



**The statement below is applicable only to
Cromwell EREIT Management Pte. Ltd., acting as alternative investment
fund manager and manager of Cromwell European Real Estate
Investment Trust
and
Cromwell European Real Estate Investment Trust's business in Europe
and relates to the disclosures under the EU Sustainable Finance
Disclosure Regulation.**

This disclosure applies to the following entities:

- Cromwell EREIT Management Pte. Ltd., acting as alternative investment fund manager and manager of Cromwell European Real Estate Investment Trust (entity level)**
- Cromwell European Real Estate Investment Trust (product level)**

Board has the meaning given to it under page 5 of this document.

Board Sustainability Committee has the meaning given to it under page 5 of this document.

CEREIT means Cromwell European Real Estate Investment Trust.

Cromwell means Cromwell Property Group, a real estate investor and manager listed on the Australian Stock Exchange (ASX) .

DD means due diligence.

EDD means environmental due diligence.

EPRA means the European Public Real Estate Association.

ESG means environmental, social and/or governance.

GHG means greenhouse gas.

GRESB means global real estate benchmark.

KPI means key performance indicator.

Manager refers to Cromwell EREIT Management Pte. Ltd., manager of and alternative investment fund manager of CEREIT, and a wholly-owned subsidiary of Cromwell.

Management Sustainability Committee has the meaning given to it under page 5 of this document.

PAI means principal adverse sustainability impact.

PASI means principal adverse sustainability indicator.

sBPR means sustainability best practice recommendations.

SFDR means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended and/or restated from time to time.

SPV means special purpose vehicle.

Sustainability factors mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Sustainability framework has the meaning given to it under page 5 of this document.

Sustainability policy means the environmental, social and governance policy of CEREIT as published on its website.

Sustainability risks mean an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

Taxonomy Regulation means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending the SFDR.

TDD means technical due diligence.

Unitholder(s) means any or all unitholder(s) of CEREIT.

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I. Sustainability Framework

The Manager makes the following disclosures in accordance with the SFDR and the Taxonomy Regulation.

The Manager operates as part of Cromwell, a values-driven organisation that aspires to act in a principled, respectful and responsible manner, regardless of circumstance, obstacle or location. Cromwell's global sustainability strategy, management framework (the "**Sustainability Framework**") and supporting policies are the direct result of Cromwell's values in action.

The Manager has adopted Cromwell's Sustainability Framework, ensuring that CEREIT remains focused on improving performance through a structured, responsible and balanced pathway to sustained success. Established in 2017, Cromwell's Sustainability Framework was introduced to align values with enterprise risks and corporate strategy, underpinning the development of a resilient business through strong corporate social governance. The framework continues to evolve, responding to emerging legislation and new challenges.

Under the Sustainability Framework, all material risks and opportunities are grouped under three main areas: Environment, Social (Stakeholders) and Governance.

To ensure greater accountability, the Board has established a standalone Sustainability Committee (the "**Board Sustainability Committee**") chaired initially by a non-independent non-executive director and comprising all members of the Board. The roles and responsibilities of the Board Sustainability Committee are governed by its terms of reference as appended in the Manager's Sustainability Policy.

The Manager of CEREIT has also established a separate sustainability committee (the "**Management Sustainability Committee**"), co-chaired by Head of Property and the COO (both key management personnel) and comprising dedicated officers of the Manager. The Management Sustainability Committee has been delegated specific responsibilities by the Board to guide the efforts of the Manager in identifying, setting and delivering the objectives and targets associated with material ESG topics. All members of the Management Sustainability Committee and all key management personnel of the Manager are also evaluated on specific KPIs that are tied to CEREIT's ESG targets, providing further motivation and commitment. The operations of the Management Sustainability Committee are governed by its charter as appended in the Manager's Sustainability Policy.

II. The Manager's disclosures (entity level)

a. **Article 3 I Statement on the integration of sustainability risk into investment decision-making processes**

The Manager promotes environmental and social characteristics and has good governance practices as outlined in this document but does not have sustainable investment as its objective.

The Manager recognises that resilient, ethical and socially responsible business practices underpin its prosperity and success. Putting progressive ESG practices at the core of its long-term business allows the Manager to continue to fulfil its core purpose of providing Unitholders with regular and stable distributions and delivering sustainable growth in distributions and net asset value per unit in the long term.

The Manager considers that sustainability risks can have a material impact on investment performance and therefore considerations of sustainability risk are integral to the investment decision-making and investment management process.

A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investments made by CEREIT. The materiality of sustainability risks is determined by the likelihood, magnitude and time-horizon of the risk materialising.

The Manager has identified certain sustainability risks in relation to CEREIT and reviews them periodically. Where any new sustainability risks arise, the Manager will consider the impact of those on the existing investments of CEREIT at the time those sustainability risks are identified.

Such risks are principally linked to climate-related events resulting from climate change (i.e. physical risks) or to the society's response to climate change (i.e. transition risks), which may result in unanticipated losses that could affect an investment. Sustainability risks can also affect companies by introducing social risks (e.g. gender gaps, social inequality) and governance risks (e.g. bribery issues, selling practices).

The impacts following the occurrence of a sustainability risk event may be numerous and vary in significance depending on industries, regions and asset classes. The sustainability risks that are particularly relevant to the Manager, CEREIT and its real estate investments include:

1. The exposure to potential physical risks resulting from climate change. For example, the tail risk of significant damage due to increasing erratic and potentially catastrophic weather phenomena such as droughts, flooding and heavy precipitations, heat/cold waves, landslides or storms. As the frequency of extreme weather events increases, CEREIT's real estate assets exposure to these events increases too. In order to reduce exposure to such external events, the Manager strives to invest in and develop a resilient infrastructure. Flooding, as an illustrative example, may cause damage requiring refurbishment works. In the event of a more severe flood, the building might be incapable of being occupied resulting in the loss of rents. Finally, flood damage might impact the resale value of the building and/or the owner's ability to sell the real estate assets.
2. The exposure to environmental risk emerging from the need of mitigating climate change. Being a significant contributor of global carbon emissions and being energy intensive, the real estate industry faces great regulatory and public pressure calling for improvement in energy and water management, among other, in order to reduce emissions. The Manager is highly cognisant of the need to minimise the impact of CEREIT's investments on the natural environment and this is reflected in the Manager's strategy to minimise the carbon footprint of CEREIT's properties throughout their lifetime. Efforts to cope with this pressure and to meet the strengthening regulatory requirements may impose higher financial input which could impede the total performance.

The Manager is committed to ensuring that material ESG risks and opportunities are built into investment research and screening, selection of investments and portfolio management. Before any investment decisions are made on behalf of CEREIT, the proposed real estate asset will be subject to in-depth sustainability due diligence including the alignment of the proposed investment with sustainability initiatives conducted on behalf of CEREIT and with safeguarding the health and safety of employees, tenant-customers and communities, pollution risk, flooding risk and any other sustainability risks deemed relevant. Due diligence findings will be part of the investment proposal. Such processes help to minimise sustainability risks, ensuring that ESG matters remain at the heart of CEREIT's investment strategy. This process ensures that Sustainability risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities to maximising the long-term risk-adjusted returns.

For more, please refer to CEREIT's sustainability policy statement at:

<https://www.cromwelleuropeanreit.com.sg/sustainability>

b. Article 4 I Principal Adverse Sustainability Impacts Statement

The Sustainability Framework as outlined under section I of this document addresses and mitigates the adverse sustainability impacts, or principal adverse impacts of, inter alios, the Manager's investment decisions (for the avoidance of doubt, in its capacity as alternative investment fund manager and manager of CEREIT).

The principal adverse impacts are considered in the investment process on the basis of the structure of CEREIT, its strategy and the availability of reliable data. The exact methodology is further documented within this statement in line with the requirements of the SFDR.

In this statement the Manager provides more information on its overall approach to identifying, prioritising and addressing principal adverse impacts of its investment decisions on various sustainability factors. The statement consists of the following five sections:

- i. Description of principal adverse sustainability impacts
- ii. Description of policies to identify and prioritise principal adverse sustainability impacts
- iii. Engagement policies
- iv. References to international standards
- v. Forward looking climate scenario

Reference period

The first reference period will start on 1st January 2022 and will run to 31st December 2022.

i. Description of principal adverse sustainability impacts

The Manager's responsible investment approach considers a range of adverse impacts (Principal Adverse Impact – "PAI"), and it is continuously seeking additional ways to improve mitigation in a robust and meaningful way.

Please refer to the table below for an overview of the adverse impacts that the Manager structurally considers and aims to mitigate within its current investment approach.

Adverse sustainability indicator	Inclusion in Due Diligence ("DD")
<p>Exposure to fossil fuels through real estate assets</p>	<p>As part of its due diligence process, the Manager, the trustee of CEREIT and/or the relevant CEREIT SPV(s) will always contract the expertise of dedicated external technical, environmental and legal experts to advise on the risks associated with the real estate.</p> <p>As part of the environmental due diligence ("EDD"), the external EDD provider will review the presence and storage of hazardous materials (incl. fossil fuels) and conduct a (historical) soil survey to determine potential presence of hazardous materials (incl. storage tanks).</p> <p>As part of the legal due diligence, the external legal DD provider will advise on the contractual responsibilities and regulatory requirements of the storage of hazardous materials (incl. fossil fuels) if presence in the real estate asset.</p>
<p>Exposure to energy-inefficient real estate assets</p>	<p>As part of the technical due diligence ("TDD"), the external TDD provider will assess the energy consumption, intensity and efficiency of the real estate asset(s). When the required energy data isn't available during the due diligence process the external provider will provide an estimate based on globally recognised standards to provide the assessment.</p>
<p>GHG emissions (Scope 1,2 &3)</p> <p>Landlord controlled areas only</p>	<p>As part of the due diligence process the Manager, the trustee of CEREIT and/or the relevant CEREIT SPV(s) will always contract the expertise of dedicated external technical, environmental and legal experts to advise on the risks associated with the real estate asset(s).</p> <p>For the TDD, the external TDD provider will assess the greenhouse gas ("GHG") emissions that physically occur in the asset(s) to be acquired that will be controlled ultimately by the trustee of CEREIT following the purchase. When the required GHG emissions data isn't available during the due diligence process, the external provider will provide an estimate based on globally recognised standards to provide the assessment. To assess the impact on a portfolio level, the Manager will assess its GHG exposure in line with the Paris climate accord. As part of the capital expenditure forecast, the external TDD provider will highlight opportunities to reduce/improve the GHG emissions.</p> <p>The external legal DD provider will advise the Manager, the trustee of CEREIT and/or the relevant CEREIT SPV(s) on the impact of applicable regulation that targets GHG emissions (by way of example but not limited to the <i>Décret Tertiaire</i> applicable to the French market).</p> <p>To assess the impact on a portfolio level the Manager will use the Global Real Estate Benchmark ("GRESB").</p>

<p>Energy consumption intensity</p>	<p>As part of the TDD, the external TDD provider will assess the energy consumption, intensity and efficiency of the real estate asset(s). When the required energy data isn't available during the due diligence process the external provider will provide an estimate based on globally recognised standards to provide the assessment.</p> <p>To assess the impact on a portfolio level, the Manager will use the GRESB and other relevant assessment tools to assess the impact of energy intensity on the portfolio performance.</p>
<p>Waste production in operations</p> <p>Landlord controlled areas only</p>	<p>As part of its due diligence process the Manager, the trustee of CEREIT and/or the relevant CEREIT SPV(s) will always contract the expertise of dedicated external technical, environmental and legal experts to advise the Manager, the trustee of the Manager and/or the relevant CEREIT SPV(s) on the risks associated with the real estate.</p> <p>As part of the environmental due diligence (“EDD”), the external EDD provider will review the type of waste and including of hazardous materials.</p> <p>To assess the impact on a portfolio level the Manager will use the GRESB.</p>
<p>Raw materials consumption for new construction and major renovations</p>	<p>DDs for soil, air, water and noise contamination are carried out before any development work. If it is an extension of an existing building, refurbishment or the project involves demolition works, the Manager and/or the relevant CEREIT SPV(s) follow regulation regarding hazardous building materials, such as asbestos, heavy metals, carbon-based products and chemicals in the existing structure and below ground. The Manager and/or the relevant CEREIT SPV(s) also consider all measures to dispose of these in the most sustainable and safe manner.</p>
<p>Land artificialisation</p>	<p>As part of the TDD, the external TDD provider will assess the share of non-vegetated surface area (as % of land plot) of the targeted real estate assets.</p> <p>As part of the EDD, the external EDD provider will review use of land to promote healthy ecosystems.</p> <p>Furthermore, the share of non-vegetated surface area will be monitored during the hold period should there be any changes to the plot.</p>

Additional information on the mitigation methods and how the Manager's and the CEREIT SPVs apply them is set out within the Manager's and CEREIT's sustainability policy statement at:

<https://www.cromwelleuropeanreit.com.sg/sustainability>

ii. Description of policies to identify and prioritise principal adverse sustainability impacts

The Sustainability Framework as outlined under section I of this document is implemented to ensure that the Manager remains focused on improving performance through a structured, responsible and balanced pathway to sustained success. To support the implementation of the Sustainability Framework, the Manager and CEREIT have specific sustainability policy in place that can be found on the following link:

<https://www.cromwelleuropeanreit.com.sg/sustainability>

The Manager is also committed to ensuring that CEREIT meets expectations of good corporate governance and sustainable business practices while seeking to achieve superior investor performance over the medium and long term. The Board and the Manager are both proactive with respect to corporate governance and actively review developments to determine which corporate governance arrangements are appropriate for CEREIT and its investors. The Manager abides by the Code of Corporate Governance 2018 issued by Monetary Authority of Singapore which is adopted as the REIT's benchmark for corporate governance policies and practices. The Manager's corporate governance statement can be found in its annual report on the following link:

<https://investor.cromwelleuropeanreit.com.sg/publications.html>

In addition, as part of Cromwell, the Manager abides by relevant ESG-related group level policies as outlined below:

- Group sustainability policy dated 5 July 2019
- Human rights policy dated 28 April 2021
- Climate change position policy dated 5 July 2021
- Code of conduct dated 24 June 2021
- ISO27001 information security management system dated 12 October 2021
- Environmental management policy dated 20 September 2019
- Energy management policy dated 10 April 2019
- GHG emissions management policy dated 17 February 2021

All these are publicly disclosed on Cromwell's corporate website and can be found in the following link:

<https://www.cromwellpropertygroup.com/sustainability/policy>

iii. Engagement Policies

The Manager firmly believes that anticipating, understanding, and responding to stakeholder needs is key to the Manager's and CEREIT's long-term success. The Manager is proactive in engaging with various stakeholder groups through regular two-way communication. Stakeholder feedback informs the development of relevant sustainability initiatives and resource allocation.

The approach towards stakeholder engagement for each key group and corresponding actions is detailed in the table below.

Key stakeholder types	Key stakeholder groups	Interests and areas of focus	The Manager's commitments	Key engagement mode and frequency
Internal	Employees of the Manager	• Fair and equal employment opportunities	• Employee engagement and performance reviews	• Annual performance reviews

		<ul style="list-style-type: none"> • L&D • Career progression • Safe and healthy working environment • Diversity and Inclusion 	<ul style="list-style-type: none"> • Training and development opportunities • Commitment to set diversity and inclusion targets 	<ul style="list-style-type: none"> • Continued learning and development opportunities
Value Chain	Suppliers	<ul style="list-style-type: none"> • The Manager's and the Property Manager's approach to supplier engagement and value chain management are captured on a Group level within the Governance Pillar of the Sponsor 	<ul style="list-style-type: none"> • The Group Supplier Code of Conduct that the Manager abides by sets out expectations for suppliers to comply with relevant laws including but not limited to those governing consumer protection, environment, anticompetition, human rights, modern slavery and health, safety and welfare laws 	<ul style="list-style-type: none"> • Group service providers assessed to have higher risks or engaged on significant projects are generally required to sign the Supplier Code of Conduct and fill out a vendor application form
Customers	Investment community (retail Unitholders and institutional investors)	<ul style="list-style-type: none"> • Stable and growing distributions and NAV per Unit over the long term • Sustainable business operations and portfolio performance • Responsible asset and capital management 	<ul style="list-style-type: none"> • Keep all Unitholders and other stakeholders regularly informed about CEREIT's financial results and operating performance and inform the market immediately upon any change in its business that could materially affect the price or value of CEREIT's Units 	<ul style="list-style-type: none"> • General unitholder meetings (AGMs, EGMs) • Regular and timely SGX-ST announcements, quarterly results and business update presentations, investor presentations and media releases, all also uploaded on the investor relations section of CEREIT's website • Ongoing investment community engagement

				<ul style="list-style-type: none"> Analyst and media briefings
	Tenant- customers	<ul style="list-style-type: none"> Maintenance of assets Improving sustainability of assets Value for money in terms of rent High occupier satisfaction Safety and well-being 	<ul style="list-style-type: none"> Ongoing responsible upkeep of buildings Regular communication and engagement with tenant-customers Engagement with tenant-customers on sustainability-related matters 	<ul style="list-style-type: none"> Annual 'voice-of-customer' survey
External	Media	<ul style="list-style-type: none"> Relevant media angles for readers of any story that covers CEREIT 	<ul style="list-style-type: none"> Fair and balanced communication to the general public, consistent with relevant ongoing disclosures provided regularly to all Unitholders and other stakeholders 	<ul style="list-style-type: none"> Topical media releases and media briefings, media interviews and thought leadership pieces
	Industry, government bodies and agencies	<ul style="list-style-type: none"> Compliance with applicable laws, rules and regulatory requirements in all countries of operations Ongoing participation in industry associations 	<ul style="list-style-type: none"> Stay updated on regulatory requirements Establish robust risk management framework Active membership in industry associations 	<ul style="list-style-type: none"> Regular communication with regulators and governing bodies (as appropriate, depending on nature of engagement)
	Community	<ul style="list-style-type: none"> Positive impact and contribution to the communities where CEREIT operates in Support towards the community 	<ul style="list-style-type: none"> Philanthropic programme and activities 	<ul style="list-style-type: none"> Ongoing monetary and in-kind donations

iv. References to international standards

The Manager believes that part of being a responsible investor means contributing and collaborating with other players in the investment value chain to further develop the field. The Manager therefore endorses or signs relevant standards and statements and is an active member and signatory of various networks and responsible investment initiatives.

The Manager prepares and publishes annual sustainability report for CEREIT in compliance with the sustainability reporting requirements set out in SGX-ST Listing Rules 711A and 711B and Practice Note 7.6 and in accordance with GRI Standards: Core option. The GRI Standards have been selected for its universal application and suitability to CEREIT's industry and business model. Additionally, they allow for comparability with the Sponsor and peers.

In terms of ESG performance that offers comparable and transparent data for CEREIT's business (real estate), the Manager has chosen GRESB as the most relevant framework to align with. GRESB is an investor driven global ESG benchmark and reporting framework for listed property companies, private property funds, developers and investors that invest directly in real estate. The Manager has reported CEREIT's performance under GRESB for three consecutive years, starting with its first full year of operations in FY 2018.

The Manager is also a member of the EPRA and has reported ESG data in a separate submission on its website according to EPRA's sBPR.

The Manager also considers a range responsible business conduct codes and internationally recognized standards for due diligence and reporting at the corporate and asset level.

v. Forward looking climate scenario

Cromwell's and therefore the Manager's commitment is to minimise emissions, monitor and mitigate climate risk, engage with stakeholders to encourage emissions reducing behaviour in line with the aims of the Paris Agreement to strengthen the global response to the threat of climate change by keeping a global temperature rise this century to well below 2 degrees.

The Manager's approach includes expanding understanding of the physical and transitional risks affecting its business and ensuring that we have appropriate strategies in place to address these risks, including strategies designed to reduce emissions and contribution to climate change.

The Manager is part of Cromwell and its policy on climate change and environmental emissions is found at:
Policy - Cromwell Property Group Global

<https://www.cromwellpropertygroup.com/sustainability/policy>

The Manager will also on an annual basis and for each asset ultimately owned by the trustee of CEREIT review all perceived threats due to climate change which may affect such assets and address the highest determined risks through a forward-looking modelling approach.

c. Article 5 I Statement on sustainability risk-related remuneration approach

The Manager's remuneration arrangements are consistent with sound and effective risk management, including Sustainability risk. As with other risks, the remuneration policy seeks to discourage excessive risk-taking in respect of Sustainability risk. In this regard, the Manager's remuneration policies do not encourage risk-taking which is inconsistent with its internal risk limits or with CEREIT's risk profile, including regarding Sustainability risks stemming in particular from climate-related events or from the society's response to climate change.

In consideration to the growing importance of ESG on all aspects of CEREIT's operations, the Manager's board has directed the Manager to further enhance CEREIT's sustainability programme and to set aspirational targets in order to strengthen and reinforce its ongoing ESG efforts. Key executives have augmented specific and measurable ESG targets that are linked to their remuneration that further incentivises real measurable outcomes as disclosed in the latest sustainability report in the link below.

https://www.cromwelleuropeanreit.com.sg/data/assets/pdf_file/0028/39574/Cromwell_European_REIT_Sustainability_Report_2020.pdf

III. CEREIT'S DISCLOSURES (Product level)

a. Article 6 I disclosures

SUMMARY

Below are CEREIT's website product disclosures pursuant to Article 6(3) of the SFDR. The reader will note that considering the specific structure of CEREIT, the disclosures required under such article 6 of the SFDR are being made in the same document as entity level disclosures.

At current stage, the investments of CEREIT do not consider the European Union criteria for environmentally sustainable economic activities (as such terms are given meaning under the SFDR).

The Manager is currently progressively adopting policies and practices that will allow for CEREIT to prepare for disclosures on how it considers and promotes, among other characteristics, environmental or social characteristics based on European Union's criteria. This section provides an overview of the Manager's undertakings on CEREIT's behalf in relation to ESG characteristics and its commitment on behalf of CEREIT to consider these characteristics in the near future.

In preparation to align itself with the above-described reporting framework, the Manager has made nine commitments to promote ESG as set out within this disclosure. CEREIT has also set reporting targets in relation to the seven PASI set out by the SFDR. These targets have been designed to support the ESG characteristics embedded within CEREIT's investment process.

The Manager on behalf of CEREIT will also be carrying out due diligence on all assets at purchase against a due diligence check list which includes ESG aspects both relevant to the above and which also includes physical and climate risks. This due diligence will also include the technical screening criteria (referred to under the Taxonomy Regulation) (the "Technical Screening Criteria") that define requirements and thresholds for an activity to be considered as significantly contributing to a sustainability objective. Compliance with the Technical Screening Criteria is an aspiration for CEREIT's investments over its life.

NO SUSTAINABLE INVESTMENT OBJECTIVE

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

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The Manager is currently progressively adopting policies and practices that will allow for CEREIT to prepare for disclosures on how it considers and promotes, among other characteristics, environmental or social characteristics based on European Union's criteria. The Manager on behalf of CEREIT commits to promote ESG and continuous ESG improvement in the following ways:

Topic	Commitment	Measurement and contribution to promoting ESG characteristics
Building certification	CEREIT is committed to obtain a green building certification e.g. BREEAM or LEED for all real estate investments where it is commercially feasible or reasonable and will actively seek opportunities to improve certifications during its ownership period	Information about the asset's building certification will be collected on purchase, certification improvement will be tracked annually contributing to decreasing CEREIT's energy consumption
Benchmark participation	CEREIT will annually participate in the GRESB. Based on each year of participation, annual improvement targets will be promoted to further mature the performance of CEREIT within the benchmark.	GRESB score will be disclosed in the relevant reporting period and tracked annually. This will help ensure that a wide set of ESG characteristics are monitored, measured, and promoted throughout CEREIT's operations
Transitional climate change impacts	To manage transitional climate change impacts, CEREIT will complete energy audits on all assets and actively promote actions to improve CEREIT's risk profile.	Energy audits will be performed within 2 years from acquisition and / or before the end 2023 for existing assets. Identified improvements will be assessed and implemented on a case-by-case basis based on impact on CEREIT's risk profile and ultimately aiming to decrease CEREIT's carbon footprint.
ESG data management	For all its assets where it is commercially feasible or reasonable, CEREIT will directly or indirectly (through a service provider) invest in a data management tool to monitor ESG data (i.e., Energy, GHG emissions, water, and waste) within operational and financial control and actively encourage tenant-customers to share their ESG data to ensure a more complete overview of the ESG performance of its real estate assets.	Energy, GHG emissions, water and waste information which is within the Manager's control will be collected, maintained and reported on regularly. Any targets set with the purpose of minimising CEREIT's controllable impact on the environment will be disclosed in relevant public disclosure documents and on CEREIT's website.
Energy procurement	For all electric energy procurement, the Manager will promote renewable energy where applicable, on behalf of CEREIT and in conjunction with CEREIT's tenant - customers. Where and when it is commercially feasible or reasonable, the areas within	In order to decrease CEREIT's controllable carbon footprint, CEREIT's property managing agents will report on the source of electric energy supply to the areas within the Manager's control. Where and when it is commercially feasible or reasonable, these areas will only be supplied by

	the operational and financial control of the Manager will use renewable or low carbon electricity supplies.	renewable or low carbon supplies. This information will be verified and reported annually. The Manager, on behalf of CEREIT will promote the use of a renewable or low carbon electricity supply, where available, to all tenant-customers, within 12 months of acquisition.
Energy efficiency	Energy Performance Certificates (EPCs) will be used as a lead indicator to assess energy efficiency. The Manager on behalf of CEREIT will promote operating the real estate investments as energy efficient as possible where sensible, given the asset business plan, hold period and return target. Improvement opportunities will be considered where possible.	In order to help decrease CEREIT's carbon footprint, information will be collected on purchase and regularly maintained within Cromwell (acting as property and asset manager for CEREIT)'s in-house property management system. Certification improvement will be tracked annually.
Refurbishment	On refurbishment, the Manager on behalf of CEREIT is committed to always modernize and replace outdated and damaged building sections with a clear design approach towards improving the embodied and operational carbon footprint and the energy and waste household of the asset.	Building materials will be assessed based on the amount of embodied CO ₂ e (equivalent) and the insulation K and C factor of facades, roofs and windows. The Manager on behalf of CEREIT will constantly review the possibilities to introduce active alternative energy sources (wind, solar, thermal, H ₂ O ₂ , etc) and recycling processes. Improvements will be tracked, monitored, and certified after each intervention.
Procurement	CEREIT will be operated in compliance with the Sponsor's Global Procurement Policy and Code of Conduct and will actively assess and monitor the human rights and labour rights risk of its vendors in all countries of operation.	The Manager's adherence to the policy is regularly audited and any identified breaches relating to CEREIT's operation will be disclosed in relevant reporting.
Tenant Customer engagement	The Manager on behalf of CEREIT is committed to annually conduct an externally verified tenant-customer engagement survey and through its hands-on asset management actively seek opportunities to improve tenant customer engagement.	In order to promote social inclusion and efficiency, collated highlights from the annual tenant-customer engagement survey will be provided in the relevant periodic reporting.

The Manager also formalises its compliance with the above and its asset due diligence by having a dedicated Board-level Sustainability Committee.

Investment strategy

The Manager's approach to investment combines research-based fundamental market analysis with rigorous

evaluation of property-specific variables and financial forecasts. This enables the Manager to select assets that meet investment criteria and enhanced risk adjusted returns. The investment management team has developed a proprietary analytics tool that provide the Board with a broad framework to assist them in the evaluation of the proposed acquisitions and divestments. The tools allow the asset management team to optimise the portfolio through monitoring key asset and market risks and identify “outliers” and include a 13-risk matrix across three broad categories that provides a framework to assess existing properties, proposed investments and potential divestments. The matrix factors in asset, market location, execution, financial and ESG risks.

The trustee of CEREIT will invest in well-located assets predominantly in established locations near transport hubs and/or densely populated urban areas in the developed countries of Europe. The Manager will identify assets producing sustainable cash flows benefitting from index-linked leases, considering various factors, including but not limited to, local and regional market characteristics, demand levels, disruption trends, regulatory landscape.

The Manager on behalf of CEREIT will adhere to the ESG undertakings set out in the section II, a, Article 3 above during its operations.

Proportion of investments for products that promote environmental or social characteristics

CEREIT shall invest in direct assets or real estate owning SPVs. The strategy does not include investing into operating businesses either wholly or in part.

All investments will adhere to CEREIT’s ESG criteria as set out under this document.

Monitoring and methodologies of environmental or social characteristics

The PAIs table at the end of this document explains how the PASI as defined by the SFDR will be monitored and measured.

DATA SOURCES AND PROCESSING

Data relating to the PASI metrics is collected in various ways, ideally automatically direct from source, e.g Power Grid and utility providers. It is ultimately saved in an online data management platform: Deepki Ready. Data can be tracked and exported from the tool for periodic reporting. Data will not be estimated if it can be avoided. If it is estimated, it will be marked clearly in reporting.

LIMITATION TO METHODOLOGIES AND DATA

The methodologies used to meet the required due diligence against the PASI and of the wider ESG undertakings are set out within the section “Monitoring and methodologies of environmental or social characteristics” table above. The scope of their limitations in the context of CEREIT are not yet known.

DUE DILIGENCE

Relevant due diligence undertakings are described in more detail within the section “Monitoring and methodologies of environmental or social characteristics” table above.

ENGAGEMENT POLICIES

The engagement policies on product level are identical with the engagement policies on an entity level and are outlined in section II.b.iii above.

DESIGNATED REFERENCE BENCHMARK

The designated reference benchmarks are addressed on an entity level and are described in the section II.b.iv (References to international standards) above.

PAIs table

Adverse sustainability indicator	Fund Metric	Statement	Inclusion in Due Diligence	Metric	Data Source
<p>Exposure to fossil fuels through real estate assets</p>	<p>Investment in Real Estate assets primarily involved in the extraction, storage, transport or manufacture of fossil fuels are formally excluded</p>	<p>CEREIT is not targeting investments in real estate assets primarily involved in the extraction, storage, transport or manufacture of fossil fuels. However, storage of fossil fuels - current or past - could be present to support the operations of tenant-customer(s). Although generally a tenant-customer responsibility, potential pollution could cause an environmental issue and impact the financial performance due to remediation costs</p>	<p>As part of its due diligence process the Manager will always contract the expertise of dedicated external technical, environmental and legal experts to advise on the risks associated with the real estate.</p> <p>As part of the environmental due diligence (EDD), the external EDD provider will review the presence and storage of hazardous materials (incl. fossil fuels) and conduct a (historical) soil survey to determine potential presence of hazardous materials (incl. storage tanks).</p> <p>As part of the legal due diligence, the external legal DD provider will advise the Manager and the Trustee, acting in its capacity as trustee of CEREIT, on the contractual responsibilities and regulatory requirements of the storage of hazardous materials (incl. fossil fuels) if presence in the real estate asset during the hold period</p>	<p>Share of investments in real estate assets where the tenant-customer is actively involved in the extraction, storage, transport or manufacture of fossil fuels. Office use for businesses who pursue such activities elsewhere is acceptable</p>	<p>Lease agreement processed via property management system</p>

<p>Exposure to energy-inefficient real estate assets</p>	<p>EPC rating of C (or local equivalent) or above within 3 years of asset purchase (new assets) or 2030 for existing assets</p>	<p>The Manager recognises the impact energy-inefficiency on the financial performance of real estate investments. In the transition to a low carbon economy, EU regulators are developing legislation that requires the energy consumption of real estate assets to be reduced/improved. This has an impact on capital expenditure and on the medium to long term lease ability and liquidity of the real estate asset.</p> <p>The Manager therefore targets energy-efficient acquisitions, based on the EPC certification - where EPC ratings are not defined (e.g. in the case of Poland, Malta and the Belgian region of Flanders), acceptable thresholds for operational energy will be established if required.</p>	<p>As part of the technical due diligence (TDD), the external TDD provider will assess the energy consumption, intensity and efficiency of the real estate asset(s). When the required energy data isn't available during the due diligence process the external provider will provide an estimate based on globally recognised standards to provide the assessment.</p> <p>For each real estate asset, a valid Energy Performance Certificate (EPC) and the underlying calculations need to be provided in order for the Tdd provider to assess the EPC.</p> <p>To assess the impact on a portfolio level The Manager will use the Global Real Estate Benchmark (GRESB) and Carbon Pathway to assess the impact of energy intensity on the portfolio performance</p>	<p>Improved portfolio weighting of energy efficient assets as defined by EPC</p>	<p>EPC rating certificate via property management system and ESG data Management tool</p>
<p>GHG emissions</p>	<p>100% renewable or low carbon energy use in landlord-controlled spaces within 3 years of asset purchase (new assets) or 2030 for existing assets</p>	<p>The Manager recognises the impact of GHG emissions on the financial performance of real estate investments. In the transition to a low carbon economy, EU regulators are developing legislation that requires the GHG emissions of real estate assets to be reduced/improved. This has an impact on capital expenditure and on the medium to long term lease ability and liquidity of the real estate asset.</p>	<p>As part of the Manager's due diligence process, it will always contract the expertise of dedicated external technical, environmental and legal experts to advise on the risks associated with the real estate.</p> <p>For the technical due diligence (Tdd) the external DD provider will assess the GHG emissions that physically occur in the asset(s) to be acquired that will be controlled by the Manager following the purchase. When the required GHG emissions data isn't available during the due diligence process the external provider will provide an estimate based on globally recognised standards to provide the assessment. To assess the impact on a portfolio level the Manager will assess its GHG. exposure in line with the Paris climate accord. As part of the capital</p>	<p>Scope 1 GHG emissions generated by real estate assets</p>	<p>Relevant Utility providers and national/local grids via ESG data tool</p>

			<p>expenditure forecast, the external Tdd provider will highlight opportunities to reduce/improve the GHG emissions.</p> <p>The external Legal DD provider will advise the Manager on the impact of applicable regulation that targets GHG emissions (by way of example but not limited to the Décret Tertiaire regulation applicable to the French market).</p>		
	<p>100% renewable or low carbon energy use in landlord-controlled spaces within 3 years of asset purchase (new assets) or 2030 for existing assets</p>		<p>As part of its due diligence process the Manager will always contract the expertise of dedicated external technical, environmental and legal experts to advise on the risks associated with the real estate.</p> <p>For the technical due diligence (Tdd) the external Tdd provider will assess the GHG emissions that physically occur in the asset(s) to be acquired that will be controlled by the Manager following the purchase. When the required GHG emissions data isn't available during the due diligence process the external provider will provide an estimate based on globally recognised standards to provide the assessment. To assess the impact on a portfolio level the Manager will assess its GHG exposure in line with the Paris climate accord. As part of the CAPEX forecast, the external Tdd provider will highlight opportunities to reduce/improve the GHG emissions.</p> <p>The external Legal Dd provider will advise the Manager on the impact of applicable regulation that targets GHG emissions (by way of example but not limited to the Décret Tertiaire regulation applicable to the French market).</p>	<p>Scope 2 GHG emissions generated by real estate assets</p>	<p>Relevant Utility providers and national/local grids via ESG data tool</p>

	A renewable or low carbon electricity supply will be promoted to tenant-customers, where available, within 12 months of purchase.	Due to limited control over the scope 3 GHG emissions which occur as a consequence of the operations of real estate assets, the Manager currently doesn't include scope 3 GHG emissions as a PAI in real estate investments.			Relevant Utility providers and national/local grids via ESG data tool
Energy consumption intensity	Improve or maintain the proportion of self-provided energy e.g solar/wind/vegetable oil.	The Manager recognises the impact of GHG emissions on the financial performance of real estate investments. In the transition to a low carbon economy, EU regulators are developing legislation that requires the GHG emissions of real estate assets to be reduced/improved. This has an impact on capital expenditure and on the medium to long term lease ability and liquidity of the real estate asset.	As part of the technical due diligence (TDD), the external TDD provider will assess the energy consumption, intensity and efficiency of the real estate asset(s). When the required energy data isn't available during the due diligence process the external provider will provide an estimate based on globally recognised standards to provide the assessment. The Manager is undertaking energy assessments on an asset level across the portfolio to generate a full picture of energy consumption and the viable mitigations. This exercise will be complete in 2022 allowing the Manager to generate an improvement strategy for 2023 onwards	Energy consumption in GWh of owned real estate assets per square meter	Relevant Utility providers and national/local grids via ESG data tool
Waste production in operations	All assets with common areas to have method of sorting common area waste for recycling/recovery within 3 years of asset purchase (new assets) or 2030 for existing assets. A recycling/recovery solution will be	The Manager recognises the impact of waste on the financial performance of real estate investments. In the transition to a low carbon economy, EU regulators are developing legislation that requires the waste to be recycled. This has an impact on capital expenditure and on the medium to long term lease ability and liquidity of the real estate asset.	As part of its due diligence process the Manager will always contract the expertise of dedicated external technical, environmental, and legal experts to advise on the risks associated with the real estate. As part of the environmental due diligence (EDD), the external EDD provider will review the type of waste and including of hazardous materials. To assess the impact on a portfolio level	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract.	Volume of waste and recycling (weight) from waste management supplier via ESG Data Management tool

	promoted to tenant-customers, where available, within 36 months of purchase.		the Manager will use the Global Real Estate Benchmark (GRESB)		
Raw materials consumption for new construction and major renovations	Each development must have a formal net zero carbon pathway by 2030.	<p>We aim to optimize all ESG efforts during the planning process, optimizing the use of space and resources.</p> <p>Each design approach is tailor-made. Contractors, suppliers, construction methods and materials are carefully elected in relation to the individual site regarding their impact on traffic, noise, contamination, and the carbon footprint of the building. These efforts will manifest in obtaining the highest possible certificates by the respective institutes (LEED/BREEAM) where economically feasible.</p>	DDs for soil, air, water and noise contamination are being carried out before any development work. If it is an extension of an existing building, refurbishment or the project involves demolition works, we investigate for any hazardous building materials, such as asbestos, heavy metals, carbon-based products and chemicals in the existing structure and below ground. We also consider all measures to dispose of these in the most sustainable and safe manner.	Carbon pathway to net zero	Provided via external consultant/contractor for development
Land artificialisation	Improve or maintain the external biodiversity of existing assets.	The Manager recognises the importance of biodiversity and actively promotes the improving the biodiversity of its real estate assets where opportunity arises	<p>As part of the technical due diligence (TDD), the external TDD provider will assess the share of non-vegetated surface area (as % of land plot) of the targeted real estate assets.</p> <p>Furthermore, the share of non-vegetated surface area will be monitored during the hold period should there be any changes to the plot</p>	Share of non-vegetated surface area (surfaces that have not been vegetated in ground, as well as on roofs, terraces and walls) compared to the total surface area of the plots of all assets.	Land Survey via property management system