Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: Catella AB

Summary

Catella Group considers principal adverse impacts (PAI) of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Catella AB, covering its three subsidiaries Catella Residential Investment Management (CRIM), Catella Real Estate AG (CREAG) and Axipit Real Estate Partners (AXIPIT).

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2024 to 31 December 2024.

In accordance with Catella Group's PAI policy as well as Article 4 of the Sustainable Finance Disclosure Regulation (SFDR), Catella Group is obliged to publish a report on relevant PAI indicators by 30 June of each year. This report is the third annual report and is published on 30th June 2025.

Description of the principal adverse impacts on sustainability factors

Adverse sustainability indicator		**Metric**	**Subsidiary**	**Impact year [2024]**	**Impact year [2023]**	**Impact year [2022]**	**Explanation**	**Actions taken in 2024 and actions planned and targets set for 2025**
Fossil fuels	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	CRIM	0%	0%	0%	Data coverage: 100% Calculated based on the type and purpose of real estate property, average of four quarterly snapshots of 2024.	Actions taken in 2024: • The exposure to fossil fuels to real estate assets already at minimum (0% of the portfolio), hence no further actions are planned in addition to the existing commitment and processes. • CRIM/CREAG in acquisition of new assets, consideration is
			CREAG	0%	0%	0%	Data coverage: 100% Calculated based on the type and purpose of real estate property, average of four quarterly snapshots of 2024.	

			AXIPIT	0%	n/a	n/a	Data coverage: 100% Calculated based on the type and purpose of real estate property, average of four quarterly snapshots of 2024.	given to ensuring that a potential property investment is not used for extraction, storage, transport or manufacture of fossil fuels. Targets for 2025: • Targets for next reference period (2025) is to maintain 0% exposure to fossil fuels through real estate assets.
Adverse sustainability indicator		**Metric**	**Subsidiary**	**Impact year [2024]**	**Impact year [2023]**	**Impact year [2022]**	**Explanation**	**Actions taken in 2024 and actions planned and targets set for 2025**
Energy efficiency	Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	CRIM	38%	46%	36%	100% of the real estate investments are included in the reported figure. Data coverage: for 100% of the funds an Energy Performance Certificate or equivalent certificate was available. For the assets built after 2020 EPC grade A was used as a proxy. Full methodology used is described in note (1).	Actions taken in 2024: • In 2024 CRIM continued with a number of digitalisation projects (onboarding of all real estate assets onto ESG data management platforms) to improve monitoring and measurement of sustainability-related impact. • A number of CRIM funds continued conducting energy and NZC assessments in order to create action plans to improve energy efficiency and energy consumption intensity of their investments. • Designated budgets for energy improvement measures were allocated to every Fund.

								Targets for 2025: • Fund CER 3 set a NZC goal to be achieved by 2030. • All remaining funds are managed through prioritizing the worst performing assets and creating action plans for their improvement.
			CREAG	47%	53%	68%	96% of the real estate investments are included in the reported figure. One of the funds, CPE (4%), is excluded from this calculation – its assets are multi-story car parks for which energy performance certificates are not required. Data coverage: for 88% of all real estate investments an Energy Performance Certificate or equivalent was available. For the remaining 12% of the investments, energy efficiency rating was estimated. For the assets built after 2020 EPC grade A was used as a proxy.	Actions taken in 2024: • CREAG has not yet defined any specific targets or actions planned to improve the adverse impact. Targets for 2025: • CREAG is working on improving its measuring and monitoring of the indicators in the next reference period which would allow for setting of commitments and improvement targets.

							Full methodology used is described in note (1).	
			AXIPIT	92%	n/a	n/a	100% of the real estate investments are included in the reported figure. Data coverage: for 97% of all real estate investments an Energy Performance Certificate or equivalent was available. For the remaining 3% of the investments, energy efficiency rating was estimated. Full methodology used is described in note (2).	Actions taken in 2024: • AXIPIT has not yet defined any specific targets or actions planned to improve the adverse impact. Targets for 2025: • AXIPIT is working on improving its measuring and monitoring of the indicators in the next reference period which would allow for setting of commitments and improvement targets.

Adverse sustainability indicator		Metric	Subsidiary	Impact year [2024]	Impact year [2023]	Impact year [2022]	Explanation	Actions taken in 2024 and actions planned and targets set for 2025
Energy consumption	Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter	CRIM	0.000052 GWh/sq m	0.000111 GWh/sq m	- [1]	Data coverage: energy consumption intensity was calculated for 100% of the real estate investments across all CRIM funds. 57% of the data is based on actual energy consumption figures and 43% was estimated. Estimated energy intensity figures were calculated automatically by the ESG data management software used by CRIM and are based on available actual energy consumption figures and asset types and country benchmarks.	Actions taken in 2024: • In 2024 CRIM continued with a number of digitalisation projects to improve monitoring and measurement of sustainability-related impacts. As a result, energy data coverage remained relatively stable (+1% actual). • A number of CRIM funds continued conducting energy and NZC assessments in order to create action plans to improve energy efficiency and energy consumption intensity of their investments. • Designated budgets for energy improvement measures were allocated to every Fund. Targets for 2025: • Fund CER set a NZC goal to be achieved by 2030. • All remaining funds are managed through prioritizing the worst performing assets and creating action plans for their improvement.

[1] This figure was not disclosed for reference period 2022 due to insufficient data coverage

			CREAG	0.000095 GWh/sqm	0.000166 GWh/sqm	0.000135 GWh/sqm	95% of the real estate investments are included in the reported figure. One of the funds, CPE, is excluded from this calculation – its assets are multi-story car parks for which energy consumption data is not collected. In 2024 constituted 5% of the total GAV of CREAG real estate portfolio. For all other funds, 100% of real estate assets are included in the calculation of energy consumption intensity. Data coverage: for 85% of all real estate investments an Energy Performance Certificate or equivalent was available. For the remaining investments, energy efficiency rating was estimated.	Actions taken in 2024: • CREAG has not yet defined any specific targets or actions planned to improve the adverse impact. Targets for 2025: • CREAG is working on improving its measuring and monitoring of the indicators in the next reference period which would allow for better comparison of assets and portfolios across the reference periods and setting of commitments and improvement targets.

			AXIPIT	0.000196 GWh/sq m	n/a	n/a	Data coverage: energy consumption intensity was calculated for 100% of the real estate investments across all AXIPIT funds. 0% of the data is based on actual energy consumption figures and 100% was estimated. Estimated energy intensity figures were calculated based on Energy Performance Certificates for real estate assets within each fund.	Actions taken in 2024: • AXIPIT has not yet defined any specific targets or actions planned to improve the adverse impact. Targets for 2025: • AXIPIT is working on improving its measuring and monitoring of the indicators in the next reference period which would allow for better comparison of assets and portfolios across the reference periods and setting of commitments and improvement targets.

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

Catella Group has adopted a Principal Adverse Impact policy approved by the Catella Board of Directors on 5th September 2022. The policy applies to Catella's three real estate fund companies (subsidiaries), CRIM, CREAG and AXIPIT which in turn are responsible for respective data collection and data consolidation for the managed funds. Catella Group engages closely with undertakings to ensure that they act in accordance with Article 7 of the Sustainable Finance Disclosure Regulation (SFDR), with regards to the disclosure of adverse sustainability impacts at financial product (fund) level.

In accordance with Article 4 of SFDR, Catella Group identifies and prioritises principal adverse sustainability impacts and indicators through double materiality analysis. The most recent double materiality analysis was conducted in late 2024. The materiality assessment conducted by Catella in collaboration with external consultants identified several key sustainability impacts affecting the business and its stakeholders. The material impacts span environmental concerns, such as climate change mitigation and adaptation, energy consumption, and circular economy principles, as well as social factors, including employee well-being, diversity and inclusion, and ethical business conduct.

In alignment with the materiality assessment Catella Group continues to collect ESG data on the PAI indicators listed in the table above. The identified indicators are relevant for the organisation's overall sustainability strategy. If data availability progresses, more indicators will be included according to Catella Group's prioritised material sustainability aspects.

Please refer to the Principal Adverse Impact policy adopted by Catella AB on the website. (https://www.catella.com/globalassets/documents/catella-group/policies/10.-principal-adverse-impact-pai-policy).

Engagement policies

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.

Catella Group collects and consolidates applicable data and perform data analysis in order to be able to take actions to manage and mitigate identified principal adverse sustainability impacts. Catella Groups' foremost priority is to collect high-quality and high-coverage data, based on which mitigation actions can be undertaken within the investments. To this end, Catella Group is using two ESG data platforms to ensure high quality of data, their management and consistency across calculation of metrics, use of data estimation methodologies and proxies.

References 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).

Since there are no social PAI indicators applicable to investments in real estate assets, Catella Group does not currently collect and disclose data for social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Currently, CRIM and CREAG only use climate scenario analysis for their funds. This is done either through use of RCP 8.5 (used by Moody's 427 tool) or with the help of MSCI's scenario analysis tool.

For the reference period 2024 Catella Group published a European Sustainability Reporting Standards (ESRS) inspired report, including (Impacts, Risks and Opportunities) IRO disclosures across our operations and value chain, further strengthening our transparency and accountability.

Historical comparison

This is the third annual report of Principal Adverse Impact indicators by Catella Group (through its subsidiaries CRIM, CREAG and AXIPIT). The 2024 reference period is the first disclosure for the AXIPIT subsidiary, and historical comparisons are not relevant in this disclosure.

Due to on-going data on-boarding in 2024 large proportion of data on energy consumption and energy efficiency had to be estimated therefore does not lend itself to easy comparison across reference periods. In addition, the first report published in 2022, excluded some of the funds and investments, data coverage has since improved as the PAI calculation and reporting process gradually matures.

Fossil fuel exposure, remained stable at 0% over the three reference periods for CRIM and CREAG portfolios.

Energy efficiency, in relation to CRIM a direct historical comparison, particularly involving 2022, is significantly hindered by data limitations. In 2022, this metric could not be calculated for five out of nine funds due to substantial data gaps. A meaningful comparison can be made between 2023 and 2024. The percentage of exposure to energy-inefficient real estate assets decreased from 46% in 2023 to 38% in 2024. In addition, the quality of data underpinning these calculations has seen an improvement. In 2024, EPC or equivalent coverage reached 100%. This is an improvement compared to 2023, where 17% of the data was estimated by software.

In relation to CREAG, the share of energy-inefficient real estate assets decreased from 53% in 2023 to 47% in 2024. This reduction can be attributed to several factors, including improved data quality and selective optimisation measures at individual assets. Additionally, a number of poorly performing assets were sold during the reporting period. Although CREAG has not yet defined specific energy improvement targets, the improved data coverage and initial optimisation steps reflect progress in understanding and managing the energy performance of the funds.

Energy consumption intensity, in relation to the CRIM portfolio the absolute energy intensity decreased by 53%. This decrease is does not represent a like for like comparison and can be attributed to factors including; changes in portfolio composition (acquisitions or disposals of real estate assets with varying energy intensities can influence the overall portfolio average), energy data accuracy improvements and energy efficiency initiatives undertaken by the Funds.

In relation to CREAG, the absolute energy consumption intensity decreased by 43% compared to the previous reference period (from 0.000166 GWh/sqm in 2023 to 0.000095 GWh/sqm in 2024). This change is not directly comparable due to various influencing factors, including fund composition changes, improved data accuracy, and improvement of some assets. The current data coverage includes 96% (4% CPE fund excluded) of real estate assets, with 85% based on actual EPC data and the rest estimated. While no specific targets have been set, CREAG is focusing on improving its measuring and monitoring processes, aiming to establish measurable goals and commitments in upcoming reporting periods.

Notes:
(1) CRIM / CREAG: Methodology for assessing share of energy inefficient buildings:

- The verification is carried out at the level of buildings for which an energy performance certificate is required. If a property contains several energy performance certificates, these were checked individually. If parts of the property fulfil the criteria of PAI 18, the entire property was counted towards PAI 18. The energy performance certificates form the basis of the audit. A plausibility check of the energy performance certificates was not carried out. Furthermore, it is assumed that the information on the reference building in the available energy performance certificates corresponds to that from the year of construction/refurbishment.
- The Energy Performance Certificates for non-residential buildings in Germany do not contain an EPC classification (Energy Efficiency Rating A to G). This was determined with an indicative tool of the contractor based on the characteristic values of the energy certificate (actual and reference value of the respective building), which is available if required.
- For real estate built before 31.12.2020, the specified rating (for residential buildings) or the determined rating (for non-residential buildings) served as a test criterion.
- For real estate built after 31.12.2020, the classification as NZEB for German buildings is checked according to the requirements of the GEG § 10 (2) No. 1.: Total energy demand. For the assets built after 2020 EPC A was used as NZEB proxy.

(2) AXIPIT: Methodology for assessing share of energy inefficient buildings:

- Where an EPC is not available, the rating applied to the properties is based on a sample of similar assets within the AXIPIT portfolio.