



STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

GENESTA NORDIC CAPITAL FUND MANAGEMENT S.À R.L.

30 JUNE 2024
VERSION 1.0



Financial market participant Genesta Nordic Capital Fund Management S.à r.l. (LEI: 222100LSIB7A-T225E48) Summary Genesta Nordic Capital Fund Management S.à r.l. ("Genesta") (LEI: 222100LSIB7AT225E48) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Genesta.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023. As Genesta is managing exclusively funds with a real estate investment strategy, only the mandatory indicators for investments in real estate assets are taken into account in investment decisions, as well as 2 additional climate and other environment-related indicators, namely (i) GHG emissions and (ii) energy consumption intensity.



Resumé (DA) Genesta Nordic Capital Fund Management S.à r.l. ("Genesta") (LEI: 222100LSIB7A-T225E48) vurderer de vigtigste negative indvirkninger af sine investeringsbeslutninger på bæredygtighedsfaktorer. Denne redegørelse er den konsoliderede redegørelse for Genestas vigtigste negative indvirkninger på bæredygtighedsfaktorer.

Denne redegørelse for de vigtigste negative indvirkninger på bæredygtighedsfaktorer dækker referenceperioden fra 1. januar til 31. december 2023. Da Genesta udelukkende forvalter fonde med en investeringsstrategi i fast ejendom, tages kun de obligatoriske indikatorer for investeringer i fast ejendom i betragtning i investeringsbeslutninger, samt 2 supplerende klimarelaterede og andre miljørelaterede indikatorer, nemlig (i) drivhusgasemissioner og (ii) energiforbrugsintensitet.



Samenvatting (NL) Genesta Nordic Capital Fund Management S.à r.l. ("Genesta") (LEI: 222100LSIB7A-T225E48) houdt rekening met de belangrijkste ongunstige effecten van haar investeringsbeslissingen op duurzaamheidsfactoren. Deze verklaring is de geconsolideerde verklaring over de belangrijkste ongunstige effecten op de duurzaamheidsfactoren van Genesta.

Deze verklaring over de belangrijkste ongunstige effecten op de duurzaamheidsfactoren heeft betrekking op de referentieperiode van 1 januari tot en met 31 december 2023. Aangezien Genesta uitsluitend fondsen beheert met een vastgoedinvesteringsstrategie, worden alleen de verplichte indicatoren voor investeringen in onroerend goed meegenomen in investeringsbeslissingen, evenals 2 aanvullende klimaat- en andere milieu-indicatoren, namelijk (i) BKG-emissies (ii) intensiteit energieverbruik.



Zusammenfassung (DE) Genesta Nordic Capital Fund Management S.à r.l. ("Genesta") (LEI: 222100LSIB7AT225E48) berücksichtigt die wichtigsten nachteiligen Auswirkungen ihrer Anlageentscheidungen auf Nachhaltigkeitsfaktoren. Bei der vorliegenden Erklärung handelt es sich um die konsolidierte Erklärung zu den wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren der Genesta.

Diese Erklärung zu den wichtigsten nachteiligen Auswirkungen auf die Nachhaltigkeitsfaktoren bezieht sich auf den Bezugszeitraum vom 1. Januar bis 31. Dezember 2023. Da Genesta ausschließlich Fonds mit einer Immobilieninvestitionsstrategie verwaltet, werden bei Investitionsentscheidungen nur die obligatorische Indikatoren für Investitionen in Immobilienvermögen berücksichtigt, sowie zwei zusätzliche Klimaindikatoren und andere umweltbezogene Indikatoren, nämlich (i) THG-Emissionen und (ii) Intensität des Energieverbrauchs.

DESCRIPTION OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Adverse sustainability indicator		Metric	Impact 2023 ¹	Impact 2022	Explanation	Actions taken and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Greenhouse gas emissions	1.	GHG emissions	Scope 1 GHG emissions	0%	0%	N/A	N/A
			Scope 2 GHG emissions	0%	0%	N/A	N/A
			Scope 3 GHG emissions	0%	0%	N/A	N/A
			Total GHG emissions	0%	0%	N/A	N/A
	2.	Carbon footprint	Carbon footprint	0%	0%	N/A	N/A
	3.	GHG intensity of investee companies	GHG intensity of investee companies	0%	0%	N/A	N/A
Biodiversity	4.	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%	N/A	N/A
	5.	Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources expressed as a percentage of total energy sources	0%	0%	N/A	N/A
	6.	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0%	0%	N/A	N/A
Water	8.	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0%	0%	N/A	N/A
Waste	9.	Hazardous waste and radioactive waste radio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0%	0%	N/A	N/A

¹This information covers the period of 1 January until 31 December of 2023. The impact has been calculated and illustrated as the average of impacts on 31 March, 30 June, 30 September, and 31 December of 2023. Information will be continuously published on an annual basis. In addition, Genesta wants to highlight that the SFDR and its implementing provisions RTS are subject to regular additional guidance documents and FAQ publication. Therefore, we will continuously monitor the issuance of such documentation and apply it where relevant.

Adverse sustainability indicator		Metric	Impact 2023 ¹	Impact 2022	Explanation	Actions taken and actions planned and targets set for the next reference period	
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Social and employee matters	10.	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	N/A	N/A
	11.	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	N/A	N/A
	12.	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0%	0%	N/A	N/A
	13.	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	0%	0%	N/A	N/A
	14.	Exposure to controversial weapons (anti-personel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	N/A	N/A

¹This information covers the period of 1 January until 31 December of 2023. The impact has been calculated and illustrated as the average of impacts on 31 March, 30 June, 30 September, and 31 December of 2023. Information will be continuously published on an annual basis. In addition, Genesta wants to highlight that the SFDR and its implementing provisions RTS are subject to regular additional guidance documents and FAQ publication. Therefore, we will continuously monitor the issuance of such documentation and apply it where relevant.

Adverse sustainability indicator	Metric		Impact 2023 ¹	Impact 2022	Explanation	Actions taken and actions planned and targets set for the next reference period	
INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS							
Environmental	15.	GHG intensity	GHG Intensity of investee countries	0%	0%	N/A	N/A
Social	16.	Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries) as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0%	0%	N/A	N/A

¹This information covers the period of 1 January until 31 December of 2023. The impact has been calculated and illustrated as the average of impacts on 31 March, 30 June, 30 September, and 31 December of 2023. Information will be continuously published on an annual basis. In addition, Genesta wants to highlight that the SFDR and its implementing provisions RTS are subject to regular additional guidance documents and FAQ publication. Therefore, we will continuously monitor the issuance of such documentation and apply it where relevant.

Adverse sustainability indicator	Metric		Impact 2023 ¹	Impact 2022	Explanation	Actions taken and actions planned and targets set for the next reference period	
INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS							
Fossil fuels	17.	Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport, or manufacture of fossil fuels	0.1%	0.1%	Our impact on exposure to fossil fuels through real estate assets has been calculated by collecting data on each asset's exposure across our portfolio. This information is registered for each real estate asset in our portfolio. The share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels has been estimated by taking the exposed area (in m2) and calculating the corresponding investment value of that share.	In 2023, Genesta updated its ESG Pre-assessment Guideline. The guideline is part of the early red flag assessment for new investments in new construction and existing buildings. Real estate investments involved in the extraction, storage, transport or manufacture of fossil fuels have been added to the red flag ESG Pre-assessment Guideline, to avoid further investments in new real estate investments that are exposed to fossil fuels at the portfolio level.

Adverse sustainability indicator	Metric	Impact 2023 ¹	Impact 2022	Explanation	Actions taken and actions planned and targets set for the next reference period	
INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS						
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	70.3%	82.5%	<p>This indicator has been calculated in accordance with formula (5) in Annex I supplementing Regulation (EU) 2019/2088 of the European Parliament and the Council. For real estate assets in our portfolio built before 31/12/2020 we have collected the EPC reports for each asset to determine whether they are considered "energy inefficient" according to the definition in Annex I. For real estate assets in our portfolio built after 31/12/2020, we have evaluated whether the real estate assets have a Primary Energy Demand (PED) lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures.</p>	<p>The relatively high share of investments in energy-inefficient real estate assets can be explained through Genesta's brown-to-green strategy where the goal is to improve the energy efficiency of properties with an often-low EPC to start with. It can in those cases be challenging to retrofit the property to a high EPC level above C.</p> <p>During 2023, several energy efficiency measures were implemented across our real estate assets. These measures included changing lighting fixtures to LED, replacing windows, re-calibrating HVAC systems, and carrying out renovations for several assets. The renovation work will continue into 2024.</p> <p>We also continued to install water metering systems at our real estate assets, which allows us to detect leaks and pipe blockages and can lead to substantial savings on water, energy, and consumption-related costs.</p> <p>During 2023, we also continued to install energy management systems in all our assets to systematically collect data. For tenant spaces, we install either smart meters or obtain Power of Attorney from tenants to collect each tenant's energy data directly from the energy supplier. These new systems provide us with real-time information on energy use at the properties, helping us identify opportunities for energy savings and emissions reduction.</p> <p>For the Fund Genesta Nordic Real Estate Core Plus Open-Ended, all current assets were screened against the EU Taxonomy criteria for activity 7.7 "Acquisition and Ownership of Buildings", which requires defined energy efficiency performance and measures. Through different measures implemented in 2023, six out of seven real estate assets, amounting to 68.2% of the Fund, have been assessed as EU Taxonomy aligned.</p> <p>From 2023 onwards EU Taxonomy screening has been integrated into the ESG due diligence. The identified gaps are subsequently integrated into the real estate investments' business plans where feasible to work towards future alignment.</p> <p>The new ESG targets established for all the funds in our portfolio and effective as of 2023 will continue to be implemented and monitored through 2024. Included targets are related to active property renovation strategies to increase energy efficiency and mitigate climate risks.</p>

¹This information covers the period of 1 January until 31 December of 2023. The impact has been calculated and illustrated as the average of impacts on 31 March, 30 June, 30 September, and 31 December of 2023. Information will be continuously published on an annual basis. In addition, Genesta wants to highlight that the SFDR and its implementing provisions RTS are subject to regular additional guidance documents and FAQ publication. Therefore, we will continuously monitor the issuance of such documentation and apply it where relevant.

Adverse sustainability indicator		Metric	Impact 2023 ¹	Impact 2022	Explanation		Actions taken and actions planned and targets set for the next reference period
OTHER INDICATORS FOR PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS							
Greenhouse gas emissions	18.	GHG emissions	Scope 1 GHG emissions generated by real estate assets	20.33 tCO ₂ e	N/A	<p>For real estate scope 1 primarily involves fuels and/or refrigerants. In this case, primary activity data has been used to quantify GHG emissions, that is either leakage control reports or energy audits to quantify emissions from leakages (fugitive emissions). For fuels, it is based on metered data. Emission factors are collected from Defra 2023.</p> <p>For 2023, we did not have information about the distribution of the Scope 1 emissions throughout the year as the data was collected at year-end. Therefore, Scope 1 emissions were assumed to be distributed equally over the 12 months. From 2024, we will begin collecting data on a quarterly basis in order to provide a more accurate distribution of the Scope 1 emissions for each quarter. The Scope 1 GHG emissions generated by each real estate asset are weighted by Genesta's ownership share in each quarter during 2023.</p>	<p>In 2023, we calculated a GHG inventory for scope 1 emissions for the first time. The calculations were done following the guidance laid out by the Greenhouse Gas Protocol with further guidance provided by Buildings Sector Guidance by Science Based Targets initiative (SBTi). The inventory has been calculated as a first step in submitting science-based targets upon the publication of the Buildings sector guidance by SBTi, which is expected by the end of 2024.</p>
			Scope 2 GHG emissions generated by real estate assets	711.91 tCO ₂ e	359.27 tCO ₂ e	<p>Scope 2 emissions have been calculated following a location-based approach. The emissions have been calculated by collecting primary data, i.e. metered data, from our different Energy Management Systems and then multiplied by emission factors collected from GaBi (LCA for Experts) for electricity and cooling while the district heating emission factor is collected from Defra 2023.</p> <p>For 2023, we did not have information about the distribution of the Scope 2 emissions throughout the year as the data was collected at year-end. Therefore, Scope 2 emissions were assumed to be distributed equally over the 12 months. From 2024, we will begin collecting data on a quarterly basis in order to provide a more accurate distribution of the Scope 2 emissions for each quarter accounting for seasonality and occupancy rates.</p> <p>The Scope 2 GHG emissions generated by each real estate asset are weighted by Genesta's ownership share in each quarter during 2023.</p>	<p>In 2023, we calculated the GHG inventory for scope 2 emissions with an improved methodology compared to 2022. The calculations were done following the guidance laid out by the Greenhouse Gas Protocol with further guidance provided by Buildings Sector Guidance by Science Based Targets initiative (SBTi). The inventory has been calculated as a first step in submitting science-based targets upon the publication of the Buildings sector guidance by SBTi, which is expected by the end of 2024.</p>

¹This information covers the period of 1 January until 31 December of 2023. The impact has been calculated and illustrated as the average of impacts on 31 March, 30 June, 30 September, and 31 December of 2023. Information will be continuously published on an annual basis. In addition, Genesta wants to highlight that the SFDR and its implementing provisions RTS are subject to regular additional guidance documents and FAQ publication. Therefore, we will continuously monitor the issuance of such documentation and apply it where relevant.

Adverse sustainability indicator		Metric	Impact 2023 ¹	Impact 2022	Explanation	Actions taken and actions planned and targets set for the next reference period	
OTHER INDICATORS FOR PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS							
Greenhouse gas emissions	18.	GHG emissions	Scope 3 GHG emissions generated by real estate assets	8553.04 tCO ₂ e	N/A	<p>Scope 3 emissions follow the same methodology for energy consumption as Scope 2. For some tenants, where we do not have metered data, it has been estimated following the guidelines of the UK Green Building Council (Guide to Scope 3 reporting in commercial real estate). The embodied emissions are separated between in-use (Scope 3 Cat. 1 Purchased Goods and Services) and upfront (Scope 3, Cat. 2 Capital Goods). Cat. 1 has been calculated using a spend-based approach with the emission factors taken from Defra's 2020 Spend-based catalogue (Architectural and Engineering Services and Construction Work). The activity data is based on invoices for either services or goods. For Cat. 2 the upfront embodied emissions have been calculated by a third party through a Life-Cycle Analysis (LCA) and the results from life-cycle stages A1-A5 have been extracted from the report.</p> <p>For 2023, we did not have information about the distribution of the Scope 3 emissions throughout the year as the data was collected at year-end. Therefore, the in-use Scope 3 emissions were assumed to be distributed equally over the 12 months. For the real estate assets that also had upfront Scope 3 emissions, these were allocated to Q4. From 2024, we will begin collecting data on in-use Scope 3 emissions on a quarterly basis in order to provide a more accurate distribution of the Scope 3 emissions for each quarter. The Scope 3 GHG emissions generated by each real estate asset are weighted by Genesta's ownership share in each quarter during 2023.</p>	<p>In 2023, we calculated a GHG inventory for 3 emissions for the first time. The calculations were done following the guidance laid out by the Greenhouse Gas Protocol with further guidance provided by Buildings Sector Guidance by Science Based Targets initiative (SBTi). The inventory has been calculated as a first step in submitting science-based targets upon the publication of the Buildings sector guidance by SBTi, which is expected by the end of 2024.</p>
			Total GHG emissions generated by real estate assets	9285.27 tCO ₂ e	N/A	<p>The total GHG emissions generated by real estate assets have been calculated by summing the Scope 1, Scope 2 and Scope 3 emissions generated by real estate assets.</p>	<p>In 2023, we calculated a GHG inventory for our total GHG emissions including scope 1, 2 and 3 emissions for the first time. The calculations were done following the guidance laid out by the Greenhouse Gas Protocol with further guidance provided by Buildings Sector Guidance by Science Based Targets initiative (SBTi). The inventory has been calculated as a first step in submitting science-based targets upon the publication of the Buildings sector guidance by SBTi, which is expected by the end of 2024.</p>

¹This information covers the period of 1 January until 31 December of 2023. The impact has been calculated and illustrated as the average of impacts on 31 March, 30 June, 30 September, and 31 December of 2023. Information will be continuously published on an annual basis. In addition, Genesta wants to highlight that the SFDR and its implementing provisions RTS are subject to regular additional guidance documents and FAQ publication. Therefore, we will continuously monitor the issuance of such documentation and apply it where relevant.

Adverse sustainability indicator		Metric	Impact 2023 ¹	Impact 2022	Explanation	Actions taken and actions planned and targets set for the next reference period	
OTHER INDICATORS FOR PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS							
Energy consumption	19.	Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter	0.00051 GWh/m ²	0.00048 GWh/m ²	<p>We engage third-party ESG specialists to evaluate the impact of "Energy Consumption Intensity." The vast majority of our assets are connected to online energy management portals, enabling us to continuously monitor energy consumption throughout the year. For the few assets not linked to these portals, consumption data is obtained from manual meter readings provided by the energy supplier.</p> <p>Regarding the impact associated with "Energy Consumption Intensity," electricity consumption data for a couple of assets have been partially estimated using reasonable assumptions. In the first instance, the data gap was due to limited data coverage in the online energy management portal, as some meters had not yet been connected. In the second instance, the data gap resulted from a malfunction in the automated meter readings by the energy provider. In both scenarios, the period for which consumption has been estimated is less than one quarter of the entire year. For instances where electricity consumption data is missing, the monthly consumption has been estimated using the average consumption of the months with full data coverage.</p>	<p>During 2023, several energy efficiency measures were implemented across our real estate assets. These measures included changing lighting fixtures to LED, replacing windows, re-calibrating HVAC systems, and carrying out renovations for several assets. The renovation work will continue into 2024.</p> <p>We also continued to install water metering systems at our real estate assets, which allows us to detect leaks and pipe blockages and can lead to substantial savings on water, energy, and consumption-related costs.</p> <p>During 2023, we also continued to install energy management systems in all our assets to systematically collect data. For tenant spaces, we install either smart meters or obtain Power of Attorney from tenants to collect each tenant's energy data directly from the energy supplier. These new systems provide us with real-time information on energy use at the properties, helping us identify opportunities for energy savings and emissions reduction.</p> <p>The new ESG targets established for all the funds in our portfolio and effective as of 2023 will continue to be implemented and monitored through 2024. Included targets are related to active property renovation strategies to increase energy efficiency and mitigate climate risks.</p>

¹This information covers the period of 1 January until 31 December of 2023. The impact has been calculated and illustrated as the average of impacts on 31 March, 30 June, 30 September, and 31 December of 2023. Information will be continuously published on an annual basis. In addition, Genesta wants to highlight that the SFDR and its implementing provisions RTS are subject to regular additional guidance documents and FAQ publication. Therefore, we will continuously monitor the issuance of such documentation and apply it where relevant.

DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

Throughout this section, we will describe how the principal adverse impacts are identified and prioritized throughout various processes and policies and how this is managed within Genesta.

RESPONSIBILITY FOR THE IMPLEMENTATION OF POLICIES TO IDENTIFY AND PRIORITISE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

Genesta's Board of Directors approves and adopts sustainability policies which form the basis for integrating environmental and social governance aspects, including the identification and prioritization of principal adverse impacts, into our activities. All decisions taken shall consider sustainability risks. The Board oversees a Risk Management Committee focusing on the oversight of risk management issues, a Finance and Investment committee responsible for the management and coordination of due diligence activities and ensuring that investments are undertaken in line with the investment policy, and an ESG Steering Committee.

The ESG Steering Committee has been established by the Board of Managers with a view to advising the Finance and Investment Committee and the Executive Committee of the company on each of our managed investment funds and our ongoing commitment to environmental stewardship, health and safety, corporate social responsibility, and corporate governance to shape its ESG strategy.

The ESG Steering Committee is composed of at least six experts in ESG and sustainability. The purpose, scope and governance applications of the ESG Steering Committee are laid down in an ESG Steering Committee User Manual. The ESG Steering Committee is to assist in the implementation of the funds' investment objective and ESG strategy, including developing, selecting, managing, and monitoring the funds' investments and investment strategies.

More specifically, the Committee shall review and monitor the risks of and principal adverse impacts on ESG factors on each fund and its investors and provide insight and guidance with respect to Genesta's management of such risks and impacts. The Committee shall also review governance metrics, systems and procedures to monitor and track ESG risks and impacts.

The Committee shall meet at least quarterly and prior to any new investments to consider ESG Due Diligence and the Business Plan of the proposed new investment. During the final investment decision process for a new investment, the ESG Steering Committee shall review, discuss and give recommendations to the Investment Advisor and Finance and Investment Committee on ESG elements of the proposed new investment and the proposed asset business plan.

METHODOLOGY TO SELECT INDICATORS

We report on the mandatory indicators applicable to investments in real estate assets in Table 1 in Annex I Supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council. We also report on two additional climate and other environment-related indicators applicable to investments in real estate assets from Table 2 in Annex I

supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council. We do not report on additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters in Table 3 in Annex I supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council as there are no indicators applicable to investments in real estate assets. The impact on the mandatory and additional indicators is reported on an entity level by collecting and aggregating impact data from the real estate investments in our portfolio.

The selection of additional climate and other environment-related indicators we report on is in line with the ESG aspects we have identified in our latest materiality assessment which was conducted in 2021 through surveys with our stakeholders, specifically employees and tenants. The identified material ESG aspects include GHG emissions and resource efficiency, including energy efficiency which relate to the two additional climate and other environment-related indicators we report on. Throughout 2022, we validated the significance of our material aspects through desk research and collaborated with our internal management team to prioritize them. We specifically analyzed our material aspects from an investor perspective taking into consideration their specific requirements. These insights were also included in our new fund ESG policies. In 2023, we further expanded on our ESG materiality assessment to identify relevant risks across the investment lifecycle by considering the likelihood and impact of ESG risks. We plan to carry out a double materiality assessment Q3-Q4 in 2024.

GHG EMISSIONS:

Climate change is one of the most urgent global challenges

and the built environment is responsible for a significant share of global energy consumption and greenhouse gas emissions. Therefore we, as an actor in the real estate industry, have an important role in the transition towards a low-carbon future. In 2023, we launched a greenhouse gas inventory project to establish a baseline for SBTi target setting. Our carbon emissions were calculated in accordance with the Greenhouse Gas (GHG) Protocol. As a result, we can provide more detailed reporting on emissions than in previous years. Compared to last year where we reported only the impact on Scope 2 emissions from the real estate assets in our funds' portfolio, we can from 2023 and onwards now also disclose information about Scope 1, Scope 3 and Total GHG emissions from the real estate assets.

ENERGY CONSUMPTION INTENSITY:

We collect metered data on the energy consumption of our real estate investments through an Energy Management System (EMS). The energy consumption intensity is thus calculated based on primary activity data. We are actively improving our data quality and an important area in this regard is to be able to better quantify tenant-related emissions where we do not have access to the data. In such cases, we estimate the consumption of a given tenant based on the guidelines provided by the UK Green Building Council.

We are planning on establishing and improving data collection processes to report our impact on more of the additional climate and other environment-related indicators applicable to investments in real estate assets in future reporting periods.

METHODOLOGY TO IDENTIFY AND ASSESS PRINCIPAL ADVERSE IMPACTS

Improving energy efficiency, reducing the carbon emissions and the energy intensity of our real estate assets are all part of our long-term environmental goals outlined in our Responsible Investment Policy. These three principal adverse impacts as well as the exposure to fossil fuels through real estate assets are also assessed in our ESG Due Diligence.

In line with our Responsible Investment Policy, which has been approved by the Board of Directors and was published in May 2020, the principal adverse impacts we report on as well as other ESG characteristics, are monitored in the acquisition phase through due diligence processes, as well as in the development and ownership phase, where active monitoring of environmental performance key performance indicators (“KPIs”) is ensured. Thus, the principal adverse impacts are assessed on an ongoing basis. Furthermore, we have in place a Risk Management Policy that includes sustainability risks. In accordance with the policy, climate-related and social risks that may impact the organization’s operations and performance are identified, measured and managed. Whilst risks differ from adverse impacts, the adverse impacts inform the risks and the other way around, such as risks related to human rights or climate-related transition risks.

We include ESG aspects into the investment process from the early beginning and all prospective investments go through a comprehensive due diligence process including evaluation of technical and environmental performance in order to identify the key development areas and potential climate and ESG-related risks. Since the end of 2022, the due diligence process has included the identification and

prioritization of principal adverse sustainability impacts and indicators. Before any decisions are made, a detailed business plan, which includes the development of the ESG performance, is prepared to ensure ESG matters are incorporated into the property development plan before the acquisition of the property. Each of our funds will set its own ambition level in accordance with its stated objectives, Genesta’s requirements and the investor’s demands.

In 2022, we have been working on improving the identification, prioritization and reduction of principal adverse impacts on sustainability factors for new real estate investments through ESG Due Diligence. In 2023, an ESG Pre-assessment Guideline for new real estate investments was introduced. For the early red flag assessment, the ESG manager will collect ESG information from the provided sales material or the Transaction Manager. Real estate investments involved in the extraction, storage, transport or manufacture of fossil fuels have been added as a red flag in the pre-assessment phase to avoid further investments in new real estate investments that are exposed that are or will be used for the extraction, storage, transport or manufacture of fossil fuels. Other data collected during the pre-assessment phase include the Primary Energy Demand of the building and the green-certification type to ensure EU Taxonomy alignment on the fund level.

After the due diligence process, a business plan is developed which incorporates commercial considerations, marketing, health and safety, sustainability, etc. for each of the new acquisitions. With a view to ESG, our ESG managers, i.e., senior personnel responsible for overseeing our ESG targets, develop the sustainability section of the business plan which

is in line with the fund targets. The sustainability section of the business plan ensures that the assets are renovated and maintained in line with the environmental and social characteristics of the fund.

We use energy audits, incl. CRREM carbon pathways, feasibility studies for on-site renewables, and LCA calculations to establish what actions are necessary to achieve a reduction of greenhouse gas emissions and energy consumption intensity and to improve the energy efficiency of our real estate assets. Energy audits have been conducted for most assets and we will seek to conduct energy audits for more real estate assets during 2024.

The monitoring activities are conducted using internal and external control mechanisms. The internal control mechanisms include reports to Genesta and Genesta’s ESG steering committee. Specifically, the ESG managers are responsible for reviewing the business plan and report progress to Genesta and Genesta’s ESG steering committee once a year. The external control mechanisms include an independent assurance program provided by a third-party ESG specialist. Specifically, environmental and social KPIs are reported in the quarterly and annual sustainability reports and assured by the independent assurance program. In 2023, we set up a system to track our ESG implementation efforts at the asset level and fund level.

When deciding whether to invest in a new real estate asset, we consider the probability of the occurrence and the severity of our principal adverse impacts, including their potentially irremediable character, during the pre-assessment and due diligence phases. ESG risks, including those related to

our principal adverse impacts, are evaluated in these phases based on how the real estate asset currently performs on the ESG targets and how feasible it is that a given real estate asset meets the fund’s ESG targets. A red flag is raised if there is a too large gap between the performance of the asset and the ESG targets and it has been assessed as too costly or technically challenging to reach the targets.

MARGIN OF ERROR WITH METHODOLOGY TO IDENTIFY AND ASSESS PRINCIPAL ADVERSE IMPACTS

Our ability to identify and assess our principal adverse impacts relies on data availability and quality. We rely on third parties, including tenants, to collect data on impacts. Information obtained from third parties is accepted at face value; we believe this information to be reliable but do not guarantee its accuracy.

Limitations to the methodology and data include:

- Effects on energy efficiency are, when available, calculated on metered or actual consumption. Where metered or actual data is not available, the data is estimated in line with the UK Green Building Council’s guidelines on methodologies for tenant energy use.
- To use absolute data, data has to be made available by the previous owner or energy provider and/or by tenants.
- Limited tenant data: tenant data might not be available as tenant’s contracts and meters are handled separately.

As stated above, the data is only partially available to date and, hence, will partially be estimated.

DATA SOURCES USED TO IDENTIFY AND ASSESS PRINCIPAL ADVERSE IMPACTS

The data sources used to assess our principal adverse impacts include, but are not limited to, the following:

- Energy bills;
- Meter readings (preferred automated readings; if not available, manual readings);
- On-site inspections; and
- Market and location-based emission factors

To ensure data quality, plausibility checks are run regularly within the quarterly data collection process. Plausibility checks are being performed for all data points, discrepancies are being discussed with the data owner and corrected. The data are collected by the property managers and processed by an external ESG consultant.

The data on impact for the indicators reported in 2023 has been partially estimated given that data collection systems are still in the process of being established at several real estate investments.

For information about how the relevant data has been obtained for each of our reported indicators, please refer to the “Explanation” column in tables “Indicators applicable to investments in real estate assets” and “Other indicators for principal adverse impacts on sustainability factors” above.

BEST EFFORTS USED TO OBTAIN INFORMATION RELATING TO ENERGY CONSUMPTION INTENSITY AND SCOPE 3 EMISSIONS

For the impacts related to the indicators “Scope3 GHG emissions” and “Energy consumption intensity” the data has

been partially estimated by making reasonable assumptions.

For the data gaps related to the indicator “Scope 3 emissions generated by real estate assets”, data has been partially estimated using reasonable assumptions. Data gaps were caused by missing tenant data on electricity consumption. Estimations for missing tenant data have been made by a third-party ESG specialist. The methodology varies between asset categories but may include using average intensities of other similar assets (e.g., an office building with some metered tenants, the average intensity (kWh/m²) has been calculated of those metered tenants and used to estimate the consumption of another similar office building). For the residential asset in Fund CPOE, an average yearly consumption for different apartment sizes has been defined through desktop research which has been used to estimate annual consumption.

For the “Energy consumption intensity”, electricity consumption data for a couple of real estate assets have been partially estimated using reasonable assumptions. Data gaps were caused by the following reasons:

- In the first instance, the data gap was due to limited data coverage in the online energy management portal, as some meters had not yet been connected.
- In the second instance, the data gap resulted from a malfunction in the automated meter readings by the energy provider.

In both scenarios, the period for which consumption has been estimated is less than one quarter of the entire year. For the data gaps estimations have been made by a third-party ESG specialist by estimating the monthly

consumption data using the average consumption of the months with full data coverage.

ENGAGEMENT POLICIES

As there is no exposure to listed companies, Genesta is not subject to the requirement of Article 3g of Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies.

As we have full ownership of almost all the real estate assets in our portfolio, we have the ability to make decisions that can reduce the principal adverse impacts from the operation of the real estate assets and engage closely with our tenants on the consideration and reduction of their principal adverse impacts through their use of the real estate assets.

ENGAGING OUR EMPLOYEES

At Genesta, sustainability is implemented in our HR policy with the primary objective of developing and improving internal ESG culture among employees and with a consequent objective to improve sustainability among external stakeholders by our employees and reduce our principal adverse impacts.

In Summer and Autumn 2024, Genesta is also rolling out a new training on Code of Conduct, which also covers training on responsible business conduct and human rights. This training is mandatory for all employees at Genesta.

The new employee orientation includes an introduction to our sustainability-related policies and ESG objectives and an introduction meeting with the ESG and H&S taskforce. Our sustainability-related policies, specifically our Responsible Investment Policy and ESG Due Diligence provide the basis for the consideration of our principal adverse impacts, and thus it is important to integrate these in the orientation of new employees in order to familiarize them with our processes for identifying and assessing our principal adverse impacts. In addition, employee performance and career review include ESG targets. Tying business sustainability objectives into employees’ performance goals supports our vision to make a difference when it comes to sustainability and implement the behavioural change among our internal and external stakeholders to reduce our principal adverse impacts.

ENGAGEMENT OF OUR TENANTS, SUPPLIERS, AND SERVICE PROVIDERS

We aim for a behavioral change among our stakeholders, tenants, and business partners, with whom we actively engage with, promote ESG messages to and solicit feedback from. We recognize the need to improve our communication and interaction with tenants; we want to help them to act more sustainably. All tenants receive Genesta’s Tenant Satisfaction Survey, which also covers questions on human rights, to be able to capture and engage tenants on any potential or actual negative human rights impacts.

We are aware of the importance to give feedback to tenants about their sustainability performance. Our target is to have automated energy metering in all new assets and tenant-by-tenant goals for electricity usage.

We include Green Leases in new tenant engagements according to local standards and other regulatory standards. Through the Green Leases, the lessor and lessee commit to cooperation and information sharing to carry out improvements such as energy efficiency measures and reporting, in order to enhance and monitor the environmental performance of the property and reduce principal adverse impacts.

The Green Lease addresses three out of four of the indicators for principal adverse impacts we report on:

- **Exposure to energy-inefficient real estate assets:** The lessor is entitled to implement measures and make improvements to maximize the energy efficiency and environmental performance of the Leased Premises provided that (1) reasonable notice of the same is given, (2) such measures do not unreasonably interfere with the Lessee's use and enjoyment of the Leased Premises and (3) the Lessor promptly repairs any damages resulting to the Leased premises from the installation.
- **GHG emissions:** If the Lessor decides to install on-site renewable energy generation, the Lessee commits to purchasing energy from on-site renewable energy generation as provided by the Lessor via a Power Purchase Agreement. In the absence of on-site renewable energy, the lessor favors renewable electricity for the portion that the lessor is responsible for. The lessee favors renewable electricity for the portion that the lessee is responsible for and the lessee aims to reduce energy consumption in their own operations in order to reduce the greenhouse gas emissions of the premises.

- **Energy consumption intensity:** The Lessee shall utilize only ENERGY STAR or TCO-certified office computers, appliances, and devices and green EU energy label household appliances and devices.

ENGAGEMENT THROUGH KYC

Genesta assesses ESG risks in its value chain through the KYC Questionnaire, both for tenants and suppliers. When non-compliance is identified, the company develops an action plan with the suppliers or tenants. To date, all business relationships that have answered the KYC questionnaire have been assessed as having high maturity in managing human rights risks, so no corrective action plans have been necessary. Nevertheless, Genesta engages with all suppliers and tenants by communicating its Code of Conduct, which outlines ESG expectations for all business relationships. Furthermore, Genesta has established a grievance mechanism open to all external stakeholders. To support the identification of impacts and ensure that external stakeholders, especially workers on construction sites, can report any concerns, Genesta has created signs with QR codes that link directly to the whistleblower hotline and which suppliers involved in construction must put up around construction signs. These signs, as well as the platform, are accessible in multiple languages and available across all construction sites.

ADAPTATION OF ENGAGEMENT POLICIES IN THE CASE OF NO REDUCTION ON PRINCIPAL ADVERSE IMPACTS

In the event that there is no reduction of the principal adverse impacts over more than one period reported, we will review our engagement policies with a view to improve and adapt these where needed.

REFERENCES TO INTERNATIONAL STANDARDS

INTERNATIONAL STANDARDS RELATED TO SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters are not included for investments in real estate assets in Annex I supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council. Nevertheless, Genesta adheres to responsible business conduct codes and internationally recognized standards for due diligence and reporting.

We commit to internationally agreed principles for Responsible Business Conduct, i.e. respect for internationally recognized human rights as enshrined in the International Bill of Human Rights (including labour rights as agreed under the auspices of the International Labour Organization); the natural environment (including the climate); and business integrity (anti-corruption, responsible tax practices, and fair competition).

Genesta undertakes human rights due diligence in order to identify and manage adverse human rights impacts in our operations and value chain, aligned with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines) and the UN Guiding Principles on Business and Human Rights (UNGPs). As most salient human rights issues lie in our value chain, Genesta pays special attention to the selection and engagement with business relationships. We assess business relationships'

maturity on ESGs through the KYC questionnaire, and where gaps are identified, we will work together to develop corrective action plans to address any non-compliance. All our contracts with new business relationships will also include human rights clauses and the requirement to sign the Genesta Code of Conduct for Business Relationships (Code-of-Conduct-for-Business-Relationships.pdf (genesta.eu)).

In 2022, as part of our ongoing work to achieve alignment with the EU Taxonomy, we conducted a gap assessment on our compliance with the EU Taxonomy Minimum Safeguards which integrate international standards for responsible business conduct, including the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the UN Guiding Principles – the globally agreed minimum standards for responsible business conduct. To assess the adherence of Genesta with these international standards, we assess the alignment of our policies and processes specifically against the UNGPs (Articles 11 to 24 and Article 31) and the Due Diligence procedures outlined in the OECD guidelines. Throughout 2023, we addressed the identified gaps. Furthermore, in 2023 we have implemented a new grievance mechanism in line with the UNGPs, through which all internal and external stakeholders can report any concerns or misconduct. For the most at-risk and vulnerable stakeholders, we have developed an additional grievance hotline that is readily accessible on all our sites and locations. Please refer to the Genesta Responsible Business Conduct Policy, Genesta Code of Conduct for Business Relationships and the Whistleblowing Policy for more information. (<https://genesta.integrityline.com/app-page;appName=Whistleblower%20policy>).

We signed the UN-supported Principles for Responsible Investment at the end of 2019 and we are committed to the six principles reflecting responsible investment practices.

We commit to supporting the UN Sustainable Development Goals (SDGs) and relevant SDGs have been aligned with our investment strategy and fund targets. Further, we are a signatory of the UN Global Compact and we are committed to its principles covering bribery and corruption, human rights, labour, and the environment.

We produce an annual sustainability report that is publicly available and in line with the Global Reporting Initiative (GRI) Standards and INREV Sustainability Reporting Recommendations.

Funds participate in GRESB reporting after being operational for one full year giving us a framework to holistically assess and steer the sustainability work of the funds while transparently communicating sustainability performance to the investors and other stakeholders.

INTERNATIONAL STANDARDS RELATED TO CLIMATE AND OTHER ENVIRONMENT-RELATED MATTERS

We align with the objectives of the Paris Climate Agreement and our long-term environmental goals are in line with the targets of the Paris Climate Agreement.

The indicators used to consider the principal adverse impacts on sustainability factors that measure the adherence or alignment to the international standards mentioned below include:

- Exposure to fossil fuels through real estate assets

- Exposure to energy-inefficient real estate assets
- Scope 1, Scope 2, Scope 3 and Total GHG emissions generated by real estate assets
- Energy consumption intensity

In line with our commitment to the Paris Climate Agreement, we adhere to the following internationally recognized standards:

Carbon Risk Real Estate Monitor

At Genesta we are taking steps towards addressing climate change by utilizing Carbon Risk Real Estate Monitor (CRREM) on both property and fund level. The Carbon Risk Real Estate Monitor (CRREM) is a global standard that enables the real estate industry to transition towards a more sustainable future and is now aligned with the decarbonization pathways defined for the buildings sector under Science-Based Targets initiative (SBTi). CRREM provides the real estate industry with transparent, science-based decarbonization pathways aligned with the climate target under the Paris Agreement. It offers a comprehensive framework focused on carbon risk exposure and potential strategies to reduce this risk. It also includes the necessary elements to undertake scenario analysis. The framework can assess the transition risks of our portfolio and further guide investment decisions when it comes to assessing which energetic retrofit measures should be pursued at the asset level. As an addition to CRREM, we have built an internal tool where several energetic retrofit measures can be modelled (as opposed to only one in the official tool). This tool guides us during CAPEX planning to ensure that the studied measure both improve GHG and Energy Use intensity.

Science Based Targets initiatives (SBTi)

Our aim is to reduce emissions from our real estate assets and contribute to achieving the targets set out in the Paris Agreement. During 2022 we committed to setting long-term science-based emissions reduction targets with The Science Based Targets initiative (SBTi). The SBTi is a partnership between CDP, United Nations Global Compact, World Resources Institute and World Wide Fund for Nature defining and promoting best practices in emissions reductions and net-zero targets (1.5°C aligned) in line with the latest climate science.

By adopting the methodology of SBTi we guarantee that our target is in line with the latest climate research and the Paris Agreement of limiting global warming. We will set targets using the Building Sector Guidance upon its publication. In practice, this will result in real estate specific targets for our in-use operational emissions, upfront embodied emissions and in-use embodied emissions (three individual targets).

Task Force on Climate-related Financial Disclosures (TCFD)

In 2023 we started reporting against the TCFD framework which provides internally recognized recommendations for reporting climate-related risks and opportunities

During 2022 we conducted a gap assessment against TCFD recommendations which in 2023 was followed up by a transition risk assessment. The TCFD provides internationally recognized recommendations for reporting climate-related risks and opportunities. The assessment led to the identification of actions that would help us achieve further alignment, including an expansion of our ESG Committee with

more internal stakeholders to support a broader focus going forward and setting of roles and responsibilities related to climate change.

As part of the transition risk assessment, we conducted a scenario analysis to evaluate the resilience of our real estate funds. Climate related strategy and climate related risks and opportunities were assessed under two forward looking climate scenarios: Stated Policies Scenario (STEPS) which was introduced by The International Energy Agency in 2019 and Net Zero Emissions by 2050 (NZE) Scenario which was released by the International Energy Agency in 2021. The analysis included the time periods of 2025, 2030 and 2050. The result of the analysis also included a list of transition risk indicators across core categories: policy and legal, market, technology and reputation. The key risk indicators are now monitored quarterly and the assessment for Q4 2023 was for the first time included in the quarterly risk report prepared by the Risk Manager.

HISTORICAL COMPARISON

Adverse sustainability indicator	Impact 2023	Impact 2022	Historical comparison
Exposure to fossil fuels through real estate assets	0.1%	0.1%	Our exposure to fossil fuels through real estate assets remained at 0.1% in 2023. We still have one real estate asset, a gas station, in our portfolio that is exposed to fossil fuels, but we did not make any new investments in real estate assets exposed to fossil fuels.
Exposure to energy-inefficient real estate assets	70.3%	82.5%	Our exposure to energy-inefficient real estate assets increased by 12.2% from 2022 to 2023. The cause of this increase was related to the following: <ol style="list-style-type: none"> The EPC of one real estate asset, which was categorized as energy-efficient in 2022, expired which is why it has been reclassified as an energy-inefficient asset. We plan to get a new EPC for the building in 2024. In 2023, we acquired four new real estate assets. Three of the four real estate assets have an EPC of C, meaning they are classified as energy-inefficient. In line with Genesta's brown-to-green strategy, the goal is to improve the energy efficiency of these real estate assets so they can achieve a better EPC in time and thus be reclassified as energy-efficient real estate assets.
Scope 1 GHG emissions generated by real estate assets	20.33 tCO ₂ e	N/A	As this is the first year we report our Scope 1 GHG emissions, a historical comparison between 2023 and 2022 is not possible. A historical comparison of the period reported on with the preceding period will be included in 2025.
Scope 2 GHG emissions generated by real estate assets	711.91 tCO ₂ e	359.27 tCO ₂ e	Our reported impact on Scope 2 GHG emissions in 2023 was close to 50% higher than our reported impact in 2022. This was mainly caused by a significant improvement in the way we calculated our Scope 2 GHG emissions generated by real estate assets in 2023. In 2023, we calculated a GHG inventory for scope 2 emissions for the first time. The calculations were done following the guidance laid out by the Greenhouse Gas Protocol with further guidance provided by Buildings Sector Guidance by Science Based Targets initiative (SBTi). The new calculation method is more detailed and accurate than it was in 2022. The differences between the calculation methodology used in 2022 and 2023 mean that it is not meaningful to make a historical comparison between the impact we reported in 2022 and 2023.
Scope 3 GHG emissions generated by real estate assets	8553.04 tCO ₂ e	N/A	As this is the first year we report our Scope 3 GHG emissions, a historical comparison between 2023 and 2022 is not possible. A historical comparison of the period reported on with the preceding period will be included in 2025.
Total GHG emissions generated by real estate assets	9285.27 tCO ₂ e	N/A	As this is the first year we report our Total GHG emissions, a historical comparison between 2023 and 2022 is not possible. A historical comparison of the period reported on with the preceding period will be included in 2025.
Energy consumption intensity	0.00051 GWh/m ²	0.00048 GWh/m ²	Our reported impact on the indicator related to energy consumption intensity increased by 6% between 2022 and 2023. The increase is caused by changes to our portfolio of real estate assets as we acquired four new real estate assets.