

Net-Zero Commitment Statement

February 2022 v.2.0

The scale of the climate emergency, and its impact, has been transformational for the real estate industry over the past 5 years. From the Paris Climate Agreement signed in 2016, to the announcement of the Task Force on Climate-related Financial Disclosures (TCFDs) set to be mandatory in the UK by 2025, there is growing momentum behind the adoption of a low carbon approach to achieve long-term climate resilience. The UK government has furthermore committed to bringing all greenhouse gas emissions to net zero by 2050.

Since the inception of our Environmental, Social and Governance (ESG) Programme in 2015, we have made significant strides in reducing our environmental impact. We reported a 15% decrease in energy usage across our like-for-like retail portfolio in FY21 compared with the previous year¹. From our baseline year of FY18, we have achieved a 33% reduction in total carbon emissions across our retail portfolio².

Transitioning to a low carbon model helps to manage our portfolio's exposure to climate risks and to ensure the long-term resilience of our business.

We recognise that our part to play goes beyond our own real estate portfolio and business – it is a commitment to making a positive impact on the planet, which is something we are proud to uphold. We acknowledge that now is the time to demonstrate our commitment to emissions reduction and to address the challenges and opportunities that our pathway to net-zero will present.

Our Net Zero Targets

We have set the following carbon reduction targets, aligned with a 1.5°C scenario, using the Science Based Target initiative (SBTi) methodology:

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

Alongside our targets, we aim to sign the Better Buildings Partnership (BBP) Commitment and disclose our progress against these targets on an annual basis, identifying ways to accelerate our pathway to net-zero whenever possible.

We aim to publish our pathway in February 2022, to provide more detail on our targets and how we will achieve them. We believe that we will need to rely on a combination of initiatives to significantly reduce our emissions, which include:

- further improvements to the energy efficiency of our assets
- expanding the use of green energy across all our assets
- embedding our ESG principles across our developments & refurbishments and operation of assets; as well as
- carefully offsetting emissions which we cannot eliminate

¹ Corporate related carbon emissions incorporate 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.

Our plan will recognise that, while some measures will not be technically or commercially feasible to implement, bold action is required to achieve these targets.

Further information on our boundaries and framework

In setting our net-zero carbon pathway, we have aligned the reporting boundary to the BBP net-zero framework. The BBP requires signatories to include the following activities within the scope of their net-zero carbon targets. This is closely linked to the net-zero carbon asset definition as stated by the UK Green Building Council (GBC).

The following scope will apply to all NewRiver assets and corporate activities in alignment with the BBP net-zero carbon pathway and the Greenhouse Gas (GHG) Protocol.

More information on our scope can be found on our website www.nrr.co.uk/esg/netzero

(Below table to be uploaded online)

AREA	ACTIVITY	GHG SCOPE	BBP REQUIREMENT	NEWRIVER'S NET-ZERO SCOPE		
				GHG emissions to be accounted for as part of this commitment*	Net-Zero Pathway Actions to be set as part of commitment	
NEWRIVER CORPORATE ACTIVITIES	Energy consumption	Scope 1 & 2	No	Yes	Yes	
	Waste production	Scope 3	No	Yes	Yes	
	Business travel	Scope 3	No	Yes	Yes	
	Employee commuting	Scope 3	No	Yes	Yes	
	Purchased goods and services	Scope 3	No	Yes	Yes	
NEWRIVER OPERATIONAL PORTFOLIO (RETAIL & PUB)	Energy (fuels and electricity) purchased	Landlord	Scope 1 & 2	Yes	Yes	
		Occupier	Scope 3	Yes	Yes	
	Refrigerants	Landlord	Scope 1 & 2	Yes	Yes	Yes
		Occupier	Scope 3	No	No	Yes
	Water	Landlord	Scope 3	Yes	Yes	Yes
		Occupier	Scope 3	No	No	Yes
	Managed Waste	Landlord	Scope 3	Yes	Yes	Yes
		Occupier	Scope 3	No	No	Yes
	Purchase of goods and services**	Landlord	Scope 3	Yes	Yes	Yes
		Occupier	Scope 3	No	No	No
Occupier Transport (landlord impacts)	Scope 3	No	No	No	Yes	
NEWRIVER DEVELOPMENT, REFURBISHMENT & DEVELOPMENT ACTIVITIES	New development works	Scope 3	Yes	Yes	Yes	
	Refurbishment works	Scope 3	Yes	Yes	Yes	
	Controlled fit-out works	Landlord	Scope 3	Yes	Yes	Yes
		Occupier	Scope 3	Yes	No	Yes
	End of life	Scope 3	No	Yes	Yes	

*The accounting of GHG emissions sources will be staggered as data collection methods evolve and transparency of data increases through advancements in technology across the portfolio and direct collaboration with occupiers and suppliers.

**This relates to services procured by the landlord to service and maintain the space i.e. property management, service charge recoverable items and minor CapEx items e.g. minor replacements.