



ESG INVESTMENT POLICY

About EQT Exeter

EQT Exeter was created through the combination of EQT's real estate business and Exeter Property Group in 2021. EQT Exeter is among the largest real estate investment managers in the world, focused on acquiring, developing, leasing, and managing logistics/industrial, office, life science and residential properties. With over 40 regional offices across the Americas, Europe, and the Asia-Pacific region, EQT Exeter combines local execution with global scope to deliver real estate solutions to tenants while providing investors with thematic investment strategies and a value-creation approach.

Scope

This policy applies to our funds and all assets under management by EQT Exeter. It is applicable as of May 15, 2022, and will be reviewed annually.

Approach to ESG

EQT is a purpose-driven global investment organization solely focused on active ownership strategies. EQT exists to future-proof companies and make a positive impact. Sustainability is at the core of EQT's value creation approach, by growing sustainable business solutions and instilling sustainable practices in all investments, to capture opportunities, limit risks, and ultimately accelerate positive impact as an investor and owner.

EQT Exeter's approach to Environmental, Social, and Governance (ESG) issues in real estate investment is informed by and aligned with EQT's purpose-driven mission, translated to the needs and opportunities specific to our respective industry, geographies, and funds. Applying an ESG lens to the management of our investments is an important part of our value creation thesis. For us, this means asset-level environmentally and socially beneficial activities implemented during the asset investment lifecycle in partnership with our occupiers, and robust fund-level governance procedures. We are conscious of our fiduciary role in taking a long-term view, particularly given that the majority of our investments are made on behalf of public sector pension funds and their beneficiaries.



Corporate Purpose & Ambitions

Aligning with global organizational sustainability commitments

Real Estate

Establishing ESG priorities specific to the built environment

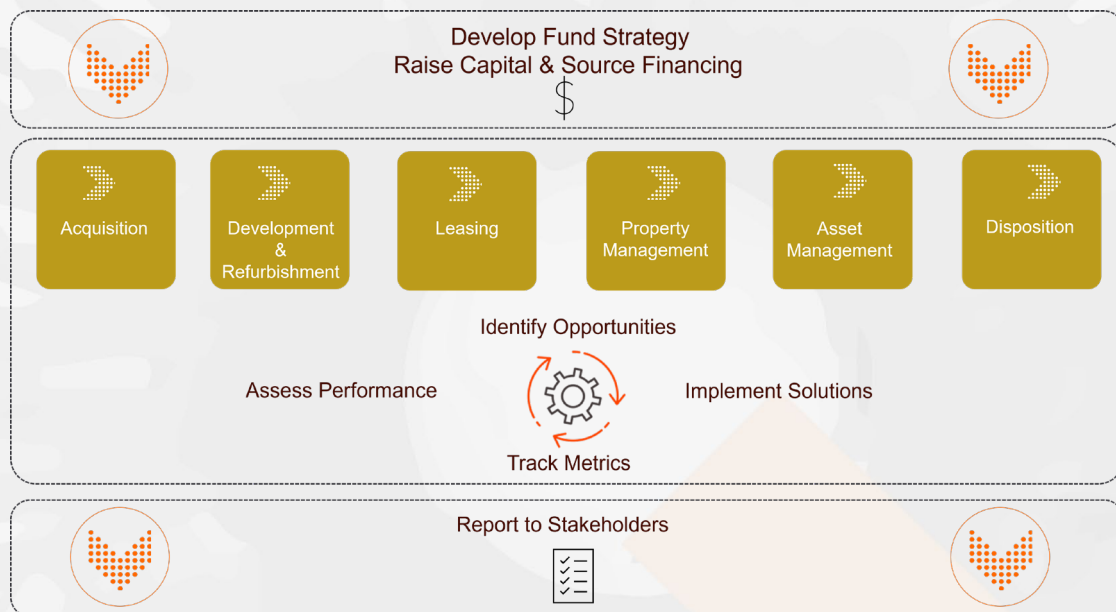
Geography

Prioritizing according to region-specific distinctions in materiality

Funds

Distinguishing areas of risk and opportunity as applicable to property type, investment approach, and asset lifecycle

We develop our investment strategies thematically by asset-type and region – and in alignment with investor interests and expectations. Our ESG-enhanced approach to real estate fund management dictates that key sustainability-related performance indicators covering risk and value creation will be considered from deal sourcing and investment selection, during development, through asset management during our ownership period, and to portfolio disposition. We undertake these practices to protect and enhance the value of real estate assets through a variety of means such as implementing sustainable design and performance enhancements to reduce the risk of functional obsolescence; incorporating efficiency to reduce operating expenses; and achieving sustainability certifications to distinguish assets within their respective markets. This approach supports the transition to a low carbon and sustainable economy by providing future-proofed real estate solutions to our tenants and residents and selling on high-performing portfolios to future owners.



Depending on the underlying nature of the investment strategy, certain asset lifecycle events will occur during our period of asset ownership more or less frequently within each investment vehicle. Therefore, our windows of opportunity to deliver sustainability improvements will be more heavily weighted to certain lifecycle events than others and we will therefore apply fund- and asset-specific strategies to maximize these improvements. Regardless, we apply a similar approach to the work that we do, following an iterative model to define material topics, set goals and implement action plans, track KPIs, assess performance, and adjust objectives as necessary.

Regenerative Environmental Priorities

EQT Exeter seeks to understand the environmental impacts of our operations, improve upon them, and innovate methods to create long-lasting positive and regenerative outcomes, across topics including carbon, energy, water, waste, building materials, biodiversity, and climate change.

Our Actions

In order to deliver on these priorities, EQT Exeter plans to:

Decarbonization

- Achieve zero Scope 1 and Scope 2 operational greenhouse gas emissions from our standing assets by 2030. We apply the operational control approach as defined by the WRI/WBCSD Greenhouse Gas Protocol to establish the emissions boundary.
- Use tools such as the Carbon Risk Real Estate Monitor (CRREM) and the support provided by the Science Based Targets Initiative (SBTi) to inform the scope and speed of our carbon reduction pathways, recognizing the imperative of the goal set by the 2015 Paris Agreement to limit global temperature increase to 1.5 degrees Celsius
- Implement Scope 3 carbon emissions reduction strategies. Scope 3 includes all other greenhouse gas emissions occurring due to fund activities but over which we have no direct ownership or operational control. These emissions primarily include those occurring from (1) construction materials and development activity, and (2) tenant and resident energy use. Reduction strategies may include procuring less carbon intensive construction materials, exploring tools to calculate lifecycle carbon impacts of design decisions, deploying on-site renewable energy, sourcing electricity supply from off-site renewable projects, and phasing out the use of fossil fuel-powered equipment and appliances.
- Provide operationally zero carbon ready assets to new tenants from 2030 at the latest.
- Expand deployment of renewable energy across our portfolios, taking a differentiated approach per jurisdiction and site specifics. Over time our aim is for each of our assets to operate with zero-carbon energy.

Climate Resilience

- Undertake reviews of physical climate risk at acquisition stage and across our standing portfolios on a regular frequency.
- Adapt existing assets deemed at physical risk of climate change and adapt the design of new developments to account for climate change scenarios which predict a 2°C increase in global temperature by 2050.
- Plan for the policy, market, reputation, and technology shifts that will occur as part of the transition to a low carbon economy and contribute to equitable outcomes for our stakeholders as part of this transition.

Circularity & Biodiversity

- Invest in energy and water efficient technologies and solutions to facilitate consumption and expense savings.
 - Pursue sustainable building certifications and energy certificates, particularly but not limited to our new construction activities.
 - Shift from a cradle-to-grave building materials cycle to a cradle-to-cradle model.
 - Avoid impacting sensitive sites or species and seek to create biodiversity net gain at new developments wherever feasible.
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Equitable Social Priorities

EQT Exeter recognizes the impact that the built environment has on people, local communities, and society and we are focused on engaging in positive ways with each of these key stakeholders. The issues most relevant to us and our stakeholders include the health, wellbeing, and productivity of tenants and residents; the health and safety of construction sites; labor and human rights in supply chains; the generation of economic and social benefits for local community, businesses, and supply chains; and sustainable place-making when designing new residential and mixed-use communities.

Our Actions

In order to deliver on these priorities, EQT Exeter plans to:

Human Rights

- Engage with our suppliers and partners throughout our construction and property management supply chains to encourage ethical and sustainable business practices, as codified in a Supplier Code of Conduct, including strengthening our approach to tendering and to auditing with regards to supplier performance on human rights and labor rights.

Community Value

- Identify and apply methods and tools to understand the varied benefits to the local community (such as job creation) that can be delivered and enhanced by our real estate developments and investments.
- Create new residential communities to improve availability of housing and tackle affordability constraints in the context of the local area and intended market.

Health & Wellbeing

- Support tenant and resident health, wellbeing, and productivity through proactive design features and operational practices, and pursue third-party health and wellbeing certifications for those properties where appropriate.
 - Require the highest standards of health and safety from those operating on our construction sites and that our standing investments are maintained in accordance with health and safety regulations, whether by our in-house property management teams, our outsourced partners, or our tenants' on-site employees.
 - Engage tenants and residents through surveys and other feedback mechanisms to periodically assess satisfaction and identify improvement opportunities.
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Accountable Governance Priorities

Strong ethical processes and sustainability governance at an organizational and a fund-level are critical to our success as a real estate investment manager.

EQT Exeter operates with clear lines of oversight and upholds ethical conduct in order to preserve long-term value for all our stakeholders within our fiduciary role towards our investors. We define our fiduciary responsibility to necessarily include ESG considerations, such as the sourcing and investment of capital to enhance asset value as well as taking proactive steps to protect short- and long-term asset values relative to new and evolving forms of risk.

Governance in the context of real estate also refers to the detailed procedures employed to invest and manage our assets through to exit. In our investment strategy and with each transaction that is approved by our investment committee, we commit to deploy capital not only to buy and create buildings with sustainability attributes, but also to transform assets over time, tracking agreed risk and value creation KPIs through the process. And in commitment to transparency and partnership, our engagement with our clients and the wider industry includes the sharing of knowledge, taking part in collaborative initiatives, and reporting regularly on our sustainability performance.

Our Actions

In order to deliver on these priorities, EQT Exeter plans to:

Sustainability Governance

- Collaborate with all key internal stakeholders to ensure effective ESG program management and track progress against our roadmaps.
- Develop and implement a robust set of sustainability risk management and value creation procedures covering each key decision-making intervention point.
- Identify suitable sustainability metrics that can be used to develop targets linking sustainability performance to compensation.

Regional Expansion

- Ensure effective expansion of sustainability management capabilities while expanding into new geographies outside our traditional US and European markets. A particular focus will be on the Asia-Pacific region, in order to provide an enhanced investment offer to our clients, and to identify investments with greater transformational opportunity.

Capital Sourcing

- Work within the EQT group framework that supports an approach to capital raising that is transparent, supports the group philosophy of client engagement, and is aligned with our sustainability ambitions and values.

Business Ethics

- Maintain high standards for ethics and business conduct in accordance with our Code of Ethics and ongoing ethics training for all employees.

Sourcing and Diligence

- Incorporate ESG factors in all acquisition processes to ensure that risks and opportunities are integrated into the underwriting, due diligence, and investment committee processes, and tracked through to value realization at exit.

Client Partnership and Measurable Impact

- Partner with our tenants and residents to advance our mutual sustainability objectives.
- Enhance the landlord-tenant relationship to deliver on ESG objectives by including sustainable clauses in leases to support sharing of utility data and property performance, to appropriately allocate capital expenses for efficiency improvements, and to encourage cooperation on best operational practices.
- Collect and report on a broad range of KPIs that align with our material ESG topics.
- Provide enhanced reporting to our investor clients and engage in associated dialogue with them regarding sustainable investment practices.
- Work with our lenders wherever feasible to enable green lending provisions for a particular asset or portfolio to enable us to deliver the environmental and social objectives we set out to achieve within the business plans for the assets.

Industry Engagement and Stakeholder Transparency

- Maintain stakeholder relationships through transparency and communication of our ESG performance, utilizing regional and global industry initiatives and reporting frameworks such as the UN Principles of Responsible Investment (UNPRI), the Task Force on Climate-Related Financial Disclosures (TCFD), the Global ESG Benchmark for Real Assets (GRESB) and the EU Sustainable Financial Disclosure Regulation (SFDR), as appropriate for each fund.

Oversight and Implementation

The EQT Exeter Executive Leadership team has oversight of the group's ESG program with each Director of Sustainability reporting directly to the respective leadership teams of each region. In addition, EQT Exeter's sustainability team is closely integrated with EQT's Global Head of Sustainable Transformation for strategic direction and with EQT's joint sustainability support platform for firm-wide sustainability and responsible investment activity.

Corporate Responsibility

In addition to the scope of this policy that is specific to EQT Exeter's real estate investments, please see the Corporate Responsibility section of the EQT website for additional organization-wide policies and disclosures.