

Environmental, Social and Governance ('ESG') Policy

Version 3.2 | January 2022

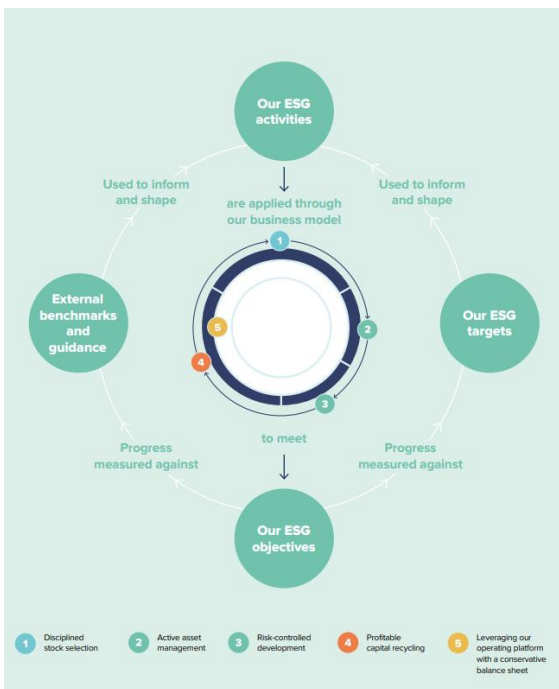
1. Policy Statement

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 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.

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 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.



2.1 Disciplined stock selection

We invest in assets that are already part of the fabric of their communities and aim to enhance them through targeted investment and introducing the most appropriate mix of operators and uses. We also undertake environmental due diligence during our stock selection process, including assessment, from an operational and material perspective, of energy efficiency and legislative risk, and flood factors. All acquisition decisions are subject to a rigorous review process, including at Executive Committee level, and 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 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 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 Risk-controlled development pipeline

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 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.

2.4 Profitable capital recycling

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

2.5 Leveraging our operating platform

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.

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 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.

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 levels of governance and disclosure to achieve industry best practice.

4. ESG oversight

Our ESG programme is headed by Emma Mackenzie, a Director and member of the Executive Committee who is also Head of Asset Management. 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, and comprises 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.

5. Our Targets

We acknowledge that now is the time to demonstrate a commitment to carbon reduction and to address the challenges and opportunities that a pathway to net-zero will present. As such, we have set the following carbon reduction targets, aligned with a 1.5°C scenario, using the Science-Based Target initiative (SBTi) methodology:

1. **By 2025, achieve net-zero carbon for all corporate¹ related carbon emissions (Scope 1-3 emissions)**
2. **By 2040, achieve net-zero carbon for all operational emissions² from the directly managed areas of our portfolio (Scope 1-3)**
3. **By 2050, achieve net-zero carbon in terms of operational and embodied carbon emissions (Scope 1-3 emissions) across our entire portfolio, whether directly managed or managed by third parties**

Our full Net Zero Commitment Statement can be found on our website.

As well as our carbon reduction targets, we continue to work towards the achievement of our broader ESG targets, which we established in 2018. These targets span over short (by 2025), medium (by 2030) and long-term (by 2050) time horizons. We look forward to publicly publishing our Net Zero Pathway Report later this year, and will update these interim targets, where appropriate, to reflect our longer-term ambitions.

5.1 Short-term Environmental Targets* (by 2025)

1. 100% of waste generated at our assets is diverted from landfill by 2022*
2. 85% recycling rate at our assets by 2025*
3. 100% of landlord electricity³ procured from renewable sources by 2022
4. 50% improvement⁴ on landlord electricity from on-site generation by 2025⁵
5. EV charging points installed across 100% of assets with a surface-level car park by 2025
6. Building certifications targeted at 100% of new construction and major renovation projects by 2025**
7. Conduct life-cycle and embodied carbon emissions assessments for 100% of all new development projects by 2025**

5.2 Short-term Social Targets (by 2025)

1. Provide a minimum of one work experience placement per year at 50% of our assets by 2022
2. Achieve a 90% response rate to our annual staff wellbeing survey by 2022
3. Achieve a 75% response rate to our occupier satisfaction survey by 2025
4. All enclosed shopping centres to participate in our Quiet Hour Initiative by 2022*
5. All enclosed shopping centres to have community engagement programme in place updated on an annual basis by 2022*
6. Biodiversity plans to be in place for 15% of our assets by 2025
7. 50% of NewRiver staff to participate in our volunteer work programme annually by 2022

5.3 Medium-term targets (by 2030)

1. 100% energy (electricity and gas) procured from renewable sources
2. 20% reduction in NewRiver procured utilities against the 2017 baseline year
3. 50% reduction in carbon emission intensity across operational real estate by 2030

5.4 Long-term targets (by 2050)

1. Over 25% of energy generated from renewable sources at assets
2. 40% reduction in New River procured utilities against the 2017 baseline year

¹ Corporate related carbon emissions include emissions from corporate offices, employee travel, and purchases of services and products from third party suppliers.

² Scope 1-3 emissions from the directly managed areas of our portfolio are emissions from gas and electricity consumption, water and waste generated in the landlord-controlled areas of the portfolio.

³ Landlord electricity is that which is procured and used within the landlord-controlled areas of a property

⁴ Improvement on like-for-like basis/ excluding assets sold between 2020-2025

⁵ From a 2020 baseline

*Targets relate to assets under our ownership and where we have operational control/ influence to introduce or implement our own operating policies.

** Major renovations are those with project costs of over £1mil