



Principal Adverse Impact (PAI) Policy

Introduction and Purpose

Catella Group acknowledges the responsibility of the real estate industry in the identification and mitigation of potential negative impacts on society and nature from its economic activities.

In alignment with this position, the company considers the negative impact an investment has on ESG issues in the selection and ongoing monitoring of investments. This document outlines how Catella Group identifies and prioritises principal adverse impacts on sustainability factors.

Methodology and Data Collection to Assess PAI

In accordance with Sustainable Finance Disclosure Regulation (SFDR) Article 4, Catella Group identifies and prioritises principal adverse sustainability impacts and indicators through double materiality analysis. The most material aspects for Catella are to **reduce the carbon footprint** and **integrate sustainability in fund management and property development & investment**.

Therefore, Catella Group has decided to start collecting ESG data on the following PAI indicators for real estate assets:

- *Exposure to fossil fuels through real estate assets*
- *Exposure to energy-inefficient real estate assets*
- *Energy consumption intensity*

The identified indicators are relevant to the organisation's overall sustainability strategy and material to the organisation. If data availability progresses, more indicators will be included according to our prioritised material sustainability aspects.

Catella Group will collect and consolidate applicable data and perform data analysis in order to be able to take actions to manage and mitigate identified principal adverse sustainability impacts.

Catella Group engages closely with undertakings to ensure that they act in accordance with Article 7 of the SFDR with regards to the disclosure of adverse sustainability impacts at a financial product (fund) level.

How Principal Adverse Impacts are Considered in the Investment Process

Investment decisions for funds within Catella Group are based on investment analysis conducted by the portfolio managers, who seek out assets that are well-positioned for the future and corresponding trends. Principal adverse sustainability aspects are considered in



the investment decision as well as post-investment through measurement and analysis of PAI indicators, and corresponding action.

As undertakings publish their first Principal Adverse Impacts Statement (PAIS) before June 30th 2023, we will disclose a description of the principal adverse sustainability impacts occurred within the group as well as any actions taken or planned to mitigate identified and measured principal adverse impacts. The impact of the undertakings will be published in a periodic report and include PAI quantifications of the investment decision where possible.

Reference to International Standards

In addition to the principles for shareholder engagement and sustainability, Catella's application of PAI builds on international standards and conventions. The international standards and conventions that are particularly considered include Principles for Responsible Investment (PRI) of which Catella is a signatory, and UN Global Compact (UNGC).

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Revisions

DATE:	VERSION, CHANGES MADE AND NAME OF PERSON WHO MADE THEM
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05-09-2022	Version 1.0, Principle Adverse Impact (PAI) Policy, Christin Hertzberg
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