

ESG Governance Policy

May 2025

ESG Governance Policy

1. Purpose

The purpose of this ESG Governance Policy is to outline the Company's commitment to integrating ESG practices across the business. This policy establishes the roles and responsibilities of the Board and management in overseeing ESG initiatives and ensuring they contribute to the long-term success of the Company.

2. Scope

This policy applies to the Board of Directors, its Committees and to all employees.

3. Policy statement

To ensure effective governance of ESG issues, Picton has established the following governance framework:

3.1 ESG Governance framework

Board of Directors

The Board of Directors has overall responsibility for ESG strategy and governance, and a non-executive member of the Board is designated to have oversight on ESG matters. The Board is responsible for:

- Approving and overseeing the implementation of the ESG strategy and policy framework.
- Reviewing reporting to monitor compliance with ESG regulations and reporting obligations.
- Reviewing ESG risks as part of the Company's overall risk management framework.

The Executive and Responsibility Committees

The Board delegates day-to-day responsibility to the Executive Committee, which includes two Executive Directors. The Executive Committee has established a Responsibility Committee to provide dedicated oversight on ESG matters.

The Responsibility Committee consists of one Executive Director and representatives from relevant business areas. In addition, meetings are attended by a Non-Executive Director, as appropriate. The Committee is responsible for:

- Development of ESG policies and strategies.
- Monitoring progress towards ESG goals, including environmental targets, social impact, and governance.
- Monitoring compliance with ESG regulations and reporting obligations.
- Integrating ESG principles into investment decisions and property management.
- Advising, with input from third parties as relevant, the Board on emerging ESG trends and regulations.
- Overseeing the Company's sustainability reporting and ESG disclosure practices.
- Oversight of the Health and Safety Committee and Climate Action Working Group

The Climate Action Working Group

The Climate Action Working Group is responsible for implementing the relevant ESG policies and strategies across Picton's portfolio. Key responsibilities include:

- Responsible for the day-to-day delivery of the net zero strategy, including implementation of the Waste Policy and sustainable refurbishment guidelines.
- Responsible for the day-to-day delivery of the Climate Resilience Strategy.
- Responsible for the day-to-day delivery of the Biodiversity Policy.
- Providing the Responsibility Committee with regular updates on progress.
- Identifying risks and escalating them to the Responsibility Committee.
- Promote active engagement with stakeholders, including occupiers, contractors, managing agents and local communities, as appropriate, to support the transition to a low-carbon and climate-resilient real estate portfolio.

External advisers and stakeholders

Picton will seek input from external ESG advisers, consultants, and stakeholders to ensure its ESG practices align with industry best practice and stakeholder expectations in a manner that is appropriate for its size and business operation. This includes engaging with occupiers, investors, regulators, and communities to identify and respond to ESG issues.

3.2 Risk management

ESG risks will be integrated into the Company's broader risk management framework.

3.3 Stakeholder engagement

Picton is committed to engaging with its stakeholders on ESG issues. Its approach to stakeholder engagement is set out in its Social Impact Policy

4. Responsibilities

The Board will have overall oversight for the approval of this policy and the Executive Committee will be responsible for implementing the policy.

5. Monitoring, reporting and disclosure

The Board will be responsible for monitoring performance against ESG priorities and KPIs and will receive reporting from the Responsibility Committee as part of its Board meetings.

Picton will provide transparent and regular updates to stakeholders on its ESG performance through its annual report, annual sustainability reports, investor updates, and other public disclosures. The Company aligns its reporting with recognised ESG frameworks such as:

- Better Buildings Partnership's Climate Change Commitment.
- Global Real estate Environmental Benchmarks (GRESB).
- Taskforce for Climate Related Financial Disclosure (TCFD).

6. Related documents

ESG strategy and supporting ESG policies

7. Dates

Effective date: 29 April 2025

Review date: March 2026

This ESG Governance Policy will be reviewed annually to ensure it remains current with evolving ESG standards, regulations, and stakeholder expectations. Any amendments must be approved by the Board of Directors.