

SECTION 1

WEBSITE PRODUCT DISCLOSURE FOR FINANCIAL PRODUCTS THAT PROMOTE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Aviva Investors E-RELI SCSp

Article 24

Sections of website product disclosure for financial products that promote environmental or social characteristics

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For financial products that promote environmental or social characteristics, financial market participants shall publish the information referred to in Article 10(1) of Regulation (EU) EN 32 EN 2019/2088 and Articles 25 to 36 of this Regulation in the following order and made up of all of the following sections titled:

- (a) 'Summary
- (b) 'No sustainable investment objective
- (c) 'Environmental or social characteristics of the financial product
- (d) 'Investment strategy
- (e) 'Proportion of investments
- (f) 'Monitoring of environmental or social characteristics
- (g) 'Methodologies
- (h) 'Data sources and processing
- (i) 'Limitations to methodologies and data
- (j) 'Due diligence
- (k) 'Engagement policies
- (l) where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, 'Designated reference benchmark'

(a) 'Summary'

The investment strategy of the Fund is to secure long-term income streams from a portfolio of real estate investments located in the Continental European Markets where 70% of the rental revenue is expected from investment-grade tenants on long-term leases. In addition to the Aviva Investors Baseline Exclusions Policy detailed above, the Fund will, on a selective basis, seek to acquire assets which are already, or which can be developed or constructed to meet the standards set out in the Aviva Investors Sustainable Design Brief. The Fund Manager intends to manage its assets in line with a net zero pathway, relevant to their location and sector, but does not make a specific net zero commitment. To do this the Fund Manager will assess climate transition risk and impact at the point of origination, and make a balanced decision based on the assessment of any short-term transition costs versus long term transition risks.

This Fund applies the Aviva Investors Baseline Exclusions Policy across all Real Estate Investments, and may, on a selective basis, seek to acquire assets which are already, or which can be developed or constructed to meet the standards set out in the Aviva Investors Sustainable Design Brief (as described further below).

The Fund seeks to promote:

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Through the acquisition and management of assets to meet the standards set out in the Aviva Investors Sustainable Design Brief, the following Environmental characteristics:

- Assessing and where appropriate, reducing carbon emissions
- Assessing and where appropriate, reducing energy intensity

Through the application of its Baseline Exclusions Policy, the following Social characteristics:

- Respect of the UN Global Compact principles
- Respect of Human Rights norms

The Fund assesses sustainability indicators through the due-diligence process on a quarterly basis. The indicators are used to inform asset selection and management which aims to create and protect investment performance, whilst helping to mitigate Sustainability Risk. The Fund selects and manages its real estate assets using the following sustainability indicators:

- Energy Intensity (kWh/m²);
- Absolute GHG emissions (tonnes);
- EPC (or European equivalent) Ratings (A-G);
- Carbon Intensity (CO₂e/€m);
- Overall Climate Value at Risk (%);
- Global Warming Potential (degrees centigrade);
- Physical Risk Exposure (no risk –very high risk);
- Transition Risk Exposure (no risk –very high risk); and
- Fund GRESB Performance (% score vs % sector average score).

The Fund does consider the following four principle adverse impact indicators, which are excluded in accordance with certain revenue thresholds, as defined and detailed in the Aviva Investors Baseline Exclusions Policy and included above

1. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
2. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
3. Exposure to fossil fuels through real estate assets

The Fund itself does not have an explicit emission reduction target or net zero commitment.

We believe being active owners of our assets through engagement with our stakeholders is critical to creating positive environmental and social outcomes for our clients and society. Engagement in real assets can be defined as structured interactions on environmental and social issues with our customers, including borrowers and occupiers, as well as suppliers and the communities we operate in.

(b) 'No sustainable investment objective

This financial product promotes environmental characteristics, but does not have as its objective sustainable investment.

(c) 'Environmental or social characteristics of the financial product

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This Fund applies the Aviva Investors Baseline Exclusions Policy across all Real Estate Investments, and may, on a selective basis, seek to acquire assets which are already, or which can be developed or constructed to meet the standards set out in the Aviva Investors Sustainable Design Brief (as described further below).

The Fund seeks to promote:

Through the acquisition and management of assets to meet the standards set out in the Aviva Investors Sustainable Design Brief, the following Environmental characteristics:

- Assessing and where appropriate, reducing carbon emissions
- Assessing and where appropriate, reducing energy intensity

Through the application of its Baseline Exclusions Policy, the following Social characteristics:

- Respect of the UN Global Compact principles
- Respect of Human Rights norms

The Fund applies the Aviva Investments Baseline Exclusion Policy:

1. The Policy prohibits AI from arranging the provision of finance to a borrower, project¹ or asset that is either an Excluded Issuer itself or involved in the activities prohibited by the following Exclusion categories, in accordance with the relevant maximum estimated issuer revenue thresholds (the following, “Excluded Issuers”):
 - Controversial weapons 0%, except for nuclear weapons which are at 5%
 - Civilian firearms 5%
 - Tobacco producers at 0% and tobacco distribution or sale at 25%
2. Companies (occupiers or counterparties) who have been excluded by Aviva Investors due to recent controversies to the principles set out under the UN Global Compact. An Aviva Investors ESG Analyst’s qualitative assessment is undertaken to confirm if the failings are irredeemable based on the Fund behaviours since the controversy. Based on this assessment, companies may be placed on the Aviva Investors Stop List (updated typically on a daily basis) and so are excluded from being on-boarded as an occupier or counterparty in the Fund.

The Aviva Investors Baseline Exclusions Policy prohibits investment in real estate and all types of real estate long income investments where a material proportion (i.e. more than 10%) of contractual rent is derived from tenants that are Excluded Issuers. The policy also prohibits the granting of new leases to Excluded Issuers, including in relation to existing real estate assets.

¹ A project is defined as a construction, infrastructure or other real asset investment at any stage of the asset lifecycle including acquisition, development and refurbishments of any kind.

Additionally, while the Aviva Investors Baseline Exclusions Policy prohibits investment into thermal coal, arctic oil and tar sands according to revenue thresholds, this Fund will apply the following bespoke binding real estate exclusions, and will not invest in:

Exclusion	Threshold
Fossil fuels	The building or occupier(s) is/are not dedicated to extraction, storage, transport or manufacture of fossil fuels.
Climate risk	Assets with 'Very High' level of Climate Value at Risk with no adaptation or mitigants in place within a five year period.

In addition to the exclusions outlined above, the Fund[, on a non-binding basis] integrates the consideration of transition and physical climate risk into the investment process, and seeks to acquire and manage assets in a way which mitigates these risks. Specifically, the Fund seeks to acquire assets which are already, or can be developed or constructed to meet the standards set out in the Aviva Investors Sustainable Design Brief.

This includes:

- BREEAM (or local equivalent) of Excellent or above.
- EPC of B (or local equivalent) or above.
- Energy Use Intensity of:
 - o Offices 144 kWh/m²
 - o Retail – Shopping Centre 255 kWh/m²
 - o Retail – High street 111 kWh/m²
 - o Industrials 125 kWh/m²
 - o Residential 70 kWh/m²

There are no reference benchmarks which are relevant in this asset class for the purpose of attaining the environmental or social characteristics promoted by the Fund

(d) 'Investment strategy

The investment strategy of the Fund is to secure long-term income streams from a portfolio of real estate investments located in the Continental European Markets where 70% of the rental revenue is expected from investment-grade tenants on long-term leases. In addition to the Aviva Investors Baseline Exclusions Policy detailed above, the Fund will, on a selective basis, seek to acquire assets which are already, or which can be developed or constructed to meet the standards set out in the Aviva Investors Sustainable Design Brief. The Fund Manager intends to manage its assets in line with a net zero pathway, relevant to their location and sector, but does not make a specific net zero commitment. To do this the Fund Manager will assess climate transition risk and impact at the point of origination, and make a balanced decision based on the assessment of any short-term transition costs versus long term transition risks.

The Fund Manager aims to decarbonise legacy assets through engagement with Occupiers of its Investments, where the Occupiers agree to financing and/or undertaking the measures the Fund proposes.

Data which measures building energy and carbon intensity is collected from occupiers on a voluntary and annual basis, and pending the receipt of that data the Fund Manager will make recommendations to the Occupier, and where appropriate will provide resources to support the Occupier, to integrate measures which will aid in the improvement of those metrics.

Where the asset is occupied on an FRI (Fully Repairing and Insuring) lease, Aviva Investors seeks to engage with the occupier of the asset to support them to transition the asset. This may include:

- Installing energy monitoring equipment;
- improving energy management processes;
- installing solar photovoltaic panels; and
- other asset specific initiatives as appropriate.

Where the asset is fully occupied Aviva Investors does seek to attain the standards noted in the Sustainable Design Brief, but recognises that the agreement of the occupier is required in order to deliver those standards. Accordingly, this may take a longer period of time to bring to fruition.

The Fund generally intends to hold its investments in the form of interests, whether direct or indirect, in Real Estate Holding Vehicles. The Fund may make investments in joint ventures with strategic or operating JV Partners. The Fund may also make co-investments which include JV Partners along with other co-investors. The AIFM expects that in making Real Estate Investments the Fund will normally, with any JV Partners or other co-investors, retain control of the Real Estate Investment. The cooperation of JV Partners, and such other co-investors is also required in seeking to integrate measures which will improve the environmental characteristics of assets which the Fund promotes.

Good Governance

The Fund ensures good governance practices both by the portfolio management and the asset management team who are responsible for the on-going management of the asset [and who ensure that such practices are carried out by investee companies], as well as screening the Occupier(s) of the asset to ensure they have good governance practices in place. The Fund uses the following processes:

- New and existing Occupiers must be screened using the Real Assets ESG Screening Tool. Assets occupied by companies, or new leases to companies excluded by the Aviva Investors Baseline Exclusions Policy or deemed to have unacceptable governance risk should be excluded.
- Direct suppliers to Aviva [and its investee companies] must perform and adhere to high business standards concerning human rights, labour, equal opportunities and health and safety. Suppliers must be on-boarded using the Supplier Onboarding Process and must agree to the Code of Behaviour.

Investment and asset management activity must be managed in line with the **Sustainability Risk Policy** for Real Assets, and an accompanying procedure manual. As detailed in this the Policy, the list below sets out the responsible investing and governance principles and best practices we adhere to and other organisations whose output we consider when assessing our investments, as well as collaborations we participate in, statements we have signed and other related standards

(e) 'Proportion of investments

It is expected that at least 95% of the investments will be aligned with the environmental characteristics of the Fund. The Fund will not have any allocation to Sustainable Investments. The Fund also holds investments in financial techniques and instruments and derivatives used for hedging and efficient portfolio management purposes or liquidity holding purposes (such as ancillary liquid assets, money market instruments, money

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market funds and bank deposits. It is not possible to apply environmental and/or social safeguards tests to such investments or apply look through to certain derivatives to confirm alignment with the ESG characteristics the Fund is promoting.

(f) Monitoring of Environmental or Social Characteristics

The Fund assesses sustainability indicators through the due-diligence process on a quarterly basis. The indicators are used to inform asset selection and management which aims to create and protect investment performance, whilst helping to mitigate Sustainability Risk. The Fund selects and manages its real estate assets using the following sustainability indicators:

- Energy Intensity (kWh/m²);
- Absolute GHG emissions (tonnes);
- EPC (or European equivalent) Ratings (A-G);
- Carbon Intensity (CO₂e/€m);
- Overall Climate Value at Risk (%);
- Global Warming Potential (degrees centigrade);
- Physical Risk Exposure (no risk –very high risk);
- Transition Risk Exposure (no risk –very high risk); and
- Fund GRESB Performance (% score vs % sector average score).

The Fund does consider the following four principle adverse impact indicators, which are excluded in accordance with certain revenue thresholds, as defined and detailed in the Aviva Investors Baseline Exclusions Policy and included above

2. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
4. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
5. Exposure to fossil fuels through real estate assets

The Fund itself does not have an explicit emission reduction target or net zero commitment.

(g) 'Methodologies

In the selection of Investments, the Fund Manager shall first apply the Aviva Investors Baseline Exclusions Policy, which excludes the Fund entering new lease arrangements with direct tenants which derive income from the following sectors and above the limits shown, as well as investment in the sectors themselves:

- Civilian firearms and nuclear weapons greater than or equal to 5% revenue;
- Any other controversial weapons;
- Tobacco producers;
- Tobacco retailers or distributors accounting for greater than or equal to 25% of revenue; and

- Occupiers on the UN Global Compact 'Fail' list. An Aviva Investors ESG Analyst's qualitative assessment is undertaken to confirm if the failings are irredeemable based on the Fund behaviours since the controversy. Based on this assessment, companies may be placed on the Aviva Investors Stop List (updated typically on a daily basis) and so are excluded from being on-boarded as an occupier or counterparty in the Fund.

As noted above, while the Aviva Investors Baseline exclusions Policy prohibits investment into Arctic Oil and tar sands in accordance with certain revenue thresholds, this fund will expand on this and will not invest in:

- Buildings or buildings occupied by direct tenants which are dedicated to extraction, storage, transport or manufacture of fossil fuels;
- Assets with a 'Very High' level of Physical Risk as measured by MSCI CVaR with no adaptation or mitigants in place within a five-year period from acquisition.

(h) 'Data sources and processing'

We obtain data from our suppliers who engage with our broader supply chain of property managers, developers and contractors. Where data concerning sustainability risks or PAIs is not immediately available from the asset or counterparty, we will enter into dialogue with that party to gain the information needed. In some cases where this is not available and the lack of information is insufficient to make an informed investment decision, we will not proceed further with the investment.

(i) Limitations to methodologies and data

The regulatory environment and the reporting requirements for issuers are developing at different speeds and there is not always a consistent standard across jurisdictions, sectors and/or companies. Furthermore, the methodologies of data providers differ significantly and therefore there may be circumstances where portfolios or companies have drastically different ESG scores/ratings amongst providers.

We have access to multiple data sources which we constantly review. Our goal is to ensure we have broad and deep coverage of information to enable a sound consideration of sustainability factors. Any unavoidable gaps in data availability are mitigated by our side-by-side qualitative assessment of ESG factors. As a result the data limitations do not affect the attainment of the sustainable investment objective.

Data from third party data providers may be incomplete, inaccurate or unavailable. Where we seek to rely on proprietary models these may similarly rely on information, which is incomplete, inaccurate or unavailable. As a result, there is a risk that Aviva Investors may, from time to time, incorrectly assess a security, issuer or index. There is also a risk that Aviva Investors, or the third-party data providers on which we may depend, may not interpret or apply the relevant ESG characteristics correctly. Aviva Investors does not warrant the fairness, accuracy or completeness of any data used, or assessment made.

(j) Due Diligence

The Aviva Investors risk and controls framework encompasses a combination of strategies, policies, culture, governance arrangements, tools and reporting procedures. Appropriate controls are developed and embedded to adequately meet business strategic goals and to minimise current and future risk to an acceptable risk exposure level. We have formal controls relating to due diligence on assets. Second line consists of risk and compliance functions (directly reporting to the CRO), who act as a partner to the business and whose core purpose is to independently challenge, advise and guide the business in the delivery of its strategy and plans, whilst safeguarding its customers and shareholders. A key part of our risk and control framework is the completion of independent second-line reviews. Such reviews are conducted by assessing the design and completeness of key controls that are in place and will also cover thematic areas informed by the risk-based compliance monitoring programme.

(K) Engagement Policies

At a product level, we believe being active owners of our assets through engagement with our stakeholders is critical to creating positive environmental and social outcomes for our clients and society. Engagement in real assets can be defined as structured interactions on environmental and social issues with our customers, including borrowers and occupiers, as well as suppliers and the communities we operate in.

Where we see opportunities to mitigate sustainability risks and avoid or limit adverse impacts, we can engage with counterparties. This may involve actively engaging with counterparties to create covenants or incentives, linked to the mitigation of sustainability risks and adverse impacts. This allows us to limit adverse environmental and social impacts over the lifetime of the transaction

At a macro level, we play an active role in reforming private markets and the built environment. This extends to collaboration with our peers, engagement with our extended network of supplier partners, and engagement with industry and government on material ESG and stakeholder matters. We hold a broad range of memberships in industry bodies and third sector groups and use these to drive positive change. Our current memberships include the UK Green Building Council, Better Buildings Partnership and the Global Real Estate Sustainability Benchmark Infrastructure Advisory Council.

(I) where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, 'Designated reference benchmark'

An index has not been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product