

U.K. Stewardship Code Statement 2024

CBRE Investment Management

October 2025



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Background

At CBRE Investment Management (the **Firm, we, our** or **CBRE IM**), we view stewardship as the responsible allocation, management and oversight of capital to create long-term value for our clients and beneficiaries allowing them to meet their fiduciary aim while at the same time generating sustainable benefits for the economy, the environment and society. CBRE IM joined the Principles for Responsible Investment (**PRI**) in 2009 and has incorporated responsible investment principles since then. The reporting period for this report is 2024.

Our parent company, CBRE Group, Inc. (**CBRE**), which includes CBRE IM, is committed to being an industry leader in sustainability to contribute to addressing climate change and other societal issues within our control. We are proud that CBRE earned the ENERGY STAR Partner of the Year commendation for 17 consecutive years.¹ Barron's ranked CBRE #11 in the 2025 list of the most sustainable companies in the U.S.² CBRE was in the Forbes Net Zero Leaders list for two consecutive years.³ Ethisphere recognized CBRE as one of the World's Most Ethical Companies for 12 years in a row.⁴



Engaging with a diverse group of suppliers enables us to bring multiple viewpoints, flexibility and innovations to CBRE and CBRE IM and helps us meet and exceed client needs, including attaining their own supplier engagement goals. It also advances economic opportunities for entrepreneurs and their employees in the communities where we live and work. In 2024, CBRE spent over \$3.3 billion with small and diverse suppliers, representing 10.5% of the total spend.⁶ In 2025, CBRE plans to enhance engagement in the APAC region.

We seek to deliver sustainable investment solutions that enable our clients, people and communities to thrive. We believe that sustainability and stewardship are fundamental to protecting and maximizing long-term investment returns for our clients and essential for risk mitigation and value creation. We seek to deliver investments that stand the test of time and consider the overall impacts on people and the environment in our decision-making.

¹ ENERGY STAR Partner of the Year as of February 2024. No compensation paid for award.
² Barron's List of Most Sustainable U.S. Companies as of February 2025. No compensation paid for award.
³ CBRE Corporate Responsibility Report, page 17. As of May 2025, for 2024 period. No compensation paid for award.
⁴ Ethisphere one of the World's Most Ethical Companies as of March 2025. No compensation paid for award.
⁵ CBRE Group, Inc. CDP climate change disclosure score, responses for scoring submitted in September 2024.
⁶ CBRE Corporate Responsibility Report (pg.75). As of May 2025, for 2024 period.

Our Sustainability Vision

We strive to drive positive change in the environment and the communities in which we invest. We believe our opportunity to drive change lies in our position as a global leader in real assets investing, using our scale and expertise to deliver and influence how real estate and infrastructure is built, managed and operated.

To derive our Sustainability Vision (**Vision**), we conducted an extensive materiality assessment, mapping our objectives to the UN Sustainable Development Goals (**SDGs**) and to existing frameworks such as the UN Environment Programme Finance Initiative's Positive Impact Real Estate Investment Framework and the UN Global Compact. We selected nine SDGs as most material to our business as a real assets investment manager and focused our targets and actions to achieve the Vision on three material sustainability criteria—Climate, People and Influence—which we discuss in more detail in Principle 1.



Andrew Glanzman,

Co-CEO and President

A stylized, handwritten signature in black ink, appearing to read 'AG'.



Helen Gurfel,

Head of Sustainability and Innovation, Co-Chair Global Sustainability Council

A handwritten signature in black ink that reads 'Helen Gurfel'.



Paul Gibson,

CIO—EMEA, Co-Chair Global Sustainability Council

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Purpose & Governance

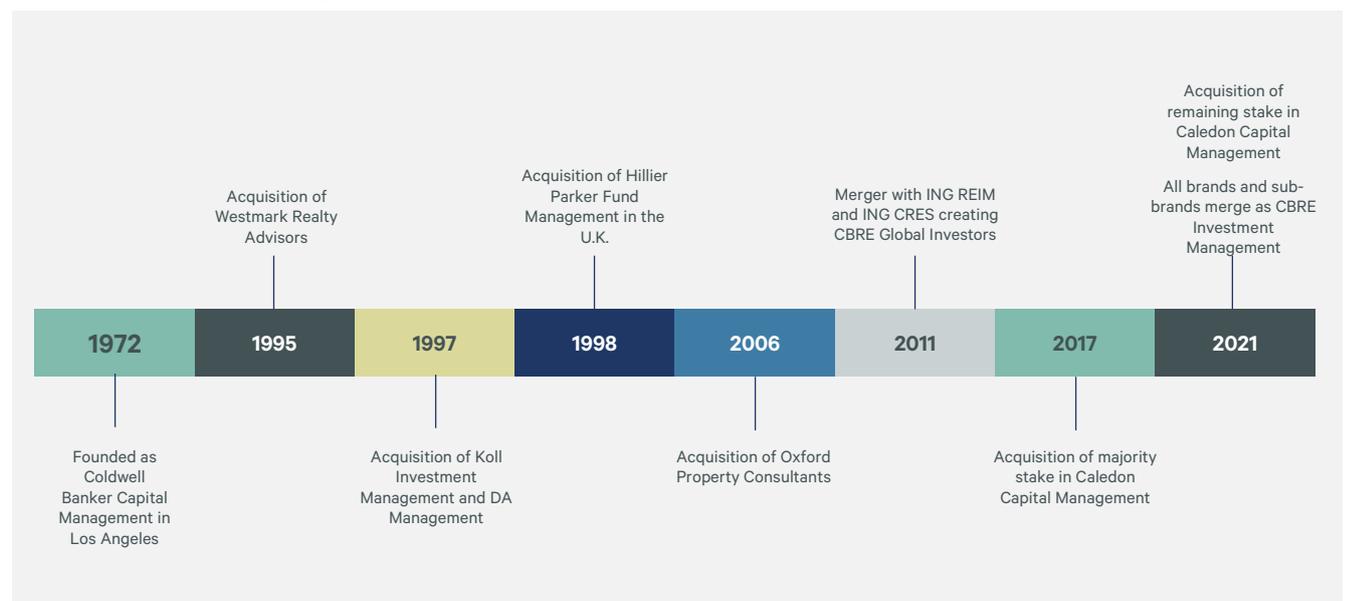
Principle 1: Purpose, strategy and culture

Signatories' purpose, investment beliefs, strategy and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

History of the Firm

CBRE IM was founded in 1972 as Coldwell Banker Capital Management Services in Los Angeles and has over 50 years of experience investing on behalf of taxable and tax-exempt investors. The Firm has evolved into a global real assets investment manager through the following mergers and acquisitions:

Firm acquisitions and mergers timeline



Source: CBRE Investment Management, October 2025.

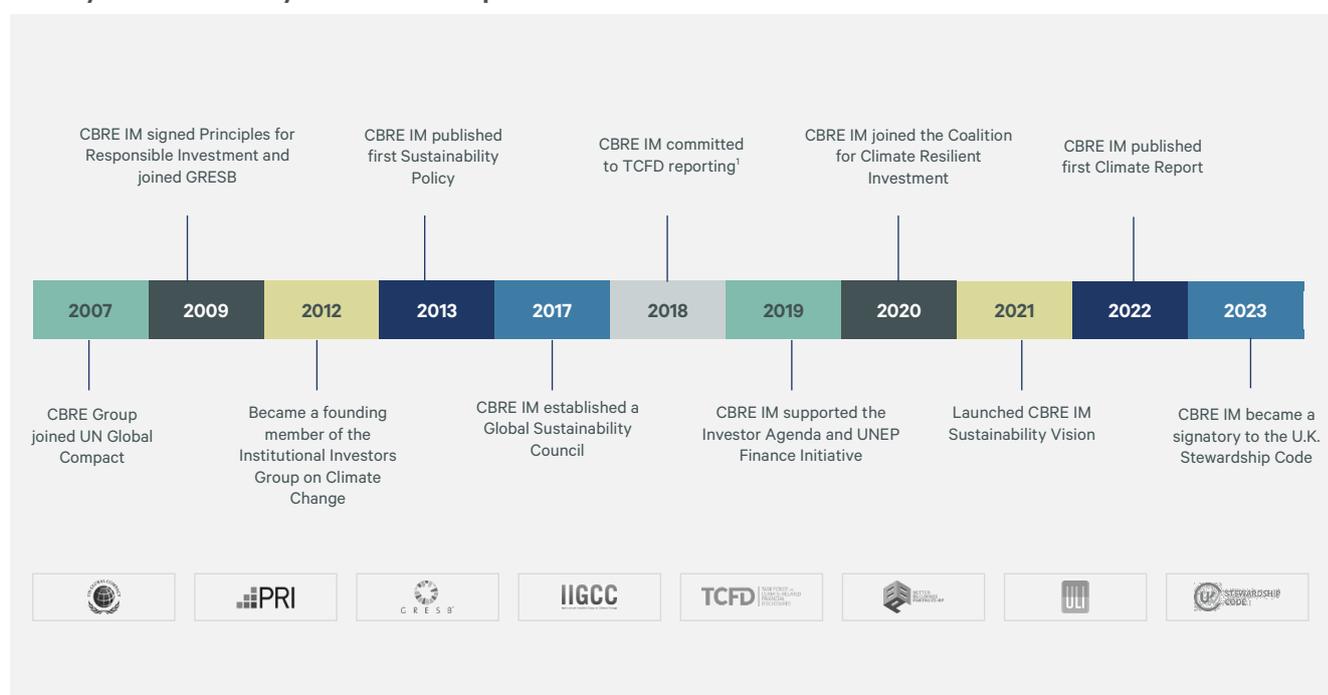
The purpose of the Firm

CBRE IM's purpose is to deliver sustainable investment solutions across real assets categories (real estate and infrastructure), geographies, risk profiles and execution formats. Our purpose influences our organizational culture, guides our responsible management of clients' investments and informs our efforts towards advancing worldwide sustainability. We understand that the health of our economy, society and planet is inextricably linked, which is why we take a holistic approach to sustainability. We believe that a focus on sustainability is fundamental to mitigating risk, creating value, maximizing long-term investment returns and helping to preserve our planet for future generations (<https://www.cbreim.com/sustainability>). Our focus on delivering results is driven by our fiduciary values, entrepreneurial spirit and our clients' diverse needs. Our ability to see investment management through the eyes of both real estate and infrastructure investors and users means we have the expertise to deliver on all aspects

of an investment’s lifecycle. Our expertise allows us to design portfolio strategies, invest capital and operate assets (build, lease, manage, repurpose) to optimize the occupier experience and ultimately dispose of assets to realize returns. This end-to-end integration allows us to align clients’ investment objectives with users’ needs and preferences, across portfolios and sector specialties. As we state in our Vision, we believe that our integrated sustainability approach is essential to mitigating risk, creating value and helping to preserve our planet for future generations. Our commitment to stewardship and sustainability is described in greater detail later in this Principle.

CBRE IM is the wholly owned, independently operated investment management division of CBRE Group, Inc., listed under the NYSE ticker: CBRE—the world’s largest commercial real estate services and investment firm (based on 2024 revenue). CBRE has more than 140,000 employees (excluding Turner & Townsend employees) serving clients in more than 100 countries. CBRE IM harnesses CBRE’s data and market insights, investment sourcing and other resources for the benefit of our clients.

History of sustainability and stewardship



Source: CBRE Investment Management, October 2025.

Culture and values

CBRE IM creates an inclusive work environment that encourages respect, collaboration and excellence. Our leadership team and the entire staff are dedicated to striving for high performance in all endeavors. Our key values serve as our foundation and guiding principles for how we conduct ourselves in the business world and make day-to-day decisions.

CBRE and CBRE IM use RISE (Respect, Integrity, Service and Excellence) values as a focus for the Firm’s culture, fiduciary responsibilities and fair treatment of employees. Our RISE values are incorporated into the Firm’s daily business decisions and CBRE’s Standards of Business Conduct, to which all employees must adhere. Our employees

⁷ Commitment made when CBRE became a TCFD signatory in 2018. CBRE Investment Management became a TCFD signatory in 2020. For illustrative purposes only. This information contains forward-looking statements that are inherently uncertain and subject to change. There can be no assurance that any initiatives, goals, targets, commitments, intentions, projections or other forward-looking statements herein will ultimately be achieved or that they will be successful. Actual results may vary. Based on CBRE Investment Management’s subjective views and subject to change.

have a mandatory objective in their annual appraisal based on their observance of the RISE values over the course of the year.

The **RISE** values are:

- **R**espect for everyone
- **I**ntegrity in all we do
- **S**ervice delivered at an extraordinary level
- **E**xcellence in every aspect of our business

CBRE IM is committed, on behalf of our clients, to the promotion of positive stewardship not only for our real assets funds and mandates, but also for those funds and companies in which we invest. As appropriate, we seek to constructively engage with our stakeholders including tenants, property managers, underlying funds, operating partners and portfolio companies on issues such as good governance, climate change and sustainability best practices, as well as alignment with our values-driven culture. Our approach to engagement is covered in detail in Principle 9. Under Principle 6 within this report, we discuss how stewardship is integrated into our investment decision-making processes and ongoing interactions with our key stakeholders. Our governance structure is presented in detail under Principle 2.

Business model and strategy

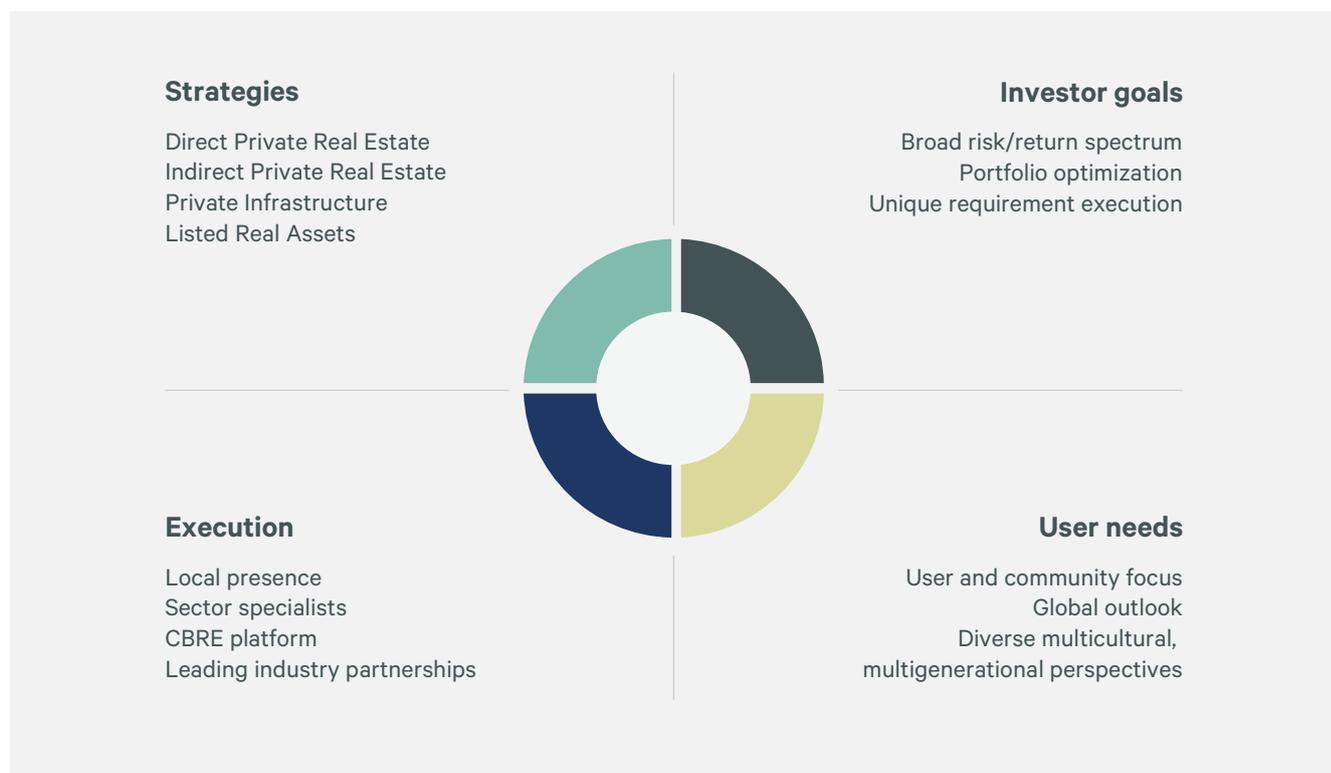
CBRE IM is one of the world's largest real assets investment management firms with \$155.3 billion in assets under management (**AUM**)⁸ operating in more than 29 offices and 21 countries around the world.

CBRE IM's business model helps our clients gain exposure to various real assets investment strategies. We work closely with investors to understand their goals in relation to their risk/return objectives and other factors. We use our presence, scale and partnership approach to execute strategies to help investors achieve their goals. We continually assess investors' needs focusing on communities, global outlooks and cultural perspectives, utilizing our local presence, insight, data and market understanding from our own Firm and the wider CBRE platform.

We strive to realize potential in investments and people in innovative ways. We specialize in holistic real assets solutions within and across four real assets investment strategies, with a distinct multidimensional approach to driving performance and long-term value, as depicted in the graphic below.

⁸ As of June 30, 2025. Assets under management (**AUM**) refers to the fair market value of real assets-related investments with respect to which CBRE Investment Management provides, on a global basis, oversight, investment management services and other advice and which generally consist of investments in real assets; equity in funds and joint ventures; securities portfolios; operating companies and real assets-related loans. This AUM is intended principally to reflect the extent of CBRE Investment Management's presence in the global real assets market, and its calculation of AUM may differ from the calculations of other asset managers.

Our multidimensional view



Note: Our Listed Real Assets strategy consists of investment in both listed real estate and listed infrastructure.

Source: CBRE Investment Management, October 2025. For illustration purposes only.

How stewardship is embedded in our business model and strategy

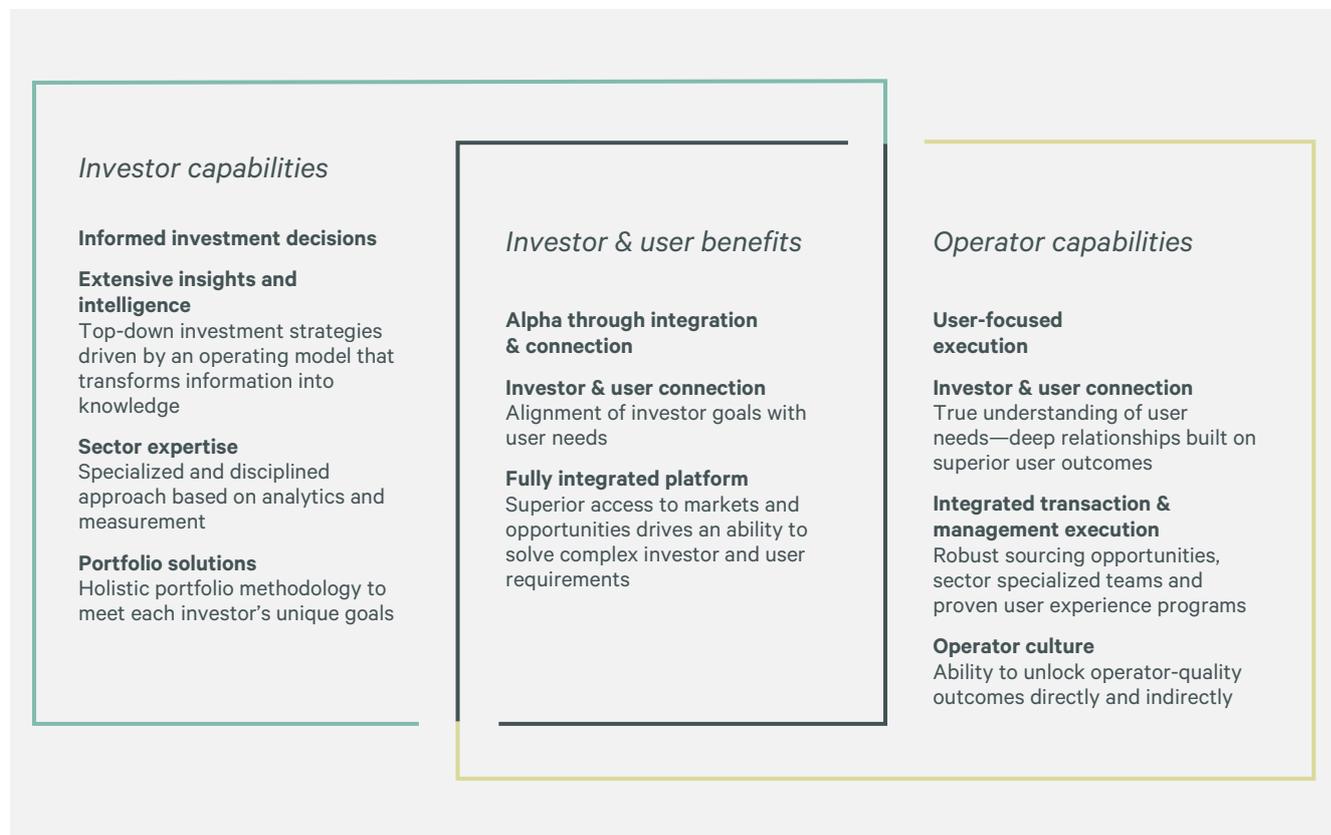
Our experienced teams, whose interests are aligned with both investors and occupiers, employ a consistent and rigorous insights-based investment and risk-mitigation process, which includes stewardship and sustainability. We aim to align investor goals with occupier needs and believe that helping our investors understand the changing needs of end users will create superior long-term performance and positive sustainability outcomes.

Our affiliation with CBRE enhances our offering as an investor and operator of real assets. Along with the experience and insights of our portfolio and asset management teams, we gather key insights from CBRE to enhance our understanding of critical environmental and social factors that we believe can impact asset value. We also have the flexibility to work with other leading service providers (property management, construction management, brokerage (for leasing, dispositions, acquisitions, mortgage banking or otherwise), sustainability, workplace strategy, marketing, training and accounting) that may be specialists in a niche product type or locale to broaden our knowledge base resulting in better outcomes. Our extensive platform and network resources means we have a deep understanding of markets and strategies from both an investor and operator perspective. We believe this understanding enhances value for both investors and occupiers.

Our proprietary tools and platforms, such as our Sustainability Acquisition tool for Direct Real Estate (described in detail on pages 12, 14, 15, 24 and 85) and our Sustainability Assessment Framework (**Framework**) for Indirect Real Estate (see pages 24, 76-78, 86-87, 93 and 97), enable us to gather on-the-ground intelligence, data and unique

insights on sustainability themes, which underpin our stewardship and engagement activities. Principle 9 of this report discusses this in further detail. The graphic below summarizes our investor-operator model.

Investor-operator capabilities



Source: CBRE Investment Management, October 2025. For illustration purposes only.

Commitment to sustainability and stewardship

CBRE IM has a **Global Sustainability Policy** and **Sustainability Vision**, which together describe our approach to sustainability for all strategies and assets under management, as well as our net zero carbon (**NZC**) and other sustainability-related targets. Both documents can be downloaded from our website at the following link: <https://www.cbreim.com/about-us/sustainability>.

The Firm's Sustainability Vision centers around three themes:

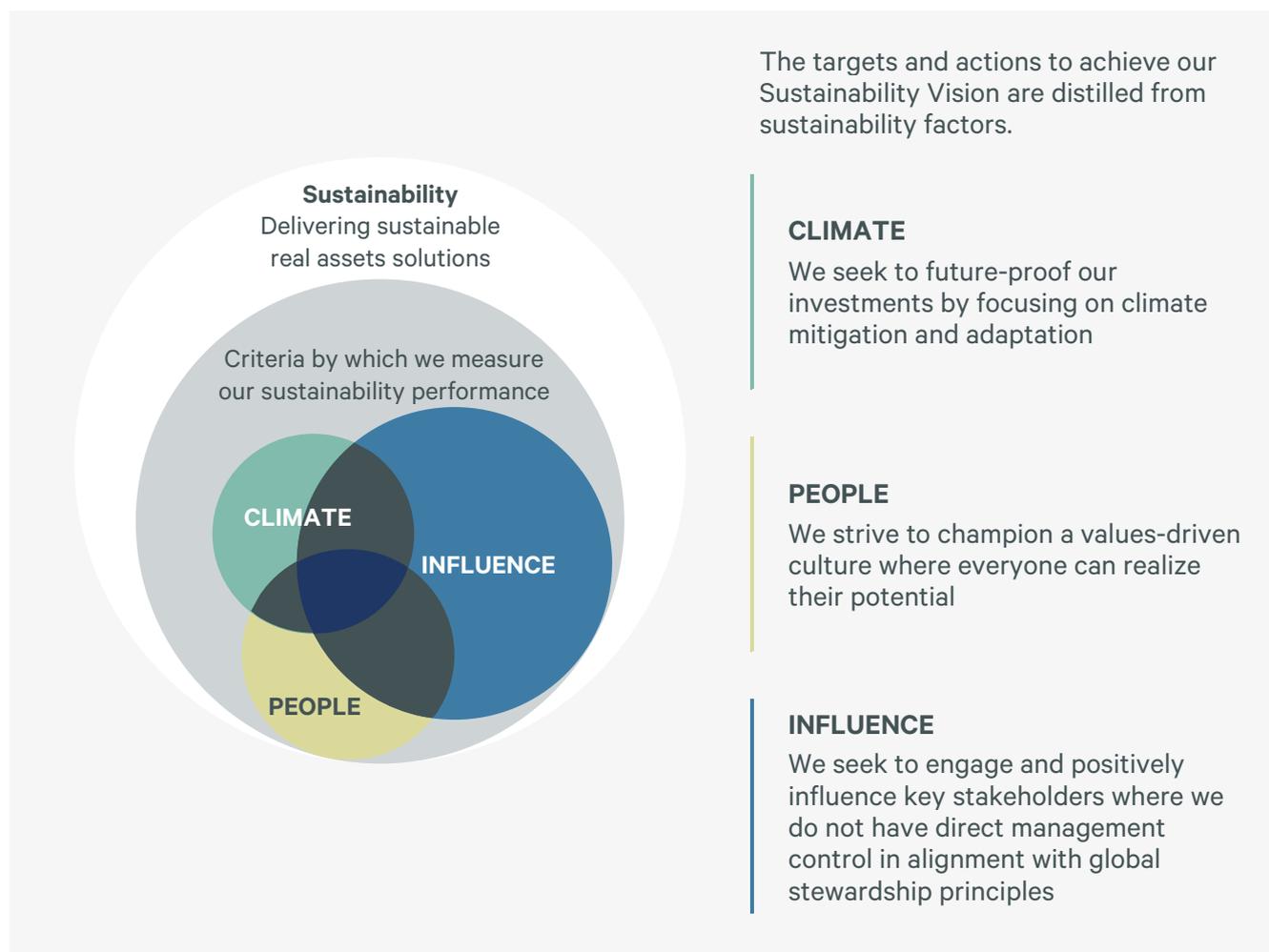
- **Climate:** We seek to future-proof our investments by focusing on climate mitigation and adaptation
- **People:** We strive to champion a values-driven culture where everyone can realize their potential
- **Influence:** We seek to engage and positively influence key stakeholders where we do not have direct management control in alignment with global stewardship principles

The Firm's original Sustainability Policy was published in 2013; the scope was broadened in the Responsible Investment Policy published in 2017 and updated in 2018. A comprehensive new Sustainability Policy was launched in 2021 to align with the Vision. The Policy and Vision are reviewed on an annual basis at the end of each year and updated as needed. We reviewed the Policy and Vision in 2023 and are currently in the process of updating the Policy and Vision in 2025.

Integrating sustainability and stewardship

Sustainability and stewardship are integrated at all levels of our business. At the Firm level, our approach to sustainability and stewardship focuses on the three themes described above that provide the structure for our Sustainability Vision. The Vision sets out long-term ambitions for both our investments and corporate operations under each theme. We set ambitious targets and objectives, using a dynamic Sustainability Scorecard (**Scorecard**). Both direct and indirect real estate strategies utilize the Scorecard. We tailor our approach for each strategy, recognizing that the opportunities to engage may vary across each. The Scorecard is dynamic—aligning with external frameworks wherever possible and evolving as those market frameworks evolve—driven by the latest science and technology.

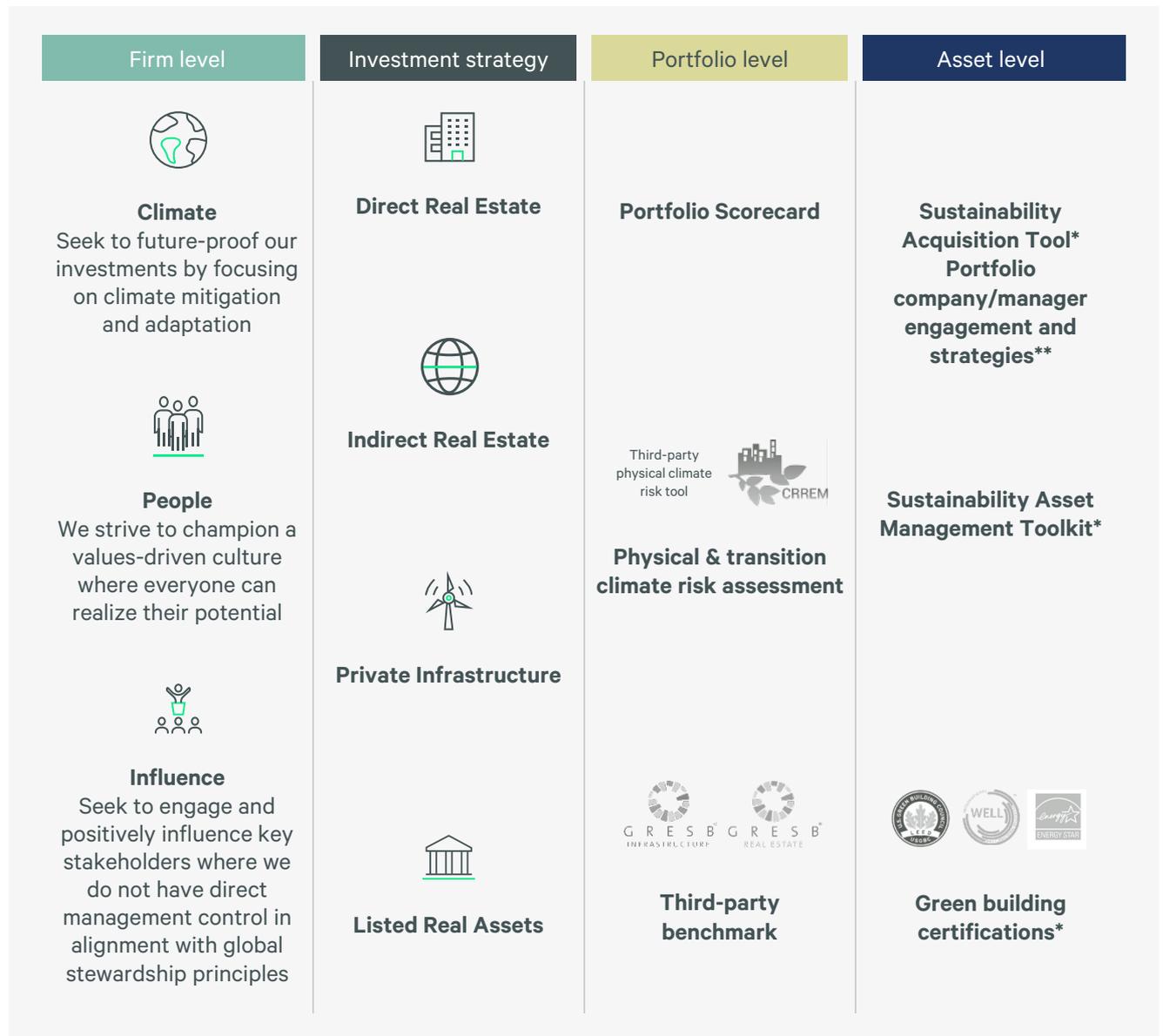
Our Sustainability Vision



Source: CBRE Investment Management, October 2025.

At the portfolio level, we utilize both proprietary in-house and external tools, such as GRESB (a global sustainability benchmark for real assets), the Carbon Risk Real Estate Monitor (**CRREM**) and a third-party physical climate risk tool. At the asset level, we establish strategies, seek to improve sustainability performance to make progress toward targets, assess risks and submit our portfolios for benchmarking. Information gathered through external benchmarking and internal risk tools helps to inform the stewardship activities and issues that we pursue and engage on. Such stewardship and engagement can take place at the Firm, investment strategy, portfolio and/or asset level.

Sustainability Vision integration into all levels of our business



* For Direct Real Estate.

** For Indirect Real Estate, Private Infrastructure and Listed Real Assets.

Source: CBRE Investment Management, October 2025.

For illustrative purposes only. There can be no assurance that any current initiatives will ultimately be achieved. It should not be assumed that any sustainability principles, initiatives, standards, or metrics described herein will apply to each investment strategy or asset in which CBRE Investment Management invests or that they have applied to each of CBRE Investment Management's prior investments.

Investment beliefs

We believe that effective stewardship drives better long-term value for investors and better outcomes for communities and our clients. Engagement and stewardship are our fundamental responsibilities as responsible investors and for our PRI signatory commitment. Our commitment goes far beyond delivering elements of

sustainability at a functional level, but rather it is at the heart of the way we work with our clients, occupiers, underlying managers, portfolio companies and our value chain.

We believe that bringing together insights-driven perspectives, a rigorous investment and risk-mitigation process and investor-operator capabilities to execute on all aspects of an investment's lifecycle, drives better outcomes. Our experienced teams employ a consistent and rigorous research-based investment and risk-mitigation process. We aim to align investor goals with occupier needs and believe that helping our investors understand the changing needs of end users will create superior long-term performance.

We apply the Firm's knowledge advantage through a disciplined investment process. Our investment beliefs are founded on the following principles:

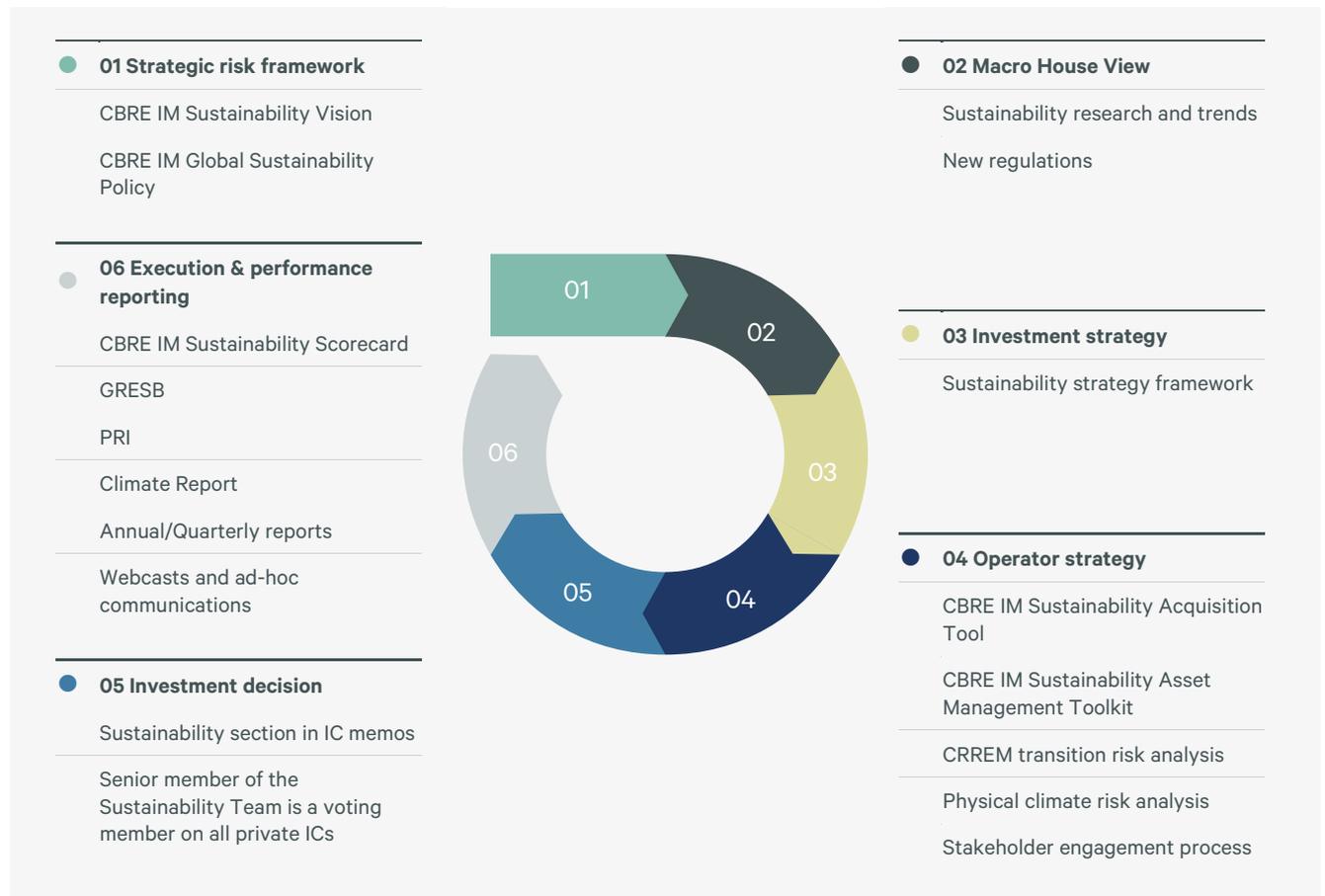
- **Risk must be understood before it can be managed.** Rigorous risk quantification and analysis, including sustainability risks, are key elements of the investment process. Our research-driven approach helps us identify growth sectors of the future.
- **Market conditions change.** We seek to design flexible investment strategies to pursue the best risk-adjusted returns at different points in the cycle.
- **Every asset is unique.** We utilize CBRE's local information networks to better understand the drivers, sustainability factors and risks of an asset's future cash flow seeking to identify opportunities and be a disciplined seller.
- **Asset management creates value.** Active, sector-specialized asset management, in our opinion, drives performance. Our teams are fully engaged in the buy/manage and hold/sell process. We seek to add value along an investment's lifecycle when and where it matters most.
- **Consistency counts over the long run.** A superior investment track record is built through consistent performance across cycles and by addressing new challenges and opportunities, such as those presented by sustainability.⁹

Our ability to serve clients and deliver superior investment outcomes starts with our own employees. We are committed to fostering a culture where diverse people and ideas thrive as part of our corporate responsibility ambition and how we expect to achieve our goals. We take our responsibility as a global corporate citizen seriously and support organizations in our local communities through both charitable contributions and hands-on volunteering activities. Ultimately, we are motivated by the belief that doing what is right for our people and the communities in which we operate helps us deliver positive outcomes for our clients and other stakeholders without impinging on our fiduciary responsibility of achieving strong financial performance.

Stewardship and sustainability factors are incorporated into all aspects of the investment process including portfolio construction, asset management and risk management. We believe that consideration of sustainability factors in investment decisions can enhance returns, mitigate risk and preserve value. The diagram below shows the six steps within the CBRE IM investment process. For each step, the diagram lists by what means sustainability and stewardship are integrated into the process for direct real estate investment. A similar process is followed for Indirect Real Estate and is included under Principle 7.

⁹ Past performance is not a guarantee of future performance.

Sustainability integration across the CBRE IM Direct Private Real Estate investment process



Source: CBRE Investment Management, October 2025.

For more details on our investment process and how stewardship and sustainability are fully embedded into that process, please refer to our comments under Principle 7.

Enabling effective stewardship

All investment decisions for our private strategies are subject to approval by one of the Firm’s strategy-level Investment Committees (**ICs**) ensuring that the Firm’s investment beliefs are upheld. ICs provide challenge and oversight on proposed investments and capital expenditures being made by funds and separately managed accounts across the business. As part of their scrutiny, ICs examine stewardship and sustainability activities and issues.

All ICs have independent IC members who bring a diversity of experience and perspective and an unbiased point of view. In addition, Portfolio Oversight Committees (**POCs**), which are a subset of our ICs, generally meet twice annually to review portfolio performance and risk management, ensuring value is protected and enhanced. Sustainability risks and opportunities are generally reviewed as part of the POC review process.

When evaluating companies for Listed Real Assets, we recognize the importance of evaluating quantitative as well as qualitative factors, such as corporate governance, environmental and social characteristics. Our large team of securities analysts is responsible for fundamental analysis of the companies in which we invest. Our analysts evaluate sustainability issues as part of their research process, which includes asset tours, management and director

engagement, financial modeling and analysis of public documents. Sustainability issues are incorporated into our assessment of a company's exposure to, and ability to manage, risk.

For direct real estate assets, our Sustainability Team has developed a proprietary Sustainability Acquisition Tool to assess sustainability and climate risks. The tool includes a framework that provides portfolio managers, transaction managers and asset managers with a comprehensive list of sustainability-related questions to be addressed during the due diligence of an acquisition. The output from the tool helps teams, and in turn Investment Committees, evaluate whether sustainability risk, including climate change, has been adequately addressed and mitigated alongside other market and systemic risks associated with a potential investment, and ensures that such risks are evaluated in a consistent manner across the global platform. Our transaction managers seek to integrate, when applicable, material climate and other sustainability risks and opportunities into the financial modeling for new acquisitions as part of the calculation of a risk-adjusted return.

The Firm conducted an internal study to assess whether there is a correlation between sustainability and asset outperformance. The April 2022 published study analyzed the investment performance of more than 1,200 of our own directly held assets in the U.K. and the Netherlands where sustainability legislation was introduced. We found that assets with poorer Energy Performance Certificate (**EPC**) ratings on average generated lower returns than assets with superior ratings. Assets with the highest EPC ratings tended to outperform.

We also developed a Sustainability Asset Management Toolkit that targets our standing assets which is continuing to change as needed. Responsible asset ownership and sustainability are continually evolving. Our Sustainability Team continues to develop new tools and processes to enhance our approach and achieve optimal risk-adjusted results on behalf of our clients. The Sustainability Asset Management Toolkit allows us to focus our engagement at the asset level on a clear list of priority assets based on GHG emissions performance, energy consumption, water usage and waste. For Direct Real Estate, we can target our interventions at the asset level in a meaningful way with the potential to catalyze informed and focused occupier engagement. For Indirect Real Estate, we will use the toolkit and approach to challenge our underlying managers and operating partners (external parties managing our investments) in an informed way by highlighting the key areas of risk within their portfolios and asking them to demonstrate their roadmap and actions for addressing the risks.

Assessment of our effectiveness in serving our clients and beneficiaries

CBRE Investment Management believes that our effectiveness in serving our clients and beneficiaries starts with delivering strong investment performance within a rigorous risk management framework. To measure our effectiveness, where appropriate, we:

- Conduct a biannual client satisfaction survey
- Benchmark the company and our investments through GRESB and PRI annual reporting
- Conduct semi-annual reviews of our portfolios
- Conduct tenant satisfaction surveys
- Listen to and action feedback from investors and other stakeholders on a regular basis
- Seek to maintain a culture of continual improvement

We complete a client satisfaction survey every two to three years. Our latest survey, the seventh study since 2007, was completed in Q4 2022 by Grace Hill Kingsley Surveys (**Kingsley**). Results showed that client satisfaction peaked in 2019 at 4.39 and declined to a rate of 4.10, slightly lower than the 2022 Kingsley Index (4.12) and what was recorded in the 2015 survey (4.12). Our Net Promoter Score (**NPS**) decreased from 57 in 2019 to 51 in 2022. Despite the decrease, 85% of clients indicated that CBRE Investment Management is better or much better than competitive firms and 93% of clients indicated that CBRE IM was meeting their expectations.

We analyzed the survey results noting weaknesses to address and strengths to learn what works that could be enhanced.

Areas of weakness that we are developing improvement strategies for include stability of personnel and communication of changes, dissemination of research and technology. Since the survey was conducted, we improved our communications strategy with clients and their consultants around personnel changes with early notification and personal calls, especially with larger clients and/or where appropriate. To address accessibility to research, we made it easier to find research information on our website and are providing more research papers and videos than we did in the past. We also made it easier for our Client Solutions Officers and Client Care Group to access research on our intranet to send to clients. To address the low score for technology, we launched our new investor portal at the end of 2023 which started with a consolidation of three existing real estate portals into one modernized investor portal. Clients are able to view both their individual portfolio investments and their consolidated investments across the CBRE IM platform. We believe that the improvements we are making will result in higher client satisfaction scores when the next survey is completed. A survey was originally planned for year-end 2024/early 2025, however, with the announcement of a new Co-CEO structure, it was postponed allowing the Co-CEOs time in the role. The current expectation is that the next survey will be conducted in Q1 2026.

Areas of strength included client service, communication, reporting, sustainability and DE&I. The improvement in client service is the result of a concerted initiative in 2021 to establish a Client Care Group to provide our clients with excellent service, consistent processes across the CBRE IM platform and more timely and accurate reporting. Our high marks in communication were the result of our coordinated communications response to clients regarding COVID and the Russia-Ukraine war and sanctions. Because of the good feedback we received on our approach to COVID, we used the same approach when the Russia-Ukraine conflict erupted and will continue to use this best practice approach when necessary. In 2022, we believe we made great strides in both community and culture, as well as sustainability as detailed in Principle 2.

Information on the use of PRI and GRESB benchmarks to assess our effectiveness in serving our clients and beneficiaries can be found in Principle 4 on page 57-58. Our portfolios are reviewed by our Portfolio Oversight Committees on a regular basis as described in Principle 1 on page 14 and Principle 6 on page 72. Each of our direct real estate funds seeks to conduct tenant satisfaction surveys every two to three years. Results from the survey are used to determine any action steps needed to improve service to our tenants. Tenant satisfaction is important for many reasons, including reducing turnover and associated costs.

Our portfolio management and client solutions teams seek to use our interactions and meetings with clients to assess our effectiveness in meeting the client's needs. Feedback is actioned as appropriate to continually improve service to our clients.

Principle 2: Governance, resources and incentives

Signatories' governance, resources and incentives support stewardship.

Rationale for governance structure

Stewardship and sustainability topics are material to CBRE IM across all our investment strategies. We believe that sustainability is fundamental to long-term resilience and outperformance that will accrue to the beneficiaries of our investments and is material to our clients, our people and to the value of the investments we manage.

Senior leadership members are at the heart of our sustainability governance structure to ensure full integration throughout the Firm. Beyond leadership, we strive to grow the knowledge base of our employees and to create buy-in throughout our business. The governance structure and processes seek to ensure a consistent approach to evaluating sustainability risks and opportunities benefiting our clients and their beneficiaries and enable oversight and accountability for effective stewardship. We use stewardship to help drive change to enhance value and manage risks better. Sustainability is complex and requires clear governance and teams of individuals with broad cognitive diversity including differing backgrounds, seniority and experience. We draw on our best talent from across the Firm to help us achieve the best outcomes and deliver our stewardship efforts most effectively.

Governance

We believe that a strong governance model ensures processes and policies are consistently applied when eliminating and mitigating risk and investing on behalf of our clients across investment vehicles and geographies. Stewardship is embedded at all levels of the Firm and through our committee structures. As we described under Principle 1, our Sustainability Vision and stewardship activities focus on three core themes—climate, people and influence—and impact four levels—Firm, investment strategy, portfolio and asset level. Our governance structure was designed to ensure leadership and oversight of the stewardship themes at all levels of the Firm as described below.

CBRE IM's Co-CEO and President has the ultimate oversight and responsibility for sustainability, including our Sustainability Vision and Policy. He meets with the Head of Sustainability and Innovation on a regular basis and consults frequently with various Executive Committee (**EXCO**) members on sustainability topics as needed.

Sustainability and stewardship governance structure



As of October 2025.

Executive Committee

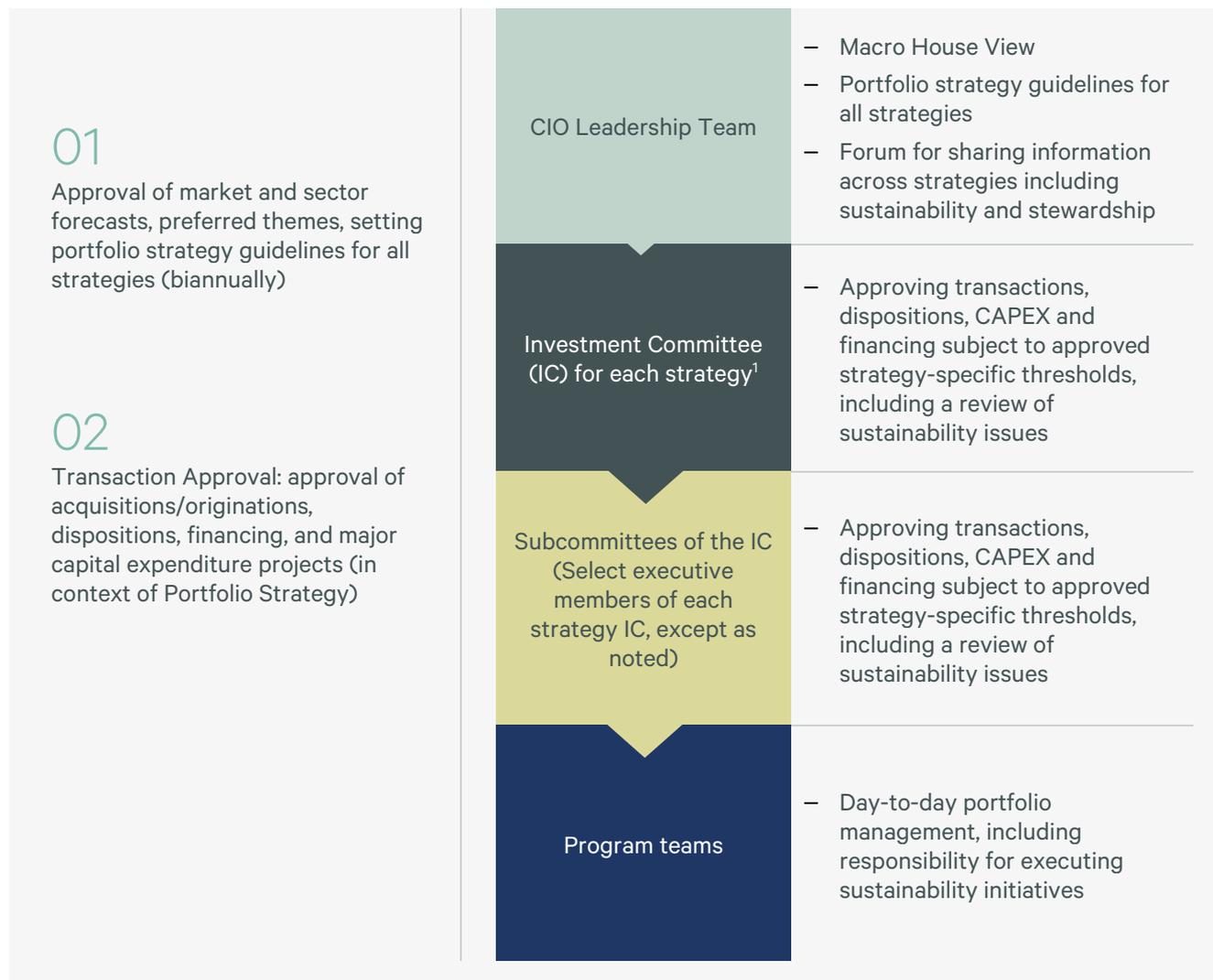
Our Firm is led by a 20-member Executive Committee which includes senior leaders from across functions, geographies and strategies. The EXCO oversees CBRE IM’s strategic direction, establishes global investment programs and designs and implements the material policies and procedures governing the Firm’s operations and investment management processes. The Head of Sustainability and Innovation is a member of the EXCO, which typically meets quarterly.

Strategy Investment Committees (Direct Real Estate, Indirect Real Estate and Private Infrastructure)

The ICs are responsible for all client capital investment decisions with the overriding objective of delivering each mandate’s target return within a predefined strategic risk framework. Investment Committees meet on a regular basis when approvals are needed for transactions, financing and capital expenditures above certain thresholds. Portfolio Oversight Committees, which are subcommittees of the Investment Committee, generally meet on a semi-annual basis. A senior Sustainability Team member is a voting member on each private strategy Investment Committee.

Private strategy Investment Committee roles and responsibilities

Investment governance is conducted via two primary functions:



¹Governance includes global leaders who vote on deals over respective strategy thresholds.

Each Investment Committee for our private strategies comprises our most seasoned and skilled investors for the relevant strategy and members of the global leadership team joining for large investments over US\$150 million net asset value (**NAV**) for all strategies except infrastructure, for which the threshold is US\$200 million. In addition, all strategy Investment Committees have independent members and a senior member of the Sustainability Team. Like with the EXCO, sustainability and stewardship topics are regularly discussed during Investment Committee meetings.

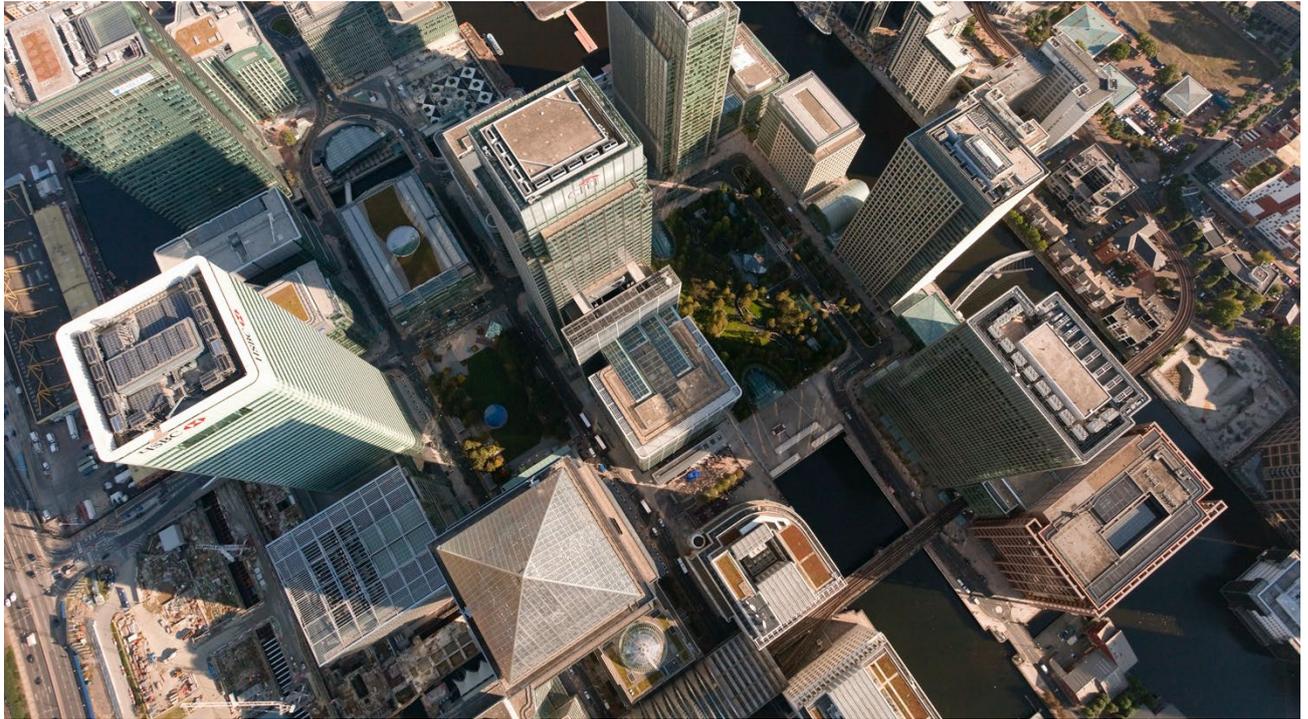
Consistent private strategy Investment Committee membership structure

Private markets				Public markets	
Direct Private Real Estate Americas APAC EMEA	Real Estate Credit ¹⁰ Americas EMEA	Private Infrastructure	Indirect Private Real Estate	Listed Real Estate	Listed Infrastructure
Executive members for relevant strategy					
Independent members					
Members of global leadership join and vote during relevant meetings only for investments over US\$150M NAV (\$200M for infrastructure)					
Quorum: at least two-thirds of members to be present. Proxies are not permitted. Voting threshold: approval requires 75% majority of members present					

Investment process framework

Governance & authority	Best practice framework	Accountability & agility	Information advantage	Talent development
<p>Clearly defined roles for:</p> <ul style="list-style-type: none"> – Investment Committees for each strategy – Each of our strategies <p>Portfolio Strategy</p> <p>Valuations</p>	Consistent, disciplined approach across all strategies	Efficient process with ultimate accountability toward our clients	Emphasis on diverse perspectives, transparency, shared information and best practices	Broad, inclusive range of talent in the process

¹⁰ Our Real Estate Credit Strategy is in wind-down and otherwise not discussed in this report.



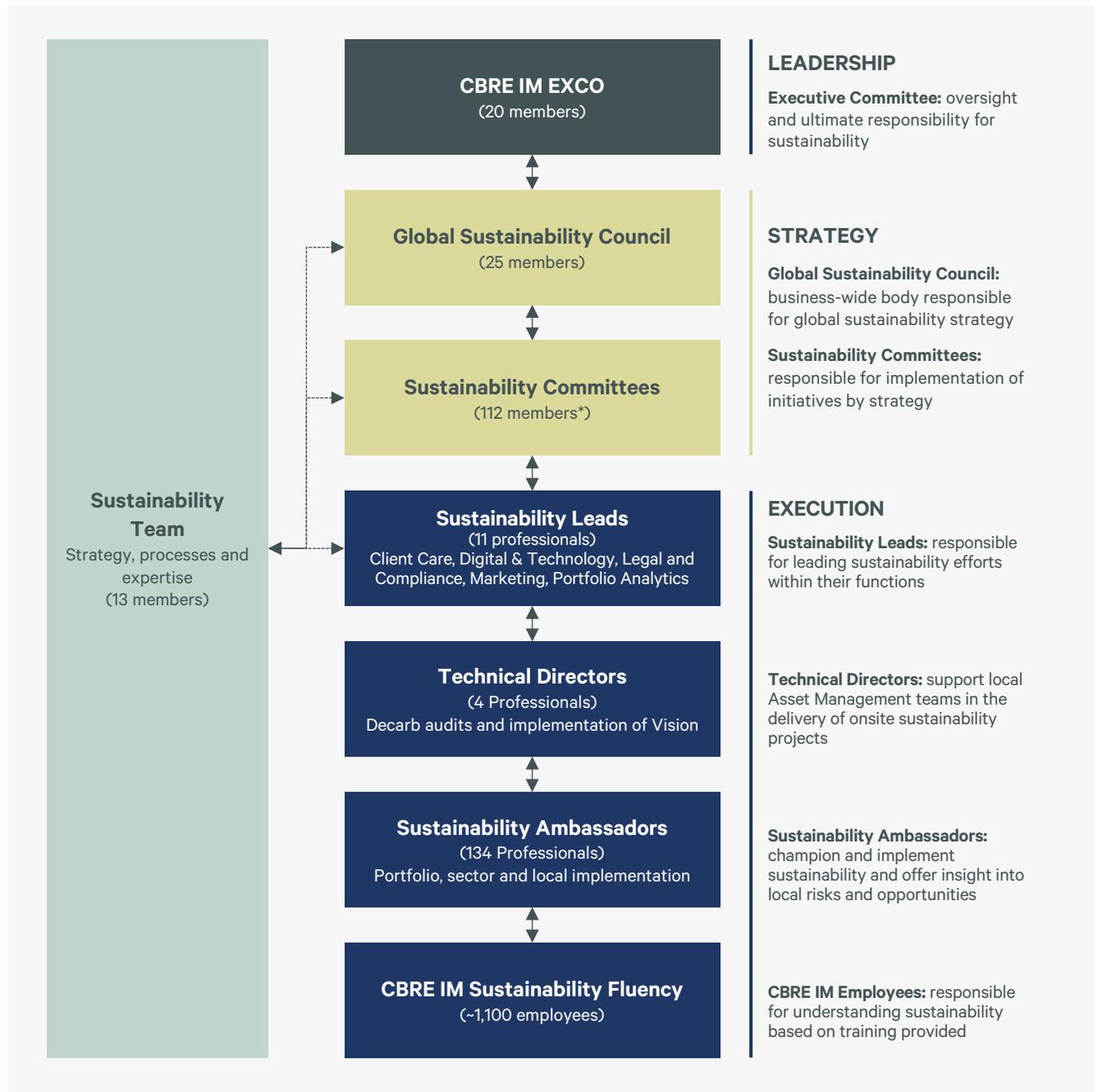
Global Sustainability Council and Sustainability Committees

Our Global Sustainability Council is a business-wide committee that provides strategic direction and strives to integrate sustainability principles into aspects of our business and investment processes where consistent with investment objectives. The Head of Sustainability and Innovation and the CIO for EMEA Direct Real Estate Strategies, both EXCO members, co-chair the Global Sustainability Council.

The Global Sustainability Council is comprised of senior leadership team members, including representatives from Client Solutions, Insights and Intelligence (**Research**), Investments, Investment Operations and Execution, Legal, Compliance and Risk Management, Marketing and Corporate Operations. The Council typically meets on a quarterly basis.

Additionally, corporate operations and each investment strategy have a Sustainability Committee, which is responsible for guiding sustainability execution. Representatives from each Sustainability Committee are on the Global Sustainability Council to ensure cohesion across the CBRE IM platform. Members of these Committees are embedded throughout the organization, with representatives from the business, as well as representatives from the Sustainability Team. The Committees are also a forum for the escalation of a stewardship or engagement issue, whereby members can share their experience and advice with colleagues. All Sustainability Committees, ultimately, report to the Head of Sustainability and Innovation and typically meet at least quarterly.

Scope of CBRE IM sustainability and stewardship resources



*Based on numbers of members on each committee and does not account for people who are on multiple committees.

Source: CBRE Investment Management, data as of September 2025 and is subject to change.

Resourcing stewardship: The Sustainability Team

The Firm has 13 dedicated sustainability professionals—the Sustainability Team—led by Helen Gurfel, the Head of Sustainability and Innovation. She has overall accountability for the direction, organization, implementation and supervision of sustainability policies, processes and projects.

The Sustainability Team focuses on the implementation and execution of sustainability initiatives for our investment strategies and regions, specifically: Indirect Real Estate, Private Infrastructure, Americas Direct Real Estate, EMEA Direct Real Estate, APAC Direct Real Estate and Listed Real Assets. They are responsible for the development of sustainability strategy, policies and processes across the business and for keeping the Firm ahead of rapidly emerging sustainability regulation as well as increasing market expectations. The Team also supports Fund and Portfolio Teams implement and integrate sustainability into their day-to-day activities, as well as supports those Investment Teams and the wider business with related stewardship activities. The Sustainability Team members act as subject matter experts, assisting portfolio and fund managers when engaging on sustainability topics with external parties including investees, portfolio companies, underlying managers, property managers and tenants.

Portfolio and fund managers throughout the Firm have responsibility for reviewing sustainability factors as part of an acquisition’s due diligence process, incorporating sustainability initiatives into the management of their portfolios and communicating material sustainability and stewardship issues to investors. Asset managers ensure sustainability implementation at the property level, overseeing third-party property manager and vendor activities.

Information on the members of the Firm’s Sustainability Team who support sustainability and stewardship efforts is detailed in the table below.

Name	Role	Location	Firm join date	Industry start date
Helen Gurfel	Head of Sustainability and Innovation	New York	2021	1996
Mathew Chamish	Sustainability Lead – Americas Direct Real Estate	New York	2022	2009
Chris Burgess	Sustainability Lead – Global Indirect Real Estate	London	2023	2007
George Crone	Sustainability Lead – U.K. Direct Real Estate	London	2024	2013
Ralf van Santen	Sustainability Lead – Continental Europe Direct RE	Amsterdam	2022	2012
Diane Wade ¹	Listed Real Assets Head of Sustainability	Philadelphia	1996 ²	1990
Gioia Torresi ³	Sustainability Lead – Private Infrastructure	London	2022	2014
Yixin Huang	Sustainability & Innovation Manager - APAC	Tokyo	2021	2018
Charlotte Walker	Sustainability Project Manager	Dallas	2022	2011
Simon Adcock	EMEA Sustainability Integration Manager	London	2025	2018
Tess Kelly	Sustainability Associate – Direct Real Estate	New York	2022	2020
Giulia Rapisarda	Sustainability Associate – Indirect Real Estate	Amsterdam	2018	2018
Janya Gambhir	Senior Sustainability Analyst	New York	2023	2022

Source: CBRE Investment Management. As of September 2025.

¹ Diane Wade works exclusively with the Firm’s Listed Real Assets team.

² Includes time with predecessor firm acquired by CBRE Investment Management.

³ Gioia Torresi splits her time between asset management and sustainability.

Women account for 61% of the Sustainability Team. Sustainability Team members speak multiple languages and have academic qualifications in STEM (science, technology, engineering, mathematics), including degrees in Climate Change Management, Environmental Sciences, Sustainability Management, Environmental Planning, Policy and

Design and Chemical Engineering. Senior members of the Sustainability Team also hold relevant professional qualifications including Chartered Environmentalist and SASB FSA credential.

The Investment Teams also engage sustainability consultants to assist with sustainability initiatives, performance improvements and GRESB submissions.

Resourcing stewardship: systems, tools and resources

The Sustainability Team is tasked with sustainability analysis and developing proprietary tools that portfolio and fund managers can use to support stewardship and engagement, among other activities. These resources include the following:

- 01 **Sustainability Acquisition Tool:**
Used by acquisitions, portfolio management and Investment Committees to assess and manage sustainability and climate risk for Direct Real Estate.
- 02 **Sustainability Asset Management Toolkit:**
Allows Direct Private Real Estate to focus our engagement at the asset level on a clear list of priority assets based on GHG emissions performance, energy consumption, water usage and waste.
- 03 **Sustainability Scorecard:**
Used to measure the progress of our Direct and Indirect Real Estate portfolios in meeting sustainability key performance indicators and targets that align with globally recognized sustainability frameworks such as GRESB and green building certifications. For reporting purposes, may be used in the sustainability section of annual reports.
- 04 **Sustainability Assessment Framework:**
Used by Indirect Private Real Estate to rate underlying managers' and operating partners' sustainability integration.
- 05 **Other tools:**
Our Analytics Team developed an SFDR PAI tool for our Sustainability Team. New sustainability analysis tools are continually being developed to address the needs of our teams and clients. Private Infrastructure leverages the GRESB Materiality Tool and internally developed tools to assess, monitor and encourage improvements in the sustainability maturity of portfolio companies as well as collect and analyze sustainability information.

The Firm has made significant investments into systems to support our stewardship work. CBRE IM leverages various data management platforms to help us collect critical data. Our Environmental Management System (EMS) for direct real assets investment was certified in December 2022 as meeting the ISO 14001 standard.

Addressing climate change risks to our investments is a key stewardship theme for the Firm. To aid in the initial evaluation process, when applicable, we use a third-party physical climate risk tool and where applicable the Carbon Risk Real Estate Monitor tool to assess climate-related physical and transition risk, respectively.

The third-party physical climate risk tool we use evaluates scenarios of physical climate impacts, such as floods, subsidence, landslide, wildfires, storms, storm surges, tropical cyclones, drought and extreme heat. The tool provides

a high-level indication of the potential risk exposure for any location globally. If an asset's location is identified as high or critical risk, it is subjected to further investigations to ascertain if mitigation measures are already in place or if appropriate mitigation measures need to be put in place.

CRREM assesses operational decarbonization risk. By benchmarking asset and portfolio performance, the CRREM tool allows us to gauge levels of risk each year through 2050 against scenarios of a 1.5°C and a 2°C increase in global temperatures.

These tools, used by both our direct and indirect Investment Teams, help inform the nature of engagement that will be necessary to mitigate the risks identified through the above analysis, especially for assets with high or critical physical risks. For Direct Real Estate, we work in partnership with tenants to undertake any necessary improvements. For indirect mandates, we engage with underlying managers on their mitigation plans and provide best practice guidance on a case-by-case basis.

For further information on how we monitor and hold service providers accountable, please refer to reporting under Principle 8.

Values-driven culture

At CBRE IM, we are committed to our RISE values (respect, integrity, service and excellence), which underpin everything we do and enable us to help our people and clients thrive. We want our employees to feel they belong at CBRE IM and work to create opportunities for everyone to realize their potential. We are committed to the following principles around a values-driven culture:

- We work to maintain a culture of excellence that gives every employee the opportunity and support to succeed and rewards top performance.
- We foster an environment where all of our people feel they belong, are heard and are valued, which creates a more engaged and productive workforce.
- We aspire to be a company that is diverse across all dimensions. We have a deeper talent pool, build stronger teams and create better outcomes with the benefit of various perspectives, backgrounds and life experiences.
- We have zero tolerance for discrimination in any form and insist on a workplace where everyone is treated fairly and with respect.
- We strive to build and maintain a meaningful relationship with a broad range of clients, suppliers and partners.
- We have a fiduciary responsibility to millions of individuals that entrust us with their pensions and other funds—we want to act responsibly on their behalf to mitigate risk, as well as preserve and grow their capital.
- Millions of people use our assets every day and we strive to help improve their social and physical wellbeing.

In 2024, we continued our progress by focusing on the following strategic initiatives and measurable outcomes. Data and innovation drive our ability to implement targeted interventions and monitor progress. During the past year, our Community & Culture Global Steering Committee focused on the following:

- **Recruitment and retention:** Ensuring diverse hiring practices and creating an inclusive work environment to retain talent
- **Training and education:** Providing training and resources to employees at all levels
- **Policy development:** Implementing policies that promote our RISE values
- **Community engagement:** Partnering with external organizations to support initiatives aligned with our principles in the broader community

These priorities guided our global and regional initiatives and helped us prioritize where and how we invested resources to realize outcomes in line with the principles listed above.

Accomplishments during the year included:

- **Increased diversity in leadership:** More diverse representation in senior management positions
- **Employee Business Resource Groups (EBRGs):** Establishment or expansion of EBRGs to support various employee demographics
- **Inclusive policies:** Introduction of policies such as flexible working arrangements, parental leave and anti-discrimination measures
- **Awards and recognition:** Received industry awards for our efforts and were recognized as a top employer for diversity

CBRE has a Supplier Engagement Program that serves as a business commitment to mentor, develop and integrate a diverse range of suppliers into the provisioning of products and services for CBRE, including CBRE IM, and our clients. Recognizing the importance in driving innovation, economic growth and social responsibility, CBRE strives to:

- **Increase small and diverse supplier spend:** Sustain a \$3 billion annual spend.
- **Develop and implement inclusive procurement practices:** Ensure fair and transparent procurement processes that promote engagement and inclusion.
- **Provide training and development opportunities:** Support the growth and development of diverse suppliers through training, mentorship and capacity-building programs.

Under this program, CBRE specifically aims to increase business with suppliers that are small businesses and/or those that are at least 51% owned, operated and managed by people who are Black, Indigenous, Hispanic, Asian or other people of color; women; veterans; identify as LGBTQ+; or have disabilities.

In 2024, one year earlier than CBRE's original target date, the company spent over \$3.3 billion with small and diverse suppliers, representing 15% of the total global spend.



Case study: East London Business Alliance (ELBA) Eagles graduate development program

Stakeholder(s) engaged and participants:

CBRE Investment Management's London office partnered with ELBA Eagles in a direct engagement providing internship opportunities.

Overview of the engagement:

The real estate investment management industry lacks a diverse workforce. CBRE Investment Management seeks to develop talent from diverse backgrounds and support initiatives focused on increasing professional opportunities for underrepresented communities.

Engagement objectives:

The engagement with ELBA Eagles offered recent graduates in the program the unique opportunity to join CBRE IM for a six-month paid internship. ELBA Eagles is a social mobility program that was established in 2005 to help local people access graduate level employment in the City of London. As part of CBRE IM's commitment to community and culture, we partnered with ELBA for the first time in 2021. Our partnership has continued each year since then.

Progress and outcome of the engagement:

In 2024, the Firm hired four diverse interns via ELBA Eagles for a six-month paid internship. Of the four interns, three were subsequently offered permanent positions and are now full-time CBRE IM employees—two on the EMEA direct real estate team and one on the Analytics team.

Performance management, remuneration and its linkage to stewardship

CBRE Investment Management remuneration policies are developed, approved, implemented and monitored by a series of bodies within the CBRE Group structure, including People (Human Resources), Risk Management and Compliance Departments and boards of CBRE IM entities. The policies apply to all employees of CBRE Investment Management, save for limited exceptions.

The policies have been developed with the aim of supporting the Firm and our entities' business strategy, corporate values and long-term interests, including by facilitating the identification, assessment and management of sustainability risks when determining individual remuneration packages. The key principles of the policies include fostering an appropriate risk culture (including with respect to the management of actual and potential conflicts of interest) and compliance with applicable law and regulation.

The performance management and rewards framework envisioned by the policies have been designed to promote effective risk management, including with regard to sustainability risk.

These policies are not publicly available.

Bonus compensation for portfolio managers is primarily based on investment performance which is impacted by the consideration of sustainability factors. Some members of our leadership and many of our professionals have key performance indicators (KPIs) related to sustainability. These KPIs, built from a common base, vary across the business and by individuals depending on the nature of their role and to ensure consistency with client investment objectives. For example, in 2022, annual objectives related to sustainability and stewardship were established for the members of the Indirect Real Estate business and used in 2023 and 2024. The following are two examples of KPIs for each category:

All employees

- Be able to clearly communicate our net zero carbon targets to investment managers and clients (both Scope 1 and 2) within landlord control and all three scopes. Complete 30 sustainability training stickers annually in Stickerbook (short-form video training platform).

Regional Investment Teams (RITs)

- Engage with each manager on the Sustainability Scorecard and complete the Sustainability Scorecard Engagement Tracker for each investment and update throughout the year (also included in Investment Oversight Committee (IOC) Stock Note).
- Increase the proportion of holdings with a net zero carbon target (Scope 1 and 2 within landlord control by 2040) with the ultimate target to have 100% of NAV (excluding those in wind-down) having a net zero carbon target in place by 2025.

Portfolio Management teams

- Prepare plan for client portfolio to shift portfolio toward higher performing investments from a sustainability point of view as well as financial perspective.
- Provide an annual report on sustainability performance of a client's portfolio and be able to clearly explain and answer questions.

Measurement of performance against these and other objectives is facilitated through different mechanisms including our Sustainability Scorecard, centralized engagement tracking, training logs and outputs such as client presentations.

Effectiveness of our governance in supporting stewardship

CBRE Investment Management has been a signatory to the PRI since 2009. PRI released a new reporting framework in 2021 which we completed. Assessments resumed in 2023 after a year hiatus for PRI to work out issues with the framework. We completed our PRI submission for 2022 in September 2023. We received four and five stars and scores of 85-100 for all modules we submitted. We reviewed our assessment report and submission to determine if there were actions we could take to improve our performance where we did not receive full points. We were not required to complete the full PRI reporting framework in the last two years but will do so again in 2026 when a new reporting framework is released.

The Firm achieved above average/median scores for stewardship by GRESB demonstrated by receiving 30 out of 30 for the management component for six consecutive years and by PRI for the Strategy and Governance module 2019-2020 and Policy, Governance and Strategy module in 2023.¹¹

We follow the philosophy of continual improvement, conducting annual internal reviews not only of our performance, but also our Compliance and Operating Policies and Procedures, our Global Sustainability Policy and Sustainability Vision. These policies are updated as required to ensure alignment with current operations and our regulatory obligations. Updates were made in 2022, but no material deficiencies were found. We are currently in the process of updating our policy, which will include more robust sections on nature, GHG removal, renewables and whole life carbon. More information on how we maintain our policies and procedures through internal and external assurance are covered in Principle 5.

¹¹ Because PRI instituted a new framework in 2021, they did not release median scores and did not have an assessment in 2022. Past performance is not a guarantee of future performance.

We believe our governance structures and processes are effective because they enable us to maintain consistently high standards for stewardship and have been validated by high scores from both PRI and GRESB assessments and from feedback received from across the Firm and from clients.

In 2024, we shifted from a focus on strategy, planning and target setting to execution. Milestones achieved included activities which revolved around taking steps to demonstrate industry leadership, accelerating action and further embedding sustainability in our organization and processes. The following are a few highlights as of December 2024 unless otherwise noted:

Striving for industry leadership in sustainability

Industry engagement: We engage and influence key partners and stakeholders to take positive action.

- Actively participated in sustainability framework development, including with GRESB and PRI.
- Voted 2023 PERE ESG Firm of the Year: Europe.¹² Award announced in March 2024.
- Engaged with 15 industry groups, including Urban Land Institute, Real Estate Roundtable, Sustainable Markets Initiative launched by King Charles and Institutional Investors Group on Climate Change.

Reporting and benchmarking: Transparency helps us credibly demonstrate our progress to stakeholders.

- Published our third annual TCFD-aligned Climate Report, with Indirect Private Real Estate and Private Infrastructure publishing strategy specific reports.
- Completed 81 submissions to GRESB¹³ —the most in the industry—across both direct real assets portfolios and infrastructure portfolio companies, with strong results.
 - Our Direct Real Estate performance and development average score was 8.3 points higher than the GRESB average.
 - Our infrastructure portfolio companies averaged an increase of 12 points from last year.
 - We received 30 out of 30 for our GRESB management score.

Accelerating action and embedding sustainability

Turning data into decision-useful information:

- Selected new physical risk tool, Climate X, to deliver more detailed reports and data analysis capabilities, and a transition and physical climate risk tool for direct Private Infrastructure, Resilience.
- Ran an RFP for a new sustainability data platform to capture data more systematically and collaborate on transition planning and execution more dynamically.

Delivered impactful projects:

- Expanded our platform's Green Financing program with over \$3 billion issued in green bonds, private placements and credit facilities.
- Direct Real Estate progressed transition planning and execution:
 - Completed over 350 decarbonization audits to date.
 - Continued to expand Project Helios, a global rooftop solar initiative—over 100 MW in various stages of execution from RFP to completion.
 - Established a framework for implementing submetering.

¹² CBRE Investment Management did not compensate PERE for this award. The award is not an indicator of superior performance.

¹³ Includes direct real assets portfolios and infrastructure portfolio companies. Please note that the GRESB Survey is conducted annually with results published in Q3 every year. There can be no assurance that the GRESB average takes into account all relevant peer firms.

- Continued to expand EV charging capabilities.

Integration throughout the organization

- Streamlined our reporting by collaborating with CBRE Group's Sustainability Team on reporting and target initiatives, including: CSRD materiality, SBTi targets, policy development and the annual CBRE Corporate Sustainability Report.
- Commenced work on developing global policies for social value, renewable energy, whole life carbon and nature.
- Expanded and evolved our Sustainability Ambassador program, with over 130 current Ambassadors representing departments across the globe.

Corporate sustainability

- Conducted our first annual global Giving Back Day involving over 500 employees and 20+ organizations in our local communities.

The systems and tools used across the Firm are continually reviewed and improved upon to meet the latest needs of our Fund and Portfolio Teams for managing sustainability data and information and for keeping investors informed of sustainability performance.

We continually review our internally developed trainings on stewardship and sustainability and make improvements as needed. We worked with an external training provider on the delivery of a long-form video based sustainability foundation training course for all employees. Through our 130-member Sustainability Ambassador program, select individuals, based on their role, function and location, received more advanced sustainability training from the same provider in the form of live webinars. The aim of our Sustainability Ambassador program is to embed sustainability expertise throughout the CBRE IM platform, across functions, sectors and countries. Sustainability Ambassadors are employees that seek to drive performance and the integration of sustainability in their role and team and help in the communication of sustainability resources and initiatives with their immediate colleagues.

We have short video-based training modules, built around key sustainability knowledge that all our employees should understand. Examples of the topics covered include:

- GRESB
- Physical and transition climate risks
- Green building certifications (including LEED and BRREAM)
- Wellness certifications
- Carbon Risk Real Estate Monitor
- The Paris Agreement
- EU Taxonomy
- EU Sustainable Finance Disclosure Regulation (**SFDR**)
- Net zero building
- Green lease clauses

The modular nature of this format means we continually add additional topics built around internal marketing campaigns.

Principle 3: Conflicts of interest

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

CBRE IM policies and procedures are designed to seek to avoid and/or minimize or mitigate potential conflicts of interest. However, when a conflict of interest arises, we address the conflict in a proactive and transparent way. Any potential conflicts are identified in line with our core purpose of delivering better client outcomes in the best interest of our clients. We aim to identify and manage conflicts objectively and fairly and have transparent policies and procedures in place to raise and resolve them. For new or unique situations or where there is any doubt about the nature and/or severity of the conflict, CBRE IM's Legal and Compliance Team, in consultation with senior management, will determine the best course of action. Depending on the investment vehicle, investors may be invited to opine and/or resolve certain conflicts as stipulated in fund documentation.

Conflicts of interest are addressed in CBRE IM's Compliance and Operating Policies and Procedures (the **CPP** and **OPP**, respectively), which can be viewed in the office with a Compliance Officer, but otherwise are not publicly available. Relevant sections relating to conflicts of interest have been included in this section of the report. CBRE Group also has a [Standards of Business Conduct](#) which applies to all subsidiaries, including the CBRE IM entities. All employees must adhere to the CPP, the OPP and the Standards of Business Conduct. Conflicts of Interest registers are maintained by our Compliance Team for each investment strategy and/or region, which detail actual conflicts and how they were identified, addressed and mitigated.

Conflicts of interest policy and guidelines related to stewardship

The following section provides a summary of the CBRE IM Conflicts of Interest policy.

Our funds and separate accounts may retain affiliates of CBRE Group, Inc. to provide services for portfolio investments. These services may include property management, construction management, brokerage (for leasing, dispositions, acquisitions, mortgage banking or otherwise), sustainability, workplace strategy, marketing, training, accounting and fund/account administration, among others. We are cognizant of the risk of potential conflicts of interest and have established guidelines to help teams identify, assess, manage and monitor potential conflicts of interest.

The following guidelines have been put in place to eliminate or minimize potential conflicts of interest:

- All investment professionals must disclose any personal investments in third-party funds, partnerships, joint ventures, individual commercial real estate assets, or other investments which may have overlapping objectives with CBRE Investment Management's investment programs.
- Our funds generally will not utilize CBRE for property valuations.
- Our operating model is designed to minimize overlapping investment strategies. In cases where overlap leads to a contested allocation for an investment opportunity, the Firm's allocation policy is followed to ensure that conflicts are resolved in a fair and transparent manner.
- CBRE Capital Advisors is the investment banking business of CBRE. Our funds typically do not use the services of CBRE Capital Advisors. Any potential future use would be subject to the control and limitations on affiliate engagements.

Affiliate transactions

CBRE Investment Management intends to use specialist real estate service providers and capitalize on its affiliation with CBRE through a preferred services relationship which will provide access to high-quality professionals, a discounted “portfolio-level” fee structure and national purchasing power for supplies and vendor contracts. The use of CBRE affiliates presents a potential conflict of interest. The structure of the Firm’s relationship to these entities serves to minimize any such actual or perceived conflicts:

- All investment and major operational decisions are made by CBRE Investment Management’s professionals. The selection of “best” service providers is made solely on the basis of performance and cost.
- No employee of CBRE Investment Management is financially rewarded in any way for fees paid to affiliates.
- The compensation of senior management and Investment Teams is largely dependent upon portfolio performance, aligning the economic interests of investment professionals with those of investor clients and partners.
- When required and applicable, the Investment Team verifies that the agreements entered with CBRE affiliates comply with the affiliate contract provisions of our internal compliance rules and any applicable investor contractual documents, which can include ascertaining:
 - A certification from the affiliate that the fees being charged are equal or lower than fees charged to other clients for comparable services when required and applicable.
 - A review and comparison, by the Investment Team, of fees charged by other third parties for comparable services when required and applicable.
 - Customary terms surrounding expense transparency and termination without cause.
 - Disclosures on affiliate fees are part of a fund’s/separate account client’s reporting package. Fund limited partners may also receive detailed reports on compliance with the affiliate services protocol at fund advisory board meetings.

Our Compliance and Legal teams and CBRE’s Internal Audit function undertake periodic audits of our affiliates policy. We only engage any third-party if we have determined that the team is the best fit for the assignment.

Cross transactions involving client real estate investments

Intra-client transactions are sensitive from a conflict of interest perspective and need to be managed carefully and transparently. From time to time, CBRE Investment Management may cause a client or a client may seek to purchase or sell a real estate-related investment directly from or to another client. Although this is rare given the nature of real estate investing and the types of investment strategies currently employed for clients, such a circumstance could arise. Similarly, it is possible that a fund may make a capital commitment to a real estate investment in which another fund has previously invested and continues to own. In such cases, if applicable, the procedure in the fund documents or investment management agreement should be followed. For several funds, there is a designated investor advisory committee or board provided for in the fund’s constitutional documents, which has authority to approve such cross transactions. Fund managers and separate account portfolio managers are responsible for identifying potential intra-client transactions and are required to report any potential intra-client transaction to the appropriate Compliance and Legal Teams. The Compliance and Legal Teams are brought into discussions regarding potential cross transactions at an early stage and should approve such transactions.

Direct Real Estate

The following is a high-level summary of the EMEA Intra-Client Transaction Policy for Direct Real Estate:

- The EMEA Compliance Team reviews potential intra-client transactions and assesses whether there is potentially representation of CBRE IM on both sides of the transaction. If the transaction does not meet the threshold required to go through an Investment Committee process, local policies on intra-client transactions apply.
- The intra-client transaction policy applies to any intra-client transaction between programs managed by EMEA AIFM, regardless of the location of the asset and/or the portfolio management team.
- Once a transaction has been confirmed as a potential intra-client transaction by EMEA Compliance, an Intra-Client Transaction Committee (ICTC) will be formed immediately to assess the potential intra-client transaction.
- The ICTC will consist of: 1) Compliance Director(s) of the entity which manages the fund/separate account involved in the transaction, 2) EMEA General Counsel, supported where needed by local counsel, 3) Senior Director Risk & Compliance EMEA and 4) EIC Secretary.
- The ICTC ensures that conflicts of interest are managed properly and communicated to all relevant parties in a transparent manner.

Indirect Real Estate

In the event of an intra-client transaction, the following process is followed:

- The relevant Regional Investment Team member responsible for managing the investment would obtain an independent third-party market price for the investment, if available.
- If no market price is available, they would obtain evidence of pricing from recent trades in other similar investments/funds (identification of similar investments to be agreed upon with the CIO or Head of Transaction Management).
- The costs of obtaining the market price or pricing evidence from an independent third party would be shared by the sell-side client(s) and the buy-side client(s).
- In the absence of a market price for the investment, or pricing evidence from similar investments, then the Regional Investment Team will set a price for the investment which will be agreed upon with the CIO or Head of Transaction Management.
- The portfolio managers, on either side of the transaction, can decide whether to accept this price, or not.
- The resultant buy-side appetite will be compared to the sell-side appetite. If the buy-side appetite is equal to or less than the sell-side appetite, buy-side client(s) will be matched at the price set.
- If there is surplus buy-side appetite, then Indirect Real Estate's Allocation Policy principles will be applied.

Following the above, the Regional Investment Team needs to obtain the approval of the Compliance Officer to the price and process applied. The Compliance Officer, thereby, provides independent oversight for the proposed transaction.

Thereafter, the portfolio managers representing either side of the transaction obtain written consent from their clients before proceeding, other than in those cases where a client has requested that they only be notified in advance of an intra-client transaction.

Private Infrastructure approach to conflicts of interest

Private Infrastructure recognizes that potential conflicts can arise during business operations and that these types of conflicts can take on different forms. Potential conflicts of interest can arise in relation to affiliates, business activities and allocation of time and attention.

Conflicts arising with affiliates

Private Infrastructure does not anticipate that conflicts of interest would arise between Private Infrastructure and any of the business units of its affiliates. Private Infrastructure and the CBRE IM real estate lines and listed

infrastructure practice operate separately and only share information related to general trends in the market. There is no information flow related to specific companies or stocks, and individuals do not have access to each other's proprietary information or materials, with physical barriers and firewalls restricting access between the teams.

Conflicts between the Direct Infrastructure Business and Indirect Infrastructure businesses

We recognize that actual or potential conflicts could arise during business operations, including specifically direct investing activities and indirect primary fund and co-investing activities. To address the potential conflict between the two types of investment activities, Private Infrastructure has separated its Direct Infrastructure business (control or co-control direct investments) and the Indirect Infrastructure business (primary funds, secondaries, co-investments and minority direct investments). The division of the Infrastructure Investment Team into two teams ensures confidentiality and minimizes conflicts of interest. Senior and mid-level team members are now allocated to either the Direct or Indirect team, with some senior members still having legacy overlapping responsibilities. In addition, there are firewalls to block the exchange of information between the two teams. Furthermore, there are separate Investment Committees for each business to prevent information sharing. More generally, potential conflicts of interest are governed by Private Infrastructure's Conflict of Interest Policy. If a real or perceived conflict materializes, Private Infrastructure will refer to its Conflict of Interest Policy.

Conflicts arising from allocation of time and attention

Private Infrastructure's senior infrastructure team is exclusively dedicated to infrastructure investment strategies. In total, 31 investment professionals are entirely focused on infrastructure.

Guidelines to manage conflicts

Below are the types of guidelines we provide our Direct teams in managing conflicts:

- The responsible person in each region should coordinate with the applicable Compliance officer and the relevant team leaders for the affected clients whether there is an actual or potential conflict of interest by answering the following questions on a case-by-case basis and as appropriate:
 - Are the potentially competing buildings looking to lease comparable space and attract similar tenants?
 - Are the buildings within sufficient proximity such that they could reasonably be considered to be competing for tenants and service providers? This will be dependent on the type of building and geographic location. For example, office buildings within a one mile radius may not compete with each other if located in different parts of Manhattan but may compete with each other (even if the same distance or further apart) in Dallas.
 - Are the buildings of a similar quality such that they would compete for similar tenants and teams—consider the class and vintage of the building and the amenities offered? For example, a newly built class A office building with signage, ample parking and a cafeteria may compete for different tenants than an older class B office building nearby with fewer amenities.
 - Do the buildings have similar vacancy rates, available square footage, price per square foot/square meter and concessions available? For example, a higher price per square foot/square meter office building looking to lease out multiple and contiguous floors to single tenants would generally not compete with a lower price per square foot/square meter office building which is only looking to lease out partial spaces on separate floors.
 - Is the tenant mix or quality similar in both buildings such that they would attract similar tenants? For example, an office building in midtown Manhattan with law firm and investment bank tenants would not compete with an office building on the east side of Manhattan with medical and dental offices.
- If the above questions are answered in the affirmative and the applicable compliance officer determines that there is a conflict, the compliance officer in coordination with the team leaders and, if appropriate, the applicable

Investment Committee, should implement measures to manage the conflict. Although not an exhaustive or definitive list, such measures may, but are not required to, include the following:

- Designation of separate leasing brokerage teams for each client. If both leasing teams are from CBRE, assurances will need to be provided that the leasing teams maintain appropriate ethical walls and information barriers to ensure no sharing of client information and leasing strategies and that the teams are competing on arm's length terms. In specific situations, there may be an advantage to both clients in having the same leasing team, such as operating efficiencies, lower fees (given economies of scale), leveraging market knowledge and capabilities and providing negotiation leverage with tenants (for example two funds in a value-add series may own neighboring buildings and benefit from having the same leasing team service both buildings).
- Maintenance of information barriers between the two client teams at CBRE Investment Management to ensure no sharing of client information and leasing strategies and that the teams are competing on arm's length terms.
- Notification of such conflict to the affected clients.
- Other measures that are deemed appropriate to manage the potential conflict.

How we apply our conflicts of interest policy

- The Conflicts of Interest policy has resulted in the Firm changing property management teams when the affiliated service provider's service was not meeting expectations or in choosing an unaffiliated service provider that specialized in a particular asset type or location to benefit our clients and beneficiaries.
- CBRE IM has a policy in place to establish the principles and guidelines governing the allocation of investment opportunities and how to deal with conflicts of interest between the potential competing requirements of in-house and/or third-party mandates. For Direct Real Estate investment in the EMEA region, the policy requires every acquisition transaction identified as suitable and attractive to one or more requirements to be communicated to the European Transaction Meeting (**ETM**) where a fair allocation decision is made. The ETM decision is then communicated back to the relevant fund and acquisition managers. All allocation decisions are recorded and a detailed database is kept.
- In a case of a conflict of interest, the allocation decision is referred to the EMEA Direct Real Estate IC. When there are similar fund or separate account requirements, a rotation system per asset class per country is used, based upon clear and precise rules that result in a fair distribution of opportunities to all parties.
- The Firm manages three direct commingled funds in the U.K. with distinct and unique investment preferences. We also manage numerous separate account mandates. On occasion, there may be some crossover in the investment objectives of different funds and mandates. The allocation policy is, on average, activated for one deal per month.
- When the allocation policy is activated, an arbitration decision will be made on the deal. All interested funds and separate accounts are required to complete an arbitration form.
- Should any conflicts of interest arise within Investment Committees, particularly at the individual level, any conflicted member of the IC will be asked to leave the meeting when the topic concerned is discussed and a decision reached. The Firm also appoints independent members to Investment Committees, and a register is kept of their external interests and any cross-strategies from which conflicts could arise.
- For Indirect Real Estate, the regulated entity that manages that strategy, can invest in funds, PVs and wholly controlled real estate assets managed by the direct side of CBRE Investment Management (in-house funds). In such circumstances, approval to invest in in-house funds must be by unanimous approval from the independent members of the Investment Committee.
- The allocation process for Indirect Real Estate investment is different from that for Direct Real Estate. We manage both funds and segregated mandates that potentially invest in the same or similar funds within a

particular region. Generally, the segregated mandates and funds invest side by side in an underlying fund allowing CBRE Investment Management Indirect Limited (**CBRE IM Indirect**) to aggregate capital to receive more favorable terms for our investors and/or an advisory board position.

- When there is insufficient availability in an underlying fund to accommodate all clients and funds that have appetite for the strategy, we have an Order Allocation Policy. Under this policy, where there is excess demand, clients/funds are all scaled back on a pro rata basis (based on stated final appetite). If this scale-back results in the allocation for some individual clients/funds becoming de minimis in their portfolio, then such clients/funds may be withdrawn from the allocation process.

In addition to the examples above, the following are case studies which demonstrate how we addressed actual and potential conflicts during the reporting period.

Case study: U.K. Direct Real Estate conflict of interest and allocation

Stakeholder(s) engaged and participants:

During 2024, the Firm's direct real estate team was required to undertake arbitration on deals on only three occasions. One of these related to the acquisition of a garden center located in the South West of England with one tenant.

Overview of the engagement:

Three direct U.K. separate accounts managed by CBRE IM expressed an interest in acquiring the property, creating a conflict between the various Investment Teams.

Engagement objectives:

Following CBRE IM policy, the managers of the three interested portfolios were required to complete arbitration forms, making the case for inclusion of the property in their respective portfolios.

Progress and outcome of the engagement:

Following review of the forms, the decision was made to allocate to the separate account whose target return and client sustainability requirements were the best fit with the asset. The acquisition was successful, and the property was transferred into the client's portfolio.

Case study: U.K. Direct Real Estate potential conflict of interest with a property manager

Stakeholder(s) engaged and participants:

We engage with property managers using our established procedures for managing conflicts of interest.

Overview of the engagement:

In our experience, conflicts with property managers rarely occur but can with multifaceted managers. For example, an application to sublet where the property manager's leasing team also acts for the sublessee. We did not have an example of this in 2024 but are providing this case study to show how we would handle such a conflict if it arose.

Engagement objectives:

In this case, we would ensure that robust information barriers are maintained between the property management team and its leasing team and that the sublease rent is independently verified.

Progress and outcome of the engagement:

Through information barriers and rent being independently verified, potential conflicts of interest would be avoided.

Case study: U.K. Direct Real Estate potential conflict of interest using CBRE as our sustainability consultant

Stakeholder(s) engaged and participants:

Our Direct Real Estate team engaged with CBRE's ESG & Sustainability Solutions group and competitor consultants regarding a new appointment opportunity for one of our funds.

Overview of the engagement:

The U.K. Direct Real Estate funds and accounts use CBRE's Sustainability Consultancy group as our sustainability consultants. In 2024, the scope of the appointment was expanded to include services for CBRE IM's core Pan-European fund. Using a CBRE affiliate could be perceived as a potential conflict of interest.

Engagement objectives:

To avoid a potential conflict of interest, all engagements with affiliates must follow our Affiliates Policy for the region and group being engaged as described above in this Principle. When we award a new contract for a sustainability consultant, a comprehensive market test and scope negotiation is conducted. This includes a competitive analysis of rates between alternative providers.

Progress and outcome of the engagement:

Following the above procedures, CBRE Advisory was found to offer the best value when the cost, quality and their capabilities were factored together. CBRE IM continued its engagement with CBRE as the sustainability consultant for our U.K. funds and separate accounts, as well as for our core Pan-European fund where CBRE Advisory was again validated to be one of the top performers and best value among the five alternative providers assessed. Four of these providers have since been onboarded to our EMEA sustainability consultant framework and are available to our EMEA portfolios to utilize and change as required based on their performance and most suitable fit based on scale, geography, language and specific expertise.

Case study: Indirect Real Estate investment with interest from multiple funds

Stakeholder(s) engaged and participants:

Various internal teams are engaged in this process, including Indirect Regional Investment, Portfolio Management (PM) and Transaction Management (TM) teams.

Overview of the engagement:

We seek to ensure a fair allocation to the opportunity for all portfolios demonstrating interest.

Engagement objectives:

When the Indirect Regional Investment Team is alerted to an investment opportunity, the Indirect Portfolio Management teams are notified of the opportunity. The PM teams are responsible for making allocations or investment decisions on behalf of the clients and funds managed. Each PM responds to the Regional Investment Team with the amount that their clients are interested in. Sometimes multiple PMs respond with a total that exceeds the maximum size of the possible investment.

The Indirect Transaction Management Team reviews and approves the Indirect Order Allocation. This enables each trade to be scaled back on a pro rata basis bringing the total appetite in line with the maximum trade possible.

Progress and outcome of the engagement:

By applying the Allocation Policy, the trade is executed in a timely manner and all interested clients are able to benefit from the trade.

Gifts and entertainment

The Firm's gifts and entertainment policy does not permit employees to offer or accept gifts or hospitality, which could be considered a conflict with any duty owed to its clients.

Other than occasional small gifts, meals and non-lavish transportation (e.g., taxis), employees should not directly or indirectly offer or give gifts, favors or other things of value to an existing or potential client that could be viewed as overly generous or aimed at influencing decision-making or making a person feel beholden to CBRE Investment Management or the employee. Employees may not solicit gifts, entertainment (including meals), travel or lodging from anyone (including vendors) doing business or seeking to do business with CBRE Investment Management. In addition, no employee may participate in any arrangement leading to an inappropriate gift, entertainment, travel or lodging to himself or herself, relatives or any business in which any of them have a substantial interest, in consideration of past, present or prospective business conducted with CBRE Investment Management.

Reporting and preapproval requirements

The Compliance Team maintains a register of all gifts and entertainment given and received that require preapproval. Employees must certify annually that they have adhered to the Firm's Compliance Policies and Procedures, including those on inducements. The Compliance Team performs a periodic audit of the Firm's Gifts and Entertainment Policy.

Before giving any gifts, entertainment, travel or lodging to an existing or potential client, CBRE Investment Management personnel must carefully review and comply with an investor's or client's own policy regarding restrictions on these items (including political contributions).

No gifts, entertainment, travel or lodging is allowed to be provided to any government officials without the Compliance Team's and the head of the applicable business unit's written approval.

- 01 **Gifts:**
Preapproval from Compliance and the head of the applicable business unit is required for any gift (given or received) with a fair market value in excess of US\$100. Giving or receiving cash, cash equivalents and securities is strictly prohibited.
- 02 **Entertainment:**
Preapproval from Compliance and the head of the applicable business unit is required for any entertainment (given or received) with a fair market value in excess of US\$250 per event per person.
- 03 **Notification**
U.K. employees are required to notify Compliance of any gifts and entertainment offered or received with a value exceeding US\$75 (or the equivalent amount in local currency), up to the preapproval thresholds of US\$100 and US\$250, respectively.
- 04 **Travel and lodging:**
Preapproval from Compliance and the head of the applicable business unit is required to offer or accept travel or lodging; excludes taxis and other short travel.

Conflict of interest training

All employees complete mandatory training on their compliance and ethics obligations, including how to identify conflicts of interest. CBRE Investment Management has implemented various internal policies (e.g., conflicts of interest policy, Intra client transactions policy, personal account dealing, affiliate relationships, gifts and entertainment policy, external positions policy, political contributions policy) and other safeguards to further ensure that all employees maintain high standards of integrity. The Firm offers multiple trainings throughout the year (both when an employee joins the Firm and for existing employees) on various topics including the Firm's compliance policies and procedures, among others. Training is mandatory for all employees and is both classroom-based and/or online. The online trainings include self-assessment tests as part of each course. As part of annual performance appraisals, employees are rated on their adherence to the CBRE RISE values.



Principle 4: Promoting well-functioning markets

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Identifying material market-wide and systemic risks

CBRE Investment Management believes that a strong governance model ensures processes and policies are consistently applied when investing, which over the long term eliminates and mitigates risk. We measure and monitor investment risk through our Investment Committees for our private strategies. Market-wide and systemic risks, such as macroeconomic and sustainability factors, are part of our risk management framework. Mitigation of these risks is key to protecting the interests of our clients and achieving our sustainability goals.

Investment risk for our private investment strategies is overseen by our Strategy Investment Committees which monitor all capital transactions for the Firm's private Direct Real Estate, Indirect Real Estate and Infrastructure investment programs. These committees ensure that Investment Teams place the appropriate emphasis on preservation of capital, identification and management of investment risk and appropriate pricing of risk at the portfolio and property level. The Investment Committee or a subcommittee of the Investment Committee monitors portfolio risk semi-annually. Investment risk includes but is not limited to the following risks as it relates to our investments: litigation, counterparty, market, financing, diversification, interest rate, economic, political, regulatory, sustainability and climate, and reputational. These risks are identified by our Insights and Intelligence and Sustainability Teams. In addition, we analyze these risks collectively for real estate markets globally through our Risk Adjusted Real Estate (**RARE**) model, which is described in further detail in the next section.

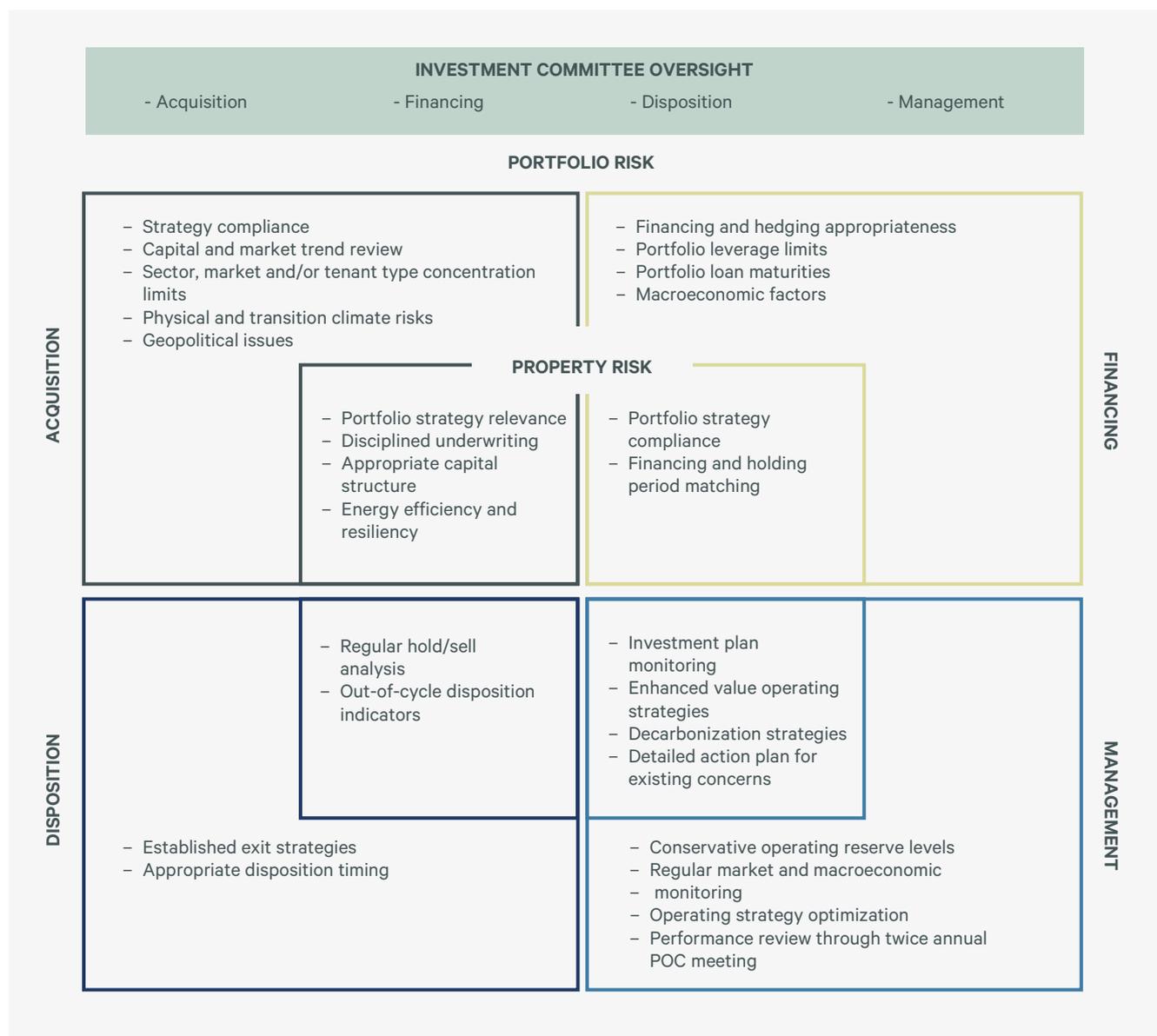
Our global Insights and Intelligence Team provides top-down insights on such global systemic issues as the impact of urbanization, climate change transition, demographic and social change and technological breakthroughs that our Investment Teams across the globe consider in portfolio construction, underwriting and in annual asset business plans. We seek to allocate substantial resources to our in-house research capabilities and through our efforts to identify potential future risks to effectively address material market-wide and systemic risks.

Our Sustainability Team, sustainability specialist consultants and our Legal, Risk and Compliance Team (supported by external legal advisers) also keep our Investment Teams current on the latest sustainability trends and both financial (e.g., SFDR) and non-financial (e.g., CSRD) regulations that may pose risks to an asset, portfolio, sector or market. At the asset level, Investment Teams identify and evaluate market and systemic risks such as flooding, earthquakes and other physical risks as part of a transaction's due diligence and annual business plan processes.

Our approach to identifying and responding to material market-wide and systemic risks

The graphic below depicts CBRE IM's approach to managing the different market-wide and systemic risks faced by our portfolios:

CBRE IM approach to market-wide and systemic risks



Source: CBRE Investment Management.

As mentioned above, our Insights and Intelligence Team (or **Research Team**) identifies market and systemic risks on an ongoing basis. As an example, as a result of our Research forecasts, our Investment Teams delivered and managed their portfolios to prepare for a downturn prior to the COVID pandemic. Once the pandemic became widespread and tenant businesses were impacted, we created strike teams to work with tenants with hardship cases and coordinated communications to keep clients informed. Because of our insights-driven positioning, our portfolios

managed well through the market disruption caused by the pandemic. We also identified risks caused by the Russia-Ukraine war and developed a coordinated response. Our Portfolio, Asset Management, Client Care, Legal and Compliance Teams collaborated on a process for identifying tenants and other counterparties included in revised sanctions lists, developing action steps and communicating our efforts and its impacts to our clients.

Our Research Team shares global and regional insights on our macroeconomic outlook, positioning during a high-inflationary period, central bank rate change impacts, sustainability factors impacting real assets and similar global and regional market and systemic changes. Our Portfolio and Asset Management Teams develop strategies to proactively protect and enhance portfolio and asset values. We seek to stay nimble to pivot our strategies based on market and systemic risks when necessary.

In 2024 and 2025, the key geopolitical risks related to the 2024 U.S. elections and subsequent actions of the new administration in particular related to tariffs and sustainability.

The diagram below sets out how our risk management framework, including sustainability risks (e.g., physical and transition climate change), interacts with our lines of defense model. For more details on our governance structure related to stewardship and sustainability, please refer to our response to Principle 2.

Three lines of defense risk management framework

1st line of defense	2nd line of defense	3rd line of defense
<p>Portfolio and Fund Management, Transaction Management, Asset Management, Human Resources (our People Team), D&T</p> <ul style="list-style-type: none"> – Responsible for the day-to-day management of the core business processes, support processes, and the 1st line activities that control and reduce risk. – Responsible for day-to-day management of transition and physical climate risks and other sustainability risks. 	<p>Compliance, Legal, Tax, Risk Management, Research, dedicated Sustainability Team</p> <p>Responsible for:</p> <ul style="list-style-type: none"> – Designing corporate policies and procedures and monitoring implementation, including by the 1st line of defense and developing tools to measure sustainability risks. – Monitoring overall and sustainability risk exposure and compliance with rules and regulations. – Reviewing, providing advice and supporting the 1st line of defense to reduce risk exposure and optimize the effectiveness of business processes, including those related to sustainability. – Coordinating organization-wide risk management processes, e.g., utilization of climate risk assessment tools and processes. 	<p>Alternative Investment Fund Manager (AIFM), Internal Audit, Risk Management Committee (RMC), Investment Committee, Global Sustainability Council and Sustainability Committees</p> <ul style="list-style-type: none"> – Independent from business lines to monitor, assess, and decide on appropriate overall risk levels and mitigation measures, including sustainability and climate risks. – Ensure risks are considered and addressed appropriately.

Case study: Communications of stewardship practice to address acute market-wide and systemic risk

Stakeholder(s) engaged and participants:

A small working group was quickly established to coordinate communications on the Russia-Ukraine war in 2022/2023. The working group included representatives from the following teams: Client Care, Global Content/Marketing, EMEA Compliance and Corporate Communications. We successfully used this engagement and communications process at the start of the COVID 19 pandemic and for the collapse of Silicon Valley Bank, which investors had concerns and queries about.

Overview of the engagement

On February 24, 2022, Russia invaded Ukraine—one of the most impactful geopolitical and economic events of that year. While the conflict had no direct impact on any CBRE IM employees or assets, the situation was a cause of clear concern for our investors. As with any major international event, particularly one which is likely to have an impact on the funds and portfolios managed by CBRE IM, we sought to respond to client queries on the situation in Ukraine as quickly as possible, providing clear information as it pertained to CBRE IM investments. Many clients were interested in our exposure to assets located in Ukraine, Russia and Belarus or counterparties based in Russia or Belarus that were likely to be subject to new international sanctions.

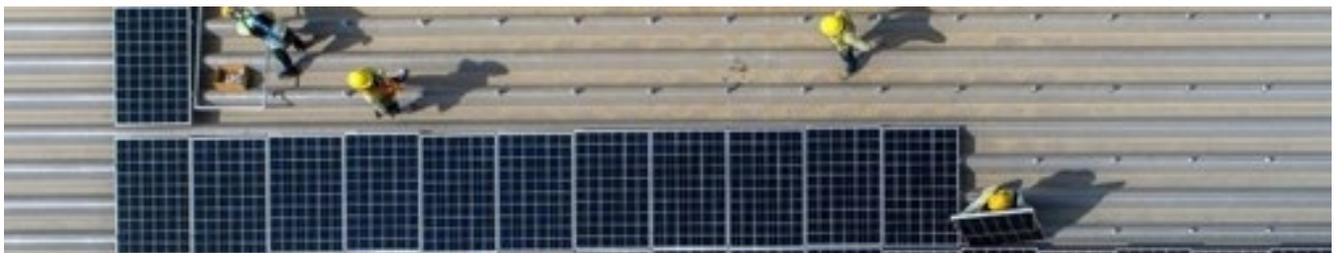
During the 2024 reporting period, we did not have a geopolitical event of the magnitude of the war or the earlier pandemic that required ongoing communication and updates for investors. In 2024, the major geopolitical issue was the U.S. elections. Our Client Care Team engaged with CBRE Investment Management’s Research Team and other internal teams and our clients regarding potential impacts of the U.S. election on the global macroeconomic outlook and on real estate sectors and markets.

Engagement objectives:

The process for communications for acute market-wide and systemic risks includes creating a small working group that initially meets daily and prepares and reviews responses to individual client questions. Many clients typically seek the same information. Therefore, we collate all questions received and prepare a briefing with responses that can be shared across our investor base. As the volume of questions begins to fall over subsequent weeks, we move to weekly updates of the responses. All approved responses are shared internally across the CBRE IM intranet. In addition, the Research Team produces ad hoc reports for our in-house teams and clients.

Progress and outcome of the engagement

The process established to communicate with clients proved to be an efficient use of resources and enabled CBRE IM to respond to a large volume of queries received over a relatively short period of time. Our established process helped us to follow a similar approach in March 2023 to respond to client questions relating to the collapse of Silicon Valley Bank. As mentioned above, no such issue arose in 2024 requiring us to use the above engagement approach, however, Research Team members met with clients to explain our views on the 2024 U.S. elections and the impacts it would have on our investment portfolios. These perspectives were also included in quarterly Macro House Views. The Research and Client Care Teams continue into 2025 to respond to client queries and share with internal teams our perspective on impacts of U.S. tariffs on global economies and markets and other related topics that could pose market and systemic risks.



Case study: Research response to market-wide and systemic risks

Stakeholder(s) engaged and participants:

Our Insights and Intelligence Team engaged directly with internal teams on market-wide and systemic risks.

Overview of the engagement:

Market-wide and systemic risks evolve, and the impacts must be understood to be managed. Our Insights and Intelligence Team provides keen perspectives on arising risks and how to structure or position our portfolios to changing conditions. The war in Ukraine uncovered several potential risks for our portfolios, including potential incursions into adjacent countries and energy security risk in EMEA. As mentioned in the previous case study, we received communications from clients wanting to understand our risk exposure, especially for our Polish logistics assets.

During the 2023 reporting year, other market-wide and systemic risks included U.K. market dislocation, urban logistics, next generation infrastructure, asset mispricing and the future of office. During the 2024 reporting year, key risks related to higher-for-longer inflation and the U.S. elections.

Engagement objectives:

Our EMEA Head of Research authored several papers to assist our teams and clients on topics such as the concern about energy security in EMEA and the impact of the war on Polish logistics assets. Papers were also written on affordability in European residential markets, next generation infrastructure being the catalyst for sustainable future societies, Europe's retail renaissance and a series on the future of office. These papers were shared with our internal teams, provided to clients and posted on our website.

In 2024, our Insights and Intelligence Team authored papers on data centers, the Paris Olympics, papers on German and U.K. residential, self-storage and on rate cuts. The Insights and Intelligence Team also responded to client queries via email or meetings.

Progress and outcome of the engagement:

Our Portfolio and Asset Management Teams used the insights in these papers to structure their portfolios and assets to manage and mitigate risks and take advantage of opportunities, while also providing insights for the industry as a whole.

Case study: Insights and Intelligence Team's proactive approach to monitoring and communicating insights on market and systemic risks

Stakeholder(s) engaged and participants:

CBRE Investment Management's Research Team engaged with internal teams and our clients regarding potential impacts of the 2024 U.S. elections.

Overview of the engagement

The major geopolitical event in 2024 was the U.S. elections and the potential impacts on the global macroeconomic outlook and on real estate sectors and markets. Our Insights and Intelligence Team sought to provide our Investment Teams and clients with up-to-date information to aid in portfolio planning and responding to questions.

Engagement objectives:

The Research Team produced ad hoc reports for our in-house teams and clients. Research Team members also met with clients to explain our views and included our perspective in quarterly Macro House Views.

Progress and outcome of the engagement

The Research and Client Care Teams continue into 2025 to respond to client queries and share with internal teams our perspective on impacts of U.S. tariffs on global economies and markets and other related topics that could pose market and systemic risks.

How we align our investments

On a quarterly basis, our Insights and Intelligence Team works with the strategy CIOs and Investment Teams to establish our Macro House View, which is an amalgamation of views on long-term structural demographic and technological shifts, short-term cyclical economic forecasts and their collective potential impact on real estate fundamentals, cap rates and return projections. The House View incorporates the bottom-up guidance provided by our Investment Teams, guides the construction of model portfolios and shapes sector/market recommendations by investment strategy and risk profile. Portfolio managers align the investment strategy for their funds and separate accounts with this guidance, typically in consultation with the strategy CIO.

Risk-Adjusted Real Estate

The Research Team uses both top-down econometric models and bottom-up local intelligence to assist Investment Teams with identifying investment-related risks and opportunities.

Various tools are applied throughout the investment process including the Firm's proprietary top-down RARE model. RARE projects returns for stabilized assets based on back-tested regression analysis of macroeconomic, property market and capital market data. The RARE model also measures relative structural and cyclical risks for markets and property types, enabling the Firm to rank projected risk-adjusted returns by market and property sector.

Fund liquidity management

Liquidity in units of commingled funds has been a well-publicized private market systemic risk, especially in the aftermath of the Global Financial Crisis (GFC), U.K. referendum on EU membership and onset of the COVID-19 crisis. Liquidity is a particular issue when there is a disconnect between client expectations and deliverability. We monitor liquidity risk when there are bank failures as occurred at the beginning of 2023. Given quick governmental responses, our funds were not materially impacted.

We have established liquidity risk monitoring frameworks to ensure that all dimensions of fund liquidity risk are identified, assessed and monitored on an ongoing basis. This includes regular reviews of a fund's liquidity profile and stress test scenarios designed to assess the resilience of the liquidity profile of funds. Leverage is a key component of liquidity analyses.

The liquidity risk framework relies on the following: fund redemption and wind-up obligations, fund liquidity profile, investor activity and concentration and liquidity stress tests.

The core of the liquidity risk framework is an assessment of the degree of liquidity of the fund, i.e., the ability to convert assets into cash within predefined periods. Understanding the requirements of investors within property funds is crucial for such an illiquid asset class. The active management of investor requirements and expectations by the Marketing and Fund Management Teams can be highly beneficial to managing fund liquidity and avoiding sizable and condensed redemptions. Funds with a high investor concentration are more prone to liquidity risk since redemption by one or more investors holding a high percentage of the fund would translate into large-scale capital outflows.

Dedicated liquidity stress tests assess the resilience of funds to constrained market conditions combined with simulated large-scale capital outflows over a short-term horizon. The liquidity stress testing involves considering unfavorable events impacting both the asset and the liability side of funds to be sure we would be able to address and manage potential impacts. The asset side, i.e., the liquidity of the underlying assets, is stressed by assuming market conditions restrain investment activity to certain degrees impacting pricing and timing. The liability side, i.e., the fund capital structure, is stressed by simulating large and short-notice investor outflows. The scenarios are reviewed and assessed considering the impact to the fund and the position of both outgoing and remaining investors.

Climate risk

We recognize that climate risks—both physical and transition—will have significant impacts on CBRE IM operations as well as for the assets we manage on behalf of our clients. The number of natural disasters per year increased significantly in recent years due to climate change (Forbes Advisor, 2024).¹⁴ The total damage wrought by weather disasters globally in 2024, according to insurance broker Gallagher Re, was \$402 billion.¹⁵ According to the U.S. National Centers for Environmental Information, 2024 was a historic year in the number and cost of weather and climate disasters in the U.S., which surpassed the previous record. In 2023, the U.S. experienced 28 separate weather and climate disasters. Damages from these disasters totaled \$182.7 billion.¹⁶ At a global level, according to the U.K. Met Office and the University of East Anglia, 2024 was the warmest year on record globally, based on the HadCRUT5 dataset, a historical data series commencing in 1850.¹⁷ Weather events globally are, in our view, heavily impacting real assets. Resilience, adaptation and mitigation are critical in our portfolio, asset and investment strategies.

Strong corporate governance is core to CBRE IM's operations and investments, and climate change-related topics are included in decision-making processes across our global platform. As mentioned previously in Principle 2, every Investment Committee includes a senior member of our Sustainability Team. In the 2023 GRESB assessment, our funds received 30 out of 30 for their GRESB management scores, demonstrating the Firm's integration of sustainability and climate risk into our governance processes and procedures.

¹⁴ Gusner, P. (2023). *Natural Disaster Facts and Statistics 2023*, Forbes. Available at: <https://www.forbes.com/advisor/homeowners-insurance/natural-disaster-statistics/#:~:text=In%202022%2C%20the%20U.S.%20experienced>

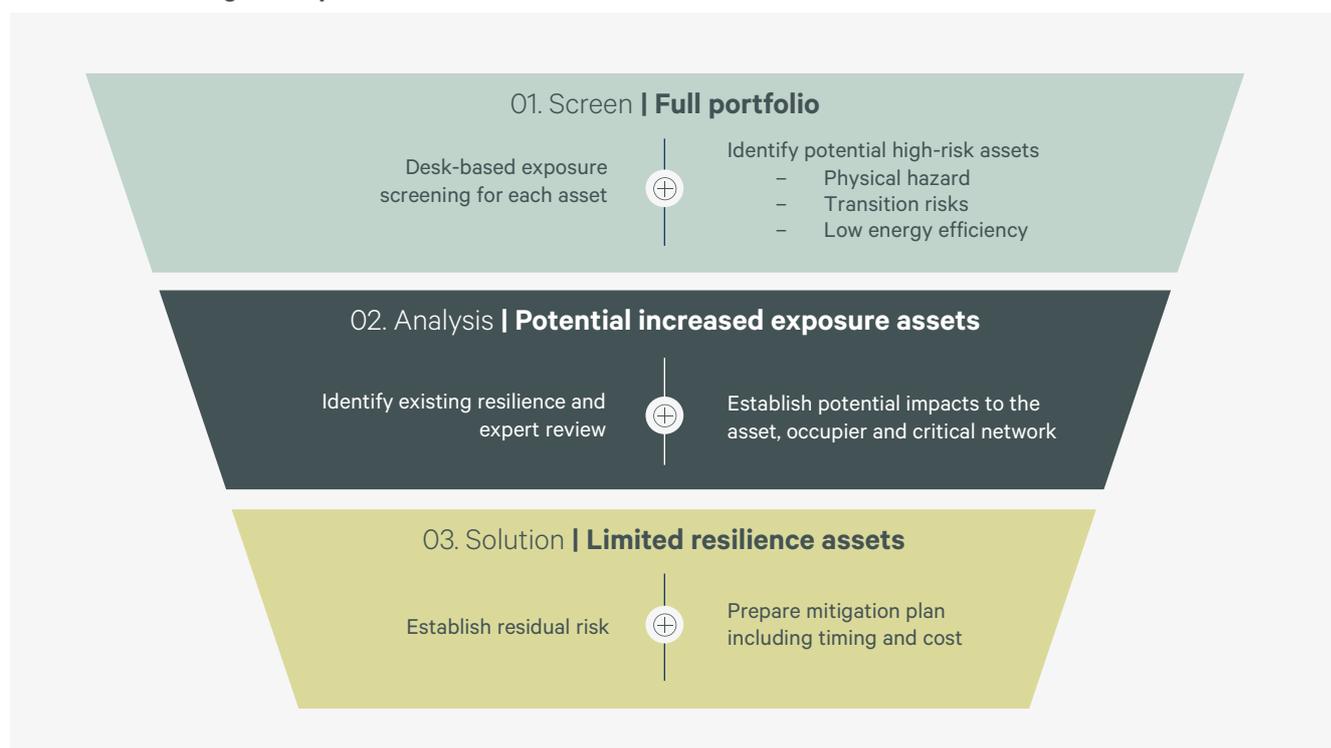
¹⁵ Inflation-adjusted average (Gallagher Re's historical database extends back to 1990). <https://yaleclimateconnections.org/2025/01/the-planet-had-58-billion-dollar-weather-disasters-in-2024-the-second-highest-on-record/#:~:text=The%20total%20damage%20wrought%20by,database%20extends%20back%20to%201990.>

¹⁶ <https://www.climate.gov/news-features/blogs/beyond-data/2024-active-year-us-billion-dollar-weather-and-climate-disasters>.

¹⁷ <https://crudata.uea.ac.uk/cru/data/t/2024/prelim.htm#:~:text=Global%20temperature%20in%202024,second%2Dwarmest%20years%20on%20record.>

The following graphic depicts our risk management process for climate-related risks for our Direct Real Estate portfolios. The general framework of screening the full portfolio for risks, analyzing potential increased exposure assets or investments and engaging with managers to support finding solutions for limited resilience assets or investments, is also used for Indirect Real Estate and Private Infrastructure.

Climate risk management process



Source: CBRE Investment Management, October 2025.

We incorporate our Research Team’s market-wide and systemic risk insights into portfolio construction and management prior to the above portfolio and asset climate risk management process.

Our approach at the portfolio and asset level begins with a desk-based screening to identify potential high-risk assets in a portfolio for physical hazards, transition risks and low energy efficiency. We then seek to conduct a more thorough expert analysis on the potential higher-risk assets to determine whether the asset has resilience to the risk. If the asset does not have resilience to the risk, only then will we seek to prepare a mitigation plan for the asset to significantly reduce or eliminate the risk.

To aid in the initial evaluation process, when applicable, we use a third-party physical climate risk tool and the Carbon Risk Real Estate Monitor tool to assess climate-related physical and transition risk, respectively.

The third-party physical climate risk tool we use evaluates scenarios of physical climate impacts, such as floods, subsidence, landslide, wildfires, storms, storm surges, tropical cyclones, drought and extreme heat. The tool provides a high-level indication of the potential risk exposure for any location globally. If an asset’s location is identified as high or critical risk, it is subjected to further investigations to ascertain if mitigation measures are already in place, thus determining vulnerability to risks, or if appropriate mitigation measures need to be put in place.

CRREM assesses operational decarbonization risk. We found CRREM pathways to be most useful in European geographies because of the past lack of pathways specific for the U.S. and APAC. We engaged with CRREM through

ULI on creating viable pathways for the U.S. and hopefully after for APAC. By benchmarking asset and portfolio performance, the CRREM tool allows us to gauge levels of risk each year through 2050 against scenarios of a 1.5 °C and a 2 °C increase in global temperatures, respectively. CRREM helps us estimate when an asset could be stranded due to decarbonization not keeping pace with a science-based reduction pathway for emissions.

In 2022, we began using an internally developed Sustainability Scorecard to measure progress of our Direct Real Estate portfolios in meeting sustainability key performance indicators and targets and manage climate-related risks. The Sustainability Scorecard aligns with globally recognized sustainability frameworks such as GRESB and green building certifications, lending an additional layer of oversight and third-party validation. Results from CRREM and a third-party physical climate risk tool supplement the Sustainability Scorecard providing additional rigor to the outcomes. The Scorecard is also used by Indirect Real Estate to assess client portfolios, as well as individual holdings, and identify sustainability engagement priorities. We continued to use the Scorecard for Direct and Indirect Real Estate in 2024.

At the property level, we may engage with property managers, building engineers and occupiers to monitor and address climate-related factors that may pose risks, such as flooding and energy efficiency, or provide opportunities through sharing best practices.

We developed a Decarbonization Audit Program, which quantifies our climate transition risk through asset-level audits and integrating the findings (timing/indicative cost/actions) into asset-level CAPEX plans. The results of the audit are fundamental to understanding our systemic risks.

Case study: Private Infrastructure embracing a disciplined approach to climate risk analysis

Stakeholder(s) engaged and participants:

Our Direct Private Infrastructure Team engaged directly with the management team of a newly acquired portfolio company to undertake a climate risk assessment. The Team also engaged a climate risk platform to enhance our climate risk analysis.

Overview of the engagement:

Aligning with our key practices to enhance climate resilience, we engaged with the management team of the newly acquired portfolio company to conduct a climate risk assessment that included both physical and transition risks for the company.

During the year, the Private Infrastructure Team conducted a market review to identify a tool that could streamline its climate risk assessments. The Team required an integrated solution to identify and assess both transition and physical climate risks, recognizing the materiality of both risk types across our portfolio. The search focused on tools that could enable financial quantification of risks and provide valuable insights for our portfolio companies regarding both risks and opportunities.

Engagement objectives:

The Team sought to implement its existing practices and enhance its assessment ability to effectively integrate climate considerations into our investment decisions and ongoing portfolio and asset management.

Progress and outcome of the engagement:

Following the market review of the climate risk platform, the Team formally partnered with Resilience. The Team is currently in the process of onboarding the Resilience tool that will allow the identification, assessment and financial quantification of climate risks and opportunities.

The climate risk assessment conducted for the new portfolio company mentioned above occurred in the first half of 2024. Following the assessment, we worked with the company's management team to identify and prioritize the most material areas for the company. The Team also closed another investment in 2024 in Finland's geothermal sector for our direct portfolio. We used the new climate risk platform to identify climate-related risks and opportunities prior to the investment. The geothermal business demonstrated strong alignment with environmental characteristics promoted by the fund and was well-positioned to capitalize on the opportunities arising from the transition to low-carbon heating.

Promoting continued improvement of financial markets

CBRE IM is an active contributor to the wider industry, seeking to promote continued improvement and education within the real assets sector and the wider financial markets. We achieve this through speaking at industry events, with representatives from our portfolio management teams, Research and the Sustainability Team often appearing at seminars, conferences and on discussion panels organized by industry bodies. We also organize presentations and webinars on topical issues for our clients.

Our Sustainability Team is notably active in promoting best practice and sharing the Firm's experiences in developing its approach to sustainability and stewardship.

Industry collaboration helps advance the CBRE IM Sustainability Vision by informing, educating and influencing the broader industry on sustainability issues pertaining to the real assets sector.

Case study: Contributing to international discussions on climate change and the built environment

Stakeholder(s) and participants:

Business leaders, NGOs and foreign ambassadors were brought together as part of the Sustainable Markets Initiative hosted by His Majesty King Charles III.

Overview of the engagement and objectives:

This reception, held ahead of COP29, aimed to amplify the private sector's leadership in achieving the world's 2030 climate targets in partnership with public and philanthropic sectors. CBRE IM recognized the importance of being involved in such discussions to ensure that practical action on climate risks within the real estate sector is escalated to international stakeholders.

Progress and outcome of the engagement:

CBRE IM has the equivalent of a virtual international city under our direct and indirect management and with it, we believe we have the opportunity to make a tangible positive impact for both investor portfolios and the future of the planet. We understand the importance of bringing together business leaders, NGOs and foreign ambassadors, all united by common goals and priorities. This event provided a unique opportunity to engage in meaningful discussions and explore collaborative sustainable solutions across industries.

Case study: Participation in the PRI Sustainable Systems Investment Managers Reference Group

Stakeholder(s) and participants:

The Sustainability Lead for CBRE IM's Global Indirect Real Estate business and CBRE IM Vice President, Head of Editorial, Global Marketing represent CBRE Investment Management and participate in PRI's Sustainable Systems Investment Managers Reference Group (**SSIMRG**). SSIMRG is a group of senior investment and sustainability professionals who are influential in their firms' efforts to fully integrate responsible investment into investment decision-making and active ownership.

Overview of the engagement:

PRI reference groups provide opportunities for signatories to convene, share knowledge and collaborate on responsible investment. Reference groups were established so that the PRI can keep interested signatories informed, exchange information and use the members as a reference point. PRI created SSIMRG to consider the current and emerging roles, constraints and barriers facing investment managers in a sustainable financial system

Engagement objectives:

SSIMRG is a voluntary body comprised of members from PRI signatory organizations. As members of SSIMRG, CBRE IM representatives join quarterly calls to:

- Provide input/feedback on PRI's work on sustainable systems change plan, progression pathways and addressing investment managers' barriers to responsible investment.
- Support PRI in developing its positions on key developments relating to sustainable financial systems and barriers to responsible investment.
- Serve as a sounding board for the PRI Executive in the activities the PRI Executive undertakes relating to progression pathways, sustainable financial systems, sustainable systems change plans and addressing barriers to responsible investment.
- Exchange information about relevant developments in their markets.

Progress and outcome of the engagement:

During 2024, CBRE IM SSIMRG members collaborated on different PRI workstreams, contributing critical listed and private real estate and infrastructure perspectives and insights to discussions. Key feedback was also provided on the following: Investing for Sustainable Impact Guidance, PRI sovereign engagement work, nature and biodiversity, PRI Progression Pathways reporting, Global Policy Toolkit, stewardship resourcing and systems thinking.

Industry initiatives and consultations

The Firm takes an active role in numerous industry initiatives through memberships in relevant industry groups. Examples include GRESB, PRI, INREV, the Association of Real Estate Funds (**AREF**) and The Aldersgate Group.¹⁸

Case study: Aligning Real Estate Sustainability Indicators white paper

Stakeholder(s) and participants:

The Aligning Real Estate Sustainability Indicators working group (**ARESI**), coordinated by IIGCC, RICS and UCL and GREEN (who joined forces with Leaders of the Urban Future (**LOTUF**)) were collectively working to harmonize the ever-growing climate metrics landscape.

Overview of the engagement:

For over a decade the climate metrics landscape has been evolving, new frameworks and standards have been introduced for different regions and types of investment, while regulatory reporting requirements have increased. In 2023, in response to these challenges, ULI, INREV and PRI mapped and compared the most important global ESG related regulations, standards and certifications and assessed each of them in relation to the E, S and G components. This report showed the large variance between the different standards and called for the sector to work together to try to find a balance between quality and quantity.

Having access to the right metrics is essential for indirect investors in real estate to assess companies and funds on their sustainability performance and risk management. For direct investors, sustainability metrics are important for asset underwriting and performance management as well as pricing green premiums and brown discounts. Reporting on several climate metrics is a regulatory requirement for many direct and indirect European investors.

Engagement objectives:

ARESI focused on industry alignment in the calculation and use of primary legislative European Real Estate sustainability KPIs, harmonizing transaction sustainability metrics and labeling across EU and U.K. regulatory frameworks. The goal was to address regulatory expectations and investor needs in tandem with shifting the market toward a more focused set of globally accepted climate metrics that are regulatory compliant, financially material and enable a level playing field in the market. This dual approach was essential for increasing confidence in climate investments and driving meaningful progress toward decarbonization across the real estate value chain.

The Aligning Real Estate Sustainability Indicators white paper aimed to address existing ambiguities in real estate KPIs within the European legislative framework, to unlock investment and drive real estate decarbonization.

Progress and outcome of the engagement:

Through 2024, our Sustainability Team representatives coordinated and co-authored the ARESI White Paper, and in 2025 the White Paper and industry proposal was published.

During the development of the ARESI proposal and white paper, feedback from the 30+ members of the ARESI working group was provided, as well as from those who helped pilot the ARESI proposal and the 21 organizations that responded to the consultation.

¹⁸ The Aldersgate Group is a politically impartial, multi-stakeholder alliance championing a prosperous, net zero emissions, environmentally sustainable economy. Its members include some of the largest businesses in the U.K., as well as leading NGOs, professional institutes and academic institutions.

Case study: U.K. Stewardship Code consultation

Stakeholder(s) engaged and participants:

As a signatory to the U.K. Stewardship Code, CBRE Investment Management submitted a direct response to the U.K. Stewardship Code Consultation issued November 11, 2024 and provided PRI with our comments to include in their response to this consultation. Our response was led by Vice President, Head of Editorial, Global Marketing and included members from our Sustainability, Client Care and Legal and Compliance Teams.

Overview of the engagement:

As a large global investment manager focused exclusively on real assets, we believe we have a responsibility to contribute to and guide regulations, standards and reporting requirements that impact our Firm and the industry. CBRE IM regularly responds to consultations and interacts with the wider real estate investment management industry.

The U.K. Stewardship Code “promotes improved transparency, disclosure and accountability in the stewardship ecosystem. The Code allows investor reporting to be assessed by the Financial Reporting Council (**FRC**) as an independent and impartial body to maintain standards. It has a strong reputation both domestically and internationally for supporting high-quality stewardship.” The FRC revised the 2020 Code and sought feedback on the changes.

Engagement objectives:

Our objective was to ensure that private real estate and infrastructure were considered in the way the code was written and in examples provided since regulations, standards and reporting often focus on listed equity and do not take into consideration the different approaches required for those investing in private markets and specifically real estate and infrastructure. The proposed changes that we commented on related to the definition of stewardship, streamlining the principles, guidance provided, policy and context disclosures and cross-referencing. As a signatory to PRI, we also shared our comments with the working group that was developing the PRI consultation response.

Progress and outcome of the engagement:

We submitted our response in early February 2025. A feedback statement and the new 2026 U.K. Stewardship Code were published in June 2025. We appreciated the effort the FRC made to streamline reporting at the same time as updating the Code. We were pleased with the results of the consultation that addressed many of the issues we and our peers raised. More recently in 2025, CBRE IM provided comments on the guidance developed to accompany the 2026 U.K. Stewardship Code.

Case study: The Association of Real Estate Funds (AREF)

Stakeholder(s) engaged and participants:

The Association of Real Estate Funds is a U.K. based organization that represents the interests of those fund managers who are members. CBRE IM is one of those long-standing members. CBRE IM encourages its employees to participate with organizations such as AREF by attending events and actively participating on committees. CBRE IM Portfolio Manager, Taryn Mundy is actively engaged with AREF.

Overview of the engagement:

AREF, among other roles, acts as a forum of the U.K. real estate fund management sector, bringing together stakeholders to discuss and debate topical issues and to learn and network with peers. AREF also acts as a collective voice for the sector, working with policymakers, tax, regulatory and other official bodies. AREF works closely with its members to collaborate on various issues relevant to the sector. AREF operates committees and working groups with individual members volunteering to be part of these committees. AREF has a need for speakers and members to participate in working groups and committees. From January 1, 2026, AREF, the British Property Federation (**BPF**) and the Investment Property Forum (**IPF**) will merge to form a new organization called Real Estate: U.K. (**RE:UK**). The new organization will serve as a unified void for the U.K. real estate sector, providing a single platform for advocacy, research, innovation and professional development.

Engagement objectives:

CBRE IM employees regularly attend AREF events, including formal training, webinars and seminars and roundtables keeping our employees informed on market-wide and systemic risks. We also actively contribute to AREF, providing speakers during the year for events. CBRE IM employees also participate on AREF committees.

Progress and outcome of the engagement:

CBRE IM Portfolio Manager, Taryn Mundy, continued to be closely involved with AREF's activities in 2024, sitting on the FutureGen Committee. She also contributes to AREF's industry mentorship scheme.



Case study: GRESB Foundation Real Estate Standards Committee

Stakeholder(s) engaged and participants:

GRESB provides benchmarking services on sustainability performance for real estate and infrastructure funds and is widely used by CBRE IM and our competitors. GRESB collects, validates, scores and independently benchmarks sustainability data to provide business intelligence, engagement tools and regulatory reporting solutions for investors, asset managers and the wider industry. Global standards for GRESB Real Estate are set by the Real Estate Standards Committee under the jurisdiction of the GRESB Foundation, an independent, not-for-profit organization (incorporated as a Dutch stichting) that is the primary platform for GRESB to engage with the industry. The Foundation opened up seats on the Real Estate Standards Committee. Our Head of Sustainability and Innovation, Helen Gurfel, was selected as a committee member to the Real Estate Standards Committee and engaged and collaborated with peers and GRESB staff on the committee.

Overview of the engagement:

CBRE IM has been the largest contributor of portfolios to the GRESB real estate assessment for several consecutive years.¹⁹ We sought a seat on the Real Estate Standards Committee to be able to influence standards that would impact our portfolios as well as those of the real estate investment management industry as a whole. Our Head of Sustainability and Innovation, Helen Gurfel, became one of 15 industry representatives on the Real Estate Standards Committee. Helen actively participated on the committee providing valuable insight to GRESB.

Engagement objectives:

During 2024, the Real Estate Standards Committee discussed the issue of transitioning some policy or progress improvement indicators to absolute performance indicators. In the past, net zero or near net zero buildings received no or few points even though they exhibited exemplary performance. The Real Estate Standards Committee also discussed how the structure of the benchmark could be changed to achieve more participation and impact a greater universe of assets and portfolios.

Progress and outcome of the engagement:

We believe that through our participation, we are able to collaboratively work with others in our industry to improve management and disclosure of market-wide and systemic risks.

As a result of the collaborative engagement, GRESB will change the benchmark to give credit for strong performance using ASHRAE 100 standards. In addition, points will be reallocated with a greater focus on absolute performance versus relative performance and progress.

¹⁹ As confirmed by GRESB.

Case study: CRREM North America Project participation

Stakeholder(s) engaged and participants:

CBRE IM's Head of Sustainability and Innovation and other members of our Sustainability Team.

Overview of the engagement:

Driven by ULI member requests, CRREM, ULI, and the Lawrence Berkeley National Lab (**LBNL**) partnered to create more granular curves for the U.S. and Canada. The project team engaged hundreds of diverse real estate industry stakeholders to inform this process by hosting a virtual working group. The five virtual working group sessions were open to the public for the real estate industry to provide feedback on the project's priorities, such as including additional data sources, to enable more granular curves for North America.

Engagement objectives:

Our Head of Sustainability and Innovation, Helen Gurfel, and other members of our Sustainability Team, participated with our peers in providing feedback to CRREM on creating transition curves that were directly applicable to the U.S.

Progress and outcome of the engagement:

Working with the feedback we and our peers provided, the CRREM North America Project successfully delivered more granular decarbonization curves for the U.S. and Canada in 2024, incorporating U.S. building data and electricity grid information.

Assessing effectiveness in responding to market-wide and systemic risk

We assessed our effectiveness in responding to market-wide and systemic risks, including climate and macroeconomic risks, through the consideration of the following three components:

- Benchmarking our performance and risk management approach
- Our financial and sustainability performance
- Collaborative engagement with peers through industry organizations and leadership positions within those organizations

Specifics of our approach to identifying, managing and responding to market-wide and systemic risks are described in this Principle above and in Principle 7. If our approach is effective, we should see continual improvement and top-tier performance from a financial and sustainability perspective since it means we are mitigating risks and contributing to carbon reduction and other factors impacting the globe. Through collaborative engagement, we are able to bring our expertise to help the industry as a whole.

- **Benchmarking:** We complete the PRI reporting framework annually (or as prescribed by PRI) for the Firm and our strategies. We outperformed our peers in the last full assessment (2023), receiving four or five stars and scores of 85-100, well above the PRI median, for all scored modules. We assessed the effectiveness of our ability to identify and respond to market-wide and systemic risks also by reviewing our latest GRESB final results in October 2024. We participate in this assessment on an annual basis, which requires us to provide our management capabilities and approaches to assessing and overseeing these types of risks. In our 2024 GRESB assessment, we received a score of 30 out of 30 on the Management Component indicating effective governance and management of market-wide and systemic risk, including sustainability risk. We submitted more portfolios than any other manager according to GRESB. We believe that we can continually review our results of the PRI and GRESB assessments annually to find gaps and areas to make changes. As an example, when we completed and reviewed

the PRI assessment, we saw that we did not provide buyers with a standard package of sustainability information on the Firm and the property for sale. To address this deficiency, we are seeking to develop a standard sustainability information template for buyers.

- **Financial and sustainability performance:** As with benchmarking, we continually seek to improve performance through active management, due diligence and nimbleness. We believe that integrating sustainability factors within the investment process, as described in more detail under Principle 7, helps us manage and respond to market-wide and systemic risk, preserve the values of our assets and enhance overall returns. We measure our effectiveness of managing market-wide and systemic risk management by delivering strong financial and sustainability performance contributing to the reduction of climate and other market-wide and systemic risks. Our financial and sustainability performance is a testament of our management and response to all types of risk, including market-wide and systemic risks.
- **Collaborative engagement:** Through our active participation in industry organizations, we seek to improve not only our management of market-wide and systemic risks but for the real assets industry as a whole. We share our best practices, we learn from our peers, and together we work toward improvements for all. We are pleased to have helped other investment managers in our industry to manage and respond to market-wide and systemic risks by sharing our experience and lessons learned.
- **Resource allocation:** We seek to adapt to and address future risks by allocating substantial resources to our in-house research capabilities and through our significant efforts to identify potential future risks.

Principle 5: Review and assurance

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

Policy reviews to enable effective stewardship

CBRE IM reviews and updates policies periodically. Our Compliance and Legal Team provides internal assurance that our policies are aligned with applicable regulatory requirements.

Policies that enable effective stewardship include the following: Global Sustainability Policy, Conflicts of Interest, Remuneration, Engagement and Voting (for relevant strategies). The Global Sustainability Policy, Standards of Business Conduct, Engagement Policy and Voting Policy, as well as all key reports are available on our website or CBRE's website. In 2022, we completed a comprehensive update of our Investment Management Policies and Procedures, dividing them into two documents—Compliance Policies and Procedures (discussed in Principle 3) and Operational Policies and Procedures (related to the investment process and Investment Committees).

CBRE IM's Global Sustainability Policy is currently being updated to include more robust sections on nature, GHG removal, renewables and whole life carbon. Our dedicated Sustainability Team, supported by external advisors, technical consultants and the Firm's in-house Legal and Compliance Teams monitor for new global, regional and local policies and regulations that apply to our business and update our internal policies and practices accordingly.

In recent years, we updated our policies and procedures to reflect new requirements that came from SFDR and the EU Taxonomy, TCFD and the extension of the Minimum Energy Efficiency Standard (**MEES**) in the U.K. (and equivalent policies, regulations and guidelines in other countries). We regularly perform horizon scans to allow for adequate time to integrate any necessary updates to our practices. As a Firm, we use our influence to encourage our partners, industry and communities to integrate sustainability and stewardship principles. We participated in consultations regarding sustainability approaches, the U.K. Stewardship Code and climate-related regulations and standards proposed by PRI, the U.K. FCA and the U.K. FRC, some of which are described in our response to Principle 4. Our Sustainability Team, along with Legal and Compliance, worked collaboratively to thoroughly understand the TCFD reporting recommendations, the SFDR technical standards and reporting requirements of Principal Adverse Impacts (**PAIs**) to provide implementation guidance to seek to meet our signatory and/or regulatory obligations and provide internal program assurance for our sustainability initiatives to ensure compliance with all relevant regulatory requirements.

Listed Real Assets has both an Engagement Policy and a Global Proxy Voting Policy which are reviewed annually. Further details on proxy voting for Listed Real Assets are provided in our response to Principle 12.

Indirect Real Estate has an Engagement Policy that includes guidance on voting for indirect mandates. Many of our underlying investments are covered by sustainability policies aligned with PRI principles and GRESB which govern the manager's approach to climate-related risk management. Through an annual review of an underlying manager's Management component in GRESB and the Policy, Governance and Strategy module in PRI (which will be changing in 2026), we can benchmark the effectiveness of our sustainability and stewardship-related policies and activities. The annual review supplemented by a Sustainability Questionnaire sent to underlying managers and operating partners helps us identify ways to further strengthen our approaches and prioritize topics for engagement with individual managers and operating partners. Again, we share best practices to improve the effectiveness of all our managers and operating partners as well as other market participants.

Direct Private Infrastructure leverages participation in the GRESB assessment by portfolio companies to conduct a gap analysis against top scores and emerging best practices to support the annual review of portfolio company policies and processes. In 2024, the Private Infrastructure Team published a sustainability risk management framework specific to our direct infrastructure fund and a set of supporting policies, tools and templates which underpinned the fund's reclassification to EU SFDR Article 8. In the first half of 2024 a dedicated Indirect Private Infrastructure sustainability framework was established and adopted alongside supporting tools and templates, providing clarity on the two distinct engagement processes undertaken by CBRE IM throughout the indirect investment process and clearly explaining the implications of fiduciary duties in the deployment of a consistent approach to sustainability across the indirect portfolio.

Case study: Private Infrastructure focus on increasing sustainability data quality and completeness

Stakeholder(s) engaged and participants:

The Private Infrastructure Asset Management Team engaged directly with portfolio companies in our direct portfolio to collect data and internally validate the data.

Overview of the engagement:

The Private Infrastructure Team collects data directly from direct portfolio companies to satisfy its regulatory disclosure requirements and produce an annual climate report. These requirements are detailed in our Sustainability Engagement Pack, which includes a data dictionary outlining all relevant data points required, their definitions, validation rules and the data collection schedule. The data shared by portfolio companies can be incomplete, use inconsistent methodologies and require internal validation to confirm accuracy.

Engagement objectives:

In 2024, we took significant steps to enhance the quality and breadth of sustainability data reported by our portfolio companies. Our efforts included refining our sustainability data dictionary to meet additional requirements for SFDR and net zero reporting. The Sustainability Engagement Pack included a detailed explanation of data expectations, with further detail and external links provided on specific topics, for example greenhouse gas accounting methodologies. These enhancements were designed to streamline and improve the accuracy and comprehensiveness of data collected from portfolio companies.

The Private Infrastructure Asset Management Team undertook a process of internal validation of the data. The Team reviewed the submitted data, running validation checks against the previous year's reported data, before confirming the methodology used, and going back to the portfolio company to ask for clarifications and additional context regarding the data where appropriate.

Progress and outcome of the engagement:

The internal validation process identified several inconsistencies in methodologies and errors within the data, stemming from both human error and incorrect methodologies as well as limitations of data coverage. Correcting these errors improved the reliability of the reported data. Subsequent engagement with portfolio companies allowed alignment on preparation, year-over-year performance and often across companies.



Additional steps taken to ensure effective policies

The Firm takes additional steps to review the effectiveness of policies and procedures through internal and external assurance. These steps include:

Internal assurance:

(Provides an informed additional perspective to ensure we are adhering to our policies and standard practices and operating at a high level of integrity)

- Dedicated in-house Compliance professionals review all marketing and related materials and documents before use.
- The in-house Compliance function implements a compliance monitoring program to check for adherence to regulations and internal policies and procedures.
- Sarbanes Oxley audits conducted annually by the in-house CBRE Team.
- CBRE Internal Audit Team periodically audits CBRE IM's internal controls and checks for adherence to our Compliance and Operating Policies and Procedures together with our regulatory obligations. These occur at least once every three years.

External assurance:

(Provides assessments by experts to ensure we remain competitive, do not have blind spots and are operating in a way that meets and exceeds the expectations of our clients and all stakeholders)

- Periodic reviews and prudential regulatory support provided by external regulatory compliance consultants, (i.e., ACA, Centralis) as and when required.
- We subscribe to the Dual AAF 01/20 & ISAE 3402 controls audit, which is tested annually by a firm of independent accountants.
- Financial statutory accounts of our legal entities are subject annually to audit by a firm of independent accountants.
- Depositories of investment funds perform due diligence to check for adherence, as prescribed under the Alternative Investment Fund Managers Directive (AIFMD). These due diligence checks typically take place once every three years but are subject to the specific timings of each depository.
- We engage ISOS to assure to the AA1000 standard our GRESB Management Component and many of our funds' performance data for GRESB submissions. In some instances, we use other assurance/audit firms such as Deloitte. Fund auditors also have begun commenting on sustainability sections in annual reports.

Reports of the reviews, with the exception of the GRESB assurance, referenced above are issued to senior management following completion. Where the review highlights operational risks, the reports are also provided to the applicable Risk Management Committee. The reports highlight, where necessary, any exceptions and enhancements that may need to be made to existing processes and procedures. Such action points are tracked to resolution and are implemented by the applicable business units, with the Compliance and Risk functions involved in the process to ensure the action points are closed.

The ISOS GRESB assurance reports are provided to the Sustainability Team and Investment Teams who action any items that need to be addressed.

Ensuring stewardship reporting is fair, balanced and understandable

CBRE Investment Management provides clients with regular updates on stewardship, sustainability issues, activities, risks and exposures in quarterly and annual reports, through ad-hoc communications and at client meetings. To

ensure all client communications, including those that report on stewardship activities, are complete, accurate and fairly represented without making false representations, several internal stakeholders review and validate content from their respective areas. We ensure all reports comply with relevant legal requirements and FRC reporting guidelines. We also ensure that reporting is accurate and understandable through internal and external review of data and commentary. A good example of such an annual report is described in the case study below:

Case Study: Annual Engagement Report for Listed Real Assets

Stakeholder(s) engaged and participants:

We engaged with listed real assets companies spanning the globe, concentrating on developed markets (in line with the investible market for real assets).

Overview of the engagement:

CBRE IM believes that companies with purpose-led sustainability values embedded throughout their business are well positioned to generate superior long-term performance for investors. Engagement informs analyses that enable our portfolio management decisions. We track over 120 fields comprising over 100,000 distinct data points for sustainability in real assets companies to better inform our views.

Engagement objectives:

We seek to encourage best practices as a leading global investment manager through robust engagement and a disciplined proxy voting process, conveying the principles we value through these efforts. We consistently record all engagement and voting events throughout the year undertaken by the Listed Real Assets Team. Our achievements are reported annually within an engagement report that is a fair and balanced summary of the activities pursued during the previous year. The report is published on our Firm's website.

Progress and outcome of the engagement:

Our 2024 Listed Real Assets Engagement Report included a review of our engagement efforts across Listed Real Assets during the year, presented case studies and summarized our proxy voting activity. We also commented on the outlook for the future of sustainability engagement. We believe that consideration of sustainability factors in investment decisions can enhance returns, mitigate risk and preserve value for investors. The Engagement Report for Listed Real Assets is available on our website and can be accessed at the following link: [Engagement Report for Listed Real Assets](#).

An infographic showing the [Listed Real Assets proxy voting record](#) during 2024 is also available on our website.

The Firm also contributes to CBRE's annual Corporate Responsibility Report, which complies with the Global Reporting Initiative (GRI) standards and demonstrates our commitment to the UN Global Compact Principles and UN Sustainable Development Goals. The Corporate Responsibility report is publicly available on the CBRE and CBRE Investment Management website ([CBRE 2024 Corporate Responsibility Report](#)). We also published our third Global Climate Report for CBRE IM, which is aligned with TCFD recommendations. This is also available online at the following link: [Global Climate Report 2024](#).

Review and continuous improvement of stewardship policies and procedures

The Sustainability Policy applies to each operating segment of CBRE IM. The Global Sustainability Council reviews and approves changes to the Sustainability Policy periodically to reflect regulatory, industry, market and other developments. The Sustainability Policy establishes and aggregates key aspects of CBRE IM's standards and policies which concern the stewardship and integration of sustainability in investments and operations. The applicability of

specific actions, measures and benchmarks is adjusted as appropriate due to differences in investment strategies, markets and geographies. Equally, their applicability is adjusted according to the type of influence and level of impact of CBRE Investment Management based on the market and investment strategy.

In 2022, the Firm engaged external legal counsel to conduct an audit of our sustainability program. The audit included the collection and review of sustainability documents and comparison with responses to RFPs and questionnaires to assure consistency and alignment. The findings from the 2022 audit were positive with no critical issues identified. However, the need for more training was highlighted as a key focus if we were to fully integrate sustainability into all business functions. This accelerated our efforts to roll out the training described earlier in Principle 2.

As new regulations emerge, we conduct a gap analysis to ensure alignment with those regulations. A key function of the Sustainability Team is to continuously review the rapidly evolving sustainability market through engagement with organizations, initiatives, conferences, standards committees and market analysis to bring the latest thinking back to the Firm and inform the continual improvement of our strategy, sustainability tools and processes. For example, as part of our SFDR product classification process, we looked for additional ways to further highlight and evidence the sustainability and stewardship activities we undertake to manage key sustainability risks and ensure our related policies are comprehensive, aligned to market practice and regulatory expectations.

On an annual basis, we complete the PRI and GRESB assessments, review our scores and then create an action plan for the coming year, including initiatives to continually improve performance and address deficiencies as described above and in Principle 4. As an example, we review indicator scoring to identify areas in which we did not receive full points and discuss what might be feasible to implement to improve our sustainability and stewardship performance. At the portfolio level, the same review process of GRESB indicators is completed to determine initiatives to pursue to improve portfolio-level sustainability and stewardship performance.

We review the results of annual or biannual tenant surveys to continually evolve and improve our asset-level stewardship policies and processes.

Every few years, upon the completion of the Kingsley survey of a selection of our clients, we review feedback and update or adjust our policies and practices to ensure we are continually improving our approach to stewardship.

Case Study: Policy updates following an internal audit

Stakeholder(s) engaged and participants:

The engagement involved CBRE's Internal Audit Team, CBRE IM's Legal and Compliance Team and our Portfolio Teams.

Overview of the engagement:

As mentioned earlier in this report, the CBRE Internal Audit Team periodically audits CBRE IM's internal controls and checks for adherence to our Compliance and Operating Policies and Procedures together with our regulatory obligations. These occur at least once every three years. The last internal audit was undertaken in 2024.

Engagement objectives:

The 2024 internal audit review of the U.K. Direct and Global Indirect Real Estate businesses examined select portfolio, asset management and compliance activities. Additionally, a limited review of the aged receivables (U.K. Direct only) and payroll practices was performed. The reviews identified the need for improvements in compliance monitoring sampling approach, including risk-based factors and population variability, inconsistent commentary recorded in the existing aged receivables monitoring process (U.K. Direct only) and inconsistent issue tracking and communication between Controllership, Payroll and People. As a result, we updated the Compliance Monitoring Plan and Report template to include sample size and rationale, incorporated collection and recording status updates in the aged receivables monthly reporting process (U.K. Direct only) and implemented both recurring touchpoints with relevant teams and issue logs to formally document and track issues.

Progress and outcome of the engagement:

Actions to address each observation were completed either before the closing of the project or prior to the start of 2025. Updates were circulated to the Portfolio Teams.



2

Investment Approach

Principle 6: Client and beneficiary needs

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

We engage directly with our clients and beneficiaries to understand their values, investment requirements and desired stewardship outcomes and then communicate with them on a regular basis on the activities we have pursued and those outcomes. We also hire Kingsley Associates to conduct a client satisfaction survey every few years to determine how we are doing and identify areas for improvement. More details on the most recent results from this survey are discussed under Principle 1.

Portfolio Management Teams provide sustainability reporting to investors through investor communications, including ad hoc communications, webcasts, in annual meeting materials or in-person/virtual meetings and in quarterly and annual reports.

As a specific example of taking into account the needs of our clients, as a signatory to the Local Government Pension Scheme (**LGPS**) Code of Transparency, we report on costs related to investment activity in a format which specifically meets the stated requirements of LGPS clients.

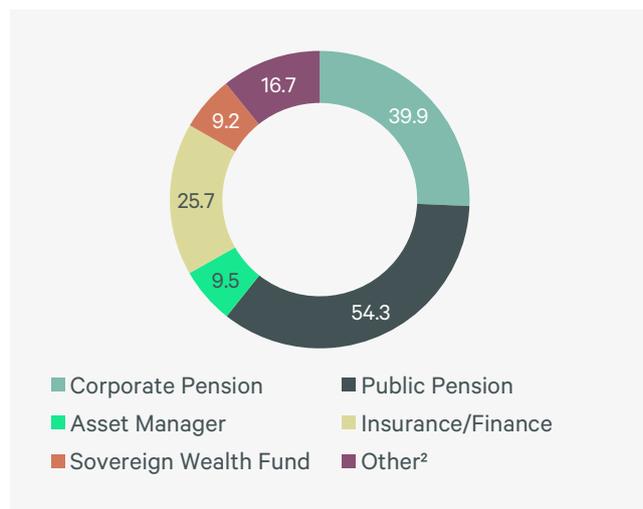


Client base

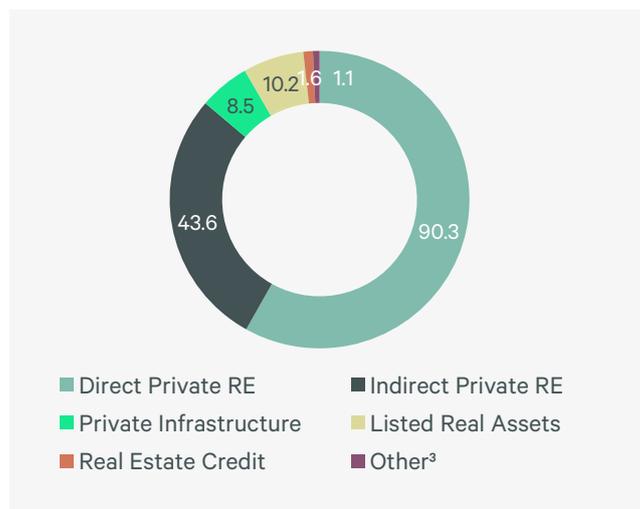
As of the end of June 2025, CBRE IM had \$155.3 billion (£113.1 billion) of AUM.⁸ The pie charts below set out the breakdown of our global AUM by four different means: client type, strategy, risk profile and implementation type.

Client type and assets under management¹

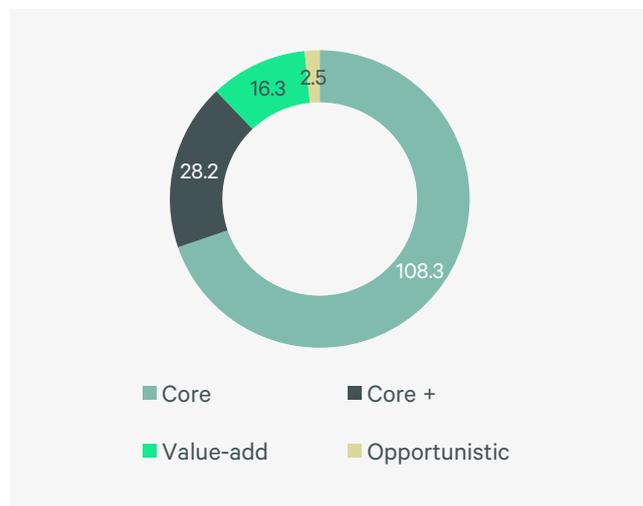
Client type



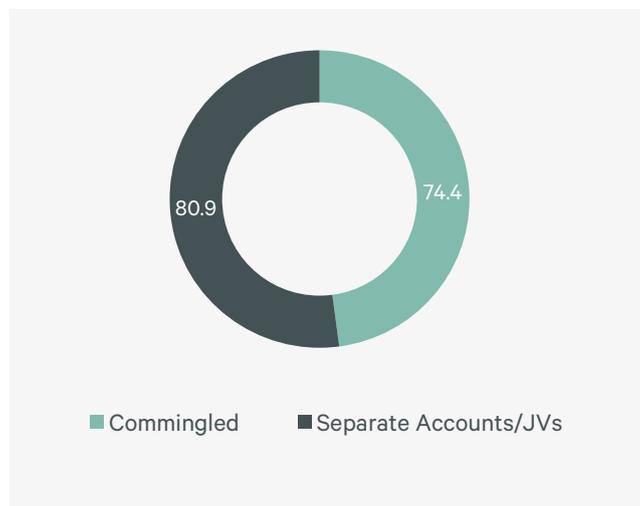
Strategies



Risk profile



Implementation



As of June 30, 2025.

All figures in USD Billions.

¹Assets under management (AUM) refers to the fair market value of real assets-related investments with respect to which CBRE Investment Management provides, on a global basis, oversight, investment management services and other advice and which generally consist of investments in real assets; equity in funds and joint ventures; securities portfolios; operating companies and real assets-related loans. This AUM is intended principally to reflect the extent of CBRE Investment Management's presence in the global real assets market, and its calculation of AUM may differ from the calculations of other asset managers.

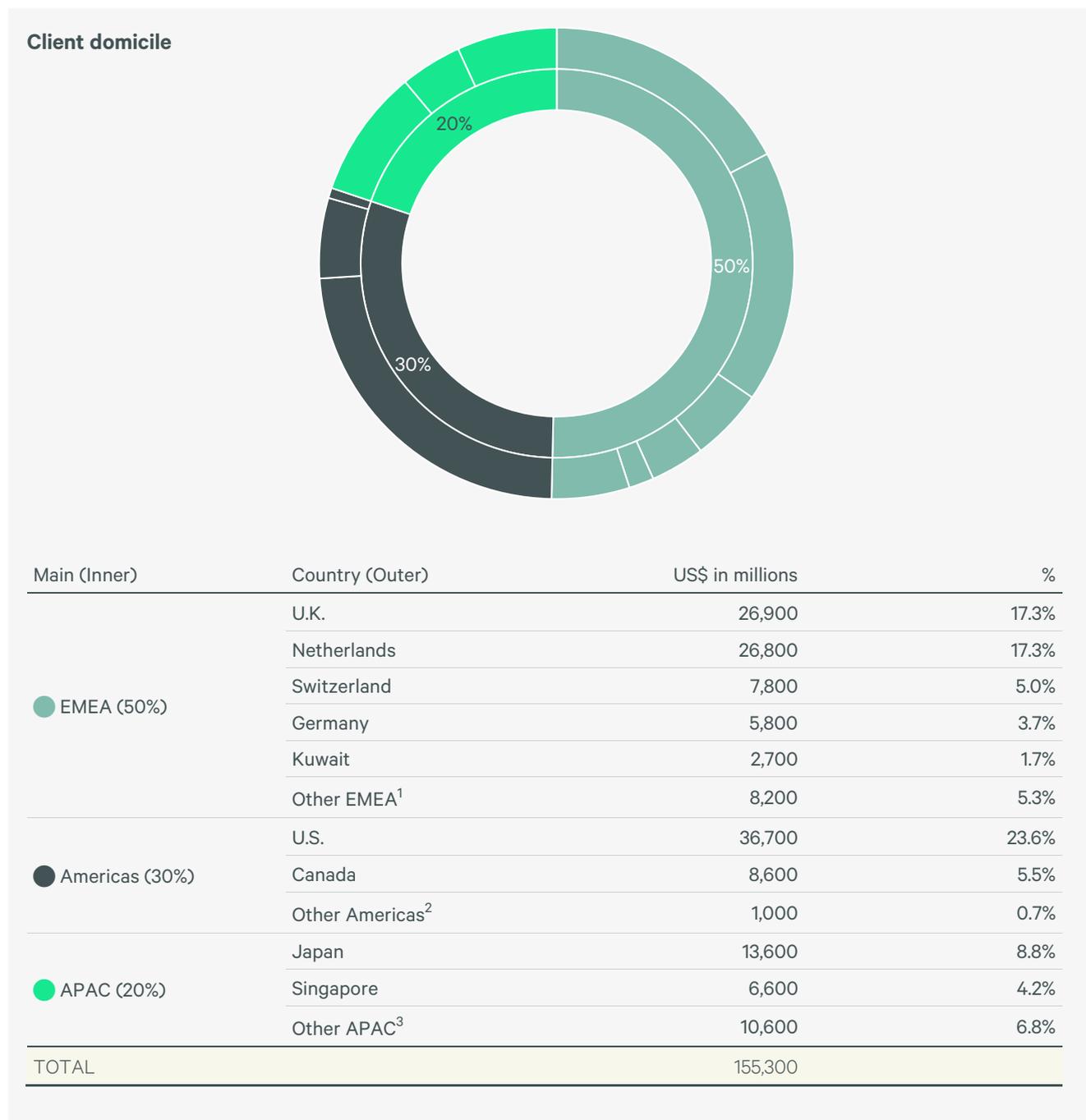
²Other includes Endowment Plan, Foundation, High Net Worth Investor (Family office), Fund of Funds Manager, Banks, CBRE Employee/Individual, CBRE Parent Co-Investment, Government Agency (non-pension), and Unlisted Indirect Real Estate.

³Other includes Private Equity.

Source: CBRE Investment Management.

The following graphic below provides a breakdown of CBRE Investment Management’s client base by country of domicile, as of June 30, 2025.

CBRE Investment Management global AUM by client domicile in US\$ and %



As of June 30, 2025.

¹Austria, Belgium, Botswana, British Virgin Islands, Cyprus, Denmark, Finland, France, Iceland, Ireland, Italy, Jersey, Liechtenstein, Luxembourg, Malta, Norway, Oman, Portugal, Saudi Arabia, Spain, States of Guernsey, Sweden, United Arab Emirates.

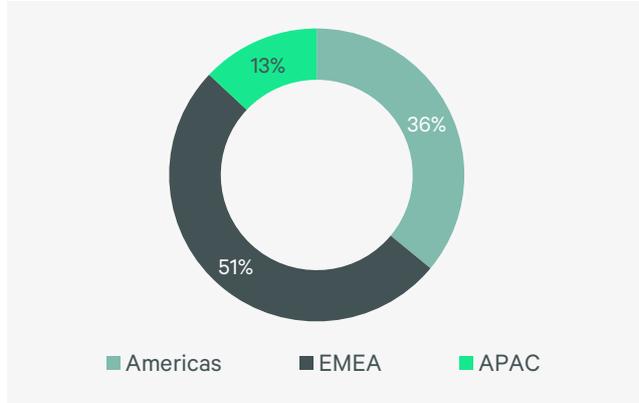
²Cayman Islands, Bermuda, Virgin Islands.

³South Korea, Australia, China, Hong Kong SAR China, Malaysia, New Zealand, Taiwan China, Thailand

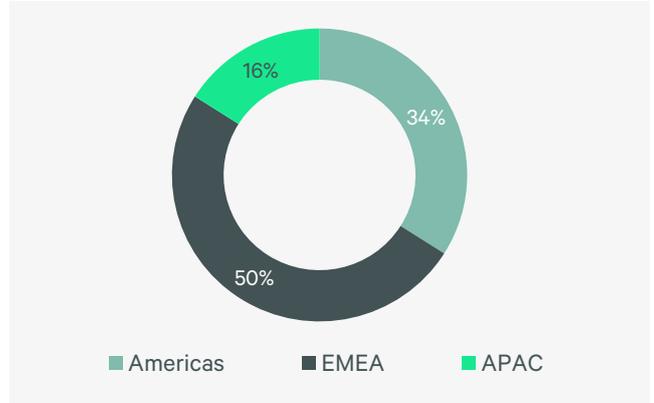
Source: CBRE Investment Management.

Assets under management

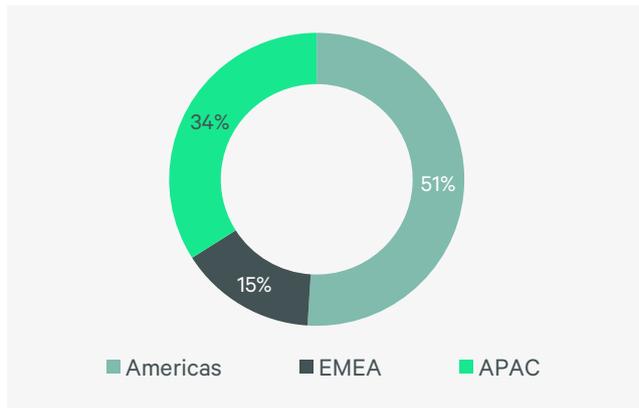
Direct Real Estate AUM by global region



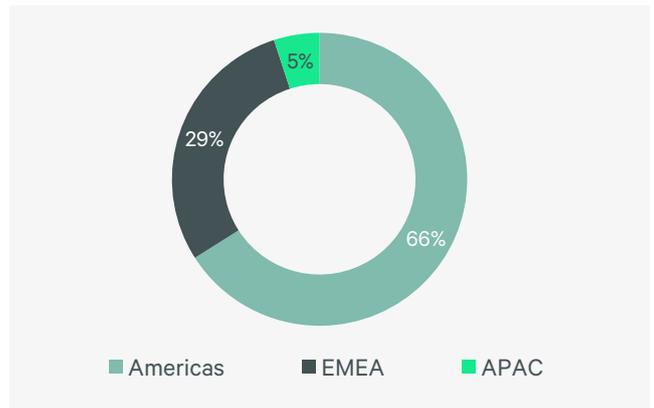
Indirect Real Estate AUM by global region



Listed Real Assets AUM by global region



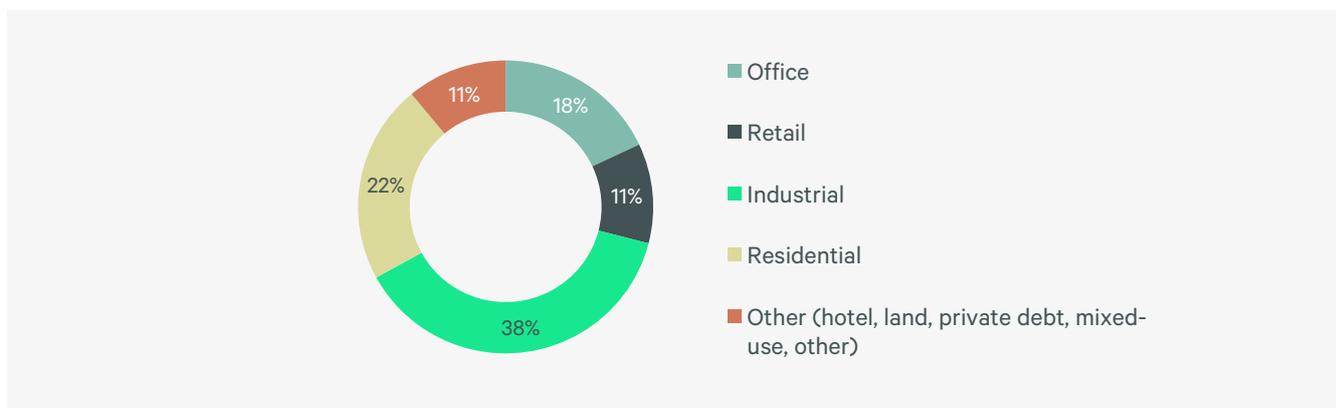
Private Infrastructure AUM by global region



As of June 30, 2025.

Source: CBRE Investment Management.

Direct and Indirect Real Estate AUM by sector



As of June 30, 2025.

Source: CBRE Investment Management.

Direct Real Estate AUM by country

Country	Direct Real Estate Gross AUM, US\$ in millions
U.S.	34,300
U.K.	16,800
Netherlands	9,900
Japan	6,300
Germany	5,100
France	3,200
Singapore	1,900
China	1,900
Poland	1,800
Belgium	1,700
Italy	1,700
South Korea	1,400
Spain	1,300
Portugal	1,200
Other EMEA	2,900
Other APAC	500

As of June 30, 2025.

Source: CBRE Investment Management.

Investment time horizons

The hold period will vary from asset to asset and by strategy, however, the general range for real estate assets is from two to twelve years. Typically, core properties will be held longer term, i.e., 10+ years, to minimize transfer costs and maximize cash returns. Infrastructure investments typically have longer hold periods. The Firm offers strategies, such as a long income fund, where hold periods are significantly longer as well as strategies with shorter hold periods for value-add closed-end fund strategies. Our various strategies meet the differing needs of clients and beneficiaries.

Seeking clients' views

As mentioned in Principle 1, CBRE Investment Management engages Kingsley Associates to conduct a client survey every few years. We also receive information on client views during annual meetings, advisory board meetings, individual client meetings and in other meetings with groups of clients. Through one-on-one meetings with investors, the Sustainability Team is able to provide sustainability education and gain a greater understanding of client views and needs with regards to stewardship and sustainability.

Managing assets in alignment with clients' stewardship and investment policies

Separate account mandates allow portfolio managers to work with clients to tailor investment plans that are in alignment with clients' stewardship, sustainability and investment policies. We consider a client's Statement of Investment Principles or Investment Strategy Statements and any client policies relating specifically to stewardship matters in creating an investment plan and approach for the mandate. All such mandates will typically also be managed in alignment with our Sustainability Vision. For our funds, we seek to maintain stewardship and investment policies that reflect industry best practices which would be in alignment with the majority of our clients' policies. As an example of aligning asset management with client stewardship and investment policies, we have managed a small number of Shariah-compliant portfolios which aligned with Shariah principles and requirements. We specifically seek to exclude investments that we know (1) generate revenue from illegal activities, such as illegal drug or human trafficking, child labor, human slavery, illegal weapons manufacturing, the production of prohibited substances for prohibited purposes and illegal gambling, (2) violate government sanctions, host country laws or other restrictions governing financial involvement with specified individuals, entities, companies or countries, or (3) are primarily used for pornography or prostitution, in each case, to the extent we may legally do so. We will also abide by any agreements made with clients regarding such client's social responsibility objectives and preferences, provided we may legally do so. This Exclusion Policy is within our Global Sustainability Policy and may restrict the tenants and usage of buildings held within our portfolios.

Client reporting on stewardship and investment activities

We maintain regular contact with our clients, including having stewardship discussions with them. This is carried out not only by our Investment Teams, but also by our Client Solutions Team that includes our Client Solutions Officers and Client Care Group. All our main commingled funds have dedicated Client Care professionals responsible for coordinating communication with clients, including responding to DDQs and other client queries, providing regular reporting to clients through quarterly reporting and investor meetings (either online webinars or in-person events).

Reporting varies between different funds and accounts but will typically include annual and quarterly reports. All funds and separate accounts seek to include firmwide updates on sustainability in their annual and other quarterly reports. The highlights of a portfolio's GRESB results are reported in Q3 reports or in an ad hoc communication to clients and the full GRESB report is available to investors upon request. We disclose our stewardship activities, performance and outcomes by sharing our annual PRI Transparency Report and Assessment Report and in CBRE's annual Corporate Responsibility Report. In H1 2024, the Firm published its third Climate Report, which is TCFD-aligned, and we recently published our fourth Climate Report in 2025.

Our annual client reports incorporate sustainability and climate-risk (energy performance, physical risk hazards, carbon footprint) metrics and updates on sustainability, engagement and stewardship initiatives being undertaken by the Portfolio Management and broader Investment Teams on behalf of our clients based on the strategy. These updates can be on a variety of topics, including the following for Direct Real Estate: community level engagements, promotion of energy efficiency amongst tenants, progress on green building and wellness certifications, and energy performance certificate ratings (or equivalent in the local market). Also, for Direct Real Estate, we update clients on capital projects that the Portfolio Team undertakes, for example installation of solar photovoltaics, EV charging stations, LED lighting, heat pumps, etc.

For many of our funds, we provide clients access to data and information on their investment through a secure online data portal.

Our funds typically hold quarterly or biannual investor meetings to offer clients the opportunity to review and discuss the investment activities and performance of the fund.

Some funds also have advisory boards or Discussion Groups (**DGs**) comprised of investors in the fund. These groups are tailored to the needs of each individual fund. For example, one of our open-end direct real estate funds operates a Discussion Group with one investor from each of its eight share classes represented.

Annually, we also update our SFDR required documents.

Outcomes

CBRE Investment Management seeks to apply a methodical approach to stewardship, sustainability and specifically climate change.

In the most recent Kingsley survey of our clients in 2022, we included a question regarding sustainability to assess the effectiveness of our stewardship activities. In the latest Kingsley Survey, 74% of respondents rated CBRE IM as a leader in sustainability and 75% rated us as a leader in diversity. By hiring an outside third party, we seek to receive more candid feedback to better assess our strengths and where we need to improve. In the latest survey, our size was cited as both a strength due to the breadth of global coverage and a weakness because of organizational silos and speed of execution. We are seeking to break down silos, encourage greater collaboration among teams, improve communication and increase execution speed simultaneously. The survey showed that although we had a decline in client satisfaction from two years prior, 85% of investors indicated that CBRE IM was better or much better than competitive firms and 42% of respondents said that CBRE IM had no weaknesses. As mentioned previously, we seek to continually improve client satisfaction assessing how we can better service our clients. For further details, please refer to the final section under Principle 1.

Results of the Kingsley Survey help us evaluate the effectiveness of our client communications. We make changes in our approach based on such feedback. We created a new Client Care structure in EMEA within six months of the 2019 survey in response to a decrease in overall satisfaction of clients in that region from 2017-2019. In the 2022 survey, we received high marks for Client Service as a result of that change. We also get direct feedback from clients, for example, in regular meetings with individual clients, which we address in a timely manner. The frequency of meetings with individual clients will vary according to the fund or accounts they are invested in. However, for Direct Real Estate, we seek to meet with clients at least once a year, either virtually or in-person. Our Direct Real Estate comingled funds hold quarterly and annual investor meetings and webcasts, to which all investors are invited. Some funds also operate investor discussion groups or unitholder advisory boards.

We also interact on a regular basis with investors and/or their consultants through operational due diligence questionnaires, annual manager reviews and requests for information. To ensure that we provide a consistent response to these questionnaires with regards to sustainability, all such responses are prepared by the Client Care Sustainability Leads, working with our Sustainability Team and other subject matter experts as is necessary.

Client objectives are also monitored internally through our Portfolio Oversight Committees. These committees rigorously oversee and review every portfolio in detail, carefully considering investment strategy, performance and key performance indicators. This is particularly important for our separate accounts business where clients may have specific objectives and investment preferences. POCs will also review past portfolio performance and attribution and portfolio risk metrics alongside compliance with risk framework/mandate constraints, downside stress testing, progress against sustainability strategy and targets, problem investments and action plans. The POC approves the go-forward investment plan ensuring consistency with the most recent House View, market forecasts, preferred themes, model portfolios and tactical positionings. In future years, we hope to improve our client engagement on stewardship, providing deeper insight into our processes and demonstrating how we act as responsible stewards on their behalf.

During the reporting period, to the best of our knowledge, there have been no instances where CBRE IM did not manage assets in alignment with our clients' stewardship and investment policies across our investment strategies. We monitor this to ensure that when and if this were to occur in the future, we would include this in our U.K. Stewardship Code report at that time.

Principle 7: Stewardship, investment and ESG integration

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfill their responsibilities.

Context

As real assets investors and owners, we apply sustainability principles in a variety of ways, depending on the strategy. Under this Principle, we set out the different approach for four of our strategies, not including Real Estate Credit, which we are in the process of winding down and is closed to new investors and not making any new loans as mentioned in Principle 1. Our Listed Real Assets strategy includes both Listed Real Estate and Listed Infrastructure.

Integration of stewardship within the investment process differs for Direct Real Estate, Indirect Real Estate, Private Infrastructure and Listed Real Assets. There is no variation to our approach by geography. For Direct Real Estate, we have full control over the asset and can develop and implement initiatives to improve sustainability performance and engage with property managers and tenants. For Indirect Real Estate, Private Infrastructure and Listed Real Assets, we engage with underlying managers, operating partners and portfolio companies to ensure stewardship and sustainability activities meet the requirements of our Sustainability Policy and practices for each strategy. We believe that integration of stewardship and sustainability is vital to achieving our business outcomes across our strategies and geographies.

Stewardship integration

Direct Real Estate

We believe that consideration of sustainability issues in investment decisions can enhance returns, mitigate risk and preserve value for investors. We integrate sustainability factors into all aspects of the investment process including portfolio construction, risk management and identification of opportunities to create alpha. We believe that through sustainability integration, a tangible impact on improving energy efficiency, reducing greenhouse gas emissions and slowing climate change can be made.

The dedicated Fund or Portfolio Team, alongside the Firm's in-house Sustainability Team, evaluates opportunities for green improvements for each asset prior to acquisition and tracks efficiency and performance during the hold period. To identify the potential for improvements that would lessen a property's environmental impact and promote wellbeing, third-party consultants are routinely engaged to evaluate the physical and environmental characteristics of potential investments to identify opportunities for improvements that would reduce a property's environmental impact. Sustainability initiatives are formulated during the due diligence process and included in the strategic plan and capital expenditure program for the potential investment. Environmental, as well as physical and transition risk and opportunity factors, may be considered as part of the investment selection process and may include the following, where consistent with investment objectives:

- **Climate:** Energy, water and waste consumption, GHG emissions, exposure to fossil fuels, energy generation from onsite renewables, energy labels and building certifications and building exterior environmental characteristics (orientation, facades, landscape, etc.).

- **People:** Occupier and industry exposure, presence of harmful materials or contamination, building interior environmental/wellbeing characteristics (lighting, air quality, occupier comfort, etc.), access to bicycle parking, electric vehicle charging stations, public transportation and amenities.
- **Influence:** Alignment with rapidly evolving regulations and expectations of tenants and clients.

Social factors, such as health and safety, wellbeing and tenant engagement, are incorporated alongside environmental factors throughout the investment process and lifecycle of the asset. We begin by evaluating social and reputational risks as part of a transaction’s due diligence process and engage with tenants as a key component of our asset management process. Our asset managers collaborate with our third-party property managers to incorporate socially responsible practices and community involvement, including charity initiatives, volunteering opportunities and recycling programs.

Our stakeholder engagement approach takes several paths to provide a holistic and well-rounded interaction with tenants:

- **Tenant/resident satisfaction survey:** We seek to conduct an annual survey to better understand tenants’/residents’ overall experience and identify any issues and opportunities.
- **Tenant data collection:** We seek to gather relevant information from tenants to identify areas for improvement, trends and patterns in consumption that can help us manage our assets more efficiently.
- **Corporate collaboration:** Whenever possible, we engage with the headquarters office for large corporate tenants, who typically have a greater understanding of sustainability data and targets, rather than dealing with local operations to agree to sustainability data sharing and collaboration on improvement projects. This is epitomized by the EMEA CRM program, see pages 96 and 122 for more details.
- **Green leases:** Wherever possible, we include green lease clauses, which may include regulatory requirements as well as landlord-tenant data sharing agreements, when possible.
- **Sustainability guides:** We may provide tenants with a green fit-out guide to help tenants improve sustainability outcomes when applicable. We engage with our tenants on how existing fit-outs are performing from an environmental perspective and what improvements can be made to increase efficiency and agree to such improvements as part of lease renewals.
- **Onsite sustainability workshops and events:** Events and workshops with tenants and the local community are delivered in partnership with property managers and our proprietary operating programs (where applicable). We actively engage with the community especially when a major refurbishment is planned. The feedback received often directly influences the final architectural design.

Our approach to climate risks for Direct Real Estate was described in Principle 4. We have a three-pronged approach beginning with a desk-based screening to identify potential high-risk assets in a portfolio for physical hazards, transition risks and energy efficiency to better understand asset performance as it relates to transition risk, physical risk and resiliency. If the asset is not efficient or does not have resiliency measures in place, we seek to work with a building engineer to prepare a mitigation plan for the asset and outline required operational and capital expenditures to be considered.

As mentioned in Principle 4, we use a third-party physical climate risk tool and CRREM to assess climate-related physical and transition risk, respectively.

The Firm places stewardship obligations on third-party service providers, for example property managers, contractors and consultants. Please refer to the “Integration of stewardship and investment with third party service providers” section below for more information.

Case study: Engagement on a retrofit for an affordable housing scheme

Stakeholder(s) engaged and participants:

Our affordable housing Fund Team engaged with a housing manager on a retrofit program for a key worker housing scheme in Mildenhall, Suffolk.

Overview of the engagement:

The housing scheme was comprised of 90 detached and 10 semi-detached residential properties with a mixture of two-, three- and four-bedroom homes. Most of the properties had an EPC D rating at the time the fund acquired the scheme in 2020 and were reliant upon oil-fired heating systems which were installed upon their construction in 2002. The oil-fired heating systems were reaching the end of their economic life and required replacement in a manner appropriate to the fund's environmental strategy, including the achievement of our net zero target by 2040.

When consultations began on replacing the heating systems in 2022, Minimum Energy Efficiency Standards (MEES) for private rented property were expected to be raised, requiring all new tenancies to have an EPC C rating by 2025 and existing tenancies to have an EPC C rating by 2028 (the government announced it would remove the proposed changes to MEES in September 2023). Replacing the heating systems on a like-for-like basis would, therefore, not have led to any environmental performance improvements and would potentially mean the properties would not comply with future regulatory requirements.

Engagement objectives:

The fund decided to future-proof and protect the scheme's valuation by replacing the existing oil tanks with an air source heat pump (ASHP) system, alongside the addition of solar PV panels and 5.4kW battery storage.

Progress and outcome of the engagement:

By September 2023, a pilot scheme on four of the affected homes was successfully completed, costing £30,000 per home, in which it found the following positive results:

- An increase in the EPC ratings of the buildings, from D to B
- Utility savings of approximately 20%, which the fund's CBRE Sustainability consultant estimated would lead to potential savings for residents of 36% on their heating bill
- Carbon savings of approximately 72% (equating to over 4.5 tons annually, in the case of the three-bedroom homes)

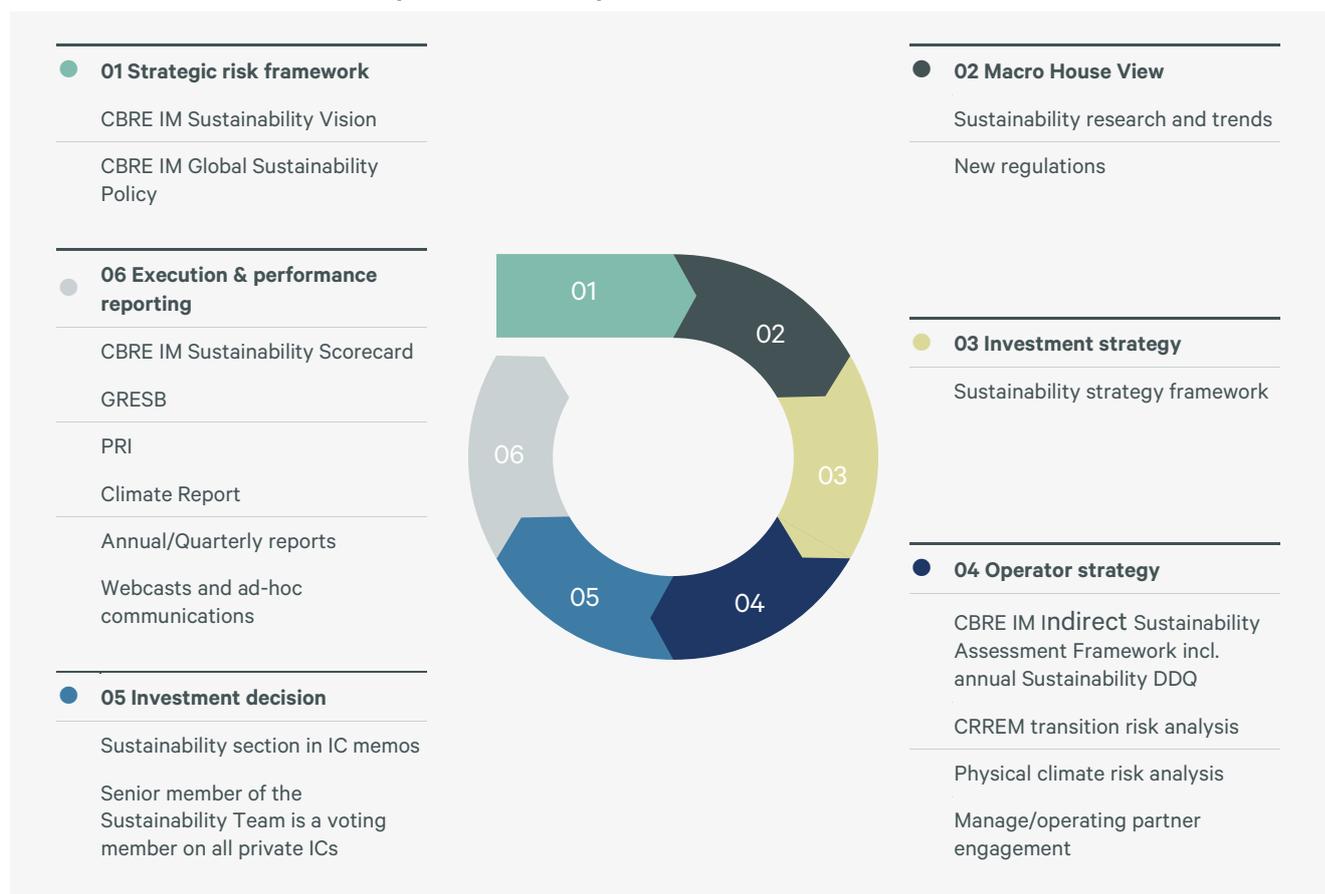
With the pilot a success, the fund attained Investment Committee approval to roll out the program to the remaining 96 homes with an expected cost of £3.3 million in total. The installation time per home was reduced from one week to two days, allowing residents to remain in their homes while the work was conducted. The rollout of the project commenced in Q4 2023 and by the end of 2024, 93 homes out of 100 had been successfully retrofitted. We agreed to complete the remaining retrofits when the residents moved out. In 2025, we completed three units with four properties left to complete.

Having sought feedback from the tenants after the retrofit, the consensus on the site was that the air source heat pumps proved effective. Another initiative started to help tenants review and, in most cases, change their utility suppliers, which was expected to lead to significant savings on their energy bills.

Indirect Real Estate

The investment process for Indirect Real Estate differs from that shown in a similar diagram in Principle 1 for Direct Real Estate since we rely on underlying managers and operating partners to directly manage the assets within a portfolio. The diagram below summarizes our approach to the integration of sustainability issues for Indirect Real Estate.

Indirect Real Estate sustainability and stewardship framework



Source: CBRE Investment Management, October 2025.

Our proprietary Sustainability Assessment Framework is used to rate each investment’s status and approach to sustainability. The Framework includes a Sustainability Questionnaire sent to underlying managers and operating partners, an analysis of the responses, as well as a review of the manager’s GRESB reports. The Framework provides a comprehensive assessment of the manager’s sustainability strategy, performance and improvement ambitions. We then compare results of this assessment with our Indirect Sustainability Scorecard to identify future sustainability risks and opportunities and to develop a targeted engagement strategy for each investment. The Scorecard subsequently forms the basis of our bespoke Annual Sustainability Report (ASR), which is shared with Indirect Real Estate investors following collation of data from GRESB and our Sustainability Questionnaire.

We seek to use the results from the Scorecard to inform future discussions on sustainability and our ongoing engagement with underlying managers.²⁰

²⁰ Excluding vehicles with less than 12 months of operations (starter funds), debt funds and vehicles in liquidation or sold during a reference year.

Sustainability factors of the underlying portfolio we evaluate during due diligence include the following:

- **Climate:** The efficient use of energy and water resources, management of waste and emissions, use of environmentally responsible materials, physical and transition climate change risk, resilience/obsolescence of physical assets and natural hazards.
- **People:** Health and building safety, contamination/air quality, socially irresponsible activities like illegal weapons, tobacco, gambling and pornography, human rights (including child labor) and occupier wellbeing.
- **Influence:** Areas that we can assess and seek to influence such as alignment with international sustainability standards, qualifications and experience of sustainability professionals, presence of a third-party standard aligned environmental management system, committee structure, sustainability policies and practices, targets, regulatory compliance, bribery and corruption.

Consistent with our investment objectives, at the planning stage, we seek funds which systematically integrate sustainability factors into their investment acquisitions and asset management processes as well as those that demonstrate best practice. A review of the underlying manager's due diligence policy is a key component of our due diligence to determine whether the manager is evaluating sustainability risks and opportunities. We require that managers for new investments screen for physical climate risk and assess vulnerability to determine mitigation that should be reflected in underwriting. We also encourage managers to screen for transition risks using CRREM at acquisition where applicable, again seeking identification of measures to protect the long-term value of the asset by aligning with tenant, regulatory and market expectations on sustainability performance.

Early in the process, we share our Global Sustainability Policy and Exclusion Policy so that underlying managers are fully aware of CBRE IM's investment philosophy, approach and expectations. We seek agreement (through side letters, for example) on sustainability monitoring, including participation in the annual GRESB survey. For newly formed funds, we allow for a grace period for the portfolio to build in size and have sufficient data to allow an initial GRESB assessment to be conducted. Our Exclusion Policy restricts the activities that can take place in the underlying buildings. For example, restricting leasing to companies involved in practices which are harmful to human life or the environment.

In our investment process, it is mandatory that for all new (non-secondary) investment vehicles/opportunities, the underlying manager must have in place a net zero carbon commitment that is relevant to the vehicle. It is also a mandatory requirement that all underlying managers have a valid Sustainability Policy in place and will participate in GRESB for the specific vehicle to ensure maximum disclosure of performance information.

On an annual basis, we assess all existing investments using the Framework as described above and comparable benchmarking with other market participants. The results of the Framework help us develop a targeted engagement strategy for each investment. Through our engagements and monitoring of underlying holdings, we identify and share best practices across the portfolio, including making recommendations on asset-level improvements that will benefit the overall sustainability performance of our portfolio. Investment Oversight Committees and Portfolio Oversight Committees consider performance against the Sustainability Scorecard to feed into hold/sell decision-making and set engagement priorities on a semi-annual basis.²¹

Sustainability monitoring for indirect mandates is undertaken on an annual basis, following the availability of data from GRESB (typically in mid-October each year) which forms a key component of our assessment. For new investments, we use the same assessment framework along with new investment due diligence.

Our Sustainability Assessment Framework is the cornerstone of our climate risk management process as described above. We seek to understand each underlying manager's approach and actions on climate risks, encouraging continual improvement of their practices and performance. We engage with underlying managers on a regular basis

²¹ Excluding funds where assets are fully sold and in liquidation; funds where we have a binding agreement to sell Indirect Real Estate's entire interest; funds that are very small with a total holding of less than 0 million; funds that are small with a total holding of between \$10-\$25 million and/or in wind down; and funds that are quite small with a total holding of between \$25-\$50 million and in wind down.

on such issues as acquisition and divestment plans, leasing progress, underperforming assets, assets with high climate risk, progress on setting targets, net zero carbon transition efforts and other sustainability initiatives (in addition to attending advisory board and investor meetings).

We assess the maturity of climate transition risk management for all our active investments in scope via our proprietary Sustainability Scorecard, a key component of our climate risk management process. This tool provides a centralized database for all Indirect holdings, comprising thousands of datapoints taken from managers' GRESB results as well as the Indirect Real Estate Sustainability Questionnaire. Our annual Sustainability Questionnaire and our analysis of GRESB results are used to structure our engagements on transition risk, as we assess, benchmark and report progress on the transition metrics reported in our scenarios and against our targets.

The collected data is sorted into a clear output per investment or portfolio enabling clear and transparent communication with internal and external stakeholders about our ambition and progress toward targets. The Scorecard provides us with an objective starting point for engagement with managers focusing on KPIs flagged as requiring improvement. The Scorecard's KPIs are periodically reviewed and updated in line with industry best practice. We engage with underlying managers on identified risks and share best practices with them to mitigate such risks. We assess the maturity of physical climate risk management for all our active investments in scope and engage with all operating partners on the physical risks of climate change with a particular focus on the assets they manage which fall into the high or critical risk categories.

We engage with underlying managers through a formalized annual process to explain the importance of understanding and managing physical climate risk. For any assets identified as being at high or critical risk from one or more physical risks, we engage with the underlying manager to explore the risk in more detail, encouraging them to commission a detailed vulnerability analysis, for example from flooding consultants and engineers, to determine whether the asset has built-in resiliency or needs mitigation plans to address any residual risk.

We seek to take a partnership approach, striving to positively influence all stakeholders through individual engagement directly with the investee or through collective engagement. Teams engage with the underlying managers and operating partners who are directly responsible for the management of investments and typically have relationships in place with occupiers. We operate the same approach for indirect engagement across all geographies.

In addition to attending advisory board and investor meetings scheduled by the underlying manager, we speak directly with the underlying manager on a regular basis to obtain detailed updates on specific fund and asset management issues including acquisition and divestment plans, leasing progress, underperforming assets, assets with high climate risk, progress on setting targets, decarbonization efforts and other sustainability initiatives. These conversations may take place in person or via conference call. Priorities for engagement are determined each year based on the results of our proprietary Sustainability Assessment Framework. We seek to understand each underlying manager's sustainability approach and actions, encouraging continuous improvement of their practices and performance.

CBRE Investment Management indicative Sustainability Scorecard for Indirect Real Estate investments

Priority area	Metric	KPI	Target	2023 Result (Dec. 2023 NAV)	2024 Result (Dec. 2023 NAV)	Y-o-Y change, %
#1) Operational Net Zero	Net zero carbon (NZC) target date (Scopes 1 & 2)	Year	2040	2038	2038	0.0%
	Proportion of portfolio with NZC target (Scopes 1 & 2)	% with target	95%	72%	73%	1.7%
	Net zero carbon target date (Scope 3 operational emissions)	Year	2050	2044	2046	0.1%
	Proportion of portfolio with NZC target (Scope 3 operational emissions)	% with target	75%	61%	63%	2.9%
#2) GHG data coverage	Data coverage GHG— Scopes 1 & 2	% total area & time	95%	93.5%	95.8%	2.4%
	Data coverage GHG— Scope 3	% total area & time	80%	71.9%	81.8%	13.9%
#3) Physical climate risk mitigation	Alignment with TCFD	% portfolio	100%	95%	94%	-0.9%
	Climate assessment policy in place	% with policy	100%	91%	95%	4.0%
	Mitigation plan policy for high climate risk assets	% with policy	100%	91%	90%	-1.8%
#4) GRESB	GRESB Management score	Points	29	29	29	0.3%
	GRESB Performance score	Points	53	52	52	0.2%
	GRESB Performance stars	Stars	4	3	3	-2.6%
	GRESB Development score	Points	62	60	63	3.5%
	GRESB Development stars	Stars	5	4	4	6.0%

Source: CBRE Investment Management.

The Investment Committee for the strategy is responsible for investment governance. Any potential stewardship issues are addressed in Investment Committee Summaries, POC reports or during ad hoc meetings.

Private Infrastructure

Sustainability-related risks and opportunities are thoroughly reviewed as part of our due diligence, including the target company's sustainability policies, frameworks and metrics and the investment's potential physical and transition climate risks and opportunities. In certain circumstances, we may engage an environmental adviser for due diligence or to assess sustainability risks for the investment.

We believe that the following sustainability factors are material to our direct infrastructure investments and present both risks and opportunities in the short, medium and long term:

- **Climate:** Our investment approach involves actively seeking opportunities arising from the transition to a low carbon economy and promoting digital equity. Sustainability and climate considerations are integral to our asset management approach. We recognize that sustainability factors, including climate risk, can impact investment performance. Therefore, we integrate these factors into our investment and asset management processes, aligning with our investment objectives. For our direct infrastructure investments, we collaborate closely with

management teams to identify and, if necessary, mitigate transition and physical climate risks, aiming to minimize obsolescence risk. For our indirect infrastructure investments, where consistent with underlying investor preferences, we engage with managers to promote awareness of specific sustainability and climate matters, encouraging risk awareness, identification and mitigation.

- **People:** The health, safety and wellbeing of employees, contractors, users and customers is essential. Health and safety metrics are tracked for our direct infrastructure investments and are regularly included in board meeting agendas and ongoing management reporting. Further, we strive to promote human capital initiatives across our portfolio companies, including in the composition of governance bodies, as applicable depending on governance rights.
- **Influence:** Establishing a framework for sound decision-making with clear lines of accountability is essential. Governance considerations are foundational and pervasive throughout the investment lifecycle. Specific consideration is given to skills composition, committees, oversight, independent chairs and directors, and delegated authority of our Board of Directors. We believe these considerations are critical to mitigating risks and running a successful and sustainable company. Further, we seek to engage and positively influence key stakeholders to promote their awareness of sustainability matters. These efforts include the annual climate and sustainability engagement we run across the Indirect Private Infrastructure portfolio.

We adopt a holistic approach to risk management, which integrates sustainability considerations in our review of the opportunity, investment thesis and asset management strategy, as relevant to our investment objective. Where consistent with client preferences, sustainability factors and consideration of their positive or negative impact on investment performance are integrated throughout the lifecycle of each investment.

For Direct Infrastructure, as part of our due diligence, the GRESB Materiality and Scoring Tool is used to assess material sustainability risk exposures for each investment opportunity recommended to the Investment Committee. The analysis is corroborated with investment-specific information, macroeconomic and sustainability regulation trends, as well as consideration of mitigants. Those will include initiatives aimed at reducing identified risk exposures. This phase will also include a review of the actual and potential contribution to the five UN Sustainable Development Goals the fund is committed to promote across the portfolio.

Any preliminary conclusions reached on a potential direct investment's sustainability risk will be included in pre-Investment Committee materials and undergo further refinement and deeper analysis during the due diligence phase; this will include discussions with management teams, co-shareholders and, if required, dedicated sustainability consultants. The scope of engagement will vary depending on risks and opportunities identified as part of the desktop review, geography, investment maturity and anticipated ownership, among other things. As part of this phase, existing policies, procedures and reporting from the target investment, as well as sustainability frameworks and regulation, and governance matters including management structure, remuneration of staff, employee relations and tax compliance will be reviewed and assessed by the deal team and appointed consultants, if applicable.

Financial materiality of identified sustainability risks and opportunities might affect the direct investment decision, valuation and price offered. The assessment of sustainability risks and opportunities is included in the final investment recommendation paper submitted to the Private Infrastructure Investment Committee, which includes CBRE IM's Head of Sustainability and Innovation. Along with its responsibility for investment decisions, the Private Infrastructure Investment Committee is also responsible for the implementation of the CBRE IM Global Sustainability Policy and Sustainability Vision across Private Infrastructure, ensuring material sustainability risks of prospective investments are identified, assessed and integrated in investment decisions.

The integration of sustainability analysis in Direct Private Infrastructure Investment Committee papers is guided by Investment Review Sustainability slide templates reviewed annually and made available to the entire team. The slides are discussed by the Investment Team with the Private Infrastructure Sustainability Lead ahead of inclusion in final investment recommendation papers.

Sustainability priorities, initiatives and mitigating actions as identified during the due diligence phase and presented to the Investment Committee will be factored into the 100 Day Plan, including specific steps to reduce risks, setting up of KPIs reporting and implementation of sustainability governance structures, among others. The 100 Day Plan is a project management tool defining the key priorities and areas for action during the first 100 days of ownership for direct infrastructure investments. Each investment and, subsequently, Asset Management Team is responsible for the development of the 100 Day Plan for the relevant investment, consulting with other functions as appropriate.

The Sustainability Lead for Private Infrastructure manages these efforts, working closely with portfolio companies and providing consistent oversight of sustainability matters across the investment lifecycle. We integrate sustainability activities in our asset management efforts, making it a standing board agenda item and a topic of regular engagement with management teams at each of our direct portfolio companies. We typically have a CBRE IM employee or appointment sitting on the boards of our direct portfolio companies that can positively drive change through these board agenda items.

We seek to protect our investments from physical, market, technology, regulatory and policy risks which could lead to obsolescence or impact returns, where consistent with investment objectives. Across Direct Infrastructure, we deploy climate scenario analysis to support our risk management efforts. Climate scenario analysis is a powerful tool that enables us to evaluate the potential impact of different climate pathways on our portfolio. By considering a range of time horizons, we can better understand and address climate related risks. The insights gained from this analysis not only inform our own risk management strategies but also inform our engagement strategy with portfolio companies.

In our Indirect Private Infrastructure business, the investment review and diligence includes a dedicated sustainability questionnaire addressing the core pillars of our Vision and general sustainability and climate risk best practices. In line with the effort kickstarted in 2023, in 2024, we produced our annual climate and sustainability engagement report to support our ongoing monitoring efforts.

Case study: Ground-source heat pump developer, owner and operator in Finland

Stakeholder(s) engaged and participants:

The Private Infrastructure Deal Team engaged with the Sustainability Team during due diligence of a ground-source heat pump developer, owner and operator in Finland.

Overview of the engagement:

In 2024, the Private Infrastructure Team conducted due diligence on a Finnish geothermal energy company specializing in decentralized heating and cooling services using ground-source heat pump (GSHP) technology. Recognizing the high materiality of climate-related factors for this company, the Team engaged the Sustainability Team to ensure climate-related risks and opportunities were effectively integrated into the investment decision.

During the engagement, the Team identified that the heating sector serves a critical need in Finland, which has the highest per capita consumption of heat in the EU. Much of the heating sector remains carbon-intensive with ~52% of Finnish heating sources (in TWh) produced from combustion of either wood, fossil fuels or biofuels which are CO2 emitting. Low-carbon heating solutions, particularly ground-source heat pumps, are playing a key role in the decarbonization of the built environment with a wide addressable market in Finland.

Engagement objectives:

The Direct Private Infrastructure Team sought guidance on the risks and opportunities for the heating sector in Finland.

Progress and outcome of the engagement:

Following due diligence, the Private Infrastructure Team invested in the Finnish geothermal energy company. The company provides GSHP solutions to B2B (business-to-business) customers including through an Energy-as-a-Service (EaaS) offering.

The company achieved proof of concept and successfully rolled out operational systems across nine sites in addition to having a significant pipeline of projects in 2025.

Listed Real Assets

Listed Real Assets considers numerous sustainability factors when assessing the sustainability programs of public companies, including:

01

Environmental

- Carbon emissions reduction
- Energy efficiency
- Climate resilience
- Renewable energy investment
- Insurance coverage and cost

02

Social

- Health and wellbeing
- Workplace culture
- Management and development of human capital
- Employee and community safety

03

Governance

- Shareholder alignment
- Transparency
- Board structure
- Compliance
- Remuneration

The Listed Real Assets sustainability integration process incorporates the following components:

- **Ongoing company engagement:** Actively engage companies to understand management’s sustainability strategy and risk factors, convey the responsible practices which are important to us and influence companies to apply best practices.
- **Proprietary company sustainability assessment:** The assessment is derived from internal and external research, where analysts play an active role in scoring and in quality control of data. This information is then incorporated into our proprietary valuation tools.
- **Robust and transparent proxy voting process:** Our Investment Team votes company proxies directly based on internally developed guidelines for clients who designate CBRE Investment Management to vote on their behalf.

Engagement with company management teams and board members is a fundamental aspect of our overall underwriting process. Portfolio managers and analysts frequently engage with portfolio companies on a variety of issues. The goals of sustainability engagement are developed by the Investment Teams and Head of Sustainability for Listed Real Assets and are driven by the relevant analyst who covers the company with the following objectives in mind:

- In the area of proxy voting, to discuss items that come up for vote, which are often associated with governance, environmental or social items
- To collate a more comprehensive dataset, to supplement our external data sources
- To understand the overall sustainability strategy for companies in sectors where there is minimal disclosure
- To encourage companies to employ best practices, especially those with historically poor governance or related to a particular sustainability issue
- To address thematic topics

Engagement activity is logged, with the outcome of the engagement communicated to the investment team and reflected in any necessary changes in underwriting.

Integration of stewardship and investment with third-party service providers

Sustainability risks and opportunities are included in all Investment Committee memoranda. The Firm’s Head of Sustainability and Innovation or another senior member of the Sustainability Team sits on all private Investment Committees, and along with other Investment Committee members, ensures that sustainability issues have been considered and appropriately addressed.

The Firm places stewardship obligations on third-party service providers, for example property managers, contractors and consultants across all strategies as described in detail in Principle 8. We share with suppliers the CBRE Supplier Code of Conduct (Supplier Code), which applies to all subsidiaries, including CBRE Investment Management. We seek to use our industry position to promote the highest standards of ethics, business conduct and governance. The Supplier Code covers the following topics:

- Anti-bribery and corruption
- Unfair business practices
- Corporate misconduct
- Information security and records maintenance
- Data privacy
- Conflicts of interest

- Labor, including child labor, human trafficking, slavery and the right to voluntary labor, freedom against prejudice and discrimination, working hours and wages and freedom of association
- Health and safety
- Environment and sustainability
- Drug and alcohol use
- Gifts and gratuities
- Non-retaliation
- CBRE compliance verification
- General terms
- Whistleblower helpline

We expect all our suppliers to adhere to the Supplier Code and to provide services in a responsible manner. Random checks of adherence may be performed. Principle 8 of this report explains how CBRE IM holds third-party service providers responsible for their obligations to us.

In addition, as part of our Property Management Agreements (**PMAs**), we frequently require third-party property managers to help us meet our clients' sustainability objectives and obligations. This includes helping us collect data and information related to the management of sustainability factors at our assets. Our third-party property managers collaborate with our external sustainability consultants, for example on engagement activities with tenants and building occupiers.

CBRE IM updates the KPIs set for property managers across Europe, including the U.K., as well as for other regions on a regular basis.

Our Sustainability Policy, which describes our integration approach, and our Climate, People and Influence targets in our Sustainability Vision, reflect the long-term investment time horizons of clients and/or beneficiaries through the establishment of long-term targets. We have also set interim targets to measure progress and potential to achieve the long-term targets.

Information gathered to inform acquisitions, asset management and exit decisions

Stewardship themes around Climate, People and Influence are considered during all parts of the investment lifecycle, with the exact approach varying depending on the strategy concerned. Our approach to due diligence does not vary according to geography. Each potential investment is assessed on its own merits to the extent that we may consider properties with poorer sustainability performance which can be improved through capital expenditure during our period of ownership. Ultimately all assets we acquire must meet the investment objectives of the fund or portfolio with full consideration of sustainability improvements, targets and mitigation of climate risks. Details for each investment strategy are provided below.

Direct Real Estate

Due diligence and acquisition

To identify the potential for improvements that would lessen a property's environmental impact and promote wellbeing, many of our funds and portfolios retain third-party specialist consultants during due diligence to evaluate physical and transition risk characteristics of each investment. The Investment Team then identifies physical upgrades and green initiatives for potential investments which we typically include in each asset's investment strategy and capital expenditure program. We informally incorporated an evaluation of net zero into due diligence across EMEA and as part of the EMEA technical due diligence scope along with physical climate risk. Investment Committees evaluate whether sustainability and climate change risks have been adequately addressed and mitigated alongside other market and systemic risks associated with a potential investment.

Our approach ensures that such risks are evaluated in a consistent manner across the global platform. Our transaction managers seek to integrate material climate and other sustainability risks and opportunities into the financial modeling for new acquisitions as part of the calculation of a risk-adjusted return when applicable. To identify potential improvements, third-party consultants may be engaged to evaluate the physical and environmental characteristics of assets.

Our Sustainability Team developed a proprietary Sustainability Acquisition Tool to assess and manage sustainability and climate risk. The tool incorporates historical utility data from the assets, including water and gas consumption, waste and water bills and renewable energy generation. Onsite renewable revenue agreements, size of renewable energy installations (i.e., solar panels), green building certifications, energy rating, regulatory requirements and any historical GRESB reports are also used as an input in this internal tool. The output consolidates any sustainability risks or opportunities and is used to underwrite any sustainability improvements needed after acquisition. A summary of findings is presented as a key agenda item in Investment Committee meetings. Investment Committees govern transaction approval and oversee climate risk and sustainability considerations related to the acquisition.

In April 2024, the acquisitions sustainability process and corresponding IC Memo were updated to gather more detailed KPIs, specifically around transition and physical climate risk.

Monitoring and engagement

Once an asset is acquired and transitioned into the portfolio, the Investment Team typically onboards the asset onto a data management system which helps us measure, track and improve energy and sustainability performance.

Once we acquire a property, we typically onboard the asset onto a data management system which measures, manages and helps us improve energy and sustainability performance. The data management system collects critical sustainability data, such as energy use, water consumption, waste, audits, projects (including stakeholder engagement), certifications and ratings. Portfolio and Asset Management Teams utilize this data to identify performance improvement opportunities, analyze sustainability key performance indicators, file for Energy Performance Certificate ratings, assist with BREEAM, LEED and other building certifications and determine other appropriate green building initiatives to implement. For active funds and separate accounts and where consistent with investment objectives, we annually complete the GRESB assessment.

Exit

As part of hold/sell analyses for Direct Real Estate strategies, Investment Teams will often evaluate whether an asset has any sustainability-related risks or opportunities that may impact the portfolio's position on sustainability (e.g., SFDR PAIs, EU Taxonomy, GRESB score), a sale, including environmental and climate change issues, status of green certifications, building efficiency, adhering to environmental regulations and other such sustainability factors.

Case study: Sustainability due diligence impact on acquisition price

Stakeholder(s) engaged and participants:

Our Portfolio and Asset Management Teams, along with our sustainability consultants, engaged directly with a seller of a retail property we sought to acquire.

Overview of the engagement:

Our Portfolio and Asset Management Teams were concerned about the seller's claim that a retail property could achieve a B EPC rating. The property had a C rating, which was valid until 2026. However, how EPC scores are calculated changed since the certificate was issued in 2016, so there was a risk that the rating could drop when reassessed.

Engagement objectives:

Given the age and construction of the building, we recommended the completion of a Level 5 EPC assessment to ascertain what the rating would be when reassessed. Although more time-consuming and data intensive, the detailed and dynamic Level 5 EPC typically produces the most accurate score for an asset. The result of the exercise was initially an F rating, much lower than the B the seller claimed was achievable. With more information, the rating was upgraded to E. The seller simultaneously completed a less detailed Level 4 EPC assessment which returned a C-rating.

Progress and outcome of the engagement:

Through discussions, our E rating was agreed upon by all parties to be definitive. The optimized EPC assessment and fully costed pathway to EPC B, involving replacing the current gas boilers with air source heat pumps and upgrading all lighting, allowed CBRE IM to negotiate a £500,000 discount for the purchase price of the property.

Indirect Real Estate

Due diligence and acquisition

Our Indirect Real Estate strategies use a proprietary Sustainability Assessment Framework to assist in the due diligence and monitoring of underlying funds and operating partners. As discussed above, the Framework includes a sustainability questionnaire sent to underlying managers and operating partners, an analysis of the responses, as well as a review of the manager's GRESB and PRI reports. The Framework focuses on an underlying manager's approach and application of stewardship and sustainability engagement activities and the management of climate risks. The results provide a comprehensive assessment of a manager's sustainability strategy, performance and improvement ambitions. We compare the results with our Sustainability Scorecard to identify future sustainability risks and opportunities to be incorporated in Investment Committee Summaries and in developing a targeted engagement strategy for each investment.

We use asset-level results from CRREM, if the portfolio was assessed, as well as routine screening of new investments ourselves using a third-party physical climate risk tool to measure transition and physical climate risks respectively where sufficient data has been provided by the underlying manager.

We require a full sustainability review of a potential investment during the due diligence process, ahead of Stage 2 approval. As part of this process, we undertake the following steps:

- Supply underlying managers with the CBRE IM Sustainability Policy and encourage alignment with the policy.
- Require underlying managers to comply with our exclusions policy on prohibited building uses.
- Require underlying managers to complete the sustainability section of our Indirect Real Estate Due Diligence Questionnaire, covering disclosure, strategy and resilience.

- Review a manager’s sustainability policies, climate policies, GRESB and PRI assessment results and track record.
- Present information on the manager’s approach to sustainability, sustainability initiatives and procedures during the IC meeting and in the post IC Report.
- Require GRESB participation and encourage climate-related risks and opportunities assessment, management and reporting and/or improvement plans, if relevant.

Monitoring and engagement

We assess all existing investments using the Sustainability Assessment Framework as described above on an annual basis. This assessment covers both positive and negative sustainability impacts. The results of the Framework help us develop a targeted engagement strategy for each investment. Through our engagements and monitoring of underlying funds, we are able to identify and share best practices across the portfolio, including making recommendations on asset-level improvements that will benefit the overall sustainability performance of our portfolio.

Investment Oversight Committees and Portfolio Oversight Committees take into account performance against the Sustainability Scorecard to feed into hold/sell decision-making.

Exit

Our Sustainability Assessment Framework and investment process specifically cover selection, appointment and monitoring. As a result, when preparing for exit/post-exit, most of the potential sustainability considerations have already been factored into the management of the investment to maximize the outcome for investors. We engage with our partners throughout the hold period, ensuring sustainability issues are included when we approve the investment strategy, annual business plans, review GRESB results and engage on initiatives for improvement, TCFD implementation and when seeking building ratings and certifications. When we invest in funds, we seek to include sustainability as a standing agenda item at advisory board meetings and at our regular quarterly manager meetings. As a result, at the time of exit, the investments are usually well-positioned in the market from a sustainability perspective.

Case study: Climate change engagement

Stakeholder(s) engaged and participants:

We engaged directly with a manager of a Dutch residential portfolio we were invested in.

Overview of the engagement:

The Dutch residential portfolio, that averaged a construction year of 1996, required higher sustainability-related capital expenditures compared to its peers. Transparency in GHG emissions and energy consumption initiatives is crucial for meeting sustainability targets. The manager had emphasized its commitment to improving asset quality, arguing that their efforts in reducing emissions and energy use surpass those of peers focusing solely on newer, green developments.

Engagement objectives:

We expressed concerns over the manager's limited sustainability reporting, hindering tracking of improvements. We noted the fund's targets were less ambitious than peers, potentially impacting future equity raising or liquidity.

Progress and outcome of the engagement:

In response, the manager committed to enhancing sustainability transparency and sharing case studies. The 2025 business plan clarified the fund's targets and strategies for achieving them. Transparency was enhanced by including energy consumption, carbon emissions and BREEAM In-Use certification for each asset in their quarterly asset list. They also provided a 10-year sustainability CAPEX breakdown and have introduced the Sustainability Impact Score (SIS) to evaluate portfolio assets across 11 KPIs. Additionally, the portfolio advanced its Paris Proof target from 2050 to 2045, demonstrating a commitment to sustainability.

Private Infrastructure

Due diligence and acquisition

Please see details of our due diligence and acquisition process for Private Infrastructure in the Private Infrastructure section on pages 79-82 above.

Monitoring and engagement

During the holding period, we monitor sustainability performance across the direct portfolios regularly, both via external initiatives, such as GRESB, and via internal quantitative and qualitative reporting from portfolio companies. Sustainability reporting is included in quarterly reports to investors and supplemented by ad-hoc reporting, including an annual Climate Report produced in accordance with TCFD recommendations. Such initiatives, and specifically the materiality assessment compiled in each GRESB reporting period, provide additional opportunities to reconsider the materiality of previously identified sustainability risks and identify new exposures, as well as opportunities, both at the individual company and at portfolio level.

The Private Infrastructure Direct Team engages with direct portfolio companies on a regular basis, primarily holding monthly sustainability calls with relevant members of our Asset Management Team and the company's management team.

We measure and monitor the sustainability performance of our direct investments, encouraging companies to:

- Track GHG emissions and set ambitious but achievable targets for reduction. We require all portfolio companies to report on Scope 1 and 2 emissions on an annual basis. We actively engage with all portfolio companies to encourage reporting of material Scope 3 emissions.
- Provide a defined list of KPIs and qualitative case studies annually for the purpose of SFDR reporting.
- Submit to GRESB Infrastructure and use the results to improve sustainability systems and performance.
- Provide climate-related information to inform TCFD reporting.

Results from the GRESB assessment and their review against top scores allow us to tailor firmwide sustainability action plans aligned with the sustainability maturity of the specific portfolio company, supporting collaboration with management in filling the gaps and driving year-over-year improvements.

For our Indirect Private Infrastructure portfolio, annually during the life of the investment, the Investment Team will engage with the GPs, management teams and asset managers to monitor progress. The engagement includes general sustainability and infrastructure-specific questions, incorporating qualitative and quantitative information. Over time, our aspiration is to increase the frequency of our engagement and collect sustainability-related metrics quarterly.

Exit

Private infrastructure investments tend to be long-term holds. However, when preparing for exit/post-exit, many of the potential sustainability considerations have already been factored into the management of the investment to maximize the outcome for investors. For our direct portfolio, we engage with our partners throughout the hold period, ensuring sustainability issues are included at all stages of the investment cycle. This begins with the due diligence we undertake prior to an investment going ahead and continues when we approve the investment strategy. Sustainability will also be considered within annual business plans, the review of GRESB results, through ongoing targeted engagement and TCFD implementation. As a result, at the time of exit the investments are usually well-positioned in the market from a sustainability perspective.

Listed Real Assets

For Listed Real Assets, we believe that management teams which articulate, enact and measure strategies to address sustainability considerations are in general more likely to make superior business decisions. By evaluating listed companies on their approach to sustainability, we believe we can add value for our clients.

Our Listed Real Assets Investment Team consists of a large team of analysts who are responsible for researching and analyzing the companies in which we invest. We evaluate quantitative as well as qualitative sustainability factors as part of our research process, which includes asset tours, management and director engagement, financial modeling and analysis of public documents and third-party research. Research findings are incorporated into our assessment of a company's exposure to risk and ability to manage risk.

From a risk perspective, real assets companies are exposed to environmental risks, both physical and transition, and they have a powerful effect on community health, safety and wellbeing. From a governance perspective, complexity in real assets ownership can often create opportunities for conflict and companies can at times be misaligned with stakeholders. Sustainable opportunities can be captured by strong management teams in various ways such as through technological advancement or pivoting their portfolios. Through research and engagement, we gain an understanding of companies' exposure to risks and opportunities.

Assessing a company's management of sustainability factors is a fundamental and ongoing part of our underwriting process. A Sustainability factor score, which is determined by the CBRE IM Listed Real Assets analyst based on an evaluation of the company's sustainability management and performance, is a factor in determining the intrinsic

value of the companies. Across our proprietary listed real assets universe, we review approximately 1,300 companies (approximately \$7 trillion in total market capitalization). Our sustainability database, which continually evolves, currently tracks more than 120 data fields comprised of over 100,000 distinct data points considering sustainability criteria. While an assessment of sustainability management is conducted for 100% of companies, prior to making an investment decision, we continually update our analysis based on new developments that could change how we score the company's sustainability performance, which has a direct impact on our view of the company's intrinsic value. Examples of our ongoing assessment include engagement with companies by having discussions with company management or boards, analyzing new sustainability-related company disclosures and assessing new projects that impact a company's environmental or social progress.

An assessment of a company's sustainability risks and opportunities is one of many factors considered when considering a purchase or sale of an investment in the portfolio



Principle 8: Monitoring managers and service providers

Signatories monitor and hold to account managers and/or service providers.

Monitoring service providers

As described under Principle 7, we provide third-party service providers with the [CBRE Supplier Code of Conduct](#), which can be found on the CBRE website. We require suppliers to comply with our Supplier Code and to provide services in a responsible manner. We use service providers for many different functions across our business, including property managers, planning consultants, development contractors, independent valuers, sales and leasing agents, legal advisers, auditors, external data providers used by our Research Team, sustainability consultants for individual funds and separate accounts, and in the case of our impact funds, third-party social impact assessors.

The Firm considers the following factors when evaluating third-party service providers: diversity of thought, skillset and experience, employee relations, health and safety, environmental stewardship, corporate governance, ethics and compliance, philanthropy and community involvement. CBRE IM's Compliance and Operating Policies and Procedures includes detailed requirements on the appointment of service providers, especially those provided by affiliates of CBRE Group. Affiliates that are in the real estate services business may give rise to a conflict of interest if CBRE IM has discretion to select or is responsible for recommending to a client. More details on how we manage such conflicts are provided under Principle 3.

CBRE IM teams endeavor to engage the best service providers in an applicable market (whether affiliates or unaffiliated third parties) with the most competitive fees and rates. Subject to client-imposed criteria or restrictions, our policies ensure that clients receive fair, reasonable and competitive terms and fee rates.

We have contracts and/or service level agreements (**SLAs**) in place specifying the services required and any relevant KPIs. We monitor the quality of the services based on these agreements. Services by third parties are governed by formal contracts. A periodic review is carried out to assess the performance of the supplier against the SLA. Third-party control reports (ISAE 3402 or equivalent) of key suppliers are also reviewed. Where applicable, any exceptions noted in these reports are investigated to ensure any potential impact is understood.

Property Managers are key service providers for our Direct Real Estate assets. In the U.K., a member of the Compliance Team leads efforts to monitor property managers on a regular basis. The performance of individual property managers is measured through an operational due diligence (**ODD**) questionnaire, which covers numerous KPIs, including the manager's approach to sustainability. Historically, reviews took place annually, however, in 2023, we transitioned to a risk-based approach, whereby our smaller property managers are reviewed every three years. Larger property managers are subject to more frequent reviews, as will any manager where concerns arose during a previous ODD exercise.

The ODD is undertaken through several means:

- Detailed due diligence questionnaire requiring written responses, comments and the sharing of policies and other documentation.
- A shorter questionnaire that requests confirmation of changes and any material updates.

- Onsite visits (jointly with a team from Financial Operations) to suppliers' offices to meet and interview team members and to examine any documentation that a supplier is unable to share electronically, for example policy documents or ISAE or equivalent control reports.

The Compliance Team will engage with subject matter experts elsewhere in CBRE IM, for example consulting with the Sustainability Team on their assessment of the integration of sustainability and alignment to commitments CBRE IM has made, for example Better Buildings Partnership practices and PRI. Similar checks with subject matter experts are carried out in relation to insurance coverage, financial operations and property management.

For sustainability and stewardship, suppliers are requested to provide details on their own sustainability policies and whether they have an Environmental Management System certified to the ISO 14001 standard. In the U.K., we also added questions on SFDR minimum safeguards with the standard Property Manager due diligence questions. For property managers, we also seek details on their implementation of policies related to management of utilities and measurement of usage data, management of waste, other sustainability requirements and their own approach to procurement and subcontracting. We seek to ensure that the standards laid out in our Supplier Code are shared with the broader supply chain.

Case study: Operational due diligence process

Stakeholder(s) engaged and participants:

Monitoring of service providers, including property managers, is undertaken on a regular basis and is led by the Compliance Team. This example is from 2024.

Overview of the engagement:

Periodic due diligence review of appointed property managers and service providers was undertaken to ensure continued alignment with regulatory standards and the Firm's expectations. The comprehensive review covered governance and organizational structure, information security and business continuity, legal, regulatory and risk management, compliance with Modern Slavery Act and sustainability practices. The due diligence process involved collecting updated documentation, reviewing policies and procedures, assessing responses to structured questionnaires and conducting sanctions screening on all relevant parties.

Engagement objectives:

The primary objective was to ensure that all property managers and service providers continued to meet the Firm's standards and applicable regulatory requirements. The review was designed to identify any material risks that could impact the Firm's ability to act in the best interest of its clients.

Progress and outcome of the engagement:

No material findings were identified that would impact the continuation of established relationships. Some providers required minor documentation and policy updates, while others faced challenges in responding promptly. Property managers and service providers either addressed these points or committed to improvements.

Actions taken when service providers underperform

During the past year, CBRE IM was generally satisfied with the services provided by our third parties. Nevertheless, we have a process to hold service providers accountable if they do not meet our needs or expectations that we set as described in more detail within this section.

Direct Real Estate

Our Direct Real Estate portfolios utilize external suppliers for all property management services. Direct Real Estate teams will also appoint third parties for specific projects, for example development and refurbishment projects, or for specialist services, for example sustainability consultants.

For minor issues with third-party suppliers, Fund/Investment Teams will initially provide feedback and voice concerns with the supplier. Risk management committees are notified of issues for future monitoring.

Where issues have been identified through the ODD process described above, suppliers will be sent a report outlining areas in which we seek improvement. Recommendations with deadlines for compliance are established and tailored to the specific circumstances described in the report. The Compliance Team will subsequently check-in with the supplier for updates on the measures being put in place following our recommendations.

For any major breaches, we ask the supplier to implement measures to rectify the issue as quickly as possible. Should the supplier continue to fail to meet our expectations, we will proceed to terminate our relationship with them and seek alternative providers. There were no major breaches in 2024.

Indirect Real Estate

As noted above in Principle 7, we assess all existing investments using the Sustainability Assessment Framework on an annual basis to inform a targeted engagement strategy for each investment. In situations where expectations may not have been met by the underlying fund manager/operating partner, we will notify the manager and engage with their senior management to seek improvement or rectification. If there is no progress, we may seek to escalate the situation by engaging with fellow investors to achieve greater leverage through collective engagement. We can also seek to reduce our exposure to the fund or, where appropriate, seek to remove the manager/operating partner or terminate a contract if the situation has become untenable and cannot be rectified.

Private Infrastructure

We establish objectives and deliverables for our consultants and monitor their performance throughout the engagement. Consultants with a variety of expertise are engaged throughout the investment lifecycle, including for work on prospective investments or investee and portfolio level activities. We also may engage consultants to support GRESB submissions. If we determine that the consultant does not meet the objectives that were established at the beginning of the engagement and/or not providing high-quality deliverables as expected, we will seek to replace the consultant for all or part of the assignment via a formal competitive tender process.

3

Engagement

Principle 9: Engagement

Signatories engage with issuers to maintain or enhance the value of assets.

CBRE IM believes that active ownership and engagement are essential elements of responsible investment for our strategies. Engagement activity and approaches for CBRE IM vary by strategy. For Listed Real Assets, we engage with issuers. For Direct Real Estate, there are no issuer relationships, so our engagement is not via traditional means. Nevertheless, we seek to engage with tenants, property managers and the local communities around our assets. For Indirect Real Estate, we engage with underlying managers and operating partners of the funds or other indirect private vehicles we invest in. For Private Infrastructure, we engage across our direct and indirect strategies with portfolio companies and funds we invest in.

Engagement activity is a key aspect of the Firm's approach to stewardship and sustainability. Through our influence, we seek to work alongside all counterparties and stakeholders on our journey towards a decarbonized economy.

Where we have direct control of an asset and management discretion of a portfolio, we commit to engage with our supply chain to improve their sustainability performance by 2040 or sooner. Where we do not have control or do not have discretion, we will engage with our clients, tenants, fund managers, operating partners and management teams of companies in which we invest to influence and help them improve their sustainability performance.

Direct Real Estate

For Direct Real Estate mandates, our teams engage with property managers and tenants on a regular basis providing training and programming, sharing best practices and conducting tenant engagement surveys. Our asset managers have regular meetings with property managers. We provide training for property managers and leasing teams on our approach to tenant engagement, customer experience as well as sustainability issues and expectations. We train our property managers on the use of our data management system and on sustainability data we need their help to collect. Our data management system is a critical part of our monitoring of sustainability data at the asset level and is described in further detail on page 85.

Tenants have a key role to play in interacting with the communities and users of the real assets we invest in. Consequently, we actively seek to engage with them to help to achieve our key stewardship themes. This may include activities to educate on energy efficiency and the benefits of diversity in the workplace. Tenant engagement activity is discussed in further detail under Principle 7 covering initiatives such as tenant and resident satisfaction surveys, tenant data collection and green leases. Although priorities may differ by geography, we maintain a consistent engagement approach for Direct Real Estate across our global platform.

Case study: Customer relationship management (ongoing since 2021)

Stakeholder(s) engaged and participants:

In 2020, the U.K. Direct Real Estate Team established a customer relationship management (CRM) initiative with a pilot group of eleven of our largest U.K. based tenants. The engagement participants included our logistics, office and retail Asset Management Teams in EMEA and 51 strategic clients.

Overview of the engagement:

In 2020, the U.K. Direct Real Estate Team established a CRM initiative with a pilot group of eleven of our largest U.K. based tenants. The objective of this project was to work more closely and collaboratively with tenants on a variety of issues, including sustainability, to better understand the needs and drivers of their businesses. This initiative has since grown.

Engagement objectives:

The objective of the project was to engage more closely and collaboratively with tenants on a variety of issues, including sustainability, to better understand the needs and drivers of their businesses. We also were looking for innovative ways to further engage with our tenants to be able to access sustainability data and encourage tenants to adopt more sustainable practices. In 2023, CBRE IM built on the progress made with the CRM program, with greater emphasis on sustainability and stewardship. We now monitor and respond to occupier trends through this network, across logistics, office and retail properties and report back to all CBRE IM employees through a regular internal newsletter.

Progress and outcome of the engagement:

Due to the success of this initiative, it is now a regular activity which is run by the logistics, office and retail Asset Management Teams in EMEA. Of our over 3,000 tenant clients in EMEA, we identified the top 51 and assigned 44 dedicated CRMs to deepen these relationships, across the three major sectors covered. As of December 2024, the 51 strategic clients equated to 22% of EMEA rent income, in 213 assets and accounted for 516 leases. Our CRM network creates consistent, quality engagement with our occupiers and an information advantage for our clients. During the past year, the initiative was responsible for the following major achievements:

- Sustainability focused dialogues on data sharing and collaborative initiatives started with 86% of tenant clients within the office and retail CRM.
- Five new leases, 10 lease extensions and 25+ opportunities across sectors and geographies.
- Six sustainability partnerships with CRM tenants.

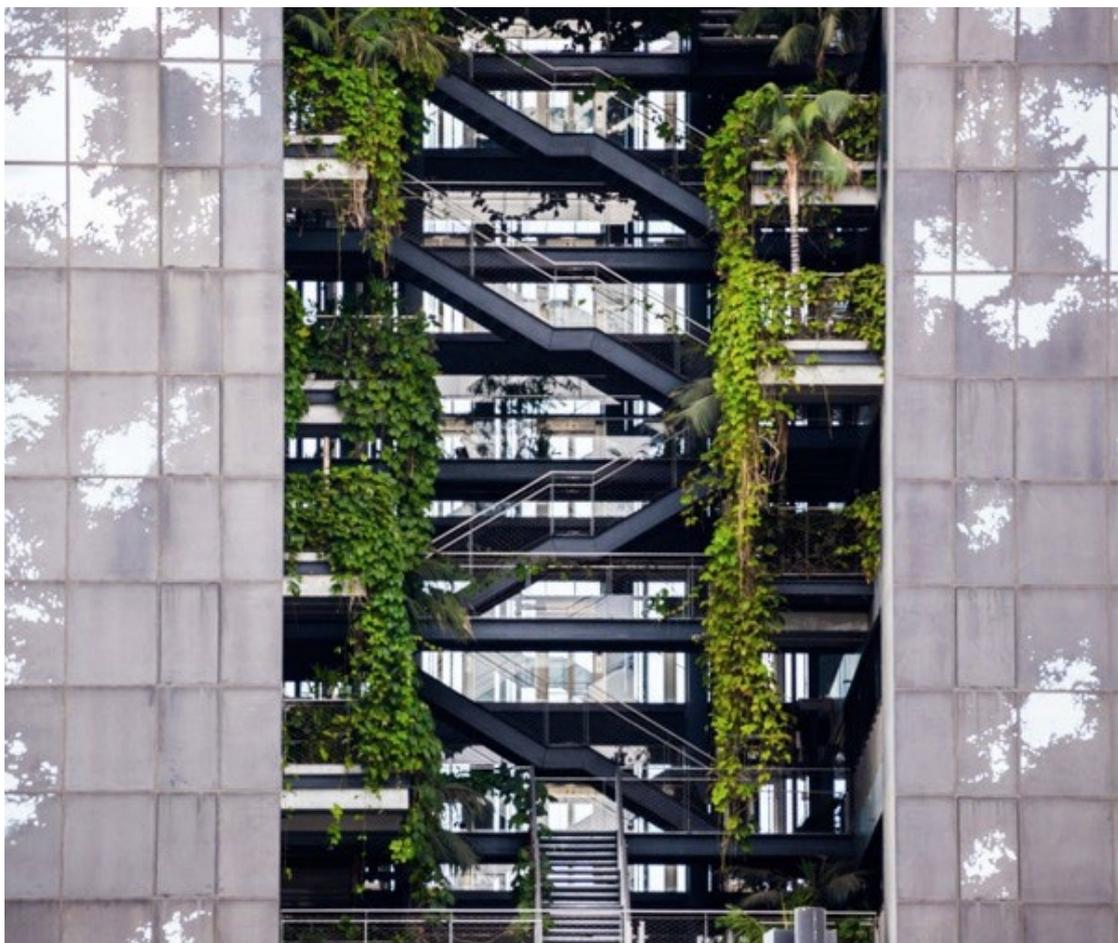
Due to the CRM, we have been able to observe occupier trends by product type and proactively manage our assets to be responsive to not only current, but also the emerging needs of occupiers, which ultimately benefits our clients. In recognition that many of our office and retail occupiers, particularly those located in the Central Business Districts of major gateway cities, were experiencing similar challenges related to commuting and intra-urban travel, we formed a new Urban Destinations sector group within our EMEA business.

Indirect Real Estate

For Indirect Real Estate, we are a step removed from the tenant and do not have a direct relationship with the occupiers of the underlying properties in our investments. For these strategies, we take a partnership approach, seeking to positively influence all stakeholders through individual engagement directly with the investee or through collective engagement. Our Indirect Regional Investment Teams engage with the underlying managers and operating partners who are directly responsible for the management of investments. We operate the same approach for indirect engagement across all geographies. Our Indirect Investment Team engagement is predominantly focused on sustainability issues, including climate risk, ensuring that these portfolios align with our Sustainability Vision even though we do not have direct control of the underlying real estate assets.

In addition to attending advisory board and investor meetings scheduled by the manager, we speak directly with the manager at least quarterly to obtain detailed updates on specific fund and asset management issues including acquisition and divestment plans, leasing progress, underperforming assets, assets with high climate risk, progress on setting targets, decarbonization efforts and other sustainability initiatives. These conversations may take place in-person or via conference call. Priorities for engagement are determined each year based on the results of our proprietary Sustainability Assessment Framework. We seek to understand each manager’s sustainability approach and actions, encouraging continuous improvement of their practices and performance. In recent years, we encouraged managers to participate in the GRESB assessment, including the development module and completing CRREM. We also encouraged managers to seek expert advice by appointing third-party sustainability consultants. We use our knowledge and expertise from other funds, including those on the direct side of our business, to share best practices and work with underlying managers on specific energy efficiency projects.

Although we rely on our underlying managers for information on risk, our Sustainability Assessment Framework provides us with the critical information needed to identify, evaluate and manage climate-related risks. The information received from the assessment informs our engagements with underlying managers on identified risks, such as physical and transition climate risks and best practices to share with them to mitigate such risks. We often take the extra step of running a third-party physical climate risk tool when a manager shares the required pertinent asset-level data, or we engage with the manager to explain the importance of understanding and managing physical climate risk. For any assets identified as being at high or critical risk from one or more physical risks, we engage with managers to explore the risk in more detail, encouraging underlying managers to commission detailed analyses, for example from flooding consultants and engineers, to determine whether the asset had built-in resiliency or needed mitigation plans to address any residual risk.



Case study: Indirect Real Estate implementing sustainability initiatives with positive asset and portfolio outcomes

Stakeholder(s) engaged and participants:

Our Indirect Real Estate Team proactively engaged directly with one of our underlying managers to evaluate the sustainability features embedded in their existing developments.

Overview of the engagement:

Energy efficiency has become a key factor influencing tenant leasing decisions in industrial real estate. One of our operating partners recognized this trend and began incorporating design elements such as wall insulation and battery storage capacity to address rising temperatures and facilitate onsite renewable energy use. However, not all asset managers and development partners fully appreciated the leasing and asset performance benefits that can result from targeted sustainability upgrades. We sought to share this information with other managers who could benefit from this information.

Engagement objectives:

As part of our collaboration with this underlying manager, we shared best practices—specifically the integration of wall insulation and the allocation of space for battery energy storage systems (BESS). We encouraged the adoption of these features not only to enhance environmental performance but also to drive leasing demand, minimize vacancy periods and support rent premiums by delivering operational energy savings to tenants.

Progress and outcome of the engagement:

Following our engagement, the operating partner agreed to implement two new battery energy storage systems with a combined capacity of 500 kWh at a tenant-occupied site. Paired with an existing 198 kW rooftop solar PV system, the BESS supports overnight charging of the tenant's manual handling equipment, significantly reducing reliance on grid electricity. This initiative resulted in lower energy costs for the tenant and reduced greenhouse gas emissions associated with the property. The success of this deployment strengthened the partner's commitment to incorporating tenant-specific sustainability capital expenditures as a strategic component of their development and asset management approach.²²

Private Infrastructure

For Private Infrastructure, our teams engage with investee companies on sustainability issues typically through holding ownership positions, sitting on boards, participating in management meetings, sending questionnaires, influencing decisions and sharing best practices.

We regularly engage with portfolio companies to help them manage sustainability-related risks and opportunities. Our approach to engagement will vary depending on the type of asset concerned, whether direct or indirect, the level of our ownership, whether we are a minority share owner or whether we have seats on the operating company's board. Our engagement approach does not vary by geography. Issues are identified during due diligence and through regular monitoring of the investment. Additionally, during deal structuring and if applicable depending on the investing entity and vehicle, we may include sustainability requirements in transaction documentation and/or in the investment action plan. This might include requiring the company to annually submit to GRESB infrastructure, provide sustainability disclosures to CBRE IM Private Infrastructure and/or produce specific sustainability-related disclosures.

Once in the portfolio, concerns are raised with company management and, if appropriate, with the Board of Directors. For most of our infrastructure investments, there will be other partners in the investment and management may retain some ownership as well. We provide greater impact where we have board representation, but also when we have a minority position when we seek to push for sustainability improvements, such as participation in the GRESB

²² As of May 2025. Source: CBRE Investment Management and the underlying manager.

Infrastructure assessment, regular review and update of policies, processes and practices as well as integration of climate risk considerations in the company's broader strategy and risk management practices. We often will engage with majority investors to work collaboratively to seek sustainability practice and performance improvements

Case study: Private Infrastructure engagement on net zero with its direct portfolio

Stakeholder(s) engaged and participants:

The Private Infrastructure Team engaged directly with our direct portfolio companies.

Overview of the engagement:

We engaged with portfolio companies about interim and net zero targets, providing them with greater flexibility to align with our revised target while considering their varying stages of maturity. The revised target places a greater focus on how the fund can use its influence to enable improved monitoring and accommodate the dynamic and open-ended nature of the fund and its changing composition.

Engagement objectives:

In September 2024, we wrote to our direct portfolio companies clearly outlining our expectations of them to commit to achieve net zero by 2050 or sooner and develop and adopt net zero targets within two years of their acquisition by the fund.

Our letter provided detailed, actionable steps, including the establishment and implementation of net zero targets consistent with the fund's objectives. Engagement with portfolio companies encourage targets which are actionable for the individual company, with emphasis on finding tailored, practical solutions to reduce emissions.

The letter was sent to the Board of Directors of controlled portfolio companies and was also included in our 2024 Sustainability Engagement Pack to ensure transparency of our strategy and expectations across the entire portfolio.

Progress and outcome of the engagement:

As a result of these efforts, 86% of the fund's fair value was committed to aligning with a net zero pathway by December 31, 2024. Additionally, 49% of the fund's fair value had established net zero targets. The engagement initiative increased awareness of the fund's target and has prompted portfolio companies to initiate work on target setting.

Case study: Driving sustainability insights in Indirect Infrastructure—a scalable engagement approach

Stakeholder(s) engaged and participants:

Our Asset Management and Sustainability Teams further developed an engagement approach and continued engagement with our indirect infrastructure investments.

Overview of the engagement:

Before 2023, our Indirect Private Infrastructure portfolio lacked a consistent annual assessment of sustainability maturity and climate-related data. The strategy operates on behalf of a diverse investor base—some of whom are less supportive of active climate engagement—and involves minority positions in underlying funds and companies limiting our direct influence and information rights. These constraints created challenges in evaluating the sustainability posture and climate readiness of the broader portfolio.

Engagement objectives:

To address this, in 2023, we launched a structured, annual climate and sustainability engagement initiative aimed at building awareness and assessing portfolio-wide sustainability alignment with TCFD recommendations and general best practices frameworks, including PRI and GRESB. Building on our initial success, we expanded the initiative in 2024 (covering 2023 performance), enhancing the questionnaire to 22 questions to reflect evolving sustainability regulations. We also introduced more detailed GHG emissions data collection and aligned the initiative with the key pillars of CBRE IM' Sustainability Vision and Global Sustainability Policy and the approach adopted by other indirect investment strategies within the CBRE IM platform. This year-over-year engagement enabled us to benchmark progress, surface best practices and guide ongoing dialogue with managers—despite minority ownership constraints and the varied stances toward sustainability and climate among the underlying investor base.

We believe that infrastructure assets demonstrating strong alignment with sustainability standards are better positioned for long-term risk-adjusted performance and regulatory resilience.

Progress and outcome of the engagement:

Our 2024 engagement yielded strong participation and demonstrated measurable progress across key climate metrics:

- 95% response rate, representing 56 indirect investments with a combined equity value of \$171.7 billion (of which \$4.2 billion is managed by CBRE IM).
- 83% of respondents are committed to, or are already aligned, with TCFD.
- 62% are actively producing TCFD-aligned disclosures.
- 72% of respondents have adopted net zero targets aligned with the goals of the Paris Agreement.

This initiative has enhanced our visibility into climate risk preparedness and established a foundation for more informed stewardship across the Indirect Private Infrastructure platform.

Listed Real Assets

For Listed Real Assets, engagement is a way to provide messaging, influence and feedback to companies, as well as a means to clarify information. Portfolio managers and analysts frequently engage with portfolio companies on a variety of issues. The goals of engagement are driven by the relevant analyst who covers the company and the Head of Sustainability, with the following objectives in mind:

- In the area of proxy voting, to discuss items that come up for vote, many times in the area of governance or if there are environmental or social items.
- To arrive at a more complete dataset to supplement our external data sources.

- To understand the overall sustainability strategy for companies in sectors where there is minimal disclosure.
- To encourage companies to employ best practices, particularly those companies with historically poor governance.
- Thematic topics.

While we may engage more frequently with companies whose shares we own, or which are significant in size relative to industry benchmarks, we also engage with smaller companies or companies which are not currently held in our portfolios, for reasons outlined above.

Engagements may be carried out through private meetings, conference calls or written correspondence. The Investment Team is responsible for tracking engagements, including the company, type of meeting, subject matter and details of the engagement.

Case study: Listed Real Estate—an opportunity to understand and supplement third-party assessments

Stakeholder(s) engaged and participants:

CBRE IM engaged with a U.S.-based industrial company. Our Listed Head of Sustainability and investment analyst specializing in the industrial sector met with the company’s Chief Accounting Officer, Director of Sustainability and Investor Relations. This meeting was a direct engagement, which was initiated by CBRE IM to discuss the company’s GRESB assessment.

Overview of the engagement:

CBRE IM consistently reaches out to listed companies to encourage participation in sustainability reporting, third-party assessments and various initiatives. This industrial company had recently begun adopting industry best practices. Our engagement provided an opportunity to delve into their GRESB assessment, decarbonization roadmap, solar program, green building certifications and corporate governance framework.

Engagement objectives:

The industrial company was in the early stages of its sustainability journey. Being a smaller market capitalization entity, there is significant potential for enhancing sustainability impacts and improving reporting and disclosures to investors. The company completed its inaugural GRESB assessment two years ago and participated again last year, expressing satisfaction with their improved score, which reflects ongoing portfolio initiatives. The company prioritizes developing new buildings to LEED standards and plans to pursue the LEED volume program. The company has constructed approximately half of its existing portfolio, positioning itself to create resilient, sustainable buildings that meet market demands and attract tenants. In terms of decarbonization, the company established a roadmap, focused on short-term targets while planning to unveil longer-term goals in the coming years. We also discussed corporate governance, noting that the company recently amended its bylaws to enhance shareholder friendliness. Its governance structure features a non-staggered board, the exclusion of state antitakeover provisions and the absence of a shareholder rights plan. CBRE IM believes that companies with strong, shareholder-friendly governance tend to receive higher market valuations compared to those with poor governance practices.

Progress and outcome of the engagement:

As a result of this engagement, CBRE IM updated our internal scoring related to green building certifications and memberships, which had not been adequately captured by our third-party data. We believe these updated scores more accurately reflect the company’s recent accomplishments. We will continue to engage with the company regarding their decarbonization progress.

Case study: Listed Infrastructure—an opportunity to better understand a company’s sustainability strategy and identified controversies

Stakeholder(s) engaged and participants:

CBRE IM engaged a leading North American energy infrastructure company. Our U.S. Investment Team met with a senior member of the company’s sustainability team and the investor relations manager. The meeting was a direct engagement initiated by CBRE IM.

Overview of the engagement:

CBRE IM initiated the engagement to better understand the company’s decarbonization strategy and to discuss multiple controversies identified by a sustainability research provider. The company reiterated their commitment to reduce emissions and discussed their approach given growth occurring across the company’s assets. The company also addressed controversies related to an operational event and a court decision regarding an investor lawsuit that went against the company.

Engagement objectives:

The company is experiencing substantial growth across their platform as demand for natural gas is accelerating across North America. This growth makes lowering absolute greenhouse gas emissions more challenging as the asset base expands. The company is focused on reducing fugitive methane emissions by streamlining operations across their footprint, increasing the testing of assets which allows for better monitoring of emissions. At the time of the engagement, the company had reduced absolute methane emissions by 15% since 2019 despite expanding the size of the asset base.

Progress and outcome of the engagement:

We believe that the controversies identified are being properly addressed by the company. On the operational controversy, the company noted they have fully cooperated with relevant agencies and have completed clean-up of a spill while continuing to monitor the impacted area. On the governance controversy, the situation is ongoing. The company disagreed with the negative court decision related to a prior acquisition and they expect to appeal to a higher court in the near future. We continue to monitor both events and will engage with the company in the future as appropriate.

Levels of engagement intensity for Listed Real Assets

At a high level, we categorize engagements as either “brief” or “in-depth,” in accordance with the frequency and intensity of our discussions with a company related to a particular matter. Brief engagements consist of short, direct conversations with companies over the course of each year, focused on issues important to our analysts’ research. Brief sustainability engagements may also be conducted during meetings where other fundamental topics are covered. Engagements are conducted virtually or in person. Some of these conversations are focused on gathering or clarifying information, while others are intended to encourage the company to take a particular action. Brief engagements may evolve into in-depth engagements based upon the importance of the issue, the level of detail in views exchanged or the number of conversations.

An in-depth engagement is typically a longer meeting dedicated solely to discussing issues related to sustainability. We have been conducting more in-depth meetings in recent years, due to our own internal research efforts, and an increase in sustainability initiatives at the issuers in which we invest. In-depth meetings are held for reasons such as:

- Data gathering and research, often with sustainability leaders at the issuer.
- When we perceive an issue presenting a significant impediment to our investment goals, typically related to governance concerns.

Engagement activity is logged, with the outcome of the engagement communicated to the Investment Team and reflected in any necessary changes in underwriting.

At the conclusion of the engagement, analysts complete a log of the engagement, as well as a writeup of notes, both of which are available for the Investment Team to view. We track various action items which were developed through guidance from PRI, that allow us to determine the result of the engagement. Each entry in our engagement log has an associated action taken as the result of the investment such as: the company changed its practice, the company committed to change, divestment of the security, engagement failed, increased understanding of sustainability initiatives, invested in the company or ongoing engagement.

Outcome

The outcome of engagements for all strategies are typically shared at a high level with investors in annual reports or webcasts, an engagement report or through ad hoc communications.



Case study: Underlying manager engagement to develop a pathway to a 5-star Green Star certification

Stakeholder(s) engaged and participants:

Our Indirect Real Estate Team directly engaged with an Australian underlying manager to develop a pathway to get a higher Green Star rating than originally planned.

Overview of the engagement:

An Australian student accommodation fund acquired an asset in Adelaide with a 4-star Green Star certificate. We suggested enhancements to achieve a 5-star rating. The Green Building Council of Australia launched a new Green Star Performance tool with stricter standards to align with global sustainability trends. This focus on sustainability positions the fund favorably for long-term value and compliance with evolving environmental standards.

Engagement objectives:

We advised the underlying manager to engage external consultants to conduct a gap analysis on the Adelaide asset and two Melbourne assets approaching the end of their Design & Build ratings. The goal was to identify pathways and costs for achieving a 5-star rating under the Green Star Performance v2 tool and to develop a decarbonization plan.

Progress and outcome of the engagement:

The manager performed a comprehensive gap analysis for the three operating assets, identifying costs and actions needed to attain a 5-star Performance Rating via the Green Star Performance v2 tool. This analysis was incorporated into the 2025 business plan and capital expenditure plan, aligning with sustainability goals and financial forecasts. The proactive approach enhanced the assets' performance and ensured compliance with environmental standards.

Listed Real Assets

The Listed Real Assets Investment Team reviewed approximately 1,300 companies in 2024 across our proprietary listed real assets universe. We engaged with companies at conferences and had virtual and in-person meetings with company management. Our analysts also attended earnings and general broker hosted calls with company representatives such as the executive management team, investor relations and board members. In 2024, our Investment Team held targeted sustainability engagement meetings with companies under coverage with a focus on detailed discussions around specific environmental themes such as decarbonization commitments and targets, renewable energy usage and provisions, energy efficiency. Discussions also centered around disclosure of sustainability metrics and strategy, and management of human capital. In nearly half of cases, we held separate sustainability engagement meetings from our fundamental meetings, which included sustainability professionals at the companies for the purpose of more in-depth understanding and research.

In our recurring engagements, our analysts and team members encourage best practices and gain an understanding of a company's sustainability risks and opportunities. Engagement also informs analyses that enable our portfolio management decisions. Within our Listed sustainability database alone, we track over 120 fields comprising over 100,000 distinct data points for real assets companies considering sustainability criteria, stewardship and other factors.

Below is a guide we use for company-specific engagements:

Engagement blueprint for Listed Real Assets

Environmental	Social	Governance and disclosure
Encourage		
<ul style="list-style-type: none"> Goals for energy conservation, carbon reduction; an adherence to industry standards Sustainability values in their business for the betterment of stakeholders 	<ul style="list-style-type: none"> Programs within assets and communities to support and engage stakeholders Commitment to a strong workplace culture 	<ul style="list-style-type: none"> Disciplined corporate governance, with strong board oversight and stakeholder-friendly provisions Transparent, organized and accessible disclosures
Understand		
<ul style="list-style-type: none"> Assessment of physical and transition risks and climate-related opportunities; investment in asset-level resiliency measures Emissions reduction targets and net zero commitments set by management; if uncommitted, the required analysis and actions to make a commitment Renewable energy deployment 	<ul style="list-style-type: none"> Hiring and recruitment processes Tenant and community health, safety and engagement Opportunities for education, growth and advancement of employees 	<ul style="list-style-type: none"> Quantifiable sustainability and financial metrics related to executive compensation; achievability of those metrics Company views of best practices and benchmarks Awareness of sustainability ratings and sustainability action groups

Source: CBRE Investment Management.

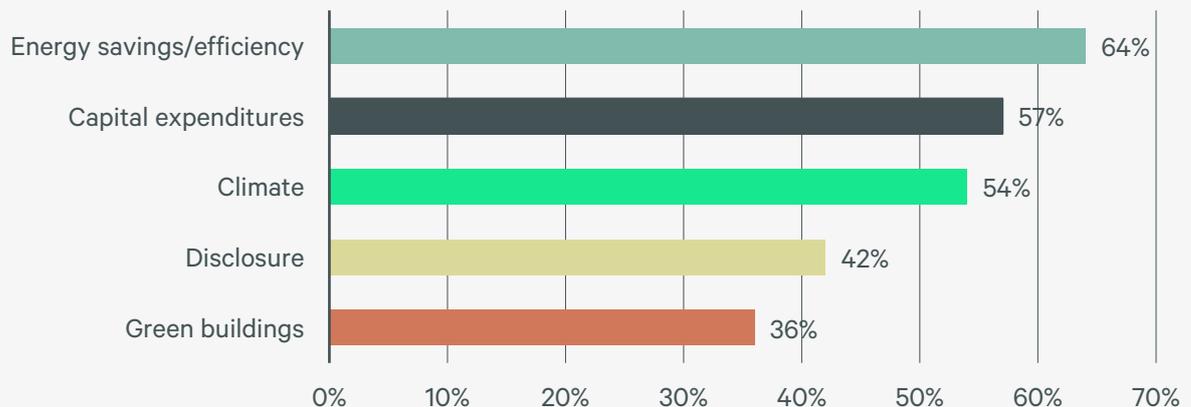
In 2024, Listed Real Assets sustainability engagement spanned the globe but concentrated on developed markets (in line with the investible market for real assets). The Americas and Europe represented 70% of engagements, while the Asia Pacific region represented nearly 30%. From a sustainability pillar perspective, environmental topics—including energy savings, efficiencies and climate risk mitigation and decarbonization—comprised the majority of topics followed by engagement on corporate disclosures and capital budgeting details related to sustainability. CBRE IM engaged corporates largely on a one-to-one basis; engagements were both part of and separate from meetings that addressed fundamentals such as earnings, balance sheets and cash flows.

Sustainability engagement

Engagement by region



Engagement by topic



Source: CBRE Investment Management. Considers engagement during calendar year 2024.

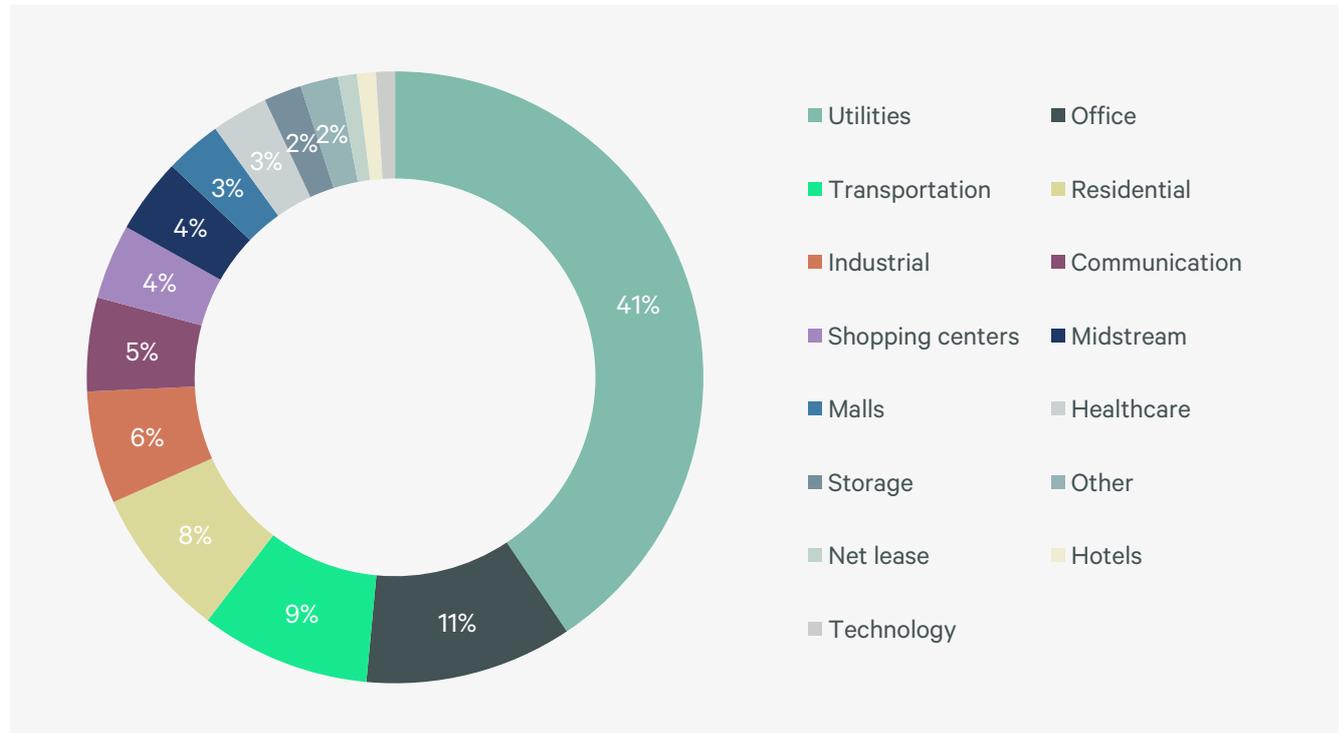
Some of the outcomes for engagements are provided below and are in our annual engagement report provided on our website at the following link: [2024 Listed Real Assets Engagement Report](#).

Statistics on our engagements and proxy voting are provided in Principle 12. CBRE IM's individual engagement meetings are conducted in-person or virtually. Our collaborative engagement meetings were (1) held virtually alongside GREEN (Global Real Estate Engagement Network) members and (2) through letters sent via email related to GRESB. Senior members of the management team (CEO, CFO) were part of the majority of our engagements, which we believe is a reflection of the value that C-suite executives place on communicating about sustainability initiatives. Our meetings are led by the analyst directly responsible for fundamental security coverage and supported by our Head of Sustainability for Listed Real Assets. In 2024, pertaining to our individual sustainability engagements, 49% of engagements solely covered sustainability topics, while 51% covered sustainability topics as well as other fundamental research topics. In 2023, 65% of individual meetings solely covered sustainability topics, while 35% covered sustainability topics, as well as other fundamental research. While we prefer standalone sustainability

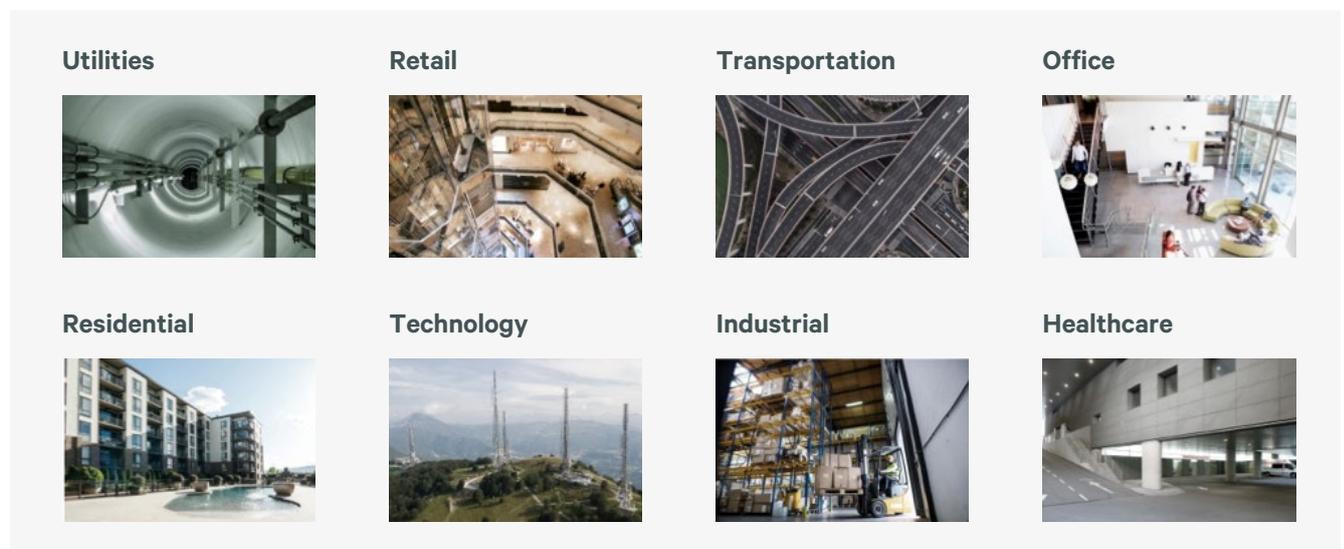
meetings, we will capitalize on the availability of company management during a broader meeting if we have sustainability questions which need to be addressed.

Engagement across company types was well diversified. In 2024, the utility and power sectors comprised approximately 41% of engagements. Real estate sectors with high degrees of energy use, inclusive of office, comprised a larger number of real estate engagements. CBRE IM Listed Real Assets may prioritize engagements by a number of factors, including portfolio exposure, poor disclosure, controversies or items related to proxy voting.

Engagement by company type



Source: CBRE Investment Management. Considers engagement during calendar year 2024.



Source: CBRE Investment Management.

Principle 10: Collaboration

Signatories, where necessary, participate in collaborative engagement to influence issuers.

Collaborative engagement with other investment managers within the real estate sector is often limited since direct investment managers typically wholly own the underlying real assets. Issuers, as they exist in listed markets, are not present in direct real estate markets. We, however, participate in collaborative engagement through a number of means and with other stakeholders, such as underlying managers for indirect strategies. Our primary approach is through our memberships in industry bodies, who, on behalf of their members, often engage with legislators and policymakers on issues that are of interest to the sector as a whole. Our employees often sit on steering committees, working groups and on the boards of these organizations. For Indirect Real Estate, we often work alongside other investors on advisory boards to influence underlying managers. We also participate in events and consultations alongside our industry counterparts.

Engagement through industry organizations

CBRE Investment Management engages and works collaboratively with numerous industry organizations and representative bodies. These memberships enable CBRE IM to interact with other industry participants. Through their events, they provide additional opportunities for learning and development for our people and forums for our own subject matter experts to speak to their peers.

Many of the sustainability and climate-related organizations we participate in act as representative bodies for either the real estate or infrastructure industry, the fund management industry or the pension fund sector. Many of these organizations are in regular contact with governments and regulatory bodies on behalf of their members, such as responding to government consultations.

CBRE IM is a signatory to the PRI and TCFD, as well as a signatory, member or participant in other global and regional sustainability-related networks and initiatives, including:

- Better Buildings Partnership (**BBP**) as of 2019
- Global Investor Coalition on Climate Change (including AIGCC, Ceres, IGCC and IIGCC) as of 2019
- Global Real Estate Engagement Network (**GREEN**) as of 2024
- Institutional Investors Group on Climate Change (**IIGCC**) as of 2012
- Pensions For Purpose as of 2021
- PRI Sustainable Systems Investment Managers Reference Group (**SSIMRG**) as of 2023, PRI Real Estate Advisory Committee since 2025 and PRI signatory since 2009
- Sustainability Accounting Standards Board (**SASB**) as of 2017
- Sustainability Policy Advisory Committee (**SPAC**) of the Real Estate Roundtable as of 2022
- The Aldersgate Group as of 2022
- The Association of Real Estate Funds (**AREF**) ESG and Impact Investing Committee as of 2019
- The European Association for Investors in Non-Listed Real Estate Vehicles (**INREV**) as of 2014
- U.K. Green Building Council (**UK GBC**) as of 2019
- Urban Land Institute (**ULI**) as of 2014

Outcomes

Indirect Real Estate engagement—advisory board membership

For Indirect Real Estate, we undertake collaborative engagement through our membership on advisory boards. We seek to utilize our scale to negotiate enhanced governance, including advisory board seats where possible. Representation at these meetings not only ensures we receive all information from underlying fund managers, particularly relating to the performance of individual assets, but also provides an opportunity for us to interact with other major investors, including collaborating on sustainability and stewardship matters.

Case study: Collaborative engagement with a joint venture partner working with an underlying manager

Stakeholder(s) engaged and participants:

An indirect investment in a joint venture, which has exposure to eight fully leased logistics assets in Sweden and Denmark, was approaching a major lease event. The lease of the single tenant in the second largest asset of the portfolio was due to expire. Part of the lease negotiation revolved around the modernization of the asset, which was built in the 1970s. The manager of the joint venture led the negotiations with the tenant. Early in the process, a light refurbishment of the asset was included in the proposal. However, once the plans from the manager were shared with the joint venture partners, our feedback was that the lease event was the best opportunity to take greater steps to improve the asset, especially in terms of sustainability.

Overview of the engagement:

Underlying managers of indirect investments are usually in control of the day-to-day operations of the portfolio, including lease negotiations. As such, CBRE IM Indirect Real Estate had limited visibility over the results of such negotiations. We, therefore, stressed the importance of our sustainability ambition for the portfolio to encourage them to incorporate our expectations into day-to-day operational workstreams. We typically invest alongside other like-minded investors, who have their own requirements, restrictions and goals. In a 50/50 joint venture, being aligned on sustainability is key to ensuring implementation in every possible aspect.

Engagement objectives:

- During the Investment Committee meeting of the joint venture in Q2 2024, CBRE IM Indirect Real Estate and the joint venture partner expressed their preference to enhance the asset beyond the manager's initial plan. With an eye on the potential exit of this investment before 2030, having a state-of-the-art logistics asset with high sustainability credentials in the portfolio makes the portfolio attractive for a potential future buyer.
- Together with the joint venture partner, a list of sustainability requirements was established and shared with the manager. The list contained various sustainability requirements that both investors wanted to see implemented during the redevelopment. Examples included targeting a minimum EPC A rating and DGNB Gold certificate, pushing the energy intensity and CO2 intensity stranding date out by 10+ years and 20+ years respectively, placing solar panels on the roof and sourcing 100% green energy (PPRE standard).

Progress and outcome of the engagement:

- The manager revised the plan for the asset according to the preferences established by the joint venture partners. The revised plan contained a phased redevelopment of the asset. This will allow the tenant to continue operations while the asset is being redeveloped. The redevelopment will focus on targeting the highest sustainability credentials possible. The potentially higher construction costs may improve the marketability of the portfolio to future buyers and attractiveness to existing and future tenants.
- The new plan was well-received by the tenant. The tenant stopped looking at a potential relocation of their operations and passed on breaking the lease contract at expiry, automatically extending it for three years. The manager is now in discussions with the tenant on how best to execute the project to align with the tenant's corporate sustainability policy and targets.

Direct engagement

We increased our engagement with other external groups and organizations. Under Principle 4, we provided details of our contribution to U.K. Stewardship Code consultation and engagement with the U.K. Sustainable Markets Initiative.

Listed Real Assets engagement

Case study: Listed Real Assets GRESB initiative engagement

Stakeholder(s) engaged and participants:

The Listed Real Assets Team engaged with 44 companies to encourage participation in GRESB.

Overview of the engagement:

Many companies do not submit to GRESB and, therefore, decision-useful information on sustainability by public real assets companies is not available for investors. Submitting to GRESB requires discipline around, and monitoring of, operating performance and processes and can aid in setting targets.

Engagement objectives:

During engagements, we emphasize the importance of the GRESB assessment and encourage participation going forward. We target the largest companies in our global and U.S. benchmarks who currently do not participate in the GRESB assessment. We consider this activity to be collaborative engagement, where we, as an investor member of GRESB, are requesting participation per GRESB's request. In this engagement, we provide information about GRESB, describe how important it is to investors, and refer the company we are engaging with to the GRESB website and related assessment links. We convey to each targeted company that management excellence in addressing sustainability issues may be rewarded over time by the investment community as a result of its positive effect on operating standards and expense control, as well as transparency. Submitting to GRESB can aid in developing discipline and a results-oriented approach around those items.

Progress and outcome of the engagement:

In 2024, we targeted and engaged with 44 companies to encourage participation in GRESB. Typically, in any given year, three to five of the new companies that complete the GRESB assessment are companies that we engaged with prior on this specific topic. In 2019, GRESB named CBRE IM Listed Real Assets the GRESB Investor Member of the Year for North America due to CBRE IM Listed Real Assets' ongoing effort to promote GRESB and encourage participation, which has resulted in increased participation by public companies. CBRE IM has conducted our GRESB engagement initiative since 2014. Since that time, participation in GRESB has grown from 51% of our global benchmark to 68%, by market capitalization.

Private Infrastructure engagement

Case study: Private Infrastructure collaboration with GRESB to promote infrastructure assessment enhancements

Stakeholder(s) engaged and participants:

Our Private Infrastructure Team engages with all direct portfolio companies, encouraging and supporting them to annually participate in the GRESB infrastructure assessment. CBRE IM Private Infrastructure also engages directly with GRESB to provide feedback on the infrastructure assessment.

Overview of the engagement:

The Private Infrastructure Sustainability Lead collects feedback from direct portfolio companies and shares it with the GRESB team responsible for the development of the infrastructure assessment at the end of the reporting season to encourage enhancements in the assessment. Key areas of feedback and engagement include the revision of the materiality assessment, as well as the creation of new peer groups to accommodate new participating sectors. The Private Infrastructure Sustainability Lead holds regular calls with the GRESB team to discuss the feasibility of changes and encourage the inclusion of plans for the update of the assessment.

Engagement objectives:

We see GRESB as an invaluable sustainability management tool that allows us to collect critical data on our portfolio companies' performance, encourage year-over-year improvements and assess the peer landscape. Given the expansiveness of the infrastructure asset class, our engagement sought to provide feedback on the GRESB materiality assessment and enhance the appropriateness of conclusions.

Progress and outcome of the engagement:

Following direct feedback from CBRE IM Private Infrastructure, GRESB confirmed the introduction of a new sector subclass for transportation, which covered Motorway Service Areas (**MSA**). The newly introduced subclass improved the relevance of the materiality assessment and GRESB outputs for such businesses, including a company in the direct global infrastructure fund's portfolio. In late 2024, GRESB announced that it was considering the establishment of a dedicated data center module. Following previous engagement, we were invited, alongside one of our portfolio companies, to take part in the Data Centers Working Group, giving us the opportunity to feed into its development, supporting the identification and definition of the material indicators and performance metrics that matter most to both investors and operators.

Following the feedback provided to GRESB in 2024, the Sustainability Lead for Private Infrastructure was selected to be part of the GRESB Data Centers Working Group and, later in 2025, to the GRESB Foundation Infrastructure Standards Committee. Since February 2025, this role has provided the opportunity to directly feed into the development, maintenance and improvements of GRESB infrastructure standards.



Principle 11: Escalation

Signatories, where necessary, escalate stewardship activities to influence issuers.

Our engagement strategies are outlined in Principle 9 above. As with engagement, our approach to escalation varies by strategy, but not by geography. Below we provide an explanation of our approach to escalation for each of our strategies along with case studies of engagement escalation for each, where engagement with issuers is applicable.

Direct Real Estate

For Direct Real Estate, there are no issuer relationships, so our engagement is not via traditional means and escalation of any form of engagement is very unusual. Nevertheless, in our engagement with tenants on sustainability issues, we occasionally find some tenants unable to work with us, typically due to resourcing issues within the tenant's business. In such circumstances we seek to work with the tenant in different ways to achieve the same overall objectives. We often escalate to the corporate office of a tenant or property manager if we are not satisfied with the results of our engagement.

Indirect Real Estate

For Indirect Real Estate, we engage with the underlying managers and operating partners on sustainability performance, improvements and initiatives. Engagement is predominantly through ongoing dialogue. In instances where escalation is required, we often make use of our presence on advisory boards to raise issues as and when they arise.

Engagement is an ongoing process for Indirect Real Estate Investment Teams. We advise and collaborate with managers whenever possible as part of our shared journey towards improved sustainability. We utilize the responses from our annual Sustainability DDQ to help our Investment Teams identify priority topics where engagement escalation may be necessary. We have rarely been required to escalate an engagement since it is only required in situations where all other forms of engagement have proven to be unsuccessful. One of the few instances in which we escalated engagements was when we encouraged underlying managers to participate in the GRESB assessment. We wanted underlying managers to collect tenant energy usage data in a timelier manner and so escalated the concern to improve the efficiency of the collection process. For the funds where we had more control, we raised our concerns at advisory board meetings. Where we did not have as much control, for example, when we had a minority position, we escalated our concerns with like-minded investors to leverage a larger group to push for the required change. We have made no new minority investments in 2023 and 2024 other than the investment described in the case study above entitled, "Collaborative engagement through advisory board membership," describing a joint venture that we have a 42% stake in.

Case study: Indirect Real Estate Investment Oversight Committee engagement process

Stakeholder(s) and participants:

We work across many different underlying managers, therefore ensuring our Regional Investment Teams can conduct data-led, focused engagement on sustainability outcomes is a key priority for the successful implementation of our Sustainability Vision.

Overview of the engagement:

As part of the Investment Oversight Committee process, prioritization of engagement with managers needs to consider the greatest exposure to material risks and identify holdings where actions should be agreed upon to reduce such risks. The Indirect Sustainability Team developed an engagement prioritization and action planning process using the latest results from our physical climate risk screening software, Climate X. The RITs were provided with a prioritized list of holdings based on overall exposure to climate hazards, along with instructions on how to engage with managers depending upon the results.

Engagement objectives:

The primary objective of the engagement was to ensure that our teams understand any differences in physical climate risk screening conclusions and, importantly, to ensure that actions were agreed upon with the manager to implement mitigation measures of any risks that had not been fully developed.

Progress and outcome of the engagement:

As a result, the RITs engaged managers across 58 holdings prioritized within each region. Managers provided further detail on the process for climate risk screening they are deploying and, where necessary, agreed to implement further steps before the next review of the portfolio to be undertaken the following year. The outcome is a defined log of committed next steps that managers are implementing to mitigate physical climate risk, as well as additional actions that CBRE IM Indirect has suggested to managers to improve their approach. One further outcome is that managers with multiple regional vehicles taking different approaches to physical climate risk management were asked to seek better consistency or explain why differences of approach are required.

The ultimate result of this process is to increase the proportion of the Indirect portfolio that has adequately assessed and mitigated physical climate risks which may cause a material financial risk if not addressed.

Private Infrastructure

For Private Infrastructure, we typically find the need to escalate an engagement topic in situations where we are a minority investor and do not have decision-making rights or the ability to nominate representatives for the board of the operating company. These occurrences are rare, however, as with Indirect Real Estate, escalation is required in situations where all other forms of engagement proved to be unsuccessful. We set engagement objectives each year. In 2024, we had three primary objectives across our direct infrastructure portfolio: (1) improve the quality of reported data, prepare for regulatory compliance, and expand data coverage across KPIs; (2) increase engagement with our net zero target by integrating the fund's target into portfolio companies' strategies; and (3) increase participation in, and improve scores on, the GRESB assessment. For Indirect Private Infrastructure, our primary objective was to promote awareness of core climate and sustainability management best practices and increase engagement with the climate and sustainability framework, including the collection of quantitative data through the annual engagement process.



Listed Real Assets

For Listed Real Assets, we select and prioritize issues for escalation based on the seriousness and history of the issue at hand. An issue such as a human rights violation or bribery would be an example of a reason for escalation. We seek to provide the party we are engaging with an opportunity to understand our perspective and to take action to address and rectify the issue(s). If engagement is unsuccessful, we develop an escalation plan that is appropriate for the issue.



Case study: Listed Infrastructure—engagement regarding controversies

Stakeholder(s) engaged and participants:

CBRE IM engaged with a leading European-based electric utility company. Our European Investment Team met with senior members of the company's IR team. The meeting was a direct engagement initiated by CBRE IM.

Overview of the engagement:

We initiated the engagement to discuss controversies identified by a sustainability research provider related to the company's ownership in hydroelectric plants. The company provided detailed background information regarding the two plants identified in the research and the steps that were taken in the development and operations of those projects. The company also discussed the strict policies and regulations that were set prior to construction that have been fulfilled throughout operations.

Engagement objectives:

There were two projects which were the subject of our engagement. The company was involved in the development and construction of one of the projects. They highlighted that all construction and operating conditions established during the development and review of the project had been adhered to. There were biodiversity impacts which became apparent nearly eight years after the start of the project. The company, as part of the ownership consortium, invested additional capital to mitigate the impacts and agreed to stricter operational requirements. Notwithstanding complaints by some parties, all social and environmental requirements were fulfilled by the consortium, and no conditions were breached throughout the operations of the asset and there was no legal action taken.

The second project discussed was a project where the company was not part of the initial design and construction of the hydro plant and only joined the consortium after the asset was in service. Following allegations after the project was in service, stating that reviews of the design phase of the project were insufficient, the company was part of mitigation efforts which were adopted after additional environmental reviews were conducted. These mitigation plans were designed with input from leaders of local indigenous populations to promote the cultural, social and economic activities of those populations.

Progress and outcome of the engagement:

We believe the company provided valuable context that highlighted appropriate steps and measures taken in the development and operations of these assets. The company stressed key lessons learned from these processes that included greater stakeholder engagement including in key decisions throughout the process, as well as more in-depth human rights assessments. The company also created a controversies committee that monitors outstanding controversies and works to improve company practices. CBRE IM will continue to engage with the company in the future as appropriate.

4

Exercising rights and responsibilities

Principle 12: Exercising rights and responsibilities

Signatories actively exercise their rights and responsibilities.

Reporting expectations

Exercising our rights and responsibilities over investments, including engagement and proxy voting, is at the core of how we practice good stewardship on behalf of our clients. Please refer to Principle 9 on how we engage. The majority of our assets under management are unlisted real assets, which require us to exercise our rights and responsibilities in different ways than what is required of listed equities. We exercise our voting rights and responsibilities for Listed Real Assets through proxy voting. Proxy voting rights are key to demonstrating our concerns to issuers and are an essential component of our fiduciary duty.

Listed Real Assets

For Listed Real Assets, we execute our rights and responsibilities via proxy voting. CBRE IM treats proxy voting as a fundamental responsibility of shareholders—one which can work to affect positive management behavior over time and, therefore, ultimately contribute to generating economic value to shareholders. Proxy voting is an important right of shareholders, and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. When CBRE IM has discretion to vote the proxies of its clients, we will vote those proxies in accordance with our [Global Proxy Voting Policy](#).

The guidelines presented in the policy reflect a corporate governance structure that is responsive to company stakeholders and supportive of responsible investment goals. CBRE IM may, in certain circumstances, voluntarily adhere to guidelines established by its clients if doing so can be accomplished within the proxy voting process established with the proxy voting administrator. Otherwise, CBRE IM will not accept proxy voting authority to the extent clients wish to impose voting guidelines different from those of CBRE IM. The responsibility for proxy voting is defined at the outset of the client relationship (and documented in the Investment Management Agreement). We do not use the default recommendations of proxy advisors. Instead, we use our own internal guidelines, which are reviewed and updated annually by our Listed Head of Sustainability and our Senior Global Portfolio Managers.

Our approach does not vary by geography or asset type (real estate or infrastructure). CBRE IM Listed Real Assets controls proxy voting for the majority of separate accounts under management, subject to limited exceptions; sub-advised funds may choose to handle their own voting.

In 2024, the Listed Real Assets team voted on 3,515 proposals at 283 meetings. Specific governance risks that we focused on included:



Source: CBRE Investment Management.

Details of our voting record are also available on the CBRE IM website at the following link: [Calendar 2024 Proxy Voting Record](#).



2024 proxy voting review

283

MEETINGS ELIGIBLE FOR VOTE

3,515

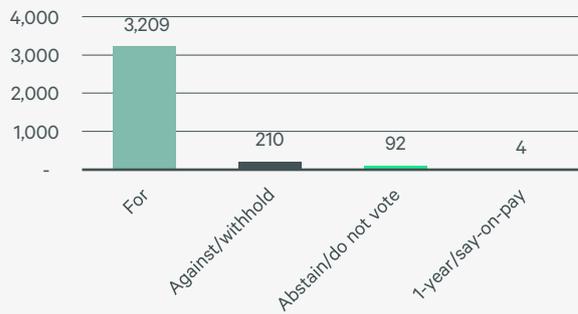
PROPOSALS ELIGIBLE FOR VOTE

Voting per management recommendation

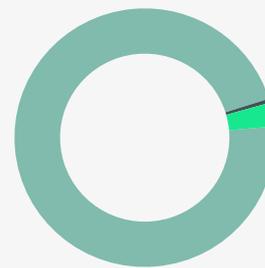
● 96% With management | ● 4% Against management



Voting statistics



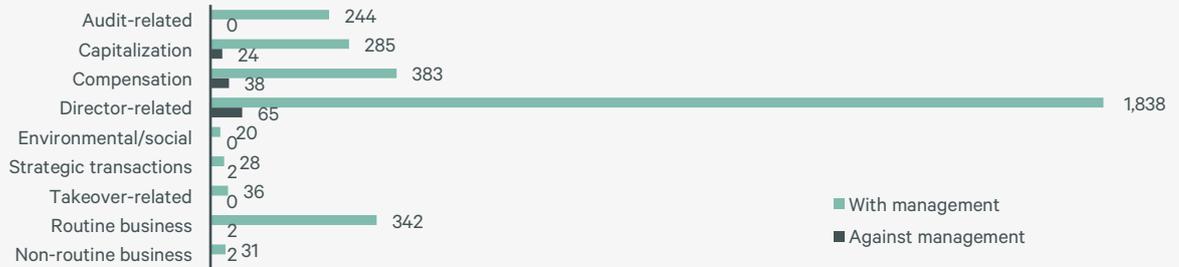
Voting alignment with internal policy guidelines



■ 97% With policy ■ <1% Against policy ■ 3% Did not vote

Voting by proposal category

Management proposals



Shareholder proposals



Source: CBRE Investment Management.

CBRE IM will often avoid investing with companies whose management teams exhibit poor governance practices. As a result, management teams within CBRE IM portfolios do not often create significant conflict from a proxy voting perspective. In 2024, CBRE IM voted 96% in line with management recommendations and 4% against management. Disagreements with management recommendations centered primarily on the appointment of specific directors and certain executive remuneration packages as well as capital issuance.

CBRE IM recommends voting against board members who are overboarded—board members with many public company board commitments who may not be able to devote the time required for effective board service. CBRE IM's internal guidelines allow public company CEOs to sit on three public boards total, including their own, and non-CEOs to sit on four public boards. We may vote against the chair of the nominating committee if the committee fails to nominate to the board independent individuals and/or those with diverse experiences and skillsets. Some items up for vote are handled on a case-by-case basis, where the Listed Head of Sustainability, portfolio managers and analysts will discuss the proposal and determine the outcome. In other cases, if the analyst's indicated vote conflicts with CBRE IM Listed Real Assets' guidelines, the vote must be verified (with documented rationale) and approved by a designated Senior Portfolio Manager or our Listed Real Assets Head of Sustainability; the vote and corresponding rationale is also reviewed by our Chief Compliance Officer. While it does not happen regularly, there may be a situation where it is determined that it is in the best interest of the company for us to vote against our internal guidelines. For example, in the instance of board independence, our internal guidelines may suggest voting against the nominating committee member as mentioned above, but that vote could make the board even less independent by voting against that person. In that situation, we may make a determination to vote for the board member, document the occurrence and engage with the company.

CBRE IM Listed Real Assets has engaged a third-party vendor, Institutional Shareholder Services (ISS), to provide proxy voting administration services, including the tracking of proxies received for clients, providing notice to CBRE IM Listed Real Assets concerning dates votes are due, the actual casting of ballots and recordkeeping. On a daily basis, CBRE IM Listed Real Assets provides ISS with a list of securities held in each account over which CBRE IM Listed Real Assets has voting authority. As mentioned, CBRE IM Listed Real Assets established its own proxy voting guidelines and provides those guidelines to ISS. Proxy voting guidelines are reviewed and approved by our Head of Sustainability for Listed Real Assets and Senior Global Portfolio Managers. The approved proxy voting guidelines are provided to ISS to facilitate the administrative processing related to proxy voting. CBRE Investment Management votes on all proxies for clients where we have voting authority. Clients do not vote directly. We do not set up securities lending for clients or manage securities lending for clients.

The Global Proxy Voting Policy is subject to annual review and was last updated in March 2025.

Other strategies

As previously noted, Principle 12 is not applicable to unlisted real assets in the same context as discussed above for Listed Real Assets. However, CBRE IM exercises rights and responsibilities with other parties, for example tenants and property managers, advisory boards or company boards.

Direct Real Estate

For Direct Real Estate, where appropriate, we work together with our property managers, sustainability consultants, tenants and developers to further sustainability initiatives at the asset level and set minimum sustainability expectations with our partners. Working with these stakeholders, we have been able to improve the availability of data across our portfolios, allowing for more accurate measurement of the environmental impact of our assets. Data collection of this kind also enables us to file for green building certifications such as BRREAM and LEED. The work of our property managers and sustainability consultants also extends to our rights and responsibilities with our tenants. Through collaborative work, we have been able to improve the quality and quantity of sustainability data that is attributable to tenant-controlled spaces and thereby improve the full sustainability picture of our assets and portfolios. We were able to accelerate this initiative during the pandemic by providing rent concessions in exchange for access to sustainability data. Since then, through our CRM initiative and other engagement activity, we have been able to work with targeted individuals within tenants' corporate structures (for example Sustainability Leads and Real Estate Managers) to better understand one another's ambitions regarding sustainability and climate change, and where possible to share data. Increasing sustainability data coverage is an ongoing and necessary project for CBRE IM, with different challenges presented by various property types and assets. Improved data collection is facilitated by the use of green lease clauses, the installation of smart meters and close collaboration with all counterparties.

Indirect Real Estate

Exercising our rights and responsibilities for Indirect Real Estate strategies begins with our initial investment requirements. We will only invest with a new underlying manager that is participating in GRESB or prepared to do so. Once we are invested, and given the scale of our holding, we are often invited to be members of advisory boards. Advisory board meetings can range from quarterly to more frequent meetings if required. On some of these boards, we have voting rights. We will exercise our voting rights on any relevant issues that may arise. The nature of the voting undertaken for the investments targeted by our indirect funds and accounts differs from Listed Real Assets, being typically administrative in nature or can relate to governance matters. Examples may include votes on approval of an extension period for a closed-end fund and the acceptance of a fund's audit accounts. Voting forms only a very limited part of our overall engagement approach, which includes regular interaction with our operating partners and underlying fund managers through control rights or advisory board representation, alongside meetings with management.

Private Infrastructure

For direct Private Infrastructure, we either sit on the Boards of the companies in which we invest or have observer rights. We make our opinions known to other shareholders and management. Where we are a minority investor, we receive Board materials and have monthly calls with the lead investor using that opportunity to discuss any upcoming issues or votes. Specific to our direct portfolio, notwithstanding our ownership stake and subject to duly information rights, on a regular basis, we engage with management team members who have sustainability duties.

Outcomes

Below we provide a series of case studies, by strategy, providing details of how we exercised our rights and responsibilities on behalf of investors.

Case study: Direct Real Estate tenant engagement initiative

Stakeholder(s) engaged and participants:

Asset-level environmental data is critical for identifying and managing climate change transition risk. For property types, such as retail and logistics, where occupiers pay their own expenses, local facility managers often have a reluctance to share energy, water and waste data with landlords.

Overview of the engagement:

Without such data, we are unable to fully manage climate risks through decarbonization and other energy reduction strategies at an asset.

Engagement objectives:

We found that by engaging with headquarter offices, with personnel who understand sustainability risks and their own net zero targets, we are more successful in acquiring the sustainability data we seek. We established a tenant CRM initiative, originally in the U.K., which was later rolled out across our EMEA operations. This initiative is an important facilitator of discussions with corporates. Through these CRM relationships, our sustainability consultants, on behalf of CBRE IM, have identified and engaged with the relevant individuals and departments at these companies who have oversight of sustainability issues relating to the buildings they occupy.

These engagements typically consist of emails to members of the property, procurement or environment teams ranging from senior managers to department heads. The purpose of these communications is to seek their cooperation in providing or allowing us to collect environmental data with the potential for collaborative initiatives. This approach allows us to work in partnership with occupiers to improve the sustainability credentials of our assets. Often these companies are tenants across numerous portfolios managed by CBRE IM, sometimes across international borders.

Progress and outcome of the engagement:

Through our CRM approach, we can coordinate discussions with occupiers to obtain data and work collaboratively on initiatives that benefit our investors. There have been a small number of cases in which the tenant could not satisfy our request for environmental data due to a lack of resources within the occupier's business to respond to such requests. For example, in the case of one national retailer, they did not have any individual or team that had oversight of the collection of energy usage data across their business. In another example, one of our occupiers had yet to establish a team or individual responsible for sustainability matters within their corporate structure. In such circumstances, we and our consultants worked closely with the occupier to find appropriate mechanisms through which data sharing could be simplified and streamlined, for example by sourcing environmental data direct from energy suppliers through a Letter of Authority or through a PropTech initiative. Where these structures are in place with an occupier, it has enabled us to not only collect the relevant sustainability data that benefits both our tenants and us as landlord but also sets the stage for more detailed conversations and collaboration on sustainability issues.

Case study: Indirect Real Estate opportunity may be partially declined

Stakeholder(s) engaged and participants:

Our Indirect Real Estate Team engaged with a manager about a contamination flag during due diligence.

Overview of the engagement:

During due diligence on a club investment in a seed portfolio of six Pan European retail assets, soil contamination was flagged on one of the assets during due diligence. We engaged with the manager on all issues that arose during due diligence.

Engagement objectives:

Specifically, we engaged with the manager to request more soil surveys be conducted on the flagged asset to determine the extent of the contamination.

Progress and outcome of the engagement:

We will only proceed with the acquisition of the asset with soil contamination if the additional surveys clear the site of major contamination and we are covered for remediation work with a seller's guarantee. For an indemnity, we need an indication of the costs of future/potential remediation work to ensure the seller is covering everything. The survey results will allow us to determine the estimated costs to remediate now and in the future.

Case study: Listed Real Estate—engagement on proxy voting flag

Stakeholder(s) engaged and participants:

CBRE IM engaged a leading European-based shopping center company. Our European Investment Team met with the company's Chief Sustainability Officer, General Secretary and Investor Relations manager. The meeting was a direct engagement, which was initiated by CBRE IM.

Overview of the engagement:

CBRE IM initiated the engagement to gain clarity on an item flagged by our proxy research provider during the 2024 proxy voting period. Concerns were raised regarding sustainability performance metrics of the 2023 LTI grant and whether they are challenging enough. The company asserted that the metrics are still challenging and that as the company continues to improve, it becomes harder to show continued progress of the same level year-over-year. As a leader in the peer group, it is challenging on a relative basis, as lower peers begin to improve.

Engagement objectives:

The company offers one of the most sustainable platforms within the listed European real estate companies universe. We view the company's current targets as very ambitious, and the latest achievements are impressive. The carbon emissions intensity reported by the company is significantly below peers of their same asset type. The company focuses on absolute emissions reduction, setting internal targets on an asset basis, which has contributed to the decline in emissions intensity. We also discussed the company's usage of renewable energy. The company reported that 84% of the energy (from all types) consumed in common and serviced areas of the portfolio comes from renewable sources. They acknowledged that in many markets renewable energy output as a share of total can be volatile for reasons outside of their control (wind and hydro output can vary widely from year-to-year). Additionally, overall energy consumption can vary year-to-year depending on average temperature and traffic.

Progress and outcome of the engagement:

We recognized the company's position related to the performance metrics and that maintaining high levels of standards and remaining in the leading position could still be challenging. We also noted that sustainability targets are set as multiyear objectives, and it is not possible to change the remuneration plan each year. We have suggested to the company that they consider multi-year compensation criteria, e.g., for carbon intensity. We encouraged them to maintain a combination of internal and external factors in the remuneration plan and consider adding social metrics such as community engagement, job creation or tenant satisfaction. The remuneration plan was due to be reviewed in 2025 and CBRE IM continues to engage with the company on this topic.

Important information

The information in this document has been produced by CBRE Investment Management to demonstrate its adherence to the Principles under the U.K. Stewardship Code 2020.

Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of CBRE Investment Management. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Certain economic and market information contained herein has been obtained from published sources prepared by third parties and in certain cases has not been updated. Neither CBRE Investment Management nor any CBRE Group, Inc. company its respective affiliates nor any of their respective employees or agents (collectively, CBRE) assume any responsibility for the accuracy or completeness of such information.

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