

WE SUPPORT



SUSTAINABLE
DEVELOPMENT
GOALS

Environment, Social and Governance Policy 2020

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 15 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 environment, social and governance principles adopted by the Company through the re-use and careful management of existing buildings. This supports global, Government and local policies for sustainable development, the promotion of the circular economy and proactive stakeholder engagement.

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, annual action plan and the annual data report are all on our website, and a summary is contained in our annual report.

I am responsible to the Board for the implementation throughout our operations. We have a Sustainability Committee, which is chaired by me, and comprises members of the management team, who each have relevant experience in the business.

Brian Bickell
September 2019

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 seventeen 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
<p>Conduct our business with integrity and in an open and ethical manner and require the same standards throughout our supply chain.</p>	 
<p>Operate in an environmentally sustainable manner and minimise the environmental impact of our operations, including on climate change.</p>	 
<p>Extend the economically useful lives of our buildings through changes of use, reconfiguration and maximise the reuse of materials.</p>	 
<p>Disseminate the Group’s policies to advisors, suppliers, occupiers and stakeholders.</p>	
<p>Establish annual targets and encourage continual improvement in environmental performance.</p>	
<p>Comply with all legal and regulatory requirements and, where feasible, exceed minimum compliance.</p>	
<p>Invest in our local community.</p>	 
<p>Invest in the welfare and development of our employees and promote diversity and inclusion throughout our activities.</p>	 

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 polite;
- Obey all relevant laws and regulations;
- 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.

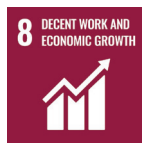
These principles are supported by policies which address anti-bribery and corruption, whistleblowing, prompt payment, money laundering and management of the supply chain. All new suppliers are required to sign up to anti-slavery policies when completing our new supplier form.

We believe that good governance practices are essential to a successful and sustainable business, and therefore we ensure that they are integral to us. We are fully compliant with the UK Corporate Governance Code 2016, and are reviewing and updating our processes and practices for compliance with the UK Corporate Governance Code 2018. We believe in transparency of our business to stakeholders and ensuring we report comprehensively and fairly in our Annual Reports and engage with our stakeholders throughout the year.

Our values ensure that Environment, Social and Governance principles are embedded into 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 employees. Every employee is important and their experience and contribution to the business is essential to the delivery of our business strategy and sustainability commitments.



- We have values and behaviours that our employees share and promote through our culture.
- 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.
- We are committed to the training and development of our employees, which includes personal development and compliance training.
- 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 etc 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.
- 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.

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 sex, sexual orientation, age, race, disability, marital status, religion, colour and nationality.

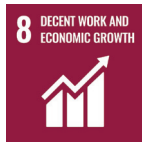
The key policy goals are to:

- 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;
- 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

We recognise the importance of our relationships with all our stakeholders.



Stakeholders

- We are transparent and all our policies are 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 align our charitable giving and community involvement with organisations which focus their activities in the West End, including those which support the arts, bodies which encourage sustainability, as well as community groups, schools and charities.
- We aim to build long-term relationships with these groups and all our stakeholders.
- We encourage our employees to be involved in the work of these and other charities and identify any additional assistance that the Group may be able to provide or procure.
- We encourage volunteering by our employees.
- We measure and report our community engagement against recognised benchmarks.
- 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.
- We engage with the local community and our occupiers.

Environment

We operate in an environmentally sustainable manner and endeavour to minimise environmental impact throughout our operations.



- We maximise the re-use of existing property, minimising the use of resources and saving the carbon emissions required in the construction of new buildings.
- We recognise the urgency of addressing climate change and have committed to set a Science Based Target through the Science Based Targets initiative.
- We aim to achieve BREEAM* Very Good (or equivalent) for our larger refurbishment schemes and new buildings.
- We recognise the potential for inheriting environmental risks through property acquisitions and therefore will 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.
- 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 maximise the reuse of existing materials;
- 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;
- Careful choice of building materials to minimise adverse impacts on the environment. Timber from well managed sources certified by third-party certification bodies accredited by the Forest Stewardship Council and neither illegal timber nor uncertified high risk timber species will knowingly be sourced;
- 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;
- 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 managing agents 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.