Burstone Group

Environmental Policy

Table of Contents

1. Property Information

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2. Document Control

Revision History

Version	Author(s)	Issue Date	Changes
0.1	Management Representative	July 2024	Creation

Distribution List

#	Recipients
1.	Burstone Website

Approval

Name	Date
Executive Committee	September 2024
Social and Ethics Committee	November 2024
Board approval	November 2024

3. Policy Overview

Sustainability is a core strategic priority for Burstone and our environmental policy incorporates the Environmental, Social and Governance (ESG) aspects of our operations. Burstone's key objectives are to create financial and social value that positively impact the planet, act as an enabler of ESG within client businesses, and aim to improve the lives of the communities in which we operate.

Burstone is committed to environmental stewardship, and we embrace sustainable practices to minimise our environmental footprint, optimise operations, enhance the well-being of our clients, and create shared value for all our stakeholders. We recognise that our operations have an impact on the environment, and we are continually deepening our understanding of the impact of our operations. We are dedicated to not only minimising these impacts through responsible management practices but also creating meaningful impact and driving significant progress towards a sustainable future, aligned with the United Nations Sustainable Development Goals (SDGs).

Concerns about climate change, resource scarcity, and social responsibility have led governments, investors, and clients in the countries in which our assets are located to prioritise sustainable practices. We are also conscious that green building certifications, green leases and energy-efficient standards have become increasingly important, transforming the industry, and encouraging the adoption of sustainable design principles and renewable energy sources. These advancements in sustainability have been significantly enhanced by technological innovations, particularly smart building technologies, which are making buildings smarter and more energy efficient. As we navigate our climate journey, we are incorporating all these concerns, industry standards and innovations into our strategy and planning.

Burstone understands that our buildings are more than just structures; they are crucial elements that contribute to the vitality and diversity of our communities and the overall well-being of the area. Burstone also recognises the integral role that buildings play in fostering positive relationships and we are committed to supporting the places in which we operate, we actively work to enrich and empower these communities, fostering environments where prosperity and well-being can flourish. Through our efforts, we strive to generate positive social and economic impacts for our employees, clients, investors, and society as a whole.

This Environmental Policy aligns with the principles and requirements of ISO 14001, the international standard for environmental management systems (EMS) as well as Burstone's internal requirements.

In implementing this policy, we aim to:

- Consider the direct environmental impacts of our operations, including those of our offices, staff travel, and the procurement of materials and services.
- Work with our clients and the supply chain to identify and mitigate the environmental impacts associated with the projects and services we deliver.
- Monitor, measure, and communicate (both internally and externally) the environmental performance of our activities to drive continual improvement in areas of significant risk and opportunity.
- Provide a culture of environmental awareness for our staff through training and communication.

Scope

This policy applies to all Burstone operations, including our offices, retail and industrial facilities, and any location where Burstone conducts business. It covers all employees, contractors, and stakeholders involved in our operations.

Legal and Regulatory Requirements

Burstone complies with all the legal and regulatory requirements as per respective geographies - please see Appendix 1 for list of applicable legislation.

Key Environmental Aspects

I.   **Energy Consumption:** Reducing energy use through efficiency measures and the adoption of renewable energy sources, where feasible.

II. **Emissions**: Reducing greenhouse gas emissions and other pollutants through solar installations, enhanced building performance, process improvements and innovative technologies.

III. **Waste Management:** Minimising waste generation, waste categorisation, promoting recycling, and ensuring proper disposal of hazardous materials.

IV. **Water Use:** Implementing water conservation measures and reducing water consumption.

V.   **Materials Management:** Using sustainable materials and reducing the exclusively performed by the IT Department and approved by Exco. A change log shall be kept current and be updated as soon as any change has been made.

Roles and Responsibilities

Burstone commit to the following roles and responsibilities with regards to the Environmental Policy:

i.   **Senior Management:** Demonstrate leadership and commitment to environmental management by ensuring the integration of the Environmental Policy into business processes. Senior Management retains accountability for the effectiveness of the Policy and the Environmental Management System (EMS), ensuring that the commitments of the EMS are fulfilled. Regular communication and reporting are maintained to track and support its implementation.

ii. **Employees**: Comply with environmental policies and procedures, participate in training, and actively contribute to environmental initiatives.

iii. **Sustainability Manager**: Oversee the implementation and maintenance of the Policy and Environmental Management System, including monitoring and reporting on environmental performance.

Monitoring

Burstone will monitor and measure environmental performance through:

i.   **Regular Audits**: Conducting internal and external audits to ensure compliance and identify opportunities for improvement.

ii. **Performance Indicators**: Tracking key performance indicators (KPIs) to measure progress towards environmental objectives and targets.
iii. **Reporting**: Preparing and disseminating regular environmental performance reports to management and stakeholders.

Ownership

This document is owned by the Executive Committee and maintained by the management representative as appointed by the Chief Executive Officer, until such time as an internal representative is appointed.

4. Policy Statement

Burstone is committed to:

Compliance

Burstone's environmental policy commits to not only meeting regulatory compliance requirements but also surpassing them through proactive environmental stewardship, embodying a commitment to continual improvement that goes beyond what is legally required. At a minimum, Burstone will ensure compliance with all applicable environmental laws, regulations, and other requirements, in the countries in which we operate.

Stakeholder Engagement

Burstone recognises the critical importance of understanding the needs and perspectives of those impacted by our operations and therefore takes an active approach to stakeholder engagement, incorporating stakeholder inputs into our business decisions. We recognise that stakeholders are the main drivers of our operations, and we look to engage and collaborate with stakeholders across our operations and portfolio to promote environmental responsibility and awareness and to reduce their environmental impact.

We work closely with our property managers on the collection, collation, management and reporting of our environmental and utility data. This information and reporting forms the basis of our environmental performance monitoring and decision-making.

Climate Commitment and Net Zero Ambition

We acknowledge the science behind climate change and support the Paris Agreement's aim of holding the increase in the global average temperatures to well below 2°C above pre-industrial levels and of pursuing efforts towards limiting it to 1.5°C.

Burstone has committed to net-zero carbon by 2050, or earlier, as we believe it is fundamental to the sustainability of our business. Establishing net-zero carbon pathways may vary reflecting the different levels of landlord operational control, sector, local market conditions, regulations and investor aims and objectives. We do not make this commitment lightly. We know it will take a concerted effort and a strong, yet flexible, net-zero plan which will need to be continually reviewed and adapted as

decarbonisation strategies, technologies and expectations evolve. Most importantly, we know that it is important to set achievable ambitions that are backed by science and follow a sensible and transparent approach.

At Burstone, we are committed to prioritising the avoidance of greenhouse gas (GHG) emissions in all our operations. Where emissions cannot be entirely avoided, we will actively manage and mitigate them by implementing energy efficiency measures and promoting energy savings wherever feasible. Furthermore, we will promote the installation of onsite renewable resources to ensure a sustainable and environmentally responsible approach. We will work with our supply chain partners, property managers and clients to find synergies and alignment in decarbonisation strategies. We will only consider the use of carbon credits and offsets for the emission that are difficult to abate.

Due to the physical and transition climate-related risks as well as market and economic shocks and stressors, there is an increased focus on resilience within the Real Estate Sector. By increasing the resilience of our buildings, we are building a portfolio that not only unlocks value for our stakeholders but also ensures our assets are equipped to withstand various climate, economic and social impacts.

We are committed to improving the resilience and long-term value of our assets and we have therefore identified both physical and transition climate risks and opportunities across our business and conducted thorough assessments of our portfolio and individual assets to identify how we can manage and mitigate the most material climate risks.

We understand that monitoring is key to understanding our environmental performance and track our energy, greenhouse gas, water and waste data on a monthly basis (including client data). We benchmark this data against the applicable local standards.

We recognise the challenges we are facing in navigating our journey to net-zero and are working with our stakeholders to ensure our approach is appropriately mitigating climate and environmental risks while at the same time, driving investment performance.

Greenhouse Gas Emissions Management

We are focussing on reducing Scope 1 and 2 emissions in the short to medium term while we understand what actions need to be taken to reduce Scope 3 and embodied carbon emissions.

Water Management

Burstone is dedicated to water conservation efforts, employing innovative practices across our properties, where feasible.

Biodiversity

We are committed to protecting biodiversity and promoting the well-being of our planet. We integrate biodiversity considerations when environmental impact

assessments are conducted and as part of our ESG due-diligence process. In Europe, biodiversity measures will be assessed as part of BREEAM in-use improvements.

Pollution Prevention and Waste Management

Our commitment extends to waste management, where we prioritise the reduction, reuse, and recycling of materials to minimise landfill waste and promote a circular economy. Through continuous improvement initiatives, we strive to identify opportunities to minimise waste generation and implement innovative solutions for sustainable resource use.

Green Building Certifications

Our commitment to sustainability extends to obtaining and maintaining green building certifications as a cornerstone of our environmental policy. We prioritise the development and management of properties that meet rigorous standards for energy efficiency, water conservation, indoor air quality, and overall environmental performance.

By pursuing certifications such as BREEAM (Building Research Establishment Environmental Assessment Method) (In-Use) and GreenStar (Existing Building Performance (EBP)) for eligible buildings, we demonstrate our dedication to creating healthier, more efficient buildings that minimise environmental impact throughout the building's lifecycle.

These certifications not only validate our efforts to adhere to sustainable building practices but also showcase our commitment to transparency and accountability in promoting environmentally responsible sustainable development. Through continuous education, innovation, and collaboration with industry partners, Burstone aims to integrate green building principles into our projects, fostering sustainable communities for the benefit of present and future generations.

5. Objectives and Targets

Burstone have established measurable short-, medium- and long-term environmental, social and governance objectives and targets, reviewed annually, to drive continual improvement. These objectives address significant environmental aspects and impacts and align with our commitment to sustainability.

6. Implementation and Operation

To implement this policy, Burstone will:

i. Operate an effective environmental management system (EMS) to minimise the direct operational impacts of our assets.
ii. Provide training and resources to employees to enhance their understanding and implementation of this policy.

iii. Implement operational controls to manage significant environmental aspects and ensure compliance with legal and other requirements.

iv. Develop and maintain emergency preparedness and response plans for potential environmental incidents.

7. Communication

Burstone will communicate this policy and our environmental performance to employees, clients, contractors and other stakeholders through:

1. **Internal Communications**: Regular updates via meetings, emails, and the company communication strategy.
2. **External Communications**: Integrated reports, roadshows, and engagement with the community and other stakeholders.

8. Review and Improvement

This policy will be reviewed annually and updated as necessary to reflect changes in regulations, organisational activities, and stakeholder expectations.

Continuous improvement will be driven through regular management reviews and stakeholder feedback.

Burstone ESG management team shall ensure that the above requirements are strictly complied to and make available the current copies of the above-mentioned documents at Head Office and project sites.

9. Conclusion

Burstone is committed to environmental excellence and sustainability. Through the implementation of this Environmental Policy, we aim to minimise our environmental impact and contribute positively to the global environment, communities and other stakeholders.

10. Appendices: Legal and Regulatory Requirements

South African Legal and Regulatory Requirements

The South African National Environmental Management Act (No. 107 of 1998)	NEMA is a key environmental law in South Africa that provides the framework for managing environmental issues, including those related to buildings and construction projects.
National Building Regulations and Building Standards Act (No. 103 of 1977)	This Act sets out the national standards and regulations for building construction in South Africa, including aspects related to energy efficiency, environmental sustainability, and safety.
SANS 10400 Part X: Environmental Sustainability	This South African National Standard outlines requirements for environmental sustainability in buildings, covering aspects such as energy usage, water efficiency, and renewable energy integration.
South African National Standard SANS 10400 Part XA	Energy Usage in Buildings - This standard focuses on energy efficiency requirements for buildings, aiming to reduce energy consumption and promote sustainable building practices.
South African National Energy Development Institute (SANEDI) Act (No. 32 of 2008)	This Act establishes SANEDI, which plays a crucial role in promoting energy efficiency and renewable energy initiatives in buildings and infrastructure.
Carbon Tax Act (No. 15 of 2019)	The Carbon Tax Act imposes a tax on greenhouse gas emissions, encouraging businesses to reduce their carbon footprint, including emissions associated with building operations.
City-specific Building By-laws	Municipalities in South Africa have their own building by-laws that may include additional requirements related to environmental sustainability, energy efficiency, and climate considerations for buildings.

European Union Legal and Regulatory Requirements

European Climate Law (Regulation (EU) 2021/1119	The law sets the target for Europe's economy and society to become climate neutral by 2050. The law also sets the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. The EU seeks to ensure that climate concerns are taken on board in other policy areas (e.g. transport and energy) and also promotes low-carbon technologies and adaptation measures.
EU Energy Performance of Buildings Directive (EPBD) (2010/31/EU) **EU Directive 2018/2002 (Energy Performance of Buildings Directive recast)**	This directive focuses on the energy performance of buildings, aiming to promote energy efficiency and ensure buildings are constructed and renovated to be more energy efficient. This revised directive focuses on improving the energy performance of buildings and includes

	requirements for building automation and control systems.
EU Renewable Energy Directive (RED) (2009/28/EC)	This directive sets renewable energy targets and promotes the use of renewable energy sources in buildings to reduce greenhouse gas emissions and environmental impact.
EU Energy Efficiency Directive (EED) (2012/27/EU)	The EED establishes measures to promote energy efficiency in buildings and requires member states to implement energy-saving schemes and policies.
EU Directive 2009/125/EC	This directive establishes a framework for the setting of eco-design requirements for energy-related products, including those used in buildings to increase energy efficiency.

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