation EU/537/2014 covering specific requirements regarding statutory audit of public interest entities (The Regulation) and Directive 2014/56/EU covering the statutory audit of annual accounts and consolidated accounts (The Directive). In
September 2015 the FRC consulted on Enhanced Confidence in Audit: Proposed Revisions to the Ethical Standard, Auditing Standards, UK Corporate Governance Code and Guidance on Audit Committees\(^1\). The FRC proposes to amend The Code and associated guidance on Audit Committees after feedback from the consultation. The amended standards, The Code and guidance will be effective from accounting periods beginning on or after 17\(^{th}\) June 2016.

The Code already includes a list of responsibilities for the audit committee, which the FRC consider satisfies most of the requirements of the Audit, Regulation and Directive (ARD). A few minor changes have been proposed to the audit committee composition with a requirement for an audit committee member with sector specific experience and, under the ARD, another competent in accounting and auditing. Investors should also be informed in advance of any retendering plans. There have been more extensive changes to the guidance with an updated internal audit section to reflect recent reviews, increased transparency by audit committees of the FRC’s Audit Quality Review and Corporate Reporting Review and to take into account the FRC’s work with investors and regulatory bodies.

In 2016/17 the FRC will establish a working group to develop practical guidance to audit committees on evaluating the adequacy of the financial function and process. This is part of an on-going project to evaluate and assist smaller and Alternative Investment Market (AIM) listed companies in order to improve confidence in the quality of reporting and to encourage growth in the sector.

The Financial Reporting Council’s (FRC) ‘Annual Review of Developments in Corporate Governance and Stewardship for 2015’\(^2\) was published in January 2016. UK Company compliance with The Code provisions remains high although FTSE 250 compliance was weakened somewhat by new entrants still developing their governance arrangements. The FRC are asking new entrants to be more prepared in order to comply fully with The Code in advance of an initial public offering. Areas of high compliance across all FTSE listed companies were the separation of the Chairman and CEO, companies meeting minimum provisions for number of independent Non-Executive Directors and companies meeting minimum requirements for composition of audit, remuneration and nomination committees.

In 2015 the FRC started a project on ‘Corporate Culture and the Role of Boards’\(^3\). The FRC are consulting with FTSE 100 Chairmen, stakeholders, academics, professional bodies and not for profit organisations with experience in corporate culture in order to obtain a better understanding of how boards are currently addressing culture. The FRC will produce a report on observations in 2016 and will monitor boards throughout the year.

In addition the FRC issued a discussion paper ‘UK Board Succession Planning’\(^4\) which seeks to clarify the issues surrounding board succession for both executives and non-executives. The key issues explored in the discussion paper were how effective board succession planning is to business strategy and culture, the role of the nomination committee, board evaluation and its contribution to board succession, ensuring diversity, identifying the internal and external pipeline of executive and non-executive directors and the role of institutional investors. Findings from both the corporate culture and board succession planning discussions will be reviewed in the Guidance on Board Effectiveness for 2017.

The FRC UK Stewardship Code now has 302 signatories up from 300 last year, comprising of asset owners, asset managers and service providers. The FRC were encouraged to note

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\(^4\) https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/Discussion-Paper-Uk-Board-Succession-Planning-(1).pdf
an improvement in monitoring and engagement activity between investors and companies, however the FRC believes that there is more to be done to promote best practice. In December 2015 the FRC announced that they would be publically ranking signatories on the quality of statements against the principles and guidance. Signatories will be ranked either Tier 1; for those signatories meeting reporting expectations or, Tier 2; those requiring improvement. The FRC will focus on ensuring that statements meet reporting expectations and provide adequate evidence of implementation of their approach to stewardship. Particular attention will be paid to conflicts of interest disclosure and approach to resourcing and integration of stewardship. Initial assessments and considered ranking of Stewardship Code statements will be sent in May 2016 along with suggested improvements based on best practice examples of other signatories' statements.

BAPIML compiled a global comparison of the UK Stewardship Code versus global equivalent codes and principles. It is evident that the UK Stewardship Code has heavily influenced global practices. The European Fund and Asset Management Association (EFAMA) produced a Code for External Governance in 2011. Institutions within the European Union are encouraged to use the Code as a guide, but this is purely voluntary. Italy and the Netherlands have adopted the EFAMA principles and also included principles around borrowing stock solely for exercising votes. In addition the Netherlands take environmental, social and governance aspects into account in policies.

Denmark is in the process of developing their own code and has praised the UK Stewardship Code principles as a benchmark. In Switzerland and South Africa the principles are in line with the UK Stewardship code, however there is no requirement to monitor investee companies or engage with regulators. Canada have developed Principles for Governance Monitoring, voting and Shareholder Engagement which are primarily focused on good governance and engagement.

In Japan, 212 institutions have now signed up to the Principles for Responsible Institutional Investors, the Japanese equivalent of the UK Stewardship Code (up from 191 last year). Hong Kong adopted Principles for Responsible Ownership in March this year, broadly in line with Japan. However, given the close ties between Hong Kong and mainland China and the fact that there is a large number of Hong Kong family owned business enterprises, their Principles are lenient on conflicts of interest. The implementation of the Code for Institutional Investors has been poor in Malaysia due to a lack of commitment from institutions. South Korea, Taiwan, Brazil and Singapore have begun to draft a code broadly based on the UK Stewardship Code.

The ‘Women on boards: 5 year Summary (Davies Review)’ published in October 2015 gives an in-depth review of the voluntary approach by businesses to increase representation of women on FTSE 100 boards. Female representation on FTSE 100 boards has more than doubled to 26.1 per cent in less than 5 years, exceeding the 25 per cent 2015 target. The review sets out the 5 next step recommendations and the new voluntary minimum target of 33 per cent FTSE 350 female board representation to be achieved over the next five years. The long term aim is to focus on increasing the numbers of women appointed to the roles of Chair, Senior Independent Director and Executive Director on FTSE 350 Boards.

The Cranfield School of Management’s annual report ‘The Female FTSE Board Report 2016: Women on Boards: Taking Stock of Where We Are’ reports the achievement of over 26 per cent women on FTSE100 boards. With no all-male boards in the FTSE 100, focus is now directed towards increasing the executive directorship pipeline. Female-held directorships in the FTSE 100 rose from 263 (23.5 per cent) in 2015 to 279 (26.0 per cent) in 2016. The analysis showed an increase to 253 female non-executive directorships.

\[6 \text{http://www.cranfield.ac.uk/som/research-centres/global-centre-for-gender-and-leadership/female-ftse-index-and-report}\]
with 26 female executive directorships, up from 24 in 2015. To reach the target of 33 per cent women on FTSE 350 boards by 2020 an annual increase of 1.6 per cent is required. The Government has appointed Sir Phillip Hampton, Chairman of GlaxoSmithKline to chair the Women’s Business Council and undertake an independent review on increasing the number of female executives at FTSE 350 companies alongside Deputy Chair Dame Helen Alexander, Chairman of UBM.

The Securities and Exchange Commission (SEC) along with five other agencies are drafting boardroom diversity disclosure rules for listed firms. Under consultation it became evident that diversity needed to be defined. The final policy statement will provide greater clarity. Diversity will refer to minorities and women. Minority is defined as Black Americans, Native Americans, Hispanic Americans, and Asian Americans, consistent with the definition of minority in section 342(g) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. At present, female directors hold just 19.9 per cent of board seats at Fortune 500 companies, whilst S&P firms with at least one minority director fell to 86 per cent in 2015.

The Securities and Exchange Commission (SEC) has adopted a final rule that requires a public company to disclose the ratio of the compensation of its chief executive officer (CEO) to the median compensation of its employees. The new rule, mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act, provides companies with flexibility in calculating this pay ratio, and helps inform shareholders when voting on say on pay. Companies will be required to provide disclosure of their pay ratios for their first fiscal year beginning on or after January 1st 2017.

In South Africa the King Report on Governance for South Africa 2009 (King III) has been redrafted and is out for consultation and will be effective from mid-2017. The King IV Report has been structured as a framework that can be applied more easily across listed and unlisted companies, profit and not for profit organisations as well as private and public entities. The 75 principles of King III have been consolidated into 16 principles each supported by a limited number of recommended practices and requires specific disclosures.

Remuneration has received greater prominence in King IV, which recommends that both the remuneration policy and an implementation plan be tabled for a non-binding advisory vote. Where the policy is not approved by at least 75 per cent of shareholders the remuneration committee must consult shareholders and disclose the nature and outcomes of such consultation. King IV recommends that establishment of a social & ethics committee (SEC) as best practice for all organisations to include functions of the Companies Act but extended to ethical behaviour and ethics management.

The Brazilian Exchange is seeking to align the listing rules with the Regulation for the Listing of Issuers and for Admission of Securities for Trading, which has been in force for listed companies since August 2015 and to identify corporate governance best practices in international codes for corporate governance and in other exchanges’ listing rules. It also aims to reorganise that document, with specific chapters about joining the Novo Mercado and amendments to the level 2 corporate governance segment.

The key changes proposed for the Novo Mercado Listing Rules are on free float requirements, board of directors (nominations policy, a level of 20 per cent or at least two independent directors whichever is greater and a new concept of independent director) and voluntary exit rules. Also included were new rules aimed at material acquisition and supervision and control.

Amendments to the German Corporate Governance Code (GCGC) entered into force in June 2015. Management are now required to take diversity into consideration, in particular aim for a consideration of women when refreshing the board. In addition management
should lay down targets for increasing the share of women on two management levels below the management board. There were also three new supervisory board regulations to include specifying a maximum limit for the term of office of supervisory board members, to ensure new supervisory board members can commit to the expected amount of time required of a member, and the supervisory board should note in its report where a member has taken part in half or less of the meetings of the supervisory board or committees to which the member belongs.

Survey Results and Participation

BAPIML participates in surveys and consultations where practical, as they provide us with an insight into upcoming trends, policy and regulatory changes. This allows us to focus on areas for potential improvement. During the corporate governance and SRI reporting period 1st April 2015 to 31st March 2016 we responded to seven surveys and consultations.

BAPIML completed the 11th Pensions and Lifetime Savings Association (formerly the National Association of Pension Funds) Stewardship Survey7 in October 2015. Responses were received from 60 institutions; the majority were private sector occupational pension schemes (62 per cent), the rest being public sector (38 per cent). In the UK the number of respondents exercising their voting rights remained consistent with the previous year at 96 per cent, with equally high numbers in US, Europe, Japan and emerging markets. There was a further decrease in public disclosure of voting to scheme members, down from 44 per cent to 37 per cent, with a further 22 per cent revealing to scheme members either actively or on request. A majority, 56 per cent (57 per cent in 2014) of pension funds delegate engagement activity to their investment manager.

Pension funds formally committing to the Stewardship Code increased taking the total to 72 per cent, up from 63 per cent last year, with a further 10 per cent intending to commit in the next 12 months. 73 per cent of respondents had an investment policy which included the exercising of stewardship responsibilities such as engagement and voting within the Statement of Investment Principles (SIP). Respondents who agreed extra-financial factors, such as environmental, social and governance issues that can have a material impact on investments in the long term, rose slightly to 93 per cent (from 90 per cent in 2014).

BAPIML responded to the 12th TUC Fund Manager Voting Survey8 in September 2015. The Survey is split into two sections, one on voting and engagement records for 61 items at company meetings throughout 2014 and another on accountability and audit trail issues. There were 30 respondents out of the 46 investors invited to participate in the survey. Participation decreased slightly since the 2013 survey, due to mergers amongst some fund management organisations. Of the 29 respondents who provided voting data, 19 included information on engagement activity in relation to those items, compared with 14 of the 26 respondents in 2013. Comparisons with previous year’s survey findings should be used with caution due to the new remuneration structure.

BAPIML participated in the Novethic survey9 in June 2015 which monitors Environmental, Social and Governance (ESG) strategies of European asset owners. The survey was based on a sample of 181 asset owners (185 in 2014), from 13 countries. In the UK there were 13 respondents to the survey, down from 21 in the previous year. The ESG analysis approach favoured by 79 per cent of UK respondents (67 per cent in 2014) was a combination of shareholder engagement and ESG integration. Climate change featured on the engagement agenda with 68 per cent of UK respondents considering this a high priority.

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7 http://www.pfa.co.uk/PolicyandResearch/DocumentLibrary/0562-Stewardship-Survey-2016.aspx
BAPIML completed four other surveys; an ESG client questionnaire for a broker, a survey on ESG practice for an investor relations consultant, one global policy survey for Institutional Shareholder Services (ISS) and one survey for our proxy facilitation service, on operational performance.

BAPIML continues to engage with investee companies where practical, over contentious proposals at annual meetings, or in response to Trustee or Member enquiries. Where a vote against a proposal is warranted, an explanation of our stance is communicated to the investee company. This can be by letter, email, telephone call to the company, verbally during a meeting with management or through the company broker. A letter explaining the Fund Manager’s decision was sent to 24 companies in the year under review. The most common engagement themes were on issues with remuneration reports, remuneration policies and director elections. As a result of this communication BAPIML received eight responses and organised two meetings. We use our judgement on whether it is appropriate to publish engagement in advance of meetings, as some issues may be sensitive.

BAPIML are open to collaborative initiatives with likeminded institutions. There were no PLSA meetings to note for the period under review. Representatives of BAPIML periodically attend corporate governance roundtable events, where collaborative opportunities are discussed and acted upon, when appropriate for the Fund. The CG & SRI Specialist is a member of the PLSA Stewardship Advisory Group and has attended two roundtable workshops at the PLSA on human capital.

Broker houses continue to provide research and engagement initiatives on specific ESG topics. Our external research provider ISS engages with companies during the proxy voting research development process. We maintain the use of specialist news and external research services from providers in the public domain.

The next steps – improvements to the programme

In addition to participating in surveys, we are constantly looking for ways to improve:

1. We continue to maintain our level of reporting to Trustees by providing links to relevant reports of organisations and by responding to Trustee enquiries on governance, social or environmental issues (ESG), through Trustee training, disclosure of voting activity and key developments. Voting activity and developments are communicated in the investment update which accompanies every Investment Committee meeting.

2. The Statement of Compliance with the Stewardship Code, which can be found on the FRC website and on the member website, has been reviewed for 2016. BAPIML have amended the Statement of Compliance to include best practice disclosure recommendations from the FRC initial assessment sent to Trustees in March 2016. BAPIML will review the Statement of Compliance annually.

3. BAPIML regularly review memberships to organisations to see if they will complement the CG & SRI Programme. BAPIML have monitored and reviewed whether to join the United Nations Principles for Responsible Investment (PRI) following its inception. BAPIML attended a meeting with representatives of the PRI to present what benefit membership of the PRI holds for members. Currently BAPIML are exploring the resources required to meet reporting requirements and which questions signatories will be required to mandatory disclose publicly from the reporting framework. BAPIML have no plans to join the UN PRI at present but will continue to monitor activities of the organisation.
4. BAPIML continues to monitor the dedicated ESG members enquires email folder. Any activity is reported in the annual review under the Report on the Socially Responsible Investment Programme.

5. BAPIML monitor the stock lending programme between the Custodian, BAPSL and BAPIML to ensure the smooth operation of the voting programme. If an issue arises it is reported to the Trustees in the Investment Committee papers. BAPIML also review the stock lending process annually. An amendment was made to lift some restrictions on German stock lending, an update to stock lending buffer limits and the inclusion of the Mexican market.

6. The ESG Team have created and are in the process of trialling a portfolio monitoring tool which has been developed in order to assist the Fund Manager’s consideration of key ESG risks in the investment decision process.

Originator: CG & SRI Specialist, BAPIML
Date: 11th August 2016

Private Equity, Alternative Assets and Property

Private Equity

In December 2015 the Private Equity Reporting Group (the Group) issued their 8th annual report on monitoring conformity by private equity firms and portfolio companies with the ‘Guidelines for Disclosure and Transparency in Private Equity’ (the ‘Guidelines’). These Guidelines were introduced following an independent review of the adequacy of disclosure and transparency in private equity by Sir David Walker in November 2007. A total of 66 portfolio companies were covered by the Guidelines in 2015 (2014: 76), with the number of private equity firms that are covered increasing by six to 65.

Highlights of the 2015 review; 95 per cent of the sample reviewed in 2015 achieved a good or excellent/’best in class’ level of compliance, whereas the entire sample achieved this level in 2014. This fall is due to a combination of; a) the Guidelines including new requirements in the current year which can take time to implement and b) improvements in the quality of reporting by listed companies in the FTSE 350, being the benchmark for judging compliance. The number of portfolio companies required to comply with the Guidelines decreased by ten to 66 (the rest complying voluntarily), which was a result of 17 exits and seven new deals. The Group is committed to working with private equity firms, ‘private equity-like’ firms and portfolio companies to improve their disclosures and strongly encourages standards above the minimum requirements within the Guidelines, being those observed in the FTSE 350.

For Private Equity the major component of due diligence for any manager or fund is completed prior to investing, as once invested the documents do not allow the investor to modify the terms or influence the investment policy of the fund. However, for a number of portfolio investments BAPIML serves as an active member of the fund’s advisory committee. These committees provide guidance to the underlying managers on important issues such as conflicts of interests and proposed changes to the terms of the funds. During the year BAPIML also remained an active member of both the European Venture Capital Association and the British Venture Capital Association.

An organisation called the Institutional Limited Partners Association (‘ILPA’) has developed the ‘Private Equity Principles’ in order to establish benchmark standards in

relation to alignment of interests, governance and transparency for private equity funds. BAPIML has been active in encouraging its underlying managers to observe best practices in their terms and standards of reporting, utilising the ILPA Private Equity Principles as a benchmark.

**Alternative Assets**

As with Private Equity, the major component of due diligence on any manager or fund is completed prior to investing. Whether the investment is housed in an open ended or a closed ended vehicle, once invested the documents allow little flexibility to amend terms or influence the investment policy. Therefore considerable care is taken prior to investment with regard to governance, disclosure and transparency issues. The key elements focused on during the due diligence process include the strongest possible commercial terms, reporting and transparency levels. BAPIML often utilises an external adviser to conduct operational due diligence on potential investments. This adviser conducts a detailed evaluation of the prospective investee fund, covering such areas as governance, compliance, custody, valuation, accounting, IT capabilities, disaster recovery and disclosure. This adviser has also been a pioneer of a new transparency initiative, called Open Protocol, which provides standardised risk reporting for different funds and enables the aggregation of data across portfolios. BAPIML has been active in encouraging the managers employed within the portfolio to embrace this reporting initiative.

BAPIML is a member of the Investor Chapter of the Hedge Fund Standards Board (‘HFSB’) for hedge fund vehicles. The HFSB is a standard setting body for the hedge fund industry, comprised of managers, investors, regulators and consultants. It establishes and monitors around 28 Hedge Fund Standards which are minimum, best practice standards for hedge funds in the areas of governance, disclosure, valuation, operational and portfolio risk management. BAPIML is also a member of the Alternative Investment Managers Association (‘AIMA’), where the CEO of BAPIML chairs the Investor Steering Committee. Founded in 1990, AIMA is the global representative of the hedge fund industry. The organisation represents all practitioners in the industry, with a focus on education, regulation, policy development and sound practices.

For some of the closed ended managers employed in the Alternatives portfolio, the Institutional Limited Partners Association (‘ILPA’) is also a relevant standards setting body. BAPIML actively encourages the closed ended funds employed in the portfolio to endorse the ILPA principles, or to provide an explanation of how their processes differ and why. The majority of closed ended managers employed in the portfolio have terms that are broadly aligned with the ILPA principles, and in cases where differences have been highlighted, these have not been material.

Originator: Head of Alternative Assets and Private Equity  
Date: 25th July 2016

**Property**

Every aspect of the property fund is managed such that best value is sought at all times whilst maintaining high environmental, social and ethical standards. Savills, the portfolio property managing agents, are tasked to ensure that each property complies with all relevant legislation and provide the property team with regular updates throughout the year. Current initiatives and regulations affecting the portfolio are as follows.

**Environmental Standards and Performance**
Annual environmental audits are performed on each multi-let property within the portfolio to assess the standard of environmental compliance and performance. These assessments help determine the right balance of energy consumption and use. Active projects currently include on-going reviews of all building management systems where applicable and the aim to bring about efficiencies where financially appropriate to do so.

An initial summary of properties that may be captured by the Heat Network (Metering and Billing) Regulations 2014 has also been compiled. These regulations affect all businesses that supply and charge for heating, cooling or hot water either directly or indirectly through other means (such as service charge) to a final customer through either a Communal Heat Network or District Heat Network. Installation of individual heat meters on tenant supplies of heating, cooling and hot water provided by a district or communal system may be a consequential requirement. Work on this is on-going and we are engaged with the legislation to ensure that we are fully compliant.

We have continued our charter to The Carbon Reduction Commitment Energy Efficiency Scheme (CRC-EES) with the aim of reducing emissions of carbon dioxide and improving energy efficiency. A review of all Energy Performance Certificates has been conducted across the portfolio in order to flag any F or G rated units and to agree a strategy to ensure that improvements are made in co-operation with the Tenants to ensure that the Fund are compliant with the Minimum Energy Efficiently Standards (MEES) scheduled to come into effect from April 2018.

Savills also monitor and track participation in corporate social responsibility initiatives throughout the portfolio, providing central guidance and assistance to site teams to ensure that where possible and viable we take opportunities to further benefit the surrounding communities and environments in close proximity of the assets under management. We are also considering in the medium / long term sites which could provide Electric Car Charging Stations following a surge in registered hybrid vehicles over the previous two years.

**Local Skills and Living Wage**

Where possible Savills requires that contractors used in the course of managing the portfolio must demonstrate that they are pro-active in offering local businesses the opportunity to compete for work and giving local employees the opportunity to apply for jobs, as well as encouraging engagement with their local communities.

Contracts have been amended for the maintenance of our sites to take into account the National Living Wage, effective from the 1st April 2016. Savills aim to ensure that their contractors adhere to this legislation for any contracted maintenance works performed to the assets under management.

**Contractor and Supplier Engagement**

We expect our suppliers to ensure compliance with relevant environmental legislation. We have put in place procedures to ensure adherence to The Waste (England and Wales) Regulations 2012 so that an appropriate Waste Transfer Note is completed and retained for two years for all waste removal, we also ensure to the best of our ability that any liquids from a commercial property discharged to a commercial sewer have obtained the appropriate local sewerage consent. We also appoint a sole waste contractor on all sites to help increase recycling; this contractor is reviewed throughout the course of the year to ensure that our high standards are met. Savills are in the process of investigating the feasibility and potential benefits of the setup of a contractor workshop to identify ways to drive higher environmental performance and sustainable procurement practices from our contractors and suppliers.