

# Environmental policy

## Overview

Cibus is driven by the conviction that the company, in its decisions on the property portfolio, can contribute to a responsible social development. Even if Cibus does not have all decisions regarding its properties due to laws and leases, there are tools the company can use, like who we have as our tenants, which properties we acquire and who we have as suppliers. In the acquisition and management of properties leased to mainly Nordic high-quality grocery retailers, Cibus has the ambition to work so that the company in the best way stimulates sustainable development for tenants and suppliers as well as living in local communities but also for the long-term profit trend for our shareholders. We at Cibus believe that environmental, social and governance matters are essential parts of long-term success and that incorporating ESG-aspects in the investment activity and decision-making processes will help us to continuously improve our practices, to reduce our environmental footprint and improve sustainability.

Social and governance issues are covered thoroughly throughout other sections of the Compliance and Procedures Manual. Therefore, focus on this section is put on environmental sustainability, where the real estate sector in general is in a position to substantially contribute to a positive development. Cibus has set a target to become CO2 neutral by 2030.

## Implementation in operations

Cibus considers ESG-issues in our decision-making process and reporting. On asset-level, the focus is on environmental issues as the real estate sector bears a large energy burden, which is the area where we see substantial improvement potential.

## Acquisition process

In the acquisition process, potential ESG-issues are assessed during the due diligence phase, where a technical and environmental due diligence is performed. In this way, any major issues are addressed early in the acquisition process and can be dealt with prior to the transaction. Based on due diligence findings, an asset with major ESG risks may be excluded from the transaction. On the other hand, poorly managed ESG issues can offer value creation potential through improvements in ESG performance. Any material findings in the due diligence are documented in the investment proposal and dealt with in the purchase agreement where applicable.

## Investment management

External managers, who is responsible for property management, has been included in the environmental management of the assets as well. The usage figures are gathered by outsourcing partners. These are used to analyse the environmental performance of the assets as well as in environmental reporting.

During the period when the assets are owned, any ESG-measures are decided upon case-by-case. As many of the lease agreements are of triple-net nature, the tenant has in many cases a considerable incentive to address any potential ESG-risks at an early stage. We also see potential in finding mutual projects with the tenant in order to consider environmental aspects in the daily operations in the asset.

## Outsourcing partners and suppliers

At Cibus we have a high ambition, and our policy is to prioritize service providers who support Cibus in the strive towards the target to be CO2 neutral by 2030. The Green Procurement Policy is our guidance for outsourcing partners and suppliers.

## Sustainability management

The company’s sustainability initiatives are headed by the management. Nonetheless, all employees take part in different areas of sustainability under management lead.

Sustainability issues are discussed and followed up in the quarterly performance meetings with the property manager. Cibus reports sustainability according to the European Public Real Estate Association (EPRA) Sustainability Performance Measure on a yearly basis in the Annual Report.

## Sustainability objectives

Cibus has set a target to become CO2 neutral by 2030. The objective is furthermore to develop tenant sustainability engagement; interaction, co-operation, communication practices and information sharing.

## Reporting

Cibus promotes transparency in communicating with shareholders, tenants and other stakeholders. A section on sustainability is included in Annual Report. Cibus has set a target to be CO2 neutral by 2030. Achievements towards the target will be also be reported in the Annual Report.

## Stakeholder engagement

Stakeholder engagement takes various forms and occurs in different contexts. We engage with our stakeholders in everyday work, through our communication and reporting activities as well as through specific projects related to our commitment to improve sustainability performance of the portfolio. The primary goal of stakeholder engagement is to build transparent, trust-based relationships. Furthermore, stakeholder involvement and co-operation have an important role in sustainable and effective real estate portfolio management.

Our stakeholders are individuals, groups of individuals and organisations that can affect Cibus’ business operations and/or may be affected by Cibus’ operations, activities and decisions. We identify various internal and external stakeholder groups of which the most important are: employees, tenants, shareholders, industry associations, business partners and service providers.

We strive to meet our stakeholders with high professionalism, respect and in accordance with our Code of Conduct in all our business operations. As stakeholder engagement takes place in various forms and arenas; consequently, the issues appearing from our interaction and engagement with our stakeholders vary by their scope and timely aspect. We engage with our stakeholders in a variety of settings, primary means of engagement are illustrated in the table below.

Stakeholder group	Key means of engagement	Frequency of engagement
<b>Employees</b>	Performance and career reviews	Annually
	Internal communication and meetings	On-going
	Orientation and training	When necessary
<b>Shareholders</b>	Annual General Meeting	Annually
	Formal reporting	Quarterly
	Ad-hoc reporting	When necessary

<b>Tenants</b>	Tenant meetings	Periodically
	Communication	On-going
	Sustainability projects	When necessary
<b>Business partners and service providers (external PM)</b>	Contractual sustainability criteria	On-going
	Sustainability projects	When necessary
	Reporting and feedback	Quarterly
	Participation EPRA	Annually
<b>Industry associations</b>	Active membership	On-going
	Events and seminars	On-going
	Reporting	Annually (EPRA)

## Membership and network

Cibus will continue to take part in European Public Real Estate Association (EPRA) Sustainability Performance Measure where the goal will be to continuously improve.

