

Climate Change Position Statement

Version 3.2 | September 2022

1. Context

Climate change represents one of the single greatest challenges to our modern society, threatening widespread impacts across our environment, economy and communities.

These impacts range from rising temperatures, to extreme weather events such as flooding, that will affect the way our communities function. The effects will amplify impacts associated with operating beyond the reasonable thresholds of our society.

The basis of NewRiver's Position Statement is founded on the ambitious call to action of the Paris Climate Agreement and the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). NewRiver supports the widespread agreement that society must act collectively to limit warming to 1.5°C globally. We are committed to understanding and actioning what this, and the UK government's 2050 net-zero emissions commitment, means for our business.

The real estate sector has an important role to play in addressing this critical issue. As an owner of real estate assets across communities in the UK, we are committed to enhancing the lives of the communities we serve by minimising our impact on the environment. This policy document sets out NewRiver's position on climate change, our commitment to managing our exposure to climate risks and preparing for the long-term resilience of our business, through a low carbon transition.

The policy document applies to all aspects of NewRiver's business. This policy further outlines our commitments to our stakeholders. These include our people, occupiers, investors, partners and our communities.

Our environmental commitment

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

2. Our Position on Climate Change

This Position Statement equips NewRiver to engage our stakeholders on our ambition, set out a clear plan to manage our low carbon transition and enhance our climate resilience.

- In leveraging best practice on responding to climate change, we can create a positive impact for our stakeholders.
- We recognise the ambitious call to action of the Paris Agreement and the necessity to limit mean global temperature increases.
- We acknowledge the importance of transitioning our assets to a low carbon state, to support the real estate sector's contribution to global efforts to mitigate climate change impacts.
- While climate-related risks exist across our business, we see potential opportunities to enhance the resilience of our assets to support our communities' response to climate change.
- We will engage, listen to, and partner with our stakeholders to find the right solutions to mitigate climate-related risks related to our real estate assets and seize opportunities to create positive impact.

3. Our Approach to Responding to Climate Change

Our approach is integrated across our business to ensure we adopt a common framework to understand evolving risks & opportunities, as well as embedding best practice into our initiatives to address them. Our approach carefully considers the latest scientific information on climate change, together with our ESG objectives and external benchmarks, and evolving best practice guidance on climate risk management. These activities occur holistically throughout key stages of our business in order to meet our objectives:

3.1 Disciplined Capital Allocation

We invest in assets that are already part of the fabric of their communities and aim to introduce the most appropriate mix of operators and uses. We also undertake environmental due diligence during our stock selection process, including assessment of energy efficiency and legislative risk (transitional risks) as well as flood factors (physical risks). All acquisition decisions are subject to a rigorous review process, including at Executive Committee and Board level, drawing on expertise from around the business.

3.2 Active Asset Management

We introduce features to our assets that improve energy efficiency and adopt cleaner energy that supports lower occupational costs for occupiers in the long term. This includes installation of solar PV panels and EV charging points in our car parks, new metering systems, and guidance on reducing consumption. We work closely with occupiers to encourage that fit-outs are carried out sustainably, considering their climate-related objectives and the latest recommendations on energy efficiency. We also look at ways that space can be used to better support our communities.

3.3 Regeneration

We only undertake development where it is viable for the local community, which ensures this will not contribute to oversupply of retail or adversely impact the local population or economy. We work closely with local authorities and communities to ensure all local needs and concerns are heard, 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. We also aim to achieve a high benchmark against global sustainability standards.

3.4 Capital Partnerships

We engage in capital partnerships to acquire and manage jointly owned resilient retail assets and to manage assets owned by third parties. We aspire to leave behind well-invested assets that are fit for the future. In using our operating platform to manage third party assets, we help local authorities and other asset owners to create thriving assets that benefit their local communities and mitigate serious climate-related risks.

3.5 Flexible Balance Sheet

We leverage the flexibility of our balance sheet to ensure investment in energy efficiency over the next 20 years is accounted in financial planning. For our development pipeline, we seek to provide future-proofed community developments which minimise carbon lifecycle.

4. Our Objectives Related to Climate Change

4.1 Minimising our Environmental Impact

Reducing greenhouse gas emissions to prevent climate change is one of the biggest threats facing society. We aim to minimise our environmental impact through procuring energy from renewable sources, reducing our consumption, and encouraging stakeholders to be more sustainable. We have committed to becoming a net-zero business by 2025, and managing a fully net-zero property portfolio by 2050.

4.2 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 strengthen communities through meeting the needs of our customers and supporting and championing local causes that support the enhancement of their resilience to climate-related matters.

4.3 Engaging our Team & Occupiers

Our staff and occupiers are key stakeholders in our approach to climate change, and their contribution and support is vital to the long-term success of our business. We aim to engage them through an ongoing dialogue and equip them with the tools needed to support them to deliver our approach on-the-ground.

4.4 Leading on Governance & Disclosure

High standards of corporate governance and disclosure on our approach to climate-related matters is essential to ensure our response instils confidence amongst our stakeholders. We aim to continually enhance our approach to governance & disclosure on climate-related matters through the adoption of the TCFD recommendations.





5. Aligning our Approach with the UN Sustainable Development Goals

Our approach to climate change is aligned with the Sustainable Development Goals (SDGs).¹ These form the foundation of the UN 2030 Agenda, the global plan of action to ensure inclusive sustainable development that ends poverty, and creates a life of dignity and opportunity for all.

While many of the goals require the actions & intentions of governments, businesses have a significant role to play in driving action. NewRiver recognises that we have an important role in supporting our communities to achieve these goals through local action.

We have reviewed the 17 goals to determine those that have the most direct alignment with our ESG strategy and offer the opportunity for us to make the greatest impact.

The specific goals & commitments set out below inform our approach to climate change:

Prioritised SDG	Description	NewRiver commitment
	Ensure access to affordable, reliable, sustainable and modern energy for all	Identify energy efficiency & saving opportunities across our retail assets and implement initiatives to improve our environmental impact. Make the switch to renewable electricity supplies across our portfolio.
	Ensure sustainable consumption and production patterns	Adopt a comprehensive programme to reduce waste generation and improve recycling rates through engaging with our tenants and customers. Set targets to achieve impactful recycling rates across our assets.
	Take urgent action to combat climate change and its impacts	Setting Science-based emission reduction targets to reduce our carbon emissions. Where feasible, increase on-site renewable energy generation to ensure our portfolio remains resilient.
	Strengthen the means of implementation and revitalize the global partnership for sustainable development	Partner with our stakeholders to achieve impact in our response to climate change and encourage our stakeholders to adopt similar principles on climate management and resilience.

6. Oversight of Climate-Related Matters

NewRiver has a clearly defined governance structure, outlining the responsibilities across the business for responding to climate-related matters.

6.1 The NewRiver **Board** holds ultimate accountability & oversight of NewRiver's approach to climate change and ensuring the resilience of our real estate portfolio to the effects of long-term climate change, which is a regular feature of the Board's standing agenda.

¹ Adopted in 2015 by the United Nations (UN), the SDGs represent 17 ambitious goals to achieve meaningful sustainable development across our communities, the environment and prosperity.

- 6.2 The Board's oversight is supported by the [Executive Committee](#), and the Head of NewRiver's ESG Programme. The Head of ESG holds responsibility for overseeing and implementing NewRiver's suite of ESG-related policies to support the business' response to climate-related matters. The Head of ESG has oversight of the objective setting, as well as the development of appropriate ESG processes, procedures and implementation programmes to ensure the business is equipped to respond to climate-related matters.
- 6.3 [Asset Managers](#) ensure that appropriate initiatives and programmes are implemented to ensure our environmental objectives related to climate change are considered in the operation of our assets, in order to achieve our climate-related ambitions.
- 6.4 Responsibility for our approach to climate-related matters extends to NewRiver's [third-party property managers](#), who support NewRiver's ESG objectives. Their responsibilities include supporting NewRiver to regularly monitor the environmental impact of our real estate assets and implementing key initiatives to minimise our impact through asset-specific environmental & social implementation plans. These responsibilities are executed through proactive property management, governed by our Property Management Agreements.
- 6.5 [Our employees & occupiers](#) play a vital role in supporting to deliver NewRiver's approach to climate-related matters & contributing to NewRiver's efforts to minimise our environmental impact.

NewRiver's Climate Change Position Statement is reviewed and updated periodically, to ensure alignment with the latest science and developments in response to climate change.

Supporting Policies

This position statement is supported by a suite of NewRiver ESG policies, which cover in more detail, key aspects of NewRiver's approach. These policies include:

- ESG Policy
- Net-Zero Commitment Statement
- Green procurement Policy
- Supplier Code of Conduct
- Social Value Policy

7. Our Climate-Related Commitments

- 7.1 To comply with regulations in the UK, designed to support our low carbon transition.
- 7.2 To integrate the TCFD recommendations into our business to support our strategic response to climate risks, and to ensure identified risks and opportunities are regularly assessed across our assets, to achieve effective management.
- 7.3 To ensure the resilience of our real estate assets to climate-related risks, through investment & adoption of considered energy saving, energy efficiency, and low carbon asset improvement initiatives.
- 7.4 To set appropriate Science-based targets, aligned with the 1.5°C scenario, to guide business efforts to minimise our environmental impact, and achieve our 2025, 2040 and 2050 Net Zero carbon emissions targets (please see our Net Zero Commitment Statement for more information).
- 7.5 To regularly measure & disclose our GHG emissions and the metrics that support stakeholders to monitor our progress in responding to climate-related risks.
- 7.6 To engage our employees, occupiers & third-party property managers to create awareness of this policy, understand the impact of climate change on their activities and how they can contribute to our response.
- 7.7 To engage our suppliers to adopt similar principles on climate management and resilience.

8. Engaging Stakeholders in our Approach

NewRiver is committed to enhancing the lives of the people we serve and minimising our impact on the environment. Communicating our performance is a key component of this position statement. Our annual ESG disclosures to our stakeholders support NewRiver to transparently report on our performance and efforts to develop resilience for our business, through a low carbon transition.

Benchmarking our approach and performance on climate-related matters through global voluntary frameworks allows our stakeholders to evaluate progress and performance over time. NewRiver participate in external benchmarking frameworks such as GRESB and the CDP, which inform our approach and strategic response to climate-related matters.