

Value Retail China Sustainability Report 2020

Sustainability Strategy

Value Retail's global mission is to create flagship retail destinations that deliver positive impact socially, economically and environmentally. These aims are integrated into the business strategy and our five guiding principles:

- Experience is everything
- Double-digit growth
- Joined-up thinking
- Differentiation adds value
- Keep raising the bar

We aim to minimise the environmental impacts of our business and to continuously improve our environmental performance to support our long-term strategy. In 2020 we saw an effect on our energy, water and waste impacts as Villages were temporarily closed in compliance with government restrictions in response to the Covid-19 pandemic. Additionally, in 2020 we opened Phase 2 of Suzhou Village adding 50,541 sqm to the asset. Going forward, we have set clear targets for continuing to improve our environmental efficiency, and by 2023 the Villages in China intend to reduce their energy consumption by 12%, saving around 600 tonnes of CO₂e (against a 2019 baseline). We will also maintain our standard of zero operational waste going to landfill.

In our design and construction projects we will continue to use BREEAM building certification schemes to ensure we achieve high-quality, sustainable outcomes.

We aim to maximise our social impact for the benefit of our employees, brands, supply chain, local communities, and guests. In 2020 the safety and wellbeing of all these stakeholders have been particularly important, as the business responded to the Covid-19 pandemic. 'Safe Shopping Protocols' were established to keep guests safe as the Villages re-opened, and mandatory training given to employees and to tenant staff to ensure a safe return to the offices, boutiques and restaurants. Landlord buildings and spaces were reorganised to support brand staff and contractors on site. Our philanthropic 'Do Good' initiative continued to engage staff across our business to enhance our social impact by focusing our charitable support around a single strategic theme: the empowerment of women and children.

Robust governance continues to be a focus for the business, with organisational policies under continual review and renewal, and a Governance, Risk & Compliance committee established to ensure they are effectively implemented.

Our 2020 Environmental Footprint¹

Total Energy
35,050 MWh (+7% vs 2019)

Landlord Energy
9,000 MWh (+27% vs 2019)

Tenant Energy
26,050 MWh (+2% vs 2019)

Total Water
459,240 m³ (-8% vs 2019)

Landlord Water
384,230 m³ (-10% vs 2019)

Tenant Water
75,010 m³ (+10% vs 2019)

Operational Waste (landlord & tenant)
3,040 tonnes (+34% vs 2019)

Diverted from Landfill
100% (as 2019)

Recycled
42% (45% in 2019)

Scope 1 GHG Emissions (on-site fuels)
0 tCO₂e (as 2019)

Scope 2 GHG Emissions (Landlord Electricity)
6,330 tCO₂e (+27% vs 2019)

Scope 3 GHG Emissions (Tenant Energy)
17,050 tCO₂e (+3% vs 2019)

¹Energy, GHG, water & waste 2020 reporting year totals verified by AECOM, in alignment with ISO14064-3 (2019)

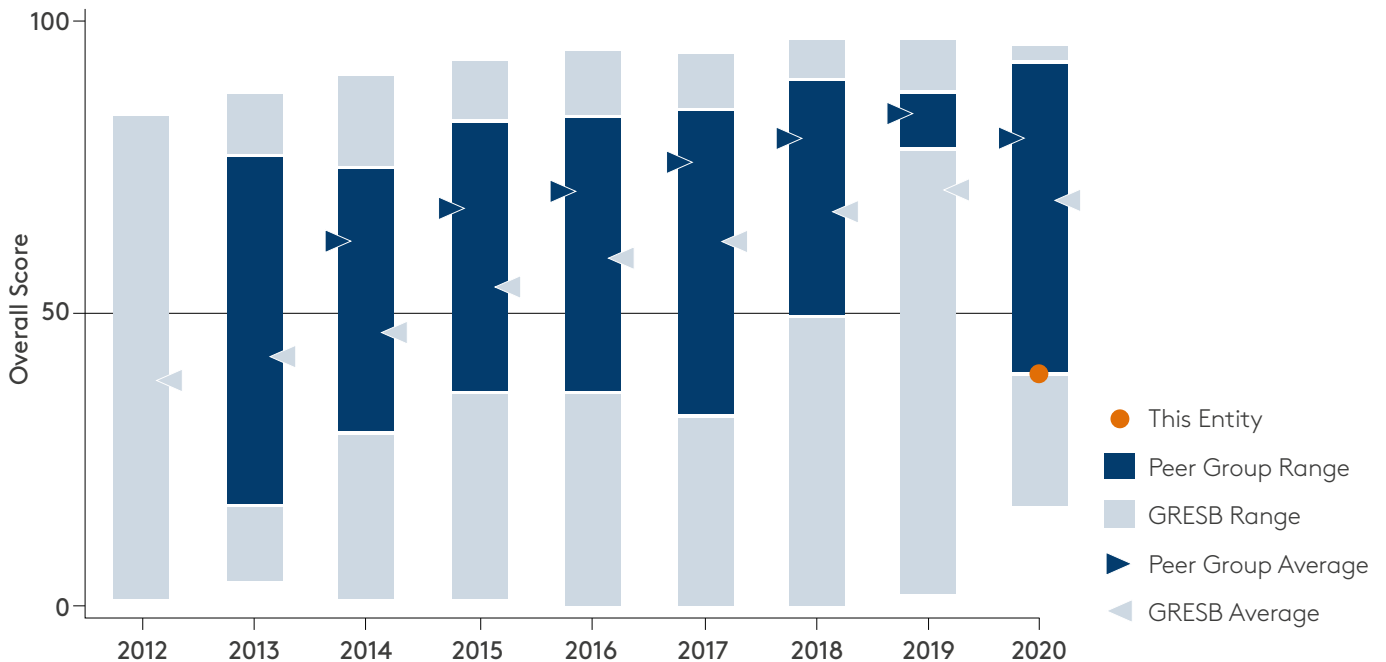
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GRESB Participation

Value Retail China participated for the first time in the Global Real Estate Sustainability Benchmark (GRESB) in 2020, and through this process identified key focal areas enabling us to able to develop a roadmap for improvement in the sustainability performance of The Bicester Village Shopping Collection in China. We will continue to participate annually with the aim of improving our environmental and social impact as well as our overall governance.



GRESB is the most highly regarded sustainability assessment in the real estate sector. Through annual participation in this benchmarking system we will measure and continually improve our environmental and social impacts



BREEAM is the leading sustainability assessment method for buildings. It recognises and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use assets to refurbishments.

BREEAM Participation

Value Retail China also participated for the first time in the Building Research Establishment Environmental Assessment Methodology (BREEAM) in 2020, receiving BREEAM In-Use certification of both Shanghai Village and Suzhou Village Phase 1 as well as BREEAM New Construction certification of Suzhou Village Phase 2. We will participate annually in the BREEAM In-Use programme for all phases of the Villages in China and will certify our new developments under the BREEAM New Construction programme.