

Areim fund level website disclosures

Sustainable Finance Disclosure Regulation (2019/2088) (the "Disclosure Regulation")

Areim AB ("Areim") makes the following disclosures in accordance with Article 10 of the Disclosure Regulation in relation to Areim Fastigheter DC (D) AB.

a. Sammanfattning

- b. **Inga mål för hållbar investering:** Denna finansiella produkt främjar miljörelaterade egenskaper, men har inte hållbar investering som mål.
- c. **Den finansiella produktens miljörelaterade eller sociala egenskaper:** Fonden främjar miljörelaterade egenskaper genom att fokusera på de hållbara och klimatsmarta datahanterings-center. Fonden främjar specifikt de miljörelaterade egenskaperna *att reducera utsläpp av växthusgaser och att öka andelen förnybar elektricitet*.
- d. **Investeringsstrategi:** Areim utför en investeringsanalys som del av due diligence-processen för att utvärdera en investerings prestation relaterat till miljön, samt eventuella hållbarhetsrisker och möjligheter. Potentiella förmildrande som kan utövas under innehavsperioden identifieras baserat på utvärderingen. Det är fondens förvaltare (Manager) som ansvarar för att praxis för god styrning efterföljs, samt för ansvarsfullt företagande som beskrivs i Manager's Sustainability Commitment Document.
- e. **Andel av investeringar:** Areim förväntar sig att majoriteten av investeringsobjekten kommer främja miljörelaterade egenskaper och kommer därför vara kategoriserad som '#1 i linje med miljörelaterade/sociala egenskaper'. Eftersom inga investeringsobjekt har som mål att vara hållbara, kategoriseras de som '1B Andra miljörelaterade/sociala egenskaper'.
- f. **Övervakning av miljörelaterade eller sociala egenskaper:** Areims DC-team är ansvariga för varje investering och är delaktiga under hela livscykeln. Investeringsobjektets affärsplan innehåller "value-add initiatives", ESG-mål och en tydlig avvecklingsplan eller strategi för långtidsförvaltning. Om det visar sig att någon aktivitet i affärsplanen inte uppfylls föreslår Areims DC-team en lösning till investeringskommittéen. En djupgående avyttringsanalys utförs och presenteras för de ansvariga inom transaktionsgruppen under avyttringsfasen.
- g. **Metoder:** Areim utvärderar och övervakar främjandet av miljörelaterade egenskaper genom följande mätningar:

Reducera utsläpp av växthusgaser

Utsläpp av Scope 1 och 2 växthusgaser utvärderas enligt World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) Greenhouse Gas Protocol; a Corporate Accounting and Reporting Standard, samt GHG Protocol Scope 2 Guidance liksom Scope 1.

Öka andelen förnybar elektricitet

Förnybar energi, inkluderat användandet av vattenkraft, solkraft, förnybara biobränslen; mäts för fondens investeringar för att säkerställa att målet uppnås.

- h. **Datakällor och databehandling:** Fonden hämtar data direkt från fastigheter då datacentret ansvarar för att samla in data genom sina egna system. Dess data bearbetas sedan av Areims interna system, Maestro och Our Impact, och verifieras sedan av en extern revisor. Vissa data uppskattas då vissa av fastigheterna för närvarande är i processen av att sätta upp datainsamlingssystem.
- i. **Begränsningar för metoder och data:** Det finns vissa begränsningar relaterade till datainsamling från vissa fastigheter där uppskattning måste göras, dock finns det inga kända begränsningar för de metoder som används.
- j. **Due Diligence:** Vi införlivar i due diligence-processen en ESG-screening för att hantera risker bättre, förbättra avkastning och skydda nedsida. Alla våra investeringsbeslut som presenteras för investeringskommittén har ESG i åtanke, samt relevanta hållbarhetsrisker, som i sin tur kan leda till att investeringen överges om miljörelaterade egenskaper inte bedöms kunna främjas.
- k. **Strategier för engagemang:** Varje investering har en tillämpad styrelse som innefattar fondförvaltaren (Manager), investeringsanalytikern och fondkontrollanten, som fokuserar på de miljörelaterade målen i affärsplanen genom att mäta KPIer och kontinuerlig övervakning.
- l. **Valt referensvärde:** Inget referensvärde har valts för att mäta miljörelaterade egenskaper som främjas av den finansiella produkten.

a. Summary

- b. **No sustainable objective:** This financial product promotes environmental characteristics but does not have as its objective sustainable investment.
- c. **Environmental or social characteristics of the financial product:** The Fund promotes environmental characteristics by putting a primary focus on the sustainable and climate positive data management centers. The environmental characteristics promoted by the Fund are *reduction of greenhouse gas emission and increased share of renewable electricity*.
- d. **Investment strategy:** Areim performs an investment analysis due diligence process, evaluating an investment's environmental performance and potential sustainability risks and opportunities. Based on the findings, potential mitigating actions are identified that can be performed during the hold period to attain the building's environmental performance. The Fund's Manager is committed to ensuring good governance practices of the properties, and is responsible for corporate behavior as further described in the Manager's Sustainability Commitment Document.

- e. **Proportion of investments:** Areim expects majority of the assets to attain promoted environmental characteristics and therefore to be categorised in “#1 Aligned with E/S characteristics” category. As no investments are intended to be sustainable investments, all investments are categorised as “#1B Other E/S characteristics”.
- f. **Monitoring of environmental or social characteristics:** The Areim’s DC team is responsible for each investment and is involved throughout the entire investment cycle. The investment Business Plan includes value-add initiatives, ESG targets and a clear exit strategy or plan for long-term management. If any activities within a Business Plan will not be achieved, the Areim’s DC team proposes a solution which is then recommended to the Investment Committee. During the divestment phase, in-depth divestment analysis is conducted and presented by those appointed responsible within the Transaction Group.
- g. **Methodologies:** Areim assesses and monitors the attainment of environmental characteristics using the below measurements:

Reduction of greenhouse gas emissions

Scope 2 and 3 Greenhouse gas emissions are assessed in accordance with the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) Greenhouse Gas Protocol; a Corporate Accounting and Reporting Standard, including the GHG Protocol Scope 2 Guidance, as well as Scope 1.

Increase of renewable energy

The renewable energy, including use of hydropower, solar energy and renewable biofuels, are measured for the Fund’s investments to ensure that the target is achieved.

- h. **Data sources and processing:** The Fund sources data directly from properties as the data center is responsible for collecting their own data through its own systems. These data are then processed using Areim’s internal systems, Mestro and Our Impacts. The data is also verified by an external auditor. Some data may be estimated as some of the properties are currently in the process of setting up data collection systems.
- i. **Limitations to methodologies and data:** There are some limitations related to data collection from some properties where estimation must be made. There are no known limitations to the methodologies used.
- j. **Due diligence:** During the deal due diligence process, we incorporate ESG screening to better manage risks, to improve returns and to protect down-side. All investment decisions presented to our Investment Committee take into consideration ESG, including consideration of relevant sustainability risks, which may lead to the abandonment of an investment. Hence, ensuring that the investments are expected to attain the environmental characteristics promoted by the fund.
- k. **Engagement policies:** Each investment has a dedicated steering group including the fund manager, investment analyst and fund controller, focusing on

the environmental action points included in the Business Plan with KPIs for follow-up and regular monitoring.

- I. **Designated reference benchmark:** No index has been designated as a reference benchmark to meet the environmental characteristics promoted by the financial product.

b. No sustainable investment objective

This financial product promotes environmental characteristics but does not have as its objective sustainable investment.

c. Environmental or social characteristics of the financial product

The Fund promotes the following environmental characteristics in the meaning of Article 8 in Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector. The environmental characteristics promoted by the Fund are:

- Reduction of greenhouse gas emission; and
- Increase share of renewable electricity.

The Fund promotes environmental characteristics by putting a primary focus on the sustainable and climate positive data management centers. The fund sets measurable and reportable targets for environmental improvement to ensure progress in environmental performance of the buildings that the fund invests in. During the transaction phase, an in-depth analysis against Business Plan strategy is performed, which includes sustainability targets and a clear exit strategy or plan for long-term management.

d. Investment strategy

a) The investment strategy used to meet the environmental or social characteristics promoted by the financial product

As part of the acquisition process, Areim performs an investment analysis due diligence process including, amongst other areas, evaluation of an investment's environmental performance and potential sustainability risks and opportunities. Based on the findings, potential mitigating actions are identified that can be performed during the hold period to attain the building's environmental performance. Findings and conclusions are included in the final investment memorandum to the Investment Committee and in the Business Plan of the investment if the investment opportunity is pursued.

Annually, the manager reviews all the investments using the Fund's Business Plan to ensure the investments follow their expected goals and objectives. The results of the review are reflected in the Business Plan for the next period. The topics covered in the Business Plan not only include economical results, but also results related to

sustainability and how investments continue to attain their expected environmental characteristics. The Business Plan is followed up regularly on an investment level.

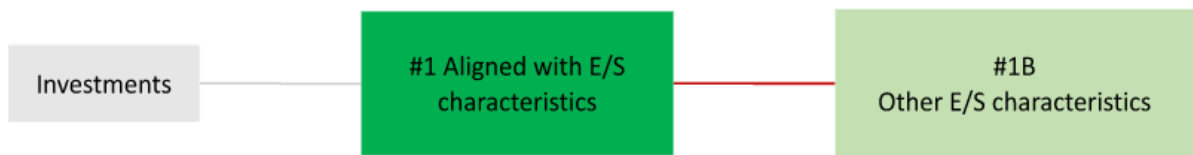
b) The policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance

Delivering sustainable results is our commitment to creating long-term financial sustainability with transparent governance whilst empowering our people to do the right things in the right manner. Good governance of the investee companies, including management structures, employee relations, remuneration of staff and tax compliance, is the foundation of a responsible business, and an important part of this work is to be sustainable and responsible for the long term.

The Fund's Manager is committed to responsible corporate behavior which is also reflected in the fund that Areim invests in. Areim is well equipped to ensure robust and effective governance structure from a sustainability perspective. The Manager's commitment to responsible corporate behavior is further described in the Manager's Sustainability Commitment Document.

e. Proportion of investments

The majority of the investments of the fund are intended to attain the promoted characteristics by following the investment strategy noted above including the binding elements and good governance practice, and therefore Areim considers the majority of assets to be in “#1 Aligned with E/S characteristics” category. As no investments are intended to be sustainable investments, all investments are categorised as “#1B Other E/S characteristics”.



f. Monitoring of environmental or social characteristics

The Areim's DC team is responsible for the investment and is involved throughout the entire investment cycle, including due diligence and Business Plan strategy during the transaction phase, execution of the Business Plan with primary responsibility and in the divestment phase.

The investment Business Plan includes value-add initiatives, ESG targets and a clear exit strategy or plan for long-term management. If any activities within a Business Plan will not be achieved, the Areim DC team proposes a solution which is then recommended to the Investment Committee. The fund manager is responsible for

reviewing any proposed changes to the Business Plan to be in line with the fund portfolio and overall fund strategy, including the attainment of environmental characteristics.

During the divestment phase, in-depth divestment analysis is conducted and presented by those appointed responsible within the Transaction Group. It includes analysis on each property's sustainability performance including the comparison against the up-to-date Business Plan and the impact on sustainability goals and objectives.

g. Methodologies

Areim assesses and monitors the attainment of environmental characteristics using the below measurements:

Reduction of greenhouse gas emissions

Our plan towards net zero emissions by 2030 starts with measuring and understanding the carbon footprint. Scope 2 and 3 Greenhouse gas emissions are assessed in accordance with the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) Greenhouse Gas Protocol; a Corporate Accounting and Reporting Standard, including the GHG Protocol Scope 2 Guidance.

Scope 1: Direct GHG emissions from sources that are owned or controlled by the company such as natural gas combustion

Scope 2: Indirect GHG emissions from the generation of purchased electricity, heat and steam generated off-site, assessed using both the location-based method and the market-based method

Scope 3: All other indirect emissions such as acquisition of raw materials, production of components, and assembly of final product.

Increase of renewable energy

Areim has established a target of 100% renewable energy for the fund. The renewable energy, including use of hydropower, solar energy and renewable biofuels, are measured for the fund's investments to ensure that the target is achieved.

h. Data sources and processing

- a) The data sources used to attain each of the environmental or social characteristics promoted by the financial product

The Fund sources data directly from properties as the data center is responsible for collecting their own data. The sources to measure *reduction of greenhouse gas emission* are collected through the data center's own systems which are divided into four categories: direct power consumption, shared power consumption, Shared Direct Datacenter Reserve Power Systems, and Shared Embedded Data Center Infrastructure. Similarly, data for *increased share of renewable electricity* is collected through the same categories via a meter.

- b) The measures taken to ensure data quality

To assure environmental data quality, Zero Mission, our environmental consultancy, delivers a comprehensive environmental report, which covers GHG emissions and is produced in accordance with the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/ WRI) GHG Protocol; the Corporate Accounting and Reporting Standard, including the GHG Protocol Scope2 Guidance. The GHG Protocol is considered current best practice for corporate greenhouse gas emissions reporting. The data is also verified by an external auditor.

c) How data is processed

Most of our integrated and systematic environmental work is data-driven and done in our daily operations. The data portal, Mestro, is used to follow up on the electricity data of our properties. The energy consumption is measured and followed up on asset level and aggregated to fund level.

The GHG emission data is processed using the platform Our Impacts, which simplifies comparisons over time and provides opportunities to measure other sustainability indicators in addition to climate.

d) The proportion of data that are estimated

Although data is collected from most properties, there are some which are under the process of setting up data collection systems and therefore data may require to be estimated for those properties. As the investment is new, we are currently implementing improvement programmes related to data collection.

i. **Limitations to methodologies and data**

As described above, there are some properties which the data collection systems are in the process of being set up and therefore the data must be estimated. There are no known limitations to the methodologies used.

j. **Due diligence**

During the deal due diligence process, we incorporate ESG screening to better manage risks, to improve returns and to protect down-side. All investment decisions presented to our Investment Committee take into consideration ESG, in addition to the financial targets and business rationale. To fulfill this commitment, the manager is focused on actively contributing to environmentally sustainable development of the investments.

In addition, as part of the investment analysis due diligence process undertaken in accordance with the Manager's Policy on Investment Decisions and Procedures for Real Estate Funds, before any investment decision is made on behalf of the Fund, any potential Sustainability Risks are investigated and assessed. Sustainability Risks are considered in the investment decisions by the Manager's investment committee and may lead to the abandonment of an investment, which ensures that the investments are expected to attain the environmental characteristics promoted by the fund.

The sustainability risks associated with an investment in the Fund include, but are not limited to:

- Climate change - risk of more frequent weather-related catastrophes (storms, fires, floodings etc), risk of increased costs;
- Energy - lack of energy supply, increased costs on energy; and
- Hazardous elements - risk of high cost for decontaminations, risk of health, reputational risk

k. Engagement policies

Areim is an independent Nordic property owner and fund manager with the vision to invest in new shapes of progress, for society and beyond, with a vision to deliver value to all stakeholders by balancing strong financial results with sustainable developments.

Each investment has a dedicated steering group including the fund manager, investment analyst and fund controller, focusing on the environmental action points included in the Business Plan with KPIs for follow-up and regular monitoring.

l. Designated reference benchmark

No index has been designated as a reference benchmark to meet the environmental characteristics promoted by the financial product.