

## CONSUMER-FACING DISCLOSURE

**Product:** Custodian Property Income REIT plc (the "**Company**")  
**Manager:** Custodian Capital Limited (the "**Manager**")  
**Date:** 30 January 2025  
**ISIN:** GB00BJFLT45

**Purpose of this disclosure:** This disclosure provides you with key sustainability information about the Company, which may help you compare it to other similar products. It is not marketing material.

**Sustainable investment labels help investors find products that have a specific sustainability goal. This product does not have a UK sustainable investment label because whilst the Company actively pursues environmental improvements within its portfolio management, the Company does not have a specific sustainability goal. In particular, the investment strategy of the Company does not currently meet the criteria to use one of the FCA's four sustainability labels.**

*Custodian Capital Limited (FRN: 541984) is the manufacturer of the Company and is authorised and regulated by the FCA.*

### The Company's purpose

The Company offers investors the opportunity to access a diversified portfolio of UK commercial real estate through a closed-ended fund. The Company seeks to become the REIT of choice for private and institutional investors seeking high and stable dividends from well-diversified UK real estate.

### Sustainability approach

The Company's sustainability strategy is to improve the Environmental Social and Governance ("**ESG**") performance across the properties in the Company's portfolio. The Company has identified six ESG objectives which form part of the Company's operational and asset management activities:

- 1) Improving the energy performance of buildings**  
Investing in carbon-reducing technology, infrastructure and on-site renewables, and ensuring redevelopments are completed to high environmental standards.
- 2) Reducing tenants' energy usage and emissions**  
Liaising closely with tenants to gather and analyse data on the environmental performance of properties to identify areas of improvement.
- 3) Achieving social outcomes and supporting local communities**  
Engaging constructively with tenants and local government to support the wider community through economic and environmental plans and strategies - providing the real estate fabric of the economy to give employers safe places of business that promote tenant well-being.
- 4) Understanding and responding to environmental risks and opportunities**  
Allowing the Board to maintain appropriate governance structures to ensure the Manager is appropriately mitigating risks and maximising opportunities.
- 5) Complying with requirements and reporting in line with best practice where appropriate**  
Increasing transparency, aligning with relevant benchmarks and frameworks, and communicating targets, activities and initiatives to shareholders.
- 6) Governance**  
Maintaining high standards of corporate governance and disclosure to ensure the effective operation of the Company, aiming to continually improve these to achieve industry best practice.

Further, the Company's assets will be managed in line with the Company's operational Net Zero Commitment ("**NZC**"), which in summary will be achieved through a 90% reduction in carbon intensity by 2050 from a 2021 baseline with the 1.5°C Carbon Risk Real Estate Monitor ("**CRREM**") pathway\*.

\*CRREM is the market standard for 1.5 degree alignment in the real estate sector. CRREM's objective is to translate global emissions reduction requirements, into Paris Agreement-compliant 1.5 degree emissions pathways for buildings.

The Company's investments may not always align with the ESG objectives or sustainability outcomes, as the properties it invests in are not required to meet any pre-defined sustainability criteria as per its existing FCA approved investment objective and policy. However, all investments are reviewed by the Manager's Investment Committee which includes a dedicated ESG rationale. At a property level, an environmental assessment is undertaken which influences decisions regarding acquisitions, refurbishments and asset management activities.

### Sustainability metrics

The Company has set target Key Performance Indicators ("**KPIs**") to monitor ESG performance and measure progress against the six ESG objectives for the properties in the Company's portfolio. These target KPIs cover the Company's main areas for improvement including energy efficiency, greenhouse gas emissions, water, waste and tenant engagement and they measure both quantitative and qualitative improvements. A summary of these target KPIs is set out below:

Workstream	Topic	KPI
Physical improvements to properties	Operational carbon intensity	Reduce operational carbon intensity 90% by 2050, compared to a 2021 baseline
	Number of industrial and retail warehouses with photovoltaics ("PV") installed	100% of warehouses (including industrial and retail warehouses) with PV installation, where feasible
	Energy Performance Certificates ("EPCs")	<ul style="list-style-type: none"> <li>All 'E' EPC ratings to be removed or improved by 2025</li> <li>All 'D' EPC ratings to be removed or improved by 2027</li> <li>Minimum EPC rating of 'B' by 2030</li> </ul> Excluding properties exempt from Minimum Energy Efficiency Standard ("MEES") regulations
Physical Improvement to properties	Smart meters coverage by floor area	Install smart meters across 40% of the portfolio by floor area by 2027
	Electric vehicle ("EV") charging capacity for: <ul style="list-style-type: none"> <li>Retail warehouse and other sector assets; and</li> <li>Office and industrial assets</li> </ul>	Increase EV charging capacity to the following, by 2025: <ul style="list-style-type: none"> <li>4,200 kWh across retail warehouse and other sector assets; and</li> <li>980 kWh across office and industrial assets</li> </ul>
Risk management and reporting	Due diligence	Incorporate ESG factors into all investment due diligence undertaken to ensure in line with net zero strategy and address any climate related risks/threats are identified
	Reporting	Achieve an annual improvement in GRESB score by 2025
Tenant engagement	Engagement	Engage with tenants on a quarterly basis on ESG issues to address opportunities, threats etc
	Green leases	Engage with occupiers during lease negotiations to incorporate sustainability clauses into new leases. 25% of leases to include sustainability clauses by 2027
Social outcomes	Corporate social responsibility	Utilise 25% of vacant high street retail space by floor area for not-for-profit lettings
	Sustainable travel	Install changing facilities and secure cycle parking where feasible by 2027
	Nature	Integrate biodiversity and habitat strategy as part of all developments and redevelopments

Source: The Company's Asset Management and Sustainability Report June 2024, pages 27 to 30.

Further details of the Company's target KPIs, as well as commentary on progress in achieving these (as reported in the financial year ending 31 March 2024) are set out on pages 27 to 30 of the Asset Management and Sustainability Report (*linked below*).

#### Further details

Company Website – [CustodianREIT.com](https://www.custodianreit.com)

Pre-Contractual Disclosure [custodianreit.com SDR\\_PCD.pdf](https://www.custodianreit.com/SDR_PCD.pdf)

Asset Management and Sustainability Report June 2024 - [custodianreit.com AMS\\_Report\\_2024.pdf](https://www.custodianreit.com/AMS_Report_2024.pdf)

Annual Report and Accounts - [custodianreit.com Custodian\\_Annual\\_Report\\_2024.pdf](https://www.custodianreit.com/Custodian_Annual_Report_2024.pdf)