NEW RIVER

Environmental, Social and Governance Report 2019

665 PUBS

CONVENIENCE & COMMUNITY

34 SHOPPING CENTRES

19 RETAIL PARKS

About NewRiver

NewRiver specialises in buying, managing, and developing convenience-led, community-focused retail and leisure assets throughout the UK. Our portfolio covers over 9 million sq ft and comprises 34 community shopping centres, 19 retail parks, and over 650 community pubs. Our aim is to deliver growing cash returns to our shareholders and create thriving communities, and we do this through the consistent execution of our business model and through our ESG programme.

Contents

35%

improvement in GRESB Score. Achieved Green Star status for the first time

660

Individual responses to our 2018 occupier engagement survey

£862,700

Raised for charities, including over £30,000 raised for Pancreatic Cancer Research and Willow Foundation from NewRiver's 2018 'Way of the Roses' cycle challenge

80%

response rate to our 2018 staff wellbeing survey

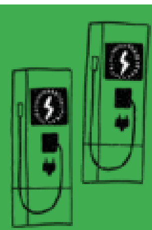
Established our first charity partnership with the Trussell Trust, comprising fundraising and the use of our assets for storage, donation drop-off points, awareness campaigns and volunteer recruitment

87%

of staff received professional training in the year

16

shopping centres participate in the National Autistic Society's Autism Hour initiative to make shopping accessible for all



Installed 18 electric vehicle charging points across six of our assets, all powered by renewable energy

11%

Reduction in like-for-like water consumption, as a result of water-saving initiatives at seven assets

Solar PV panels now operational at five shopping centres, generating enough electricity to power 145 UK homes

10%

reduction in GHG emissions intensity from building energy consumption compared to FY18

Introduction from our Chief Executive

Welcome to NewRiver's second standalone Environmental, Social and Governance ('ESG') Report, which demonstrates another year of significant progress in integrating ESG factors into our operations and risk management processes.

As an owner of assets located in communities across the UK, we are committed to enhancing the lives of the people we serve and minimising our impact on the environment. At the same time, we want to ensure we are good neighbours by supporting and championing local causes and innovating to address the needs of local people. At a corporate level, we are passionate about engaging with our staff and our occupiers, and maintaining high standards of governance, to ensure we are an excellent employer and a great company to do business with.

Ensuring we maintain and improve our high ESG standards is not only the right thing to do for society, but it is the right thing to do for our business too, as it reduces our costs and unlocks new opportunities. For example, using energy efficient lighting and automatic metering systems reduces energy bills; providing staff training and wellbeing programmes improves staff retention and the service we give to our customers; and maintaining the highest standards of corporate governance and transparency provides businesses and Local Authorities with the confidence to partner with us. It is for this reason that we embed ESG into every part of what we do as a business and integrate ESG risks into our risk management and governance practices.

The incorporation of ESG factors into any business is a process of continual improvement. NewRiver started this process formally in 2015, with the appointment of Cushman & Wakefield as our Environmental Consultants, and we have made significant progress with both our performance and our reporting since then. We took another step forward last year with the appointment of our first Head of ESG, Emma Mackenzie, who sits on our Executive Committee to ensure our ESG objectives inform key business decisions.

This year, we have codified our ESG aims into a set of objectives for the first time, which will guide our efforts and enable better monitoring of our progress going forward:

1. Minimising our environmental impact
2. Supporting our communities
3. Engaging our staff and occupiers
4. Leading on governance and disclosure

I am pleased to report excellent progress against these objectives during the year. Starting with minimising our environmental impact – climate change is one of the biggest threats we face as a society, and we have this year continued our environmental efficiency programme to better manage climate risks of our business. Highlights have included the continued rollout of solar PV panels at our assets to sustainably source our own energy, the installation of new LED lighting and metering systems at our assets to reduce energy consumption, and the provision of recycling points and rooftop allotments at our centres to educate others of the need to care for the environment.

Our assets exist to serve communities, fulfilling the everyday needs of customers and providing a place for people to come together, and we are passionate about finding ways to make our assets more relevant and supportive to their communities. Highlights in the year have included improvements to make our centres more accessible for those with autism and physical disabilities, making them friendlier and more welcoming places to encourage social interaction and combat loneliness, and a host of fundraising activities to support local charities and community organisations.

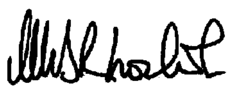
We have engaged our staff and occupiers during the year through our first comprehensive staff wellbeing and occupier satisfaction surveys, which saw very high response rates and provided us with key development areas for the coming year to provide an even better working and operating environment.

Finally, we are leading the way on governance and disclosure, with the changes to our Board during the year, including Margaret Ford assuming the role of Non-Executive Chairman and Colin Rutherford joining as a Non-Executive Director, serving to further strengthen its expertise and diversity, and the integration of environmental factors into our formal risk management practices for the first time.

This progress across our ESG objectives has culminated in us increasing our Global Real Estate Sustainability Benchmark ('GRESB') Score by 72% since our first entry into this benchmark just two years ago. GRESB is the leading sustainability benchmark for the real estate sector, and our score improvement is high-profile recognition of the hard work our team has done in this relatively short period of time. Participation in the GRESB assessment has identified areas in which we are already very strong as a business. For example, we achieved the maximum possible score of 100 in the 'Management' aspect of the assessment, which measures how effectively we integrate ESG into our overall business strategy, and it also reveals areas where we can improve further.

Despite the progress, we cannot afford to stand still on such critical issues to the environment and society, and that's why we have set ourselves ambitious new targets in areas such as environmental efficiency, stakeholder engagement, and adherence to industry benchmarks. More details on these targets are provided later in this report.

On a final note, I want to thank the hard work, dedication and tireless commitment of our staff and advisors, without whom we would not have made the significant ESG achievements outlined throughout this report.



Allan Lockhart
Chief Executive

Head of ESG's Review

In 2017 I took on the role of NewRiver's first Head of ESG, adding to my Executive Committee role, and it has been a natural extension of my duties as an Asset Management Director to take on this responsibility.

The direct impact of decisions relating to our financial performance, our physical assets and our people are entirely entwined and hence my position on our Executive Committee ensures our ESG risks and opportunities are evaluated on a regular basis at senior management level.

Having worked at NewRiver for many years, I have seen first-hand our authentic, innovative and inclusive spirit, from our head office team through to our centre managers who serve our customers every day. Our ESG programme aims to distil this ethos into a structured programme through which we can set objectives and measure our progress.

Giving something back to the communities we invest in is high on our agenda. Along with organised internal NewRiver events across our portfolio countless charitable events have taken place across the portfolio raising in excess of £850,000 for deserving causes.

In addition to these events I am delighted to announce our first official corporate charity partnership with the Trussell Trust. The Trussell Trust support over 1,200 foodbanks throughout the UK, providing necessities for the most vulnerable members of our communities. With our national portfolio of community assets NewRiver is well-placed to help raise awareness and provide valuable help with drop off points and storage space. Our own staff will also benefit from the opportunities the Trussell Trust will present for us to volunteer and provide practical help. Our centre teams are looking forward to working directly with the foodbanks in their towns and I am delighted that our first official corporate partnership can be so mutually beneficial.

To ensure our customers are welcomed and treated with warmth and appreciation when visiting our centres, we have rolled out customer service training over the last six months to all of our colleagues, from our CEO to our on-site staff, to ensure consistency in this critical area. The training has been well received and its success will be tracked with our new easily accessible online survey, “We’re All Ears”, which will provide us with welcome feedback to continue to improve what we do.

Another area of focus for the year ahead is delivering some of the suggestions that our retailers offered as part of the occupier survey we carried out in 2018. Working with them on areas that improve their efficiency in energy consumption, waste management and working hours is both good for the environment and mutually beneficial to our respective businesses.

I am encouraged that we have made a 72% improvement in our GRESB score since our first submission in 2016 and that we have a clear path of targets to work towards in the short, medium and long-term. Aligning with other indices and frameworks including the Task Force on Climate-related Financial Disclosures, can only help us have greater financial and practical visibility on what we need to achieve as a business and as an industry to plan for a better future. I look forward with enthusiasm to working collegiately with our many stakeholders to deliver positives outcomes.

My NewRiver colleagues, centre management teams and Cushman & Wakefield, along with other advisors, were fundamental to what has been achieved this year and I thank them most sincerely for their enthusiasm and support. I look forward to the challenges and opportunities that lie ahead and continuing to work with them all to ensure a sustainable future for NewRiver.

Emma Mackenzie
Head of ESG

Our approach to ESG

- 1 Disciplined stock selection
- 2 Active asset management
- 3 Risk-controlled development
- 4 Profitable capital recycling
- 5 Leveraging our operating platform with a conservative balance sheet

Overview

Our ESG activities are informed and shaped by both external benchmarks and guidance, and our own ESG targets. These activities occur at every stage of our business model in order to meet our ESG objectives. Our progress against these objectives is then measured against our ESG targets and external benchmarks and guidance on an annual basis, and this is used to determine our ESG activities for the following year. This approach generates a feedback loop whereby our programme can adapt as the business changes and as best practice evolves.

ESG oversight

Our ESG programme is headed by Emma Mackenzie, an Asset Management Director with responsibilities for the asset management of our Northern, Scottish and Northern Ireland portfolios and a member of our Executive Committee. The programme is developed and reviewed by an internal ESG committee, headed by Emma Mackenzie, and comprises representatives from our retail and pub asset management teams, our Investor Relations and HR functions, and representatives from Cushman & Wakefield, our Environmental Consultants. The committee meets quarterly, and its agenda is supplemented by monthly updates from Cushman & Wakefield, who are also responsible for co-ordinating the collection and collation of environmental data from our assets.

Our ESG objectives

Minimising our environmental impact

Reducing greenhouse gas emissions in order to prevent climate change is one of the biggest challenges facing our society. We aim to minimise our environmental impact through procuring energy from renewable resources, reducing our consumption and encouraging stakeholders to be more sustainable.

Engaging our staff and occupiers

Our staff and occupiers are key stakeholders in our business, and their wellbeing and satisfaction is vital to the long-term success of our company. We aim to engage these groups through maintaining an ongoing dialogue to understand and act upon their changing needs.

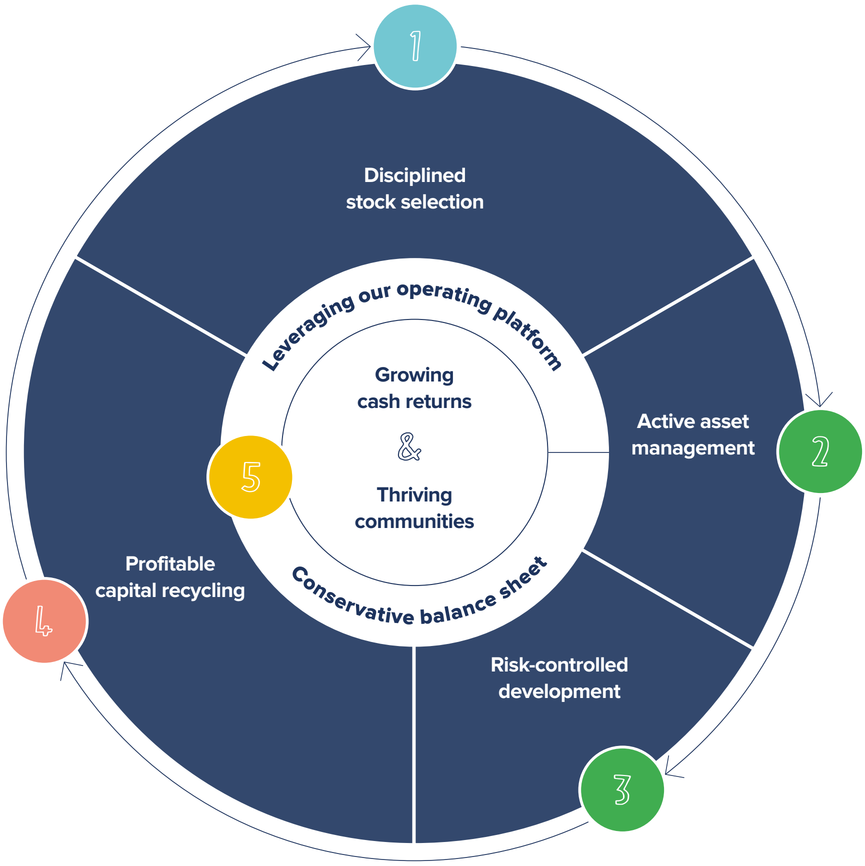
Supporting our communities

Our assets are located in communities across the UK and play an integral role in the lives of our customers. We aim to enrich lives and strengthen communities through meeting the needs of all of our customers and supporting and championing local causes.

Leading on governance and disclosure

High standards of corporate governance and disclosure are essential to ensuring the effective operation of our company and instilling confidence amongst our stakeholders. We aim to continually improve our levels of governance and disclosure to achieve industry best practice.

Meeting our ESG objectives at every stage of our business model



1 Disciplined stock selection

We invest in assets that are already part of the fabric of their communities. These have typically been underinvested and we aim to revitalise them through investment and introducing the most appropriate mix of operators and uses.

We also undertake environmental due diligence during our stock selection process, including assessment of energy efficiency & legislative risk and flood risks.

All acquisition decisions are subject to a rigorous review process, including at Executive Committee level, and drawing on expertise from around the business.

2 Active asset management

We introduce features to our assets that reduce energy consumption and therefore occupational costs for our occupiers. These include the installation of solar PV panels on the roofs of our centres and EV charging points in our car parks, new metering systems and recycling points.

We work closely with occupiers to ensure fit-outs are carried out sustainably and with regard to the occupiers own ESG objectives and the latest recommendations on energy efficiency.

We look at ways that space can be used to support communities better, for example through using mall space and store units for charities and local causes through to adding council and healthcare facilities that can better serve the needs of the local population.

3 Risk-controlled development

We only undertake development where it is viable for the local community, for example where we can be sure it will not lead to oversupply of retail or adversely impact the local population or economy.

We work closely with councils and local communities in development to ensure all local needs and concerns are addressed, and to ensure our schemes deliver the right balance of residential, retail, offices and other civic amenities.

We engage closely with the occupiers to which our assets are pre-let to keep them updated on development progress and to understand their needs and timelines.

In construction we aim for high industry sustainability standards e.g. BREEAM certifications

4 Profitable capital recycling

Having completed our active asset management and risk-controlled development initiatives, we will look to recycle our capital profitably. We leave behind well-invested assets that are fit for the future and deploy proceeds into underinvested community assets elsewhere.

5 Leveraging our operating platform / maintaining a conservative balance sheet

In using our platform to manage third party assets, we help local authorities and other asset owners to create thriving assets that benefit their local communities.

External benchmarks and guidance

Our ESG activities are informed and shaped by several external benchmarks and frameworks.

Benchmarks and assessments

Benchmark / assessment	Overview	Process	Our performance	Our next steps

Global Real Estate Sustainability Benchmark ('GRESB')	– GRESB is the leading sustainability benchmark for the global real estate sector
	– Assessments take place annually and are guided by factors that investors and the industry consider to be material issues in the sustainability performance of real asset investments
	– In 2018 GRESB assessed 904 real estate funds and property companies
		– The GRESB assessment evaluates performance against seven sustainability 'Aspects': (1) management; (2) policy & disclosure; (3) risks & opportunities; (4) monitoring & EMS; (5) stakeholder engagement; (6) performance indicators; and (7) building certification
		– The score in each of these areas is aggregated on a weighted basis to derive an overall GRESB Score, which is divided into two "Dimensions": Management & Policy and Implementation & Measurement.
		– The overall GRESB Score, and the score for each of the two Dimensions, are marked out of 100.
		– A GRESB 'Green Star' star rating is applied to entries with scores of 50 or more for both Dimensions.
			– In the 2018 GRESB Assessment (September 2018), we received a GRESB Score of 62, compared to a score of 46 in 2017 and 36 in 2016.
			– In the Management & Policy dimension, we scored 77, in line with the GRESB Average. This included a maximum-possible score of 100 for the Management Aspect, which focuses on the extent to which an organisation integrates ESG into its overall business strategy
			– In the Implementation & Measurement aspect, we scored 57, just below the GRESB Average of 64
				– We have seen a 72% improvement in our GRESB Score over the last two years, and we intend to continue this improvement in the 2019 assessment, the results of which are due for release in September 2019
				– Our key areas for development in the 2019 assessment are:
				  – Energy, water and waste data collection and performance
				  – Further implementation of environmental efficiency measures
				  – Tenant and community engagement implementation and monitoring

Benchmark / assessment	Overview	Process	Our performance	Our next steps

EPRA Sustainability Best Practice Recommendations ('EPRA sBPR')	– EPRA sBPR are intended to raise the standards and consistency of sustainability reporting for listed real estate companies across Europe
	– Each year, EPRA recognises companies which have issued best-in-class annual sustainability performance reports
		– EPRA partner with JLL to score the public disclosure of EPRA members against:
		– 16 Performance Measures relating to energy, water, waste and building certifications
		– 10 Overarching Recommendations which underpin good quality disclosure
		– Scores are provided out of 100%, with awards provided for entries with at least 12 Performance Measures disclosed as follows:
		  – Bronze: scores between 60% and 69%
		  – Silver: scores between 70% and 85%
		  – Gold: Score above 85%
			– We were first included in the assessment in 2016
			– In 2018, we scored 54%
			
			See Appendix 2 for our performance against EPRA sBPR Performance Measures
				– We have expanded our reporting against EPRA's Performance Measures requirements in FY19 and we will continue to cover all aspects applicable to our business
				– Our key area requiring improvement is the providing of more granular waste data We are also implementing measures to improve our environmental performance through further reduction in energy, water and waste like-for-like figures.

FTSE Russell ESG Rating	– FTSE Russell's ESG Ratings and data model allows investors to understand a company's exposure to, and management of, ESG issues. – The ESG ratings can be accessed through an online data model and include over 4,100 securities in 47 Developed and Emerging markets, comprising the constituents of the FTSE All-World Index, FTSE All-Share Index and Russell 1000 Index.	– The ESG Ratings comprise an overall rating scored out of 5, which breaks down into underlying 'Pillars' and 'Themes'. – The assessment has three Pillars (Environmental, Social and Governance) and 14 Themes which each feed into the Pillars. These are built on over 300 'Indicators' (with 10 to 35 Indicators per Theme). An average of 125 of these Indicators are applied to each company, based on individual circumstances – Companies in Developed markets with an ESG Rating of 3.1 or higher out of 5 are eligible for inclusion in the FTSE4Good Index.	– We have participated in the ESG Ratings since 2017. – In our most recent assessment (December 2018), we received an overall ESG Rating of 2.3 out of 5, just below the Retail REIT average of 2.4. – We scored 1.1 out of 5 in Environment Pillar, 2.1 out of 5 in Social Pillar and 3.7 out of 5 in Governance Pillar. – The main driver of our low score in Environmental was structural: many Indicators require three years of data, and we will only reach our third year of reporting environmental data in 2019. – We did not qualify for inclusion in the FTSE4Good Index based on our December 2018 rating	– We are aiming to improve our score to above the 3.1 threshold required for inclusion in the FTSE4Good Index in the near future. – Key aspects that will help us improve our score are: – Environmental reporting data disclosure to include consecutive years. – Further implementation of efficiency measures leading to energy, water and waste usage reduction across the portfolio

Benchmark / assessment	Overview	Process	Our performance	Our next steps

MSCI ESG Ratings	– MSCI ESG ratings provide insight into ESG risks and opportunities within multi-asset class portfolios.
	– MSCI rate 7,000 companies according to their exposure to industry-significant ESG risks and their ability to manage those risks relative to industry peers.
		– MSCI ESG Ratings are based only on publicly available information.
		– Ratings are constructed based on data points across 37 ESG Key Issues, split into:
		  – Environmental: Climate change, natural resources, pollution & waste, environmental opportunities
		  – Social: Human capital, product liability, stakeholder opposition, social opportunities
		  – Governance: Corporate governance, corporate behaviour
		– To arrive at a final letter rating (AAA to CCC), the weighted average of Key Issues scores are aggregated and normalised based on industry-specific considerations.
			– We were given a rating of BBB in the October 2018 assessment, in-line with MSCI's "Real Estate Management & Services" industry average and unchanged from the October 2017 and October 2016 assessments.
			– We scored in the upper quartile within the industry for Corporate Governance, but in the lowest quartile for Environment and Social factors.
				– We will continue to expand and enhance our disclosure to ensure we are managing the Key Issues identified by MSCI.
				– We will engage with MSCI to ensure it has access to our most recent ESG disclosures.

CDP	– CDP, formerly the Carbon Disclosure Project, runs a global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts. – Investors, businesses and policy makers use the data to inform decisions, manage risk and capitalise on opportunities.	– CDP collects data from companies, cities and states on their environmental performance and produces detailed analysis on critical environmental risks, opportunities and impacts. – Every year, CDP scores participating companies from A to D- based on an assessment of their awareness, management and leadership on climate change.	– We do not currently participate in the CDP disclosure regime.	– We are reviewing our participation in the CDP disclosure regime, with a view to submitting an entry in 2020.

Guidance and principles-based frameworks

Guidance / principles	Overview	Process	Our performance	Our next steps
Task Force on Climate-related Financial Disclosures ('TCFD')	– In April 2015, the G20 Finance Ministers and Central Bank Governors asked the Financial Stability Board ('FSB') to review how the financial sector can take account of climate-related issues. – The FSB established the TCFD to develop voluntary, consistent climate-related financial disclosures that would be useful to investors, lenders and insurance underwriters in understanding material risks, and that would facilitate the transition to a climate-resilient economy.	– The TCFD recommend companies integrate ESG into their reporting in four key areas: Governance, Strategy, Risk Management, Metrics and Targets, and provides example disclosures for each of these. – The TCFD monitors adoption of its recommendations across the industry, although it does not assess individual companies. – The TCFD encourages companies and industry bodies to become 'Supporters' of its framework.	– We have adopted the recommendations of the TCFD throughout our reporting. See Appendix 3 for more details on how we have implemented the TCFD recommendations	– We will continue to enhance our reporting in the key areas identified by the TCFD, and intend to this year apply to become a 'Supporter' of the framework.

UN Sustainable Development Goals	– In 2015, UN countries adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals ('SDGs').
	– The SDGs call for worldwide action among governments, business and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet.
		– There is no official process for supporting the SDGs. Instead, companies are encouraged to select which goals are aligned with their business activities and report on how they are working to achieve them.	– We have this year identified three SDGs where we feel we can make the biggest positive difference, and which align most closely to our business model. These are:
			  – SDG 11: Sustainable Cities and Communities
			  – SDG 12: Responsible Consumption and Production
			  – SDG 8: Decent work and economic growth
			See Appendix 4 for more details on our progress against these SDGs
				– We will report annually on our progress against our chosen SDGs.

Guidance / principles	Overview	Process	Our performance	Our next steps
Sustainable Accounting Standards Board ('SASB') recommendations	– The SASB was founded in 2011 to develop and disseminate sustainability accounting standards, to complement the work of the Financial Accounting Standard Board. – The SASB issued the world's first set of industry-specific sustainability accounting standards covering financially material environmental, social and governance issues in 77 industries.	– SASB has created an Investor Advisory Group (IAG), which comprises leading asset owners and asset managers representing a combined total of more than $21 trillion assets under management, which helps to shape its standards. – The SASB recommendations are aligned with the recommendations of the TCFDs and are complementary to the Global Reporting Initiative.	– We welcome the alignment of SASB standards with TCFD implementation. – We have adopted the recommendations of the TCFD throughout our reporting. See Appendix 3 for more details on how we have implemented the TCFD recommendations	– We will continue to enhance our ESG programme and disclosure in the key areas identified by SASB and TCFD, and intend to this year apply to become a 'Supporter' of the TCFD framework.

RE100	– RE100 is a corporate leadership initiative bringing together major companies committed to sourcing 100% renewable electricity globally.	– Companies joining RE100 make a global, public commitment to 100% renewable electricity through the production of renewable energy or purchase.
		– Companies must submit a clear strategy with a timetable to go 100% by 2050 with interim steps of at least:
		  – 30% by 2020
		  – 60% by 2030
		  – 90% by 2040
			– In 2018, we began discussions with our energy supplier to make the switch to renewable energy across the retail portfolio.
			– We are working with external partners on our ambition to procure green energy across our retail and pub portfolios; we aim to have established green energy contracts for our retail portfolio by the end of 2019.
				– We intend to develop a clear strategy with a timeline to use 100% renewable energy
				– We also intend to make a formal commitment and join RE100 in the near future.

Our ESG targets

We have established comprehensive short, medium and long-term targets to 2050 against our 2017 baseline year, aligned with the Science-Based Targets Initiative (SBTI) methodology.

Our intention is to commit to an ambitious programme to provide long-term resilience for our business. In recognition of the UK's Net Zero ambitions, we will be reviewing these targets during 2019 – 2020 to ensure we are supporting the requirements to meet a 1.5 degree global warming limit, in-line with the Intergovernmental Panel on Climate Change ('IPCC') recommendations.

Our targets and baseline were established in FY17. Our like-for-like reporting from FY17 includes our retail portfolio but does not include our pub portfolio. Following our acquisition of Hawthorn Leisure, our managed pub portfolio is now included in our FY19 absolute reporting. We have developed data collection processes for energy and waste across our managed pub portfolio and this data is currently disclosed in our absolute emissions. Moving forward, we plan to update our targets to account for this change and ensure we are monitoring progress against targets across all of our direct operations.

Short-term targets (by 2020)

	Target	Description	Progress in FY18	Progress in FY19	Next steps
1	Expand our data collection on waste management to encompass all multi-let retail assets	We have appointed a third party waste administration, reporting and management solution provider at the sites which generate the most waste to improve data collection and identify efficiency opportunities.	Improved reporting processes and communication with a third party waste provider and centre managers to ensure efficient and comprehensive collection of waste data.	By the end of FY19, our programme encompassed all multi-let retail assets. Centre managers at 90% of the assets are now able to provide data on total waste and disposal routes. ✓	Continue to work with Local Authorities and waste providers to ensure we are able to collate granular waste usage data across the portfolio.
2	Expand the switch to Automatic Meter Reading (AMR) systems to cover all electricity, gas and water supplies at all shopping centres and pubs	In FY18 we began the installation of AMR systems across our shopping centres for electricity and gas to improve energy consumption monitoring, data accuracy and processes to reduce consumption. We are also looking at opportunities to install water AMR systems for the same purpose.	By the end of FY18, our electricity AMR coverage reached 50% of our retail portfolio and we had begun the installation of gas AMRs.	By the end of FY19, electricity AMR systems covered 68% of the retail portfolio and 64% of the managed pub portfolio. By the end of the year, 79% of gas meters in our retail portfolio were AMRs. ✓	Complete the installation of gas and electricity AMR systems and begin rollout of water AMR systems at NewRiver's highest water-consuming assets.
3.	Zero to landfill across the entire portfolio	By using materials more effectively and for longer periods we can reduce the environmental damage caused by sending waste to landfill and reduce the costs of collecting, storing and processing waste.	In FY18, 94% of our total waste in the retail portfolio was diverted from landfill.	In FY19, 95% of the total waste of the retail portfolio was diverted from landfill. 87% of waste at the managed pubs were diverted from landfill. ✓	Work with site managers to reduce waste to landfill and ensure we achieve 100% diversion rate across our portfolio.

	Target	Description	Progress in FY18	Progress in FY19	Next steps
4	Increase the provision of recycling points at our assets	The installation of recycling points at our assets raises public awareness and encourages our customers to live more sustainably.	Undertook audit of recycling points at our shopping centres through surveys to identify where additional recycling points were needed.	Installed additional recycling points and implemented waste reduction strategies such as collection of food waste through ReFood. ✓	Continue rollout of additional recycling points across the retail portfolio and conduct waste audits at the managed pub portfolio to identify waste management improvement opportunities.
5	Implement staff wellness monitoring procedures	The wellbeing of our employees is a measure of our success in engagement and responding to their needs. By implementing wellness monitoring procedures, we ensure engagement is timely and effective.	In FY18 we introduced our internal Health & Wellbeing programme and updated our staff handbook with wellbeing policies such as flexible working.	In FY19, we undertook our inaugural staff wellbeing survey, which found that the majority of our staff consider their health to be good or very good. Wellbeing initiatives to enhance staff health and wellbeing further were identified. ✓	Implement wellbeing initiatives in response to the wellbeing survey results in FY19, and conduct another staff wellbeing survey during the year.
6	5% reduction in NewRiver-procured utilities	Energy consumption is a key contributor to climate change and is a cost to our business. By reducing the volume of utilities that we procure as a business, we can save money and reduce our environmental impact.	In FY18, we reduced like-for-like electricity consumption at our retail assets by 5%. We also began collecting water consumption data for our assets.	In FY19 we reduced like-for-like electricity consumption at our retail assets by a further 11%. ✓✓	Through the installation of new metering systems covering all utilities, resource conservation measures and generating our own renewable energy we will continue to reduce the volume of procured utilities.
7	5% reduction in NewRiver Greenhouse Gas ('GHG') emissions from 2017 levels	GHG emissions are a key contributor to climate change, and as a UK listed company we are committed to disclosing our annual emissions alongside our financial accounting. By reducing GHG emissions we reduce our environmental impact.	We achieved a 6% reduction in GHG emissions in FY18, surpassing our target three years ahead of our expectations.	In FY19, we reduced our like-for-like GHG emissions by 19% driven by a reduction in energy usage and lower 2018 emission factors. Our absolute GHG emissions increased compared to FY18 as we included the pub portfolio in our reporting this year following the acquisition of Hawthorn Leisure in May 2018. ✓✓	We will expand initiatives at our assets to produce on-site renewable energy and conserve energy. We plan to review our emissions reduction targets during 2019 – 2020 to reflect across both our managed pub portfolio as well as our retail operations.

✓= Good progress ✓✓= Very good progress

Medium-term targets (by 2030)

	Target	Description	Next steps
1	75% of waste generated at NewRiver assets is recycled	Improving recycling rates helps us to minimise our environmental impact by reducing waste sent to landfill. We collect data on diversion rates including recycling across our retail and pub portfolio to identify improvement opportunities.	Continue to implement waste management initiatives across assets to improve recycling rates.
2	75% of energy procured from renewable sources	By procuring energy from renewable sources, such as wind and solar energy, we avoid using the planet's finite resources and prevent the environmental damage of burning fossil fuels. We can procure renewable energy by either generating it ourselves (such as through installing solar PV panels at our shopping centres) or through using renewable energy suppliers.	We will review the costs and benefits of procuring all of our energy from renewable suppliers, and analyse our portfolio to identify opportunities to add renewable energy generating equipment to them.
3	20% reduction in NewRiver procured utilities	Energy consumption is a key contributor to climate change and is a cost to us as a business. By reducing the volume of utilities that we procure as a business, we can save money and reduce our environmental impact.	Through the installation of new metering systems, energy conservation measures and generating our own renewable energy we will continue to reduce the volume of procured utilities.
4	20% reduction in NewRiver GHG emissions	GHG emissions are a key contributor to climate change, and UK companies are required to disclose volume of GHG emissions. By reducing GHG emissions we reduce our environmental impact.	As part of our ESG objective of minimising our environmental impact, we will expand initiatives at our assets to produce renewable energy and conserve energy use.

Long-term targets (by 2050)

	Target	Description	Next steps
1	Over 25% of NewRiver energy generated from renewable sources at our own assets	Many of our assets provide a large amount of unused roof space appropriate for generating renewable electricity. NewRiver already has solar PV Panels at five of its assets, capable of powering around 145 UK homes.	We will continue to review our portfolio for opportunities to add renewable energy resources to them. Such a review requires thorough analysis of payback times and costs vs benefits.
2	100% of energy procured from renewable sources	By procuring energy from renewable resources, such as wind and solar energy, we avoid drawing on the planet's finite resources and prevent the environmental damage of burning fossil fuels. We can procure renewable energy by either generating it ourselves (such as through installing solar PV panels at our shopping centres) or through using renewable energy suppliers.	We will review the costs and benefits of procuring all our energy from renewable suppliers, and analyse our portfolio to identify opportunities to add renewable energy generating equipment to them.
3	40% reduction in NewRiver procured utilities	Energy consumption is a key contributor to climate change and is a cost to us as a business. By reducing the volume of utilities that we procure, we can save money and reduce our environmental impact.	Through the installation of new metering systems, energy conservation measures and generating our own renewable energy we will continue to reduce the volume of procured utilities.
4	40% reduction in NewRiver GHG emissions	GHG emissions are a key contributor to climate change, and UK companies are required to disclosure volume of GHG emissions. By reducing GHG emissions we reduce our environmental impact.	As part of our ESG objective of minimising our environmental impact, we will expand initiatives at our assets to produce renewable energy and conserve energy use.

Our ESG activities

Minimising our environmental impact

Monitoring & reporting improvements

Automatic meter reading ('AMR') systems are essential to the timely monitoring of our energy consumption, the identification of reduction opportunities, and ensuring our billing is accurate. We consider these systems to be so fundamental to our ESG programme that their further improvement forms a key part of our short-term targets for the business.

We continued our rollout of AMRs across our portfolio during the year, and have now installed electricity AMRs at over two-thirds of our portfolio and gas AMRs at three-quarters of our portfolio. For all remaining assets we are on-track to install AMRs in the coming year, ahead of internal targets.

Electric vehicle charging

In 2018, we partnered with InstaVolt – one of the UK's largest owner-operators of rapid DC charging stations for electrical vehicles – to install and maintain charging points to a number of our shopping centres and retail parks. We now have 18 charging points installed across six retail sites in Wallsend, Fareham, Dumfries, Middlesbrough, Market Deeping and Barry, and we have plans to install them at further sites in the coming year.

Water

Reducing water consumption at our assets saves money and reduces our overall resource intensity.

We have implemented water saving initiatives at seven centres including undertaking several toilet refurbishments. Initiatives included installation of sensor taps, water saving cisterns and new water heaters.

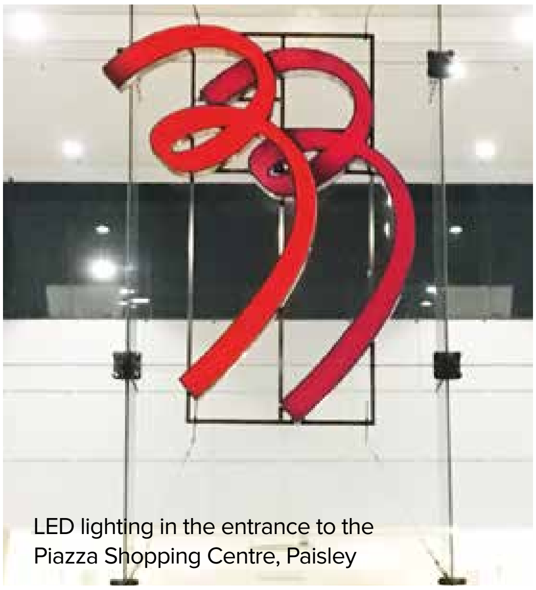
We also installed water harvesters on service decks and rooftops, such as on the roof of Broadway Shopping Centre, Bexleyheath. These installations substantially reduce the consumption of potable water by using the roof as a collector of rainwater.

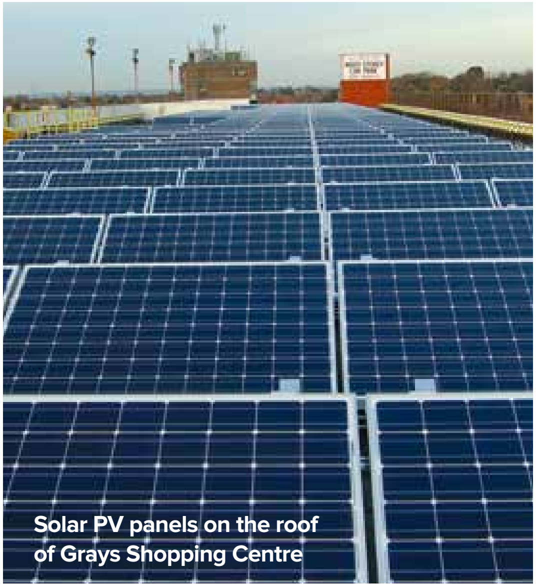
Our partnership with InstaVolt

InstaVolt is one of the UK's leading providers of electric vehicle charging points and is the owner and operator of all EV charging points across the NewRiver portfolio. InstaVolt's chargers are available to use on a subscription-free, pay-as you go basis, and with rapid DC chargers providing a minimum 50kW of electricity, can charge a vehicle in the time it takes to have a cup of coffee.

Better still, all the electricity supplied to InstaVolt comes from 100% renewable energy sources, and the units are future-proofed through the ability to upgrade them to provide up to 350kW as battery technology develops, without the need to remove them from the ground.

InstaVolt installs and maintains its chargers for free and makes its money from the sale of electricity to drivers. NewRiver receives a rent for hosting the chargers at its centres.


LED lighting in the entrance to the Piazza Shopping Centre, Paisley


Solar PV panels on the roof of Grays Shopping Centre

LED lighting rollout

Lighting is essential to ensuring our centres are safe, secure and pleasant places to visit. Recognising that many of our centres are still reliant upon inefficient light sources, we have recently commenced the rollout of LED lighting, which uses at least 80% less electricity than an equivalent conventional halogen source. LED lighting has become the favoured option for businesses wishing to reduce energy consumption, as LEDs have the highest efficacy and lamp life of all, are cost effective to run, and are easy to control and maintain.

Over the last 18 months, we have installed LED lighting at an additional nine shopping centres, and we are in the process of installing them at a further two centres, meaning that the majority of our shopping centres are now running off these renewable light sources.

Solar PV panel installation

The installation of solar photovoltaic ("PV") panels on the roofs of our assets and other open spaces provides a renewable source of electricity derived directly from sunlight, which is used to power lighting and other amenities at our centres, while also reducing our carbon emissions and energy procurement costs.

NewRiver now has Solar PV panels at four shopping centres – in Boscombe, Llanelli, Skegness and Hastings – each with a 50 kWp system capacity. Together, these generate almost 400,000 kWh per year, enough to power 130 UK households.

In addition, Grays Shopping Centre, which NewRiver acquired in July 2018, already has a system of almost 200 panels covering 15,000 sq ft on the roof of the centre. These panels generate approximately 45,000 kWh per year, sufficient to power the centre's car park, and saving around 600 tonnes of CO_2 over their life.

Waste and recycling

Minimising our waste production and encouraging recycling at our centres helps to reduce the pollution caused by sending rubbish to landfills and the manufacture of new replacement materials.

A number of our centres have partnered with Don't Waste and its industry-leading waste management platform to devise their own waste management programmes. These programmes are already showing results, with the Prospect Centre in Hull seeing a 43% reduction in waste year on year after implementing a new waste strategy and The Ridings in Wakefield seeing a 28% reduction year-on-year. We are also committed to improving our waste recycling streams and on-site management practices.

Engaging our staff and occupiers

Occupier satisfaction survey

We have over 800 unique occupiers across our retail assets and are committed to continually improving the service we provide to these key stakeholders in the business.

As part of our engagement programme, we conducted an occupier satisfaction survey in June 2018 across our shopping centre portfolio. The aim of the exercise was to gain a better understanding of occupier's views on topics including:

- Facility and maintenance services;
- Centre manager communication and responsiveness;
- Cleanliness, safety and security;
- Factors impacting ease of doing business, and staff retention and morale; and
- Energy, water and waste management.

NewRiver sent out surveys to 33 shopping centres and received over 650 responses, equating to a nearly 60% response rate.

Over 80% of occupiers were 'satisfied' or 'very satisfied' with the responsiveness of their centre manager and the majority provided a Net Promoter Score ('NPS') of 8 or above for the shopping centres they operate in. Over three-quarters of respondents expressing a view were 'satisfied' or 'very satisfied' with the provision of security personnel and over 85% were 'satisfied' or 'very satisfied' with the cleaning and management of waste in common areas.

The survey also revealed areas for further development, which we will look to address in our centre manager plans for the coming year. These include improving parking provision for centre staff, providing more natural light and greenery into our centres, and raising awareness of initiatives to promote sustainability at a centre-level.

Staff wellbeing programme

NewRiver's 120 head office staff play an integral role in our business, and their wellbeing is a top priority for us. In FY18 NewRiver launched a staff wellbeing programme which includes aspects such as encouraging physical activities, supporting flexible working and providing healthy food options.

Our flexible working practices enable our staff to work in a way that is smart, focused and tailored to their individual needs. The effect of this is visible through our low absentee rates of less than 0.5%.

Our aim in FY20 is to implement more activities which will help to foster a healthier working environment. We are participating in "Thrive at Work", a programme seeking the highest level of accreditation to demonstrate our commitment to employee health and wellbeing.

We have also enrolled in a campaign called "This is Me", a business-led campaign to support organisations and their employees, to talk about mental health. It encourages people with experience of a mental health problem, whether their own or a loved one, to share their stories and end the stigma around mental health issues.

In June 2018, NewRiver conducted its first staff wellbeing survey, which covered topics including:

- Physical health, levels of exercise and diet;
- Mental health, levels and drivers of stress;
- Work-life balance; and
- Personal and career development.

The survey was sent to all NewRiver and Hawthorn Leisure staff, and had an almost 80% response rate. The findings were very favourable, with the majority of staff considering their levels of physical and mental health to be 'good' or 'very good', and it also identified some important areas for improvement, such as making it easier and cheaper for staff to exercise, and encouraging more breaks during the working day.

Following the survey, an internal working group has been established to review the survey results and assess how the company's wellbeing programme can be further enhanced.

Staff training and development

We are committed to maximising the skills, capability and performance of all employees. We provide all of our colleagues with the opportunity to develop themselves and progress in their careers. Our support ranges from funding through professional qualifications including RICS and ACCA to informal weekly teach-ins with experts on a wide range of topics, which all staff members are encouraged to attend. We also support the Apprenticeships Scheme. Of our head office staff in both London and Birmingham, 87% have received training during the course of this year.

In addition, all employees benefit from a tailored performance review and professional development plan which allows them to measure their progress and fulfil their potential. We have further developed our appraisal processes this year and we completed 226 appraisals across the entire business.

Recruitment and retention

Following our acquisition of Hawthorn Leisure in May 2018 we now have a total head count across both businesses, including our Managed Pubs division, of 226. Our gender diversity is 57% female and 43% male across the entire business and 48% female and 52% male within our head office locations in London and Birmingham.

Our recruitment policies consider the needs of the business today and our aspirations for the future, whilst ensuring that our unique corporate culture is maintained. During the year we hired four additional experienced employees at NewRiver across our portfolio management, development, finance and HR teams taking NewRiver's head count to 55.

Hawthorn Leisure has a head count of 65, including individuals who were part of a TUPE process in January 2019, where nine individuals transferred to NewRiver during the integration project, which also involved recruitment of 21 new staff.

Our Managed Pub division employs a further 106 staff.

The support we provide to our staff is reflected in our excellent staff satisfaction and retention rates, and this allows us to further attract the best talent. Across our business we have a retention rate of 88%.

Reward and recognition

We are committed to ensuring that we reward our employees through our remuneration policies which include bonus entitlements for all staff to reward excellent performance and our Long Term Incentive Plan.

We currently offer our employees comprehensive benefits, ranging from paid family medical insurance for all staff and dependents to income protection. We review these benefits each year to ensure they are meeting employee expectations. We also offer enhanced shared parental pay entitlements.

Our remuneration policies are tailored to reward excellence and ensure retention of our talented team.

Diversity

As a company, we are committed to a culture of diversity and inclusion in which everyone is given equal opportunities to progress regardless of gender, race, ethnic origin, nationality, age, religion, sexual orientation or disability.

Gender diversity is a particular focus for the business. While as a business we achieve a good overall balance of male to female employees, we recognise that there is room for improvement in the representation of female employees in senior roles throughout the business. We are taking steps, in conjunction with industry bodies, to address this important issue.

Health and safety

We are committed to ensuring the health and safety of our staff and clients and to providing a safe environment for all those visiting our assets. A key part of this is our controls to address health and safety risks arising from our work activities, provision and maintenance of safe plant and equipment and the taking of steps to prevent accidents and cases of work-related ill health. The Board has nominated the Company Secretary as the Principal Health and Safety Officer with day-to-day responsibility for health and safety measures, though we encourage all staff to take responsibility for ensuring healthy and safe working conditions.

We are pleased to report that during the year the company recorded no injuries and no fatalities throughout the business.

Total staff sickness days remained at less than 1% of total working days for the second consecutive year.

Supporting our communities

As part of our commitment to being good neighbours and supporting local causes, our community shopping centres, conveniently-located retail parks and community pubs made significant contributions to their communities during the year. Alongside local fundraising, NewRiver contributes to a number of charities at a corporate level, including through our recent partnership with the Trussell Trust and our annual 'Way of the Roses' challenge, raising thousands of pounds for local causes.

Our first charity partnership with the Trussell Trust

In May 2019 we announced our first corporate charity partnership with the Trussell Trust, an organisation that aims to end hunger and poverty in the UK. The Trussell Trust supports more than 1,200 food banks across the UK to provide a minimum of three days' nutritionally-balanced emergency food to people in need, as well as providing support to help people resolve the challenges they face. In 2018-19, food banks in the Trussell Trust's network provided 1.6 million emergency food parcels to people in crisis. More than 550,000 of these went to children.

Through this partnership, NewRiver will join a number of leading UK retailers and consumer goods companies who already support the Trussell Trust. Our support will entail financial support at a corporate level and from fundraising at its community shopping centres and community pubs, as well as identifying local opportunities to use our assets for storage, donation drop-off points, awareness campaigns and volunteer recruitment.

"We are thrilled to have NewRiver as our new corporate partner. We have seen a record demand in food bank use in the last year, with more and more people struggling to afford the basics. This isn't right.

But thanks to the incredibly vital support from our partners, we're committed to working towards a future where there is no need for food banks. We're continually blown away by people's support to provide emergency help and this kind of generosity from NewRiver shows that as a nation we believe in justice and compassion to change society for the better."

Alex Christian, Head of Corporate Partnerships at The Trussell Trust


The team at Abbey Centre, Belfast accept the Autism Impact Award

Autism Impact Award Champion

Investing in Autism Awareness & Training Excellence

Making our centres autism-friendly

There are 700,000 autistic people in the UK, and trips to the shops can be stressful for autistic adults and children. Frustration or anxiety can be caused by not knowing why we need to shop or what will happen when shopping, and a person can be overwhelmed by sensory experiences in retail destinations.

NewRiver is a proud participant in the National Autistic Society's Autism Hour initiative, ensuring centres and their occupiers adapt their environments to make autistic shoppers more comfortable and to reduce sensory overload, including:

- Turning down music, in-store tannoy announcements and other controllable noise
- Dimming or switching off lights where it is safe to do so
- Training employees to understand autism and how they can help
- Raising public awareness of autism and collecting feedback

Launched in 2017, the Autism Hour campaign is run every October and the National Autistic Society encourages businesses to run their own Autism Hour regularly through the year.

NewRiver had 16 centres participate in the 2018 campaign, and over half of these now run a regular Autism Hour throughout the year. A number of our centres have also produced pre-visit sensory guides, which can make the shopping experience more comfortable for those suffering from autism.

In October 2018, the Abbey Centre, Belfast was recognised with an 'Autism Impact Award' from Autism NI for its efforts to make the centre a more autism-friendly environment.

Tackling loneliness amongst the elderly

Most people will feel lonely at some points in their lives, but for a growing number of people, particularly those in later life, loneliness can have a significant impact on their wellbeing. According to Age UK, the UK has 3.6 million older people living alone, of whom 2 million are aged 75+.

In association with Age UK and other elderly charities, a number of our centres – including The Forum in Wallsend, Priory Meadow Shopping Centre in Hastings and Hillstreet Shopping Centre in Middlesbrough – host regular events for old people promoting friendship and providing activities

The Ridings Centre in Wakefield hosts a monthly 'Cuppa Club', a free monthly meet-up, with events including afternoon tea, live music, dancing, craft activities and more. In May 2018, the centre won a prestigious Golden Apple Award for its work on Cuppa Club, which was commended by the judges for tackling a national issue with a simple yet effective campaign.

Showcasing local creative talent

We work with a range of national arts-based charities, in co-operation with The Arts Council, Charities Commission and the Local Government Association, to use empty spaces across our portfolio as a platform for local artists. This includes use of units for exhibition and gallery space, workshops, temporary studios, performance spaces and even just for storage of artworks.

As part of the agreement, the charities take liability for the business rates on each unit and NewRiver covers any shortfall not covered by charity business rates relief. In addition, NewRiver makes a monthly charitable donation to the charities.

Rooftop allotment at the Prospect Centre, Hull

Supporting communities from the rooftops

As part of its commitment to environmental sustainability, the Prospect Centre in Hull has introduced a rooftop allotment and bee-keeping facilities to house a colony of honey bees.

The rooftop allotment has grown rapidly from the initial ten plots it boasted on launch four years ago and now requires a workforce of volunteers to tend to it and the greenhouse that the centre has installed in its service yard.

Prospect Centre has partnered with The Work Company, a regional agency that helps people who are struggling to find employment by providing new skills and support. The centre has donated the fruit and vegetables to Hull HARP, a homelessness charity.

The colony of honey bees on the roof is a first for Hull city centre and has now produced its first jars of honey. The hives also act as an educational facility for local school children to learn more about the nature of bees.

Leading on governance and disclosure

Board and Committee Structure:

Board
Responsible for leading & controlling the Group and has overall authority for the management and conduct of the Group's business, strategy and development.

Audit Committee
Reviews and monitors the Group's risk management processes.

Monitors the integrity of the half-year and annual financial statements before submission to the Board.

Monitors the effectiveness of the audit process.

Remuneration Committee
Implements the remuneration policy of the Group which is to ensure that Directors and senior management are rewarded in a way that attracts, retains and motivates them and aligns the interests of both shareholders and management.

Nominations Committee
Reviews the succession planning requirements of the Group and operates a formal, rigorous and transparent procedure for the appointment of new Directors to the Board.

Executive Committee
To assist the Chief Executive with the development & implementation of the Group strategy, the management of the business and the discharge of its responsibilities delegated by the Board.

Board membership

Details of the Directors, including the skills and experience that they bring to the Board, are on pages 74 to 75. During the year, the Board comprised three independent Non-Executive Directors (excluding the Chairman) and three Executive Directors. The Nomination Committee is of the opinion that the Non-Executive Directors remain independent, in line with the definition set out in the 2016 Code, and are free from any relationship or circumstances that could affect, or appear to affect, their independent judgement. The Chairman was independent on appointment and the Board still consider her to be independent.

Responsibilities of the Board

The Board is responsible for leading and controlling the Group and has overall authority for the management and conduct of the Group's business, strategy and development. The Board, supported by a company secretary, is also responsible for ensuring the maintenance of a system of internal controls and risk management (including financial, operational and compliance controls) and for reviewing the overall effectiveness of systems in place, as well as for the approval of any changes to the capital, corporate or management structure of the Group.

There is a clear division of responsibility between the Chairman, who is responsible for the leadership of the Board, and the Chief Executive, who is responsible for managing and leading the business.

A summary of the Directors' responsibilities is shown below:

Chairman	Margaret's role is to lead the Board and ensure that it operates effectively. Her responsibilities include: • setting the agenda, style and tone of Board meetings to ensure that all matters are given due consideration; • maintaining a culture of openness, debate and constructive challenge in the Board room; • ensuring the Board's effectiveness and ensuring it receives timely information; • ensuring a new Director receives a full, formal and tailored induction on joining the Board; • reviewing and agreeing training and development for the Board.
Executive Deputy Chairman	David's responsibilities include: • providing leadership and acting as an adviser to the Chief Executive Officer and Chief Financial Officer; • assisting the Executive Directors with relationships with shareholders and stakeholders; • working with the Board to develop the Company's strategy.
Chief Executive Officer	Allan's responsibilities include: • managing the business of the Group; • recommending the Group's strategy to the Board; • Environment, Social & Governance strategy; • implementing the strategy agreed by the Board; • management of the Group's property portfolio, including developments.
Chief Financial Officer	Mark's responsibilities include: • implementing the Group's financial strategy, including balance sheet capitalisation; • overseeing financial reporting and internal controls; • executive responsibility for the pub portfolio.
Senior Independent Non-Executive Director	Alastair's responsibilities include: • acting as a sounding board for the Chairman; • evaluating the Chairman's performance as part of the Board's evaluation process; • serving as an intermediary for the other Directors when necessary; • being available to shareholders should the occasion occur when there was a need to convey concern to the Board other than through the Chairman or the Chief Executive.
Non-Executive Directors	Kay, Alastair and Colin bring independent judgement, knowledge and varied commercial experience to the meetings and in their oversight of the Group's strategy. Kay and Alastair chair the Remuneration and Audit Committees respectively.

Attendance

Each of the Directors has committed to attend all scheduled Board and relevant committee meetings and have committed to make every effort to attend ad hoc meetings, either in person or by telephone. If a Director cannot attend a meeting, he or she will be provided with the papers in advance of the meeting as usual and will have the opportunity to discuss them with the Chairman or Chief Executive and to provide comments. The Non-Executive Directors meet without the Executive Directors and the Chairman present, at least once a year.

Attendance at committee meetings is shown in the respective committee reports. Attendance at Board meetings is shown below:

Margaret Ford	6/6
Allan Lockhart	6/6
Mark Davies	6/6
David Lockhart	6/6
Kay Chaldecott	6/6
Alastair Miller	6/6
Colin Rutherford[1]	2/2

1. Colin was appointed to the Board during the year

Business of the board during 2019

Group strategy
- Acquisition of Hawthorn Leisure
- Two-day strategy session with one day for corporate/blue sky considerations, and one day for sector research and trends

Routine business
- Review of quarterly finance updates
- Quarterly review of the Group's portfolio, leasing activity, capital projects, development status and significant operational matters
- Approval of the annual report and interim report, and associated financial statements
- Approval of the annual budget
- Approval of quarterly interim dividends

Additional business
- Appointment of a new Chairman, a new Senior Independent Director and a new Non-Executive Director
- Appointment of a new auditor for the next financial year
- Monitoring the integration of Hawthorn Leisure and the Group's existing pub portfolio
- Consider feedback from shareholder meetings
- Consideration and approval of dividend policy
- Review of Board effectiveness and implementation of recommendations
- Review of new Corporate Code and implications for the governance processes in the Group

Board evaluation process

The Board appointed Prism Cosec ('Prism') to conduct its external Board evaluation in 2017. Each year following the evaluation, Prism have reviewed the results of the Board's feedback on the operation of the Board, and reported the conclusions back to the board. Prism do not undertake any other work for the Company.

The scope of, and methodology for, the evaluation was discussed and agreed between Prism, the Company Secretary and the Chairman in the context of an agreed three-year evaluation plan. Directors were asked to respond to a number of open questions about the operation of the Board and its committees before completing detailed questionnaires on the same. Prism reviewed the responses to the questionnaires, drew out the pertinent themes and discussed these with the Board. The Board believe that it continues to operate effectively and has addressed the evaluation points raised as follows.

Area	Actions required	Status
Nomination Committee		
Succession plans for Board and Executive Committee appointments required.	Succession plans created and implemented. New Chairman and CEO appointed. Succession plans refreshed for new appointments.	Complete.
Plan formal Nomination Committee meetings as part of annual Board cycle and set agenda items to cover.	Create corporate calendar, Board and committee annual planners.	Complete.
Board process		
Balance presentations and blue sky thinking. Share executive research.	Two-day strategy session arranged with one day for corporate/blue sky considerations, and one day for property research and trends.	Complete.
Other governance points		
Consideration of diversity in Nomination Committee's Board appointment process.	Diversity integral part of Board appointment process and is regularly discussed at the Nomination Committee.	No immediate action required.
Consider Senior Independent Director's duties with shareholders.	Alastair is available to shareholders should the occasion occur. Largest shareholders will be an offered opportunity to meet.	Ongoing.
Review the reporting line of the Company Secretary.	The Company Secretary had a reporting line to the Chairman on all board related matters.	Complete.
Consider HR resources.	HR Director and HR manager appointed.	Complete.
ExCo member attendance at future Remuneration Committee Meetings.	HR Director attends Remuneration Committee Meetings. CEO invited to present as required.	Complete.
Competitive tender for advisors to the Remuneration Committee.	Competitive tender completed during the year.	Complete.

Induction of new directors

The Chairman and Company Secretary manage an induction process to ensure that new Directors are fully briefed about the Company and its operations. This process included asset visits and meetings with members of the executive management team as well as specific briefing with regard to their legal and regulatory obligations as a Director. Colin Rutherford joined during the year and has received the induction.

Corporate Governance Code

The Company was compliant with the requirements of the UK Corporate Governance Code, published in April 2016, throughout the year.

The Board has reviewed the requirements of the updated Code announced in July 2018 that will apply to the Company for the next financial year. A plan was developed to ensure compliance with the Code and the plan is substantially complete.

Corporate culture

The Chairman and the Board are aware of the importance of corporate culture in achieving high standards of corporate governance. Our culture is discussed in detail in the Strategic Review.

Shareholder engagement during the year

The Board is committed to providing investors with regular announcements of significant events affecting the Group.

The Chief Executive, Chief Financial Officer and Head of Investor Relations and Strategy are the Company's principal spokesmen responsible for communication with investors, fund managers, analysts and the press. The Company organises a twice-yearly investor roadshow for its institutional investors after the half-year and full-year results and holds one-on-one and Group investor meetings throughout the year as required. In addition, the Chairman met with the largest shareholder during the year.

The Company regularly announces events that may be of interest to stakeholders through its news release service.

The Chairman and Senior Independent Non-Executive Director are available to meet with shareholders to discuss governance or any other concerns which are not appropriate to discuss through normal channels of communication, or where normal channels of communication have failed to allay the concern.

The Board is kept regularly updated of the meetings that the Executive Directors have with shareholders and analysts. The Head of Investor Relations and Strategy provides the Board with an update of the market for the Company's shares, what its peers are doing and any reports issued about the sector generally and the Company specifically.

Annual General Meeting ("AGM")

The AGM is the annual opportunity for all shareholders to meet with the Directors and to discuss with them the Company's business and strategy. Directors are available to meet informally with shareholders before and after the meeting.

The notice of AGM is posted to all shareholders at least 21 working days before the meeting. Separate resolutions are proposed on all substantive issues and voting is conducted by a poll. The Board believes this method of voting is more democratic than voting via a show of hands since all shares voted at the meeting, including proxy votes submitted in advance of the meeting, are counted.

For each resolution, shareholders will have the opportunity to vote for or against or to withhold their vote. Following the meeting, the results of votes lodged will be announced to the London Stock Exchange and displayed on the Company's website.

Anti-corruption and anti-bribery

We are committed to the highest legal and ethical standards in every aspect of our business. It is our policy to conduct business in a fair, honest and open way, without the use of bribery or corrupt practices to obtain an unfair advantage. We provide clear guidance for suppliers and employees, including policies on anti-bribery and corruption, anti-fraud and code of conduct. All employees receive training on these issues appropriate to their roles and responsibilities.

Human Rights

Being mindful of human rights, the Company has a Modern Slavery policy and published its second annual Modern Slavery statement during the year, to ensure that all of its suppliers are acting responsibly and are aware of the risks of slavery and human trafficking within their own organisation and supply chain.

Margaret Ford's view of strategy day

Strategy is not a topic that is visited once a year and the Board is continually discussing the ever-changing retail and leisure market. A key part of the strategic agenda for the year is set during the two-day strategy that the Board attended in March.

Central to the Board strategy is the consideration of stakeholders' views. We commissioned a perception study to collate the views of our shareholders, and an independent team presented the results to the Board. We heard investors' views of the management team, strategy, diversification of the portfolio and capital management policies. Investors acknowledge that the Group is operating in a tough market, but the NewRiver team have the strategy and skills to outperform their peers. A specific area of feedback was on the desire for the group to improve disclosures, an area on which we have taken further feedback from analysts and other advisors to continually improve the quality of the information provided externally.

Specific issues from shareholders were also debated, with particular focus on the Company's capital management strategy. The Board considered a range of forecasts, strategies and sensitised projections to consider the appropriateness of the dividend policy. We also considered the most appropriate capital and ownership structures to maximise shareholder return.

The Board engaged a third-party study into future retail market performance drivers to ensure that the Group's strategy is set in the context of the factors impacting the majority of our tenants and to understand the forces shaping the competitive environment. In that context, potential mergers and acquisitions were discussed to ensure that the company was prepared for competition in its markets and as a way of rebalancing the portfolio to maintain the income focus. We reviewed operational geographies and adjacent sectors, considering how the Group can diversify its income profile and future proof the company.

The Board spent the second day with the wider senior management team to hear their views, which complement the views of the Executive Directors. The Board regularly meets with the team and considers this an essential part of understanding the culture of the Group and in assessing the Board's succession plan. The team presented in some detail the operational strategies for the year ahead, which are built around smarter asset management, delivering development profits early, reducing costs and building strategic partnerships.

Q&A with Colin Rutherford

Q: Colin, you are a very experienced Non-Executive Director of listed companies. What are your first impressions of how the Board operates at NewRiver?

A: This is one of the most professional Boards I have worked with. There is a great diversity of skills and experience in a board that has a clear purpose and strategy and considers all aspects of how to deliver for its stakeholders.

Q: You have an in-depth understanding of the property and public house industries. How do you feel the board will benefit from your knowledge?

A: I think with a reasonable grasp of current Retail Property and Leisure sector challenges, I hope to be able to add value by helping address the key issues prevailing in those segments which are germane to the Board's strategy. Both sectors are under real pressure having to adapt to new trading norms, especially the abundance of consumer choice, but sensible opportunities for grounded well-run companies, and those engaged in particularly astute partnerships, will prevail once again, and create value.

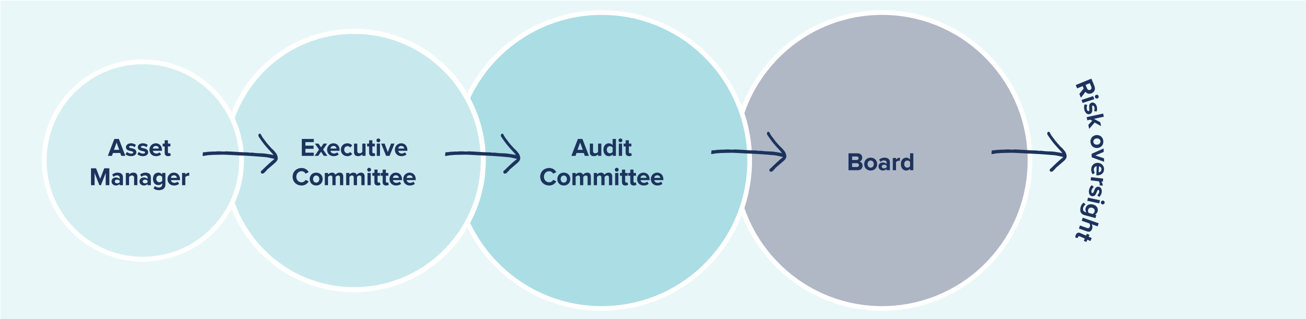
Q: The induction process is a vital journey for any new Non-Executive Director, even one as familiar with corporate governance as you. How did NewRiver's induction meet your expectations?

A: The recruitment and induction process was handled with real aplomb, and I was able to hit the ground running from my very first formal Board meeting. It was very smooth and met my expectations albeit I expected no less from such an experienced team.

Q: You were straight into the deep end with attendance at this year's strategy day. What were the highlights of the strategy day for you?

A: I was impressed with the senior team's depth of sector experience, their knowledge and assessment of trend and opportunities, and in consequence their directional business emphasis. There is a clear 'can do' desire for growth but this is tempered by assuredness and a more than healthy appreciation of risk, and how to protect and hopefully enhance total shareholder returns. The analysis provided to the Board at the meeting was detailed, thorough and showed the depth of experience of the management team.

Our approach to risk management



The Board has ultimate responsibility for the risk management and internal control of the Group. Managing risks is an essential part of any business and the Board regularly evaluates the Group's appetite for risk, ensuring our exposure to risk is kept at an appropriate level.

The Audit Committee monitors the adequacy and effectiveness of the Group's risk management and internal controls and supports the Board in assessing the risk mitigation processes and procedures.

The Executive Committee is closely involved with day-to-day monitoring of risk management and delegation of accountability for risk management to senior management.

Senior Management manage and report on risk, ensuring that they are within the risk appetite as established by the Board.

Key features of the risk management policy

- Ongoing analysis and review of the risk register
- Delegation of accountability for each risk
- Use of external advisors regarding risk impacts
- Quarterly reporting and exposure analysis
- Training of employees and outsourced staff on policies and regulations

Risk Appetite

There are a number of risks that could impact the ability of the Group to successfully execute its strategy.

The Board operates a low tolerance for risk, most notably within regulatory, financial and strategic matters. The Group is prepared to operate in an external environment which is inherently risky, and our experienced leadership team continuously works to mitigate the risks arising from the external environment.

Significant factors which contribute to the low risk of our business include;

- We maintain an unsecured balance sheet benefiting the Group with a more diversified debt structure and gaining access to a larger pool of capital to help achieve our strategic goals
- The disciplined stock selection in which we invest
- A diverse tenant base in which there is no single tenant exposure of more than 2%
- Our experienced Board and senior management

Risk monitoring and assessment

The identification of risks is a continual process which is reviewed regularly. The Company maintains a risk register in which a range of categories are considered. These risks are linked to the strategic priorities of the Group and the appetite as described above.

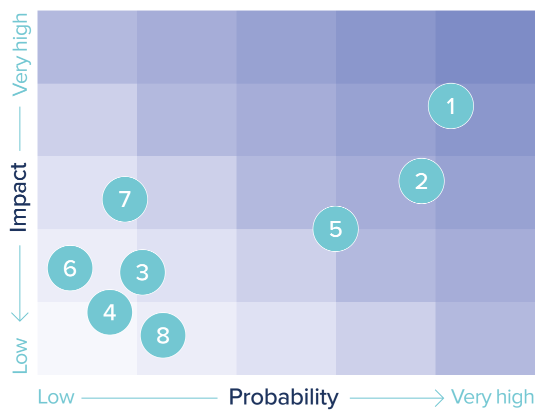
The risk register assesses the impact, likelihood and residual risk of each identified risk specific to the Group.

Where the residual risk is deemed too high by the Board then actions are taken to further mitigate the risk, and each action is assigned to an individual or group.

A risk-scoring map is used to determine the potential impact and probability of each significant risk prior to mitigation and residual risk after mitigation.

Principal risk areas are;

1. Macroeconomic environment
2. People
3. Corporate strategy and performance
4. Financial
5. Technological changes
6. Asset management
7. Development
8. Environmental



Our response to environmental risk

Nature of risk:

- Adverse impact from an environmental incident such as extreme weather, flooding or energy supply issues at our assets.
- Changes in environmental regulations and legislation that impact our business operations.
- Failure to achieve environmental targets as established in our ESG disclosures, or those outlined in external benchmarks.

Impact on strategy:

- Performance of our assets could be impacted by asset closure or accessibility issues.
- We could face increased costs in meeting new environmental standards.
- Our financial performance and reputation could be impacted by not meeting targets outlines in our ESG disclosures or external benchmarks.

Mitigation

- The Company has a comprehensive ESG programme that is regularly reviewed to account for the latest environmental regulations and standards, and industry best practice.
- The ESG programme is overseen by our Head of ESG, who is a member of Executive Committee, and significant ESG matters are addressed at Executive Committee and Board level.
- We regularly assess assets for environmental risk and ensure sufficient insurance is in place to minimise the impact of environmental incidents.

Assessment of residual risk:

- The Board considers NewRiver's approach to ESG, and its practices to limit the impact of environmental incidents on its assets, are sufficient to ensure the residual impact is low.

Appendix 1: Mandatory Carbon Reporting

Under the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013, we are required to report on greenhouse gas ('GHG') emissions for which we are responsible. Our GHG emissions for the financial year ending 31 March 2019 are summarised in the table below. Emission data from the financial year ending 31 March 2018 has also been included for comparison purposes.

Sources of greenhouse gas emissions	**FY19 (tCO_2e)**	FY18 (tCO_2e)
Scope 1		
Combustion of fuel & operation of facilities	**1,480.18**	501.46
Scope 2		
Electricity, heat, steam and cooling purchased for own use	**4,022.48**	4,410.75
Total footprint	**5,502.67**	4,912.21

Intensity measure	**FY19 (tCO_2e/sq m)**	FY18 (tCO_2e/sq m)
Emissions per sq m	**0.035**	0.078

We have used the operational control method to outline our carbon footprint boundary. Occupiers' energy usage and emissions are not included as this is not deemed to be within our operational control boundary. Following the acquisition of Hawthorn Leisure during the year, our managed pub portfolio is now of a sufficient size to warrant inclusion in our FY19 reporting. This is reflected in the total emission increase in FY19 compared to FY18.

For intensity level reporting, we have used the operationally controlled area of our assets as the denominator, which we estimate to be 28% of the total area of our assets. Emissions from vacant units have been excluded in the intensity measure due to the variability of emissions and floor area year-on-year. In any event, vacant units represent a de minimis percentage of our total GHG emissions.

We have measured emissions based on the GHG Protocol Corporate Accounting Standard (revised edition) and guidance provided by the UK's Department for Business, Energy & Industrial Strategy and the Department for Environment, Food and Rural Affairs ('Defra') on mandatory carbon reporting. The emissions factors and conversions used for 2018 reporting are from the Defra greenhouse gas reporting tool 2017 and the factors and conversions used for 2019 reporting are from Defra's 2018 reporting tool.

	2018 ($kgCO_2e$/kWh)	2017 ($kgCO_2e$/kWh)	% change
Electricity	0.28307	0.35166	-19%
Natural gas	0.20437	0.20437	-13%

The above table outlines the emission factors for the UK used for the 2018 and 2019 reporting. It demonstrates that the emission factors have reduced, which is mainly due to a cleaner energy supply mix as the UK is moving away from coal and gas to a greater proportion of renewables.

Appendix 2: EPRA sBPR

Relevant environmental data has been reported, where possible, following the European Real Estate Association Best Practice Recommendations on Sustainability Reporting, September 2017 (EPRA sBPR).

Environmental

EPRA Code	Performance Measure	Unit(s) of Measure	Retail FY19	Pubs[1] FY19	**Total FY19**	Total FY18	Total FY17
Elec-Abs	Total electricity consumption	annual kWh	**11,241,179**	**2,969,029**	**14,210,208**	12,546,213	13,398,347
Elec-LfL	Like-for-like total electricity consumption	annual kWh	**9,914,299**	**–**	**9,914,299**	11,295,402	–
Fuels-Abs	Total fuel consumption	annual kWh	**3,894,148**	**3,348,511**	**7,242,659**	2,450,633	2,413,295
Fuels-LfL	Like-for-like total fuel consumption	annual kWh	**2,116,698**	**–**	**2,116,698**	2,184,042	–
Energy-Int[2]	Building energy intensity	kWh/ m^2	**105.83**	**281.91**	**130.84**	120.38	126.92
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	annual metric tonnes CO_2e	**3,978**	**1,525**	**5,503**	4,912	5,204
GHG-Int[2]	Greenhouse gas (GHG) emissions intensity from building energy consumption	tonnes CO_2e / m^2	**0.028**	**0.068**	**0.035**	0.039	0.042
Water-Abs	Total water consumption	annual cubic metres (m^3)	**73,940**	**–**	**73,940**	65,747	–
Water-LfL	Like-for-like water consumption	annual cubic metres (m^3)	**53,959**	**–**	**53,959**	60,627	–
Water-Int[2]	Building water intensity	m^3 consumption / m^2	**0.06**	**–**	**0.06**	0.05	–
Waste-Abs	Total weight of waste by disposal route	Annual metric tonne	**4,112**	**420**	**4,534**	3,658	–
Waste-LfL	Like-for-like total weight of waste by disposal route	Annual metric tonne	**3,265**	**–**	**3,265**	3,341	–

1. Following the acquisition of Hawthorn Leisure during the year, our managed pub portfolio is now of a sufficient size to be included in our consumption data as of FY19
2. Intensity figures have been restated for prior years to allow for comparison with FY19 figures, which are calculated with reference to controlled floorspace on an asset-by-asset basis, rather than using the previous method of applying a flat percentage across the portfolio

Note: Water data was not reported in 2017 as we were developing our data coverage and processes to build a complete data set.

Social

EPRA Code	Performance Measure	Unit(s) of Measure	**FY19**	FY18
Diversity-Emp	Employee gender diversity	Percentage of employees	• Board Diversity: 29% Female / 71% Male • Employee Gender Diversity: 48% Female / 52% Male	• Board Diversity: 29% Female / 71% Male • Employee Gender Diversity: 45% Female / 55% Male
Emp-Training	Employee training and development	Average hours / employee	30	42
Emp-Dev	Employee performance appraisals	Percentage of employees	100%	100%
Emp-Turnover	New hires and turnover	Total number and rate	• 14 joiners • 10 leavers • 120 total employees (including Hawthorn Leisure, acquired in May 2019) • Turnover rate: 8%	• 9 joiners • 7 leavers • 55 total employees • Turnover rate: 13%
H&S-Emp	Employee health and safety	Injury rate, absentee rate and number of work related fatalities	• Sickness Absence Rates: 171 sickness days taken • Injury Rate: 0 • Fatalities: 0	• Sickness Absence Rates: 77 sickness days taken • Injury Rate: 0 • Fatalities: 0
H&S-Asset	Asset health and safety assessments	Percentage of assets	100%	100%
H&S-Comp	Asset health and safety compliance	Number of incidents	0	0
Comty-Eng	Community engagement, impact assessments and development programmes	Percentage of assets	100%	100%

Governance

EPRA Code	Performance Measure	Unit(s) of Measure	**FY19**	FY18
Gov-Board	Composition of the highest governance body	Total number	7	7
Gov-Selec	Process for nominating and selecting the highest governance body	Narrative on process	See Nomination Committee report of 2019 Annual Report	See Nomination Committee report of 2018 Annual Report
Gov-Col	Process for managing conflicts of interest	Narrative on process	See Nomination Committee report of 2019 Annual Report	See Nomination Committee report of 2018 Annual Report

Appendix 3: Implementation of the TCFD recommendations

The below table provides further details on how NewRiver has addressed the TCFD's recommendations.

Thematic area	Recommendation	NewRiver's response
Governance	Describe the Board's oversight of climate-related risks and opportunities	Environmental risk is one of our eight key risk categories. The Board has ultimate responsibility for the risk management and internal control of the Company, and regularly evaluates the Company's appetite for risk, ensuring our exposure to risk is kept at an appropriate level. The Audit Committee monitors the adequacy and effectiveness of the Company's risk management and internal controls and supports the Board in assessing the risk mitigation processes and procedures.
	Describe management's role in assessing and managing risks and opportunities.	The Executive Committee is closely involved with day-to-day monitoring of risk management and delegation of accountability for risk management to senior management. Senior Management manage and report on risk, ensuring that they are within the risk appetite as established by the Board. Further details can be found on Page 32 of this report and in the 'Our approach to risk management' section of our Annual Report.
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	We have established comprehensive short, medium and long-term targets to 2050 against our 2017 baseline year, aligned with the Science-Based Targets Initiative (SBTI) methodology. Our intention is to commit to an ambitious programme to provide long-term resilience for our business and unlock opportunities arising from climate-related opportunities. Further details can be found in the 'Our ESG targets' section of this report.
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Our ESG activities are applied through every stage of our business model to reach our ESG objectives. Further details can be found in the 'Our ESG targets' section of this report.
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Environmental risk is one of our eight key risk categories. Detailed climate-related scenario analysis has not been undertaken as yet to understand the potential impacts of different pathways on our business. We will continue to review our approach to this as part of our resilience strategy. Further details can be found on Page 32 of this report and in the 'Our approach to risk management' section of our Annual Report.

Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	We outline our approach to risk management, which includes Environmental risk, as part of our Half Year and Full Year results, and within our Annual Report.
	Describe the organization's processes for managing climate-related risks.	Further details can be found on Page 32 of this report and in the 'Our approach to risk management' section of our Annual Report.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Further details can be found in the 'Our ESG objectives' and 'Our ESG targets' sections of this report.
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Data is reported in Appendix 1 – Mandatory Carbon Reporting.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Further details can be found in the 'Our ESG targets' section of this report.

Appendix 4: UN Sustainable Development Goals

In 2015, UN countries adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals ('SDGs'). The SDGs call for worldwide action among governments, business and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet.

Businesses are encouraged to assess which Sustainable Development Goals are most material to their business activities and develop programmes to support in achieving the goals. To this end, we have this year identified three SDGs where we feel we can make the biggest positive difference, and which align most closely to our business model.

UN Sustainable Development Goal ('SDG')	Description	NewRiver's contribution
SDG 11: Sustainable Cities and Communities	The aim of this goal is to make cities inclusive, safe, resilient and sustainable. Because the future will be urban for a majority of people, the solutions to some of the greatest issues facing humans—poverty, climate change, healthcare, education— must be found in city life.	– One of our key ESG objectives is to support our communities. Our assets are in the heart of communities across the UK, providing a focal point for towns and cities and a place for people to gather socially and fulfil their needs through the provision of convenient and good-value goods and services – We continue to find new ways for our assets to better meet the needs of communities by introducing additional uses, for example our risk-controlled development pipeline includes 100,000 sq ft of healthcare provision, providing health services closer to home for communities – Our assets also play a vital role in encouraging occupiers and customers to lead more sustainable lifestyles, for example through the provision of recycling points and rooftop gardens
SDG 12: Responsible Consumption and Production	The aim of this goal is to ensure sustainable consumption and production patterns. More people globally are expected to join the middle class over the next two decades. This is good for individual prosperity, but it will increase demand for already constrained natural resources. If we don't act to change our consumption and production patterns, we will cause irreversible damage to our environment.	– As part of our ESG objective to minimise our environmental impact, we have a comprehensive programme to reduce greenhouse gas emissions through procuring energy from renewable resources and monitoring and reducing overall consumption.
SDG 8: Decent work and economic growth	The aim of this goal is to promote inclusive and sustainable economic growth, employment and decent work for all. Poverty eradication is only possible through stable and well-paid jobs. Nearly 2.2 billion people live below the US$1.90 poverty line	– As part of our ESG objective to engage our staff and occupiers, we aim to empower and protect the wellbeing of our employees, and provide opportunities for job creation through providing profitable trading opportunities for our occupiers. – In 2018 we launched a staff wellbeing programme which includes initiatives to encourage physical activities and healthy eating and to support flexible working.

www.nrr.co.uk

NewRiver REIT plc
16 New Burlington Place
London W1S 2HX
+44 (0)20 3328 5800