

Aermont – Sustainability Risk Statement

This “Sustainability Risk Statement” is being published, *inter alia*, to comply with the requirement under Article 3(1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “**Disclosure Regulation**”) to publish information about the policies of Aermont Capital Management S.à.r.l. (the “**AIFM**”) on the integration of sustainability risks in its investment decision-making process.

Nothing in this “Sustainability Risk Statement” shall constitute a promotion by the AIFM, Aermont Capital LLP or Aermont Capital SAS (together, “**Aermont**”) or any product in respect of which any Aermont entity acts as manager, portfolio manager, investment advisor or similar of any environmental and/or social characteristics within the meaning of Article 8 of the Disclosure Regulation.

A “**sustainability risk**” is an environmental, social or governance (“**ESG**”) event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment. Sustainability risks are integrated into the investment decisions of the AIFM in accordance with Aermont’s ESG policy. Such integration is built around a framework which includes the following steps:

- **Pre-acquisition due diligence** – as part of its due diligence process, Aermont considers sustainability risks using the Aermont ESG due diligence checklist. While Aermont’s investment teams generally have discretion to determine which sustainability risks should be investigated for each bid or project, there are certain sustainability risks which are deemed to be highly important or material and therefore mandatory to be investigated for every bid or project.
- **Investment Committee** – findings from the application of the Aermont ESG due diligence checklist are included in an Investment Assessment Report which is submitted to Aermont’s Investment Committee. The Investment Committee will take such findings into account before making any recommendations to the AIFM.
- **Asset management** – having identified and considered the potential impact of sustainability risks at the pre-acquisition and investment stages, Aermont works with its development teams, property managers and suppliers (in the case of development and redevelopment projects) and management teams (in the case of corporate investments) to implement plans to address those risks, such as through promoting resource efficiency and building climate change resilience.

Examples of sustainability risks that Aermont may consider through application of the Aermont ESG due diligence checklist include:

- environmental risks, such as flood risk and risks relating to land contamination and natural hazards;
- social risks, such as risks relating to the potential impact of a building project on its surroundings and risk of public opposition; and
- governance risks, such as risks relating to corruption or bribery.

This is an indicative list only, and Aermont recognises that the universe of relevant sustainability risks will evolve and grow over time.