

Sustainable thinking: our responsible approach to business

March 2024

Sustainability policy

Our purpose

Our purpose is to be a responsible owner of commercial real estate, helping our occupiers succeed and being valued by all our stakeholders.

Through our occupier focused, opportunity led approach, we aim to be one of the consistently best performing diversified UK REITs. In order to deliver on our purpose, we have in place three distinct strategic pillars: Portfolio Performance, Operational Excellence and Acting Responsibly. These pillars include a range of strategic priorities which guide the direction of our business and are regularly reviewed.

Acting responsibly

Through our responsible approach to conducting business, we are committed to making a positive contribution to society and the environment and have in place high standards of sustainability governance and management.

We seek to promote greater environmental responsibility within our business and supply chain. We have commenced our journey to becoming a carbon net zero business and have published our pathway to becoming carbon net zero on or before 2040, ten years ahead of the UK Government target. We are committed to continuing to make progress and report against our targets. We are also signatories to the Better Buildings Partnership Climate Commitment.

We are committed to engaging with our occupiers, shareholders, suppliers and wider community to achieve our sustainability priorities.

Our approach to sustainability

We believe that sustainability in its widest sense, including Environmental, Social and Governance aspects, must be fully embedded into all of our business activities. A responsible and ethical approach to business is essential for the benefit of all our stakeholders and understanding the long-term impact of our decisions will help us to manage risk and continue to generate value.

We have a Responsibility Committee, chaired by our Chief Financial Officer, which leads on the delivery of our sustainability priorities and provides regular updates to the Board.

We have in place a sustainability framework that aligns with our corporate strategy. Our framework and priorities were set following a materiality assessment which we review regularly. We seek to ensure our sustainability priorities align with global and national expectations and where we can make the greatest contributions.

Our key long-term sustainability priorities include:

- **Meeting the highest standards of corporate governance**

As a listed company we follow the UK Corporate Governance Code and report against this annually. We ensure that we are fully compliant with all legal and other requirements relevant to our business.

We regularly review our performance metrics for transparent reporting and seek continuous improvement.

– **Tackling environmental challenges**

We recognise we have an important role to play in tackling environmental challenges including climate change, biodiversity, resource and waste management and are committed to minimising our impact. We disclose absolute and intensity performance measures as set out by the EPRA Sustainability Best Practice Recommendations and take part in the annual GRESB survey. We have introduced third party assurance of our published environmental data. We are now embarking on developing our pathway to net zero carbon, in line with the Better Buildings Partnership framework.

– **Providing safe and sustainable buildings for occupiers**

We will continually work to identify and target key impact areas across the portfolio, monitoring and enhancing the environmental performance of our buildings, integrating wellbeing and exceeding health and safety expectations.

– **Focusing on our employees**

We will maintain a strong and open company culture with shared values co-created by our team and opportunities for further training and development.

– **Engaging with our stakeholders**

We will engage and consult with our occupiers, shareholders, suppliers and wider community on our key material issues to ensure we are managing these effectively.

We support the protection of human rights, and work with our supply chain to promote safe and fair working conditions and the responsible management of social, ethical and environmental issues through our Supplier Code of Conduct.

This policy is supported by specific sustainability policies, strategies and initiatives which are available on our website <https://www.picton.co.uk/sustainability/governance/esg-policies/>.

Approved by the Board on 7 March 2024.

Michael Morris
Chief Executive
Picton Property Income Limited