

HIH

**ESG
POLICY
2025**

HIH

East Side Office, Mühlenstraße, Berlin

Introduction

HIH'S OVERALL ESG TARGET

The HIH Invest Real Estate GmbH (“HIH” in the following) is firmly committed to integrating Environmental, Social, and Governance (ESG) principles across all facets of our real estate investment and asset management activities. Our objective is to generate sustainable, long-term value by achieving attractive financial returns while delivering positive environmental and social impacts.

HIH ESG POLICY AND ESG STRATEGY

This **ESG Policy** establishes the foundation for our approach and describes our **objectives** across our portfolio.

Our **ESG Strategy** provides a framework for implementation and elaborates on how we **intend to operationalize** the Policy.

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1. HIH ESG Commitment – Executive Summary

At HIH, we are on a journey to embed ESG principles deeply into everything we do. While we're not yet at our destination, we are steadily advancing, driven by our commitment to making a tangible impact. Our path is defined by action: we are actively implementing the following ESG objectives with focus, urgency, and accountability.

OBJECTIVE 1: RESPONSIBILITY

HIH has established a dedicated ESG team operating under direct senior management oversight to ensure ESG integration across all business units and strategic alignment with corporate objectives.

OBJECTIVE 2: IMPLEMENTATION

We are committed to translating ESG principles into concrete actions across all aspects of our real estate operations and corporate activities, ensuring that our strategies drive sustainable, long-term value creation rather than remaining merely theoretical.

OBJECTIVE 3: ENVIRONMENTAL

We strive to reduce environmental impact, enhance climate resilience, safeguard natural resources, and work towards reducing carbon emissions across our operations and investments.

OBJECTIVE 4: SOCIAL

We promote inclusive and healthy communities, with a focus on emerging educational and learning environments, by embedding social responsibility in our corporate culture and portfolio management.

OBJECTIVE 5: GOVERNANCE

We uphold the highest standards of professionalism and integrity, integrating ESG criteria across the full investment lifecycle and embedding them in our governance framework.

OBJECTIVE 6: ESG STANDARDS & REGULATION

HIH aligns its ESG approach with internationally recognized standards and evolving national and European regulations to ensure transparency, comparability, and accountability.

OBJECTIVE 7: ESG DATA & REPORTING

Our goal is to centralize ESG data in a fully automated system that ensures quality, reduces manual processes, and delivers real-time, tailored reporting to drive informed decisions and continuous improvement.

2. Our ESG Footprint: Defining the Scope of Our Commitment

This ESG Policy addresses HIH principles with regards to the full spectrum of Environmental, Social, and Governance (ESG) considerations and is applicable across our real estate investment activities — including all assets under management, investment processes, and operational functions related to the management of investment vehicles — as well as our own corporate operations.

The HIH ESG Strategy sets out how we plan to implement and achieve the principles set out in this policy.

At HIH, we recognize that ESG considerations are integral to the long-term success and resilience of our business. As a real estate investment manager, our environmental responsibilities are naturally linked to the assets we manage. The environmental footprint of our properties, encompassing energy consumption, the shift towards renewable energy sources, and the reduction of greenhouse gas emissions, represents our most significant area of impact.

Beyond environmental stewardship, we are deeply aware of the critical social function that buildings serve in people's daily lives. Today, individuals spend nearly 90 percent of their time indoors, living, working, and engaging in leisure activities within built environments. Buildings are more than physical structures; they are the settings in which society operates. As such, real estate investment decisions must also take into account the social value a building contributes. Moreover, the extensive time spent indoors underscores the importance of healthy indoor environments. We recognize and embrace our role in creating spaces that are not only efficient and functional but that also support social cohesion, foster well-being, and enhance quality of life for all occupants.

At the heart of HIH are our employees, our greatest asset and key to delivering exceptional service. We are committed to fostering a sustainable and supportive workplace that prioritizes employee well-being, professional development, and diversity. International ESG standards provide a framework to measure and continuously improve our performance in this critical area.

Strong corporate governance forms the bedrock of our business. Upholding high standards of integrity, transparency, and accountability enables us to build enduring relationships with our employees, clients, partners, and the broader community. We view governance not merely as a compliance obligation, but as a catalyst for trust and long-term value creation.

Through our ESG Policy and Strategy, we are dedicated to making a meaningful contribution to a more sustainable future, for our clients, our employees, and society as a whole.

3. Boundaries with Purpose: Understanding Our ESG Limits

While HIH defines clear ambitions and objectives, aligns with recognized ESG standards, and ensures compliance with applicable regulations, the scope of actionable measures remains subject to certain limitations:

Governance and Economic Constraints

HIH operates within the framework of its mandates and governance structures. Its capacity to act is defined by investor resolutions and economic boundaries set within individual business plans. Strategic ESG initiatives are therefore contingent upon alignment with these predefined parameters.

Partial Control Over the Environmental Footprint of Real Estate Assets

The overall environmental performance of a real estate asset is influenced by multiple interdependent factors. HIH can directly impact only a portion of these:

- **Within HIH's Sphere of Influence**
Elements such as building envelopes, energy sources, and energy efficiency of technical building systems can be addressed through asset management and improvement measures.
- **Primarily Influenced by Tenants**
Usage patterns, tenant-installed technical equipment, interior fit-outs, and energy intensity are largely driven by the building users and remain beyond HIH's direct control.
- **External Factors: Energy Infrastructure**
The carbon footprint of public energy sources, such as district heating, varies by region. Although district heating systems can utilize waste heat and renewable energy – offering environmental advantages in principle – the current emission factors for district heating in Germany are, in many cases, comparable to those of individual gas heating systems, limiting the potential impact of energy source switching.

In summary, HIH aims for a careful balance between its ESG objectives for assets under management, tenant usage patterns, and investor expectations when formulating decisions and strategies to enhance the sustainability of each asset.

4. Shared Accountability: Who Drives ESG at HIH

OBJECTIVE 1: RESPONSIBILITY

HIH has established a dedicated ESG team operating under direct senior management oversight to ensure ESG integration across all business units and strategic alignment with corporate objectives.

The ESG Team is responsible for managing the ESG Policy and Strategy and overseeing their effective implementation across HIH. The ESG Team is composed of representatives from all divisions of HIH, enabling us to consolidate expertise from across the organization into a single, multidisciplinary unit. This structure ensures a comprehensive and integrated approach to ESG management.

The Head of Sustainability holds a position within HIH Invest Real Estate GmbH and reports directly to the Management Board, ensuring that ESG considerations are embedded at the highest level of decision-making.

In regular meetings, the ESG Team updates the Management Board on the overarching ESG strategy and the operational implementation of ESG initiatives. These updates cover company-wide projects, best practice measures at asset level, regulatory developments, and insights into market and competitor activities.

ESG responsibilities are embedded in the personal targets of senior management and key operational personnel. Furthermore, ESG performance metrics are incorporated into management and employee remuneration structures where applicable, reinforcing accountability and aligning incentives with our sustainability goals.

To foster ongoing capacity building and awareness, employees receive regular ESG training by the ESG Team.

5. Turning Strategy into Action: Evolving with Purpose

OBJECTIVE 2: IMPLEMENTATION

We are committed to translating ESG principles into concrete actions across all aspects of our real estate operations and corporate activities, ensuring that our strategies drive sustainable, long-term value creation rather than remaining merely theoretical.

STRATEGIC OVERSIGHT AND CONTINUOUS IMPROVEMENT

This commitment is driven by our dedicated ESG team and is designed to empower employees across the organization to integrate ESG principles into their daily responsibilities. Our goal is to embed ESG into the fabric of our core processes, ensuring it becomes a fundamental part of how we operate, not a standalone initiative managed in isolation.

Our ESG Policy and Strategy are subject to continuous review and refinement, conducted annually as an integral part of our broader corporate strategy. This ensures alignment with evolving best practices, regulatory developments, and stakeholder expectations.

We actively monitor market trends and societal discourse to identify emerging ESG topics that may influence or enhance our business activities. Participation in leading industry initiatives and benchmarking programs, such as UN PRI (United Nations Principles of Responsible Investment), UN GC (United Nations Global Compact) and GRESB (Global Real Estate Sustainability Benchmark), enables us to assess our performance, drive improvement, and stay at the forefront of ESG leadership in real estate.

Each year, we define a clear roadmap for our ESG initiatives, outlining key projects and targeted outcomes. Our goal is to build on our progress year over year, continuously strengthening our ESG performance and impact.

In addition to our real estate activities, we are committed to advancing our ESG objectives within our own office operations, continuously evaluating opportunities to reduce our environmental footprint and respond to the social needs of our employees and the broader community.

INTEGRATING ESG INTO THE INVESTMENT PROCESS

Our approach to embedding ESG principles into the investment process – the core of our daily operations – is guided by the following key initiatives:

- **Integration in Real Estate Investment Processes:** ESG considerations are included in the product development and due diligence process alongside financial KPIs.
- **Asset-Level Integration:** Each asset within our portfolio is managed with a dedicated ESG action plan, seamlessly incorporated into its overarching business strategy.
- **Fund-Level Integration:** Formulating ESG Focus Areas on fund level to concentrate ESG activities in the portfolio.

- **Multi Manager Business:** ESG integration is integrated in the Multi Manager Business by conducting targeted ESG due diligence and assigning performance scores to external managers and target funds, aligning investments with responsible strategies and fiduciary obligations.
- **Infrastructure Investment:** Aligning infrastructure investments with environmental impact by targeting renewable energy projects among others and implementing ESG factors in the investment process
- **Performance Tracking and Reporting:** We systematically track and report ESG Key Performance Indicators (KPIs), including energy consumption, greenhouse gas emissions, tenant satisfaction, diversity, equity and inclusion metrics, and green building certifications.

6. Our Commitment to the Planet

OBJECTIVE 3: ENVIRONMENTAL

We strive to reduce environmental impact, enhance climate resilience, safeguard natural resources, and work towards reducing carbon emissions across our operations and investments.

ENVIRONMENTAL PRINCIPLES

HHH's approach to achieving its environmental objectives includes:

- Reducing greenhouse gas emissions across our portfolio following the EU's regulatory framework and carbon neutrality objectives.
- Embedding energy efficiency and renewable energy solutions into asset management and ongoing maintenance activities.
- Sustainable procurement and framework agreements for green energy and waste management.
- Conducting climate risk assessments for all assets under management.
- Encouraging pollution prevention and biodiversity enhancement across our assets.
- Aiming to create functional spaces that also promote indoor environmental quality, comfort and health when renewing fit outs.
- Ambition to create dedicated investment opportunities for our clients pursuing environmental and/or social impact on par with financial returns.
- Provide investment opportunities in renewable energy to support the transition to a net-zero carbon economy and a sustainable clean energy future.
- Minimizing the environmental footprint of our corporate offices and day-to-day business operations.

7. People-Centered Progress

OBJECTIVE 4: SOCIAL

We promote inclusive and healthy communities, with a focus on emerging educational and learning environments, by embedding social responsibility in our corporate culture and portfolio management.

SOCIAL PRINCIPLES

Across our portfolio, we drive impact by:

- Actively engaging tenants and stakeholders through the implementation of green leases.
- Strengthening environmental and social standards by integrating ESG criteria into framework agreements with our service providers.
- Engaging with clients to assess their satisfaction, enabling us to identify opportunities for continuous improvement and enhanced service delivery.
- Engaging with stakeholders, particularly investors and service partners, to advance ESG initiatives and collaboratively reduce the environmental footprint of our portfolio.
- We aim to maintain ongoing dialogue with investors, tenants, employees, suppliers, and communities regarding ESG expectations and performance.
- Stakeholder feedback is incorporated into our continuous improvement of the ESG Policy and Strategy.

On the corporate level, we are committed to:

- Advancing diversity, equity, and inclusion across all levels of our organization.
- We are committed to upholding international labour standards by safeguarding human rights, prohibiting forced or compulsory labour, ensuring freedom of association, and fostering the development of human capital.
- Promoting healthy and supportive work environments that are compatible with family life and personal well-being.
- Empowering our employees through continuous learning and career development opportunities.
- Engage employees through satisfaction surveys to identify their needs and drive targeted improvements.
- Encouraging social engagement by supporting employee-led charitable initiatives, including our annual charity nomination program.

8. Integrity in Action: Governance that Builds Trust

OBJECTIVE 5: GOVERNANCE

We uphold the highest standards of professionalism and integrity, integrating ESG criteria across the full investment lifecycle and embedding them in our governance framework.

GOVERNANCE PRINCIPLES

- **ESG Integration:** We incorporate ESG factors into our real estate investment and management process to identify opportunities and mitigate risks effectively.
- **Asset-Level ESG Strategy:** For each asset, we define its ESG quality and align them with tailored business plans as part of our ongoing asset management approach.
- **Resilient Risk Management:** We apply robust risk management practices to assess and enhance resilience against climate change and other ESG-related risks.
- **Compliance and Ethical Standards:** Our governance framework ensures adherence to international compliance standards and ethical business practices, covering areas such as anti-bribery and corruption, cybersecurity, data privacy, executive remuneration, fiduciary responsibilities, fraud prevention, and shareholder rights.
- **Performance Monitoring and Reporting:** ESG performance is monitored, measured, and reported annually, underpinned by systematic collection and analysis of relevant ESG key performance indicators (KPIs).
- **Transparency and Accountability:** We are committed to providing transparent and accountable reporting to our investors and stakeholders, reinforcing trust and integrity in everything we do.

9. Global Alignment: Adhering to ESG Standards and Regulatory Excellence

OBJECTIVE 6: ESG STANDARDS & REGULATION

HIH aligns its ESG approach with internationally recognized standards and evolving national and European regulations to ensure transparency, comparability, and accountability.

COMMITMENT TO INTERNATIONAL ESG STANDARDS AND REGULATORY LANDSCAPE

Our ESG practices are aligned with globally recognized frameworks that reflect our commitment to responsible investment and sustainable business conduct. These include:

- the United Nations Sustainable Development Goals (SDGs),
- the United Nations Principles for Responsible Investment (UN PRI),
- the United Nations Global Compact (UN GC),
- the Carbon Risk Real Estate Monitor (CRREM), and
- the Global Real Estate Sustainability Benchmark (GRESB).

In addition, we operate within an evolving regulatory landscape shaped by both international and national requirements, including:

- EU Action Plan on Sustainable Finance f.ex. SFDR, and
- the German Act on Corporate Due Diligence Obligations in Supply Chains.

UN Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) offer a comprehensive framework that addresses the critical challenges the world faces in relation to ESG matters.¹ While supporting the SDGs in their entirety, HIH has identified three goals that are particularly material to HIH's business operations and serve as the foundation of our ESG Policy and are reflected in corporate and fund specific strategies.



 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>SDG 3 Good Health & Well-Being</p> <ul style="list-style-type: none">• Employee health is top priority at HIH• HIH promotes employee well-being through various initiatives• Specific products with strategic investment focus on healthcare sector• Support community health infrastructure	 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>SDG 7 Affordable & Clean Energy</p> <ul style="list-style-type: none">• Green energy procurement with net zero carbon emissions• Green leases to encourage tenant use of green energy• Support rooftop solar installations• Investment product focused on photovoltaic, onshore wind, and renewable energy storage projects	 <p>13 CLIMATE ACTION</p> <p>SDG 13 Climate Action</p> <ul style="list-style-type: none">• HIH ESG Strategy main focus point on environmental aspects• Climate change is a top priority• Climate risk analysis informs investment decisions• Efforts aim to measure and reduce CO2 footprint
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¹ United Nations. (2015). Transforming our world: the 2030 Agenda for Sustainable Development. A/RES/70/1. <https://sdgs.un.org/2030agenda>

10. Data-Driven Sustainability: Digitalizing ESG for Impact

OBJECTIVE 7: ESG DATA & REPORTING

Our goal is to centralize ESG data in a fully automated system that ensures quality, reduces manual processes, and delivers real-time, tailored reporting to drive informed decisions and continuous improvement.

DIGITALIZATION OF ESG KPI'S, TRACKING, EVALUATION AND REPORTING

While ESG data management may not directly impact the environment or society, it is currently one of the primary focus areas of HIH's ESG program, and likely the one receiving the most dedicated resources. HIH firmly believes that the digitalization of ESG data is a critical enabler of effective, sustainable and compliant real estate investment management. As ESG performance becomes a defining factor in real estate value creation and investor decision-making, the digitalization of ESG metrics is essential.

Our ambition is to collect ESG KPIs in a standardized, digital manner to enable consistent tracking, year-over-year evaluation, benchmarking, and transparent reporting.

Today, the ESG data landscape is fragmented and labor-intensive. Key metrics such as energy consumption, CO₂ emissions water use and waste are often gathered manually, sometimes even requiring on-site meter readings. Data is spread across disparate systems, energy related data in one, diversity metrics in another, making comprehensive analysis cumbersome and inefficient. The result is a system that is reactive and compliance-driven, rather than proactive and insight-led.

We are committed to transforming this process by:

- Defining ESG KPIs clearly and consistently to ensure homogenous tracking over time,
- Establishing a single source of truth for all ESG data,
- Enabling seamless, digital data collection “at the flick of a switch,”
- Integrating ESG data into financial planning, administration, and decision-making processes,
- Generating tailored ESG reports to meet various stakeholder and regulatory requirements,
- Elevating ESG metrics to the same level of diligence and strategic relevance as financial KPIs.

This digital infrastructure will not only reduce operational workload but also empower us to actively work with ESG data, extracting insights, identifying improvement opportunities, and aligning our portfolio with global sustainability frameworks such as GRESB and UN PRI. In doing so, we move from simply reporting ESG performance to leveraging it as a core driver of long-term value and responsible investment.

11. Disclaimer

This concept paper includes no recommendation for action and does not represent a financial analysis, investment advice, or contract offer. For detailed information and notes on the opportunities and risks of the products and services offered by the HIH Invest Real Estate (HIH Invest), please refer to the respective contractual documents and the annual reports.

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12. Legal notice

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