

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Areim Fastigheter DC (D) AB

Legal entity identifier: 556719-4203

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

Yes

 No

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ____%	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments
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What environmental and/or social characteristics are promoted by this 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 (“GHG”); and
- Increase share of renewable electricity.

The Fund promotes these 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 performance of the investments in relation to the environmental characteristics promoted. During the transaction phase, an in-depth analysis against the Business Plan strategy is performed, which includes sustainability targets and a clear exit strategy or plan for long-term management.

A reference benchmark has not been designated for the purpose of attaining the environmental characteristics promoted for this fund.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

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 electricity

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

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable - This fund does not intend to make any sustainable investments.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable - see above.

- — *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable - see above.

- — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Not applicable - see above.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes, _____ *[if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]*

No

Not applicable - this fund does not consider principal adverse impacts on sustainability factors at the Fund level.



What investment strategy does this financial product follow?

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 in order to increase the building's environmental performance. Findings and conclusions are included in the final investment memorandum to the Investment Committee and, where an investment opportunity is pursued, in the Business Plan of the investment.

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.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

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.

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

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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

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 the 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.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable - no commitment is made to reduce the scope of investments by a minimum rate.

● ***What is the policy to assess good governance practices of the investee companies?***

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 is the foundation of a responsible business, and an important part of this work is to be financially sustainable and responsible for the long term.

The Fund's Manager is committed to responsible corporate behaviour 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 Fund works actively during the holding period to contribute to sustainable development of the Investment. During the holding period, the manager is responsible for continuous monitoring of the investments, including its sustainability impacts such as electricity spending. Annually, the manager reviews all the Fund's Investments using the Fund's Business Plan to ensure the Real Estate 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 Real Estate Investments continue to attain their expected

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

environmental characteristics. The Business Plan is followed up regularly on an investment level.



What is the asset allocation planned for this financial product?

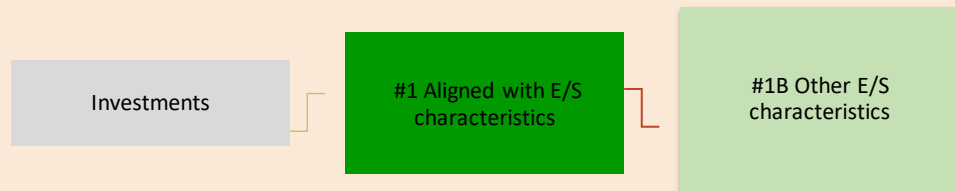
The majority of investments of the Fund are intended to attain the promoted characteristics by following the investment strategy noted above including the binding elements and good governance practice, and therefore Areim considers all assets to be in “#1 Aligned with E/S characteristics” category. As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

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee

[Include only relevant boxes, remove irrelevant ones for the financial product]



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

[include the note below where the financial product commits to making sustainable investments]

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

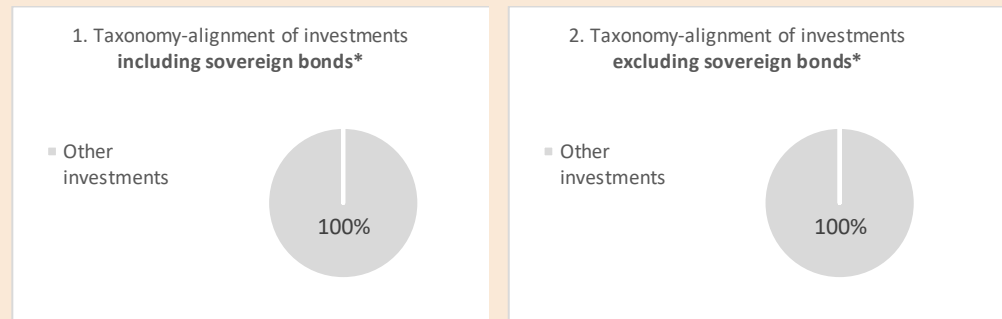
No derivatives are used to attain the environmental characteristics promoted by the financial product.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no intention to make sustainable investments with an environmental objective aligned with the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● What is the minimum share of investments in transitional and enabling activities?

Not applicable - see above.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable - see above.



What is the minimum share of socially sustainable investments?

Not applicable - see above.




What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

All 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 all 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”.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No index is designated as a reference benchmark for this Fund.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable - see above.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable - see above.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable - see above.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable - see above.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:
<https://www.areim.se/en/areim/sustainability/>