



## **Bureau Veritas External Verification Statement**

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### **Objectives**

Bureau Veritas has been engaged to externally verify Liberty International's 2008 Corporate Responsibility (CR) reporting on its website and its published CR Highlights 2008 Report. The aim of this verification statement is to reassure Liberty International's stakeholders that the information presented within the 2008 CR Report is accurate, reliable and objective. We have also reviewed the Report to ensure that it is balanced, has no significant omissions and that it provides a true reflection of the CR impacts and performance of Liberty International over the last year.

### **Responsibilities of the verification provider – Bureau Veritas**

The verifier's obligation is to stakeholders and readers of this report and is exclusively responsible for the contents of this verification statement. Liberty International has provided access to sites, records and data required to undertake a comprehensive verification process and the verifier is confident that no material has been withheld.

### **Scope**

The scope of the verification exercise included all Liberty International Group activities. The scope of the report covers activities for the year to 31st December 2008. The statistical data reviewed for the Capital Shopping Centres (CSC) portfolio for this verification is for 1 October 2007 – 31 September 2008 inclusive.

The outputs of the process are this External Verification Statement; and the Internal Management Reports which contain recommendations to further improve Liberty International's future CR reporting and supporting processes.

We have verified all factual statements and data in the Report except the company profile and any economic data arising from the financial accounts.

### **Methodology**

Factual statements and data were verified at Corporate Head Office and asset level in the UK. Detailed site audits were conducted at a sample of shopping centres - Lakeside, MetroCentre and Victoria Shopping Centres, which represents 21% of the CSC portfolio.

The verification involved a series of interviews, document review, and inspection of internal and external records, interrogation of databases and associated management and reporting systems. This involved challenging and substantiating the content of the material presented in the Report. The integrity and accuracy of aggregated data was tested by tracking sample data back to its source. The methodology for data collection, estimation and aggregation was examined and tested for accuracy and robustness.



## Opinion of the verifier

### Accuracy of Report

We are satisfied that:

- All factual statements contained within the Report are accurate.
- That the CR data and performance indicators are reliable and an accurate reflection of data collected at asset level and collated at group level. We have generally found data collection systems to be robust, however some areas for improvement have been identified. Where appropriate, there are qualifying statements alongside the data in the report and recommendations for improvement made.

### Summary of Alignment with AA1000 Assurance Standard (2003)

We are satisfied that Liberty International has provided an accurate and balanced report which is aligned with its CR objectives, and demonstrates a good understanding of its direct and indirect impacts. No significant omissions were found which could affect stakeholders' ability to make informed judgements about Liberty International's performance.

Liberty International has continued to report on issues that are regarded material to the organisation, by ongoing engagement with stakeholders such as the CR presentations to staff, and the stakeholder review of Liberty International's reporting undertaken in 2007.

In terms of responsiveness, Liberty International has well defined processes in place at an operational level to obtain feedback from and respond to stakeholders' needs and expectations, through a defined programme of customer surveys, focus group sessions and monthly tenant meetings.

Overall, Liberty International has made good progress and achieved its CR objectives in 2008 – the final year of a three year programme. Liberty International has responded to the programme of external audits across the CSC portfolio in 2007, by implementation of the recommendations from the Carbon Trust Energy audits to minimise energy use.

Areas of progress include:

- Liberty International's commitment to the CR agenda at Board level;
- Liberty International's time and financial contribution to local community activities, and the long standing partnerships formed;
- Continued improvement in the accuracy of the data reported as a result of the internal audit programme and action against our previous external verification recommendations;
- The introduction of group wide CR presentations to employees to improve understanding of group CR objectives;
- The sharing of management and Health & Safety best practice with representatives of Provogue (India) Limited (The Prozone – Liberty International Partnership);
- The significant progress in the development of Travel Plans for the CSC portfolio, and the cooperative approach with other local businesses to expand the Braehead Shopping Centre plan to the Braehead Area Travel Plan;
- The long standing partnership with the Carbon Trust to develop the carbon management strategy which has led to a 17% reduction in total CO2 emissions since 2006.



## Priority Recommendations

Liberty International's CR performance could be further improved by implementing the following recommendations, along with site-specific recommendations suggested in the internal management reports:

### Recommendation 1:

It is recommended that Liberty International should consider reporting the challenges faced in future CR reports to improve the balance of the report.

We will seek to enhance the presentation of the challenges faced in developing our CR initiatives as set out in the annual report.

### Recommendation 2:

Although the CR data reported is accurate and trends correct, some anomalies were identified at asset level and corrected during the verification process (for example energy and travel data). Liberty International should continue to proactively verify the data throughout the year to increase confidence in the accuracy of the data reported and to identify and address any issues appropriately.

Noted. We will continue to improve our methods of data collection and verification.

### Recommendation 3:

A documented procedure should be developed and communicated across Liberty International and Outsource Partners for the collation of each CR dataset to ensure consistency and accuracy. *This was also a recommendation last year.*

Noted. We have analysed our documented data requirements and are in the process of completing this, but the procedures have not been finalised at the date of the report.

### Recommendation 4:

A documented procedure should be developed and communicated for the retention and storage of CR data. *This was also a recommendation last year.*

This will be done in the implementation of recommendation 3 above.

### Recommendation 5:

It is recommended that Liberty International should encourage and improve ownership at asset level over the accuracy of the data being reported to head office. It is recommended that the importance of providing accurate data for public reporting is reinforced at asset level across its entire portfolio.

We consider the above recommendations 2, 3 & 4 as fundamentally related. Our successful response to this recommendation will be influenced by those above.

### Recommendation 6:

Liberty International should continue with its annual programme of internal audits of CR data across group activities, although it is recommended that a clearly documented action plan and timetable is issued following the audits to ensure recommendations are actioned in a timely fashion and lessons learned shared across the asset portfolio.

As part of the early preparation for the annual report, the procedures developed, learning from previous years, will be thoroughly examined and set out in an enhanced reporting format.

### Recommendation 7:

It is recommended that Liberty International should further develop and formalise its management system procedures to ensure improved Health, Safety & Environmental management.

We will undertake a gap analysis to establish the extent of our current alignment to ISO14001.



**Recommendation 8:**

It is recommended that Liberty International develop and set a new programme of CR objectives focused on material issues.

Noted. However, the plan may be structured differently to take account of the challenges the company faces in the current economic climate.

**Statement by Bureau Veritas of independence, impartiality and competence**

Bureau Veritas is an independent professional services company that specialises in quality, health, safety, social and environmental management advice and compliance with over 180 years history in providing independent assurance services and an annual turnover in 2008 of Euros 2.55 billion.

Bureau Veritas has implemented a Code of Ethics across its business which is intended to ensure that all our staff maintains high standards in their day to day business activities.



Bureau Veritas UK Limited  
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