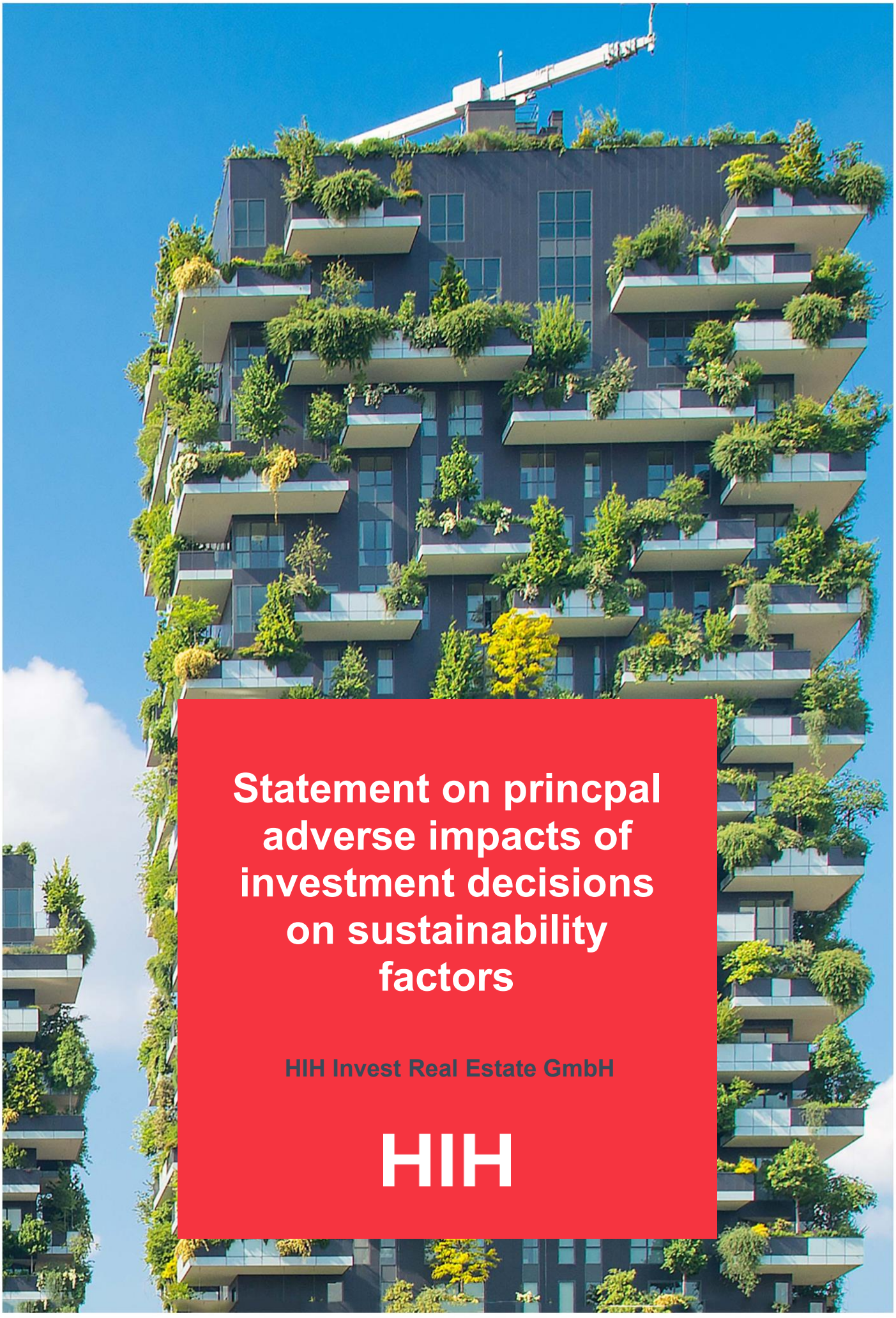

Statement on princpal adverse impacts of investment decisions on sustainability factors

HIH Invest Real Estate GmbH

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Statement on principal adverse impacts of investment decisions on sustainability factors

June 30, 2025

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Pursuant to Article 4 of Regulation (EU) 2019/2088 (Disclosure Regulation) and Articles 4 to 10 of Delegated Regulation (EU) 2022/1288 (Regulatory Technical Standards).

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1 Summary

HIH Invest Real Estate GmbH (HIH Invest) considers the principal adverse impacts of its investment decisions on sustainability. This statement is the consolidated statement on the main adverse impacts on the sustainability factors of HIH Invest.

This statement on the principal adverse impacts on sustainability factors refers to the reference period from January 1 to December 31, 2024.

The subject of this document is mandatory information on the principal adverse impacts investment decisions have on sustainability factors

HIH Invest considers the principal adverse impacts on sustainability factors in investment decisions on directly and indirectly held real estate, as well as principal adverse impacts of investment decisions on environmental factors and has established internal policies for this purpose. According to the Disclosure Regulation, sustainability factors include environmental, social and employee concerns, respect for human rights and the fight against corruption and bribery. These adverse impacts are made measurable through sustainability indicators. The ability to consider the most significant adverse sustainability impacts depends largely on the availability of relevant information. With respect to real estate investments, examples of sustainability factors include energy efficiency or resource consumption of real estate, as well as fossil fuel investments that are supported by real estate.

The following outlines the principal adverse impacts of investment decisions on sustainability factors, the strategies used to identify and weight them, and how these sustainability factors relate to international standards that HIH Invest recognizes.

For this statement, the principal adverse impacts of investment decisions of the direct investment vehicles managed directly by HIH Invest are considered. Investment decisions related to the investment of the KVG's own funds are not covered by the scope. In the selection of sustainability indicators, on the one hand the mandatory indicators "fossil fuels" and "energy efficiency" were taken into account, and on the other hand an additional optional indicator "energy consumption" was selected, which was considered in the course of this declaration.

For the three indicators mentioned, this statement reports the impacts in the reference period, as well as explanations on these in terms of data quality, estimates made and extrapolations in the case of non-existent data, the method used to determine the impacts.

Fossile Fuels	Energy efficiency (share energy inefficient assets)	Energy consumption
0.04%	39.48%	0.00013 GWh/m²

In addition, the statement includes measures taken in the reference period and planned measures for the coming reference period to mitigate and avoid the adverse effects.

HIH Invest has established processes to continuously measure and evaluate adverse impacts, e.g. by adding requirements to the purchasing process or establishing the sustainability strategy

in fund management. HIH Real Estate has regulated clear guidelines for dealing with sustainability risks in its sustainability strategy. HIH Real Estate includes sustainability risks in its investment decisions as part of its investment process and evaluates them on an ongoing basis. Sustainability risks are risks that can have a negative impact on the return of an investment. The main sustainability risks and negative impacts of the respective investment are identified as part of the due diligence process at the time of purchase and continuously reviewed throughout the lifecycle of the property.

In addition, methods have been developed to estimate or extrapolate as best as possible data that is not yet available in accordance with a best-effort approach. These approaches are also reviewed on an ongoing basis, at least annually, and adjusted if necessary.

Due to the nature of its business activities, HIH Invest has not implemented any participation arrangements pursuant to Article 3g of Directive 2007/36/EC. HIH Invest is committed to supporting sustainable investments. To this end, its employees are involved in associations and organizations to share their expertise and actively participate in the development of sustainability in the real estate industry. Among other things, HIH Invest is committed to the UN Principles for Responsible Investments and is a signatory to the UN Global Compact.

In the context of capital commitment and investment decisions in the area of multi-manager business and investments in external managed funds, HIH Invest reviews the overall ESG concept of the external fund manager and the investment approach of the fund with regard to sustainability aspects and risks when making capital commitments to institutional target funds. As the funds are generally externally managed portfolios, the possibility of including sustainability risks in the selection of target fund investments is limited to the conclusiveness of the overall concept provided by the fund manager and therefore no statement can currently be made about the principal adverse indicators of its investment decisions on sustainability factors HIH Invest checks whether environmental or social features are advertised in the pre-contractual information and whether a sustainable investment is intended. In particular, once HIH Invest has committed capital to a target fund, there is no possibility for HIH Invest to influence the selection of individual properties by the target fund manager, even if they do not meet HIH Invest's vision with regard to sustainability risks.

This approach will be reviewed on a regular basis.

The German language version is available here:

Erklärung der nachteiligen Auswirkungen von Investitionsentscheidungen auf Nachhaltigkeitsfaktoren

2 Description of the principal adverse impacts of investment decisions on sustainability factors

Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Impact 2022**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
	Indicators applicable to investments in real estate assets						
Fossil fuels	1. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	**0.04%**	**0.03%**	**0.05%**	100 % of the investments of HIH Invest were applicable for the indicator "fossil fuels" (eligibility). In order to determine the share of investments in real estate related to the extraction, storage, transport or production of fossil fuels, there was a data coverage of 100 %. The fossil fuel ratio is calculated as the market value-weighted share via the rental shares: (rent share in €/property interest)/(∑market values in €) The rental shares of properties were assessed if their primary use	To reduce the adverse effects, processes have been implemented to measure and evaluate the adverse effects in the purchase and portfolio. The indicators are considered and evaluated in the risk assessment.

Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Impact 2022**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
	Indicators applicable to investments in real estate assets						
						was actively related to the extraction, storage, transportation, or production of fossil fuels for consumption or use by third parties. This particularly included fuel stations used for fuel distribution or storage facilities intended for resale. Not taken into account were, for example, buildings with oil or gas tanks used solely for heating purposes within the property, or diesel containers for emergency power generators. To determine the share, the analysis focused on the actual activities carried out by tenants within the property, regardless of the industry classification of the tenant.	

Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Impact 2022**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
	Indicators applicable to investments in real estate assets						
Energy efficiency	2. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	**39.48%**	**38.60%**	**44.99%**	98.61% of HIH Invest's investments in direct real estate were applicable for the "energy efficiency" indicator (eligibility). In order to determine the share of investments in properties with poor energy efficiency, there was a data coverage of 95.97% (data coverage). In addition to real data, estimated data was also taken into account according to a best-effort approach. The values were determined proportionately on the basis of all market values of the properties The energy inefficiency of buildings is calculated according to the formula from the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing the Disclosure Regulation (so-called	To reduce the principal advers idicator, processes were implemented to measure and evaluate the adverse effects in the purchase and portfolio. In the period under review HIH Invest views ESG as active risk management, as risks such as climate change can affect the value of real estate. By using data, HIH Invest identifies potential risks and develops strategies to mitigate them. HIH Invest continued to comprehensively process data during the period under review, including energy data and qualitative information on the building envelope and technical building equipment (TBE). This combination makes it possible to draw conclusions about the building quality and make comparisons with other buildings.

Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Impact 2022**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
	Indicators applicable to investments in real estate assets						
						regulatory technical standards (RTS)):  ((Wert der vor dem 31.12.2020 errichteten Immobilien mit EPC von höchstens C) + Wert der nach dem 31.12.2020 errichteten Immobilien mit PED unter NZEB in Richtlinie 2010/31 / Wert der Immobilien, die EPC – und NZEB – Vorschriften unterliegen The terms Lowest Energy Building (NZEB), Primary Energy Demand (PED) and Energy Performance Certificate (EPC) shall have the meaning given to them in Article 2(2), (5) and (12) of Directive 2010/31/EU of the European Parliament and of the Council. The following assumptions were made in determining the ratio, as it was not possible to implement the determination of efficiency for all properties: • Properties that were under construction during the	And to implement optimization measures. ▪ Consideration of the energy classes in the properties and the energy performance certificates. Implementation of targeted measures as part of the life cycle assessment of properties ▪ Increasing resource efficiency by reducing (primary) energy Targeted measures reduce energy consumption. ▪ Creation of a decarbonization pathway ▪ Anchoring ESG in operations / location ▪ Promoting digitalization - Digital solutions enable better monitoring and control of energy consumption, which leads to a further reduction in CO_2 emissions. ▪ Each property managed by HIH Invest has an individual action

Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Impact 2022**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
	Indicators applicable to investments in real estate assets						
						reporting period or not heated or cooled using energy (e.g., warehouses, car parks, underground garages) were not included in the calculation of the indicator (non-eligible assets). • It should be noted that, due to the current status of energy consumption data collection, a significant proportion of estimates and benchmark data had to be used. As a result, the reliability of the data for individual properties is limited. • To calculate the indicator, final energy consumption and demand figures from available Energy Performance Certificates (EPCs) were used, provided this information was included in the certificates. These values do not reflect the actual	plan for reducing CO_2 emissions or energy consumption. Work on the further development of these measures is ongoing. ESG is not a separate issue, but an integral part of operational asset management - a natural part of daily activities. ▪ The tools and assessment approaches used are continuously being developed in order to improve data depth, transparency and feasibility. In addition, the central ESG unit tests innovative methods and digital solutions in pilot projects - as a kind of “research and development” for sustainability in real estate operations. Successful approaches are then systematically transferred to the processes of as-set management.

Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Impact 2022**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
	Indicators applicable to investments in real estate assets						
						energy consumption of the properties in the reporting year. • Unsigned EPCs were fully included in the calculation. • Expired EPCs were considered valid if no updated EPC was available. • For residential buildings, a 25% uplift was applied to the final energy demand stated in the EPC in order to account for electricity consumption, which is not (sufficiently) captured in the certificate. • This adjustment was based on findings from the Working Group on Energy Balances (AGEB), which examined the development of final energy consumption in private households between 1990 and 2023. • According to the median values from this study,	

Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Impact 2022**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
	Indicators applicable to investments in real estate assets						
						approximately 19% of household final energy consumption is attributable to electricity.	
Energy consumption	3. Energy consumption intensity	Energy consumption in GWh of owned	**0.00013 GWh/m²**	**0.00013 GWh/m²**	**0.00014 GWh/m²**	98.94% of HIH Invest's investments were applicable to the "energy consumption" indicator (eligibility). In determining the energy consumption of the properties in GWh per square metre, there was a data coverage of 95.97%. In addition to real data, estimated data was also taken into account according to a best-effort approach. The values were determined proportionately on the basis of all market values of the properties Properties that were under construction during the reporting period or not heated	To reduce adverse impacts, processes have been implemented to systematically measure and assess these both at acquisition and during ongoing asset management. To further expand and improve our sustainability efforts, we are continuously working on measures to reduce emissions and increase efficiency. A proprietary ESG scoring model was developed to screen the entire portfolio—essentially serving as an ESG inventory and baseline analysis. As part of the ESG portfolio assessment, all actively managed properties are evaluated annually based on environmental and social

Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Impact 2022**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
	Indicators applicable to investments in real estate assets						
						or cooled using energy (e.g., warehouses, car parks, underground garages) were not included in the calculation of the indicator (*non-eligible assets*). It should be noted that, due to the current status of energy consumption data collection, a significant proportion of estimates and benchmark data had to be used. As a result, the reliability of the data for individual properties is limited. To calculate the indicator, final energy consumption and demand figures from available Energy Performance Certificates (EPCs) were used, provided this information was included in the certificates. These values do not reflect the actual energy consumption of the	criteria. Each property is assigned an ESG score, which enables comparison across both asset and fund levels. The goal is to identify ESG potential and develop targeted improvement strategies. ESG performance is assessed using five criteria: energy efficiency, social performance, user comfort and safety, economic performance, and certification/governance. The resource efficiency cluster serves as a technical assessment tool to evaluate building systems and envelope elements based on life cycle considerations, helping to identify potential for energy savings. Assessment results form the basis for tailored action plans—ranging from short-term operational optimizations and component upgrades to structural refurbishments. These include

Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Impact 2022**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
	Indicators applicable to investments in real estate assets						
						properties in the reporting year. • Unsigned EPCs were fully included in the calculation. • Expired EPCs were considered valid if no updated EPC was available. • For residential buildings, a 25% uplift was applied to the final energy demand stated in the EPC in order to account for electricity consumption, which is not (sufficiently) captured in the certificate. This adjustment was based on findings from the Working Group on Energy Balances (AGEB), which examined the development of final energy consumption in private households	measures such as adjusting building automation systems, replacing inefficient equipment, developing decarbonization pathways, and using renewable energy sources. These actions are an integral part of operational asset management. ESG is not treated as a separate topic but is embedded in day-to-day processes. Progress—such as CO_2 reduction, energy savings, or investment needs—is regularly evaluated and incorporated into asset and fund-level strategies. In parallel, new tools and methods are being piloted, such as automated consumption monitoring or system-level efficiency analysis. Successful approaches are integrated into existing workflows, ensuring a continuous improvement process with practical relevance.

Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Impact 2022**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
	Indicators applicable to investments in real estate assets						
						between 1990 and 2023. According to the median values from this study, approximately 19% of household final energy consumption is attributable to electricity.	

3 Description of policies to identify and prioritise principal adverse impacts of investment decisions on sustainability factors

Strategies for identifying and evaluating, weighting and margins of error are explained for the respective key figures in Table 1 of the most significant adverse impacts.

The strategies for identifying and weighting the most significant adverse impacts on sustainability factors were adopted by the Executive Board on 10 March 2021. This provides that data availability and data quality must first be increased for a valid evaluation of the indicators.

In the first step, the organisational unit "Environmental, Social, Governance" selected an optional indicator ("energy consumption"). The following criteria were decisive for the selection:

- Actual negative impacts in the business area of HIH Invest
- Availability of data
- Coordination with the leading industry associations (BVI and ZIA))

The consideration of further indicators is assessed on an ongoing basis, at least annually.

In the purchase, the indicators for the assessment of adverse effects were included in the Prozesse of the risk assessment. Data is updated quarterly, annually or as required by the indicator (e.g. energy performance certificates are requested after expiry date, consumption data will probably only be available annually in the first step, where available). The PAI indicators are calculated on a quarterly basis, the value given here describes the average value of the impact on 31 March, 30 June, 30 September and 31 December of the respective period.

The specific methods and best-effort approaches applied are described for each indicator in the "Explanation" section

Due to the current state of data collection (especially for energy consumption, but also for energy performance certificates), methods were adopted to estimate or extrapolate these data as best as possible. These approaches are also reviewed continuously, at least annually, and adjusted if necessary, for example if a standard for normalising consumption data or for converting energy performance certificates without a letter scale becomes established in the market.

It should be noted that due to inadequacies in data availability (energy consumption) and quality (energy performance certificates), only an initial classification of the actual negative effects on sustainability factors could be made. HIH Invest therefore strives to continuously improve data availability and quality. Examples of this are the process being implemented to record the actual consumption data of the buildings directly managed by investment vehicles through HIH Invest. An important part of this is the digitalisation of data collection and the retrofitting of buildings with e.g. digital meters.

4 Engagement policies

Due to the nature of its business, HIH Invest has not implemented any participation arrangements pursuant to Article 3g of Directive 2007/36/EC.

5 References to international standards

HIH Invest is committed to supporting sustainable investments. To this end, its employees are involved in associations and organisations to share their expertise and actively participate in the development of sustainability in the real estate industry.
In its cooperation with investors and partners, HIH Invest is aligned with the BVI Code of Conduct for responsible handling of the capital entrusted to it and the rights of investors.

HIH Invest is a signatory to the UN Global Compact and supports its ten principles

- Respecting the protection of internationally proclaimed human rights
- Not being complicit in human rights abuses
- Upholding the freedom of association and the right to collective bargaining
- Elimination of all forms of forced and compulsory labour
- Effective abolition of child labour
- Elimination of discrimination in respect of employment and occupation
- Precautionary approach to environmental challenges
- Initiatives to promote greater environmental responsibility
- Development and diffusion of environmentally friendly technologies
- Working against corruption in all its forms

We have committed to complying with the Principles for Responsible Investment (PRI). These six principles are as follows:

- We integrate ESG into our investment decisions and analyses.
- We integrate ESG into our active portfolio management
- We seek appropriate disclosure on ESG issues by the entities in which we invest
- We promote acceptance and implementation of the principles in the real estate industry
- We work with other market participants to implement the principles
- We will report on our activities and progress towards implementing the principles.

As an active member of the industry association BVI and other commitments, HIH Invest continues to promote these principles.

HIH Invest's compliance with international standards is not directly linked to individual PAI indicators. Therefore, there is no measurement of compliance with international standards on the basis of individual PAI indicators, nor can methods or data for measuring or aligning with these standards be disclosed.

HIH Invest does not currently use a future-oriented climate scenario. For all investments in real estate, however, the transitory risks and thus also the effects of the investment on the Paris

climate protection targets are determined and taken into account both during the purchase process and on an ongoing basis.

6 Historical comparison

The reporting period 01.01.2024 to 31.12.2024 represents the second reporting year.

This allows initial comparisons to be made

Reporting period	Fossile fuels	Energy efficiency (share of iefficient assets)	Energy consumption
01.01.2022-31.12.2022	**0.05%**	**44.99%**	**0.00014 GWh/m²**
01.01.2023-31.12.2023	**0.03%**	**38.60%**	**0.00013 GWh/m²**
01.01.2024-31.12.2024	**0.04%**	**39.48%**	**0.00013 GWh/m²**

The share of fossil fuels has increased slightly. This is due in particular to fluctuations in the rents and market values of properties associated with the extraction, storage, transportation or production of fossil fuels. As the proportion is still very low, no further explicit measures are planned here.

The proportion of energy-inefficient properties has risen slightly. This can be explained by the significant increase in data coverage from 91.93% to 95.97%. In the reporting period, great efforts were made to compile and check the plausibility of the available data in order to increase data coverage. In addition, measures to optimize the buildings were implemented during the period under review. Further details can be found in the explanation of the indicator.

Energy consumption has not changed significantly compared to the previous year. However, due to the increase in data coverage from 87.15% to 95.97%, a reduction in energy consumption in the portfolio can be assumed. Additional data was estimated in parallel to the previous year. For residential buildings for which the energy performance certificate served as the data basis, 25% of the consumption was added in order to estimate the missing electricity consumption. These adjustments result in a more precise recording of energy consumption, but lead to an increase in certain areas, which is offset against the improvements to optimization measures. Further details can be found in the explanation of the indicator.

7 Explanations

* Eligibility:

Eligibility shows what proportion of HIH Invest's total portfolio is applicable for an indicator. For all indicators, the sum of the market values is in the denominator. Depending on the indicator, these are added in the numerator:

- Fossil fuels: this indicator is applicable to all properties
- Energy efficiency: this indicator is applicable to all properties that are subject to EPC and NZEB regulations or for which an energy performance certificate has been voluntarily issued
- Energy consumption: only properties that were under construction or were not heated or cooled using energy (e.g. warehouses, parking garages and underground garages) were excluded here.

** Data Coverage:

Data coverage shows the proportion of HIH Invest's total portfolio for which data could be collected or estimated. For all indicators, the sum of the market values is in the denominator. The data that was estimated and therefore included in the numerator can be found in the "Explanations" section of the respective indicator.

Date: June 30, 2025

8 Disclaimer

This concept document does not contain any recommendations for action and does not constitute financial analysis, investment advice or a contractual offer. For detailed information and notes on the opportunities and risks of the products and services offered by HIH Invest Real Estate (HIH Invest), please refer to the relevant contractual documents and the annual reports. The content of this concept document is based both on public data and documents and on information made available to HIH Invest separately by third parties.

All statements, opinions and judgements contained in this document correspond to current, sometimes subjective assessments and evaluations and are not to be regarded as a constant, unchangeable or absolute statement. HIH Invest or its individual companies, as well as their executive bodies, management boards, employees or other parties acting on behalf of HIH Invest therefore assume no liability whatsoever for the statements made in this concept document, their completeness, accuracy or usability for the purposes of the reader.

This document and all information contained herein must be treated as confidential and must not be passed on to third parties without the express written consent of HIH Invest.

9 Impressum

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