

Catella Group Principal Adverse Impact (PAI) Policy

1. Introduction

This Catella Group Principal Adverse Impact (PAI) Policy (the “**Policy**”) applies to all subsidiaries and affiliated companies of Catella AB (the “**Catella Group**”). This Policy is prepared by the Group Management and approved by the board of directors of Catella AB. Deviations from this Policy may only be made if prescribed by local laws and regulations. Wherever local regulations or applicable regulatory requirements are stricter than the requirements set out in this Policy, the stricter standard shall be applied. Any deviation shall be reported to the Head of ESG.

2. Objective

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.

3. 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.

4. 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.

The obligation to publish such a PAI statement annually does not arise from the Disclosure Regulation itself, but from the Delegated Regulation applicable from 1 January 2022, which was published by the European Commission on 6 April 2022. Based on the requirements of the Delegated Regulation, a PAI statement must be published annually no later than 30 June, which discloses information on the handling of PAI for the previous calendar year.

5. 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).

Contact person(s):

Head of ESG

Revisions

| DATE: | VERSION, CHANGES MADE AND NAME OF PERSON WHO MADE THEM |
|------------|--|
| 2022-09-05 | Version 1.0, Principle Adverse Impact (PAI) Policy, Christin Hertzberg, Head of ESG |
| 2023-05-10 | Version 1.1, New policy template, Christin Hertzberg, Head of ESG |
| 2024-05-22 | Version 1.2, Shauna Mehl, Head of ESG (shauna.mehl@catella-investment.com), Update Section 4 |
| 2025-05-20 | Version 1.2, Matilda Garstedt, Head of Group Accounting and ESG reporting |