

Fiera Real Estate Europe

Corporate ESG Update H1 2023

FRE to be NZC by 2035 across scopes 1, 2 & 3

2035

CORPORATE NZC TARGET SET

2030
Business Emissions,
Value Add funds

2035
Real Estate Debt, Long Income,
Seg Mandates

“The journey to NZC is about identifying and delivering on ambitious but realistic and economically viable goals. In setting our target for 2035 we are building on a strong and established base and are proud to be 15 years ahead of the Paris Agreement and UK Government targets.”



Jessica Pilz
Head of Sustainable
Investing, Private Markets

Article 8 European Debt Fund Launch

The pan-European Fund is targeting 10%+ Net IRR¹ for investors and capitalises on the dislocation within the commercial real estate debt market by providing bilaterally originated, senior secured real estate debt to institutional grade sponsors.

The Fund has a strong ESG focus which:

- > Complies with the requirements of Article 8 under SFDR and promotes environmental and social characteristics through its approach to lending
- > Is committed to achieving NZC by 2035
- > Has a proprietary, market-leading Sustainable Lending Framework, which is used in the Fund's due diligence process

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Proprietary ESG Dashboard



SCOPES
1, 2 & 3

Following the successful launch of our ESG dashboard for our Long Income Fund, we have now expanded it to cover our FRE UK emissions data across scopes 1, 2 & 3.

The expanded version of the dashboard will enable us to visualise, monitor and analyse our performance against our NZC targets, as well as provide more detailed reporting to stakeholders across all our business activities.

1. Target returns are not guaranteed. Inherent in any investment is the potential for loss.

New Offsetting Policy



Carbon offsetting has an integral role to play in the transition to NZC. Once emissions are reduced as much as possible through efficiency measures, material selection, new technologies as well as other such initiatives, the residual emissions still need to be offset in order to reach net zero. There are currently concerns in the market around the role of offsetting and how to ensure that it is used purposefully to avoid greenwashing claims. To address these concerns, we have been working with the Savills Earth team to finalise a new policy which outlines our approach to carbon offsetting.

The strategy follows industry best practice, as well as national guidance, and is focused on nature-based carbon removals through:



AFFORESTATION AND REFORESTATION | PEATLAND RESTORATION | SOIL CARBON SEQUESTRATION

Giving Back to Communities

We are dedicated to giving back to the communities in which we live, work and invest, to create a positive long-lasting impact. Due to our work with Grace Academy School in Coventry we won the Community Engagement Award at the Planet Mark Awards 2023. We provided enough funding for a new library, science and sports equipment, as well as launching an additional educational support and future careers program.

Winner of the Planet Mark
Community Engagement Award

£600,000

raised for UK charities in 2022



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Long Income Fund's Journey to NZC

2021 Like-for-like emissions
8,329,220 kgCO_{2e}

2022 Like-for-like emissions
7,413,507 kgCO_{2e}

Percentage Change
-11%

Since setting a NZC target of 2035 for our Long Income Fund we have been actively implementing our decarbonisation strategy:

- > NZC audits have been completed for seven sites, with a further six audits already instructed for this year. When these have been completed, we will have NZC audits for over 70% of the portfolio by emissions.
- > We are in discussions with tenants at five assets to install rooftop solar PV systems.
- > Biodiversity plans have been instructed for six assets.
- > Natural gas supply has been removed from one asset.
- > EPC B reports have been completed for one asset, instructed for a further four, and one rating has been improved to a 'B' rating.
- > Quarterly energy data has been integrated into investor reporting.

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