

## ESG QUESTIONNAIRE

### General industry

Please list the industry's three biggest sustainability (ESG)-related challenges and briefly describe the process for identifying these challenges:

1. **Climate Change and Environmental Impact:** Reducing the carbon footprint of real estate investments and operations through energy audits and environmental impact assessments, addressing the increasing physical climate risk, and emphasizing the need for adaptation to ensure long-term sustainability and resilience.
2. **Social Responsibility and Community Impact:** Promoting affordable housing, fair labor practices, and enhancing social infrastructure by performing social impact assessments and engaging with local communities.
3. **Governance and Ethical Conduct:** Ensuring transparency, compliance with regulations, and ethical behaviour via internal audits, risk assessments, and stakeholder engagement. We recognize the increasing reporting and compliance obligations and the need for accuracy, which bring increased costs and administrative burdens to companies. Therefore, we are committed to maintaining the highest standards of governance and ethical conduct to navigate these challenges effectively.

Catella identifies its sustainability challenges through a comprehensive process. We begin by engaging with a diverse range of stakeholders, including investors, tenants, employees, regulatory bodies, and community groups, to gather valuable insights. This is followed by a materiality assessment to prioritize the most significant ESG issues relevant to both the company and our stakeholders. We then benchmark our ESG performance against industry standards and frameworks such as GRI, UNPRI, and TCFD. Regular internal audits and risk assessments are conducted to ensure compliance and identify areas for improvement. Furthermore, we are planning a Double Materiality Analysis (DMA) to support compliance and disclosure in line with the Corporate Sustainability Reporting Directive (CSRD). Finally, we continuously monitor and report our ESG performance, helping us identify emerging challenges and adjust our strategies accordingly.

Have you conducted any preliminary assessments of your company in relation to the EU Taxonomy? If so, what was the outcome?

Yes, Catella has conducted preliminary assessments of our company activities in relation to the EU Taxonomy. In 2022, we prepared a report on EU Taxonomy alignment, focusing on our principal investment business area. While we confirmed compliance with governance requirements, such as anti-corruption, tax governance, fair competition, and human rights, none of our projects fully met the EU Taxonomy criteria. This assessment has provided us with a roadmap to improve alignment in future projects, and we will continue to monitor our progress.

## Environment

List the firm's three primary risks related to climate change and if any, the firm's climate-related opportunities:

- Extreme weather events, sea level rise, and heat stress.
- CO2 pricing schemes, stricter regulations, and volatile energy prices.
- Asset stranding, unreliable electric grid capacity, and access to energy.

Our climate-related opportunities include enhancing resource efficiency, such as energy-efficient buildings, utilizing renewable energy sources, and developing climate adaptation solutions. By integrating climate risk assessments into our business processes and focusing on mitigation and adaptation measures, we aim to enhance our competitiveness and market position.

Does the firm anticipate any climate-related investments, and if so, to what extent?

Yes, Catella anticipates significant climate-related investments. We are committed to integrating climate finance strategies across our real estate projects to enhance energy efficiency, utilize renewable energy, and adopt sustainable construction practices. Our European Residential Vision 2024 report emphasizes the importance of these strategies in preventing asset stranding and leveraging climate-related opportunities.

One key initiative is the Elithis Energy Positive Fund, which focuses on developing residential buildings that produce more energy than they consume. Additionally, we are actively involved in various projects across Europe that prioritize resource efficiency and climate adaptation, reflecting our dedication to sustainability and proactive climate risk management.

Circular economy: How are purchases and waste managed? If the firm rely on any scarce resources, please describe what efforts are made to mitigate the risk of those resources becoming scarcer in the future, e.g. recycling, reusing substitutes or improved resource efficiency?

At Catella, we manage purchases and waste by prioritizing sustainable procurement practices and implementing effective waste management strategies. We focus on reducing waste generation, recycling materials, and reusing resources whenever possible. For purchases, we select suppliers that adhere to environmental standards and offer eco-friendly products.

Regarding scarce resources, we identify and monitor the use of such materials within our operations. To mitigate the risk of scarcity, we emphasize recycling and reusing materials. For instance, in our property projects, we use sustainable building materials and incorporate design elements that enhance resource efficiency. Additionally, we explore substitutes for scarce resources and continually seek to improve our resource efficiency through innovative solutions and best practices.

Moreover, we require the management of waste by diverting materials, such as those from construction and demolition, as well as reusable vegetation, rocks, and soil, from disposal in all new developments. These efforts align with our commitment to the circular economy, reducing our environmental impact, and ensuring long-term sustainability.

Transition-related risks (for example changed customer preferences or legislation):  
Do you anticipate any risks or opportunities due to the transition to a carbon-neutral society? Is there any risk of the firm's offer being negatively affected? If yes, how has the firm positioned itself to handle that risk?

Catella anticipates transition-related risks due to the shift to a carbon-neutral society, including changing customer preferences and stricter legislation. These risks could negatively affect the firm's offerings if properties fail to meet new sustainability standards. To handle this, Catella has positioned itself by investing in green buildings, upgrading properties with energy-efficient technologies, and aligning with industry standards like GRI and UNPRI. These measures aim to ensure compliance, attract eco-conscious tenants and investors, and maintain the firm's market competitiveness.

The results from our climate risk assessment show that transitional climate risks, primarily market, regulatory, and technological risks, are material in all regions where Catella operates in a short to medium-term perspective. This is primarily due to Catella's broad market presence in Europe, where governments often establish similar climate-related policies and action plans, including market-driven incentives to mitigate climate change and increase the transition to a low-carbon economy. Our climate risk assessment indicates that none of the identified climate risks jeopardizes Catella's overall business continuity. However, the climate risk assessment and scenario analysis show that the risks of climate change could have financial implications for Catella, as for all our peers. We recognize that investing in climate adaptation measures will be necessary to remain resilient to future chronic risks.

Have you set a target to become carbon neutral? If so, how have you defined carbon neutrality?

At this time, Catella has not set a specific target to become carbon neutral. However, as part of our ESG strategy, we are committed to decreasing our environmental footprint by minimizing waste, material consumption, water consumption, and biodiversity loss. Additionally, we are actively working towards setting Net Zero Carbon (NZE) targets for our assets, which underscores our commitment to long-term sustainability and aligns with our broader environmental goals.

Please list the firm's (1-2) primary means of making a positive environmental impact or minimising negative environmental impact. Please list the corresponding most relevant UN Sustainability Development Goals. What proportion of sales can be directly linked to selected UN SDGs?

1. Catella focuses on developing and investing in environmentally sustainable properties. This includes using sustainable building materials, improving energy efficiency, and reducing the carbon footprint of their properties.
2. Catella implements circular economy principles by managing purchases and waste effectively, promoting recycling, and using eco-friendly materials.

A significant portion of our sales at Catella is directly linked to three UN Sustainable Development Goals: Goal 11 (Sustainable Cities and Communities), Goal 12 (Responsible Consumption and Production), and Goal 13 (Climate Action).

## Social

Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?

We have been fortunate with no accidents. We have a Whistleblower and Ethics hotline, as well as a policy on how these should be managed. Additionally, there is a process for handling work-related physical injuries here in Sweden, but there isn't a published policy available to employees across the group. Catella operates in countries with strong legislation protecting workers and is always in compliance with these regulations to ensure the highest standards of worker safety and rights.

If applicable, please state your targets for gender and cultural equality and indicate the relevant split of men/women at every level of the firm

We have a 40/60 (women/men) target across Catella.

Does the company conduct any other community engagement activities aside from those directly connected to the business?

We support Ocean Cleanup and many local charitable organizations.

How often does the firm conduct audits of its suppliers and how often do you discover incidents not compliant with your code of conduct?

Catella's Board of Directors approved our Supplier Code of Conduct in fall 2023. To date, no violations have been identified. During 2024, all new or renewed supplier contracts will include requirements on compliance with Catella's Supplier Code of Conduct. Following this inclusion, regular audits will be conducted.

Please list the firm's (1-2) primary means of making a positive social impact or minimising negative social impact. Please list the corresponding most relevant UN SDGs. What proportion of sales can be directly linked to selected UN SDGs?

1. Sustainable Investment Strategies: Catella invests in projects that prioritize ESG criteria, contributing to SDG 7 (Affordable and Clean Energy), SDG 11 (Sustainable Cities and Communities), and SDG 13 (Climate Action).
2. Community Engagement and Philanthropy: Catella supports local communities through donations, volunteer work, and partnerships, aligning with SDG 1 (No Poverty), SDG 4 (Quality Education), and SDG 10 (Reduced Inequality).

## Governance

Do all staff members receive continuing education on anti-corruption? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?

Yes, all staff members receive continuing training and no, we have not had any incidents.

Please state the firm's business tax residence (i.e. where the firm pays tax) and explain why that specific tax residence was chosen:

Sweden, where the company was founded.

How many independent members sits on the Board of Directors?

5 independents in relation to the company and 4 to the shareholders of the company



Please state if and to what extent, the company has transactions with related parties:

See Note 38 Related Party transactions in the 2023 annual report for information on this matter.

Which KPIs dictate the remuneration to management (are sustainability and diversity goals included)?

The management team's remuneration is based on adjusted EBIT and Catella's five values. At this stage, there are no sustainability or diversity goals included.

Describe the company's process for monitoring and reporting ESG issues and performance to senior management/the Board. In your response, please confirm what KPIs are monitored (if any) and how frequently reporting is undertaken.

At Catella, we have a structured process for monitoring and reporting ESG issues and performance to ensure alignment with our strategic goals. The Head of ESG is responsible for this process, reporting both to our ESG committee, which consists of the extended management team, and to our Board of Directors. These reports are presented during bimonthly and quarterly meetings, allowing us to keep senior management and the Board well-informed on ESG matters.

While we do not currently monitor specific ESG KPIs, we rely on our comprehensive sustainability report, published annually, to assess our ESG performance. This report provides detailed insights that guide our decision-making and help us continuously improve our sustainability practices.

Have you signed a Union agreement:

No

## Principal Adverse Impacts (numeric answers refer to annual report 2023):

- Revenue (EUR): 151 MEUR
- Greenhouse gas emissions; Scope 1: 114,3, Scope 2: 110,6, Scope 3: 372,4 tCO<sub>2</sub>e
- Share of non-renewable energy consumption: 36%
- Share of non-renewable energy production: N/A
- Energy consumption in GWh: 1,223 GWh
- Tonnes of emissions to water: 0
- Tonnes of hazardous waste and radioactive waste generated: 0
- Unadjusted gender pay gap: 0
- Board gender diversity: 40% Woman /60% Men (*following the AGM in May-24, 50% Woman /50% Men*)

## Principle Adverse Impacts (yes/no answers):

- Fossil fuel operations: No
- Sites/operations located in or near to biodiversity sensitive areas where activities negatively affect those areas: No
- Science based target: No
- Report to CDP: No
- UN Global Compact Signatory: No
- Involved in the manufacture or selling of controversial weapons: No
- Whistle blower policy: Yes
- Supplier code of conduct: Yes