

## Catella Residential Alliance

### ESG Objectives

#### 1. ORGANIZATION

We recognize that as an organization we have to take responsibility towards our environment and the society while meeting the needs of our clients and fulfilling our fiduciary responsibilities. There are environmental, social, and economic implications to all of the decisions we make as an investment manager. Environmental, Social, and Governance (ESG) aspects are part of our assessing risks and opportunities in real estate investment and management and our organization's employees are key to meeting our objectives. Therefore, we have defined the following ESG objectives on organizational level:

- Implementation of an ESG European competitiveness team within the Alliance and integration of ESG issues into our investment and ownership decision-making practices, a
- Regular review and implementation of policies that address environmental, social, and governance issues
- Regular ESG workshops and training to promote employee engagement to meet our ESG objectives
- Provide healthy and modern working spaces for our employees and support diversity and equal opportunities
- Have ESG factors as part of employees' annual performance targets
- Measure and monitor environmental key performance indicators related to our business operations and take measures to reduce our environmental impact; this includes raising awareness for responsible travelling (i.e. avoid flights, compensate carbon emissions from flights, incentivize train travelling, have more video conferences...).
- Develop and implement a sustainable procurement policy (incl. energy supply)
- Support environmental projects and local charities
- Annual reporting on our ESG activities and progression

Moreover, we recognise that transparent governance processes are critical to the principles of responsible investment and the alignment between the investors, managers, service providers, and all stakeholders.

#### 2. ENTITIES (REAL ESTATE FUNDS)

We are committed to meeting our financial objectives whilst simultaneously delivering market leading Environmental, Social & Governance (ESG) standards at fund and asset level. As such we consider effective management of environmental impacts and risks as part of our fiduciary duties, especially in light of compliance with the Paris Agreement. Therefore, on portfolio level supporting management tools and guidelines will be implemented:

- Assessment of fragility and robustness of any transaction and as regular process within asset management
- Assessment of key environmental risks as part of any transaction and as regular process within asset management; this assessment includes stranding risk analyses and measures to mitigate any stranding risks.

- Development of environmental key performance indicators for our real estate funds which will be used to measure performance. These indicators include at least specific energy consumption, carbon footprint, specific water consumption, and specific waste amount.
- Development of a regular consumption data collection process (most importantly energy, water, and waste) at asset level along with implementation in property and facility management contracts.
- Develop comprehensive and feasible mid- and long-term targets for data coverage and reduction of the environmental impact of the properties, with specific regard to energy and water consumption, waste disposal, health & wellbeing, and biodiversity. In order to meet these targets green leases shall be introduced for all tenants including the obligation to share energy consumption data and to look into procurement of green energy.
- Integrate measures to improve ESG performance in CAPEX schedules (i.e. energy efficiency, water efficiency, waste management, improvement of health & wellbeing, and improvement of biodiversity, if applicable)
- Ensure environmental issues are ingrained within the fund's procurement process, through a procurement policy that encourages development of the circular economy.
- Develop and document a comprehensive stakeholder engagement programme in order to positively contribute to social aspects and local communities (cf. Catella „From Good to Great Program“) and to support sustainable practices of our property and facility managers as well as our tenants.
- Incorporate social improvement objectives into asset management plans, where feasible. The strategy shall include the ambition to provide for modern living spaces with a focus on the wellbeing of the tenants in our buildings.
- Report on our ESG activities and progression annually.
- With our real estate funds we will support the development of industry-wide reporting and sustainability benchmarking protocols and will participate in suitable schemes such as GRESB (Global Real Estate Sustainability Benchmark) and INREV (European Association for Investors in Non-Listed Real Estate Vehicles).