

Responsible Investment Policy

1. Purpose and Scope

Alma Property Partners (“Alma”) is a leading property investment firm in the Nordics with a passion for working actively with our property investments to create value. Alma is perceived as a leading Nordic real estate investment company for institutional investors seeking real estate exposure in the Nordic Region. We are dedicated to creating value for our investors and enhancing the local communities in which we invest. The company is built on strong local market knowledge, fundamental financial and market analysis and active investment management.

Responsible investment is an integrated aspect of Alma’s investment processes that incorporates environmental, social and governance factors into investment decisions to better manage risk and generate sustainable, long-term results.

The Alma Responsible Investment Policy (“RI Policy”) provides the framework for how Alma approaches and evaluates material sustainability aspects in all of its investment decisions. The RI policy is applicable to all Alma funds and their respective investment processes. The RI Policy is a complement to Alma’s overall Environmental, Social and Governance (“ESG”) Policy. By considering sustainability as an integral part of its investment process, Alma is better able to identify and capture value creation opportunities as well as mitigate relevant risks.

Alma’s sustainability statement:

“Alma Property Partners is committed to regularly evaluating Environmental, Social and Governance issues and taking action, both short-term and long-term, to improve the sustainability and operational efficiency of the property investments. All ESG actions must be consistent with the financial and operational objectives expected by key stakeholders.”

Alma is a member of the UN-supported Principles for Responsible Investment (“PRI”) since 2020 and we are committed to the six principles reflecting responsible investment practices. As part of our membership of PRI, we are committed to:

- incorporate ESG issues into investment analysis and decision-making processes;
- be active owners and incorporate ESG issues into our ownership policies and practices;
- seek appropriate disclosure on ESG issues by the entities in which we invest;
- promote acceptance and implementation of the Principles within the investment industry;
- work together to enhance our effectiveness in implementing the Principles; and
- report on our activities and progress towards implementing the Principles.

2. Investment Objectives

Alma continuously develops and evaluates new investment strategies and themes that vary by sector, by geography and by asset size. An investment theme is typically specific to a country and a sector and always involves a clearly defined investment thesis, underwriting and business plan.

Generally, our investment themes revolve around significantly improving the financial and property characteristics of the asset by executing active asset management strategies that may include repositioning, leasing up, sale and leasebacks, new zoning, redevelopment, new development executing portfolio roll-up or break-up strategies.

The primary objective is to make property investments that fit the scope and targeted return objectives expected by Alma’s key stakeholders. Alma believes that the RI policy and fund performance objectives are aligned because responsible investment initiatives, such as increased efficiency, cost reductions and environmental certifications, increase the attractiveness of the asset.

Alma has a thorough investment process for evaluating property investments. The process includes developing investment themes, sourcing and analyzing deals, conducting due diligence and arranging debt financing.

Alma conducts thorough due diligence to understand value enhancement opportunities and to identify and mitigate potential risks associated with investment decisions. The scope of the due diligence is customized for the transaction but always includes an evaluation of opportunities and risks, a financial review, a legal review, a technical review and an environmental review. Due diligence findings are used to support the investment thesis, mitigate risk and adjust key assumptions in the underwriting model.

Sustainability factors and associated risks are considered as part of the mandatory due diligence process on investments and the conclusion presented to the investment committee (“IC”). Sustainability opportunities and risk mitigation factors form an integrated part of the business plan for each investment.

The sustainability factors covered in connection with investment decisions include, but are not limited to, the following:

- Energy performance – energy supply and access to renewable energy, sources of energy consumption data, energy rating, building certification potential, emissions, etc.;
- Environmental aspects – building materials, risk of contamination, water supply and efficiency, waste management, etc.;
- Social aspects – building safety, indoor environment quality, including tenant health and wellbeing, green clause provisions in conjunction with tenant and landlord sustainability collaboration, etc.;
- New construction and renovations – site selection, biodiversity, waste management, building materials, etc.;
- Risk assessment – regulatory risks, review of climate change related transition, physical and social risks.

Environmental sustainability initiatives are applicable through the Alma funds’ ownership of properties. Energy consumption has the largest operational impact and is a key focus area during the asset management and divestment phases. Alma also focuses on the usage of water and chemicals, materials sourcing and handling, responsible waste management and recycling, and soil and other contamination on the property site.

The investment management team is responsible for further developing the business plan, defining the value creation strategy and setting sustainability targets for each investment or investment theme. The Board of the Fund is responsible for reviewing the business plans for all investments twice a year. Key operating performance indicators, including energy consumption, are measured and reviewed on an annual basis.

During the asset management phase, the maintenance plan and opportunities to improve operational efficiency and reduce costs that were identified during the acquisition phase are implemented. Alma also continuously identifies and evaluates additional opportunities to improve operational efficiency and reduce costs. The process is conducted in close cooperation with asset management partners, tenants and property level service providers.

Alma considers it to be good business practice to ensure that assets meet the environmental standards as per the business plan before Alma initiates a sales process. During the divestment phase, the asset management team is responsible for preparing documentation to show that the properties were properly maintained and to measure efficiency improvements or cost reduction initiatives.

3. Active Ownership Engagement

By securing the alignment between investment decisions and active ownership activities, active ownership can be leveraged to improve the returns of the investments to as great degree as possible.

We believe in creating value through active asset management and therefore we supplement our asset management capabilities by partnering with niche, best-in-class, local Asset Management Partners (“AMP”). Alma has extensive experience in working with AMPs and designing incentive packages that create a high alignment of interest.

Alma’s policy for asset management partners and service providers in relation to responsible investing is to:

- Share environmental responsibilities with asset management partners, property managers, construction companies, and when applicable to other suppliers, in relevant agreements, including the responsibility to act pro-actively.
- Follow up compliance with the laws and regulations and agreements signed with Alma; and
- Monitor the regulatory environment and communicate changes to the relevant personnel at Alma.

4. Governance

The Head of Asset Management is the owner of the Alma RI policy and is responsible for providing information on responsible investment and ownership areas to Alma Property Partners AB's Board of Directors.

It is the relevant members of the Alma investment team that have responsibility for each investment and ensure that sustainability is considered and assessed during the due diligence as well as continuously monitored during the value creation process.

The Head of Investment for the respective geographic markets are responsible for annually reporting on compliance with the RI policy. To support the organization and the asset management partners, Alma will procure the required sustainability resources and work in close liaison with the investment teams and asset management partners.

This RI policy forms the foundation for Alma's continued sustainability engagement. The policy will be reviewed at least annually and amended as appropriate from time to time.

5. Reporting

Alma aims to promote the acceptance and implementation of responsible investment and ownership principles within the real estate private equity industry in the Nordics.

Alma monitors financial and non-financial performance of its investments. Sustainability impacts form part of this regular monitoring process. Alma reports on sustainability impacts to investors throughout the investment's life cycle. Relevant sustainability information is reported to the investors through the fund reports on a quarterly basis. In case of an ESG-related incident, investors are informed.

Alma reports annually on the progress of our activities within responsible investment implementation to the UN-supported Principles for Responsible Investment.

6. Non-compliance with the policy

Non-compliance with or deviations from this policy shall be addressed by the case responsible and/or Alma's management team.

Appendix

Policy Overview

Adopted by	Board of Directors, Alma Property Partners AB
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Applies to	Alma Property Partners
Document owner	Head of Asset Management

Date of previous adoptions/revisions

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