

# Sustainability Policy 2023



Shaftesbury

# Environment, Social and Governance

## Introduction by the Chief Executive

Shaftesbury is a listed real estate investment trust which invests exclusively in the heart of London's West End. Our wholly-owned holdings extend to over 16 acres across nearly 600 buildings. The Longmartin joint venture, in which we have a 50% interest, owns a 1.9-acre island site.

Our purpose is to curate vibrant and thriving villages in the heart of London's West End and to act in a responsible manner throughout our business. We are committed to the sustainability principles adopted by the Company through the re-use and careful management of existing buildings. This supports global, UK Government and local approaches to sustainable development, the promotion of the circular economy and proactive stakeholder engagement. We are committed to becoming a net zero carbon business by 2030 and carbon neutral for our own emissions (scope 1 & 2) by 2025.

Our policy is reviewed annually and approved by the Board. This sets out the framework for establishing objectives and targets against which we monitor and report publicly on our performance. The Policy, Action Plan and the annual Data Report are all on our website, a summary is contained in our annual report and it applies to our partners and suppliers. We continue to support the UN Global Compact and its ten principles.

I am responsible to the Board for the implementation throughout our operations. In November 2021 we established a Board level sustainability committee that maintains oversight of our sustainability strategy. Our Executive Sustainability Committee, which is chaired by me, comprises members of the management team, who each have relevant experience across the business. We are committed to continual improvement of our strategy and Environmental, Social and Governance (ESG) outcomes and have processes in place to monitor and report performance.

**Brian Bickell**

December 2022

### Our approach

We support the ten principles of the UN Global Compact on human rights, labour, environment and anti-corruption. 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 17 UN Sustainable Development Goals (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.

# Statement of principles

We have mapped our core principles of sustainability against the SDGs.

Our Principles	SDG	
Conduct our business with integrity and in an open and ethical manner and require the same standards throughout our supply chain.	10 REDUCED INEQUALITIES 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 
Operate in an environmentally sustainable manner and achieve corporate 2025 and 2030 net zero carbon targets through the sustainable re-use and management of buildings	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 
Extend the economically useful lives of our buildings through changes of use, reconfiguration and maximise the reuse of materials.	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
Form partnerships to promote sustainability and build and maintain successful relationships with stakeholders based on respect, trust and mutual benefit	17 PARTNERSHIPS FOR THE GOALS 	
Establish stretching annual targets and encourage continual improvement in environmental performance.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	
Comply with all legal and regulatory requirements and, where feasible, exceed minimum compliance.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	
Invest in young people and our local communities in Westminster and Camden	8 DECENT WORK AND ECONOMIC GROWTH 	4 QUALITY EDUCATION 
Invest in the welfare and development of our employees and promote diversity and inclusion throughout our activities.	5 GENDER EQUALITY 	3 GOOD HEALTH AND WELL-BEING 

# Governance

## Conduct of our Business

We conduct our business with integrity and require that our directors, employees and other businesses engaged by us, including contractors, suppliers and agents, do the same.



### We will:

- Be honest, open, transparent, helpful and respectful.
- Obey all relevant laws and regulations.
- Listen to the views and needs of our stakeholders
- Be prepared to admit and correct mistakes without delay and facilitate 'whistleblowing' by employees and other stakeholders.
- Declare any potential conflicts of interest which may compromise our business dealings.
- Not give or receive illegal or inappropriate inducements in order to retain or bestow business or financial advantages or provide facilitation payments to promote business advantage.
- At all times promote the ethical conduct of business.
- Openly disclose relevant risks to our operations.
- Engage with employees at all levels of the organisation, including the Board, on sustainability issues.

These principles are supported by policies which address anti-bribery and corruption, whistleblowing, prompt payment, money laundering and management of the supply chain. All new suppliers are required to sign up to anti-slavery and sustainability policies when they are appointed. Most of our policies are publicly available on our website.

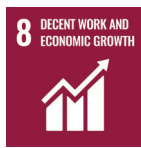
We believe that good governance practices are essential to a successful and sustainable business, and therefore we ensure that they are embedded across our business. We are fully compliant with the UK Corporate Governance Code 2018. We believe in transparency in our engagement with stakeholders and ensuring we report comprehensively and fairly in our Annual Reports.

Our values ensure that sustainability principles are embedded in our culture, through being responsible, focused on the long-term, and being community minded. Our Board supports and encourages these values and behaviours throughout the Company and its supply chain.

# Employees

We recognise the importance of the welfare of our people which includes employees, agents, contractors and suppliers.

We recognise and celebrate diversity and inclusion across our Company and are committed to the training and development of our employees.



We have values and behaviours that our employees share and promote through our culture.

- We are an equal opportunities employer.
- We recognise and celebrate diversity and inclusion across our company.
- We promote our people on the basis of individual skills and experience matched against those required for the work to be performed.
- Our remuneration framework is a simple, transparent reward structure, aligned with our long-term business strategy and sustainability commitments.
- We are committed to the training and development of our employees, which includes personal development and compliance training.
- We undertake annual sustainability training for our staff to ensure that they understand our commitments, especially relating to net zero carbon and actions to minimise the risk of modern slavery in our operations.
- We provide our employees with safe and suitable, modern working conditions that are free from unnecessary risk and fully comply with the requirements of the Health and Safety at Work Act 1974 and all other relevant statutory provisions and recognised codes of practice.
- We recognise that as well as ensuring that we keep our employees safe, we also need to protect their general wellbeing in the work environment, both physical and mental.
- We enable employees to participate in volunteering activities during working hours and provide financial support to the charities that they work with.

- With respect to freedom of association and collective bargaining, we acknowledge the right of our employees to join or not to join a trade union and they are free to join an organisation of their choice to represent them, in line with legislation.
- We pay the London Living Wage throughout the supply chain when within our control.

## Human rights and equal opportunities in employment

We support the Universal Declaration of Human Rights and respect the human rights of our employees through providing equal opportunity for all our employees and potential employees regardless of their gender, sexual orientation, age, race, disability, marital status, religion, ethnicity, and nationality.

The key policy goals are to:

- Adhere to internationally recognised human rights as expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.
- Prevent human trafficking or modern slavery across our operations
- Comply in all respects with applicable employment legislation.
- Ensure the Equal Opportunities Policy applies to the advertisement of jobs, recruitment and appointment, training, conditions of work, pay and to every aspect of employment.
- Ensure that people with disabilities are afforded equal opportunities to employment and progress within the Group.

# Social

## Stakeholders and our local community

Build and maintain successful relationships with stakeholders based on respect, trust and mutual benefit. We are committed to investing in young people and our local communities in Westminster and Camden.



### Stakeholders

- Our key stakeholders to include, our employees, agents, occupiers, suppliers, visitors, investors and local communities
- We are transparent, with many of our policies available on our website and we expect our, principal advisors, suppliers and occupiers, as well as our employees, to follow them.
- We engage with stakeholders to ensure we are aware of, and are able to respond to, their expectations.
- We expect the organisations we employ to meet the standards we set ourselves.
- We engage regularly with our shareholders to ensure we continue to meet globally recognised sustainability standards and best practice.

### The local community

- We support our community partners to deliver programmes that benefit local communities and young people. Our local communities are Camden and Westminster.
- Our charitable giving is administered by a management committee drawn from across the business, this helps ensure that all applications are considered objectively and support is given in line with our policies.
- We aim to build long-term relationships to support the aspirations and operations of local community groups and provide them with more certainty of funding.
- We will tackle inequality by promoting diversity and employment opportunities in our business and industry.
- We provide our occupiers with information to encourage and support the recruitment of local people.
- We require our contractors and managing agents to consider how they can employ local people on our schemes and report their progress.
- We will utilise available space across our portfolio to provide short term opportunities for local businesses or charities to operate in our villages.
- We measure and report our community engagement against a recognised benchmark.
- We work closely with Westminster City Council and Camden Council, within whose jurisdictions our portfolio is located, to improve the public environment in and around our villages, funding street improvements, pedestrianisation, street lighting schemes, CCTV and security.
- We endeavour to accommodate disabled access within the portfolio within the constraints of listed building and conservation area legislation and the Disability Discrimination Act 2005.

# Environment

We operate in an environmentally sustainable manner and become a net zero carbon business by 2030 through the sustainable re-use and management of buildings.



- We recognise the urgency of addressing climate change and have set a science-based target to reduce absolute scope 1 and scope 2 GHG emissions 50% by 2030 from a 2018 base year, and to measure and reduce our scope 3 emissions.
- We are committed to becoming a net zero carbon business by 2030 across scope 1,2 & 3 emissions, including embodied carbon in refurbishments and occupiers' emissions from our buildings.
- We will be carbon neutral for our scope 1 & 2 emissions by 2025.
- Set out in our carbon commitments in an annually updated Net Zero Carbon Roadmap.
- We maximise the re-use of existing property, minimising the use of resources and saving carbon emissions required in the construction of new buildings.
- Achieve BREEAM 'Very Good' and assess the potential to reach Excellent for all developments and/or refurbishment schemes of a capital value above £1 million.
- We recognise the potential for inheriting environmental risks when acquiring properties and therefore ensure that:
  - Prior to the acquisition of a property, a review is conducted to identify past uses and the potential for ground contamination, as well as the presence of hazardous materials.
  - Consideration is given to risks from climate change, flooding, rising water tables and localised flooding that might apply to the property.
  - Opportunities are identified for achieving environmental improvements in the operation of the building, including climate change adaptation, through the refurbishment process.
  - Consideration is given to the practicalities of improving the EPC rating of the property in line with MEES regulations, if required.

- We work with other local property owners and local authorities to investigate and promote solutions to minimise the impact of pollution and promote air quality.

## Design

We adopt best environmental practice in the design and refurbishment of buildings within the constraints of any listed building and conservation area restrictions:

- Maximise the retention of embodied carbon (compared to adopting a redevelopment strategy) and measure embodied carbon in our refurbishments.
- Include appropriate design measures to address climate change through adaptation.
- Investigate opportunities for the use of on-site renewables.
- Efficient use of energy and water with the ultimate objective of reduction during operation.
- Avoid use of hazardous materials.
- Minimise waste through design and specification of materials.
- We are committed to sourcing 100% of timber from a certified sustainable source (FSC / PEFC).
- Identify opportunities for enhancing biodiversity in accordance with the value matrix and the objectives of Wild West End\*\*.
- Minimise the increased risk of run-off resulting through the use of appropriate sustainable urban drainage systems.
- Minimise the emissions to air and water.

## Development and refurbishment

We minimise adverse impacts on the environment and are considerate to occupiers of neighbouring property and local communities through;

- The transport, delivery and storage of materials;
- Noise and vibration during construction works;
- Dust control and emissions to air;
- Site access and cleanliness;
- Emissions and discharge to water;
- Use of energy and water on site;
- Avoiding use of hazardous materials;
- Management and disposal of construction waste; maximising diversion from landfill;
- Removing and disposing of hazardous materials (e.g. asbestos, lead piping) in accordance with relevant regulations via specialist contractors;
- Projects with a value of more than £250,000 and/or more than three months' duration must be signed up to the Considerate Constructor's Scheme.

## Managing our buildings

We employ a managing agent to deal with the day-to-day management of our buildings. Extensive reporting and control procedures ensure their activities are properly monitored. Managing agents comply with our sustainability policies and in particular they are required to:

- Monitor and reduce energy consumption and investigate opportunities for the use of renewable energy;
- Monitor and reduce water consumption;
- Monitor and reduce waste and maximise recycling;
- Engage with our occupiers to reduce the use of single use plastics;
- Ensure that maintenance contractors also comply with the policy with respect to the use of hazardous materials and materials from non-renewable resources;
- Consider maintenance of planting and landscaping and opportunities to improve biodiversity, in accordance with the objectives of the Wild West End\*\*.

## Footnote:

\* BREEAM – Building Research Establishment Environmental Assessment Method – a recognised sustainability assessment method.

\*\* Wild West End – a collaboration between us and other West End property owners working together to improve the biodiversity of the West End of London.