AERMONT

SFDR PASI Reporting

LEGAL NOTICE

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In preparing the ESG-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 ESG 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in the context of financial and other information, nor are they subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles.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 ESG-related forward-looking statements, information and targets discussed in this report carry an additional degree of inherent risk and uncertainty.

In light of uncertainty as to the nature of future policy and market response to climate change and other ESG-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 ESG analysis and may be required to amend, update and recalculate its ESG disclosures and assessments in the future, its ESG ambitions, goals, commitments and/or targets or its evaluation of its progress towards its ESG ambitions, goals, commitments and/or targets. Revision to ESG data may mean it is not reconcilable or comparable year on year.

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 ESG reporting standards, models or methodologies;
- changes in ESG 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. Subject to compliance with applicable law and regulations, Aermont does not intend to update these forward-looking statements and does not undertake any obligation to do so.

Table 1 Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: Aermont Capital Management S. à r.l.

Summary

Aermont Capital Management S. à r.l. considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Aermont Capital Management S. à r.l. in managing 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 and PGV SCSp for the period 1 January to 31 December 2023.

Aermont's principal adverse impacts include greenhouse gas emissions for investee companies of 10,540 tonnes CO2e for scope 1 and 2 (location based, 7,312 tonnes CO2e market based) and 389,800 tonnes CO2e for scopes 1, 2 and 3.[1] 39.5% of all energy used by Aermont's investee companies was from non-renewable sources. 6 out of 7 Aermont corporate investments in 2023 were active in a high impact climate sector ("Real Estate") with an average energy consumption intensity of 0.16 GWh per million EUR of revenue. No negative impacts to biodiversity sensitive areas were recorded. From a social perspective, no investments have exposure to controversial weapons and no violations were reported to UNGC Principles or OECD Guidelines, although one acquisition made in the second half of 2023 could not demonstrate policies to monitor them. Reporting on the gender pay gap was available for 6 out of 7 investee companies, showing an average unadjusted gap of 10.6% with lower gaps after adjustment. Health and safety data (accidents, workdays lost) was reported by 6 out of 7 investee companies - alignment of metrics is improved but still requires action. Real estate assets generated greenhouse gas emissions of 13,453 tonnes CO2e in total. 22.1% of Aermont's standing investments were deemed "inefficient"[2], including one future refurbishment project, while no real estate investments had exposure to fossil fuels.

Regular data collection and reporting processes for all mandatory PAIs, and selected optional indicators, have been established and will be refined further during 2024. The translation of this summary section into the official language of the relevant EU member state is available upon request.

ADVERSE SUSTAINABILITY INDICATOR		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES						
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
GREENHOUSE GAS EMISSIONS	01 | **GHG emissions**	Scope 1 GHG emissions	6,420[3] Tonnes CO2e	4,116[4] Tonnes CO2e	Scope 1 emissions reflect purchase of natural gas, liquid fuels for vehicles, stationary power (i.e. generators). One investee company reported a large increase in Scope 1 emissions due to an expansion of reporting scope.	Aermont's stewardship approach includes engagement and information sharing to encourage investee companies to develop their ESG strategy and improve performance, measurement and reporting.
		Scope 2 GHG emissions, location based	4,120[3] Tonnes CO2e	5,202[4] Tonnes CO2e	Scope 2 emissions (location based) reflect purchased electricity and district heating/cooling across all investee companies.	Aermont's stewardship approach includes engagement and information sharing to encourage investee companies to develop and progress their ESG strategy and improve performance, measurement and reporting.
		Scope 2 GHG emissions, market based	892 Tonnes CO2e	3,011[4] Tonnes CO2e	Scope 2 emissions (market based) reflect significant purchases of REGO back renewable electricity by four of seven investee companies. Three companies purchase 100% renewable electricity (one of which was acquired during 2023) and one purchases over 99% renewable electricity. The reduction from 2022 reflects realisation of an investment that did not use renewable energy.	Aermont's stewardship approach includes engagement and information sharing to encourage investee companies to develop and progress their ESG strategy, including consideration of renewable energy sources.
		Scope 3 GHG emissions	377,131[3] Tonnes CO2e	317,538[4] Tonnes CO2e	Scope 3 emissions data was available from six out of seven investee companies, with one acquisition from the second half of 2023 preparing for disclosure.	Aermont's stewardship approach includes engagement and information sharing to encourage investee companies to develop their ESG strategy and improve measurement and reporting. Three companies reported Scope 3 emissions for the first time in the 2023 reporting year.
		Total GHG emissions, location based	387,670 Tonnes CO2e	326,857[4] Tonnes CO2e	Aermont's portfolio of corporate investments was subject to change during 2022 and 2023, with one sale (The Student Hotel since re-branded "The Social Hub", 2022) and one acquisition (Pellicano Group, 2023). In addition, changes in reporting scope for several investee companies have led to increases in total GHG emissions for both location-based and market-based emissions.	Aermont's stewardship approach includes engagement and information sharing to encourage investee companies to develop their ESG strategy, improve measurement and reporting, and consider energy consumption reduction initiatives and renewable energy sources.
		Total GHG emissions, market based	384,442 Tonnes CO2e	324,665[4] Tonnes CO2e		

Notes (1) Scope 3 emissions were not available for all investments – 6 out of 7 investments reported scope 1, 2 and 3 emissions. (2) Aermont's real estate investments held during 2023 included assets constructed prior to 31.12.2020 in Germany where no letter classification is available as part of the Energy Performance Certificate, per German regulatory practice for commercial real estate assets. These assets, comprising 33.2% of the standing/operational asset portfolio, have been excluded from the calculation of energy efficient assets. (3) For one investment, GHG scope allocation of emissions due to tenant energy consumption has been estimated, although total emissions are based on reported data. (4) Since the previous annual report, Aermont has implemented a new sustainability data management system that in some cases uses different emissions factors in calculations.

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES						
ADVERSE SUSTAINABILITY INDICATOR		**Metric**	**Impact 2023**	**Impact 2022**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
GREENHOUSE GAS EMISSIONS CONT.	**02 | Carbon footprint**	Carbon footprint, location based	**26.2** Tonnes CO2e / €M revenue	**23.9**[1] Tonnes CO2e / €M revenue	LOCATION BASED CARBON FOOTPRINT Carbon footprint all scopes (location based). Note: Scope 3 emissions were not available for one investment acquired in the second half of 2023. Three companies reported Scope 3 emissions for the first time for the 2023 reporting year.	Aermont's stewardship approach includes engagement and information sharing to encourage investee companies to develop and progress their ESG strategy and improve performance (including consideration of renewable energy). For scope 3 emissions, Aermont engaged with investee companies to encourage them to improve measurement and reporting. We will continue this engagement for new investments. Three companies reported Scope 3 emissions for the first time for the 2023 reporting year, improving on emissions reporting coverage compared to the previous reporting year.
		Carbon footprint, market based	**25.7** Tonnes CO2e / €M revenue	**23.8**[1] Tonnes CO2e / €M revenue	MARKET BASED CARBON FOOTPRINT Carbon footprint all scopes (market based). Note: Scope 3 emissions were not available for one investment acquired in the second half of 2023. Three companies reported Scope 3 emissions for the first time for the 2023 reporting year. Market based reflect significant purchases of REGO back renewable electricity by four of seven investee companies. Three companies purchase 100% renewable electricity and one purchases over 99% renewable electricity.	
	03 | GHG intensity of investee companies	GHG intensity of investee companies, location based	**108.3** Tonnes CO2e / €M revenue	**54.2**[1] Tonnes CO2e / €M revenue	LOCATION BASED EMISSIONS Based on calculation using "current value of investment" and "current value of all investments" in matching units (i.e. both €M). Note: Scope 3 emissions were not available for one investment acquired in the second half of 2023. Three companies reported Scope 3 emissions for the first time for the 2023 reporting year, and one company increased the scope of their reporting, increasing total emissions and impacting GHG intensity.	Aermont's stewardship approach includes engagement and information sharing to encourage investee companies to develop and progress their ESG strategy and improve performance (including consideration of renewable energy). For scope 3 emissions Aermont engaged with investee companies to encourage them to improve measurement and reporting. We will continue this engagement for new investments. Three companies reported Scope 3 emissions for the first time for the 2023 reporting year, improving on emissions reporting coverage for the previous reporting year.
		GHG intensity of investee companies, market based	**100.2** Tonnes CO2e / €M revenue	**52.0**[1] Tonnes CO2e / €M revenue	MARKET BASED EMISSIONS Based on calculation using "value of investment in investee company" and "value of all investments" in matching units (i.e. both €M). Note: Scope 3 emissions were not available for one investment acquired in the second half of 2023. Three companies reported Scope 3 emissions for the first time for the 2023 reporting year, and one company increased the scope of their reporting, increasing total emissions and impacting GHG intensity. Market based reflect significant purchases of REGO back renewable electricity by four of seven investee companies. Three companies purchase 100% renewable electricity, and one purchases over 99% renewable electricity.	

Notes (1) Since the previous Annual Report, Aermont has implemented a new sustainability data management system that in some cases uses different emissions factors in calculations.

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES						
ADVERSE SUSTAINABILITY INDICATOR		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
GREENHOUSE GAS EMISSIONS CONT.	04 | **Exposure to companies active in the fossil fuel sector**	Share of investments in companies active in the fossil fuel sector	0%	0%	Aermont had no investments in investee companies active in the fossil fuel sector.	Not applicable. Aermont is planning to maintain its current investment strategy.
	05 | **Share of non-renewable energy consumption and production**	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	39.5%	40.4%[1]	39.5% of all energy used by Aermont's investee companies was from non-renewable sources.	Aermont's stewardship approach includes engagement and information sharing to encourage investee companies to develop and progress their ESG strategy and improve performance, including consideration of renewable energy (installed on site or purchased from verified sources).
	06 | **Energy consumption intensity per high impact climate sector**	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.17 GWh per million EUR of revenue	0.29[1] GWh per million EUR of revenue	6 out of 7 Aermont corporate investments in 2023 were active in the high impact climate sector "Real Estate" (1 being classed as Hospitality). Energy consumption intensity (unweighted) for these investee companies was 0.17 GWh per million EUR of revenue. Expressed as a weighted average based on the size of Aermont's investment in the investee company relative to all investments in high impact climate sectors, energy consumption intensity was **0.17 GWh per million EUR of revenue.**	Aermont's stewardship approach includes engagement and information sharing to encourage investee companies to develop and progress their ESG strategy and improve energy performance.
BIODIVERSITY	07 | **Activities negatively affecting biodiversity-sensitive areas**	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%	0%	No negative impacts on biodiversity have been reported across the portfolio during 2023. Three investee companies hold sites located adjacent or near to biodiversity sensitive areas. These comprise two housebuilders who have one and two development sites respectively, and Pinewood where one of two operational sites is located adjacent to a biodiversity sensitive area. No negative biodiversity impacts were noted on these sites.	Aermont aims to investigate impacts and opportunities around biodiversity and the Taskforce for Nature-related Financial Disclosures (TNFD) during the next 12 months, including implications for corporate investments. In relation to the investments with potential to impact biodiversity sensitive areas (noted to the left), processes are in place to mitigate and manage biodiversity impacts.
WATER	08 | **Emissions to water**	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0 Tonnes	0 Tonnes	Aermont's investee companies were not responsible for any emissions to water.	
WASTE	09 | **Hazardous waste and radioactive waste ratio**	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.004 Tonnes	0.004 Tonnes	Aermont's corporate investments generated 0.004 tonnes of hazardous waste per €M revenue (expressed as a weighted average based on the size of Aermont's investment in the investee company relative to enterprise value).	Aermont's stewardship approach includes engagement and information sharing to encourage investee companies to develop and progress their ESG strategy.

Notes (1) Since the previous Annual Report, Aermont has implemented a new sustainability data management system that in some cases uses different emissions factors in calculations..

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES						
ADVERSE SUSTAINABILITY INDICATOR		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
SOCIAL AND EMPLOYEE MATTERS	10 | **Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises**	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	Based on investee company reporting and Aermont's own review of online information, no violations of the UNGC principles or OECD Guidelines for Multinational Enterprises by Aermont's investee companies have been identified.	Aermont's stewardship approach includes engagement and information sharing to encourage investee companies to develop and progress their ESG strategy, including social policies and practices.
	11 | **Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises**	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.8%	2.6%	Based on investee company reporting and Aermont's own review of policies in place, 0.8% of Aermont's corporate investments lack comprehensive processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for ME, although some processes are in place. This indicator is expressed as a weighted average based on the size of Aermont's investment in the investee company relative to enterprise value. This represents 1 out of 7 investee companies.	Aermont's stewardship approach includes engagement and information sharing to encourage investee companies to develop and progress their ESG strategy, including social policies and practices. During 2023, Aermont achieved improvement on this indicator through engagement with investee companies to encourage adoption/updating of appropriate policies. We will continue this trajectory through engagement with new investments.
	12 | **Unadjusted gender pay gap**	Average unadjusted gender pay gap of investee companies	10.6%	21.2%	Data available from 6 of 7 investee companies. The average unadjusted gender pay gap was 10.6% (expressed as a weighted average based the size of Aermont's investment in the investee company relative to the value of Aermont investments where data was available). Several investments reported adjusted gender pay gaps, in accordance with their national reporting requirements, which were lower.	Aermont's stewardship approach includes engagement and information sharing to encourage investee companies to develop and progress their ESG strategy, including social policies and practices, encouraging awareness and action on diversity, equity and inclusion across their businesses.
	13 | **Board gender diversity**	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	18.3%	14.8%	Average ratio of female to male board members was 18.3% (expressed as a weighted average based on the size of Aermont's investment in the investee company relative to the value of all corporate investments). Variance between 2022 and 2023 is due to changes in the portfolio (i.e. one sale and one acquisition of an investee company)	Aermont's stewardship approach includes engagement and information sharing to encourage investee companies to develop and progress their ESG strategy, including social policies and practices, encouraging awareness and action on diversity, equity and inclusion across their businesses.

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INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES						
ADVERSE SUSTAINABILITY INDICATOR		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
SOCIAL AND EMPLOYEE MATTERS	14 | **Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)**	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	Aermont has no investments in companies involved in the manufacture or selling of controversial weapons	Not applicable – Aermont is planning to maintain its current investment strategy.

INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS						
ADVERSE SUSTAINABILITY INDICATOR		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
ENVIRONMENTAL	15 | **GHG Intensity**	GHG intensity of investee countries	n/a	n/a	Aermont had no investments in sovereigns and supranationals during 2023.	Not applicable – Aermont is planning to maintain its current investment strategy.
SOCIAL	16| **Investee countries subject to social violations**	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	n/a	n/a	Aermont had no investments in sovereigns and supranationals during 2023.	Not applicable – Aermont is planning to maintain its current investment strategy.

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INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS						
ADVERSE SUSTAINABILITY INDICATOR		**Metric**	**Impact 2023**	**Impact 2022**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
FOSSIL FUELS	**17 | Exposure to fossil fuels through real estate assets**	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	**0%**	**0%**	Aermont has no investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	Not applicable – Aermont is planning to maintain its current investment strategy.
ENERGY EFFICIENCY	**18 | Exposure to energy inefficient real estate assets**	Share of investments in energy-inefficient real estate assets	**22.1%**	**18.8%**	Aermont's real estate investments held during 2023 included assets constructed prior to 31.12.2020 in Germany where no letter classification is available as part of the Energy Performance Certificate, per German regulatory practice for commercial real estate assets. These assets, comprising 33.2% of the standing/operational asset portfolio, have been excluded from the calculation of energy efficient assets. Of the eligible and assessable portfolio, 22.1% of assets (by Fund owned GAV) have EPCs graded C or below. This is comprised of 4 assets, including one asset where major refurbishment works are due to commence in 2024/5. In 2022, 18.8% (by Fund owned GAV) had EPCs graded C or below (which comprised 7 assets).	Aermont's approach to real estate investments includes the assessment of climate-related transition risk to identify energy inefficient assets not in line with minimum energy efficiency standards, and therefore subject to stranding risk. One investment, classified as a standing investment in 2023, is currently preparing for major refurbishment works. The majority of our operational assets have been subject to technical assessments and BREEAM in Use certifications to plan and execute improvement works to building fabric and systems and to optimise management of the assets. Three cinema assets improved EPCs to B or above as a result of retrofit works during 2022/3. A further asset (cinema) is currently subject to works that are expected to improve energy performance and EPC level. In 2021, Aermont set carbon targets across four dimensions to better reflect the nature of our investments and our ambition to implement positive and lasting change. 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. 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.

OTHER INDICATORS FOR PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS		
DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS	**Article 7** Description of policies to identify and prioritise principal adverse impacts of investment decisions on sustainability factors 1a. Policies to identify and prioritise principal adverse impacts on sustainability factors and approval dates Aermont's ESG Policy is the key document defining our approach to environmental, social and governance issues. It addresses material ESG issues and refers to various targeted policies and documentation which provide detailed implementation guidance. 1b. Allocation of responsibility for the implementation of those policies The ESG Policy is overseen by the Chief Sustainability Officer, Camilla Mathews, and is signed off by the ESG Risk Committee. Reflecting the fast-changing nature of the regulatory environment and ESG best practice, we conduct regular reviews of the policy and its implementation. Aermont's ESG Risk Committee was established in 2019 as the governance body addressing ESG considerations across the organisation, including ESG risks and opportunities. The forum meets quarterly and is comprised of two Partners, the Chief Sustainability Officer, the Risk Manager, a Conducting Officer of the Manager, also part of the Investment Control Council, and our external ESG consultant. 1c. Methodologies to select, identify and assess principle adverse impacts Aermont identifies, prioritises, and seeks to mitigate the PASI with respect to the Funds and shall determine which PASI should be prioritised in terms of mitigation efforts. When prioritising PASI, consideration may be given to various factors, such as the: • scope of the PASI (i.e. the reach of the effects of the impact); • severity of the PASI (i.e. the gravity of the impact); • probability of the PASI (i.e. the likelihood of occurrence); and • potentially irremediable character of the PASI (i.e. the ability to restore those affected to a situation the same or equivalent to the situation before the impact). Aermont will review the PASI indicators annually and consider if any changes are required, having regard for any changes to regulatory guidance, market practice or data availability. Aermont will also keep under review its approach to prioritisation of the PASI indicators. 1d. Margin of error: All data is subject to third party validation and errors and outliers are verified through correspondence with the relevant data sources. Anticipated margins of error vary based on data source and are expected to be 5-10%. 1e. Data Sources: Data was obtained from investee companies and real estate assets throughout the reporting year using proprietary reporting templates, from end of year public and investor reporting, as part of engagement activities with ESG and/or management teams of investee companies and from third party property managers. Aermont's investee companies are at varying stages of maturity with regards to ESG reporting and the following limitations to data collection were encountered: • Scope 3 emissions data was available from 6 out of 7 investee companies, the exception being one acquisition made in 2H 2023. Aermont's stewardship approach includes engagement and information sharing to encourage investee companies to develop their ESG strategy and improve measurement and reporting with the goal of preparing reporting on all GHG scopes. Three companies reported Scope 3 emissions for the first time for the 2023 reporting year, improving on emissions reporting coverage for the previous reporting year. • Gender pay gap data was available from 6 out of 7 investee companies, • Data for workdays lost in 2023 due to injuries, accidents, fatalities or illness was not available from one investee company, an acquisition made in 2H 2023. • The majority of Aermont's investee companies are private companies and the opportunity for additional research is limited (i.e. limiting relevance of third party data sources). Since the previous Annual Report, Aermont has implemented a new sustainability data management system that in some cases uses different emissions factors in calculations.	[Information referred to in Article 7]

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OTHER INDICATORS FOR PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS		
ENGAGEMENT POLICIES	**Article 8** Aermont seeks to enhance the environmental and social performance of the Funds' investments by engaging with key stakeholders such as property managers, tenants, suppliers, communities, employees. For development and redevelopment projects, business plans will be informed by the Aermont ESG Development Brief, which sets out Aermont's high level ambitions and expectations for such projects. The Investment Team (including the Chief Sustainability Officer) will work with various stakeholders and teams to agree the adoption of the ESG Development Brief as appropriate for the project type and location. For Aermont's fully operational assets or standing investments, Aermont engages with stakeholders, including third-party service providers, to monitor environmental and social performance and pursue measures to achieve performance improvements. This includes, but is not limited to, engagement on energy consumption, greenhouse gas emissions, energy efficiency and energy-inefficient assets, and exposure to fossil fuels through real estate assets. For corporate investments, to promote the inclusion of ESG aspects in the management of real estate related companies and platforms the Funds invest in, Aermont will engage with the respective ESG/operations teams and/or management, encouraging the adoption of relevant local environmental and social initiatives. This includes, but is not limited to mandatory and voluntary PASI indicators such as greenhouse gas emissions and policies to reduce emissions, activities in the fossil fuel sector, energy consumption (including renewable energy), biodiversity impacts, emissions to water, waste generation (including hazardous waste), violations (and policies to monitor violations) of the UNGC principles and OECD Guidelines for Multinational Enterprises, gender pay gap, gender diversity of the board or senior governing body, exposure to controversial weapons, and health and safety aspects including the rate of accidents and number of workdays lost due to injuries, accidents, fatalities or illness. Data with respect to the PASI indicators will primarily be collected through engagement with property managers and ESG/operations teams and/or management for corporate investments. To the extent that information in relation to the PASI indicators is not readily available, Aermont will use best efforts to obtain it or make reasonable assumptions in keeping with industry good practice. Where there is no demonstrable reduction of principal adverse impacts over more than one reporting period, Aermont will review the engagement targets and activities undertaken and may provide recommendations for appropriate additional support to achieve improvements.	[Information referred to in Article 8]
REFERENCES TO INTERNATIONAL STANDARDS	Aermont is a signatory of the UN Principles of Responsible Investment. We recognise the need for transparency around ESG performance and have been participating in the Global Real Estate Sustainability Benchmark (GRESB) since 2014 to benchmark against a relevant peer group and to demonstrate transparency and performance across ESG dimensions. Aermont is committed to contributing to the Paris Agreement's goal to keep global warming below 1.5 degrees and developing strategies to mitigate the impact of climate change on our investments and business. We refer to the Carbon Risk Real Estate Monitor (CRREM) tool to undertake climate-related transition risk assessments for operational investments (annually from 1 year after acquisition) with reference to the relevant CRREM 1.5 degree decarbonisation pathway. Where appropriate, CRREM pathways with are also used to assess the underlying assets of selected corporate investments. Climate-related risk assessments were conducted with reference to Network for Greening the Financial System (NGFS), International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), and scenarios including RCP2.6 (SSP1), RCP4.5 (SSP2) and RCP8.5 (SSP5) as preparation for TCFD reporting.	[Information referred to in Article 9]
HISTORICAL COMPARISON	Aermont's portfolio of corporate investments was subject to change during 2022 and 2023, with one sale (The Student Hotel, November 2022, Funds II and III) and one acquisition (Pellicano Group, July 2023, Fund V). Several investments made changes to GHG reporting scope and increased completeness of their reporting leading to increases in (weighted) GHG emissions for both location-based and market-based emissions, Carbon Footprint and GHG Intensity/revenue compared to 2022. Energy consumption intensity/revenue and share of non-renewable energy consumption have decreased. Unadjusted Gender Pay Gap shows an improvement over 2022, with additional companies reporting. Board Gender Diversity reporting is now more accurate (reflecting Board level instead of senior management as reported in 2022 for two investments) but has shown a decrease in female representation. For Real Estate, 22.1% of assets (by Fund owned GAV, 4 assets total) have EPCs graded C or below and are thus deemed inefficient. This represents a % increase but an absolute improvement over the 7 assets deemed inefficient in 2022. Three assets have transitioned to an EPC of B or above due to energy efficiency improvement works.	[Information referred to in Article 10]

Table 2 Additional climate and other environment-related indicators

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES			
ADVERSE SUSTAINABILITY IMPACT	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS			
EMISSIONS	04 | Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	9.9%
ENERGY PERFORMANCE	05 | Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source	0.83% Grid electricity 13.23% Natural gas 0.30% Fuel – petrol 0.90% Fuel – diesel <0.01%% Electricity for EVs 0.04% LPG 0.81% Industrial heating oil 1.55% Gas oil / diesel 0.02% Kerosene 14.21% District heating / cooling **31.90% Total non-renewable energy consumption**
INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS			
GREENHOUSE GAS EMISSIONS	17 | GHG emissions	Scope 1 GHG emissions generated by real estate assets	306 Tonnes CO2e
		Scope 2 GHG emissions generated by real estate assets	1,498 Tonnes CO2e
		Scope 3 GHG emissions generated by real estate assets	11,649 Tonnes CO2e*
		Total GHG emissions generated by real estate assets	13,453 Tonnes CO2e
		*Scope 3 emissions relate to energy purchased and used by tenants in operational assets where tenants have full operational control in addition to Scope 3 emissions related to fuel- and energy-related activities. Aermont's portfolio has changed from 2022 with sale and acquisitions of certain assets. Emissions relating to scope 1 and 2 from four assets have been reclassified (from 2022 treatment) as scope 3 due to tenants having full operational control.	

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Table 3 Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS			
ADVERSE SUSTAINABILITY IMPACT	**Adverse impact on sustainability factors (qualitative or quantitative)**	**Metric**	
INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES			
SOCIAL AND EMPLOYEE MATTERS	**02 | Rate of accidents**	Rate of accidents in investee companies expressed as a weighted average	**0.146** accidents per 1,000,000 person hours worked* 1 out of 7 investee companies was not able to report. *weighted average based on the size of Aermont's investment in the investee company relative to enterprise value
	03 | Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	**0.71** workdays lost per €M revenue* *weighted average based on the size of Aermont's investment in the investee company relative to enterprise value
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS			
ADVERSE SUSTAINABILITY IMPACT	**Adverse impact on sustainability factors (qualitative or quantitative)**	**Metric**	
INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS			
SOCIAL	Not applicable	Not applicable	Aermont had no investments in sovereigns and supranationals during 2023.

CONTACTS

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