

Our Approach

WE SUPPORT



UN Global Compact and the Sustainable Development Goals (SDGs)

We have supported the UN Global Compact principles of sustainability since 2015. We have mapped our strategy against the SDGs and will continue to integrate the goals that are most relevant to our business and processes.

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the seventeen SDGs, which are an urgent call for action by all countries, developed and developing, in a global partnership. They recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth, all while tackling climate change and working to preserve our oceans and forests. The UK is a signatory to these goals. The UK Government has developed its own agenda for delivering these goals and companies are encouraged to adopt this framework.

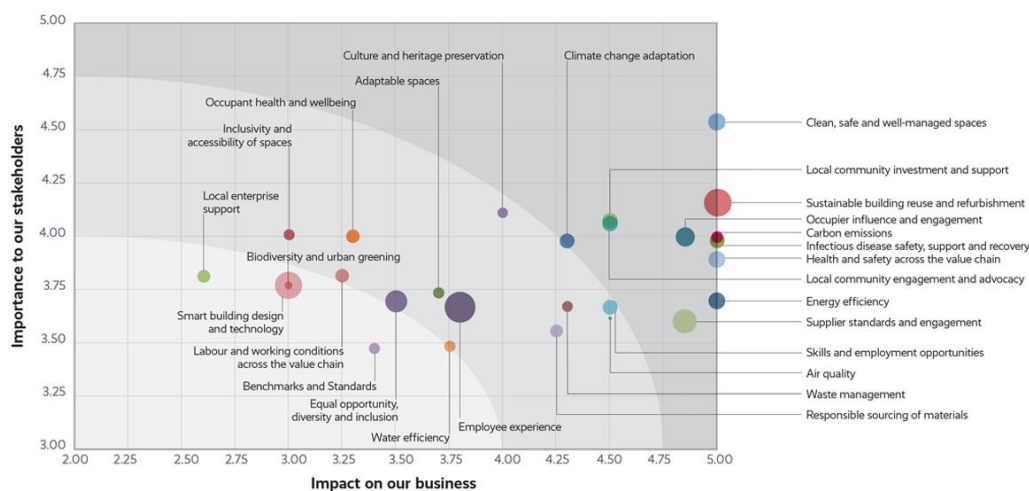


Our most material issues

We believe the foundation of a strong sustainability strategy is a clear understanding of the most important, or material, issues to our business and stakeholders. This understanding can only be fully achieved through detailed research and open engagement with our stakeholders.

To update and challenge our thinking, in Spring 2021, we undertook a detailed materiality study to better understand the issues that matter most to our stakeholders. More than 50 external stakeholders and over half of our employees were questioned. External stakeholders included people from our local community, occupiers, suppliers, investors, and lenders. In addition, a detailed review of the major issues was undertaken by an expert consultant. It was clear that sustainability remains a high priority for stakeholders and our actions to date have been recognised.

The outcomes of the research were then considered by Shaftesbury's Sustainability Committee and used to develop our materiality matrix, shown below.



The research highlighted several key priorities:

- Continuing our policy of sustainable building re-use and refurbishment, whilst considering culture and heritage protection.
- Reducing carbon emissions and adapting to climate change.
- Positively influencing and supporting our occupiers and supply chain.
- Continuing our community engagement, advocacy, and investment activities.
- Promoting skills and employment opportunities for local people.
- Addressing occupier health and wellbeing, and promoting inclusivity.

In addition, we noted the importance of well-managed spaces and health & safety

We have identified the Sustainable Development Goals that are most relevant to our business, integrating them into our sustainability policies and targets. Our Sustainability Data Report, which is available on our website, contains our UN Global Compact Communication on Progress.



Sustainability focus areas

In light of our materiality research, our sustainability strategy for the next three years focuses on the areas that our stakeholders tell us are most important to them. We have identified three key focus areas:

1. Sustainable building re-use

Preserving the heritage of the West End is crucial to its long-term success. The protection and re-use of buildings can reduce the carbon emissions associated with construction, help to achieve our net zero carbon aspirations and improve the long-term resilience of our portfolio. We are committed to developing effective solutions to maximise the operational efficiency of heritage buildings whilst protecting their intrinsic value and meeting occupier expectations.

2. Supporting our local community

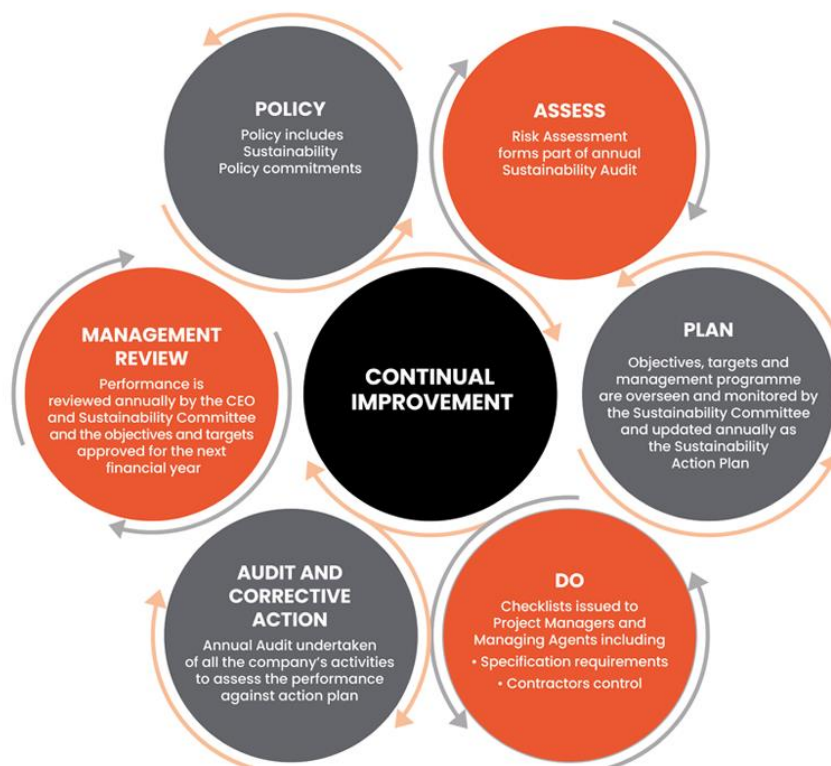
The West End has vibrant communities, but the boroughs of Westminster and Camden have some of the highest levels of inequality in the country. We want to create more employment opportunities for local people, whilst also helping tackle the lack of diversity in our industry. We will continue our support for young people and our local communities through the partnerships that we have developed with grassroots local organisations.

3. Influence, motivate and collaborate

Our most significant environmental impact comes from the activities of our occupiers and their supply chains. By supporting and partnering with them, we can maximise our positive impact and help to promote positive sustainability actions. We know that collaborating with local community groups ensures that our investment is directed to projects that most effectively meet local needs.

Sustainability management system

We have a bespoke environmental management system which is supplemented a clear approach to social and economic sustainability. Our management system includes the core elements of a policy, identification of risks and opportunities, measurable objectives and targets, an audit programme and reporting requirements. Our process ensures continual improvement of our policies and an annual re-assessment of targets.



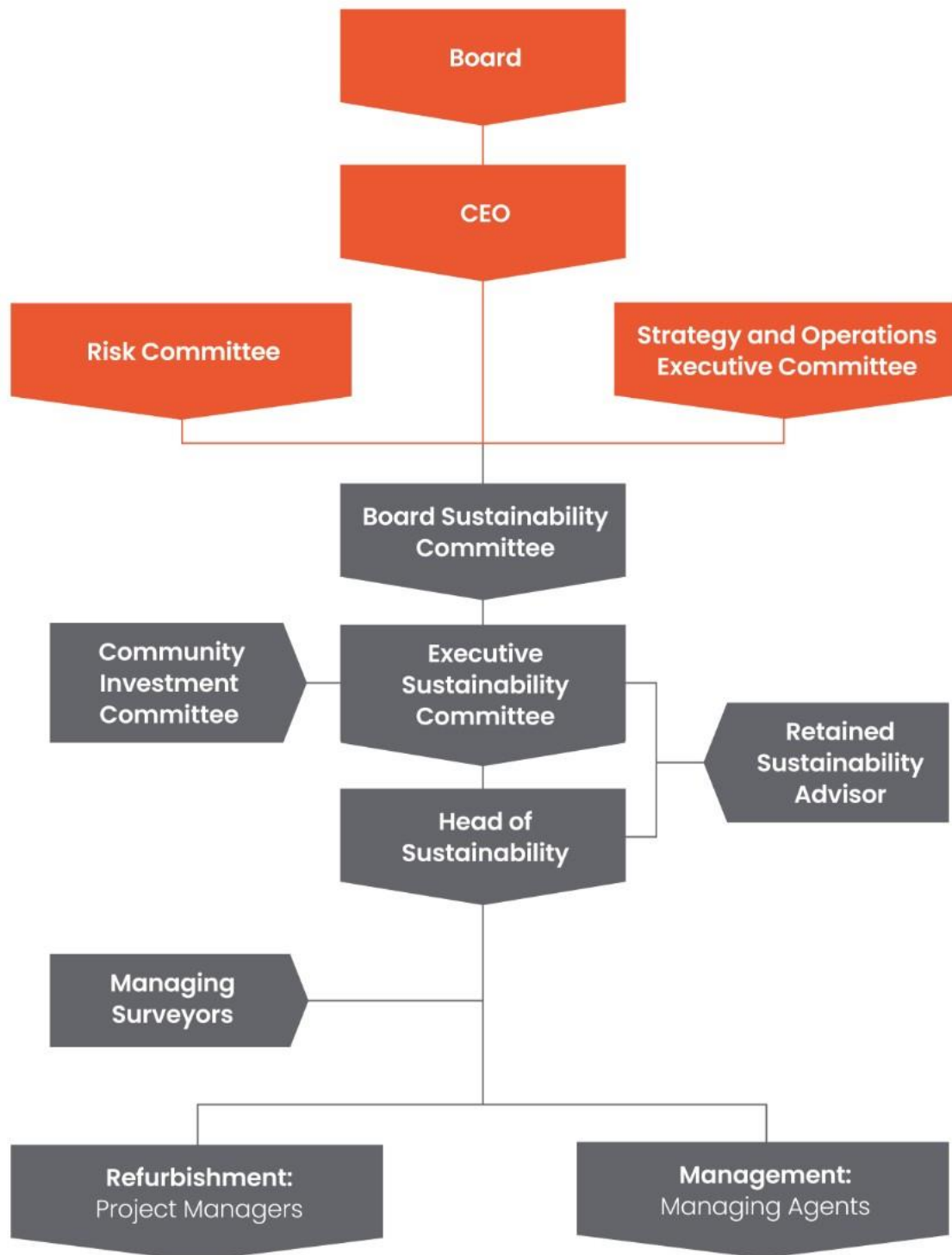
Communications and governance

Sustainability is considered in major strategic and operational decisions. We have a Board level Sustainability Committee, established in 2021, to monitor progress against our sustainability strategy, including our net zero carbon 2030 target, and make recommendations to the Board. This is in addition to our Executive Sustainability Committee, established in 2016, chaired by our CEO, at which senior leaders from across the business consider all aspects of sustainability and review our policies.

Our support for local communities is co-ordinated by our Community Investment Committee, ensuring that we have a fair, consistent and effective approach to the allocation of funds and in-kind support.

To continually improve sustainability performance, we set stretching annual targets and communicate our sustainability policies to our employees, advisors, suppliers, occupiers, and other stakeholders. Our sustainability policies are available on our website as we believe that good governance requires transparency.

Our sustainability strategy, policy and action plan are considered annually by our sustainability committees. Material changes to sustainability-related risks, including climate change, are considered by both the Risk Committee and the Board.



Managing the Supply Chain

As a property investor, our most significant impacts occur through our supply chain and in the operation of the buildings that we own. This includes the ongoing management of our portfolio and the refurbishment of individual buildings. Without responsible management, we could inadvertently contribute to significant environmental impacts, such as the unnecessary use of energy and materials, environmental or social damage relating to the extraction of raw materials or environmental incidents at one of our projects.

CBRE as our agents to manage the portfolio and project managers to oversee the refurbishment activities, working to clear policies and targets set by the business. The company has established processes to integrate environment, social and governance factors into the procurement of new services and into the ongoing work of our long-term contractors and sub-contractors. This process is set out below and includes an annual sustainability seminar to discuss our requirements with our supply chain.

Details of our sustainability requirements are contained within our Sustainability Policy and our Supplier Code of Conduct documents. These are included within contractual information throughout the supply chain.

