



ESG POLICY

Approved by Invel Real Estate Management Limited's
Board of Directors on [...] April 2023

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1. Introduction

Invel Real Estate Management Limited's (hereinafter "**Invel**" or the "**Company**") ESG Policy (the "**Policy**") was developed to promote sustainable environmental, social and governance principles (hereinafter also "**ESG**") and to define Invel's approach to integrating the consideration of ESG risks and value creation opportunities into investments made through entities managed by Invel.



E: Environmental criteria consider how a company performs as a steward of nature, measuring its carbon footprint



S: Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates



G: Governance deals with a company's leadership, executive pay, audits, internal controls, shareholder rights and ethics

These principles play an increasingly important role in the Company's day-to-day operations, as evidenced by Invel becoming a PRI signatory in 2021 and by its adherence to GRESB (www.gresb.com) and its approach to sustainable investment.

Adherence to these principles, in conjunction with the values of integrity, loyalty, honesty, expertise and transparency already referred to in the Code of Ethics, is essential both within Invel and in relation to external stakeholders to create value in the short, medium and long term.

Invel is committed to incorporating its ESG Policy into its investments, business practices, operating procedures and relationships with the various categories of stakeholders and to apply it to all Group Companies.

Invel will seek to update the policy continually, as appropriate.

2. Scope

This Policy applies to all real estate private equity investments considered by Invel, either directly or indirectly, following the date hereof and will be interpreted in accordance with both international laws and regulations (e.g. EU Taxonomy) and local ones (as for example, MEES in the UK, Décret Tertiaire in France).

Invel may also choose to expand or supplement this Policy with additional principles, strategies and tactics that are appropriate for particular geographic locations; the needs of a particular financial partner; and the typology and nature of real estate assets that are being managed.

In cases where Invel determines it has limited ability to influence and control the integration of ESG considerations in the investment, it will not necessarily be feasible to implement ESG-related principles. In such instances, Invel will endeavour to encourage the controlling shareholder/financial partner to consider relevant ESG-related principles.

3. Our Approach to Sustainable Investment

Sustainable properties may be defined as those capable of being continued in use with minimal long-term effect on the environment or depletion of natural resources. There are many aspects to sustainability. The core issues are energy, water use and waste treatment with low usage, leading to low emissions and pollutant levels. Ideally, a building should also be constructed of environmentally friendly materials, be sensitive to its surroundings and the needs of its occupants (particularly with regard to health, welfare and safety), and be close to public transport or cycling routes.

Property markets throughout the world are increasingly reflecting the importance of sustainability in investment and occupational decisions. Many **investors** now place the sustainability performance of property funds and investment managers in which they invest as one of the key deciding factors when it comes to new capital allocations. In fact, evidence suggests that the value of the worst performing buildings will fall as legislation tightens and, without intervention, may help push buildings towards obsolescence.

Furthermore, Invel believes that “Green” properties will increasingly justify a “green premium valuation” upon exit and that adopting sustainability measures present opportunities to reposition and enhance existing buildings. Numerous recent research reports clearly demonstrate that buildings with the best green certifications command rent premium and cap rate premium. With a growing demand from **occupiers** to reduce environmental impacts, efficient buildings which have higher sustainability credentials should be more attractive. Research shows that green design attributes of buildings and indoor environments can improve worker productivity and occupant health and well-being, resulting in bottom-line benefits for businesses. Offering occupiers a building with a lower total cost of occupancy, and moreover one which aligns with their own carbon reduction and sustainability commitments, can be more attractive to occupiers. For **owners**,

such a building provides an opportunity to increase occupancy rates and reduce vacancies by demonstrating improved, and cost-competitive, building performance.

We are entering an age of increased **regulation** on energy efficiency and increasing occupier demand for greener buildings. Improving the environmental performance and reducing the carbon emissions of properties are therefore vital steps if such challenging targets are to be met.

Invel recognizes the environmental, social and economic impacts of our investments. We are committed to managing these impacts in a compliant and responsible manner and to offering sustainable investing solutions to our financial partners. We also believe that a robust, integrated approach to sustainable investing is essential in preserving and enhancing the value of our assets throughout their investment life cycle.

Given the long-term and physical nature of our real estate investments, we consider **effective ESG assessment and management to be a fundamental component of risk management.**

We are also committed to deploying our capital and expertise in a responsible manner. This means that ESG factors are evaluated in tandem with wider investment criteria, such as financial performance, and form an integral component of our decision-making processes. Indeed, we believe that a decision-making based upon sustainable real estate best practices will add long-term value to the investments made through entities we manage, leading to both ESG and financial performance of the properties.

We recognize that the nature of our real estate and infrastructure investments varies considerably, so our objective is to provide a **framework for assessment that is sufficiently comprehensive**, yet also flexible, to enable consideration of key issues, which often differ from investment to investment and from country to another one.

Our approach is underpinned by the following main principles:

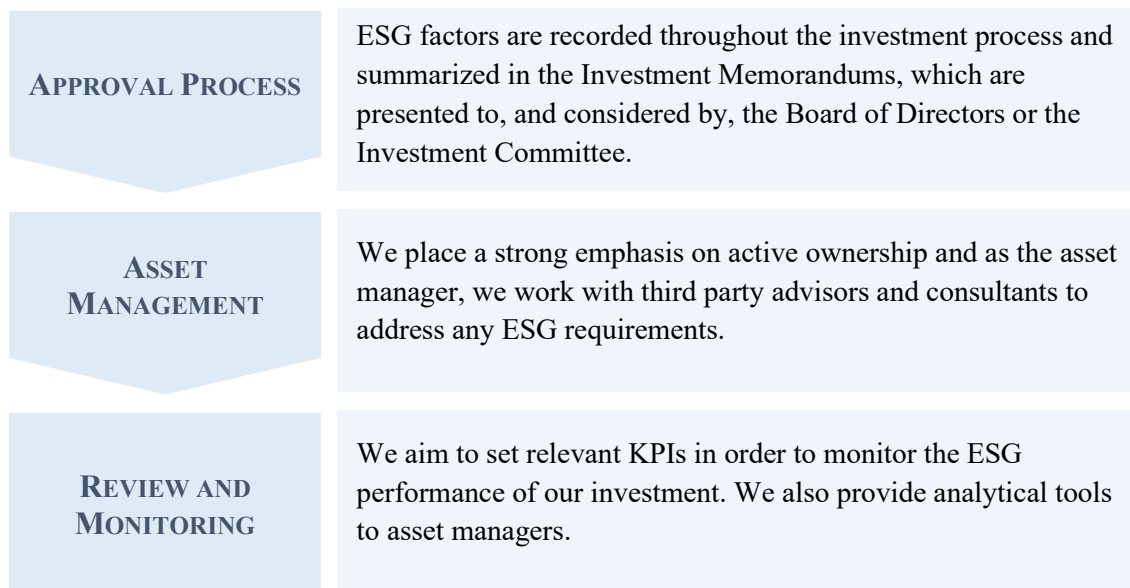
1	COMMITMENT AND OBJECTIVES	A commitment to fully integrate ESG objectives into business strategy and investment decisions
2	RISK MITIGATION	Identify and mitigate the material physical and transition risks that could adversely impact the value or longevity of the real estate assets, undermining long-term performance
3	DATA INTEGRATION	Incorporate ESG data alongside traditional financial analysis into the investment process and decisions
4	COMPLIANCE	Identify and comply with relevant national legislation and regulations, while ensuring continuous sustainability performance improvement across standing investments and development projects
5	TRANSPARENCY AND DISCLOSURE	Key stakeholders regularly updated of the ESG actions and / or performance

We fully integrate ESG throughout our investment processes

When evaluating all new investments, potential ESG factors that may have a material impact throughout the investment life cycle are fully considered alongside traditional investment approaches.

ESG performance, risks and opportunities are analysed for all new acquisitions and are further factored into our investment decision and business plan processes for holding, disposal and asset management strategies.

INVESTMENT ANALYSIS	Initial ESG assessment undertaken by the investment team to identify any ESG potential major issue and help inform decisions on whether to proceed with the analysis of the investment.
DUE DILIGENCE	Detailed ESG assessments undertaken for all new investments. This may include reviews from dedicated external consultants.



Depending upon asset class, geography and / or industry, ESG considerations addressed for each new investment include, but are not limited to:



Environmental factors

May include:

Carbon emissions, measurement and reporting
 Climate change risks and opportunities
 Commodity/raw material access use and supply
 Natural resource management
 Pollution, hazardous waste and toxic chemical disposal clean-up



Social factors

May include:

Labor practices (e.g. living wage diversity, discrimination, child or slave labor)
 Health and safety of employees and third parties
 Security of employees' data
 Local communities
 Occupiers and users
 Diversity



Governance factors

May include:

Governance structure
 Accounting standards, independent audits
 Business integrity
 Regulatory and compliance
 Ethics and Code of Conduct

4. Our Sustainability Strategy

Starting from our approach to sustainable investment, we have built a sustainability strategy, based on the three pillars of ESG principles: Environment, Social and Governance.

4.1 Environmental

Invel understands that its activity as well as the activities performed by third parties on the properties it manages have a footprint on the environment. Hence, we aim to minimise this impact through the adoption and deployment of this Policy. We are committed to foster an environmentally responsible behaviour promoting these efforts throughout our organisation and across our underlying investments.

Invel has identified its environmental footprint as follows:

- Use of energy, water and waste treatment;
- Monitoring and improvement of the environmental performance, while reducing the carbon emissions of properties.

In order to achieve the target of minimising our environmental footprint, we will:

- Focus our acquisition strategy on assets where ESG initiatives can be implemented, with the view to obtaining green certifications for selected assets;
- Promote the construction of buildings using environmentally friendly materials;
- Promote both the use of renewable energy (i.e. solar energy, hydro, etc.) and the implementation of energy efficiency plans (e.g. installation of LEDs, addition of insulation on the roof space etc.)
- Implement smart controls on the lighting system (e.g. occupancy sensing);
- Encourage the reduction of waste production and improve its recycling;
- Promote proactively asset management initiatives aimed at improving the environmental footprint on selected assets (such as replacement of windows, replacement of air conditioning and heating systems, replacement of facades, installation of solar panels); and
- Educate/guide and incentivise tenants to use resources in an efficient way and reduce environmental footprint. Moreover, we will enhance awareness of best environmental practices to our third-party associates related with our properties (engineers, developers etc.).

We aim to promote all the above-mentioned actions through our portfolio and we commit to further enforce the underlying principles, monitor their implementation and adoption. In order to achieve this objective, we have also implemented an Environmental Monitoring System for our portfolio. It is a SaaS application that collects and analyse all the existing ESG data and helps us to:

- Have a better overview of our real estate portfolio (e.g. data mapping and data visualisation) thanks to ESG analysis performed at each relevant level (e.g. Corporate, Fund, Asset);
- Identify energy savings and reduce operating expenses across our portfolio by monitoring consumptions; and
- Set up and follow-up concrete action plans to reduce carbon footprint and improve overall operational efficiency (thanks to e.g. automated reporting, monitoring of KPIs, measuring impact of energy efficiency plans).

4.2 Social

4.2.1. Our staff

At Invel, our people are at the heart of what we do and are our most valuable asset. Each employee plays a vital role in furthering our culture of innovation and excellence. We are committed to attracting, developing and retaining the best people in pursuit of our goal to be the real estate employer of choice in our target markets.

Invel is an equal opportunities employer and does not discriminate on the grounds of gender, sexual orientation, marital or civil partner status, pregnancy or maternity, gender reassignment, race, colour, nationality, ethnic or national origin, religion or belief, disability or age.

Out of 36 people across our various offices (31 employees – 5 Senior Advisors), Invel currently counts:

- 8 Managers / Heads of Departments, of which 3 are women; and
- 45% of the total workforce are women

Our talent engagement programs are organized into four main categories: i) Rewards and Recognition, ii) Benefits and Wellness, iii) Culture and Work Environment, and iv) Professional and Career Development.

Rewards and Recognition

Effectively recognizing and rewarding the accomplishments of our employees is a key component of our talent engagement strategy. We have established and articulated philosophies as well as clear and transparent merit-based processes for promotion and compensation. We also ensure that the more senior team members are compensated in a way which ensures full alignment of interests with our financial partners.

Benefits and Wellness

We believe that we have a responsibility to provide our employees and their families with a competitive benefits package that delivers flexibility and financial security. Work-life effectiveness is actively promoted to support individuals in balancing work and personal commitments through programs and benefits such as flexible working arrangements and parental leave.

Culture and Work Environment

One of Invel's guiding principles is to build a strong and durable organization, focusing on promoting a culture of meritocracy, accountability and inclusion.

Further, we believe that having diversity of perspective and experiences at Invel makes us better investment managers. As such, Invel actively seeks out to attract new employees from a deep and diverse pool of accomplished professionals.

Professional and Career Development

Supporting the ongoing growth and development of our employees is key to driving the engagement and job satisfaction of our employees. At the core of our employee development programs is a performance management program which focuses on ensuring expectations are clear and properly linked to reward. Embedded in this is a clear definition of the skills and competencies required to effectively perform various job functions at different levels, as well as a forum for feedback and coaching focused on employee development.

Invel provides ongoing training and development opportunities for our employees which include a range of options from web-based and in-person training courses, hosting external training vendors with specific industry and/ or functional expertise, sponsoring employee attendance at industry conferences and seminars, and developing our own internal training solutions. Our employees receive training appropriate to their role, subject to business need, operational and budgetary considerations. The training is aimed at improving the effectiveness at work and developing the skills and understanding relating to the duties at Invel.

4.2.2. Our communities

Invel is committed to strengthening local communities by supporting social, humanitarian and cultural initiatives through donations and partnerships with a number of civic, philanthropic and non-profit initiatives. We also recognise the valuable skills and talents that our staff can contribute to their community and to charitable organisations as well as the opportunities for our staff to further develop their skills through such activities too.

4.3 Governance

Invel operates at group level within a framework of formal policies, procedures, principles and best practices which can be summarised as follows:

- ESG Policy
- Conflicts of Interest Policy
- Code of Ethics
- Code of Conduct
- Compliance Manual (includes a number of policies that cover areas such as Fraudulent Practices, Market Abuse, Whistleblowing, Gifts)
- Operating Guide (for Invel Real Estate Management Limited)
- Operating Procedures (for Invel AIFM Limited)
- Other Policies, which are included in Invel's Staff Handbook, are:
 - Equal opportunities policy
 - Anti-harassment and bullying policy

- Health and safety policy
- Flexible working policy
- Training and development policy
- Volunteering policy

As part of Invel's Governance procedures, all staff (staff includes all employees, officers, senior management and partners) are required to read the Compliance Manual and acknowledge that they have understood it by signing and dating an undertaking and returning it to the Group's Compliance Officer on an annual basis or as and when there is a change to the Compliance Manual.

ESG issues are an integral part of Invel's investment analysis and due diligence processes, which include a robust and rigorous underwriting process, risk management evaluation and internal approval processes.

As required by the Financial Conduct Authority¹, we apply all relevant applicable regulations with regards to AML and KYC and operate within the parameters set forth in our compliance manual.

We provide regular and relevant information to our financial partners and deal promptly, respectfully and appropriately with all requests and concerns.

We avoid, mitigate and/or disclose potential, actual and apparent conflicts of interest.

Invel applies best practices in its procurement policy. As such, companies across the group follow competitive procedures by incorporating quality and cost criteria. This framework ensures the transparency, reliability and quality of the processes while helping to reduce the group's expenses and improve its business performance.

¹ Invel Real Estate Advisors LLP is authorized and regulated by the Financial Conducts Authority. Invel Real Estate Advisors LLP acts as investment advisor to Invel Real Estate Management Limited

ESG Steering Group

Invel has established an ESG Steering Group in order to extend sustainability and corporate responsibilities to all relevant levels within the Group and ensure constant commitment and adherence to ESG principles.

Board of Directors

Defines the overall ESG strategy across the Invel Group

The Investment Team

Is responsible for assessing ESG opportunities and key risks. These are included in the investment memorandums which are presented to, and considered by, the Board of Directors or the Investment Committee

Legal and Compliance

Are asked to evaluate and monitor ESG issues within their competences and they directly report to the Board of Directors

The ESG Officer

Is responsible for supervising and promoting the ESG strategy and its implementation within the organization as well as decision-making process on related topics

Acts as a reference point for ESG topics and maintains relations with internal and external stakeholders;

Ensure that each employee within the Invel Group understands the applicable ESG policies and guidelines and adhere to them;

Ensure that the investment teams conduct environmental and social safeguarding due diligence for underwriting, in line with Invel's ESG policy and Due Diligence questionnaires;

Ensures that all key potential social and environmental impacts and risks on new transactions are properly assessed and ensures that their magnitude and significance are well understood and quantified as part of the underwriting and approval process.

5. Reporting

A key part of implementing this ESG Policy is to manage both internal and external communications. As such, Invel undertakes the following:

<i>Internal</i>	<i>External</i>
<p>The Invel ESG Steering Group will manage ESG and sustainability-related risks through updates from asset managers.</p> <p>ESG and sustainability-related risks will be monitored and reported internally by the Legal and Compliance Team as well as the ESG Officer.</p>	<p>ESG progress and key initiatives will be communicated via the Invel website and investor reporting.</p> <p>For selected funds (Drive, Picasso and Tarvos), sustainability performance will be reported via the Global Real Estate Sustainability Benchmark (GRESB) that assesses and benchmarks the ESG performance of real assets, providing standardized and validated data.</p>

6. Signing and Review of the Policy

This Policy is reviewed and approved by the Board of Directors of Invel and will be subject to an annual review in order to integrate any new guideline or regulation in this matter.

All ESG strategies and procedures adopted will also be reviewed in accordance with any Policy changes, financial considerations and new regulations.

Invel is committed to maintaining its stakeholders informed and updated on Policy reviews and updates.

The Policy has been approved by the Board of Directors of Invel on [...] April 2023.