

AEW SARL

SUSTAINABLE FINANCE DISCLOSURE REGULATION » (SFDR)

Principal Adverse Sustainability Impacts Statement

ANNEX I

Statement on principal adverse impacts of investment decisions on sustainability factors

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant AEW sarl 98450010FD8154B58982

Summary

AEW SARL considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of AEW sarl 98450010FD8154B58982.

This statement on principal adverse impacts on sustainability factors covers the reference period from *1 January* to 31 December 2022.

The Management Company considers the principal adverse impacts on the usual sustainability factors for real estate assets, which are tailored to the funds, based on the location of the buildings, the classification of the buildings, the type of building, whether new or existing, the size of the buildings and contractual provisions.

These impacts may include:

- soil pollution,
- energy efficiency,
- the activities of tenants in terms of fossil fuels,
- biodiversity (land artificialisation).

When carrying out studies with a view to the fund acquiring an asset, the impact of the asset on these sustainability factors is assessed and, during the management period, an action plan is implemented to reduce these impacts. In accordance with contractual commitment, a specific resources and impact report may be produced and sent to investors.

These reports are distributed at variable frequencies, which may be quarterly, half-yearly or annual.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0 %	NA	These are assets equipped with gas stations by tenants. The ratio is calculated on property assets only, based on the total value of property assets in Article 8 or 9 funds (3,34Mds € GAV)	No specific measures other than monitoring compliance with regulations, as this is a tenant activity.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	74,2	NA	Based on the EPC ratings of the buildings The ratio is calculated on real estate assets only, based on the total value of assets classified Article 8 or 9 funds (3,34Mds € GAV).	Depending on the fund, action is being taken to reduce energy consumption and therefore improve EPC ratings

Other indicators for principal adverse impacts on sustainability factors

Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Biodiversity	22. Soil artificialization	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	82%	NA	The ratio is calculated on real estate assets only, based on the total value of assets classified Article 8 or 9 funds (3,34Mds € GAV).	Where possible, measures to remove land from car parks
Pollution	23. Soil pollution	Share of real estate assets subject to a soil pollution audit on acquisition over the past year	100%	NA	Phase 1 audit carried out calculating the percentage in value of assets with phase 1 audit on the total value of assets purchased	Target 100% of acquisitions with a pollution audit

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

AEW, the management company, has fewer than 500 employees and specialises in the management of real estate investment funds (SCPIs, OPCIs, real estate AIFs, etc.). It has followed a responsible investment policy since 2018 under which ESG (environmental, social and governance) criteria are integrated into investment decisions, asset management practices and development decisions. The key environmental and social criteria included in AEW's policy are as follows:

- Consumption of energy from non-renewable sources
- Greenhouse gas emissions
- Water consumption
- Impacts on biodiversity
- Production of waste and non-recycled waste
- Forecast climate risks
- Natural risks, especially flooding
- Respect for human rights
- Respect for diversity and equality

In terms of governance, AEW invests mainly in real estate assets through funds that it directly manages. In managing the funds, AEW incorporates strong governance principles based on the best international standards, including the PRI since 2009, and the governance policies and, in particular, the ethical

policies of the Natixis group. AEW is assessed annually by the PRI and GRESB on its compliance with these policies, in addition to the spot checks carried out by Natixis IM's internal compliance and internal audit departments. AEW ensures, when selecting its main service providers and through its internal controls, that they comply with all its ESG commitments.

Accordingly, the principal adverse impacts are identified and prioritised based on scientific knowledge. They are also prioritised based on our experience of the impacts gained as a real estate manager, depending on the characteristics of the funds, their classification, the location of the buildings, their use and depending on investor preferences and their sustainability commitments. They are regularly updated to reflect changes to the previous criteria.

Responsibility for implementing the fund's SRI policy and ESG strategies lies with:

- AEW's SRI committee in Europe, in terms of vision and coordination at the European level
- the management bodies, in terms of supervision of AEW and the funds under management
- the fund managers and SRI team, in terms of the supervision of each fund
- the investment team and the asset management team, in terms of implementation
- the compliance department and the risk department, in terms of controls

The data relating to the principal adverse impacts is produced by specialist third-party experts depending on the issues, energy, climate, etc. These specialists carry out studies and specific measurements for buildings in order to assess these impacts and make recommendations to reduce them.

Further details can be found in the PAI statement on the AEW website. <https://www.eu.aew.com/aew-sarl>

Engagement policies

AEW invests in buildings and, as such, implements an engagement strategy not with emitters but with stakeholders connected to the buildings under management.

The main stakeholders are property managers, tenants and construction companies. AEW's PAI statement includes details of the engagement policies applicable to the fund.

Further details can be found in the PAI statement on the AEW website. <https://www.eu.aew.com/aew-sarl>

References to international standards

AEW is a signatory to the United Nations Principles for Responsible Investment (PRI), the first principle of which is to incorporate sustainability risks as well as principal adverse sustainability impacts into investment decisions. In this respect, AEW is assessed and rated each year on its governance and overall policies. This fund does not take account of forward-looking climate risks in management activities. AEW's PAI statement includes details of references to international standards.

Further details can be found in the PAI statement on the AEW website. <https://www.eu.aew.com/aew-sarl>
