

PRINCIPLES FOR RESPONSIBLE INVESTMENT

TREVIAN FUNDS AIFM LTD

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PRINCIPLES FOR RESPONSIBLE INVESTMENT

The purpose of this document is to define the principles for responsible investment of Trevian Funds AIFM Ltd (hereinafter referred to as “Trevian”). Responsibility at Trevian funds follows these principles. The principles for responsibility are regularly assessed and updated as the fund’s responsibility measures develop and diversify.

The principles for responsible investment are published on the company’s website and a reference to them is added to the marketing materials of the funds managed by the company.

1. RESPONSIBLE INVESTMENT

Responsible investment means that the environment, social responsibility and good corporate governance are taken into consideration in investing activities. The above-mentioned factors are commonly referred to by the abbreviation ESG (Environmental, Social, Governance). The need for responsible investment is based on the company’s goals of acting in a sustainable and responsible manner in all of its areas of operation. Based on the company’s experience, responsible investing can also improve the return from the investments. Increasing regulation also justifies the preparation and publication of clear-cut responsibility principles for the company.

Financial operators define the tools suited for their own activities and their procedures for responsible investment. The procedures used in responsible investment are a way of managing operational risks and ensuring that the level of returns remains good.

2. IMPLEMENTATION OF RESPONSIBLE INVESTMENT

At Trevian Funds AIFM Ltd, we perceive responsible investment as part of the comprehensive risk management of investing and ensuring the continuation of returns. The measures relating to responsible investment on the whole are measures which the company deems appropriate to promote, even without associated regulation.

The company's funds mainly invest in real estate and real estate securities. Considering that the built environment produces a considerable share of the emissions from our operating environment, efficient responsible investment measures of the funds managed by the company are likely to have a positive impact from the point of view of reaching the climate goals of Finland and the European Union.

The company is committed to the activities of diverse associations operating in the industry, which contributes to managing and preventing the investments' adverse sustainability impacts:

- The company complies with the recommendations of Rakli ry and KTI Property Information Ltd on responsible real estate investment and takes part in KTI's corporate responsibility analysis by reporting on analysis-related data annually to KTI;
- Trevian Funds AIFM Ltd follows the UN Principles for Responsible Investment (PRI) in its operations and will sign the PRI in 2021;
- The company is a member of INREV (European Investors in Non-Listed Real Estate);
- The World Green Building Council Net Zero Carbon Commitment was signed in 2020;
- The company will take part in the GRESB (Global Real Estate Sustainability Benchmark) assessment in 2021; and
- The company will apply for membership in Finsif (Finland's Sustainable Investment Forum ry) in 2021.

Committing to the above-mentioned commitments and operating models and following the pursuant reporting obligations provides

valuable information about the implementation and development of responsibility.

The company's funds apply a procurement decision procedure whereby the Board of Directors approves procurement decisions based on a proposal submitted by the Director of Real Estate Investments. Comprehensive due diligence reviews are a prerequisite for the procurement decision. The aim of the due diligence reviews is to produce information about the investment's location and area, lessees of the site, properties and buildings and their technical condition. Depending on the investment, the reviews provide essential information on adverse sustainability impacts to support the procurement decision:

- level of governance of the investment and tax-related aspects;
- existing maintenance backlog;
- energy certificates and their level;
- technical solutions and their impacts on the use of the property;
- safety of the building in use;
- energy solutions;
- energy efficiency measures taken out and any feasible measures;
- energy consumption data of the investment; and
- information about the condition of soil.

The primary adverse impacts of the investment are primarily linked to the return from the investment (e.g. level of energy efficiency), in which case they are identified and taken into consideration in making investment decision. Possibilities of improving energy efficiency and ways of managing other sustainability risks are surveyed in the procurement phase. The identified primary adverse sustainability impacts in the investments of the company's funds are matters associated with the use of properties and buildings.

After the investment decision and investment are made, the information concerning sustainability risks is used in the development of the investments in the portfolio management measures of Special

common fund Trevian Finland Properties I (AIF) as part of responsible investing. The electricity purchased by the fund's investments has been changed to electricity produced using renewable energy sources. Several investments of the fund are currently carrying out projects to improve their energy efficiency while reducing their adverse sustainability impacts. The energy efficiency projects are carried out in a profitable way, meaning that reducing the adverse sustainability impacts improves the return from the investment. The fund primarily invests in existing building stock, as maintaining and developing old is often a better solution from the point of view of sustainability risks than building new. The construction projects of investments use sustainable and, where possible, recycled building materials.

The sustainability risks and their impacts are investigated and prepared for as well as possible in the procurement phase. The impacts of sustainability risks do not, as a whole, cause significant impacts on returns. With the above-mentioned portfolio management measures, the aim is to actively decrease sustainability risks while improving the returns of the fund. The investigations carried out in the procurement phase provide good prerequisites for success in decreasing sustainability impacts.

The remuneration policy of the funds managed by the company is consistent from the point of view of the applied responsible investment approach.

3. ORGANISATION OF RESPONSIBLE INVESTMENT

At Trevian Funds AIFM Ltd, the Board of Directors is responsible for compliance with legislation and regulations and guidelines issued by the authorities and for confirming the required operating policies. The company has a comprehensive system for monitoring and updating the operating guidelines.

Furthermore, the Board of Directors is responsible for organising responsible investing, and the company's Board of Directors is responsible for confirming these principles. The Board of Directors entrusts the task of implementing these principles in all of the funds managed by the company to the acting management.

Each fund implements the responsible investment measures applicable to it. The measures carried out and planned are monitored fund-specifically, and updated reports are published at least annually. The materials are also consistently used in the marketing of the funds.

4. MONITORING THAT THE PRINCIPLES ARE UP TO DATE

The Board of Directors regularly, and at least annually, monitors that these principles are up to date.