Amaron – Legal entity level disclosure

Information on Amaron Fund Management AB's ("Amaron", the AIF Manager or the "Company") considerations on sustainability-related aspects in accordance with the European Parliament and EU Regulation (EU) 2019/2088 Council of 27 November 2019 on sustainability-related information on financial services sector (Ordinance on sustainable financial information, "SFDR").

Integrating sustainability risks with the investment decision process

Sustainability-related risks represent for Amaron two different aspects equally important for us to integrate into our ongoing business decisions, to the best of our ability:

1. A sustainability risk that involves environmental, social- or corporate governance (ESG) events or conditions that, if materialized, may have a significant negative impact on the value of the investment, from a financial perspective.

2. A sustainability risk can also be an ESG event that negatively affects people and the environment according to the UN's definition of sustainable development: "A development that satisfies today's needs without jeopardizing the ability of future generations to satisfy their needs" which is also captured in the SFDR: s "Principle Adverse Impact" (PAI) indicators.

To handle these ESG aspects in our real estate portfolio management, Amaron works proactively before any acquisition is completed and with continuous follow-up during the management period. As part of potential real estate investment´s acquisition process, Amaron performs an in-depth Due Diligence in accordance with Amaron´s investment policy, ESG policy and PAI factors, including the identification of sustainability risks and evaluation according to a number of KPIs. These risks may e.g. include

• Climate impact and the use of fossil fuels;

• Climate change (risk of weather-related disasters such as storms, floods, etc. which may damage the properties Amaron invests in) - risk of increased costs;

• Energy efficiency, lack of energy supply etc; and

• Environmentally hazardous substances - risk of extensive costs for contamination, health risk or reputational risk.

Amaron produces business plans for every real estate investment the Company is carrying out, and these are updated on an annual basis. If sustainability risks are identified during the Due Diligence process and these are considered to be possible to mitigate, the intended management of the risks must appear in the investment's business plan.

The final analysis and investment proposal for a potential real estate investment is presented by Amaron´s portfolio manager to the Investment Team and Board of Directors for evaluation. After the evaluation, the portfolio manager makes an investment decision where the ESG risks identified during the Due Diligence process, including any sustainability risks, are taken into account.

Methods for integrating Amaron´s sustainability ambitions with the Company's investment decisions:

Amaron is a signatory member of UNPRI, which is a guiding light for us in our investment decisions. The UNPRI´s 6 Principles for Responsible Investments are as follows:» [What are the Principles for Responsible Investment? | PRI Web Page | PRI (unpri.org)]

Amaron applies the following methods in the investment and management process:

• Select properties/companies

• Opt out of properties/companies

• Influence properties/companies

Amaron has not selected any index as a reference to our real estate portfolio management, as it is the the Company's assessment that there are no such relevant index to be identified.

Select properties/companies

A fundamental starting point for Amaron's real estate portfolio management is identifying properties with great potential to be upgraded to become more sustainable. We believe that properties where we can make a significant transformation from brown to green through defined business plans will be better long-term investments than already sustainable properties, and that this strategy will contribute to a better environment and society. Amaron is normally preferring to invest in properties with greater potential for upgrades, with increased market-prices as a result, compared with properties with less need for conversion. This refers to direct investments in properties as well as property-owning companies.

Deselect properties/companies

Amaron's investment strategy excludes the acquisition of, or ownership in, properties/companies, that in any way prevent Amaron from influencing a conversion of any property to become more sustainable over time, or which involves significant ESG risks that may counteract long-term returns.

Influence properties/companies

In the spirit of PRI, Amaron strives to be active owners. For us is the business plan that applies for each acquisition a cornerstone of how we exercise our ownership with sustainable conversion/upgrading of the assets, and with a higher return on investment as a goal. This may involve changing a property's electricity contract to green electricity, deciding on renovations or additional insulation that contributes to reduced energy consumption or higher actual utilization of a property's surface. It can also include the choice of climate-smart materials when renovating properties, recycling, installation of solar energy panels, rapid-closing doors or airlocks as well as the installation of charging stations for the tenants' electric cars, or other measures that may contribute to reducing the climate impact of the investment.

Negative impact on sustainability factors

As part of the acquisition process, Amaron performs a Due Diligence process in accordance with the fund's Investment strategy & policy and the AIF manager's ESG policy and Policy for best execution. Without exception, potential sustainability risks are investigated and evaluated. We perform this out of our own checklist that captures our value base, investment strategy, ESG focus as well as evaluating specific environment-related parts within the framework of our legal DD process. Our due diligence checklist considers the main negative consequences of investment decisions for sustainability factors.

An investment that Amaron implements may, for example, be associated with the following sustainability risks;

• Climate impact and fossil fuels;

• Climate change (risk of weather-related disasters such as storms, floods etc) - risk of increased costs;

• Energy efficiency, lack of energy supply etc; and

• Environmentally hazardous substances - risk of high costs for cleaning up contaminated sites, health risk or;

• reputational risk.

To ensure that the information that Amaron conveys is not misleading or deceptive, the Company closely follows the development of industry practices and changes of applicable legislation.

AIF manager's remuneration policy

The AIF manager's remuneration policy regulates remuneration to the Company's employees. The company's remuneration policy shall generally aim to strengthen the AIF manager's opportunities to recruit, develop and retain competent employees without giving rise to unreasonable risk-taking among the AIF manager's employees or contributing to that conflicts of interest may occur.

Considering the risks that a remuneration system with variable remuneration components may entail, Amaron has decided that the Company's remuneration system shall only consist of a fixed salary and otherwise market-based or statutory employment benefits, such as occupational pension. Amaron´s remuneration policy is thus deemed to be compatible with the Company´s work to counter unreasonable risk-taking and mitigate sustainability risks.

Control

Amaron´s Risk Manager performs reviews and checks on that the Company considers sustainability risks in the investment decisions, and that the funds the Company manages are managed in alignment with the Company's ESG policy. The Company's Risk Manager also reviews the externally produced legal opinions that normally are drawn up before real estate transactions as support for the portfolio manager's transaction decision. The Company's Compliance Officer continuously reviews the portfolio management from a legal perspective.

Ownership management

The Company has established “Principles for shareholder engagement” which aims to describe how Amaron expect to exercise its ownership control in companies that are part of funds managed by Amaron. The general meeting is the company’s highest decision-making body and is the forum in which shareholders exercise their right to decide on the company’s affairs. As a general principle, Amaron must actively participate in general meetings where the AIF manager and/or a fund managed by the AIF manager has a share influence.