

INTRODUCTION

CBRE Global Investment Partners Limited ("CBRE GIP") has been appointed by the Fonds de compensation commun au régime général de pension ("FDC") as the Manager for the portfolio of the sub-fund FDC SICAV Immobilier Monde - Actif 2 ("FDC's Portfolio").

The objective of the sub-fund is to generate long-term stable performance and regular cash flows via unlisted "core" real estate collective investment vehicles investing in internationally diversified property.

CBRE GIP incorporates sustainable development and socially responsible investment into the investment strategy and decision making processes for FDC's Portfolio. This includes taking into account FDC's Exclusion List of companies that contravene the agreements ratified by the Grand Duchy of Luxembourg into our process.

ESG AND REAL ESTATE

CBRE Global Investors ("The Firm") has been committed to responsible investment for over a decade, having joined the Principles for Responsible Investment ("PRI"), piloted a new framework for the Global Real Estate Sustainability Benchmark ("GRESB") in 2009. Our ambitions, commitment, and practices have continued to grow and evolve along with the environmental, social and governance ("ESG") field.

The Firm believes sustainable investment is a critical driver for superior investment performance. We are focused on delivering financial returns which improve the lives of savers all over the world, while leading the transition to a sustainable and healthy society.

Our ESG commitment is linked to the UN Sustainable Development Goals and concentrates on three key areas. Firstly, through our assets we are focused on managing climate risk and targeting to deliver net zero carbon and climate resiliency in our portfolios and operations. Secondly from a people perspective we see ourselves as providing amenities and services to enhance the well-being of people who use our assets, our employees, and the wider community. And thirdly, we use our influence as investors to engage and inspire all those we work with to embrace sustainability and effect positive change.

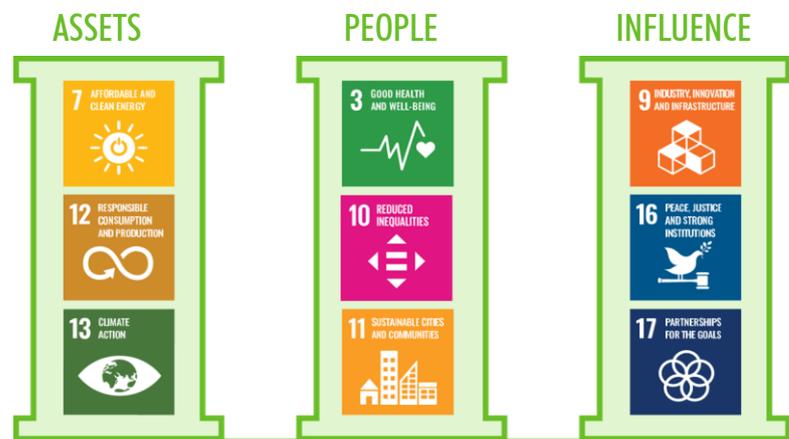


Figure 1 ESG Commitment and UN Sustainable Development Goals

CBRE Global Investment Partners "CBRE GIP" brings our ESG vision to FDC's portfolio by embedding ESG factors into our investment approach and selection process to enhance performance, mitigate risk and preserve value for FDC's portfolio as well as ensure assets remain resilient today and in the future.

We have developed an ESG Maturity Matrix to assess current and prospective investments for FDC's portfolio. The key performance indicators for measurement of success within this matrix are aligned with key globally recognized sustainability frameworks such as BREEAM, LEED, and GRESB, lending an additional layer of assurance and third-party verification. This bespoke framework provides structure while being adaptable to the ambitions of different investors and different types of portfolios and assets, as well as to changes in portfolios, markets, regulations and external standards.

We will start utilizing an MSCI Carbon Delta tool to help our investment teams assess both physical and transition aspects of climate change-related risks and opportunities across FDC's portfolio in line with our commitment to the Taskforce for Climate related Financial Disclosure ("TCFD").

We are also applying the ESG maturity matrix to CBRE Global Investors' operations and sustainability pathway, enabling clear communication and transparency to internal and external stakeholders such as FDC.



OUR APPROACH TO FDC'S PORTFOLIO

CBRE Global Investors' Global Responsible Investment Management Policy ("RI Policy") is actively implemented throughout the investment process as well as in the Firm's corporate operations. We focus on investments that offer sustainable income streams and embed ESG factors into our investment approach and selection process for FDC's portfolio to enhance performance, mitigate risk and preserve value for FDC as well as ensuring assets remain resilient today and in the future.

This year, CBRE GIP began using the ESG Maturity Matrix to rate each investment's status and approach to ESG within FDC's portfolio. During due diligence on new investments for FDC and for all FDC's existing investments, the underlying fund manager/operating partner's approach to ESG is reviewed with reference to their internal strategy, processes and policies and their submissions to independent organisations such as GRESB and the Principles for Responsible Investment ("PRI"). The ESG Maturity Matrix is updated regularly to monitor progress and improvement in an investment's ESG status.

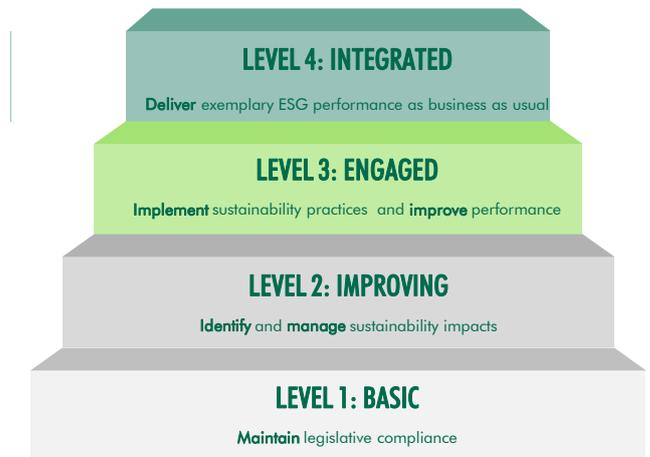


Figure 2 CBRE GI ESG Maturity Matrix

OUR INVESTMENT PROCESS FOR FDC'S PORTFOLIO

PLANNING

At the planning stage, CBRE GIP seeks funds which systematically include ESG issues into their investment acquisition and asset management processes, and those that demonstrate "best practices." Additionally, at this stage we look for "red flags" such as where buildings are leased to companies involved in practices which are harmful to human life or the environment.

PRE-INVESTMENT

CBRE GIP always invests using local operating partners who are responsible for property management and monitoring. However, CBRE GIP takes an active approach to ensuring that the underlying managers we select are performing their role in creating value and delivering the best possible results.

Any management team selected for FDC's portfolio must demonstrate impeccable corporate governance credentials. CBRE GIP focuses on the organisation's investment processes, policies and procedures, the corporate governance provisions of funds, their reputation with prior investors and market counterparties and their approach to sustainability and social responsibility. This includes:

- Requiring underlying managers to complete the ESG DDQ to determine their level in our ESG Maturity Matrix
- Evaluating their ESG and climate policies, initiatives, procedures and track record
- Confirming their annual GRESB participation, TCFD alignment and agreement with both FDC's exclusion list and our own exclusion policy

POST-INVESTMENT

Our Portfolio Oversight Committee ("POC") regularly reviews FDC's portfolio from a risk management and future performance perspective and during the Investment Oversight Committee ("IOC") sessions the individual fund investments are scrutinized for compliance with ESG requirements, their position within the ESG Maturity Matrix and their progress towards their target rating for 2030.

As part of the monitoring process, the regional investment teams engage in discussions with the underlying fund managers within FDC's portfolio on a regular basis to address the strategy and action plan to improve the ESG performance.

In addition, all the underlying managers within FDC's portfolio are strongly encouraged to submit asset-level data to GRESB, allowing mapping of transition risk using the CRREM tool in future, and also to respond to the GRESB Resilience module, assessing the organisational governance, policy and procedures in place to manage climate-related risks and opportunities.

CBRE Global Investors is committed to transparent reporting on climate change risks and opportunities to FDC in line with the guidelines of the TCFD. Our approach to TCFD alignment has two main phases. Phase 1 was completed in 2019 when we undertook an internal gap analysis and a scenario analysis pilot. Phase 2 commenced in 2020 and includes engaging with the underlying managers in FDC's portfolio to conduct a "deep-dive" analysis of high-risk assets, cost assessments, integration of mitigation actions and transparent reporting.

REPORTING

CBRE GIP meets regularly with FDC to discuss the performance of the Portfolio. Each quarterly report includes an update on our policies, procedures and processes as well as ESG case studies from across FDC's global portfolio. We also closely monitor our compliance and report on both FDC's exclusion list as well as our own corporate exclusions.

We maintain registers of all voting actions taken on behalf of FDC and any ESG issues that arise and report these to FDC.

Where events happen that are in proximity to real estate assets held by funds in FDC's Portfolio, we will provide timely updates on any impacts e.g. natural hazards, explosions etc.

ESG PROFILE OF FDC'S PORTFOLIO

For the existing investments in FDC's portfolio, in Q1 2020, CBRE Global Investment Partners conducted an assessment process to rate each investment's status and approach to ESG and align them with our ESG maturity matrix.

The majority of the portfolio is currently considered to be at the Engaged level (57.0%), with 43% Improving. As can be seen in the table and chart, we are targeting FDC's portfolio to be 65% Integrated and 35% Engaged by 2030.

GIP has engaged with the underlying managers across FDC's portfolio on their historic GRESB scores and ways to improve them, including the appointment of ESG consultants where appropriate. As a result, we are hoping to see significant improvements and increased participation rates in the GRESB 2020 results for FDC's portfolio. The investment team will use these results to determine areas for improvement and new initiatives to facilitate progress toward targets. Some recent initiatives are detailed below:

- Two of the US based funds within FDC's portfolio have adopted a Building Resilience and Climate Change Guide that provides all the underlying properties with resources for disaster planning and mitigation strategies for climate-related risks associated with hurricanes, fires, floods and other extreme weather conditions on a regional basis and between geographic markets.
- One European fund in FDC's portfolio has achieved a zero waste to landfill outcome for its directly managed buildings for both development projects as well as operating buildings. They adopted a circular economy approach to the re-use of materials and waste avoidance.
- Another European fund in FDC's portfolio identified an opportunity to improve visibility and safety of a retail park including a large carpark, basement and pedestrian mall. The upgrade delivered an energy efficient and cost-effective solution as well as an enhanced user experience.
- An industrial/logistics fund has sought to maintain its high ranking in GRESB by working with a major e-commerce tenant to deploy solar power panels on fifty distribution centres. The manager has also pursued portfolio-wide consumption data modelling and building certifications.
- An Australian fund in FDC's portfolio is on track to reach their net zero carbon target by end of 2020. The entire portfolio's power is now sourced from renewable power and the manager has off-set the emissions from diesel used by waste removal trucks and the small amount of gas used in the building.
- Two funds in FDC's portfolio have introduced an internal Women's Leadership Network to support and enhance the professional advancement of women within the firm through education and business development opportunities. In addition to supporting women's leadership internally, members donated business attire to Bottomless Closet, a non-profit that helps disadvantaged women enter the workforce.
- A fund within the portfolio had three properties receive Fitwel certification. One student housing asset was the first of its kind to achieve Fitwel certification in Arizona. Two senior living assets additionally received certification and are the first and only projects to certify with the new senior housing standard. Fitwel seeks to measure an asset's contribution to its inhabitants' wellness and health.
- To combat modern slavery, one fund within FDC's portfolio took an active role with the national industry body to develop an online portal for suppliers of building services and products. The portal allows building owners to "pre-screen" suppliers and their adherence to modern slavery legislation in a thorough and efficient manner.
- In response to COVID, a number of funds in FDC's portfolio have taken active steps to support their communities with initiatives such as:
 - Donating vacant space for medical groups and health authorities for emergency blood drives and increased COVID-19 screening capacity
 - Capturing and sharing best practices for senior living communities in response to the pandemic

ESG Maturity	Current Portfolio (2020)	Target Portfolio (2030)
Integrated	0.0%	65.0%
Engaged	57.0%	35.0%
Improving	43.0%	0.0%
Basic	0.0%	0.0%
Total	100.0%	100.0%

Figure 3 FDC's Portfolio ESG maturity mapping





IMPORTANT INFORMATION

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