AERMONT

TCFD Entity Level Disclosure

June 2024

LEGAL NOTICE

AERMONT

This communication is dated June 2024 and has been published by Aermont Capital LLP which is in-scope of the TCFD entity level disclosure requirements set out in Chapter 2 of the Environmental, Social and Governance sourcebook of the FCA Handbook. References to "Aermont" throughout this report may, depending on the context, also refer to Aermont Capital Management S.à.r.l., which is the alternative investment fund manager of the Funds and takes a consistent approach on climate-related matters to Aermont Capital LLP.

No undertaking, representation, warranty, or other assurance, express or implied, is or will be made by Aermont, its advisors or agents or any such persons, directors, officers or employees, or any other person as to the accuracy, completeness or fairness of the information, opinions or data contained in this document, whether provided by third parties or not, and any reliance you place on them will be at your sole risk.

This report is provided for informational purposes only and should not be construed as investment advice and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any interests in Perella Weinberg Real Estate Fund II LP, PW Real Estate Fund III LP, Aermont Capital Real Estate Fund IV SCSp, Aermont Capital Real Estate Fund V SCSp, PGV SCSp or any successor or related funds (together, the "Funds"), nor shall any part of it nor the fact of its distribution form part of or be relied on in connection with any contract or investment decision relating thereto, nor does it constitute a recommendation regarding the interests in the Funds. Aermont does not provide legal, regulatory, financial or tax advice to prospective investors, and any such person should discuss any prospective investment in a product with their advisors in order to make their own independent decision as to the suitability and consequences of such an investment.

This report includes certain information on Aermont's approach to climate risks and opportunities at an organisational or investment team level, which may not be reflected within the portfolio or practices of the Funds. Nothing contained in this report shall be relied on as a promise or representation regarding the historic, current or future position or performance of any of the Funds, or any other investment referenced herein. In particular, no representation or warranty is made with respect to the reasonableness of any estimates, forecasts, prospects or returns, which should be regarded as for illustrative purposes only.

In preparing any climate-related information contained in this report, Aermont has made a number of key judgements, estimations and assumptions. The processes, methodologies and issues involved are complex. The climate data, models and methodologies used are often relatively new, are rapidly evolving and are not of the same standard as those available in the context of financial and other information, nor are they subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. It is not possible to rely on historical data as a strong indicator of future trajectories, in the case of climate change and its evolution. Outputs of models, processed data and methodologies are also likely to be affected by underlying data quality, which can be hard to assess and we expect industry guidance, standards, market practice and regulations in this field to continue to evolve. There are also challenges faced in relation to the ability to access data on a timely basis and the lack of consistency and comparability between data that is available. This means the climate-related forward-looking statements, information and targets discussed in this report carry an additional degree of inherent risk and uncertainty. For further information, please see the 'Metrics and Targets' section of this report.

In light of uncertainty as to the nature of future policy and market response to climate-related issues, including between regions, and the effectiveness of any such response, and as market practice and data quality and availability develops, Aermont may have to update the models and/or methodologies it uses, or alter its approach to climate-related analysis and may be required to amend, update and recalculate its climate-related disclosures and assessments in the future, its climate-related ambitions, goals, commitments and/or targets or its evaluation of its progress towards its climate-related ambitions, goals, commitments and/or targets. Revision to climate-related data may mean it is not reconcilable or comparable year on year.

This report contains a number of graphics, infographics, text boxes and illustrative case studies and credentials which aim to give a high-level overview of certain elements of this report and improve the accessibility of this report for readers. These graphics, infographics, text boxes and illustrative case studies and credentials are designed to be read within the context of the report as a whole. Any case studies referenced in this report herein are not representative of all investments and are shown solely for illustrative purposes.

The information contained within this report has not been independently verified or assured. The information in this report includes non-financial metrics, estimates or other information that are subject to uncertainties, which may include the methodology, collection and verification of data, various estimates and assumptions, and underlying data that is obtained from third parties. Data has been checked by third-party consultants but Aermont has not arranged for independent assurance of the data with respect to its accuracy or completeness.

We define Net Zero in line with the UK GBC "Net Zero Carbon Buildings: A Framework Definition". Net Zero Carbon – Operational Energy: "When the amount of carbon emissions associated with the building's operational energy on an annual basis is zero or negative. A net zero carbon building is highly energy efficient and powered from on-site and/or off-site renewable energy sources, with any remaining carbon balance offset."

This report contains 'forward-looking statements'. Forward-looking statements are sometimes but not always identified by their use of a date in the future or such words as 'anticipates', 'aims', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'projects'; 'plans', 'forecasts'; 'goals', 'estimates', or 'targets'. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to the following:

- changes in the regulatory framework in which Aermont operates;
- the impact of legal or other proceedings against Aermont or others in the industry;
- climate change projection risk including, for example, the evolution of climate change and its impacts, changes in the scientific assessment of climate change impacts, transition pathways and future risk exposure and limitations of climate scenario forecasts;
- amendments to or new climate-related reporting standards, models or methodologies;
- changes in climate-related data availability and quality which could result in revisions to reported data going forward; and
- climate scenarios and the models that analyse them have limitations that are sensitive to key assumptions and parameters, which are themselves subject to some uncertainty.

Actual results and developments may differ materially from the expectations disclosed or implied as a result of factors including those outlined above. All subsequent written or oral forward-looking statements attributable to Aermont any persons acting on its behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this report will be realised.

Aermont Capital LLP (Company Number: OC329007) is authorised and regulated by the Financial Conduct Authority with its registered office at 55 4th Floor, St James's Street, London, England, SW1A 1LA.

2023 TCFD ENTITY LEVEL DISCLOSURE

AERMONT

Aermont is a European asset management business focused on real estate and real estate related investment activities. We take a proactive operator-oriented approach, emphasising large complex investments that offer long-term value creation opportunities for the associated assets and businesses.

To date, Aermont has raised a succession of five pan-European, opportunistic, real estate investment funds and a long-term continuation vehicle, PGV (the "Funds"). Investments feature prime assets or projects at top locations in major cities such as London, Paris, Berlin, Barcelona, Florence, Milan and Lisbon, as well as leading operating businesses in sectors such as workforce housing, luxury hospitality and film production studios. Over 17 years, we have raised €13 billion of aggregate equity commitments and have made over 40 investments representing €19 billion of gross asset value.[1]

Aermont Capital LLP serves as investment advisor (the "Advisor") to the Funds while Aermont Capital Management S.à.r.l. is the alternative investment fund manager (the "Manager"). Aermont's Executive Partners are Léon Bressler (Chairman), Paul Golding (Managing Partner), Nathan Shike, Alison Trewartha, Henning Richter and Samuel Kreber. In April 2024, Aermont announced that it completed the sale of a 50 per cent stake to Keppel Ltd (Keppel). The transaction commences the first phase of the strategic partnership that Aermont and Keppel announced on 29 November 2023.

Aermont recognises that climate change creates challenges and opportunities. We are committed to contributing to the Paris Agreement's goal to keep global warming below 1.5 degrees and develop strategies to mitigate the impact of climate change on our investments and business. Climate change is a key consideration for Aermont's own corporate activities and throughout the investment process applied to the Funds. Decisions on acquisitions, business plans, operations and engagement are informed by processes that enhance our understanding of relevant climate-related risks and opportunities as referenced in the following pages.

This inaugural report has been prepared to respond to the FCA's Task Force on Climate-Related Financial Disclosures (TCFD) entity level reporting expectations for asset managers and covers the reporting period of the financial year ended 31 December 2023. The TCFD recommendations on Governance, Risk Management, Strategy and Metrics and Targets have all been addressed. The disclosures in this report have been drafted to comply with the requirements set out in Chapter 2 of the Environmental, Social and Governance sourcebook of the FCA Handbook, applicable to the Advisor. Aermont seeks to apply the overall entity (Advisor) level approach to the governance, strategy and risk management of climate related matters summarised in this report consistently across the Funds. Aermont aims to enhance alignment with the TCFD recommendations and recommended disclosures in future reporting.

Paul W M Golding CBE
Managing Partner

AERMONT

PG111 (FII), Barcelona, Spain

Notes: Figures are as of 31 December '23 unless otherwise noted. (1) Gross Asset Value (GAV) is the aggregate sum, across Funds I-V and PGV, of (i) exit GAV for all realised investments (or the realised portions of partially realised investments), plus (ii) for unrealised investments (or the unrealised portions of partially realised investments) current GAV as of 31 December'23 corresponding to the net asset values presented in each Fund's audited annual financial statements covering Q4 2023.

GOVERNANCE

a. Describe the board's oversight of climate-related risks and opportunities

b. Describe management's role in assessing and managing climate-related risks and opportunities

Strong governance underpins the activities of Aermont and the Funds and is considered to have contributed to the success of the Funds to date.

ESG and climate-related risks and opportunities are overseen and implemented at the most senior level with ultimate responsibility being held by the Partners of Aermont, and with implementation at the level of the Advisor being subject to the oversight of the Advisor's Management Committee.

Management Committee

The Management Committee is comprised of Paul Golding (Managing Partner), Nathan Shike (Partner and member of the ESG Risk Committee), Alison Trewartha (Partner and member of the ESG Risk Committee) and Henning Richter (Partner). It oversees the operations of the Advisor. This includes compliance with UK regulation, including the FCA's entity level TCFD reporting expectations for asset managers, the implementation of Aermont policy and guidance in relation to ESG and climate-related risk activities and the consideration of the same in performance assessment and remuneration decisions.

Board of the Manager

The Board of the Manager consists of Léon Bressler (Chairman), Samuel Kreber (Partner and CFO), Stéphane Bourg (Independent Director) and Catherine Pourre (Independent Director).

It has responsibility for business strategy, including risk appetite, and reviewing the effectiveness of the risk management framework. The Board of the Manager receives regular updates from the Risk Manager, including analysis of sustainability risk which incorporates climate-related physical and transition risk.

ESG Risk Committee

The ESG Risk Committee is the governance body for considering and advising on ESG at Aermont including climate-related risks and opportunities, strategy and policy development, implementation, regulation, reporting and performance. The forum meets quarterly and is comprised of:

- Nathan Shike, Partner and Head of Strategy, Risk and Finance
- Alison Trewartha, Partner and Chief Legal & Compliance Officer
- Camilla Mathews, Chief Sustainability Officer
- Juan Ramón Manzanaro, Portfolio Manager (the Manager)
- Andrea Farina, Risk Manager (the Manager)
- Rebecca Pearce, ESG Consultant (Territorio)

ESG Policy

Aermont's ESG Policy is the key document defining our approach to environmental, social and governance issues, including climate-related risks and opportunities. It addresses material ESG issues and refers to various targeted policies and documentation which provide detailed implementation guidance. The policy is overseen by the Chief Sustainability Officer, Camilla Mathews.

In 2021, Aermont set carbon targets across four dimensions reflecting the differing nature of our investments[1] and our ambition to implement positive and lasting change. These are enshrined within the ESG Policy and accompanying guidance.

Reflecting the fast-changing nature of the regulatory environment and ESG best practice, we conduct regular reviews of climate-related policies and their implementation.

ESG Governance Structure

AERMONT CAPITAL GROUP SCSp

The Partners meet at least quarterly to discuss certain financial, reporting, ESG, information-technology, legal, HR and compliance topics

MANAGEMENT COMMITTEE OF THE ADVISOR

Oversees the operations of the Advisor, including UK regulation, operations and HR

ESG RISK COMMITTEE

Considers and advises on ESG related aspects including risks and opportunities at the Manager, Funds and investment level and supports with the ESG strategy and policy development, implementation and performance

BOARD OF THE MANAGER

Decides the business strategy, including the risk appetite, determines the corporate governance rules and ensures the compliance of the Manager with applicable laws and regulations (including but not limited to compliance with the SFDR regulation). It is ultimately responsible for the activities of the Manager and meets at least quarterly

PORTFOLIO MANAGER (THE MANAGER)

Member of the ESG Risk Committee and responsible for portfolio management of the Funds managed by the Manager

CHIEF SUSTAINABILITY OFFICER

Oversees all ESG activities of Aermont, supports the Investment Team in assessing whether an investment opportunity is aligned with Aermont's ESG Policy and chairs the ESG Risk Committee

RISK MANAGER (THE MANAGER)

Member of the ESG Risk Committee and responsible for risk management of the Funds managed by the Manager, including sustainability risks

Notes: (1) Targets consider Ground-up Developments and Major Refurbishments, Operational Assets, Corporate Investments and Aermont's own operations.

AERMONT

GOVERNANCE continued

Investment Process

Climate-related risks and opportunities are considered in detail as part of pre-acquisition due diligence activities (refer to page 16). Findings from the ESG due diligence are signed off by the Chief Sustainability Officer and included in the formal recommendation (Investment Assessment Report) which is approved by the Investment Committee before being submitted to the Manager to be considered by the Investment Control Council (ICC).

Members of the Investment Committee include Paul Golding (Managing Partner), Nathan Shike (Partner), Alison Trewartha (Partner), Henning Richter (Partner) and the Managing Directors of the Advisor.

The ICC is responsible for making investment decisions of the Manager on behalf of the Funds subject to the Risk Manager's veto. It is comprised of two members of the ESG Risk Committee (Juan Ramón Manzanaro and Andrea Farina) and Samuel Kreber (Partner & CFO). Decisions are based in part on the recommendations of the Investment Committee.

Any residual risks post-acquisition are managed within the Aermont Risk Management Process (refer to pages 15 and 16).

Skills, Expertise and External Support

In addition to regular updates from the Chief Sustainability Officer and interactions via the ESG Risk Committee, Partners and senior Investment Team professionals attended a tailored training session hosted by Linklaters in September 2023 designed to ensure appropriate skills and expertise to oversee matters relating to climate-related risks and opportunities and ESG more generally. Further training is taking place in 2024.

Aermont has been supported by Willis Towers Watson ("WTW") in assessing climate-related physical and transition risk. This included detailed scenario analysis and a half-day workshop attended by Partners and conducting officers of the Manager to assess the level of exposure to a number of transition risks (refer to page 15). The findings of the WTW assessment will be considered in Aermont's review of strategy, policy and performance.

Investment Committee

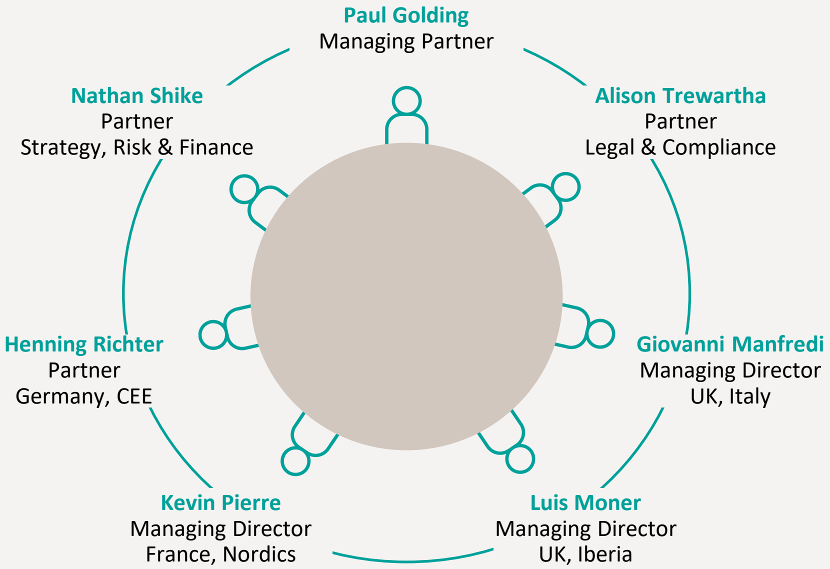
1 Screening / pipeline
Review activity, potential opportunities across each key market; decision to add to pipeline

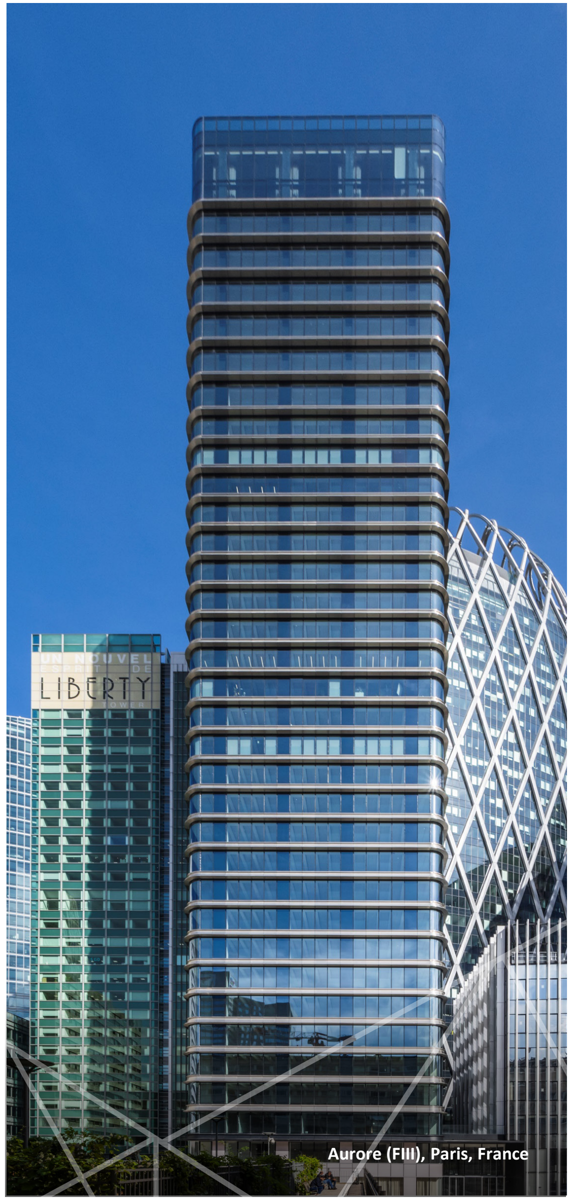
2 Initial opportunity review (ITR)
Initial review (BP, pricing, risks, ESG, portfolio fit, probability of success, etc); decision to assign DD budget

3 Investment review and approval (IAR)
Comprehensive review of all aspects (as above in more detail, DD and more); decision to make binding offer/close

4 Asset management (AMUR, AMIR)
Quarterly asset management updates with entire Aermont team; decisions on key initiatives

5 Disposal approvals (DAR)
Review of partial/whole exit, based on BP status and market conditions; decision to proceed (process, deal)





Aurore (FIII), Paris, France

AERMONT

STRATEGY

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term.

Climate risks and opportunities are key considerations for Aermont. Decisions on acquisitions and asset management (business plans, operations and engagement) are informed by related processes.

Consideration of climate-related risks is integrated into Aermont's investment process. We use (i) a software solution provided by Munich Re to assess physical risks and natural hazards, and (ii) the CRREM Risk Assessment tool to assess aspects of transition risk. These tools are used (where data is available) in pre-acquisition due diligence activities and in the asset management phase with regular reviews of existing investments conducted. Refer to page 16 for more detail.

Aermont engaged WTW to provide a climate risk assessment which includes physical and transition risks and opportunities and scenario analysis. An Aermont TCFD Working Group was established to manage the project including preparation of subsequent disclosures.

WTW adopted a structured approach to identify and evaluate risk exposures derived from transition risk focussing on a "Low Carbon World" (1.5 °C scenario) in accordance with guidance issued by TCFD. Two time horizons were considered for transition risk: short-term (2030) and medium-term (2035). The assessment process included engagement with Aermont's Partners and conducting officers of the Manager with discussions on impact and likelihood. Please refer to page 15 for further details of our risk management process.

For physical risk, WTW's assessment included an asset by asset 'exposure diagnostic' analysis for a range of climate hazards under three climate scenarios: a below 2°C scenario (1.5°C scenario), 2-3°C scenario and a 4°C scenario. Three time horizons were considered: the present day, 2030 and 2040-50. (Refer to page 8).

The physical risk assessment considered all investment types across existing Funds, including direct real estate (operational assets, minor refurbishments, ground-up developments and major refurbishment projects) and corporate investments. It was conducted on an exposure basis rather than a value at risk basis, which will be considered for future disclosures. Refer to page 15 for further detail of our risk management process.

The transition risks identified as material for Aermont are the pricing of greenhouse gas emissions, energy efficiency requirements for buildings and investment risk. An opportunity was identified around increasing tenant and investor preference for sustainable assets. Physical risks identified as material under current conditions and a 1.5 °C scenario are windstorms due to extra-tropical cyclones and flooding. These also apply under a 4°C scenario with additional risks of heat stress and drought noted. Risks and opportunities are discussed further on pages 9 to 13.

Looking ahead, we will be building on the findings of the WTW climate risk assessment and expanding the qualitative and hazard exposure reviews undertaken to date, to provide a more detailed understanding of financial implications of the identified risks and opportunities.

Tacheles (FII), Berlin, Germany

STRATEGY continued

Summary of climate-related risks and opportunities

	SCENARIO NAME	
TIME HORIZON AND CLIMATE SCENARIO	**Short-Term to Medium-Term** **Low Carbon World (~1.5°C)**	**Long-Term** **Hot House World Scenario (>4°C)**
TEMPERATURE RANGE	1.4℃ (median, 2100, IEA NZE2050) ~1.5℃ (median, 2100, RCP2.6)	~4.2℃ (mean, 2100, RCP8.5)
SOURCES	IEA: Energy Outlook 2023: Net Zero Emissions by 2050 (NZE2050) IPCC: Sixth Assessment Report 2021: SSP1-1.9 NGFS: Net Zero 2050 (NZ2050) Narratives for SSPs: SSP1	IPCC: Sixth Assessment Report 2021: SSP5-8.5 Narratives for SSPs: SSP5
MATERIAL RISKS AND OPPORTUNITIES IDENTIFIED		
	TRANSITION RISK / OPPORTUNITY 1. Pricing of Greenhouse Gas Emissions (GHG) - carbon pricing may result in increased direct operating costs, taxation, reduced profits and impact on attractiveness to tenants and purchasers. 2. Energy Efficiency Requirements for Buildings – increasingly stringent regulation in the UK and Europe demanding minimum efficiency levels and mandating improvements. Opportunity arising from 1 and 2 above: improving building energy performance through refurbishment activities is expected to reduce GHG, provide operational cost savings and meet market demand leading to potential leasing and sale premiums. 3. Investment Risk - increased scrutiny from investors around businesses' approach and vulnerability to climate change may cause reputational risk or opportunity. 4. Increasing tenant and investor preference for sustainable assets – may create an opportunity to expand our investor base and improve the Funds' financial performance. **PHYSICAL RISK** 1. Flooding – 48% by GAV[1] exposed to moderate to very high risk of flooding under current conditions. 2. Windstorms – 85% by GAV[1] located in areas with potentially damaging high wind speed areas from extratropical cyclones.	**TRANSITION RISK / OPPORTUNITY** Not assessed for this scenario **PHYSICAL RISK** 1. Flooding – small increases in exposure, with one additional direct asset becoming moderately exposed. Potential increases in the frequency and severity of flood events to those assets exposed. 2. Windstorms – no significant changes in exposure to storms and/or extreme winds. 3. Heat Stress – increase in unfavourable conditions for previously very low and low heat stress exposed regions. 27% by GAV[1] are exposed to moderate risk of heat stress. 4. Drought - increases in unfavourable conditions with additional sites exposed to moderate, high and very high risk of drought (64% by GAV[1]).

Notes: (1) GAV is Aermont's share of the Gross Asset Value for all unrealised direct asset investments and the underlying real estate of corporate investments (excluding URW) across Funds, II, III, IV, V and PGV as of 31 December 2023. For the corporate housebuilder investments, the secured pipeline of projects was considered with Aermont's share of the total Gross Asset Value for each respective company apportioned across each project based on the project's share of total projected Gross Development Value for Wilma, Birch and Keepmoat and of total projected gross revenues for LPP.

AERMONT

STRATEGY continued

Climate scenarios (for both physical and transition risk), transition assumptions and physical risk data sources used:

	SCENARIO NAME	
SCENARIO NAME	Low Carbon World (~1.5°C)	Hot House World Scenario (>4°C)
SOURCES	IEA: Energy Outlook 2023: Net Zero Emissions by 2050 (NZE2050) IPCC: Sixth Assessment Report 2021: SSP1-1.9 NGFS: Net Zero 2050 (NZ2050) Narratives for SSPs: SSP1	IPCC: Sixth Assessment Report 2021: SSP5-8.5 Narratives for SSPs: SSP5
PRIMARY RISKS		
	Transition risks (short-term: 2030 and medium-term: 2035)	Physical risks (current, short-term: 2030 and long-term: 2050)
UNDERLYING ASSUMPTIONS		
POLICY	Carbon pricing enforced for Advanced economies: 2030, 2040, 2050 $140/tonne; $205/tonne; $250/tonne (IEA NZE2050)	N/A (scenario forms basis of physical risk assessment only)
BUILDING SECTOR POLICIES	Enforcement of stricter energy conservation building codes for both existing buildings and new constructions, incorporating net zero emission standards by 2030, and aiming for a significant proportion of all buildings to be zero carbon-ready by 2050. By 2030, buildings will be more efficient, with all new constructions meeting zero-carbon readiness criteria and a greater portion of existing buildings undergoing retrofitting (IEA, NZE2050).	N/A (scenario forms basis of physical risk assessment only)
TECHNOLOGY ASSUMPTIONS	The rising cost of raw materials for clean energy technologies affects energy-intensive industries significantly, as well as construction and property development. Renewables and nuclear energy are expected to dominate electricity supply growth, meeting over 90% of additional demand, with renewables accounting for almost 30% of the generation mix (IEA, NZE2050).	N/A (scenario forms basis of physical risk assessment only)
PHYSICAL RISK DATA SOURCES	Hazard exposure analysis has been conducted for Aermont's assets using WTW's Climate Diagnostic tool with data from the Munich Re hazard databases, the Intergovernmental Panel of Climate Change (IPCC) and other insurance industry-standard data sources.	

AERMONT

(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning

Aermont is a European asset management business focused on real estate and real estate related investment activities. Investments feature operational real estate assets, ground-up developments and major refurbishment projects, as well as corporate investments that span sectors such as luxury hospitality, film production studios, retail and workforce housing. All directly owned assets and the majority of underlying real estate assets of our corporate investments are located in Western Europe and the United Kingdom. Climate-related risks and opportunities are considered throughout the lifecycle of our investments, from pre-acquisition due diligence, through business planning and asset management phases to realisation. Climate-related considerations influence investment decisions, the way we develop and refurbish buildings, manage our operational assets and engage with the management teams of corporate investments, joint venture partners and current and future occupiers.

Climate-related physical and transition risks are considered for new acquisitions and existing assets. The engagement of WTW built on existing practice to provide a comprehensive climate risk assessment which included a wider range of transition risks, scenario analysis across physical and transition risks, and explored likelihood and impact. Partners and conducting officers of the Manager were engaged via a workshop that included voting on risk impact and likelihood for transition risks with consideration of financial and reputational impact.

The WTW methodology reviewed 11 transition risk drivers under four categories of: Policy & Legal, Technology, Market and Reputation, and 8 climate-related hazards classified as acute - extratropical cyclone, tropical cyclone, river flood – or chronic - heat stress, precipitation, drought, fire weather and sea level rise.

The tables below expand on the risks/opportunities identified as material (page 7) and set out how those risks/opportunities might impact our business, strategy and subsequent financial planning, and how we plan to mitigate them and adapt where appropriate. In addition to the items identified below, two notable risks were considered but not deemed material for further disclosure:

- The increased cost of raw materials due to carbon pricing may impact certain Funds with construction activities underway or planned (e.g. Fund IV which includes ground-up developments and major refurbishments and corporate housebuilder investments), The financial impacts are likely mitigated due to the expected long notice period for the introduction of carbon pricing and Aermont's existing policies and stewardship activities (seeking to reduce reliance on high embodied carbon materials, technologies and construction methods).
- Increasing cost of emissions offsets would have a financial impact due to Aermont's commitments to achieve net-zero emissions across its corporate operations by 2025. Aermont's carbon footprint has been assessed and the cost of procuring offsets to meet the net zero commitment is deemed immaterial.

MATERIAL RISK / OPPORTUNITY	DESCRIPTION	RISK SCORE	TIME HORIZON	POTENTIAL IMPACT ON AERMONT'S BUSINESS	RISK RESPONSE: ADAPTATION / MITIGATION MEASURES
PRICING OF GREENHOUSE GAS (GHG) EMISSIONS	**Overview:** Carbon pricing resulting in increased direct operating costs and taxation, and reduced profits **Materiality:** Firm level and Asset level	Medium	Short to medium-term	• Aermont's total corporate carbon footprint in 2023 was calculated at 327 tonnes CO_2e (relating to premises, consumables and business-related travel - scope 1, 2, and selected scope 3 emissions). Introduction of pricing for GHG emissions would have a financial impact but, for the purposes of this evaluation, is not deemed significant under a 1.5 °C scenario. • Aermont has assessed a material exposure to greenhouse gas emissions pricing at the investment level, considering the aggregate emissions across multiple Funds. The capacity of our investments to absorb or pass on new carbon pricing related expenses is unknown but impacts would likely be industry-wide.	• Aermont measures the carbon footprint of its corporate operations (comprising premises, consumables and business-related travel - scope 1, 2, and selected scope 3 emissions), with the aim to achieve Net Zero emissions across its corporate operations by 2025. An emissions reduction programme is being implemented to reduce the amount of verified carbon offsets required for residual emissions. This may also provide operational cost savings. • Aermont's revised ESG Development Brief includes consideration embodied and whole life carbon for certain future ground-up developments and major refurbishments. • The use of CRREM analysis in long-term target setting for operational and development projects promotes energy and emissions reduction. • Aermont's stewardship approach includes engagement and information sharing to encourage corporate investments to develop their ESG strategy and improve performance, measurement and reporting.

2023 TCFD ENTITY LEVEL DISCLOSURE

AERMONT

MATERIAL RISK / OPPORTUNITY	DESCRIPTION	RISK SCORE	TIME HORIZON	POTENTIAL IMPACT ON AERMONT'S BUSINESS	RISK RESPONSE: ADAPTATION / MITIGATION MEASURES
ENERGY EFFICIENCY REQUIREMENTS FOR BUILDINGS	**Overview:** Energy efficiency regulations in the UK and Europe resulting in higher operating expenses for building owners and capital costs for new investments to meet requirements, leading to lower rates of return **Materiality:** Asset level, particularly: UK-based assets where EPC rating is Level C or below based on anticipated future minimum standards (2027, 2030); all assets where energy efficiency is deemed low according to CRREM analysis	Low	Short to medium-term	• The impact of energy efficiency regulation is significant for Aermont, but not entirely clear due to regulatory (and political) uncertainty, posing challenges when devising business plans. • The recently revised (2024) EU Energy Performance of Buildings Directive (EPBD) and UK Minimum Energy Efficiency Standards (MEES) may impact minimum efficiency requirements and necessitate more extensive refurbishment works. • The Lumiere cinema portfolio in Fund III (Italy and Germany) represents the majority of operational assets under Aermont's management with several properties identified as having low levels of energy efficiency. • Corporate investments are also subject to risk, particularly in the UK. • Business impacts include the cost of refurbishment works and disruption to occupiers during construction. Potential benefits of such works include government incentives and engagement with tenants resulting in favourable leasing arrangements.	• Aermont will continue to review energy efficiency at asset and Fund level, considering requirements as they emerge. • Retrofitting strategies are in varying stages of development for several investments where risks have been identified. • Consultants have been engaged to evaluate impacts and retrofitting strategies for certain corporate investments with underlying real estate assets that may be at risk. • Aermont monitors and seeks to improve energy performance of existing operational investments by gathering performance data that aligns with international standards, adopting energy efficiency improvement measures where possible and, where relevant, engaging with occupiers. • The use of CRREM analysis in long-term target setting for operational and development projects promotes energy and emissions reduction. • In addition to EPCs, Aermont pursues green building certifications for the majority of its direct real estate investments, including BREEAM in Use for operational assets.
INVESTMENT RISK	**Overview:** Increased scrutiny from investors around businesses' approach and vulnerability to climate change can cause reputational risk that could impact Aermont's ability to raise new capital **Materiality:** Firm level (reputational)	Low	Short to medium-term	• Investors' expectations around emissions reductions and ambitious targets are expected to heighten as demonstrated by the recent increase in volume and scope of requests for ESG-related data and information. • As the Manager of an SFDR Article 8 Fund, Aermont is required to disclose progress towards the Fund's Article 8 characteristics to its investors. Aermont also reports as a signatory of UN PRI and participates in the GRESB Real Estate benchmark for relevant Funds. • Reputational risk and financial risk are interlinked. Where climate risk is detrimental to the financial performance of the Funds, this could impact Aermont's ability to raise targeted capital for subsequent Funds.	• Aermont maintains communication channels with investors providing regular updates on recent ESG developments and performance. • Adequate resource is allocated to sustainability endeavours to meet current investor expectations. • The Funds will continue to participate in relevant sector benchmarks. In 2023, Fund III and Fund IV participated in Standing and Development benchmarks. In addition to scoring above GRESB and peer group averages, we were ranked among the top 10 European opportunistic fund participants once again across all benchmarks for participating funds. Fund V will participate once it has committed 35% of total commitments.

2023 TCFD ENTITY LEVEL DISCLOSURE

AERMONT

MATERIAL RISK / OPPORTUNITY	DESCRIPTION	RISK SCORE	TIME HORIZON	POTENTIAL IMPACT ON AERMONT'S BUSINESS	RISK RESPONSE: ADAPTATION / MITIGATION MEASURES
INCREASING TENANT AND INVESTOR PREFERENCE FOR SUSTAINABLE ASSETS	**Overview:** Increasing tenant and investor preference for more sustainable assets may create an opportunity to expand our investor base and improve the Funds' financial performance. **Materiality:** Firm level and Asset level	Low	Short to medium-term	• Aermont recognises the shift in tenant and investor sentiment as it relates to ESG. In the current market, we note rent and pricing premiums for properties that offer flexibility, modern amenities, social responsibility and strong environmental performance including low energy and emissions operations. • The emergence of a "two-tier" market favouring properties exhibiting these advantages benefits Aermont given our knowhow and track record for creating prime, sustainable properties. • Opportunities may arise if Aermont can demonstrate a robust approach to addressing climate risk and strong and measurable ESG performance.	• Aermont considers sustainability and climate-related risks and mitigation strategies as early as possible when assessing investment opportunities and throughout the life of our investments. • Aermont has several ongoing extensive refurbishment and development projects with ambitious ESG targets. A robust ESG due diligence process is also implemented when considering new acquisitions. • Continue the strong focus of all Funds on sustainable real estate and further enhance the integration of ESG into investment process and business plans.

2023 TCFD ENTITY LEVEL DISCLOSURE

MATERIAL RISK / OPPORTUNITY	DESCRIPTION	RISK SCORE	TIME HORIZON	POTENTIAL IMPACT ON AERMONT'S BUSINESS	RISK RESPONSE: POTENTIAL ADAPTATION / MITIGATION MEASURES
WINDSTORMS	**Overview:** Includes the wind-related impact of different types of storms such as winter storms, extratropical cyclones, or hurricanes. **Materiality:** Asset level (exposure to material windstorms).	**Hazard exposure:** Moderate	Short to medium-term Long-term	**Hazard Exposure:** Under current conditions / 1.5 °C global warming (RCP2.6) by 2030 • Material exposure across Europe with investments totalling 85% GAV located in potentially damaging high wind speed areas from extratropical storms. • No material exposure to tropical cyclones. Under 4°C global warming (RCP8.5) by 2040-50 • No significant changes in exposure to storms and/or extreme winds. **Potential Impacts:** • Damage to buildings and infrastructure and potential consequential flooding. • Disruption to utilities, local infrastructure and supply chains for corporate investments and tenants of operational assets. • Delays to construction of developments. • Health and safety risks. • Potential for increased insurance costs for the Funds' investments and their tenants; potential impacts on insurability of assets.	• Aermont's ESG guidance documents address climate resilience; health, safety and wellbeing; mitigation and resilience improvement actions for identified and emerging risks across all asset types. • All ESG guidance documents to be reviewed regularly to ensure latest solutions and emerging risks are addressed.
FLOODING	**Overview:** Includes inland floods caused by heavy precipitation (flash floods) and/or by river bank overflow (riverine). **Materiality:** Asset level (exposure to material flooding).	**Hazard exposure:** Moderate	Short to medium-term Long-term	**Hazard Exposure:** Under current conditions / 1.5 °C global warming (RCP2.6) by 2030 • 48% of GAV is currently exposed to moderate or higher risk of river flooding. This includes 12 assets (directly owned and underlying assets of corporate investments). Under 4°C global warming (RCP8.5) by 2040-50 • Small increases in exposure, with one additional direct asset becoming moderately exposed. **Potential Impacts:** • Damage to building structure, fabric and systems. • Disruption to utilities and infrastructure including water and energy supply, telecommunications and transport infrastructure. • Disruption to supply chains for corporate investments and tenants. • Delays to construction of developments. • Health and safety incidents, damage to contents impacting occupiers. • Potential for increased insurance costs for the Funds' investments and their tenants; potential impacts on insurability of assets. • Disruption to leasing and cost of repairs for the Funds' investments, where flood events occur, and potential follow-on impact on financial performance of the Funds.	• Aermont's ESG guidance documents address climate resilience; health, safety and wellbeing; mitigation and resilience improvement actions for identified and emerging risks, across all investment types. • Flood risk assessments are undertaken at due diligence stage for all new acquisitions. Where relevant, specialist advisors are engaged to advise on mitigation and adaptation measures. • Operational assets acquired before 2021: where risk is indicated in WTW assessment, instruct specialist assessments at each site to review local mitigation measures and recommend further adaptation actions. • Monitor risks identified via risk management process with updates via quarterly Asset Management Meetings. • Re-visit climate-related risk assessment in 2026 to expand consideration from hazard exposure to value at risk for future disclosures.

Notes: GAV is Aermont's share of the Gross Asset Value for all unrealised direct asset investments and the underlying real estate of corporate investments (excluding URW) across Funds, II, III, IV, V and PGV as of 31 December 2023. For the corporate housebuilder investments, the secured pipeline of projects was also considered with Aermont's share of the total Gross Asset Value of each respective company apportioned across each project based on the project's share of total projected Gross Development Value for Wilma, Birch and Keepmoat and of total projected revenues for LPP.

2023 TCFD ENTITY LEVEL DISCLOSURE

AERMONT

MATERIAL RISK / OPPORTUNITY	DESCRIPTION	RISK SCORE	TIME HORIZON	POTENTIAL IMPACT ON AERMONT'S BUSINESS	RISK RESPONSE: POTENTIAL ADAPTATION / MITIGATION MEASURES
HEAT STRESS	**Overview:** Long periods of time with sustained high temperatures **Materiality:** Asset level (exposure to material heat stress).	**Hazard exposure:** Low/ Moderate	Short to medium-term Long-term	**Hazard Exposure:** Under current conditions / 1.5 °C global warming (RCP2.6) by 2030 • Generally very low and low heat stress exposure across the portfolio; moderate and higher exposure for assets in Southern Europe representing 8% GAV. Under 4°C global warming (RCP8.5) by 2040-50 • Increases in unfavourable conditions mainly for very low heat stress exposed regions increasing to low and moderate risk with 27% GAV exposed to at least moderate risk of heat stress. **Potential Impacts:** • Increased energy consumption, carbon emissions and maintenance expenditure, due to increased cooling demand. • Implications for continuity of energy supply. • Where adaptation and resilience is not addressed, there are potential negative impacts on leasing due to higher occupational costs and health and wellbeing impacts for occupiers, as well as exit pricing.	• Aermont's ESG guidance documents address occupier comfort, health, safety and wellbeing; energy efficiency of building design, fabric and systems, mitigation and resilience improvement actions for identified and emerging risks across all investment types. • All ESG guidance documents to be reviewed regularly to ensure latest solutions and emerging risks are addressed. • Engage with corporate housebuilder investments to encourage heat stress, energy efficiency and renewables to be addressed in their product design and construction processes.
DROUGHT	**Overview:** Period of abnormally dry weather sufficiently prolonged for the lack of water to cause serious hydrologic imbalances **Materiality:** Asset level (exposure to material drought).	**Hazard exposure:** Low Moderate	Short to medium-term Long-term	**Hazard Exposure:** Under current conditions / 1.5 °C global warming (RCP2.6) by 2030 • Low exposure under current conditions. Moderate and high exposure for assets in Spain, Portugal and France under RCP2.6 (6% GAV). Under 4°C global warming (RCP8.5) by 2040-50 • Increases in unfavourable conditions with additional sites exposed to moderate, high and very high risk of drought (64% GAV). **Potential Impacts:** • Water supply restrictions, consumption reduction requirements and supply disruption could impact water availability, usage patterns and costs for corporate investments and tenants of operational assets. • Where water efficiency and resilience of supply is not addressed, there are potential negative impacts on leasing due to health and wellbeing impacts for occupiers, as well as exit pricing.	• Aermont's ESG guidance documents address water conservation measures including monitoring, harvesting and recycling along with mitigation and resilience improvement actions for identified and emerging risks, across all investment types. • Engage with corporate housebuilder investments to seek to address water efficiency and resilience of supply in their products and construction processes, including consumption data collection.

Notes: GAV is Aermont's share of the Gross Asset Value for all unrealised direct asset investments and the underlying real estate of corporate investments (excluding URW) across Funds, II, III, IV, V and PGV as of 31 December 2023. For the corporate housebuilder investments, the secured pipeline of projects was also considered with Aermont's share of the total Gross Asset Value of each respective company apportioned across each project based on the project's share of total projected Gross Development Value for Wilma, Birch and Keepmoat and of total projected revenues for LPP.

STRATEGY continued

c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Aermont seeks to generate high quality, innovative and sustainable assets for current and future investors, occupiers and other stakeholders, while positively contributing to the proximate communities. The consideration of climate-related risks and opportunities is integrated in our investment process with differing potential impacts across the range of investment types.

For our ground-up developments and major refurbishment projects, we set high standards for sustainability through the application of our ESG Development Brief and expectations for green building certification, addressing climate resilience and energy/carbon efficiency in line with anticipated future regulation, investor and tenant expectations.

The management of our operational assets, many acquired before 2020, includes collection of energy and water consumption data and a programme of BREEAM in Use certification to understand performance. Several assets are currently subject to improvement plans.

Our stewardship activities with corporate investments encourage the consideration of climate risk and resilience to mitigate negative environmental aspects for underlying real estate assets, business activities and end products such as the construction of housing for sale and rent.

Collectively these processes seek to address the transition risks noted earlier in this report being the pricing of greenhouse gas emissions and increasing energy efficiency requirements for buildings.

Aermont has also addressed climate-related reporting requirements as they evolve with the support of external legal advice. Moreover, we have set a number of targets, including achieving Net Zero corporate operations by 2025 and use CRREM analysis to align investments to decarbonisation pathways. This approach seeks to reduce residual risk, particularly related to reputation.

All new acquisitions are subject to an extensive due diligence process that includes climate-related physical and transition risk, allowing us to have a good understanding of exposure and the investment required to mitigate identified risks for proposed investments. This includes the climate hazards noted in the WTW assessment – flooding, windstorms due to extra-tropical cyclones, heat stress and drought.

In the course of our activities, we delegate some day-to-day decisions that may impact, or be impacted by, climate-related issues. The selection and management of consultants, property managers and key suppliers, particularly development and construction teams, are informed by ESG guidance documents that highlight requirements around the identification and management of climate-related risks and opportunities.

The WTW climate-risk assessment has provided additional insights on climate-related transition risk and physical hazards, which we will build upon with further investigations and internal risk management activities.

WTW assessed Aermont's overall transition risk exposure out to 2035 as Low-Medium. While specific assets have been identified with higher levels of risk for particular hazards, at a portfolio level, Aermont's exposure to the assessed physical climate hazards ranges from very low to moderate for all scenarios.

We do not envisage the need to make significant changes to our overall approach when considering climate-related scenarios. While cost increases are anticipated for some activities, none of the risks identified none were deemed likely to have a substantial impact on the viability of Aermont's business.

Pinewood (PGV), UK

RISK MANAGEMENT

a. Describe the organisation's processes for identifying and assessing climate-related risks.

b. Describe the organisation's processes for managing climate-related risks.

c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

Consideration of climate-related risks has long been integrated into Aermont's investment process. Since 2021, we have used (i) a software solution provided by Munich Re to assess physical risks and natural hazards and (ii) the CRREM Risk Assessment tool to assess aspects of transition risk. These tools are used in pre-acquisition due diligence activities and regular reviews of existing investments.

To enhance risk management processes, and in preparation for this disclosure, Aermont engaged WTW to provide a comprehensive climate risk assessment which included physical and transition risk and scenario analysis. Refer to page 6 for further detail on scenarios and time horizons considered.

The scope of the WTW assessment included all unrealised investments in Funds II, III, IV, V and the PGV continuation vehicle, including direct real estate (operational assets, minor refurbishments, ground-up developments and major refurbishment projects) and corporate investments.

An Aermont TCFD Working Group was established to manage the project including preparation of subsequent disclosures. This comprised the Chief Sustainability Officer, the Risk Manager and Aermont's external ESG consultant. After extensive consultation with the TCFD Working Group, WTW facilitated a half-day workshop session attended by Partners, conducting officers of the Manager and the TCFD Working Group, covering responsibilities for functions across the business, including both the Manager and Advisor. The workshop aimed to assess the level of risk and opportunity exposure to a collection of 11 transition risk drivers under four categories of: Policy & Legal, Technology, Market and Reputation.

Potential transition risks and opportunities were identified and articulated by WTW using discussions with the TCFD Working Group, experience from extensive work with other corporations and public domain research. A set of risk rating scales addressing financial impact and likelihood were defined for the purpose of the assessment (from 1 to 4, "unlikely" to "almost certain" for likelihood, and very low to high for impact) to help compare risks and opportunities.

These scales were used by participants to vote on risk impact and likelihood in the workshop following discussion of each risk. Financial impact levels, as well as reputational impact, were inferred based on proxies developed with the TCFD Working Group e.g. carbon price risk based on scenario-aligned carbon price projections; refurbishment costs for EPC upgrades.

Risks and opportunities were then assessed in terms of impact and likelihood, building on workshop discussions and follow up consultation, and a risk register developed for integration into Aermont's enterprise-wide risk management programme.

For physical risk, WTW's assessment included an asset by asset 'exposure diagnostic' analysis for a range of climate hazards at the present day and under selected scenarios (refer to page 8). As our first report, this assessment was conducted on an exposure basis rather than a value at risk basis, which will be considered for future disclosures. While unlikely, for the purposes of this assessment we assume the future portfolio of assets is the same as that used in the present-day analysis.

For direct and underlying real estate assets of corporate investments, a high level of location accuracy was established. For certain corporate investments, e.g. housebuilders, cities or regions of current development activity, as well as secured pipeline, have been used for analysis on the assumption that longer-term developments are likely to be undertaken in similar locations.

Physical assets are considered exposed if they are located in an area where a climate hazard may occur and are considered to have a material impact if exposure is rated moderate or above. Risks and opportunities deemed material are summarised on pages 12 and 13.

Manifattura Tabacchi (FIII), Florence, Italy

RISK MANAGEMENT continued

How we integrate climate risk into our overall risk management approach:

The Manager is responsible for portfolio and risk management of the Funds with a designated Risk Manager in place since 2018.

The Risk Manager regularly updates the Board of the Manager on risk matters and escalates issues as required. They manage and monitor relevant risks on a day-to-day basis in accordance with the Manager's Risk Management Policy and Risk Management Procedure.

The Risk Management Policy provides a framework for the management of risks faced by the Funds and sets out the key steps in order to identify, measure, manage and monitor on an ongoing basis all risks relevant to each Fund's investment strategy. Sustainability risk, which includes climate-related physical and transition risks, is noted in the specified risks analysed by the Risk Manager.

Aermont's ESG Risk Committee is the governance body for considering and advising on ESG considerations at Aermont, including climate-related risks and opportunities. The Risk Manager is a member of the ESG Risk Committee. Refer to page 4 for details of its role and composition.

How we integrate climate risk into the investment process:

Aermont considers sustainability and climate-related risks and mitigation strategies as early as possible when assessing investment opportunities and throughout the life of our investments.

Our assessment of sustainability risks is intended to highlight issues which could have a financial impact on the value of investments and identify opportunities for value creation and retention. By undertaking these assessments, we can then determine appropriate courses of action. For instance, by considering risks of flooding, energy and carbon performance and vulnerability to extreme weather events, we can assess whether to conduct further technical investigation, undertake mitigation actions, consider the insurability of such risks or include these issues in valuation discussions.

Investment Opportunity Identified

Climate-related physical risks and natural hazards are assessed (where site addresses are available) using a software solution provided by Munich Re. Findings are included in the Initial Transaction Report (ITR). Where elevated risks are identified, further investigation should be performed as part of the due diligence (see below).

Due Diligence

As part of the pre-acquisition due diligence process, Aermont considers sustainability risks using the Aermont ESG Due Diligence Template. While the Investment Team generally has discretion to determine which sustainability risks should be investigated for each investment opportunity, there are certain risks which are deemed to be highly material and therefore mandatory to be investigated for every investment opportunity. The Chief Sustainability Officer is consulted during the due diligence process to validate areas of investigation and preliminary findings. External consultants are often engaged to help diligence particular ESG aspects of the asset / portfolio or business.

Where high or extreme climate-related physical risks and natural hazards are identified at the ITR phase, additional investigations are undertaken and mitigation plans developed in conjunction with third-party property managers, project and / or development teams. Findings and risk mitigation strategies are included in the ESG Investment Plan within the Investment Assessment Report (IAR).

For operational assets, climate-related transition risk assessments are undertaken by reviewing existing Energy Performance Certificates (EPCs or equivalent) and using the Carbon Risk Real Estate Monitor (CRREM) tool (where historic energy consumption data is available). Findings are used to assess the performance of the underlying assets against local minimum energy efficiency standards and CRREM 1.5℃ decarbonisation pathways. These are then reflected in the ESG Investment Plan within the IAR (including retrofitting costs and increased operational costs where relevant).

Findings from the application of the ESG Due Diligence Template are signed off by the Chief Sustainability Officer and included in the formal recommendation (IAR) which is approved by the Investment Committee before being submitted to the Manager to be considered by the ICC.

Asset Management

Having identified and considered the potential impact of climate-related risks at the pre-acquisition stage, Aermont works with its development teams, property managers and suppliers (in the case of development and redevelopment projects) and ESG / management teams (in the case of corporate investments) to implement plans to address those risks over the life of the investment. This may include initiatives such as promoting resource efficiency and building climate change resilience. Risks are monitored on an ongoing basis as (i) part of the ESG Investment Plan which is updated quarterly and discussed during the Quarterly Asset Management Meeting, (ii) part of regular CRREM analyses and Physical Risk Assessments, and (iii) in the Risk Manager's firmwide risk matrix which is discussed at the ESG Risk Committee and reviewed at regular meetings of the Board of the Manager.

For operational assets, climate-related transition risk is assessed on an annual basis using the CRREM tool with reference to the CRREM 1.5℃ decarbonisation pathway and recent energy consumption data. All investments have been assessed for climate-related physical risks and natural hazards as part of the WTW risk assessment and scenario analysis.

Risk Management Actions During 2023

Oversight provided by the ESG Risk Committee:

- Consideration of relevant entity level compliance requirements set out in the Environmental, Social and Governance sourcebook of the FCA Handbook and EU reporting regulations
- Procurement of advisors for detailed climate risk assessment
- Updates on WTW's climate risk assessment
- Updates on revisions to ESG guidance documents and processes including climate-related risk considerations
- Updates on engagement between ESG Team and Investment Team on ESG and climate-related issues
- Updates on development of tailored Investment Team training programme on ESG and climate-related issues

Oversight provided by Board of the Manager:

- Approval of the Manager's revised Risk Management Policy and Risk Management Procedure including climate-related risks

Looking ahead

In the next 24 months we will look to:

- Embed the results of the WTW climate risk analysis into our asset management activities for existing investments
- Review the Manager's Key Risk Indicators and risk registers to reflect all material climate-related risks
- Expand the qualitative and hazard exposure reviews undertaken to date to provide a more detailed understanding of financial implications of the identified risks and opportunities

METRICS AND TARGETS

(a) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process

As part of our processes to monitor and manage ESG performance at investment and Fund level, Aermont collects data and analyses metrics for operational real estate assets and corporate investments. For the assessment of climate-related risks and opportunities, key metrics include:

- Total energy consumed, differentiated by source
- GHG emissions differentiated by scope 1, 2 and 3
- Levels of Energy Performance Certificates (EPCs) in place for operational real estate assets
- Levels of Energy Performance Certificates (EPCs) achieved by completed residential units per year for corporate housebuilder investments
- Percentage of operational real estate assets having achieved or targeting green building certifications
- Percentage of ground-up developments and major refurbishments having achieved or targeting green building certifications

In addition to the above metrics, we also use the CRREM 1.5°C decarbonisation pathway to assess performance of operational real estate assets & predicted performance for ground-up developments and major refurbishments.

Aermont aligns with the EPRA Best Practices Recommendations on Sustainability Reporting. Aermont Funds have participated in the GRESB ESG benchmark since 2014. In 2024, two Funds will participate: Funds III and IV.

Aermont has obtained energy and GHG emissions data from all corporate investments (directly) and energy data for all operational real estate assets (via third parties such as the property and development managers). We have made efforts to check this data. GHG emissions from operational real estate assets have been calculated within our data management platform.

To the extent possible, based on our validation process, we believe the energy and GHG data represents a complete set for the 2023 reporting year. Data gaps exist for water consumption and waste generated for some corporate and operational real estate investments. We have not reported on these metrics for the 2023 reporting year as we do not believe we can rely on appropriate assumptions or proxies for this data. Engagement with the reporting parties is ongoing to reduce these gaps and enhance data coverage. As the Manager of an SFDR Article 8 Fund, Aermont discloses Principle Adverse Sustainability Indicators (PASI) at entity level, addressing all Funds under management. This reporting is issued annually in June and includes additional metrics.

(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

Greenhouse gas emissions (GHG) arising at entity level (Advisor) and from Aermont's investments is reported on page 18. This includes across all emissions scopes (Scopes 1, 2 and 3) calculated within our sustainability data management platform, provided by Sphera, with reference to the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and using IEA emissions factors. As noted under (a) at left, Aermont issues an annual PASI report at entity level. To align these disclosures, GHG metrics for investments reported here have been normalised as required by the SFDR RTS guidance.

(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Aermont's climate-related targets are set out in the diagram on the right. These targets are supported by requirements set out in various ESG guidance documents including the ESG Development Brief for ground-up developments and major refurbishments and the Property Manager ESG Brief for operational real estate assets. The application of these targets and the treatment of climate-related risks and opportunities generally is supported by training and defined for the Investment Team in internal guidance documents, covering pre-acquisition stage, though asset management to realisation.

Aermont's ESG Targets[1]

Net zero-ready developments

Ground-up developments and major refurbishments* are expected to align with the Paris Agreement and be designed to sit below the CRREM 1.5 degree decarbonisation pathway for 15 years post completion, with the intention of making them Net Zero-ready for future owners should they wish to pursue that objective.

Paris-aligned operational assets

Aermont's operational assets are expected to align with the Paris Agreement and operate below the relevant CRREM 1.5 degree decarbonisation pathway by 2030, or five years post-acquisition if purchased after 2026.

ESG-oriented corporate investments

We will seek to reduce the carbon intensity of majority-controlled corporate investments, working with the operational teams to set Paris Agreement-aligned targets and develop robust ESG strategies that reflect Aermont's own ambitions.

Net Zero Aermont operations

Aermont's own corporate operations will be Net Zero by 2025 across premises, consumables and travel emissions (scope 1, 2 and selected scope 3 emissions) by implementing reductions, renewables and verified carbon offsets for the remainder.

Notes: (1) Projects commenced after 2021 (reflecting the date targets were set. (2) Aermont will procure and cancel offsets verified under standards recognised by International Carbon Reduction & Offsets Alliance (ICROA).

AERMONT

METRICS AND TARGETS continued

FINANCIAL CATEGORY	Climate-related category	Metric		Unit of measure	2023	2022	Applicable risks and opportunities	Risk timescales
ENTITY LEVEL	GHG Emissions	GHG emissions for Aermont Capital LLP (location based)	Scope 1	tCO2e/m	0	0	Pricing of Greenhouse Gas (GHG) Emissions;	Short to medium-term
			Scope 2		14	10		
			Scope 3		313	399		
			Total		327	409		
INVESTMENT PORTFOLIO LEVEL		GHG emissions from operational real estate assets (location-based)	Scope 1	tCO2e/m	306	283		
			Scope 2		1,498	2,875		
			Scope 3		11,649	8,552		
			Total		13,453	11,710		
		GHG emissions from corporate investments (location-based)	Scope 1	tCO2e/m	6,420	4,116		
			Scope 2		4,120	5,202		
			Scope 3		377,131	317,538		
			Total		387,670	326,857		
		GHG emissions from corporate investments (market-based)	Scope 1	tCO2e/m	6,420	4,116		
			Scope 2		892	3,011		
			Scope 3		377,131	317,538		
			Total		384,442	324,665		
		Weighted Average Carbon Intensity (corporate investments)		tCo2e/€million revenues	26.2	23.9		

Note: The table above includes across all emissions scopes (Scopes 1, 2 and 3) calculated within our sustainability data management platform, provided by Sphera, with reference to the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and using IEA emissions factors. Aermont issues an annual PASI report at entity level. To align these disclosures, GHG metrics for investments reported here have been normalised as required by the SFDR RTS guidance.

CONTACTS

If you would like further information on
Aermont's approach to ESG, please contact:

Camilla Mathews
+44 20 3102 2388
cmathews@aermont.com

Juan Ramón Manzanaro
+352 262 029 8006
jrmanzanaro@aermont.com

Aermont Capital LLP
55 St James's Street
London, SW1A 1LA
United Kingdom

Aermont Capital Management S.à r.l
28, Boulevard Royal
Luxembourg, L-2449
Luxembourg

www.aermont.com