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SUPERMARKET INCOME REIT

DATED: 19 SEPTEMBER 2023

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ENVIRONMENTAL POLICY

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Introduction:

Supermarket Income REIT plc (“the Company” or “SUPR”) is a Real Estate Investment Trust dedicated to investing in property which enables the future model of UK Grocery. The Company aims to provide investors with long-dated, secure, inflation linked income with capital appreciation potential over the longer term. As long-term investors the Company is fully committed to integrating sustainable practices into its day-to-day operations. The Company is committed to working with its stakeholders, including tenants, to manage and improve sustainability performance.

The Company has developed a set of sustainability priorities designed to integrate environmental, social and governance risk management, into the delivery of its investment objectives as well as quantifying positive and negative impacts from its investment activities. The sustainability priorities also seek to ensure that all sustainability risks and opportunities are assessed prior to completion of the investment.

There are four key elements to the sustainability priorities reflecting the outcome of a materiality assessment undertaken by the Company, namely:

- i. mitigation of environmental impact
- ii. compliance with highest standards of governance and reporting
- iii. engagement with tenants and wider stakeholders
- iv. responsible citizenship and support for communities

The Company’s activities align with the UN Sustainable Development Goals (SDG) Agenda 2030, and the following SDGs have been identified as the most relevant:

- SDG 2 (Zero Hunger)
- SDG 11 (Sustainable Cities and Communities)
- SDG 13 (Climate Action).

The Company’s sustainability priorities are further strengthened by the commitments of its Investment Adviser. The Investment Adviser has adopted the United Nations Principles for Responsible Investment (“UN PRI”) which defines responsible investment as a strategy and practice to incorporate Environmental, Social and Governance factors in investment decisions and active ownership. The Company has requested that the Investment Adviser reflect all six principles into its operations and investment process.

Responsibility:

This Environmental Policy (“the Policy”) forms part of the Company’s governance framework and falls under the overall responsibility of the ESG Committee and ultimately the Company’s Board of Directors.

The Company has requested that that the Investment Adviser takes direct responsibility for ensuring effective implementation of this Policy throughout all aspects of its investment

advisory activities including the investment processes, subsequent asset management and any relevant supply chain considerations.

The Company has requested that the Investment Adviser provide regular that progress reports to the Board, outlining progress against the agreed sustainability strategy.

Scope:

This Policy covers all of the Company's investments and applies to all the Company's directors. The Company expects all its service providers to conduct themselves in a manner that is consistent with the requirements of this Policy.

Policy:

The Policy sets out the Company's belief that it has a responsibility to make a positive impact on the communities and industries in which it is active. The Company is committed to acquiring and owning assets that have strong environmental ratings and protecting the environment through minimising the impact of its buildings, through its influence on the activities of the Investment Adviser. The Company seeks to ensure that environmental and biodiversity considerations are integrated in its investment process. The Company considers the environmental performance of its assets and the protection of the natural environment as key elements of its sustainability strategy.

The Company is committed to strong environmental governance and compliance with relevant environmental legislation.

Aims and Objectives:

Climate Change & Emissions:

- The Company recognises the threat posed by climate change and the critical role business has in tackling this crisis. The Company acknowledges the potential impact climate change may have on its assets and the operating environment of its tenants and other stakeholders.
- The Company recognises the Paris Agreement 2015 and the need for companies to support the transition by achieving their own net zero targets.
- The Company is committed to reducing its direct and indirect greenhouse gas ("GHG") emissions.
- The Company will comply with its regulatory and legal sustainability obligations. It will also voluntarily comply with the Taskforce for Climate related Financial Disclosures ("TCFD") recommendations.
- In recognition of this objective the Company will as requested that the Investment Adviser commit to the Net Zero Asset Manager ("NZAM") initiative. NZAM's commitments support a goal of net zero Green House Gas (GHG) emissions by 2050, specifically to:

- Work towards decarbonisation of all assets under management (AUM), net zero emissions by 2050 or sooner
- Establish interim targets for a proportion of the AUM to reach net zero emissions by 2050 or sooner and
- Review each interim target at least every 5 years with a view to increasing the proportion of AUM covered until 100% of the assets are included.

Energy:

- Reducing energy consumption is fundamental to improving the Company's carbon footprint. The Company is committed to improving the energy efficiency of its assets either directly, where the Company has direct control or indirectly through supporting its tenant's implementation of sustainability initiatives that will improve the energy performance of the buildings.
- The Company will seek to ensure that all its supermarket properties will achieve an EPC C or above by 2028, rising to EPC B or above by 2030. This activity will comply with the Minimum Energy Efficiency Standards (MEES) Regulations.
- The Company will continue to improve the monitoring of energy consumption across its portfolio.

Waste materials:

- Waste is minimal in relation to the Company's directly owned assets, and the Company is committed to minimising waste within its portfolio and supporting tenants to recycle waste.
- In addition, the Company has requested that the Investment Adviser seek to recycle office waste and ensure that office equipment, at end of life, is recycled or repurposed to minimise waste going to landfill.

Water:

- Water usage is minimal in relation to the directly owned assets of the Company.
- The Company has requested that the Investment Adviser seeks to eliminate unnecessary consumption.
- The Company is committed to reducing water consumption within its portfolio.

Biodiversity:

- The Company is committed to reducing the impact of its portfolio on the local environment and improving tenants' awareness of potential damage to Biodiversity. Please see the Company's "Biodiversity Policy" for further information on this topic.

Environmental Performance:

- The Company is committed to measuring and evaluating its environmental performance and will report on its progress at least annually.

Tenant Engagement

- The Company is committed to delivery of an evolving tenant and stakeholder engagement Policy in relation to support a collaborative approach to resolution of environmental issues.

Compliance and training:

- The Company is committed to ensuring that all individuals within the Scope of this Policy (see above) are made aware of their responsibilities and of the standards that fall within this Environmental Policy.
- The Company will also request that the Investment Adviser provide training to improve the understanding its staff in relation to this Policy and sustainability issues as they relate to the Company and its own sustainability governance and commitments.

Monitoring and Reporting:

- The Company is committed to continuous monitoring and improving of its environmental performance and to report any environmental incidents. The Company will use this information to support its engagement with tenants and other key stakeholders.
- As part of the monitoring process, the Company will update the Policy on a regular basis to ensure that it remains up to date with the latest approaches to sustainability.

Signed by:

Nick Hewson
Chair

19/09/2023