

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Cityforward Fund (the Fund)

Legal entity identifier: BE0784472652

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: ___%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 100% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

Cityforward is an urban transformational fund focused on promoting the climate change mitigation environmental objective and endeavours to make a positive social impact where possible.

The key areas it addresses are:

- **Bridge to Net Zero.** Reducing the emissions associated with its assets through major renovations or energetic upgrades.
- **Embodied Carbon.** Limiting the embodied carbon impact associated with any major renovations.
- **Cities of tomorrow.** Creating or enhancing accessible space for the residents, corporate tenants, the neighbours and occasional visitors.
- **Transparency.** Commitment to disclosure and report on progress to support the market transition towards a sustainable future.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics of the Fund:

Bridge to Net Zero

1. The carbon use intensity (CO₂e/m²/yr) of an asset is calculated after any major renovations or energetic upgrades
2. Primary Energy Demand achieved during major renovations will be reported off the Energy Performance Certificates.

Embodied Carbon

3. The global warming potential (GWP) of each major renovation project will be calculated through a Life Cycle Assessment.

Cities of tomorrow

4. The Gross Floor Area (m²) of publicly accessible areas added or enhanced during major renovation projects.
5. The amount of charging points (bikes and cars) and spaces (for bicycle parking) added during active ownership
6. The percentage of affordable housing against market price housing created during major renovation projects across the portfolio

7. The number and type of meetings and activities lead by Whitewood per quarter with stakeholders to ensure views and continuous engagement is made during major renovations projects

Transparency

8. Achievement of BREEAM excellent as a minimum (or similar) for the non-residential portfolio
9. Commitment to be a GRESB participant and to track score (from 2025 onwards).

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The strategic objective of the Cityforward fund taken during each renovation, is to work towards alignment with the EU Taxonomy criteria (specifically the substantial contribution and the do not significant harm criteria as set out by the EU Taxonomy Regulation). It does this through promoting climate change mitigation by improving the energy efficiency of a building and reducing its carbon emissions.

For major renovations, Cityforward ensures the impact made through its activities is minimised by taking into consideration the GWP of the materials it uses and aligning, as much as feasibly possible, to the EU Taxonomy criteria. If an asset does not require a major renovation, Cityforward continues to look for opportunities to improve the energy use intensity of a building through “energetic upgrades” (fit outs, equipment upgrades, installations) to improve the performance of each asset, again with the ambition of meeting the EU Taxonomy climate change mitigation criteria.

The fund endeavours to promote social objectives too by enhancing the liveability and accessibility of space. A key action which Cityforward undertakes as part of any major renovation is engagement with the local community. It recognizes this activity as vital to understanding how social value can best be created during the urban transformational projects it invests in. This activity helps to inform how Cityforward can add to or enhance the space within the buildings. Cityforward also looks to increase the amount of affordable housing where possible, and the space for sustainable transport options for the users of the buildings. Finally, Cityforward wants to ensure that it creates high quality, healthy internal environments for its users so uses the WELL Building Standard as a guiding framework in its redesign and transformation of space.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

To safeguard and ensure no significant harm to the sustainability of investments is made by the fund, rigorous monitoring is conducted across various adverse impact indicators relevant to real estate assets.

--- How have the indicators for adverse impacts on sustainability factors been taken into account?

The adverse impacts on sustainability factors which are taken into account are:

1. Exposure to fossil fuels through real estate assets – the fund will monitor exposure to buildings dedicated to the extraction, storage, transport or manufacture of fossil fuels.
2. Exposure to energy-inefficient real estate assets – the fund will monitor the Energy Performance Certificate (“EPC”) rating.
3. Greenhouse gas emissions (GHG) – the fund will monitor the emissions associated with the portfolio during operation.
4. Energy consumption intensity - the fund will monitor GWh per m2 associated with the portfolio during operation.
5. Resource consumption – the fund will monitor the amount of raw material in relation to the total amount of building materials (in weight) used in each major renovation.

--- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable as the fund intends to invest solely in real estate assets.

Does this financial product consider principal adverse impacts on sustainability factors?

Yes,

No

The SFDR has defined the principal adverse impacts of real estate in the form of environmental indicators. The two mandatory adverse impacts are exposure to fossil fuel activities and energy inefficiency. In addition, carbon emissions, energy intensity and resource consumption of the fund will be tracked and reported.

1. Exposure to fossil fuels through real estate assets.

- This indicator is measured in terms of the share of real estate investments involved in the extraction, storage, transport, or manufacture of fossil fuels.

2. Exposure to energy-inefficient real estate assets.

- The fund will monitor the Energy Performance Certificate (“EPC”) rating of buildings built before and after 31/12/2020.

3. Greenhouse gas emissions.

- The emissions of the operational portfolio will be reported.

4. Energy consumption intensity.

- Cityforward will monitor the energy use intensity of its operational portfolio, which is measured as kWh of owned real estate assets per square meter.

5. Resource consumption

- Cityforward is committed to reducing its impact during its major renovation projects. It will measure the total amount of raw building materials against the total weight of building materials used in new construction and major renovations.

What investment strategy does this financial product follow?

Cityforward's investment strategy is to acquire, renovate and reposition predominately office assets in Europe to provide high quality spaces which positively impact the "urban transformation" of a place. Working collaboratively with the urban vision of a city, urban transformation for Cityforward means being able to renovate and revive a building rather than demolishing it in order to contribute positively to climate change mitigation.

During the acquisition process certain environmental and social characteristics are taken into account:

- Buildings are selected based on series of external factors in relation to the urban vision of the city in which it is located.
- A number of red flags (aligned with planning requirements) are taken into consideration in investment proposals
- Each non-residential asset is selected on the feasibility of being able to renovate it to a BREEAM excellent certification as a minimum (or similar)

During the renovation phase:

- In order to promote to climate change mitigation the carbon use intensity and the Primary Energy Demand associated with each asset is calculated
- Each major renovation project must undergo a Life Cycle Assessment to understand the Global Warming Potential of the materials used. It's a key focus for the Cityforward fund that investments are made to reduce the embodied carbon impacts through renovation.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The investment strategy behind urban transformation of assets has specific binding elements, as referenced above but in summary:

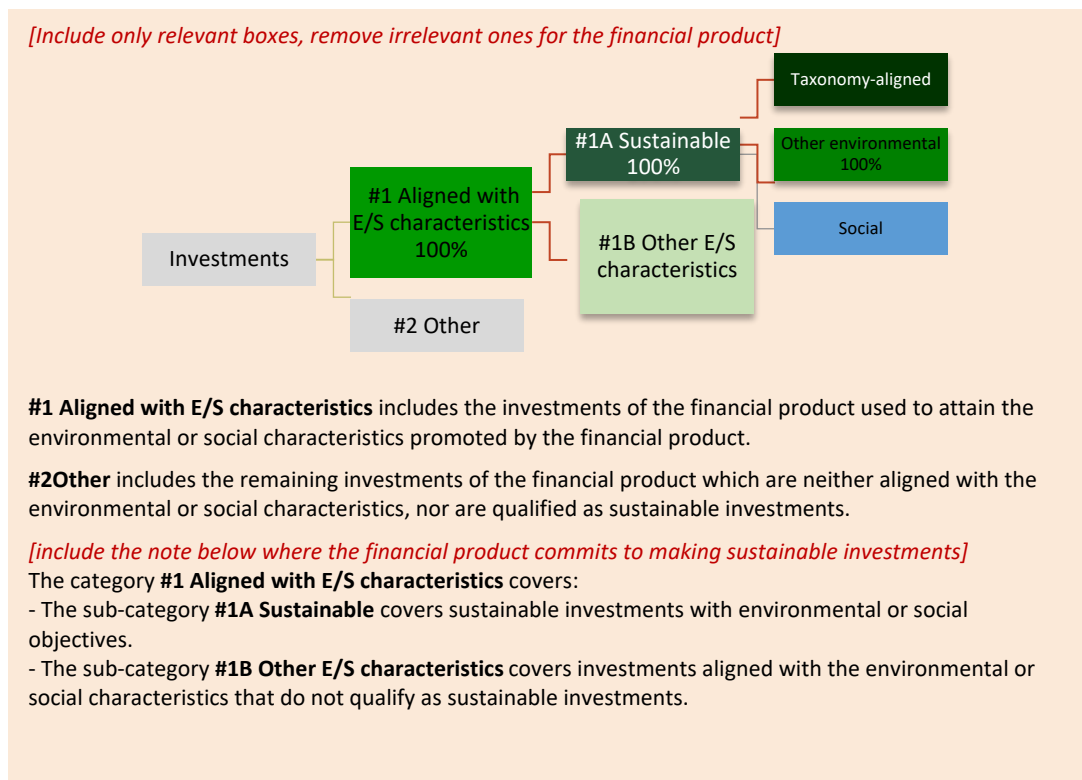
1. It must be feasible to renovate each asset rather than demolishing it
2. Each non-residential asset acquired must have the feasibility to be renovated to a BREEAM excellent certification as a minimum (or similar)

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable

- **What is the policy to assess good governance practices of the investee companies?**

Not applicable



What is the asset allocation planned for this financial product?

The funds asset allocation is 100% in real estate assets

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

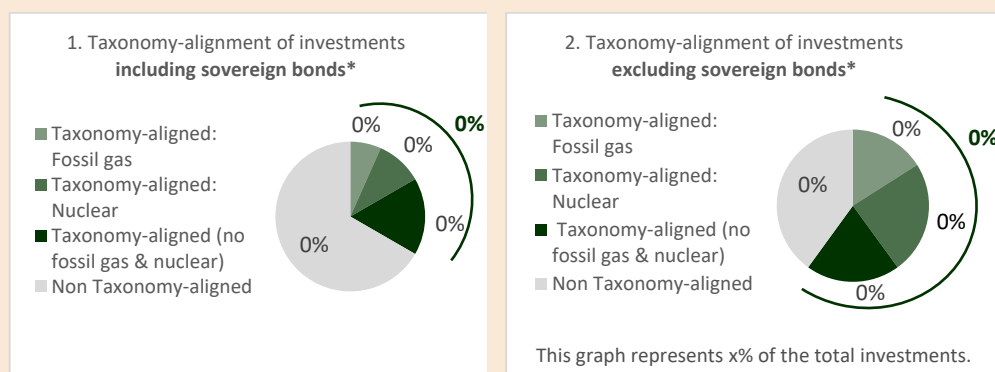
Yes: *[specify below, and details in the graphs of the box]*

In fossil gas In nuclear energy

No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

[only include in the graphs the figures for Taxonomy aligned fossil gas and/or nuclear energy as well as the corresponding legend and the explanatory text in the left hand margin if the financial product makes investments in fossil gas and/or nuclear energy]



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

100%

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of socially sustainable investments?

There is no dedicated minimum share of socially sustainable investments however the investments made to meet the environmental objective endeavour to promote social objectives identified too.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Not applicable

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

- *How does the designated index differ from a relevant broad market index?*

- *Where can the methodology used for the calculation of the designated index be found?*

Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://whitewood.eu/fund-investment-management/>