

Environmental, Social and Governance ('ESG') Policy

Version 4.0 | September 2022

1. Policy Statement

As a long-term 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 team and our occupiers, and maintaining high standards of governance, to ensure we are an excellent employer and a great company to do business with.

Since our founding in 2009, we have made significant strides incorporating Environmental, Social & Governance ('ESG') factors into our strategy, risk management and governance processes.

2. Our Approach to ESG

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 targets and external benchmarks 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.



2.1 Disciplined Capital Allocation

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

2.2 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, 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, with regard to 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 storage units for charities and local causes, through to adding council and healthcare facilities that can better serve the needs of the local population.

2.3 Regeneration

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 to ensure all local needs and concerns are addressed, and that 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.

2.4 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.

2.5 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.

3. Our ESG Objectives

3.1 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.

3.2 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 enrich lives and strengthen communities through meeting the needs of all of our customers and supporting and championing local causes.

3.3 Engaging our Team 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. We raise awareness of evolving ESG issues with our team and occupiers, and create opportunities for positive impact.

3.4 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 governance and disclosure processes to achieve industry best practice in alignment with reporting frameworks such as EPRA sBPR.

4. ESG Oversight

Our ESG programme is headed by Emma Mackenzie, a Director, member of the Executive Committee, and Head of Asset Management. The day-to-day management of the programme is led by Fabienne Davies, our dedicated Sustainability Manager. Emma's dual role ensures that ESG, operational and material risks and opportunities are considered at Executive Committee level. The programme is developed and reviewed by an internal ESG committee, headed by Emma Mackenzie, comprising representatives from our retail and finance 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. Quarterly reports are provided to our Board.



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5. Our Targets

In 2018, we set ourselves specific, time-bound environmental and social targets which have served to guide the asset-level action we have taken to realise our ESG objectives thus far. Having now [formalised our pathway to net-zero carbon](#), we have reviewed our 2018 targets and developed a holistic pathway to a 1.5-degree future which engages our stakeholders and delivers positive social impact. Our original 2018 targets have been combined with our new net-zero targets and are presented on page 4. Previous emissions reduction targets set in 2018 have been superseded by our more ambitious net-zero commitment.

N Publicly commit to net-zero carbon (NZC) and set FY20 carbon emissions baseline.

Achieve a 75% response rate to our occupier satisfaction survey.

S Biodiversity plans to be in place for at least 15% of our assets.

N Achieve NZC for all corporate-related carbon emissions (Scope 1-3).

E 85% recycling rate at our managed properties.

Electric vehicle charging points installed across all retail properties with a surface-level car park.

50% improvement (from a 2020 baseline) in landlord on-site renewable energy generation.

Building certifications targeted, and lifecycle carbon assessments undertaken, for 100% of our new construction and major renovation projects.

2021

2022

2025

2030

2040

2050

S Provide a minimum of one work experience placement per year at 50% of our assets.

Achieve a 90% response rate to our annual staff wellbeing survey.

All enclosed shopping centres to participate in our Quiet Hour Initiative and have a community engagement plan in place.

50% of NewRiver staff to participate in our volunteering programme.

N Receive target validation from the Science-Based Targets Initiative (SBTi) for aligning our net-zero pathway with a 1.5-degree global warming trajectory.

E 100% of waste generated at our managed properties is diverted from landfill.

100% of landlord electricity is procured from renewable sources.

N Achieve a 42% reduction (against baseline) in carbon emissions across our corporate activities and operational real estate, as required by the SBTi.

E 75% of occupiers transitioned to renewable energy supplies.

N Achieve NZC for all operational emissions from the directly managed areas of our portfolio (Scope 1-3).

N Achieve NZC in terms of operational and embodied emissions (Scope 1-3) across our portfolio, whether space is directly managed, or managed by third parties.

E Over 25% of landlord energy is generated on-site from renewable sources.

Key

- N** Net-zero targets
- E** UN SDG aligned Environmental targets
- S** UN SDG aligned Social targets