

Value Retail China Sustainability Report 2021

Sustainability Strategy

Value Retail's global mission is to create flagship retail destinations that deliver positive impact socially, economically and environmentally within our local and global communities, to our brand partners, and to our guests. 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 take action to minimise the environmental impacts of our business and continuously improve our environmental performance to support our long-term strategy. 2021 saw an increase in our energy and waste impacts compared to 2020, as the Villages returned to a more normal trading pattern and our business grew at a greater than proportional rate. Additionally, we continued to open a significant number of new boutiques and restaurants in the Villages as we filled both Phase 2 of Suzhou Village, which opened in 2020, and Shanghai Village. We continue to monitor progress against targets and are on track to reduce our overall water consumption by 13% by 2023 (against a base year of 2019) by optimising our operational protocols. We reduced our landlord energy consumption relative to our annual sales growth and, again in 2021, achieved our 2023 target of zero operational waste going to landfill.

We continue to use building certification schemes to ensure we achieve high-quality, sustainable outcomes from our assets. We have received BREEAM In-Use certification for both Villages and are using the findings to guide continual improvement. We also launched our Green Brand Contract and accompanying suite of sustainability documents for brand compliance. These elevate our ongoing efforts at all Villages to improve the environmental performance of the boutiques.

We aim to maximise our social impact for the benefit of our employees, brands, supply chain, local communities, and guests. In 2021 the safety and wellbeing of all these stakeholders continued to be particularly important, as the business responded to the Covid-19 pandemic. In 2021 we also launched our inaugural employee satisfaction survey and brand satisfaction survey, which both received 100% response rates. Various actions have been taken in response to these surveys, including initiatives taken as part of our Feel Good and Winning Together programmes, which continue to raise awareness of health & wellbeing and diversity, respectively.

Our philanthropic 'Do Good' initiative continues 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. To date, it has helped to raise significant sums for our charitable partners and achieved considerable press and social media reach.

Robust governance continues to be a focus for the business. In 2021 we reviewed our organisational policies and launched our employee Code of Conduct and Handbook to support their implementation. Aligned to this we continued to raise awareness and reinforce our Speak Up programme, which provides regular updates to our board.

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Our 2021 Environmental Footprint¹

Total Energy
45,800 MWh (+31% vs 2020)

Landlord Energy
9,570 MWh (+6% vs 2020)

Tenant Energy
36,230 MWh (+39% vs 2020)

Total Water
399,370 m³ (-13% vs 2020)

Landlord Water
293,500 m³ (-24% vs 2020)

Tenant Water
105,870 m³ (+41% vs 2020)

Operational Waste (landlord & tenant)
4,080 tonnes (+34% vs 2020)

Diverted from Landfill
100% (as 2020)

Recycled
36% (42% in 2020)

Scope 1 GHG Emissions (Landlord Fuels)
0 tCO₂e (as 2020)

Scope 2 GHG Emissions (Landlord Electricity)
6,730 tCO₂e (+6% vs 2020)


Scope 3 GHG Emissions (Tenant Energy)
23,640 tC12e (+39% vs 2020)

¹Energy, GHG, water and waste 2021 reporting year totals verified by AECOM, in alignment with ISO14064-3 (2019)

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GRESB Participation

Value Retail China significantly increased its score in the Global Real Estate Sustainability Benchmark (GRESB) in 2021, reflecting an improvement in the documentation of our governance protocols and social programmes, along with improved sustainability performance of The Bicester Collection in China.



G R E S B[®]
★ ★ ★ ☆ ☆ 2021

GRESB is the most highly regarded sustainability assessment in the real estate sector. A strong score helps demonstrate good corporate governance and shows that we are managing our environmental and social impacts. This is the second year we have participated, and Value Retail China has improved its score by 35 points, achieving 75 and a GRESB three-star rating.

