

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

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Vivada Investments Fund B.V.

Legal entity identifier:

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

| Yes <input checked="" type="radio"/> | | No <input checked="" type="radio"/> | |
|--|---|--|---|
| <input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____% | <input type="checkbox"/> 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 ____ % of sustainable investments | <input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____% | <input type="checkbox"/> 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 ____ % of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy | <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ____% | <input type="checkbox"/> with a social objective | <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments | <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments |

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



The Fund promotes both environmental and social characteristics. More specific it promotes the environmental characteristics *climate change mitigation* by reducing energy consumption and thus carbon emissions.

The social characteristics promoted is enhancing social value for the tenants and community around it.

No reference benchmark has been designated.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

The Fund uses the following sustainability indicators to measure the environmental and social characteristics:

- % of green energy labels (A-C)
- % of assets (landlord controlled areas) powered by green energy
- Number of solar panels installed
- % of MFH assets with an AED Installation

● ***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?***

N/A this will be updated pending the development of the EU regulations and technical standards.

● ***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?***

N/A this will be updated pending the development of the EU regulations and technical standards.

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

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

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



The EU Taxonomy sets out a 'do not significant harm' principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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

- ☐ Yes
- ☒ No, currently the Fund doesn't take PAI's into account. If more PAI-date becomes available in the future, against reasonable costs the fund manager will investigate whether PAI are taken into account.

What investment strategy does this financial product follow?

Orange Capital Partners (OCP) is a Dutch fund manager, the company manage investments and assets on behalf of investors.

The strategy of the Fund is to ensure long term value is created on its underlying assets. This means to protect and retain asset value by enhancing the quality and sustainability of its assets. To achieve this strategy the Fund manager focus on improving the sustainability of the assets and creating social value for the tenants and the communities in the surrounding areas of our assets.

Our social and sustainability activities are integrated throughout the investment and asset management lifecycle, it is already reviewed and considered during the investment decision making period. Throughout the asset holding period we periodically review the sustainability and social initiatives and determine whether additional action needs to be taken.

We firmly believe that in order to retain value on investments, the sustainability risks need to be managed accordingly. We determine the exposure to physical climate risk (such as flooding, heat stress, severe weather events etc.) and climate transition risk (regulatory risk, stranded asset risk etc.). These risks are assessed during the investment acquisition period and existing portfolios. Based on the risk assessment risk mitigating activities are identified.

Acquisition's phase

The Fund Manager has integrated sustainability risks as part of its investment decision-making and risk monitoring process. During the due diligence phase of potential investments, the Fund Manager assesses the sustainability risks (physical and transition risk) to ensure the investment plan includes mitigating activities.

Should there be any indication of a sustainability risk, with the due diligence activities, a more in-depth assessment will be performed, to determine additional risk mitigating activities or exit the transaction/investment. Depending on the nature of the particular investment, the Fund Manager may retain legal, financial and/or environmental consultants to assist it with its due diligence and portfolio monitoring.

Secondly, the Fund Manager determines whether the proposed investment aligns with its ESG strategy and the environmental and social characteristics promoted by the Fund. The Fund has set ESG-targets to meet these characteristics. During the investment process, the investment and underlying assets are assessed to determine whether it aligns with the targets or incorporate in the investment plan the activities/sustainability initiatives that need to be taken to ensure it meets the targets.

The Investment committee carefully assesses the investment opportunity from a risk and opportunity perspective to ensure that a fair decision is being made to ensure good investments are being made, which contributes to, and align with the ESG strategy and characteristics.

Holding period / Asset Management process

During the portfolio management and asset management period, the sustainability initiatives as identified during the acquisition phase are being implemented. The Fund Manager assesses the asset management plan for all assets on an annual basis and incorporates sustainable asset management initiatives in the plan to ensure it aligns with the sustainability strategy and the underlying targets. To meet the ESG strategy and sufficiently embody the characteristics the Fund promotes, existing assets are assessed on a continuous basis to ensure that the defined targets are being met.

Throughout the holding period, the assets are reviewed for physical and stranded asset risk to determine appropriate action to take to retain value for investors.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- ***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 Fund has the following binding elements:

- 85% green energy labels (A-C) by 2030
- 100% assets (landlord controlled areas) powered by green energy by 2030
- the installation of over 15.000 solar panels by 2030
- the installation of AED devices at 100% of MFH assets by 2025

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

No minimum rate is pre-determined.

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

Not applicable, the fund does not invest in investee companies, only in direct real estate.

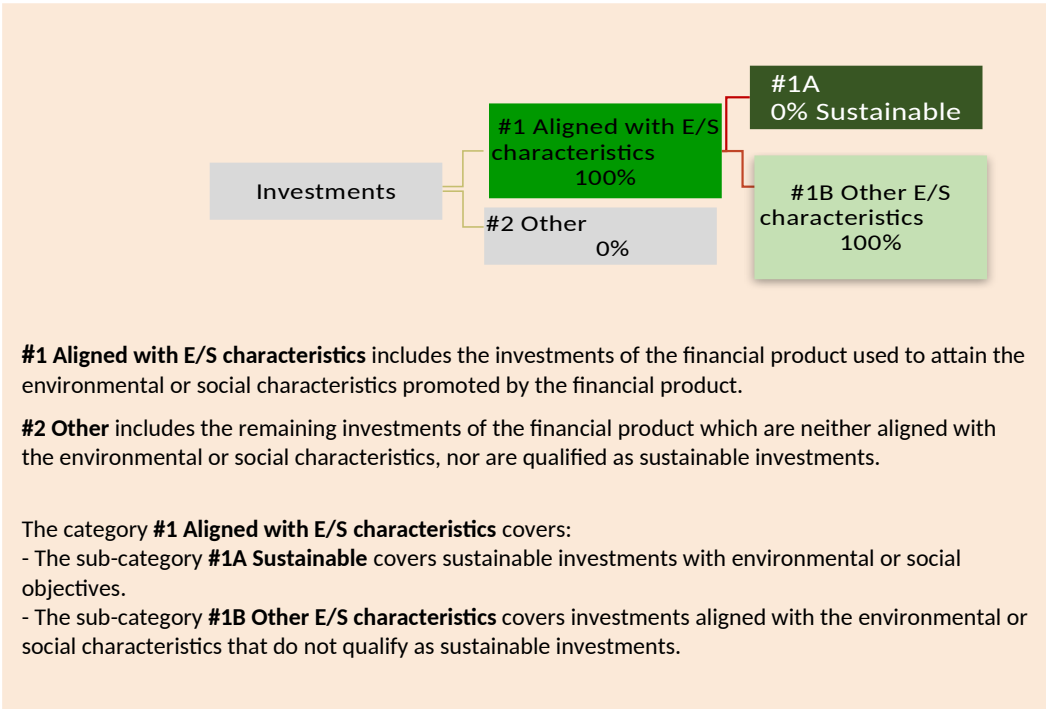


What is the asset allocation planned for this financial product?

The Fund invests 100% in direct real estate. All of the investments are aligned with the environmental and social characteristics promoted by the fund.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



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

Not applicable, since the Fund doesn't make use of derivatives.



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

Asset allocation describes the share of investments in specific assets.

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

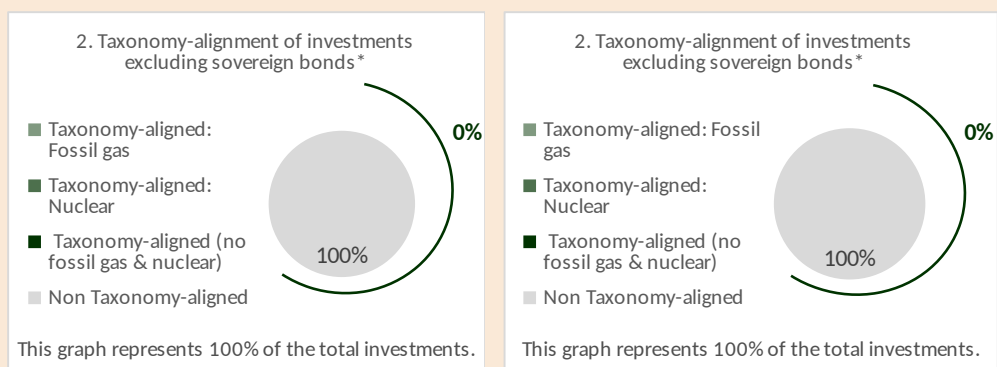
☐ Yes:

☐ In fossil gas
 ☐ In nuclear energy

☒ No

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.

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.



* 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?

0%



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

0%



What is the minimum share of socially sustainable investments?

0%



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

N/A



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?

There is no designated reference benchmark to determine the alignment with the environmental or social characteristics.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

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

<https://orangecapitalpartners.nl/governance>