

Product name: Fokus Norway Balanced Property Fund AS

Legal entity identifier: 213800JCZZOQF5VWEZ46

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 0 % 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**

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

The fund primarily promote the following environmental and/or social characteristics, which investments in the real estate assets may be characterised by:

- Reduced level of energy consumption
- High level of energy efficiency
- Level of water consumption
- Waste handling
- Climate risk and vulnerability assessments and adaption solutions
- Tenant satisfaction

No investment in real estate is exposed to extraction, storage, transport or manufacture of fossil fuel.

No reference benchmark has been designated.

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

The sustainability indicators to measure the attainment of the environmental characteristics promoted by the fund are:

- Energy consumption (reduced consumption kWh/m2),
- The levels of energy efficiency (Energy Performance Certificate A or B),
- Water consumption (reduced consumption in litre/m2),
- Waste handling covered by a waste recovery or recycling contract,
- Climate risk and vulnerability assessment in accordance with Annex A of the technical screenings criteria,
- Implementation of adaption solutions as per the climate risk and vulnerability assessment, and
- Ensure that building are not exposed to extraction, storage, transport, or manufacture of fossil fuels

The sustainability indicator used to measure social characteristics by the fund is tenant satisfaction (increase in net promoter score).

Furthermore, green building certifications (BREEAM) and peer group scoring (GRESB) are used to measure the qualitative and quantitative quality of the investment.

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

In addition to the above, the manager will consider site-specific factors such as opportunities within energy and water consumption, waste handling and flood risk as well as regional and global factors including long term climate impacts and technological change.

● **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 fund promotes environmental and social characteristics and does not commit to make any sustainable investments.

● **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?**

The fund promotes environmental and social characteristics, but does not commit to make sustainable investments.

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

Adverse indicators on sustainability factors are not taken into consideration.

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

The manager will seek to ensure that the fund only make investments in assets/companies that follow good governance practices in accordance with SFDR art. 8 (1). The assessment of good governance practices is based on policies and procedures designed to ensure adequate ongoing monitoring of sound management structures, labor relations, remuneration of staff and tax compliance of investee companies. The fund invests exclusively in real estate through investments in companies whose sole activity is the ownership of the underlying rental property or properties. No guarantee can be made that these investments will be aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principle on Business and Human Rights.

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



What investment strategy does this financial product follow?

The fund's investment objective is to construct and manage a diversified portfolio of assets in order to deliver a core return, while taking advantage of opportunities to improve income levels and capital values where they arise, as further set out in the regulatory information memorandum ("RIM") of the fund as well as the Shareholders Agreement ("SHA") for the fund.

The AIFM shall comply with the AIFM's Sustainability Policy when managing the Fund. Sustainability risks are incorporated and considered in the due diligence process of the AIFM, as well as when following up the investments during the Fund's ownership period. At the same time, the AIFM considers sustainability opportunities that are material to the real estate investments of the Fund.

Every asset held must have a specific sustainability action plan within 12 months of acquisition, with the aim of managing material sustainability issues and maximizing sustainability opportunities.

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

The manager will comply with its sustainability policy when managing the fund.

The fund will only invest in real estate that is not exposed to extraction, storage, transport, or manufacture of fossil fuels.

Asset selection is impacted by both bottom-up and top-down factors. Every asset held must have a specific sustainability action plan within 12 months of acquisition, with the aim of managing material sustainability issues and maximizing sustainability opportunities.

● **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 manager and the fund is bound by the investment strategy/objective as set out in the RIM, the SHA and this template.

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

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

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

The assessment of good governance practices is based on policies and procedures designed to ensure adequate ongoing monitoring of sound management structures, labor relations, remuneration of staff and tax compliance of investee companies. The Fund invests exclusively in real estate through investments in companies whose sole activity is the ownership of the underlying rental property or properties.

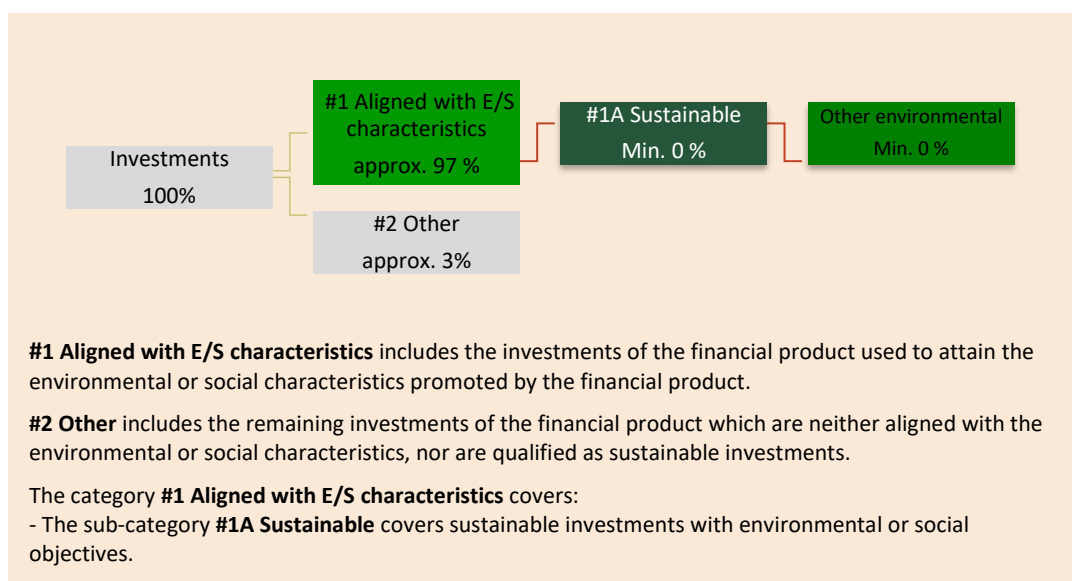


What is the asset allocation planned for this financial product?

The manager will follow the investment strategy in the RIM, the SHA and this template when managing the fund, and integrate sustainability factors and risks in its investment process and decisions as further setout herein. As such, the manager will consider environmental and/or social characteristics for all its investments. The fund does not, however, commit to make any sustainable investments.

The minimum proportion of the investments of the fund used to meet the binding environmental or social characteristics promoted by the fund is approximately 97% calculated on a fully invested basis measured by exposure to extraction, storage, transport or manufacture of fossil fuels. However, this may vary from time to time depending on e.g. liquidity management, sales and acquisitions etc. The remainder will be in cash or other liquid instruments for liquidity management purposes.

There is no intention or commitment for the fund to make environmentally sustainable economic activities in accordance with the EU Taxonomy.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

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

The fund does not use derivatives to achieve the environmental or social characteristics.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

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.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

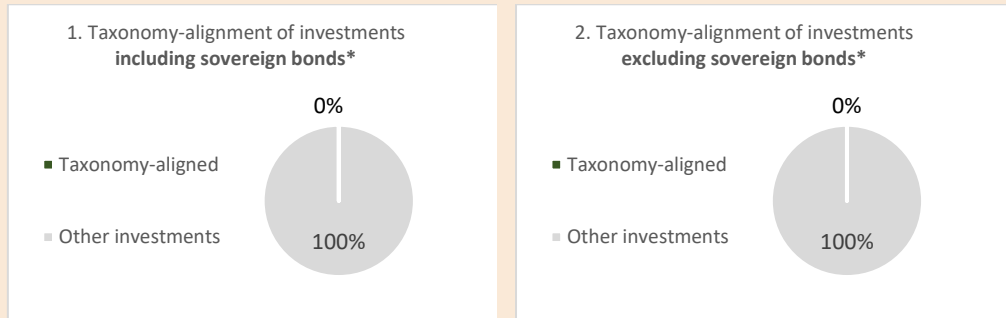
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

Not applicable. The fund does not commit to making any sustainable investments and there is no intention for the fund to make environmentally sustainable economic activities in accordance with the EU Taxonomy, albeit it is not restricted from

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

doing so.

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?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



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

"#2 Other" includes cash or other liquid instruments for liquidity management purposes.



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?

No index is designated as a reference benchmark.

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

Not applicable.

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

Not applicable.

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

Not applicable.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

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

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

Not applicable.



Where can I find more product specific information online?

Product specific information can be found on the website: [Microsoft Word - Website disclosures DEAS Norway Balanced Property Fund AS \(version 1.0\) final](#)