

ANNEX I

Template Principal Adverse Sustainability Impacts Statement

For the purposes of this Annex, the following definitions shall apply:

- (1) ‘Scopes 1, 2 and 3 greenhouse gas (GHG) emissions’ means the scope of greenhouse gas emissions referred to in points (1)(e)(i) to (iii) of Annex III to Regulation (EU) 2016/1011 of the European Parliament and of the Council;¹
- (2) ‘Greenhouse gas (GHG) emissions’ means greenhouse gas emissions as defined in Article 3, point (1), of Regulation (EU) 2018/842 of the European Parliament and of the Council;²
- (3) ‘Weighted average’ means a ratio of the weight of the investment by the financial market participant in an investee company in relation to the enterprise value of the investee company;
- (4) ‘Enterprise value’ means the sum at fiscal year-end of the market capitalization of ordinary shares, the market capitalization of preferred shares and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;
- (5) ‘Companies active in the fossil fuel sector’ means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council;³
- (6) ‘Renewable energy sources’ means renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas and biogas;
- (7) ‘Non-renewable energy sources’ means energy sources other than those referred to in point (6);
- (8) ‘Energy consumption intensity’ means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company;

¹ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

² Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

³ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

- (9) ‘High impact climate sectors’ means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council;⁴
- (10) ‘Protected area’ means designated areas in the European Environment Agency’s Common Database on Designated Areas (CDDA);
- (11) ‘Area of high biodiversity value outside protected areas’ means land with high biodiversity value as referred to in Article 7b(3) of Directive 98/70/EC of the European Parliament and of the Council;⁵
- (12) Emissions to water’ means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council⁶ and direct emissions of nitrates, phosphates and pesticides;
- (13) ‘Areas of high water stress’ means regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the World Resources Institute’s (WRI) Water Risk Atlas tool—“Aqueduct;”
- (14) ‘Hazardous waste and radioactive waste’ means hazardous waste and radioactive waste;
- (15) ‘Hazardous waste’ means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council;⁷
- (16) ‘Radioactive waste’ means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom;⁸
- (17) ‘Non-recycled waste’ means any waste not recycled within the meaning of “recycling” in Article 3(17) of Directive 2008/98/EC;
- (18) ‘Activities negatively affecting biodiversity-sensitive areas’ means activities that are characterized by all of the following:
 - (a) those activities lead to the deterioration of natural habitats and the habitats of species and disturb the species for which a protected area has been designated;
 - (b) for those activities, none of the conclusions, mitigation measures or impact assessments adopted pursuant to any of the following Directives or national provisions or international standards that are equivalent to those Directives have been implemented:

⁴ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90, as well as certain EC Regulations on specific statistical domains text with EEA relevance (OJ L 393, 30.12.2006, p. 1).

⁵ Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC (OJ L 350, 28.12.1998, p. 58).

⁶ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

⁷ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

⁸ Council Directive 2011/70/Euratom of 19 July 2011 establishing a community framework for the responsible and safe management of spent fuel and radioactive waste (OJ L 199, 2.8.2011, p. 48).

- (i) Directive 2009/147/EC of the European Parliament and of the Council,⁹
 - (ii) Council Directive 92/43/EEC,¹⁰
 - (iii) an Environmental Impact Assessment (EIA) as defined in Article 1(2), point (g), of Directive 2011/92/EU of the European Parliament and of the Council,¹¹
 - (iv) for activities located in third countries, conclusions, mitigation measures or impact assessments adopted in accordance with national provisions or international standards that are equivalent to the Directives and impact assessments listed in points (i), (ii) and (iii),
- (19) ‘Biodiversity-sensitive areas’ means Natura 2000 network of protected areas, Unesco World Heritage sites and Key Biodiversity Areas (KBAs), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139;¹²
 - (20) ‘Threatened species’ means endangered species, including flora and fauna, listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Annex II to Delegated Regulation (EU) 2021/2139;
 - (21) ‘Deforestation’ means the temporary or permanent human-induced conversion of forested land to non-forested land;
 - (22) ‘UN Global Compact principles’ means the ten Principles of the United Nations Global Compact;
 - (23) ‘Unadjusted gender pay gap’ means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees;
 - (24) ‘Board’ means the administrative, management or supervisory body of a company;
 - (25) ‘Human rights policy’ means a policy commitment approved at board level on human rights that the economic activities of the investee company shall be in line with the UN Guiding Principles on Business and Human Rights;
 - (26) ‘Whistleblower’ means reporting person as defined in Article 5(7) of Directive (EU) 2019/1937 of the European Parliament and of the Council;¹³

⁹ Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7).

¹⁰ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

¹¹ Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1).

¹² Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442, 9.12.2021, p. 1).

¹³ Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L305, 26.11.2019, p. 17).

- (27) ‘Inorganic pollutants’ means emissions within or lower than the emission levels associated with the best available techniques (BAT-AEL) as defined in Article 3, point (13) of Directive 2010/75/EU of the European Parliament and of the Council,¹⁴ for the Large Volume Inorganic Chemicals- Solids and Others industry;
- (28) ‘Air pollutants’ means direct emissions of sulphur dioxides (SO₂), nitrogen oxides (NO_x), non-methane volatile organic compounds (NMVOC) and fine particulate matter (PM_{2,5}) as defined in Article 3, points (5) to (8), of Directive (EU) 2016/2284 of the European Parliament and of the Council,¹⁵ ammonia (NH₃) as referred to in that Directive and heavy metals (HM) as referred to in Annex I to that Directive;
- (29) ‘Ozone depletion substances’ means substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer.

For the purposes of this Annex, the following formulas shall apply:

- (1) GHG emissions shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope}(x) \text{ GHG emissions}_i \right)$$

- (2) Carbon footprint shall be calculated in accordance with the following formula:

$$\frac{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope 1, 2 and 3 GHG emissions}_i \right)}{\text{current value of all investments (€M)}}$$

- (3) GHG intensity of investee companies shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{investee company's Scope 1, 2 and 3 GHG emissions}_i}{\text{investee company's €M revenue}_i} \right)$$

¹⁴ Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

¹⁵ Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC, OJ L 344, 17.12.2016, p. 1).

(4) GHG intensity of sovereigns shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{The country's Scope 1, 2 and 3 GHG emissions}_i}{\text{Gross Domestic Product}_i(\text{€M})} \right)$$

(5) Inefficient real estate assets shall be calculated in accordance with the following formula:

$$\frac{((\text{Value of real estate assets built before 31/12/2020 with EPC of C or below}) + (\text{Value of real estate assets built after 31/12/2020 with PED below NZEB in Directive 2010/31/EU}))}{\text{Value of real estate assets required to abide by EPC and NZEB rules}}$$

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For the purposes of the formulas, the following definitions shall apply:

- (1) ‘Current value of investment’ means the value in EUR of the investment by the financial market participant in the investee company;
- (2) ‘Enterprise value’ means the sum, at fiscal year-end, of the market capitalization of ordinary shares, the market capitalization of preferred shares and the book value of total debt and non-controlling interests without the deduction of cash or cash equivalents;
- (3) ‘Current value of all investments’ means the value in EUR of all investments by the financial market participant;
- (4) ‘Nearly zero-energy building (NZEB),’ ‘primary energy demand (PED)’ and ‘energy performance certificate (EPC)’ shall have the meanings given to them in paragraphs 2, 5 and 12 of Article 2 of Directive 2010/31/EU of the European Parliament and of the Council.¹⁶

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant CBRE Investment Management EMEA AIFM B.V., LEI: 529900H6L7V3HAK2IN88
Summary

¹⁶ Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast) (OJ L 153, 18.6.2010, p. 13).

CBRE Investment Management EMEA AIFM B.V., LEI: 529900H6L7V3HAK2IN88 (hereby also referred to as the “Entity” and/or the “AIFM”) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of CBRE Investment Management EMEA AIFM B.V.

The Entity opted to consider principal adverse impacts on sustainability factors in its investment decisions in the reference period. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2024, in accordance with the Commission Delegated Regulation (EU) 2022/1288 (RTS).

The Entity exclusively invests in real estate assets and as such considers the two mandatory principal adverse impact indicators set out in Table 1, and has selected two additional climate- and environment-related indicators as set out in Table 2. At the date of preparing this statement, there are no additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters for investments in real estate assets.

Exposure to fossil fuel through real estate assets: The Entity’s real estate assets had no exposure in the reference period and rarely considers investing in such activities.

Exposure to energy-inefficient real estate assets: 30.3% of the Entity’s assets were considered inefficient in the reference period with energy ratings of EPC C and below or energy consumption above NZEB levels. With most buildings in the EU currently considered energy inefficient, our priority is to focus on energy efficiency measures. Our EMEA-wide decarbonization audit program is providing the data and information required to inform our transition plans. We set targets on GHG reduction in alignment with our Sustainability Vision.

GHG emissions: The Entity was responsible for 137,632 tCO_{2e} of total GHG emissions (of which 7,846 tCO_{2e} are Scope 1, 53,394 tCO_{2e} are Scope 2 and 76,392 tCO_{2e} are Scope 3). Aligning with the CBRE Investment Management (CBRE IM or the Firm) Sustainability Vision and commitment to be net zero by 2050 or sooner with a reduction of 50% by 2030 for Scopes 1 and 2 emissions, and to the extent feasible Scope 3 emissions. The Entity is seeking to reduce its total GHG emissions by focusing on energy efficiency, electrification and energy procurement at the asset level. Our decarbonization audit program will provide the data and information to inform our sustainable action planning program with appropriate recommendations. Our solar program will also be key in supporting the transition to zero emission buildings. While the Entity has direct control over its Scope 1 and 2 emissions, the majority of Scope 3 emissions are largely driven by tenant activity, over which the Entity seeks to influence behavior through direct and indirect engagement on sustainability topics.

Energy consumption intensity: The Entity had an average energy intensity of 0.0001023 GWh/sqm. In the reference period, the Entity undertook actions to lower the energy intensity of assets, including smart meter and LED installations and carried out decarbonization audits to identify further actions to transition towards zero emission buildings.

Description of the principal adverse impacts on sustainability factors

The mandatory indicators defined under the RTS are set out in the table below. For each of these indicators we have reported on the impact in the reference period and have provided year-by-year comparison since the first published statement in 2022, alongside an explanation of the performance, actions taken in the reference period and actions planned for the next reference period.

Information on the below metrics will be published on an annual basis. The plan is to calculate this figure based on the average of impacts as of the end of each quarter, but this is currently not yet possible.

Indicators applicable to investments in real estate assets							
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0%	0%	0%	Please see a description of the data sources for this and other metrics at the end of this report.	<p>Actions taken: Monitored exposure of any new investments and conducted a review to confirm the low exposure.</p> <p>Actions planned: We are intending to maintain a low exposure going forward by continuing screening of new</p>

							<p>investments and new leases.</p> <p>Targets:</p> <p>No target has been set beyond the above planned actions due to the low existing exposure.</p>
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	30.3%	32.9%	56%	Please see a description of the data sources for this and other metrics at the end of this report.	<p>Actions taken:</p> <p>In the reference period, the Entity continued to follow</p> <p>CBRE Investment Management's Zero Emission Building (ZEB) Roadmap and undertook actions to improve the energy efficiency of its investments, such as smart meter and LED installations, scoping surveys for on-site PVs and undertook</p>

							<p>decarbonization audits.</p> <p>Actions planned:</p> <p>The Entity will strive for continual improvement of this KPI by driving energy efficiency improvements utilizing the findings of any decarbonization audits and the EMEA ZEB Roadmap. All new investments will be screened against this metric to identify needs for improvement before acquisition.</p> <p>Targets:</p> <p>The Entity, through CBRE IM, is targeting net zero carbon by 2050 or sooner and one of four strategic priorities in our ZEB</p>
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							Roadmap is to improve energy efficiency. No annual targets have been set due to the time it takes for the actions to impact the performance of assets potentially spanning multiple years. The longer term target is included for illustrative purposes.
Other indicators for principal adverse impacts on sustainability factors							
Additional climate and other environment-related indicators							
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Greenhouse gas emissions	18. GHG emissions	Scope 1 GHG emissions generated by real estate assets	7,846 tCO _{2e}	8,791 tCO _{2e}	7,904 tCO _{2e}	Please see a description of the data sources for this and other	Actions taken: In the reference period, the Entity continued to carry out

						<p>metrics at the end of this report.</p> <p>decarbonization audits and undertook actions to reduce consumption of fossil fuels and where possible to transition toward electrified buildings. This included actions such as electrifying HVAC systems to transition away from natural gas, installing onsite PV and where feasible sourcing credible offsite renewable energy and implementing energy efficiency measures informed by decarbonization audits.</p> <p>Actions planned:</p> <p>The Entity will strive for continual improvement of this KPI by</p>
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							<p>prioritizing electrification of fossil fuel reliant technologies within the assets when feasible, such as replacing gas boilers.</p> <p>Targets:</p> <p>The Entity targets, as part of the firm-level commitment, to transition to zero emission buildings and ultimately net zero by 2050 or sooner, with a reduction of 50% by 2030 for Scopes 1 emissions. Performance targets are set at the underlying portfolio level and communicated to investors.</p>
		Scope 2 GHG emissions generated by	53,394 tCO _{2e}	57,292 tCO _{2e}	38,263 tCO _{2e}	Please see a description of the data sources for this and other	<p>Actions taken:</p> <p>In the reference period, the Entity</p>

		real estate assets				metrics at the end of this report.	<p>followed the Firm's Sustainability Vision and undertook actions such as smart meter and LED installations, scoping surveys for on-site PVs, sourcing credible offsite renewable energy when feasible and preparing for energy audits. These actions were aimed at reducing energy consumption on site and shifting towards electricity sources with lower carbon intensity.</p> <p>Actions planned:</p> <p>The Entity will strive for continual improvement of this KPI by driving energy efficiency improvements</p>
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							<p>utilizing the findings of any decarbonization audits to integrate transition plans into asset business plans when feasible.</p> <p>Targets:</p> <p>The Entity targets, as part of the firm-level commitment, net zero by 2050 or sooner, with a reduction of 50% by 2030 for Scope 2 emissions. Performance targets are set at the underlying portfolio level and communicated to investors.</p>
		Scope 3 GHG emissions generated by real estate assets	76,392 tCO _{2e}	83,798 tCO _{2e}	42,441 tCO _{2e}	The reported Scope 3 emissions are currently associated with tenant energy consumption, and does not include whole life carbon	<p>Actions taken:</p> <p>The Entity engaged directly and indirectly with tenants to collaborate on the described carbon</p>

						<p>associated with developments and refurbishments.</p> <p>Please see a description of the data sources for this and other metrics at the end of this report.</p>	<p>reduction and energy efficiency initiatives to positively influence tenant behavior to reduce energy consumption and GHG emissions. The actions described for Scopes 1 and 2 GHG emissions were also used to improve Scope 3 tenant emissions.</p> <p>Actions planned:</p> <p>As described for Scopes 1 and 2 GHG emissions. The Entity intends to continue engaging and partnering with tenants to further reduce GHG emissions.</p> <p>Targets:</p> <p>The Entity targets, as part of the firm-</p>
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							level commitment, to be net zero by 2050 or sooner, to the extent feasible for Scope 3 emissions.
		Total GHG emissions generated by real estate assets	137,632 tCO _{2e}	149,880 tCO _{2e}	88,608 tCO _{2e}	Please see a description of the data sources for this and other metrics at the end of this report.	<p>Actions taken: As described for Scopes 1, 2 and 3 GHG emissions individually</p> <p>Actions planned: As described for Scopes 1, 2 and 3 GHG emissions individually.</p> <p>Targets: As described for Scopes 1, 2 and 3 GHG emissions individually, the Entity targets, as part of the firm-level commitment to be net zero by 2050 or sooner. Performance targets are set at</p>

							the underlying portfolio level and communicated to investors.
Energy consumption	19. Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter	0.0001023 GWh/m ²	0.0001069 GWh/m ²	0.000125 tCO _{2e}	Please see a description of the data sources for this and other metrics at the end of this report.	<p>Actions taken: In the reference period, the Entity followed CBRE Investment Management's ZEB Roadmap and undertook actions to lower the energy consumption intensity of assets, including smart meter and LED installations, and undertook decarbonization audits to identify further actions to transition towards zero emission buildings, which includes energy efficiency improvements.</p> <p>Actions planned: The Entity will strive for continual</p>

							<p>improvement of this KPI by driving energy efficiency improvements utilizing the findings of any decarbonization audits and include such findings in asset business plans where feasible.</p> <p>Targets:</p> <p>The Entity targets, as part of the firm-level commitment to be net zero by 2050 or sooner.</p> <p>This includes achieving a highly energy efficient status, defined as 10% lower than the European Performance of Buildings Directive (EPBD) definition of a nearly zero energy building.</p>
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Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

No additional indicators in this category are identified for investments in real estate assets. The Entity continues to monitor for any changes to this and will review the inclusion of metrics as and when they are introduced.

Description of policies to identify and prioritize principal adverse impacts on sustainability factors

The Entity adheres to CBRE IM's Global Sustainability Policy (the Policy) which was updated and published on CBRE IM's website in 2023. The Policy describes key sustainability risks and opportunities in respect to our investments, highlighting transition risks such as GHG emissions, energy consumption, green ratings and energy sources, and how these metrics are part of guiding and monitoring CBRE IM's transition to net zero by 2050 or sooner.

Selection of indicators:

As part of developing CBRE IM's Sustainability Vision, climate was identified as one of three topics most material to our investments. The above metrics are used to track our exposure to climate-related transition risks and are reviewed regularly to ensure alignment with major reporting frameworks such as the EU SFDR and GRESB.

Responsibility for implementation of the Sustainability Policy:

The above metrics are used in key decision-making processes throughout the investment lifecycle including for our Direct Private Real Estate Investment Committee where a senior member of the Sustainability Team is an executive voting member.

For every new investment, the Transaction and/or Portfolio Team is responsible for presenting the asset's financial and non-financial performance to the Investment Committee, highlighting the performance against the above topics using the standardized sustainability acquisitions process. For any significant negative exposure, further due diligence will be required to identify costs associated with reducing the exposure to suitable levels. In the event that such costs significantly alter the financial viability of the investment, the Transactions Team will have to obtain a new approval from the Investment Committee.

For assets currently under management, the performance against the above metrics is tracked using a sustainability data management system and proprietary sustainability analytics tools. The analytics tools enable internal users to not only view data with respect to a specific asset's performance relative to other assets, but can also serve as a data quality detection tool to further contribute to our data coverage and quality efforts. The tool assists portfolio managers and sector leads in developing bespoke action plans informed by actual performance with the support of in-house and external sustainability expertise.

Data sources and margin of error:

As part of CBRE IM's commitment to continual improvement in its sustainability data and disclosure, Article 7 PAI data within the funds Article 8 and Article 9 periodical disclosures has been used where available to inform FY24 data, as well as to update FY23 data where this would result in a greater level of accuracy. Where Article 7 PAI data was not available, prior year GRESB data (which has been adjusted based on changes in Assets Under Management) has been used. Both datasets involved some level of estimations. This approach is intended to allow us to focus on our data improvement plan and enable more granular reporting in the longer term.

The Entity continuously seeks to enhance the quality and completeness of the data gathered for each investment. To achieve this, the Entity applies a data preference hierarchy and seeks to obtain third party assurance for a sample of portfolios, in alignment with AA1000 or similar for utility data.

Through the use of smart meters and the manual collection of utility data by property managers and tenants, a significant proportion of energy and GHG data is obtained. Where actual data cannot be obtained, appropriate benchmarks are used as estimates, in line with our methodology which is available on request. Asset Managers with the support of external Sustainability Consultants obtain energy ratings where appropriate and maintain records of tenants and their activities in our assets.

In addition to the efforts to collect data directly from the assets, the Entity continuously scans the market for solutions to aid in bridging data gaps, utilizing technology solutions where available.

Engagement policies

Due to the Entity investing exclusively in direct private real estate, investment teams typically engage with occupiers and property managers on sustainability-related topics and also with the local community as appropriate. This effort is supported by utilizing the scale of the CBRE IM platform and the relationships already in place with occupier companies. This allows us to positively influence performance of the metrics reported above by collaborating across our value chain.

A key focus of engagements with occupiers and property managers is progressing toward the objective of net zero carbon by 2050 or sooner. To reduce GHG emissions, we are prioritizing reducing energy consumption intensity of buildings and minimizing reliance on fossil fuels. Energy efficiency and GHG intensity of buildings are foundational in the generation of energy ratings. The effort spent to improve these aspects will, in our view, likely result in less energy-inefficient buildings.

If any PAI shows no improvement over more than one period, an assessment will be conducted to tailor the engagement with the relevant stakeholders. This could include dedicated meetings with key personnel to discuss improvement plans, the identification of tools to support improvement, or other solutions relevant to the metric.

References to international standards

The Entity, through CBRE IM's firm level commitment to achieve net zero carbon by 2050 or sooner, is aligned with the Science Based Target initiative's guidance on Net Zero for Financial Institutions. This aligns with the GHG Emissions PAI, but as described in the Engagement Policies section above, also touches on the EU SFDR PAIs of energy consumption intensity and exposure to energy-inefficient real estate assets. To analyze its performance on the EU SFDR PAI GHG emissions, the Entity uses the Carbon Risk Real Estate Monitor (CRREM) 1.5°C decarbonization pathway which is applicable across most of the locations and sectors the Entity invests in.

The Entity also uses forward-looking climate scenarios as part of the CRREM analysis, as well as to assess exposure to physical climate risks using Moody's Climate on Demand. These methodologies use RCP 4.5 and RCP 8.5 respectively. In the reference year, the Entity used CRREM v2 and Moody's Climate on Demand v2023.3 which was published in 2023.

The Entity adheres to the CBRE IM Sustainability Policy and seeks to undertake detailed sustainability performance measurement, monitoring and reporting as appropriate for each investment. Where possible, the Entity generally uses accredited third-party systems, such as Principles for Responsible Investment (PRI), GRESB Real Estate, Building Research Establishment Environmental Assessment Method (BREEAM) and Leadership in Energy and Environmental Design (LEED), to assess, certify and benchmark the sustainability performance of assets under management.

CBRE Group, Inc. (CBRE) has been a signatory to the UN Global Compact since 2007. As a wholly owned subsidiary of CBRE, the Entity participates in the annual reporting to the initiative through the CBRE Annual Corporate Responsibility Report. As a signatory to PRI since 2009, CBRE IM is committed to its inherent transparency tenets: to seek appropriate disclosure for our investments, as well as report on our activities and progress (toward implementing the principles). As a signatory to TCFD, the Entity through CBRE IM, has committed to report in alignment with the TCFD recommendations and has contributed to the CBRE IM Climate Report in all iterations of the report series.

Historical comparison

The Entity published its first statement in 2022, and has provided year-by-year comparison of this information in the tables above.