

# CIM CORPORATE RESPONSIBILITY

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Sustainability Report



20  
24

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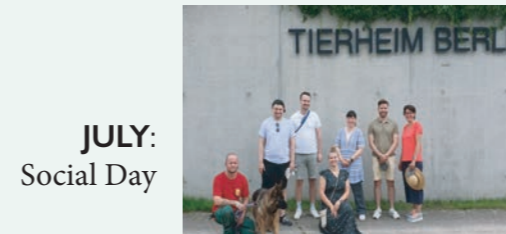
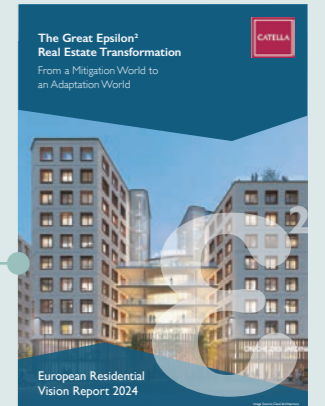
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# HIGHLIGHTS FROM 2024



**JANUARY:** Roadshow 2024

**MARCH:** European Residential Vision Report 2024



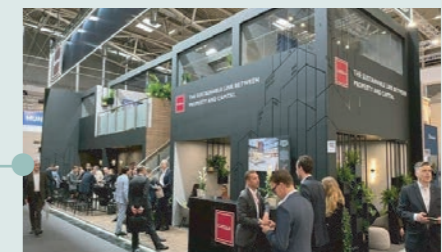
**JULY:** Social Day



**AUGUST:** Partner Basketball Aid



**JULY:** Investor Conference & Summer Night in Munich



**OCTOBER:** Expo Real 2024



**NOVEMBER:** Solar Panels installed at our Leicester site



**DECEMBER:** Completion of 2,200 apartments in 2024

# WHO IS CATELLA INVESTMENT MANAGEMENT (CIM)?

## Catella Investment Management

EUR 10 billion AuM\* at more than 160 locations in 15 countries

As a team at Catella Investment Management GmbH (CIM), we have been successfully managing European property portfolios in sectors such as residential, mixed-use, logistics and parking for over 15 years.



CIM was strategically merged on 1 January 2025 from two subsidiaries of the same Swedish parent company, Catella AB, Catella Residential Investment GmbH (CRIM) and Catella Real Estate AG (CREAG), with the aim of creating a strong platform for fund management 'with one face to the market' and to increase operational efficiency. The company is based in three locations in Germany and Austria – Berlin, Munich and Vienna.

Catella Investment Management covers all important core competences, primarily in the residential segment, but also in the commercial segment in the areas of fund initiation, acquisition and fund management as well as asset management in Vienna and Munich. The competences range from the acquisition of properties/portfolios to fund management with customer support through to asset and technical management. Corresponding support areas such as fund operation, research, financial department and a back office round off the structure. Catella Investment Management's property expertise is based on many years of experience in Germany and, together with its sister companies and local partners, in the Netherlands, France, Spain and the UK as well as other markets such as Scandinavia.

- EUR 10 bn assets under management in 15 countries
- Management and experience in 9 residential market segments (from student to senior housing) and other commercial product types
- Coverage of all important core competences in the residential and commercial sector

\*By market value, as at Q4 2024

- OPERATIONS
- INVESTED CAPITAL
- OFFICES



**ASSETS UNDER MANAGEMENT**

**10**  
Bn. €, AuM and Asset under Advise incl. developments

**420**  
Properties acquired

**160**  
Locations

# ESG OVERVIEW:

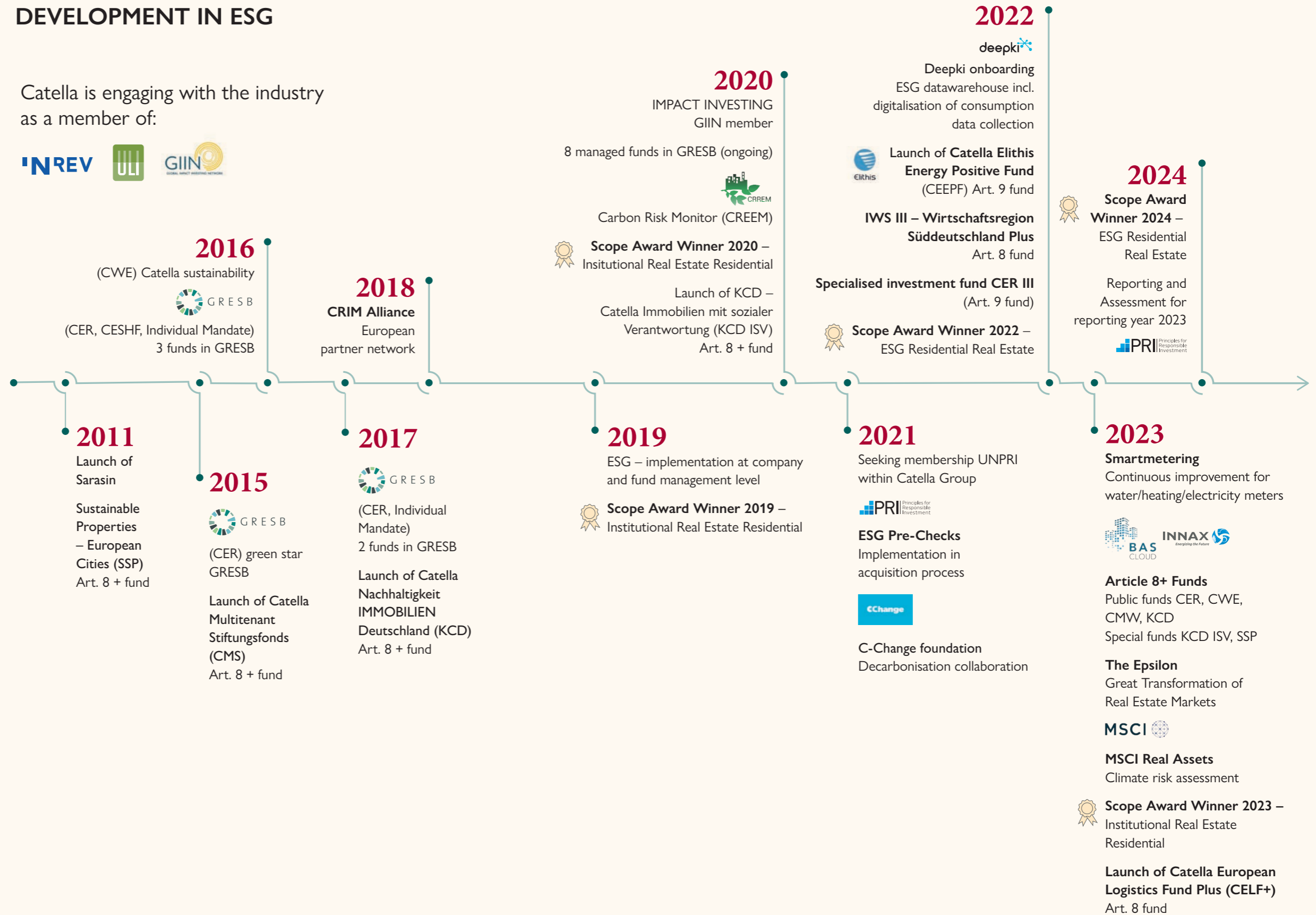
## CATELLA – CONTINUOUS DEVELOPMENT IN ESG

Catella is engaging with the industry as a member of:



**TIMELINE**  
**CRIM and CREAG (now CIM)** have been expanding in parallel for over a decade. Catella Investment Management (CIM) has grown every year.

This has helped ensure a successful integration of CRIM and CREAG to form CIM. Before the merger, both companies had similar environmental, social and governance (ESG) plans and often worked together to improve the company's sustainability. Their ESG strategies have been closely interlinked and often co-developed. The merger of these two companies is a natural outcome of years of close collaboration and reflects the companies' symbiotic approach to sustainability.



# INTRODUCTION – VISION AND COMMITMENT

At CIM, we are dedicated to fulfilling the ESG principles, which lead the focus of our mission to support the European Green Deal. We are committed to offering investment services that uphold the highest ESG standards and strive to meet the needs of our clients while maintaining our fiduciary responsibilities. We work to ensure our operations make a positive contribution to society and the environment.

## CORPORATE, INVESTMENT MANAGEMENT AND REAL ASSETS STRATEGY

CIM's ESG strategy is outlined in the table opposite, segmented into three pillars: **Environmental**, **Social** and **Governance**.



		Organisation	Fund Management	Assets	
<b>E</b>	<b>DECARBONISATION</b>	Assessment	Corporate Emission reduction targets	C Change part of BHS analysis	Decarb plans for assets
		Strategy		Funds' strategies different levels and rhythms of CRREM conformity	Prioritisation of lighter measures and those with a positive NPV
		Implementation and continuous evaluation		Evaluation of impact on portfolio level annually incl. new acquisitions and dispositions	Monitoring of ESG budgets annually
	<b>PHYSICAL ADAPTATION</b>	Assessment	N/A	Inclusion physical VaR in BHS analysis	Evaluation VaR and deep dive with cross-checking of different sources and adaptation regional infrastructure
		Strategy		Thresholds on portfolio level	Thresholds on asset level
		Implementation and continuous evaluation		Evaluation of VaR on portfolio level annually also incl. new acquisitions and dispositions	Adaptation plans
<b>S</b>	<b>SOCIAL</b>	Assessment	Annual employee engagement survey with action plan via Kantar	Affordability regular assessment and monitoring	Tenant survey
		Strategy	Regular snapshots including ESG targets	Every residential fund has its own affordability thresholds	Supply of affordable and livable living
		Implementation and continuous evaluation	Catella employees (masterclasses, catella academy, educational budget) and staff health and wellbeing (Count the km, rowing, etc.)	Evaluation of affordability on portfolio level annually incl. new acquisitions and dispositions	Assessment of survey results and issue rectification and tenant guide
		Community support	Supporting environmental projects and local charities	N/A	Tenant engagement programmes
<b>G</b>	<b>GOVERNANCE</b>	Sustainability frameworks	UNPRI, GIIN, ILO, OECD, UN Global Compact, UN SDG, ULI C Change	GRESB	N/A
		Governance, risk and compliance Regulations	Governance framework, Code of Conduct "skin in the game"	Article 8+9 funds	Mitigation and Adaptation risk assessments on asset level
		Transparency	CIM ESG annual report	EU taxonomy and SFDR, GRESB, INREV, BVI, Regular investors meeting incl. ESG strategy	Asset level regular reports

# CORPORATE ESG OPERATIONS

## E

### DECARBONISATION

Our principle strategy is to reduce greenhouse gas (GHG) emissions by using new, low-carbon energy solutions. By powering our operations and business with renewable electricity, and promoting sustainable travel and commuting practices, we want to demonstrate our steadfast commitment to environmental stewardship.

To ensure effective management of GHG emissions, it is imperative to distinguish between direct and indirect emissions. Direct GHG emissions originate from sources that are owned or controlled by our organisation. These include emissions from our operations that are directly attributable to our activities. Indirect GHG emissions

arise as a result of our company's activities but occur at sources owned or controlled by another entity. Understanding this distinction is significant for accurately measuring and managing our environmental impact.

In 2020, all Catella Group subsidiaries embarked on a journey to monitor and manage their energy use and thereby reduce their carbon footprint. This initiative marked the beginning of a concerted effort to understand and mitigate our environmental impact as a corporation.

Since March 2021, we have exclusively procured electricity from 100% renewable energy sources in Berlin and Vienna, substantially advancing our corporate decarbonisation strategy. Our Berlin office is

currently connected to district heating, and we plan to link our Vienna office to a district heating network within the next few years. In Munich, M-Strom from SWM provides our energy. Almost sixty percent of electricity is renewable energy, financed by the EEG (Renewable Energy Sources Act surcharge). Since June 2023, our IT has also been operated from a data centre that sources 100% of its electricity consumption from "green" electricity in the form of hydropower.

CIM actively promotes low-carbon travel and commuting options for all employees and is working to offset carbon emissions related to traveling. Our company policy has been to not provide a company car encouraging the use of more sustainable alternatives instead.

### Emission reduction targets

CIM is deeply committed to playing a pivotal role in the global response to the climate crisis. We have set ourselves the goal of becoming carbon neutral ahead of 2050, achieving different milestones for scope 1, 2 and 3. Our ambition is to reach net zero carbon for scope 1 by 2030, scope 2 by 2045 and scope 3 by 2050 (in Germany by 2045).

By proactively reducing our carbon footprint across all scopes of emissions and investing

in internal carbon pricing projects, we aim to achieve a balance between the carbon emitted and the carbon sequestered or offset. Instead of relying on carbon offsets, we have developed an internal carbon pricing policy. All scope 1 and scope 2 emissions from our operations, as well as emissions from travel, are calculated using a set carbon price. The funds collected through this policy are reinvested into decarbonisation projects and research initiatives that expedite the transition

to a low-carbon future. This commitment demonstrates our strong desire to promote positive environmental change within the industry and reflects our dedication to protecting the planet. Through innovation, collaboration and unwavering dedication, CIM is continuing to advance its operations and business transformation while contributing to a more sustainable and carbon-neutral future.



Figure 1. Ethos International Illustration.

S

**SOCIAL: STRENGTHEN OUR EMPLOYEES AND LOCAL COMMUNITIES**

A central component of our strategy is ensuring the wellbeing of our employees. We strive for an inclusive, diverse and gender-equal workplace. CIM has a corporate diversity, equality and inclusion policy that aims to safeguard those who may experience unfair treatment or harassment in their place of work. We monitor employee satisfaction annually using an anonymous Kantar questionnaire and proactively address issues identified through this study. It is also important that we regularly engage with employees through quarterly assessments that include a review of personal ESG goals.

The company further promotes the health of its employees by providing access to a company doctor, generous salary support in the event of illness and sponsorship of sports activities and challenges, training and educational opportunities.

CIM is committed to growth by investing in employee development and fostering inter-company connections. Through Catella Academy, we foster a unified culture, provide high-quality training and uncover synergies that deliver value. The Academy runs annually and employees are invited to apply. A diverse board reviews applications to ensure attendees represent a balanced and diverse group of participants.



brings together senior leaders and young professionals for knowledge sharing. It prepares future leaders through training in leadership, corporate responsibility, decision-making and feedback skills. The Academy runs annually and employees are invited to apply. A diverse board reviews applications to ensure attendees represent a balanced and diverse group of participants.



**SOCIAL DAYS**

**Berlin**

In 2024 we hosted a **Social Day** aimed at giving back to the community.



The team participated in various volunteer activities and found it to be a rewarding experience that strengthened CIM's commitment to making a positive impact on society. Employees supported four different social institutions:

- Packing food bags at the Berliner Tafel e.V.
- Helping people experiencing homelessness by working in the logistics kitchen at the Berliner STADTMISSION
- Gardening at the animal shelter in Berlin and providing maintenance help in the cemetery
- Painting and gardening at the Landhaus Rosenthal in support of children and their youth centre.



**Munich**

In Munich, the Catella office hosts employees from multiple departments. Their calendars are filled with a variety of social activities to promote social engagement and team building.

**Social Day:** Clean-up campaign at the Pasinger Gleisdreieck's conservation area, including a keynote speech by the Munich Department of Horticulture on the topic of compensation areas, followed by lunch. With the clean-up campaign, we were able to contribute to the protection and preservation of the area.



**Munich Gift Shower 2024** – Christmas Event: Enabled the wishes of 45 children and young people to come true through our support of the "Diakonie München und Oberbayern – Innere Mission München e.V. Treffam" facility.



**Basketball Aid e.V.**

Catella became a gold member of Basketball Aid e.V. – Dein Herz schlägt orange, strengthening CIM's support of the association in its mission to improve children's cancer centres. As part of this cooperation, Catella employees were also given the opportunity to take part in monthly basketball training sessions, helping to promote healthy living and strengthen team spirit.



G

GOVERNANCE

As a company, we have taken the strategic decision to embed corporate governance into the core of our operations. This includes the consideration of environmental sustainability as part of our decision-making.

Across CIM's value chain, from developers to investors and facility managers, our supplier agreements are transparent and comply with ethical governance policies. These agreements support our progress and strategic goals in reducing GHG emissions, water and waste across our leased assets.

By advocating sustainability principles through our decision-making, we aim to embed a culture of positive change and promote social good as part of our process.



Designed to advance decarbonisation in the European real estate sector, C Change is a platform that inspires collaboration for a greener future. The programme brings together experts from across the industry. It breaks down barriers, encourages knowledge sharing and generates new ideas to quickly create solutions that benefit both the planet and the industry.



Our vision

Our vision is governed by the latest best-practice frameworks, transparency tools and regulations.

1. Sustainability frameworks: United Nations Principles for Responsible Investment (UNPRI) signatories, International Labour Organisation (ILO) standards, Organisation for Economic Co-Operation and Development (OECD), United Nations Global Compact, United Nations Sustainable Development Goals
2. Governance framework: The Head of ESG reports directly to the Board and the Board is involved in all ESG investment decisions
3. Code of conduct and associated policies: There is zero tolerance of economic criminal acts (anti-bribery and corruption), exclusion lists in relation to ethical, social and environmental standards (anti-money laundering and counter-terrorist financing), complaints handling (whistleblowing policy)

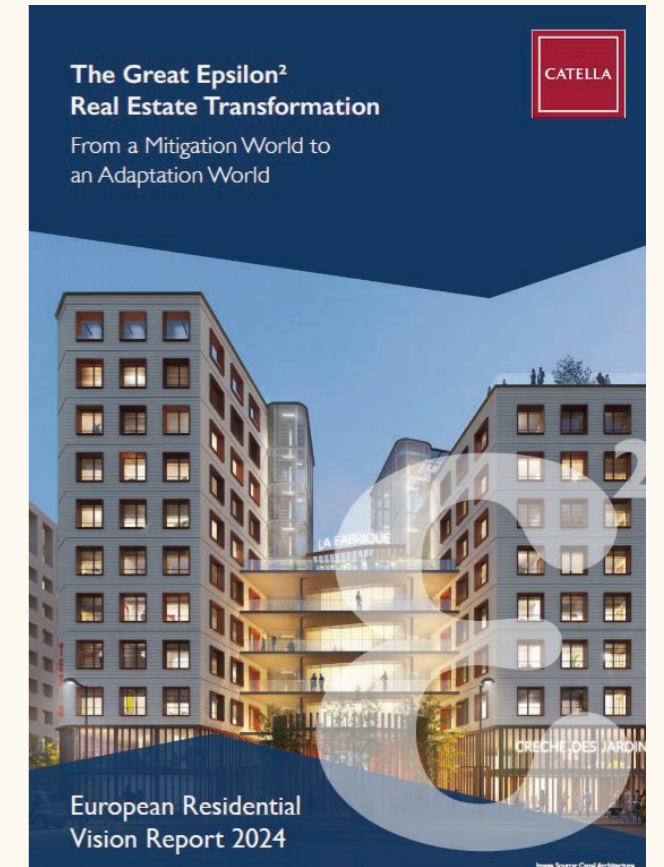
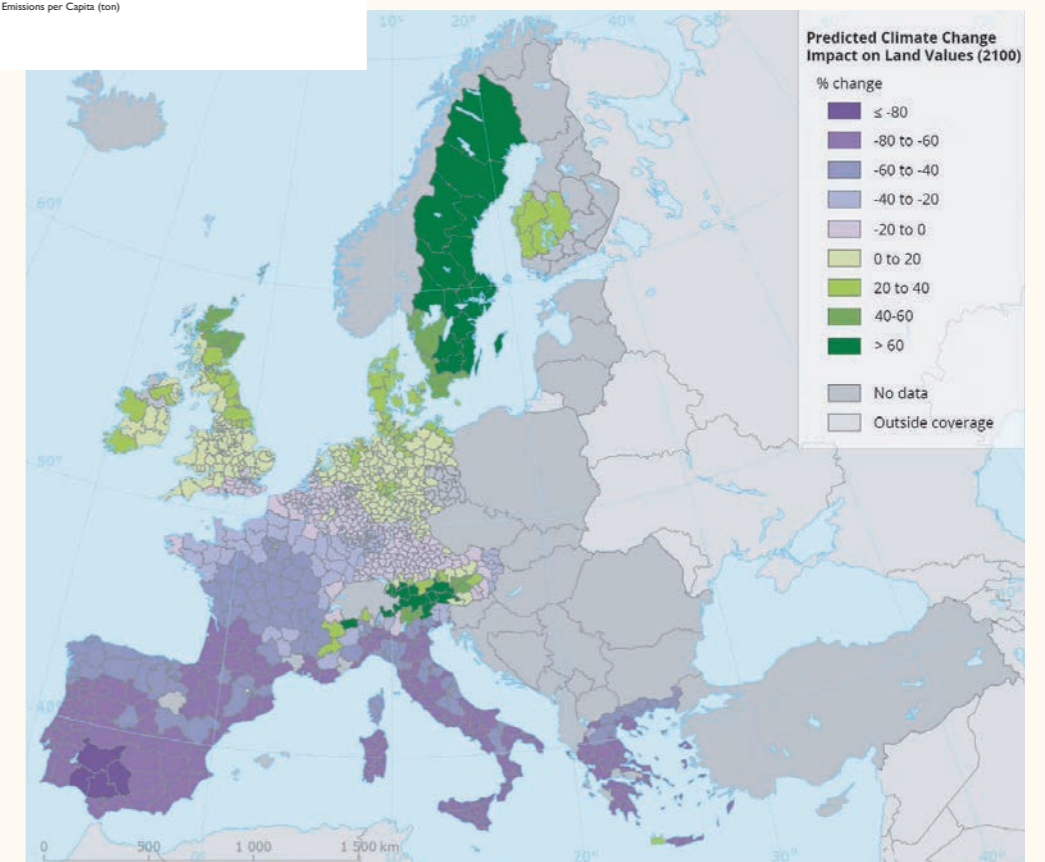
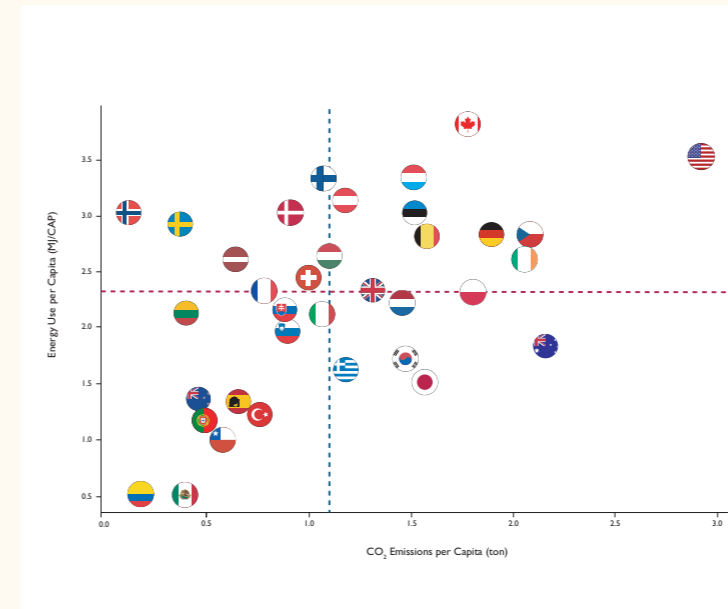
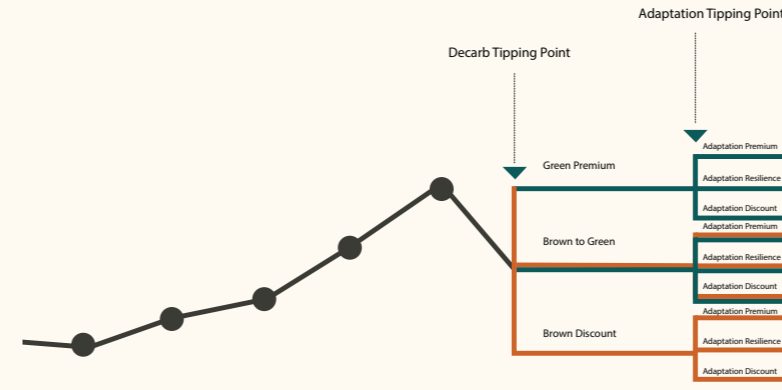
White paper

The Epsilon concept was first introduced in a report, 'The Epsilon Great Transformation of Real Estate Markets in the European Residential Vision 2023'. It highlighted the trifurcation of real estate investment valuations, driven by climate change mitigation and adaptation efforts.

This approach was developed by Catella as part of the Urban Land Institute's 'C Change' initiative, aimed at creating a standardised methodology for assessing climate mitigation risks in property valuations.

The report looks at how decarbonisation works and predicts that real estate markets will become more divided. This is because people are not using climate mitigation strategies quickly enough, which means they are more likely to be affected by climate change. Residential markets, responsible for nearly 30% of global greenhouse gas emissions, are at the forefront of this challenge. Greening housing markets while addressing affordability is critical, as residential real estate is key to both reducing emissions and mitigating societal inequalities.

The report emphasises the importance of integrating climate finance into investment strategies, highlighting that early mitigation can lower future costs and avoid value destruction. Despite current financial pressures, delaying decarbonisation will only increase future costs. It is therefore essential for institutional investors, particularly pension and sovereign wealth funds, to lead the transition by committing to decarbonisation targets, ensuring long-term financial viability and environmental resilience.





# FUNDS AND PORTFOLIO ESG STRATEGIES

## E

### DECARBONISATION FUND STRATEGIES

CIM funds have independent ESG and decarbonisation strategies that work to stay ahead of European and local regulations for reasons of compliance and value preservation.

Approximately half of CIM's funds have interim CRREM compliance goals until 2030, which are continually assessed, allowing us to adapt the action plans to ensure we meet the goals set.

Examples of sustainability strategies from mixed-use funds include:

- **Catella Nachhaltigkeit IMMOBILIEN Deutschland (KCD)**, which is based on three key components: exclusion criteria, ESG score, and ecological targets.
- **The in-house Catella Sustainability Monitor** ensures transparency and sets exclusion criteria that follows a zero-tolerance policy, while investment ratios are applied to the ESG score and ecological targets.
- **Catella Immobilien mit sozialer Verantwortung (KCD IsV)** focuses on exclusion criteria, the Catella Sustainability Monitor and guidelines for social responsibility.

### DECARBONISATION MEASURES BY ASSET LEVEL

We conducted a cost-efficiency analysis based on decarbonisation reports from our portfolio, plotting investment costs on the vertical axis and CO<sub>2</sub> savings on the horizontal axis. The most cost-efficient measures were shown to be switching to LED lighting, installing motion detectors, implementing smart meters and the use of photovoltaic (PV) systems, providing significant CO<sub>2</sub> reductions at a moderate cost. In contrast, the most expensive measures involved those changing building structures, such as replacing windows and insulating facades. Measures with a positive net present value (NPV) stood out for their

ability to generate energy and revenue above simply reducing energy consumption.

Following last year's comprehensive analysis of photovoltaic (PV) implementation across our entire portfolio, we made strategic decisions at the asset type, fund and asset levels. These decisions were informed by a thorough technical, legal and tax analysis. We have since upgraded five of our residential properties and two of our logistics facilities with PV panels that now produce green energy while delivering attractive returns on investment.

The four residential properties from the Impact Fund equipped with PV panels this year include The Arches in Leicester, which received the largest investment of 124 kWp. This is followed by the properties in Vienna: Klosterneuburg with 65 kWp and Schöpfleuthnergasse with 52 kWp. In addition, the student house in Leipzig was outfitted with 30 kWp. Lastly, in our largest portfolio, a property in Valencia was equipped with a 42.7 KWp solar panel.

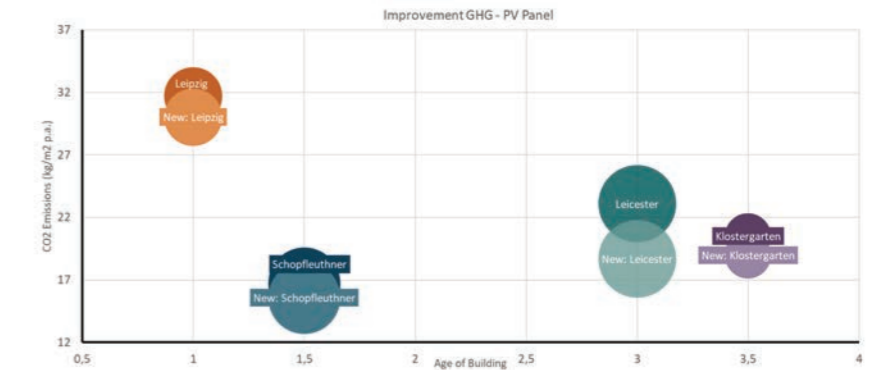
For the property in Leicester, we commissioned a property valuer to make an official valuation of the intervention. This valuation was conducted independently and separately from the property's valuation. The additional value attributed to the PV panels has now been reflected in the book values.

Our existing logistics property in Bocholt was covered with modules on an area of approx. 9,000 m<sup>2</sup> and now generates an output of approx. 750 kWp. Furthermore, the PV was also installed on a partial area of our newly built logistics property in Gremersdorf. The asset is covered

with modules on an area of 1.596m<sup>2</sup> and generates an output of approx. 133 kWp. As soon as the electricity network operator has expanded its capacity in the network, we will also cover the entire roof area there

with PV modules with an expected output of 2 MWp.

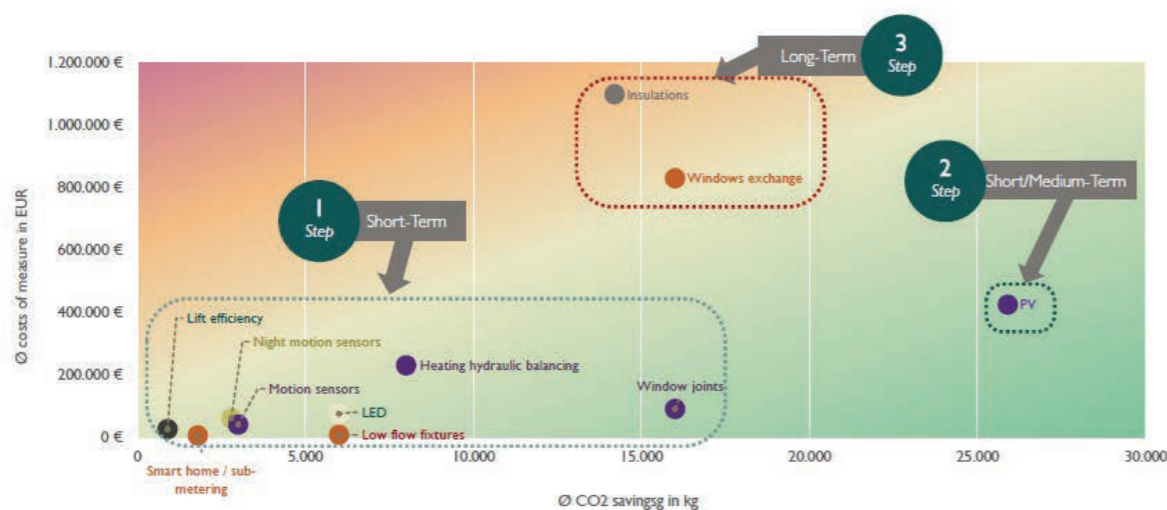
Further projects are being prepared for implementation in 2025.



### PV panel program in 2024: Leicester/UK



Leicester	Figures
Value in GBP	410,000
Assumed value appreciation	1.11%
IRR	10.2%
Amortisation time in years	6
Carbon savings p.a. in Ton	45



Quelle: Catella Residential Investment Management, Decarb-Studies from EnviroSustain & CBRE for a pool of Assets (EUR 200 Mio.) in AT, BE, DE, DK, FR, NL & UK.

### PHYSICAL ADAPTATION

CIM is actively developing a physical risk adaptation strategy for all leased assets. This strategy is tailored to each fund's unique risk profile and thresholds at both the asset and portfolio levels and is communicated with all relevant stakeholders.

The Value at Risk (VaR) per asset is calculated using insights from MSCI Climate Solutions and Deepki Ready Climate Resilience Tools. CIM has developed a dashboard that provides information about the impact of future decisions in areas where funds are

invested. This is a way to more thoroughly assess deeper the residual ongoing climate risk of our assets.

Lastly, we are developing vulnerability assessments and adaptation plans to help protect the assets against possible climate-related any damaged triggered by future climate hazard impacts related events in the future. Our assessments are integral to each fund's buy, hold and sell analysis and respective transaction decisions. Before any investment and divestment decisions are

taken, adaptation policies are considered at both the regional and asset level.



S

**SOCIAL: STRENGTHEN OUR TENANTS**

Catella, with its 15-year heritage in residential investments, embeds the principles of affordability, wellbeing and quality living for tenants into its investment DNA. Each residential fund establishes its own affordability targets and thresholds, based on the variance between the proposed rent and the market median rent. More than half of our residential funds' AuM has a target of maintaining 75%–80% of all rents below the median market rent. Recently, we improved tenant engagement by implementing comprehensive surveys and introducing a tenant guide.

The guide gives practical advice, such as optimizing heating and cooling settings, using energy-efficient appliances, conserving water through mindful habits and practicing waste reduction and recycling. By adopting these simple yet effective measures, tenants can not only lower their utility expenses but also contribute to a more sustainable lifestyle.

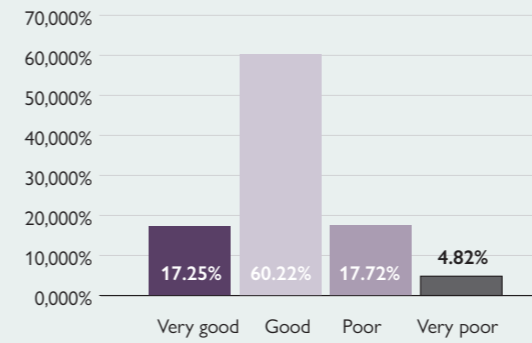
We conduct online tenant surveys to gather valuable insights into our properties and services. These surveys cover key topics such as property management, the condition and amenities of houses and apartments, as well as sustainability initiatives including green electricity, car-sharing options, e-charging stations and tenant apps. Tenants can also share feedback using the open-ended questions.

The goal of these surveys is to perform a detailed analysis of our portfolio. This allows us to refine our strategies and prioritise future enhancements and investments, even on a small scale, to better meet the needs and expectations of residents.

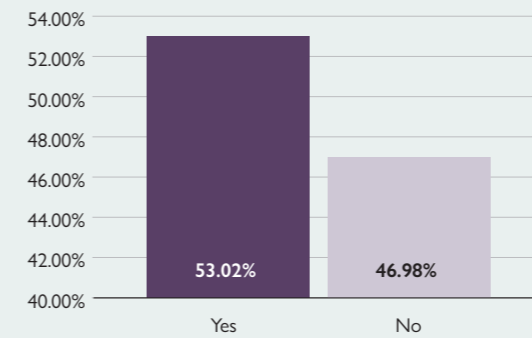


Survey

**How would you rate the condition/equipment of your apartment?**



**Do you have a green electricity contract?**



G

**GOVERNANCE**

Currently, CIM has 57,9% of its Assets under Management classified under 8 and 9 of the SFDR. In CIM funds' buy/hold/sell (BHS) analyses, we place a pivotal emphasis on evaluating the transition and physical climate risks associated with our assets.

All our residential funds actively participate in and report to GRESB, enhancing transparency for our investors and providing valuable insights into areas where we can improve relative to our peers. GRESB is the global standard for assessing the ESG performance of real estate and infrastructure investments.



Tenant guide



Tenant guide



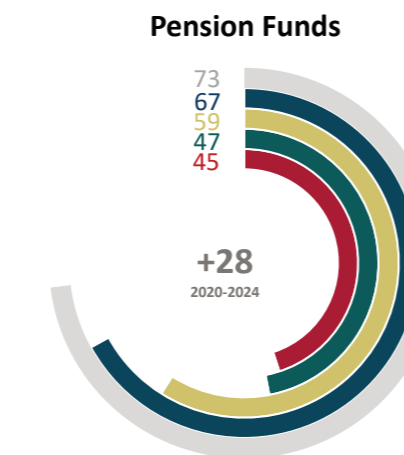
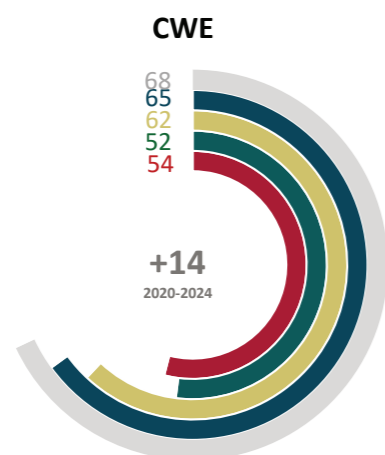
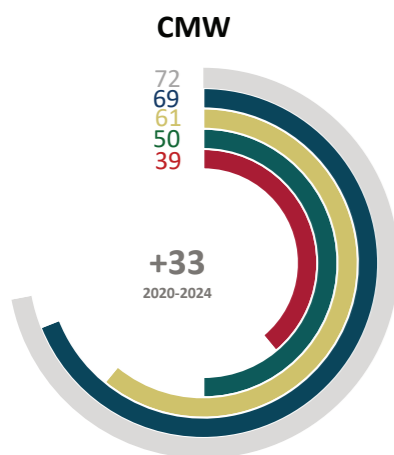
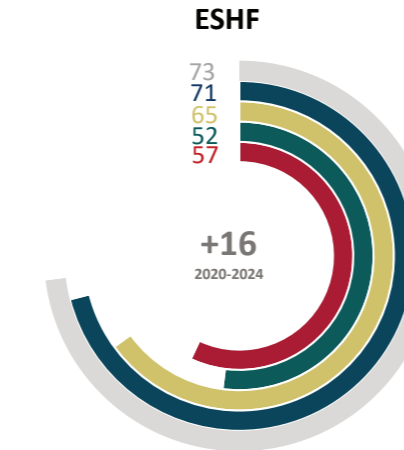
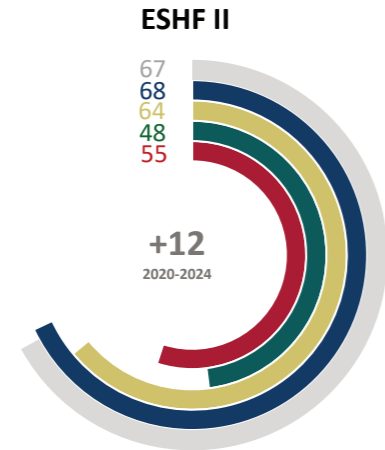
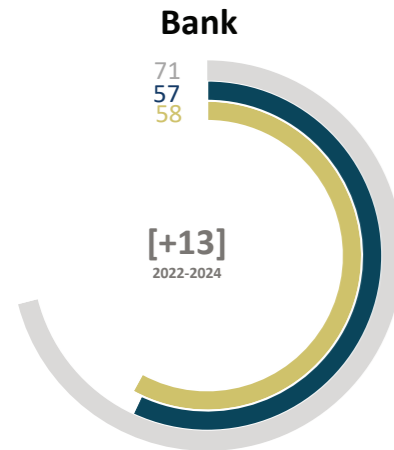
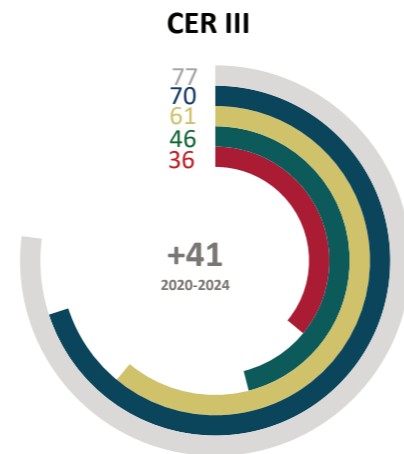
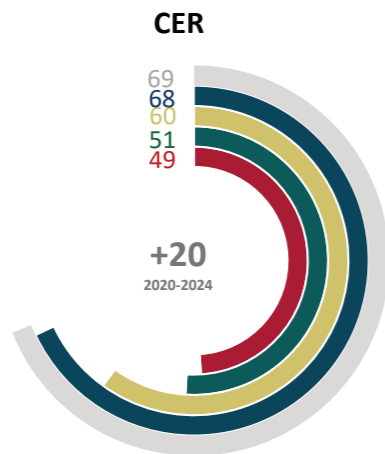
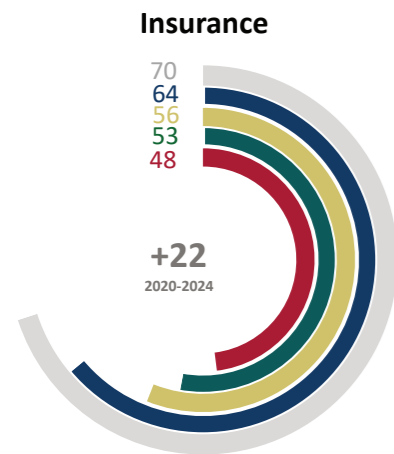
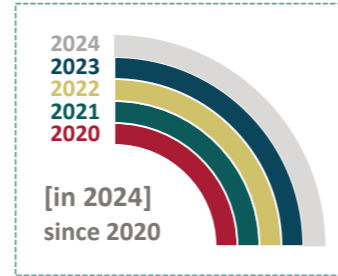
Tenant guide



## GRESB Benchmarking – Strong Improvement

We are proud to have achieved year-over-year improvements in our scores. At the same time, we are mindful and deliberate in not pursuing certain points, as these decisions, made in close collaboration with our investors, align with our strategic priorities, even if they come at the cost of a few points.

Transparency is further enhanced with the publication of reports such as the annual CIM report, INREV, BVI, SFDR, European Union (EU) taxonomy and regular investor meetings in which ESG assessment and strategy is discussed.



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