# Sustainability

Route de Bussigny 2, Crissier (VD)

# Sustainability report

**(unaudited)**

The aim of this report is to communicate the positioning, objectives and performance of Cronos Immo Fund in terms of sustainability and the way they have evolved over time. The report also meets the increasing requirements in terms of transparency and regulatory compliance, while providing information on sustainability-related risks.

The Federal Climate and Innovation Act came into force on 1 January 2025 and sets a target of achieving carbon neutrality by 2050. In Europe, the CSRD (Corporate Sustainability Reporting Directive) requires companies to be more transparent about their environmental, social and governance (ESG) impacts. The OMNIBUS draft directive, which aims to reduce bureaucracy and reporting costs, will push back certain implementation deadlines and raise the compliance thresholds, thereby excluding nearly 80% of the companies initially concerned by the CSRD. In the United States, the change of administration has been accompanied by a withdrawal from the Paris Agreement and an easing of ESG requirements.

Cronos Immo Fund, for its part, continues its strong expansion (see details in the management report). The value of the property portfolio has increased by CHF 237 million, or +26%, over the last two financial years. Today the fund owns 28 more buildings than it did two years ago. This sustained growth implies an increased work output from the existing teams, who have in fact been strengthened with the arrival of two additional employees. The latter ensure that the new buildings are optimally integrated into the portfolio. They also provide essential support when it comes to updating the planning of renovation works. Moreover, in view of the constantly-changing scope, the latter point is akin to a balancing act between urgent works and budgetary constraints. The excellent team spirit among our employees is paramount to ensuring that these tasks are carried out under optimal conditions.

The contrasting developments in the regulatory environment do not in any way undermine our conviction. We are still convinced that sustainability and financial performance are inseparable. We are maintaining our main objective, which is to achieve carbon neutrality by 2050.

## SUSTAINABILITY STRATEGY AND OBJECTIVES

Our sustainability objectives are closely linked to the fund's own objective, as stated in the Prospectus[1], which is "primarily to maintain the long-term substance of the investments and an appropriate distribution of their income...".

We base our $CO_2$ emissions reduction strategy on four pillars that we consider are essential to achieving this objective:

- replacement of fossil fuel heating systems
- energy optimization through an AI based solution
- development of our solar power potential
- sustained programme of energy renovations.

We apply an approach that integrates the ESG factors. This means that we take environmental, social and governance aspects into account in all decision-making processes. We do not practise exclusion.

The three quantified targets we have set ourselves are as follows:

- a 40% reduction in $CO_2$ emissions (kg of $CO_2$ eq/$m^2$ of energy reference area (ERA)/year) by 2030, compared to 2023
- a 100% reduction in $CO_2$ emissions (net zero emissions) (kg of $CO_2$ eq/$m^2$ of ERA/year) by 2050, compared to 2023
- a 90% coverage ratio by 2030 as far as energy consumption and $CO_2$ emission figures are concerned.

# Carbon neutrality

Our target by the year 2050

[1] Fund contract available online at the address: www.cronosfinance.ch

CRONOS IMMO FUND

# Sustainability

**40%**

Proportion of women on the board of directors of Cronos Finance SA

The first two targets are based on those set by the Swiss Confederation. Offsetting measures will certainly be necessary in order to achieve the goal of carbon neutrality by 2050.

At this stage, our efforts have focused primarily on initiatives related to the environmental dimension. However, some actions are already under way in the social and governance areas, as detailed in the sections below. We are currently working on defining formalized targets in these areas, in line with the UN Sustainable Development Goals.

## MATERIALITY MATRIX OF THE CRONOS IMMO FUND

The Cronos Immo Fund's materiality matrix (below) reflects the fund's ESG priorities by taking into account the urgency for action and the strategic importance of each topic. Unsurprisingly, energy issues such as the energy efficiency of the portfolio, the reduction of $CO_2$ emissions and the implementation of targeted renovations are among the priority-action areas. This focus is confirmed by the progress achieved in 2025, in particular through the gradual replacement of fossil-fuel heating systems, the deployment of energy-saving technologies and the expansion of solar power.

Topics such as ESG governance, stakeholder dialogue, water management, sustainable mobility and biodiversity are of key importance. They reflect the fund's commitment to systematically integrating ESG criteria into its investment processes and operations.

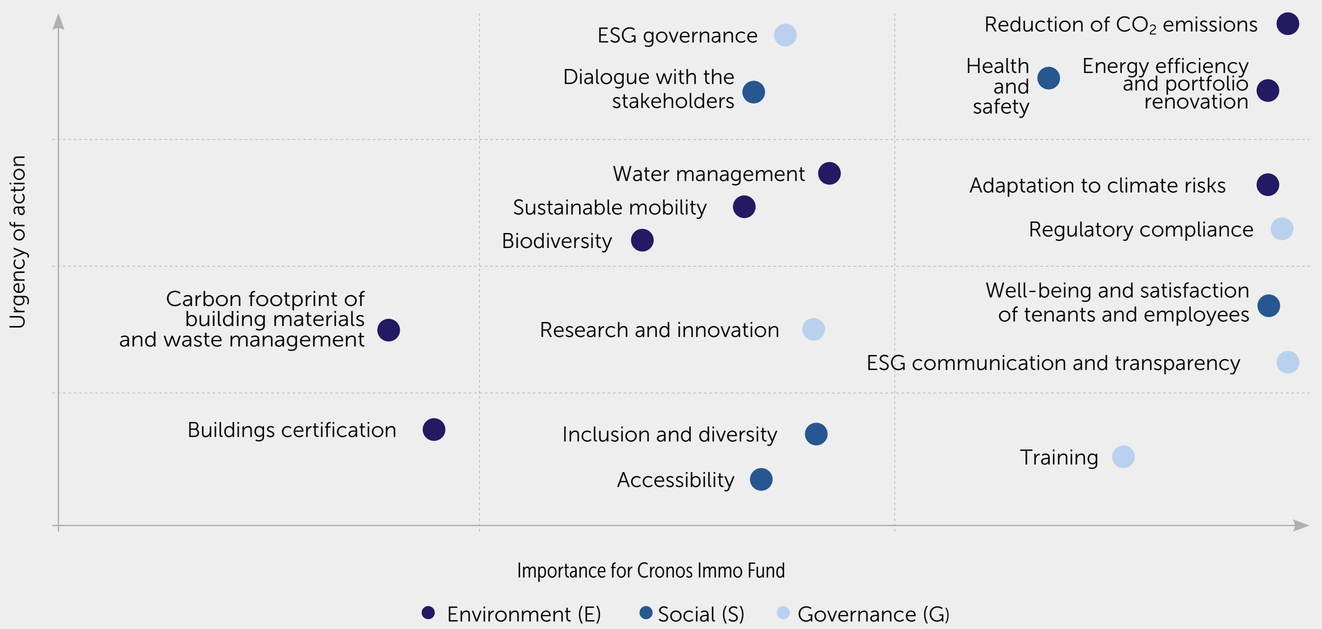
Other topics can also be highlighted, such as climate risks, regulatory compliance and the carbon footprint of materials. These factors are becoming increasingly important in a constantly-changing environment. Finally, the fund is strengthening its social commitments through safety, accessibility, tenant satisfaction, inclusion and training, supported this year by practical actions and surveys.

## SUSTAINABILITY GOVERNANCE

As the fund manager of Cronos Immo Fund, Cronos Finance SA relies on an organization that complies with existing best practice. Its Organizational Regulations define the company's activities, its responsibilities, powers and decision-making processes, while a Code of Conduct for its corporate bodies and employees provides a framework for managing any potential conflicts of interest.

The Board of Directors stands out with a majority of independent members and strong diversity, with two women holding the positions of chair and vice-chair, which is equal to 40% of the seats. This composition fosters strategic thinking, diversity of views and helps to keep a critical eye on all decisions.

Materiality matrix



The Board of Directors reviews and validates the sustainability strategy and supervises the management of the related risks, while the General Management is responsible for its operational implementation and follow-up. In order to reinforce this dynamic, an ESG unit with a cross-functional structure and comprising six members from five departments contributes to an integrated vision and agile implementation. Reporting directly to the General Management, it devises the ESG strategy and coordinates actions across the fund.

This open, diversified and structured governance enhances transparency, strategic consistency and risk control, all of which are key levers for creating sustainable value for our investors.

## ENVIRONMENT

Over the past financial year, Cronos Immo Fund has actively pursued its strategy aimed at improving the energy performance of its buildings and achieving carbon neutrality by 2050.

The fund is managing the energy transition of its property portfolio with the aim of completely eliminating fossil fuels by 2039. Oil- and gas-fired heating installations are gradually being replaced by sustainable solutions such as heat pumps or connections to district heating networks. Photovoltaic solar panels are gradually being installed. However, occasional use of back-up fossil-fuel heating may still be necessary when no other technical alternative is viable.

For new buildings and major renovations, Cronos Immo Fund maintains high energy-performance requirements in order to reduce the carbon footprint of its portfolio in the long term.

In the same vein, we continue to deploy smart energy management and optimization systems to reduce heat consumption and, in the short term, $CO_2$ emissions.

Other practical examples of initiatives can be found in the Initiatives and Outlook section of this report (pp. 37 and 38).

### Renovations and new constructions

In order to ensure sustainable growth and maintain the value of its portfolio, Cronos Immo Fund balances its investments between acquisitions, new constructions and renovations.

Having purchased several buildings in 2025, the fund continues to expand through various real-estate projects. In the same year, three new buildings were completed, viz:

- Kerzers (FR), Steindleren 1-1A
- Versoix (GE), route de Suisse 145-147, which meets Geneva's THPE (very high energy performance) standards
- Leytron (VS), route Romaine 40-42-44

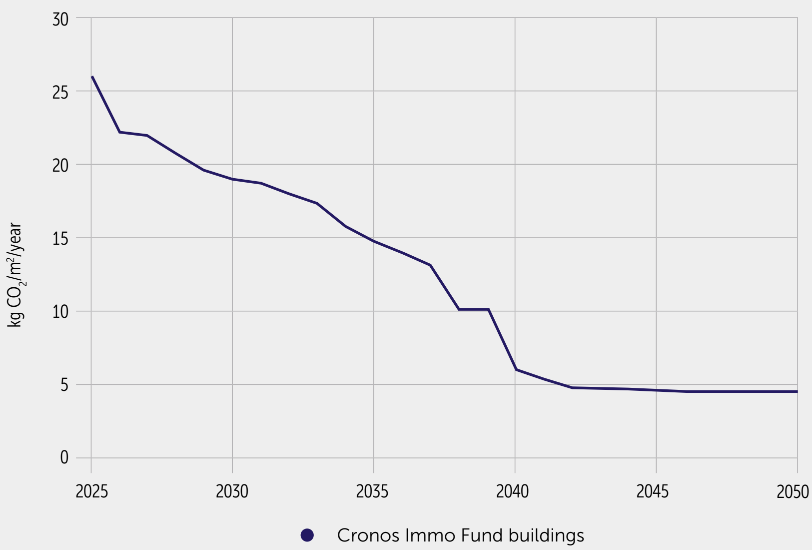
Part of the existing portfolio is undergoing a gradual upgrade programme in order to meet the energy targets set by the Swiss Confederation for 2030 and 2050. The ten-year plan for the necessary works is updated every year to incorporate the new acquisitions. Currently, 36 buildings are concerned. During each upgrade, we examine the possibility of replacing the boiler systems and seek to obtain a certification of the Minergie type.


## ESG unit

(from left to right)
Filipe Francisco, Rim El Bernoussi, Laurent Murier, Serge Pichard, Marc Roux, Hasan Yavavli

### $CO_2$ emissions reduction curve (SIA/KBOB 2022)

This graph illustrates the projected annual trajectory of $CO_2$ emissions per square metre for Cronos Immo Fund. It is based, on the one hand, on the measures planned as part of our ten-year renovation plan until 2035 and, on the other, on the plan for additional work required to achieve carbon neutrality by 2050, as devised by our partner Signa-Terre. Given the numerous recent acquisitions, this curve concerns a total of 77% of the buildings in the portfolio.



CRONOS IMMO FUND

## Sustainability

Over the past financial year, we have embarked on, or completed, the connection of the following buildings in particular to the district heating network (DH):

- Morges (VD), chemin des Pétoleyres 7, 9, 15 and 17
- Ecublens (VD), route du Bois 16
- Sion (VS), rue de la Blancherie 15

Other large-scale works were carried out this year with the installation of heat pumps at the following sites:

- Arzier (VD), chemin de la Rencontre 4
- Neuchâtel (NE), rue F.-C. de Marval 8
- Perroy (VD), chemin de Sus-Craux 15
- Oberglatt (ZH), Chlirietstrasse 6-8-10, (still in progress)

Several projects are currently being studied to replace the heat production system:

**Opposite: avenue Frédéric-César-de-la-Harpe 20B, Lausanne (VD)**
**Below: rue du Grammont 3-5-7/ avenue Alexandre-Vinet 21, Clarens (VD)**

- Vevey (VD), rue des Communaux 8
- L'Isle (VD), route de l'Isle 11-13
- Kerzers (FR), Oelegasse 72-74
- Lausanne (VD), avenue de Valmont 7
- Marly (FR), route du Nord 1

2026 is also promising to be a particularly dynamic year with the launch of several ambitious projects:

### Nyon (VD), chemin des Cottages 5-7

The building will undergo a full energy upgrade, accompanied by the renovation of 25 out of a total of 33 apartments (23 complete and 2 partial renovations). The stairwells will be brought up to standard and the roof will be equipped with a photovoltaic installation. We are aiming to obtain the Minergie label.

### Clarens (VD), rue du Grammont 3-5-7 / avenue Alexandre-Vinet 21

The site will undergo a full energy upgrade, accompanied by the renovation of 27 out of a total of 42 apartments (24 complete and 3 partial renovations). The stairwells will be brought up to standard and the current heating system will be replaced with a connection to the district heating network. The programme also includes the addition of two floors above the entrance on avenue Alexandre-Vinet 21, creating six new apartments, as well as the installation of a lift shaft. Single-flow mechanical ventilation will be installed in all the apartments, while the roof will be equipped with photovoltaic panels. The project also aims to achieve Minergie certification.

### Lausanne (VD), Avenue Frédéric-César-de-la-Harpe 20B

This building will also benefit from a comprehensive energy upgrade, accompanied by the renovation of 13 out of a total of 20 apartments (9 full and 4 partial renovations). The stairwells will be brought up to standard, including replacement of the lift, and the heating system will also be converted to district heating. The project also comprises the creation of two additional floors, providing three more apartments. The apartments will be equipped with single-flow mechanical ventilation and photovoltaic panels will be installed on the roof. The intention is to obtain a Minergie certification.

### Energy monitoring report

Cronos Finance SA has commissioned Signa-Terre to draw up the energy monitoring report for its property portfolio, as it does every year.

Consumption figures are presented according to the REIDA standard (INTEP factors), as recommended by the Asset Management Association Switzerland (AMAS).

This method ensures strong data standardization and enhanced comparability with the other Swiss real-estate funds. Monitoring focuses on four main indicators: $CO_2$ emissions, heat consumption, electricity consumption and water consumption.

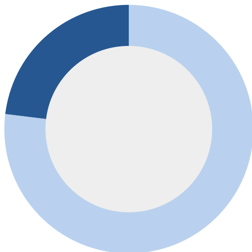
## ENVIRONMENTAL INDICATORS AS PER AMAS (REIDA-INTEP)

Total no of buildings: 156

Total ERA of the completed buildings: 196'237.29 m²

| | 30.09.2025 | 30.09.2024 |
|---|---|---|
| Coverage ratio | 90.93% | 89.34% |
| Energy mix (fossil/non fossil) | 77%/23% | 86%/14% |
| Energy consumption in kWh | 21'271'735 | 18'530'996 |
| Energy intensity in kWh/m² | 128.03 | 133.97 |
| Greenhouse gas emissiond in tons of CO² | 3'902 | 3'723 |
| Intensity of greenhouse gas emissions in kg of $CO_2$/m² | 21.87 | 23.18 |
| Ratio ERA/RS (rental surface area) | 1.21 | 1.21 |

**Energy mix**



| | |
|---|---|
| Fossil | 77% |
| Non fossil | 23% |

## OTHER INDICATORS

### $CO_2$ EMISSIONS

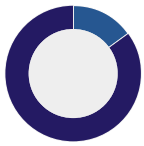
Coverage ratio: 91%

| $CO_2$ kg$CO_2$/m² | 2023 | 2024 | 2025 |
|---|---|---|---|
| | n/a | 23.18 | 21.87 |

| | |
|---|---|
| Buildings | 140 |
| ERA in m² | 178'431.80 |

| $CO_2$ emissions | Scope 1 | Scopes 1+2 | Scopes 1+2+3 |
|---|---|---|---|
| kg/m² of ERA | 20.06 | 21.87 | 28.12 |

**Share of renewable energy**

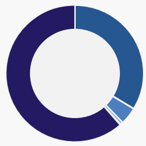


| | |
|---|---|
| Non-renewable share | 84% |
| Renewable share | 16% |

**Part des émissions, par scope**

| | Scope 1 | Scope 2 |
|---|---|---|
| Share of $CO_2$ emissions | 91.72% | 8.28% |

**Breakdown of emissions per energy source**



| | |
|---|---|
| Gas | 56.70% |
| Fuel oil | 35.02% |
| District heating | 7.50% |
| Electricity for communal areas | 0.57% |
| Heat pump | 0.21% |

Scope 1: direct emissions generated in the building (heating produced in the building)
Scope 2: upstream emissions resulting from the energy supplied to the building (district heating, electricity for communal areas)
Scope 3: estimate of tenants' electricity as per SIA (renewable and non-renewable), without taking into account constructions and renovations

### HEAT CONSUMPTION

Coverage ratio: 92%

| IDC | 2023 | 2024 | 2025 |
|---|---|---|---|
| Label | n/a | D | D |
| | n/a | 460 | 440 |

| | |
|---|---|
| Buildings | 142 |
| ERA in m² | 180'737.60 |
| Energy in kWh | 20'498'261 |
| Delta | 15.22% |
| Correction factor | 1.08 |
| Corrected energy in kWh | 22'109'063 |
| Delta | 6.07% |
| HCI (heating consumption index) in MJ/m² | 440 |
| Label | D |

### ELECTRICITY CONSUMPTION

Coverage ratio: 97%

| | 2023 | 2024 | 2025 |
|---|---|---|---|
| Label | n/a | C | C |
| | n/a | 7.83 | 8.18 |

| | |
|---|---|
| Buildings | 150 |
| ERA in m² | 189'685.60 |
| Consumption in kWh | 1'552'193.47 |
| Delta | 16.54% |
| kWh per m² | 8.18 |
| Delta per m² | 4.56% |
| Label | C |

### WATER CONSUMPTION

Coverage ratio: 96%

| | 2023 | 2024 | 2025 |
|---|---|---|---|
| Label | n/a | B | B |
| | n/a | 1.20 | 1.17 |

| | |
|---|---|
| Buildings | 151 |
| ERA in m² | 189'047.54 |
| Consumption in m³ | 221'975 |
| Delta | 9.88% |
| M³ per m² | 1.17 |
| Delta per m² | 2.44% |
| Label | B |

CRONOS IMMO FUND

## Durabilité

The coverage ratio corresponding to each indicator is specified in the chart on the previous page.

More specifically, the coverage ratio represents the proportion of the property portfolio - expressed as a percentage of the total surface area - that is included in the calculation of the energy and environmental indicators. It corresponds to the surface area of the buildings for which complete and validated consumption data is available, compared with the total surface area, in square metres, of all completed buildings.

The coverage ratio may vary according to the availability of data, which explains any differences between the types of consumption monitored. The reporting scope excludes buildings acquired or sold during the financial year. In accordance with the self-regulation guidelines of the Asset Management Association Switzerland (AMAS) and in line with the fund's sustainability objectives, the gradual improvement of this coverage ratio remains a priority, the ambition being to reach 100% in the long term.

### $CO_2$ emissions and energy intensity

Over the last twelve months, the average energy intensity of the buildings stood at 128.03 kWh/m²/year, down by 4.43% compared to the previous year

$CO_2$ emissions (scope 1+2) amounted to 21.87 kg of $CO_2$/m²/year, down by 5.65%.

### Heat consumption

Over the last twelve months, average heat consumption (HCI) fell by 4.35% to 440 MJ/m2.

The figure below illustrates the distribution of the buildings by their heat consumption (via the HCI) and their $CO_2$ emissions per m² (scope 1+2, for the thermal and electricity components of the communal areas).

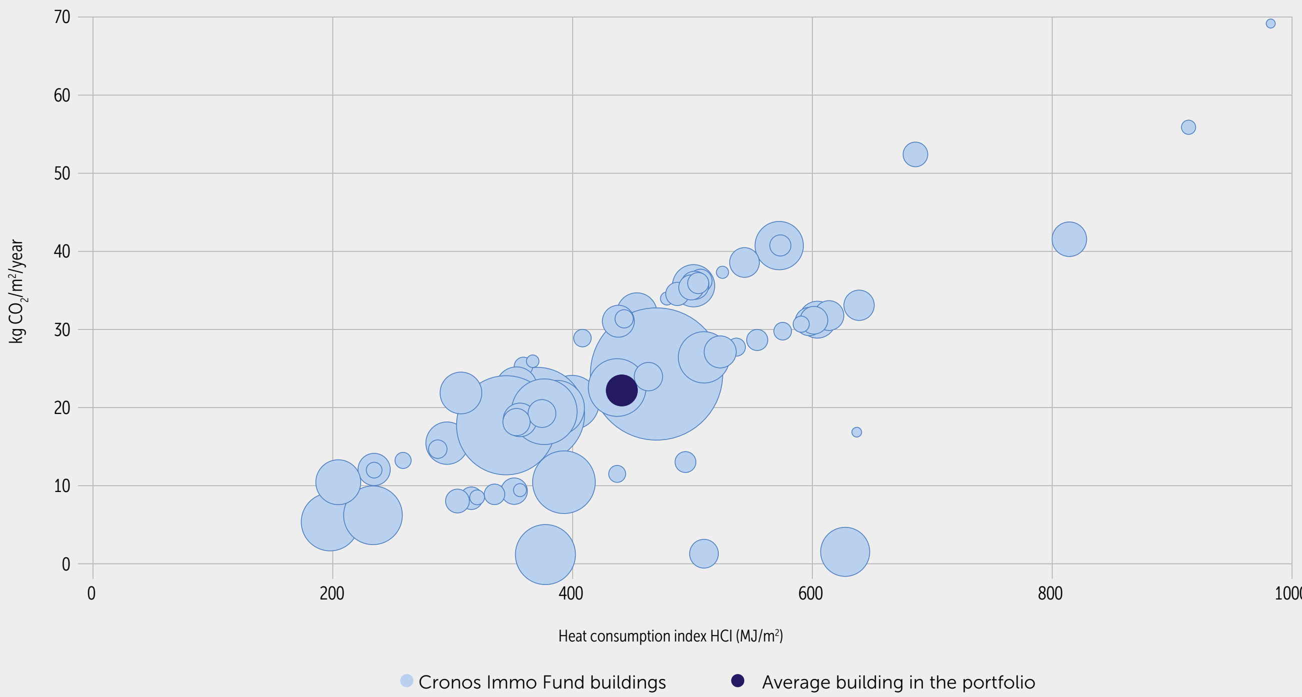
### Electricity consumption

Over the last twelve months, the average electricity consumption of the buildings was 8.18 kWh/m², up by 4.56% compared to the previous year. This increase is attributable to the inclusion in the portfolio of buildings with electric heating, or in which the electricity used for the heat pump is included in the electricity consumption.

### Water consumption

Over the last twelve months, the average water consumption of the buildings was 1.17 m³/m², a decrease of 2.44% compared to the previous year.

$CO_2$ emissions in kg per sqm and Heat consumption index in megajoules per sqm (REIDA-INTEP)



## SOCIAL

For Cronos Immo Fund, sustainable performance also relies on the human factor. The fund is committed to providing its tenants with safe, comfortable and accessible accommodation, while supporting the professional development of its employees and partners.

### Quality of life and tenant satisfaction

Quality of life and tenant satisfaction are key priorities for the fund. Social criteria are taken into account just as much as environmental criteria when acquiring buildings. Particular attention is paid to the comfort, safety and functionality of the spaces, as well as to the quality of discussions with tenants.

This year, Cronos Finance SA conducted for the first time a satisfaction survey among the tenants of the fund's buildings in order to gain a better understanding of their expectations and day-to-day needs. The questionnaire, which was sent to all residents, produced 655 complete responses, which corresponds to a participation rate of 29.5%. The results presented identified several areas for improvement and served as a basis for implementing concrete actions aimed at enhancing well-being, user-friendliness and the quality of the services provided in the buildings. Several negative points were also raised. We have already implemented various improvements in the buildings concerned, such as improving the interior lighting, installing digital-code locks at the entrance and adjusting the temperature in the apartments.

From now on satisfaction will be monitored regularly to assess the effectiveness of the measures taken and to ensure continual optimization in the management of the property portfolio.

### Raising tenants' awareness

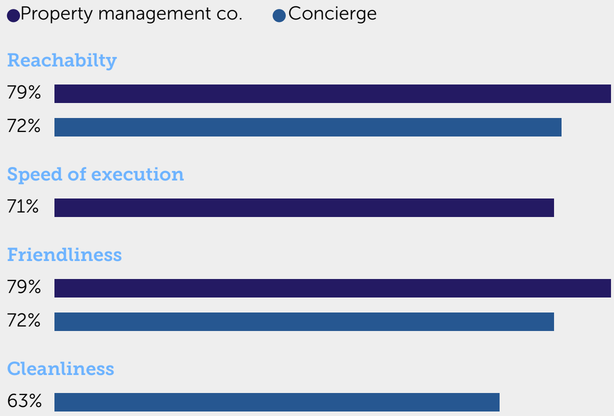
This year, the fund managers conducted an awareness-raising campaign aimed at encouraging tenants to adopt more sustainable behaviour patterns in their daily lives. Information materials have been made available in the building lobbies, presenting simple and practical ways to reduce energy, water and resource consumption. The aim of this initiative is to foster a greater collective awareness of environmental issues and to actively involve the occupants.

### RESULTS OF THE TENANT SATISFACTION SURVEY

**Participation rate: 29.5% (655 full responses)**

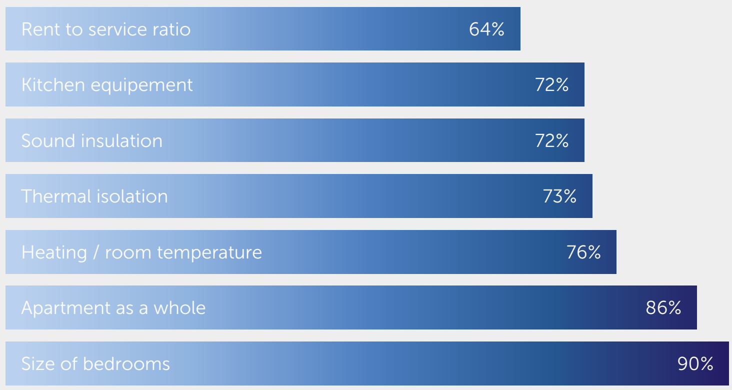
**Satisfaction with the services**

**Percentage of rating *satisfied to very satisfied***




**Satisfaction with the apartment**

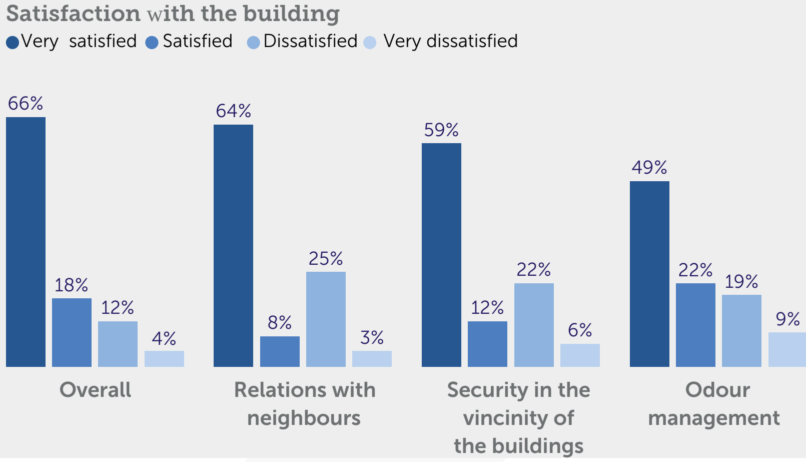
**Percentage of rating *satisfied to very satisfied***




**Percentage of respondents who considered these factors to be very important when choosing their apartement**

| 37% | 56% | 46% | 62% | 48% |
|---|---|---|---|---|
| Shops and businesses nearby | Parking | Little noise nuisance | Balcony | Public transports nearby |

**Satisfaction with the building**



# Sustainability

## Accessibility and social diversity

The fund seeks, as far as possible, to promote urban and social diversity within its property portfolio. 9.1% of the housing units (existing or under construction) are sheltered or subsidized apartments. In addition, during renovation works, re-housing solutions are offered when this proves necessary. Several of the fund's buildings have entrances adapted for people with reduced mobility. Where this is not yet the case, improvements are gradually being made to increase the accessibility of the property portfolio.

## Dialogue with stakeholders

Maintaining a transparent and constructive dialogue with all the stakeholders remains at the heart of the fund's values. This approach aims to build trust, support collaboration and ensure responsible long-term management. In addition to the tenant survey, regular discussions with investors, property management companies and external service providers enable their expectations to be factored into the fund's strategic decisions.

- **Investors**
  Communication with investors is key to the fund's governance. Periodic reports detail the financial and non-financial performances, while individual meetings and thematic presentations afford an opportunity to discuss issues related to sustainable investment strategy in greater depth.

- **Property management companies**
  Regular meetings promote the sharing of best practices and harmonization of reporting methods. Several areas for improvement were identified following the ESG survey conducted among property management companies in 2024.

- **External service providers**
  External service providers continue to be made aware of the fund's requirements in terms of safety and security, equal treatment and fair working conditions. They also provide statements certifying their compliance with these principles and their responsible conduct towards their counterparties, particularly their employees.

**9.1%**

**Proportion of sheltered or subsidized apartements within the portfolio**

## Respecting human rights and social equity

The fund ensures that fundamental human rights are respected in all its activities and throughout its value chain. The UN Guiding Principles on Business and Human Rights serve as a reference for selecting and evaluating partners.

Where construction and renovation sites are concerned, Cronos Immo Fund requires compliance with Swiss standards in the areas of health, safety and working conditions (Code of Obligations, Labour Law, collective agreements). The fund also applies a non-discrimination policy towards tenants, based on the principle of equal access to housing regardless of gender, origin, religion or family situation.

## Health and safety

All the sites are managed according to strict safety protocols, in compliance with Swiss legislation (SUVA, SIA standards). However, safety is not confined to construction and renovation sites: the buildings in the portfolio are regularly monitored to ensure that the occupants are protected. This includes secure-access devices (digital codes, badges, video intercoms), fire detection systems that comply with local standards, and periodic inspections of technical installations. These elements are systematically assessed during renovations so as to ensure a high and consistent level of safety throughout the portfolio.

The fund also incorporates health considerations into its acquisition criteria. In particular, it takes into account how close the buildings are to essential health services (doctors, hospitals, pharmacies) and ensures that the environment is conducive to the occupants' well-being. These factors contribute to enhancing the quality of life in, and the attractiveness of, the selected buildings.

## Soft mobility

Cronos Immo Fund promotes sustainable mobility by incorporating bicycle stations and electric charging points whenever possible. Furthermore, facilitated access to public transport is one of the criteria that are analysed when acquiring buildings.

## Key figures relating to the employees of Cronos Finance SA

| | September 2024 - september 2025 |
|---|---|
| Total headcount | 36 |
| Men | 72% |
| Women | 28% |
| Working at 100% | 67% |
| Number of interns > 3 months | 2 |
| Number of arrivals | 3 |
| Number of departures | 0 |
| Average length of service | 6 years |
| % having a length of service of < 5 years | 45% |
| % having a length of service of > 5 years < 10 years | 44% |
| % having a length of service > 10 years | 11% |
| % having completed a short training course (< 1 day) | 100% |
| % having completed a medium-length training course (> 2 weeks) | 11% |
| % having completed a long training course (> 1 year) | 14% |

## Social commitment and employee developments

Cronos Finance SA attaches particular importance to the well-being and development of its employees. The company strives to provide a stimulating, collaborative and supportive working environment that is conducive to the personal and vocational development of each individual.

Over the past year, participatory workshops (by team) have been held to enable employees to propose new ESG initiatives and actively contribute to the Group's approach to sustainability. These discussions led to the implementation of concrete actions, such as reducing compulsory presence hours on Fridays, covering the cost of annual public transport passes to encourage soft mobility, installing ergonomic and height-adjustable desks, and creating an in-house department in charge of "leisure activities".

The Management continued its efforts to foster staff well-being by introducing new social measures. These include partial coverage of childcare costs to support employees and their families, as well as the provision of free parking spaces near the offices, where necessary.

Keen to strengthen cohesion, the Management organized - as it does every year - a weekend excursion to a Swiss city, offering employees a chance to recharge their batteries and socialize in a friendly setting. Moreover, several group activities and outings were offered throughout the year, which helped to maintain a positive and dynamic team spirit.

An anonymous in-house survey was conducted once again in 2025. It confirmed the high level of employees' satisfaction with their working conditions, illustrating Cronos Finance SA's constant commitment to its human capital.

At the same time, the company is also increasing its societal involvement by supporting local and sporting activities, for example by sponsoring athlete Chloé Rabac (a Swiss sprinter), participating in SMOVE's[1] "Pink October" initiative, and supporting the Pully music festival.[2]

Chloé Rabac, silver medallist in the 4x100 m relay at the 2024 U20 World Championships

## Participatory workshops

**These workshops have enabled employees to propose new ESG initiatives**

[1] https://www.smove-sis.ch/octobrerose/
[2] https://www.wempully.ch/

CRONOS IMMO FUND

Sustainability

# Integration

**ESG criteria are integrated into every stage of the investment process.**

### Research and innovation

Innovation and research are at the heart of our company's philosophy, which considers forward thinking to be an essential lever for anticipating developments in the financial and real-estate sectors.

The occupational pension Think Tank, which has been organized by Cronos Finance SA for about fifteen years, provides a forum for discussion on topical subjects and societal challenges.

The fund's Management also continues to support applied research through other academic collaborations and external partnerships. In particular, it remains an active partner in the "Green Value of Real Estate" project, whose aim is to develop assessment tools that integrate energy performance and future climate-related risks.

Cronos Finance SA has also taken part - as a beta tester – in an innovative initiative run by QuantHome, a company specializing in real estate data and ESG. In this way, it contributes to the improvement of methods of analysing and sustainably enhancing the value of real estate assets.

## GOVERNANCE

The soundness and transparency of Cronos Finance SA's governance form the foundations of its principles. Through responsible management practices, enhanced internal control and rigorous corporate ethics, the company ensures that the decisions made on behalf of the fund are aligned with the interests of investors, tenants and partners.

### Integrating ESG in investment decisions

Environmental, social and governance (ESG) criteria are integrated into every stage of the investment process — from acquisition through the renovation and construction phases to portfolio management.

A detailed analysis is conducted for each building using an internal evaluation sheet and with the help of independent real estate organizations in order to assign it an ESG rating. This systematic approach promotes a better assessment of sustainability-related risks and opportunities and supports the fund managers' investment decisions.

### Risk management, internal control and compliance

Meticulous risk management and regulatory compliance are key pillars of Cronos Finance SA's governance model. As a FINMA-approved fund management company, the company is required to maintain a robust organization having clearly-defined processes and effective internal control mechanisms. The annual prudential audit, which is conducted by an independent auditor, allows for regular assessment of the relevance and effectiveness of these operating procedures and compliance with legal requirements.

Cronos Immo Fund is also subject to an annual audit as part of the drafting of its annual report. This audit concerns mainly the fund's accounts.

Integrity and transparency form the bedrock of Cronos Finance SA's corporate culture. The employees and members of the Board of Directors are committed to abiding by a code of conduct covering, in particular, the principles of independence, ethics, diligence and conflict-of-interest management. The Compliance function ensures that these principles are applied and that financial, operational and sustainability risks are identified, assessed and monitored.


Think Tank on 29 august 2025

The system takes into account ESG issues, particularly those related to climate risks, regulatory-transition risks, energy efficiency and reputational risks linked to environmental and social practices. These factors are integrated into the fund's risk analysis and its decision-making processes, in line with its commitments to reduce $CO_2$ emissions and achieve carbon neutrality by 2050.

Cronos Finance SA also applies strict requirements to its external service providers, who must confirm that they comply with all the laws and principles relating to fair labour, equal treatment, non-discrimination, occupational safety, compliance with applicable collective agreements and with the working conditions and salaries customary in the sector. The aim of this approach is to limit social risks, ensure responsible practices in our projects, and promote dignity, safety, and well-being at work in all the activities carried out on behalf of the fund.

The whole approach is reinforced by observance of data protection principles and high cybersecurity standards. Regular training sessions are provided to raise employee awareness of IT security and data-protection issues, which are key features of good governance.

Thanks to the daily commitment of its teams and governing bodies, Cronos Finance SA maintains a high level of transparency, compliance and risk management, while integrating environmental, social and governance issues into all its processes. This dynamic improves the resilience of Cronos Immo Fund and contributes to sustainable value creation for investors and the well-being of society.

### Reporting, transparency and commitment

The fund publishes a sustainability report every year. It is incorporated into the annual report and comprises key indicators relating to the energy consumption and performance of its buildings. This report is a symbol of its transparent communication on its performance and commitments.

Since 2021, Cronos Finance SA has been a signatory to the Principles for Responsible Investment (UN PRI), an initiative supported by the United Nations.

This affiliation reflects the company's desire to integrate environmental, social and governance criteria into the management of its funds and to adopt responsible and ethical investment practices in line with international standards. Furthermore, Cronos Immo Fund is affiliated to GRESB (Global Real Estate Sustainability Benchmark), the benchmark body for assessing the ESG performance of property portfolios. This participation is part of a policy of transparency and continuous improvement, aimed at measuring, comparing and strengthening the fund's positive impact in terms of sustainability and social responsibility.

## INITIATIVES AND OUTLOOK

In order to achieve our goals for 2030 and 2050 (see p. 27), we are continuing to implement various energy-optimization solutions, in addition to renovation works in our buildings. In our survey, we also invited our tenants to suggest ideas for making their apartment or building more environmentally compatible. Here is a summary of the actions implemented during the past financial year:

### Installation of ECCO2 technology

As part of our commitment to the sustainability and energy efficiency of our property portfolio, we have rolled out the energy regulation system provided by the company ECCO2 Solutions SA. This innovative solution, which was developed in Switzerland, enables optimized management of collective heating by using connected sensors, a digital twin of the buildings and dedicated artificial intelligence (NARA AI). By continuously analysing data such as temperature, humidity and weather forecasts, the system automatically adjusts the heating settings for each building, ensuring both the occupants' comfort and a measurable reduction in energy consumption.

This solution has delivered significant savings since it was rolled out in 21 buildings between August 2024 and July 2025. Over this period, energy consumption decreased by 278 MWh, which corresponds to a reduction in $CO_2$ emissions of about 60 tons.

## UN PRI and GRESB

**We participate in these two initiatives for responsible investment.**

CRONOS IMMO FUND

## Sustainability

**12.8%**

**Average reduction in energy consumption achieved by means of ECCO2 technology**

This represents an average saving of 12.8% across the entire portfolio concerned. These results confirm the tangible impact ECCO2 has in optimizing energy performance and the transition towards more sustainable management of the real estate stock.

### Project monitoring using Signa-Terre's Immodata software

As mentioned in our previous report, we use this platform to predict our consumption curve. Each year, the ten-year projections are adjusted and the software updated accordingly.

### Development of photovoltaic installations

In order to ensure successful implementation of this initiative, a framework agreement has been signed with a Self-Consumption Cluster manager and a photovoltaic panel installer. In 2025, five projects were carried out on existing buildings and three on new constructions, with an estimated production of 384.1 MWh per year.

Production amounted to 169.4 MWh, 37% of which was self-consumed by the producers, for the financial year ending 30 September 2025. Over the next few years, we will speed up the roll-out of photovoltaic installations, particularly through Self-Consumption Cluster initiatives.

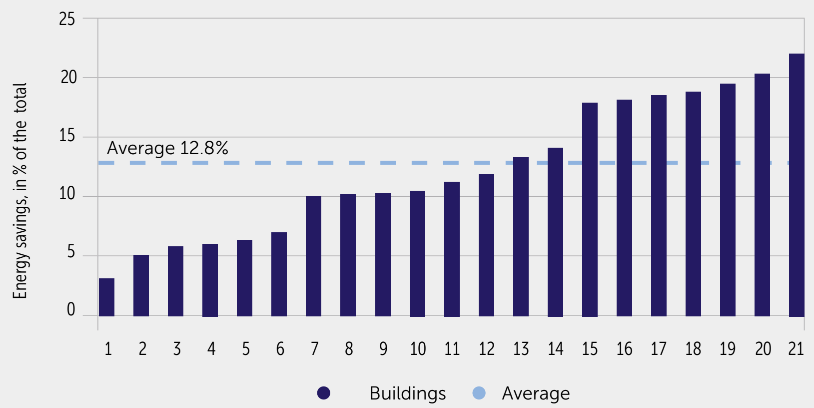
### CONCLUSION AND NEXT STEPS

Cronos Immo Fund remains firmly committed to sustainability, in an environment marked both by fast-changing regulations and by the increasing urgency of climate issues. Over the past year, the fund has demonstrated its ability to combine expansion with responsibility, significantly expanding its property portfolio while stepping up its actions in favour of energy efficiency, reduction of $CO_2$ emissions and improving the well-being of its tenants and employees. The progress achieved testifies to our desire to combine financial performance with a sustainable positive impact.

In the coming years, Cronos Immo Fund will remain fully committed to achieving its objectives, including carbon neutrality by 2050. The annual updating of renovation planning, the continual improvement of data quality and coverage, and systematic integration of ESG criteria into all the investment decisions will remain priorities. We will also continue to gradually formalize our social and governance objectives in order to adopt an increasingly comprehensive and consistent approach.

In a constantly-changing environment, we will remain attentive to environmental, regulatory and technological changes and will adapt our actions accordingly. Our commitment is sustainable and ongoing. Cronos Immo Fund will remain proactive, transparent and resolutely forward-looking in order to create responsible, resilient and lasting value for all its stakeholders.

**Energy savings following the roll out of ECCO2 system**

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