

(a) Summary

Product: THULE REAL ESTATE FUND

Legal entity identifier: LEI 54930067FJW48TPU0866

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While not pursuing a sustainable investment objective the Sub-Fund is committed to partially make:

- sustainable investments

exceeding the minimum proportions outlined in this annex.

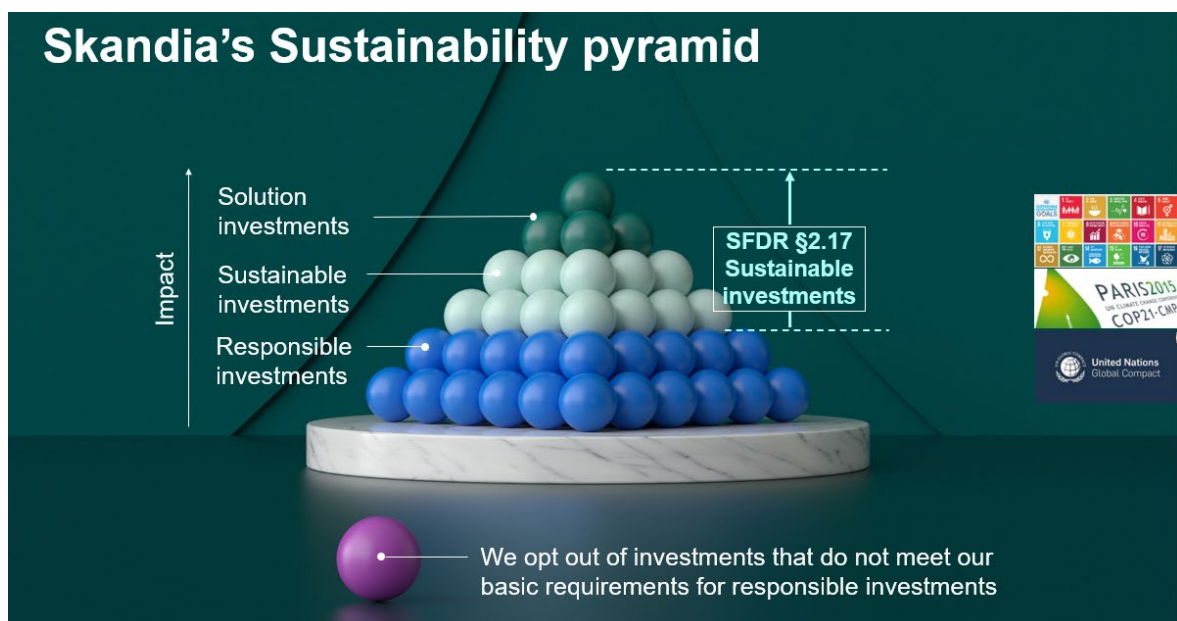
The environmental and/or social characteristics promoted by the Sub-Fund are to provide efficient use of surfaces, energy efficiency and lower carbon footprint developments and building materials by providing exposure to Skandia Fastigheter ("the Company") who works actively to contribute to a sustainable development of the business and the industry.

The Sub-Fund provides exposure to the Company and its directly owned real estate portfolio and project developments. The Company works actively to contribute to a sustainable development of its business and the industry. The Company's impact on the climate, the environment and health depends to a great extent on how the asset management, development projects and urban development are conducted. Efficient use of surfaces, energy efficiency and lower carbon footprint developments and building materials are all key to a more sustainable real estate industry.

It is anticipated that management of the risks and opportunities associated with climate change will protect the value of assets while supporting value creation.

The Sub-Fund will use a proprietary Skandia model called the Sustainability Pyramid that Skandia has developed in order to classify sustainable investments. It aims to explain how the investments we make are distributed based on different levels of sustainability.

Each holding is classified according to one of the three levels based on established definitions and criteria; Responsible investments, Sustainable investments and Solution investments. We define a sustainable investment as an investment that we believe contributes to the UN's Global Sustainability Goals ("UN SDGs") and the Paris Agreement. It includes a subset that we classify as Solution Investments as their focus aims to be solutions to these sustainability goals.



Solution investments: Investments whose focus is aimed at being solutions to the UN's global sustainability goals. Could e.g. be properties certified according to the highest levels within established environmental certification programs (such as Miljöbyggnad and BREEAM).

Sustainable investments: Investment objects that we believe contribute to the UN's global sustainability goals through their products and / or their own operations. Could e.g. be properties certified according to established environmental certification program (such as Miljöbyggnad and BREEAM), and properties with high energy class.

Responsible investments: Our basic requirements for responsible investments include principles and processes based on internationally established sustainability standards and guidelines, such as the UN Global Compact.

(b) No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The sustainable investments that the Sub-Fund intends to make pursue a sustainable investment objective of contributing to UN SDGs. The Sub-Fund will, by providing exposure to the Company's real estate portfolio, contribute positively to the following UN SDGs:

- Good health and well-being; By providing properties with good indoor climate and without any environmental or health hazardous materials. Measured as number of certified buildings, based on the Sweden Green Building Council's established certifications.
- Affordable and clean energy, and Responsible consumption and production; By continuously reduce climate impact and energy use. Measured as CO2e reduction and energy consumption.
- Sustainable cities and communities, and Life on land; By developing living urban environments where people thrive.

To ensure that the Sub-Fund will not cause significant harm to any environmental or social sustainable investment objective, the Company follows the UN Global Compact's ten principles concerning the environment, human rights, working conditions and anti-corruption. The construction and property industries are exposed to increased risks in terms of corruption and the Company therefore has a well-developed anti-corruption work. At the supplier level there are risks in human rights, economic crime and working conditions, the Company thus has well-functioning processes to handle these risks. The Company's operations entails both a large climate impact and energy use and thus actively works to reduce these. The business is also based on the Paris Agreement and has therefore set a long-term climate goal to reduce the Company's emissions of greenhouse gases. In addition, maximum target levels are set for emissions in all major property development projects.

The Company that the Sub-Fund invest in is expected to take responsibility for people and the environment and have good corporate governance. Companies that Skandia invest in should openly and transparently report on their sustainability work and follow the principles of the following frameworks and guidelines:

- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- Task Force on Climate-related Financial Disclosures (TCFD), an international initiative that aims to promote society's climate transition by working to ensure that companies and other actors make clear climate-related financial information about their operations available.

These frameworks and guidelines, in turn, are based on international conventions, including:

- UN Convention on the Children Rights
- United Nations Universal Declaration of Human Rights
- ILO conventions
- Conventions on bribery and corruption
- International environmental conventions

The Company will follow the guidelines and work in line with the conventions, regardless of whether they are aimed at states or individual organizations and regardless of whether the countries where the Company operate are bound by the conventions or have weaker or minor rights legislation in the area.

The indicators set by the regulatory framework are taken into account as follows:

Indicators applicable to investments in real estate assets	
Indicator	How is the indicator taken into account?
1.17. Exposure to fossil fuels through real estate assets <i>Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels</i>	None of the properties in the portfolio are connected to extraction, storage, transport or production of fossil fuels.
1.18. Exposure to energy-insufficient real estate assets <i>Share of investments in energy-insufficient real estate assets</i>	The Company works continuously for increased resource efficiency and environmental considerations in their operations. The Company has set targets to reduce the properties CO2 emissions and energy use and to environmentally certify all buildings.
Additional climate and other environment-related indicators	
2.18. GHG emissions <i>Scope 1,2 and 3</i> 2.19. Energy consumption intensity <i>Energy consumption in GWh of owned real estate assets per square meter</i>	The Company works continuously for increased resource efficiency and environmental considerations in their operations. The Company has set targets to reduce the properties CO2 emissions and energy use and to environmentally certify all buildings.

(c) Environmental or social characteristics of the financial product

The Sub-Fund's environmentally sustainable investments contribute to the following environmental objectives defined in the EU taxonomy for environmentally sustainable activities: climate change mitigation and adaptation.

(d) Investment strategy

The purpose of the Sub-Fund is to provide investors with an exposure to the performance of a diversified portfolio of real estate properties located in Sweden, held by subsidiaries of the Company.

The Company's strategy is that project development and value creation must be carried out with low climate impact in line with the Paris Agreement and contribute to reducing climate risks. The strategy also means that products and offers should contribute to resource efficiency and to reduce the Company's and customers climate impact. To reduce greenhouse gas emissions from the use of materials is conservation, reuse and choosing new materials with care important components of the strategy.

The binding elements of the investment strategy used to select the investments to achieve the E/S characteristics promoted are the following:

- Reduction of emissions of greenhouse gases in relation to the rental income of the Company's real estate portfolio
- Reduction in energy use in relation to the area of the Company's real estate portfolio
- Percentage of certified buildings within the Company's real estate portfolio

- Percentage of investments that are classified as “Repsonsible investments”, “Sustainable investments”, and “Solution investments” according to the proprietary Skandia model, where: “Sustainable investments”: Contribute to either UN SDG 3 – Good health and well-being, UN SDG 7 – Affordable and clean energy, or UN SDG 11 – Sustainable cities and communities.

(e) Proportion of investments

The Sub-Fund will invests at least 95% of its Subscriptions in companies that qualify as aligned with E/S.

The Sub-Fund will not invest any of its subscriptions in the category (#2 Other). Further, the Sub-Fund will invest a minimum 15% of its Subscriptions in sustainable investments with environmental objectives. The Sub-Fund’s ambition is to increase the share of sustainable investments and solution investments over time (above the 15% outlined in this annex), where the level is affected by developments in the financial markets and available investable stock.

(f) Monitoring of environmental or social characteristics

The Sub-Fund considers ESG criteria both pre investing and during post-investment monitoring and the Company works continuously for increased resource efficiency and environmental considerations in their operations. The Company has set targets to reduce the properties’ CO2 emissions and energy use and to environmentally certify all buildings.

More information on principal adverse impacts on sustainability factors is available in the periodic reporting of the Sub-Fund pursuant to Article 11(2) of the SFDR. This report will be found in an annex to the annual report.

(g) Methodologies

The Sub-Fund applies a documented investment and sustainability process, as described in the previous sections. We analyze the sustainability level of the Company, based on our own sustainability analysis and potential data from external analysis providers. The results are reported as part of the Sub-Fund’s reporting process.

(h) Data sources and processing

The Company is analyzed with regard to internally produced sustainability analysis and based on data from the Company and potentially external analysis providers, to ensure that the holdings follow the set out sustainability criteria. Both internal and potential external sustainability analysis are loaded into an internal database to facilitate data management, follow-up and reporting. In cases where reliable sustainability data is lacking, an estimate is made by Investment Manager with input from Skandia’s ESG team. In some cases, we believe that it is not possible to make a qualified estimate, which will then be clearly stated. For example, this applies to some of the regulations’ established negative consequences for sustainability factors (PAI). The sustainability parameters are measured regularly and the results are reported at least annually.

(i) Limitations to methodologies and data

In some cases, there may be a delay in the reporting of sustainability and portfolio data by the Company, analysis providers and external managers, which means that the information on which we base our assessments may have changed. Furthermore, the possibility of detailed analysis of underlying holdings can be limited for unlisted assets.

However, our assessment is that the sustainability information we report is accurate and based on qualified trade-offs.

(j) Due diligence

We analyze the sustainability level by using a proprietary Skandia model, as described earlier in this material. The model is based on internally produced sustainability analysis and on data from external analysis providers. The analysis and selection of indicators are adapted according to type of investmen and taking into account the sustainability risks that are material to the Company’s operations. We refrain from investing in companies/investment objects that do not meet our sustainability criteria.

(k) Engagement policies

The Investment Manager will look to actively engage with the Company to encourage management of identified risks and opportunities related to sustainability factors and to ensure that the Company follow good governance practice.

The aim is to always to influence the Company, to remedy any shortcomings in sustainability work and improve its preventive work with environmental, social aspects, business ethics and corporate governance. In addition, we encourages the Company to strengthen and increase transparency in their reporting so that investors can base their analysis and decisions on adequate and accurate information.

The Investment Manager is represented on the Company board and approves all policies and procedures applicable for the Company.

(I) Designated reference benchmark

The Sub-Fund does not apply any index as a reference value for the environmental or social characteristics that the financial product promotes.