

The background of the cover is a photograph of a modern office building courtyard. The building has a light-colored stone or concrete facade with large windows. The courtyard is paved with dark gravel and has a dark brown mat in the center. The sky is a clear, pale blue.

ESG STRATEGY 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 and infrastructure 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 STRATEGY AND ESG POLICY

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

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

Content

- 1 HIH ESG Commitment – Executive Summary 4
- 2 Boundaries with Purpose: Understanding Our ESG Limits 5
- 3 Shared Accountability: Who Drives ESG at HIH 6
- 4 ESG Integration Process 7
 - 4.1 ESG in Product Development 7
 - 4.2 ESG in Transactions 7
 - 4.3 ESG in Fund Management..... 8
 - 4.4 ESG in Asset Management 8
 - 4.5 ESG in Real Estate Development and Refurbishment..... 8
 - 4.6 ESG in Multi Manager Business..... 9
 - 4.7 ESG in Infrastructure Investments..... 9
- 5 Decarbonisation Priorities..... 10
- 6 Fostering a Healthy, Inclusive, and Sustainable Workplace 11
 - 6.1 Training and Development 12
 - 6.2 Collaborating for Impact: ESG Through Stakeholder Engagement..... 13
- 7 Governance as the Foundation of Our Business 14
- 8 Alignment with Industry Standards and Regulation..... 15
- 9 ESG Data Management and Reporting 17
- 10 Disclaimer 20
- 11 Legal notice..... 21

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 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.

3 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 the Corporate Management of 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.

4 ESG Integration Process

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 ESG Strategy drives sustainable, long-term value creation rather than remaining merely theoretical.

To achieve our ESG objectives within our investment portfolio, ESG principles must be seamlessly embedded into every stage of the investment process. ESG integration must become a fundamental responsibility for all involved teams, tailored to their role in each step of the value chain.

Only through consistent daily application can we bring our ESG commitments to life, ensuring measurable progress toward our objectives. This active integration strengthens both the theoretical foundation and practical execution of our ESG Strategy year after year.

The goals of ESG Implementation (Objective 2), Environmental Commitment (Objective 3), Social Commitment (Objective 4), and Governance Commitment (Objective 5) are interconnected, reinforcing and accelerating each other's success.

4.1 ESG in Product Development

We continuously develop investment products that combine environmental and social impact with financial performance. Through a top-down approach, we identify sustainable themes and emerging markets to refine our strategies and offer clients fund solutions aligned with HIH's corporate ESG goals.

In defining fund strategies for new investment vehicles, HIH seeks to systematically integrate ESG objectives, using frameworks such as the UN Sustainable Development Goals (SDGs) to identify emerging investment themes with measurable environmental and/or social impact. Our approach is designed to align capital with purpose, addressing pressing societal needs through targeted investments that deliver both stable returns for our clients and meaningful environmental and/or social outcomes.

In this context, we have identified a range of investment opportunities that effectively align impact-driven objectives with long-term financial returns. These include real estate funds focused on social and healthcare properties, as well as infrastructure funds dedicated to renewable energy projects.

4.2 ESG in Transactions

ESG Due Diligence is mandatory for every acquisition. From the first deal introduction, we assess environmental, climate, social, and governance risks and opportunities using our proprietary HIH ESG Checklist and HIH ESG Score. These tools allow us to benchmark new assets, address regulatory risks, and shape ESG-aligned business plans early in the investment process. This structured approach helps protect long-term asset value and aligns new investments with portfolio-wide sustainability goals.

4.3 ESG in Fund Management

We define tailored ESG Focus Areas for each fund to guide action on energy efficiency, CO₂ reduction, and social impact.

These focus areas ensure that asset and fund management activities are aligned with the specific characteristics of each investment, meet investor expectations, and – where applicable – achieve the ESG KPIs required under the SFDR (Sustainable Finance Disclosure Regulation).

Furthermore, we integrate physical and transitional climate risk analysis, using CRREM, into the overall risk framework.

Our ESG reporting dashboard enhances transparency, while participation in GRESB is offered upon client request. Investors are kept informed through biannual updates from the Head of Sustainability, providing insights into fund-level ESG performance and market trends.

4.4 ESG in Asset Management

We operationalize our ESG Policy at the asset level using a structured cycle of assessment, planning, and action:

The HIH ESG Score forms the foundation of our annual ESG analysis and highlights opportunities for improving energy efficiency and reducing emissions.

External ESG reviews, either through desktop analysis or detailed on-site decarbonisation audits, identify additional optimization potential and support asset-specific action plans.

These insights are fed into our HIH ESG MAT (Measures Assessment Tool) tool, which evaluates the financial and environmental impact of each proposed measure, ensuring that ESG improvements are aligned with business planning and investment cycles.

Implementation is supported by the HIH ESG Toolbox, which offers over 100 standardized measures and guidance.

Tenant engagement plays a central role: we incorporate green lease clauses, distribute a Tenant ESG Guide, and integrate ESG into property management agreements. A biannual tenant satisfaction survey ensures tenant needs and feedback.

4.5 ESG in Real Estate Development and Refurbishment

In all new developments and refurbishments managed by HIH Projektentwicklung, we integrate ESG criteria from the planning phase onward. Planners are required to submit both conventional and more sustainable design proposals, enabling us to make informed decisions that balance environmental performance with financial feasibility. We focus on reducing both operational emissions and embodied carbon, using sustainable materials wherever possible and embedding ESG into each project's lifecycle.

4.6 ESG in Multi Manager Business

HIH Invest demonstrates its commitment to ESG integration in the selection of external managers by systematically applying ESG criteria in its Multi Manager Business. A targeted ESG due diligence process is conducted to assess whether potential managers are capable of operating within the framework of HIH's ESG Strategy.

Target funds are aligned with responsible investment strategies and policies to ensure our fiduciary duty to investors is upheld. As part of a comprehensive ESG evaluation, each target fund and its manager receive an ESG performance score, derived from four key assessment areas:

- Corporate-level ESG Strategy
- ESG data management
- ESG reporting practices
- Sustainable investment strategy

4.7 ESG in Infrastructure Investments

HIH Invest is actively engaged in the infrastructure sector, with a current emphasis on wind and solar energy investments. Our approach is holistic, ESG considerations are embedded throughout the investment lifecycle. This includes the integration of relevant ESG criteria into our due diligence processes and the systematic assessment of climate change related physical and transition risks.

Importantly, this methodology is not limited to our current product offering. For all future infrastructure investments, regardless of their specific structure, ESG factors will be rigorously considered. Where feasible, we implement tailored risk-oriented ESG assessments and establish transparent, reporting frameworks.

Where appropriate, infrastructure funds may be structured in accordance with Article 9 of the Sustainable Finance Disclosure Regulation (SFDR) and aligned with the EU Taxonomy. We determine the suitability of these frameworks on a case-by-case basis, conducting in-depth assessments of environmental objectives, Do No Significant Harm (DNSH) criteria, and the implementation of minimum social and governance safeguards. This process ensures that each fund's sustainability profile is both robust and transparent, meeting regulatory requirements while aligning with the expectations of our investors.

Guided by our commitment to aligning investment activities with positive environmental and or social impact, HIH Invest's current infrastructure investment contributes directly to the achievement of *SDG 7 Affordable and Clean Energy* and *SDG 13 Climate Action*, as set out in the HIH ESG Policy. Our targeted strategy prioritizes renewable energy projects such as onshore wind and solar farms, as well as energy storage infrastructure across core European markets.

5 Decarbonisation Priorities

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.

At HIH, we recognise climate change as the defining issue of our time. With 2023 marking the hottest year ever recorded and CO₂ levels at historic highs, urgent action is essential.¹² Buildings play a critical role, accounting for 37% of global energy-related CO₂ emissions and 30% of final energy use.³ Decarbonising our real estate portfolio is central to our ESG Strategy. We take a systematic, data-driven approach:

1. Asset-Level Climate Risk & Transition Analysis

We assess physical risks using insurance industry loss databases and geo-data and define CRREM pathways to evaluate how each asset aligns with global climate goals and identify stranding risks. This work is aligned with Germany's Climate Act, targeting net-zero by 2045.⁴

2. Transparent Climate Reporting to Investors

We share asset-level results across the portfolio, enabling benchmarking based on risk and decarbonisation performance.

3. ESG Business Planning for Each Asset

We integrate climate risk data, HIH ESG Scores, and external ESG audits into business planning to develop tailored ESG measures, targeting energy efficiency and emissions reduction.

4. Clean Energy & Efficiency Initiatives

We prioritise the transition away from fossil fuels by:

- Installing photovoltaic systems on logistics and retail properties, expanding to smaller assets via partners and in coordination with investors and where economically feasible.
- Reducing reliance on fossil heating systems by promoting alternatives as f.e. district heating and improving building efficiency.
- Rolling out EV charging stations in retail, office, and residential assets via specialist partnerships in coordination with investors and where economically feasible.

5. Client Solutions: Renewable Energy Infrastructure

We offer clients access to sustainable infrastructure through investment vehicles, enabling direct investment in solar and onshore wind parks and renewable energy storage facilities.

6. Robust ESG Data Management

We improve ESG data quality by automating processes, increasing real energy consumption data coverage, and analysing EPCs to support CRREM-based planning. This helps track and report portfolio-wide energy and carbon intensities with growing accuracy.

In summary, HIH is actively transforming its portfolio through climate risk analysis, renewable energy integration, and data-led ESG management – delivering measurable climate impact while supporting the decarbonisation goals of our clients and society.

¹ <https://climate.copernicus.eu/copernicus-2023-hottest-year-record?>

² <https://iea.blob.core.windows.net/assets/33e2badc-b839-4c18-84ce-f6387b3c008f/CO2Emissionsin2023.pdf?>

³ <https://globalabc.org/news/globalabc-releases-2022-global-status-report-buildings-and-construction>

⁴ <https://hih-invest.de/wp-content/uploads/sites/2/2024/06/Transparenzpflichten-Art.-3-5-SFDR.pdf>

6 Fostering a Healthy, Inclusive, and Sustainable Workplace

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.

At HIH, we are committed to cultivating a workplace culture that is inclusive, secure, and supportive of personal and professional growth. We believe that a thriving community is built on the foundations of well-being, continuous development, and shared responsibility for sustainability.

The HIH Code of Conduct reflects our commitment to ethical standards derived from the International Bill of Human Rights and the European Convention on Human Rights. Similarly, the UN Guiding Principles and OECD Guidelines, together with the ILO Core Labour Standards, form the essential basis for our cooperation and are thus also an integral part of our commitment as the HIH.

Health, Safety and Well-Being at HIH

The health, safety, and well-being of our employees are top priorities. We provide a range of targeted support and services to promote a healthy work environment:

- Our company doctor is available to all employees for confidential consultations on health-related matters.
- We offer video-based guidance on workplace ergonomics, including how to prevent back pain and optimize home office setups.
- Employees can receive a financial subsidy for screen-specific prescription glasses with a valid ophthalmologist's recommendation.
- HIH supports individual, confidential nutritional consultations with certified nutritionists, helping employees make informed lifestyle choices.
- We encourage active lifestyles through subsidized memberships to various sports and wellness facilities.
- We participate in regular team sports events such as marathons to grow the sports community.
- Through our internal learning platform, we offer a range of workshops and resources, including:
 - Fit at Work – Working Healthily and Mindfully
 - Mental Health – Acting Mindfully in Everyday Work
 - Stress Management and Resilience
 - Understanding and Managing Burnout

These initiatives reflect our commitment to supporting the physical and mental health of our employees, empowering them to perform at their best in a workplace that values balance, safety, and personal development.

Diversity and Inclusion

At HIH, we view diversity as a strength and are committed to fostering an inclusive culture where all employees feel valued, respected, and empowered to thrive. Our understanding of

diversity spans a broad range of dimensions, including gender, ethnicity, LGBTQ+ identity, disability, mental health, and inclusive leadership.

We are dedicated to providing a workplace free from discrimination and bias, one where open, respectful interaction and mindful communication are the standard.

To ensure transparency and progress in our diversity efforts, HIH systematically tracks key diversity metrics through our HR systems. These include gender representation across the workforce, management, and executive levels, as well as data on age and nationality.

Sustainable Workplace

At HIH, we are committed to creating a sustainable working environment that actively contributes to environmental protection and climate responsibility.

Our headquarters, located in the heart of Hamburg, is easily accessible via public transportation. To encourage eco-friendly commuting, we offer financial subsidies for local transport passes.

The office itself is housed in one of Hamburg's most sustainable office buildings, equipped with environmentally responsible features such as rainwater harvesting systems for toilet flushing, sensor-controlled heating and lighting to reduce energy consumption, and a green electricity supply contract. In addition, we use only environmentally friendly cleaning products to maintain a healthy and eco-conscious workspace.

Beyond our physical infrastructure, we also foster a culture of sustainability among our employees. This includes thoughtful initiatives such as sustainable gift cards for special occasions and locally sourced honey from regional beekeepers, small actions that reflect our broader commitment to responsible corporate citizenship.

6.1 Training and Development

At HIH, we believe that continuous learning and professional development are essential to individual success and long-term business performance. We are committed to fostering a culture where employees at all levels are encouraged to learn, grow, and reach their full potential. To support this ambition, HIH offers a structured and diverse portfolio of development opportunities:

- Vocational training and dual study programs to provide a strong foundation for early careers
- Trainee programs designed for university graduates to transition into the professional world
- Student assistant roles that offer practical experience alongside academic studies
- Continuous learning opportunities for employees to build skills and advance their careers
- Digital campus library with a wide range of online learning resources accessible anytime
- Leadership development program to equip new managers with essential tools and capabilities
- Annual feedback dialogues to support personal growth and goal setting

By investing in talent at every stage, HIH ensures that our people are empowered to shape their careers and contribute meaningfully to our shared success.

6.2 Collaborating for Impact: ESG Through Stakeholder Engagement

At HIH, we recognize that achieving meaningful progress across the full spectrum of ESG issues is an ambitious task, one that cannot be accomplished in isolation. That's why we are committed to fostering strong partnerships with our stakeholders, from employees and tenants to service providers and local communities.

Key Stakeholder Engagement Initiatives at HIH:

- **ESG Training and Awareness:** We provide dedicated ESG training for our asset and fund managers through in-person sessions and on-demand video content via our internal Campus platform. These resources support practical integration of ESG principles into day-to-day decision-making.
- **Cross-Sector Collaboration:** We actively bring together our asset and fund managers with PropTech firms and ESG advisors to exchange knowledge and identify innovative solutions that drive sustainability in real estate.
- **ESG Embedded in Personal Targets:** ESG accountability is part of every employee's annual objectives. At a minimum, this includes mindful use of office resources, with the option to define additional, role-specific ESG goals.
- **Engaging Employees and Tenants:** We regularly gather feedback through employee and tenant satisfaction surveys, using their input to continuously improve our work environment and service delivery.
- **Green Lease Clause:** Sustainability expectations are formalized in our lease agreements through green lease clauses, promoting shared responsibility with tenants.
- **ESG in Property Management:** ESG criteria are embedded into our property management agreements, aligning our core real estate services with our sustainability objectives.
- **Responsible Supply Chains:** In line with the German Supply Chain Due Diligence Act (*Lieferkettengesetz*), we are strengthening ESG considerations across our supply chain to uphold ethical and sustainable practices.
- **Community Giving:** Each year, HIH employees select the local charitable organizations that receive our corporate donations, ensuring our giving reflects the values and priorities of our people.
- **Whistleblower System:** A whistleblower system has been implemented within our corporate group to ensure that employees and external persons can submit anonymous reports of violations or grievances without fear of retaliation by the employer. The whistleblower system can be accessed here: [Whistleblower System](#)

Through these initiatives, HIH not only advances its ESG agenda but also builds meaningful connections with those who share our vision of a more sustainable and responsible future.

7 Governance as the Foundation of Our Business

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.

At HIH, good governance is not just a compliance obligation, it is the framework that shapes how we conduct our business and deliver long-term value to our clients, partners, and stakeholders. We see strong governance as the essential backbone for integrating ESG across our real estate investment and asset management activities.

Our governance approach combines regulatory alignment, ethical standards, and responsible management practices to ensure that ESG is embedded in every aspect of our operations. This commitment is reflected in three key pillars:

Integrated ESG Governance

We embed ESG factors into the heart of our real estate investment process, our core business, with the goal of driving continuous ESG improvements across all assets. For every asset under management, we develop a clear plan to enhance ESG performance (see chapter 4). We also systematically integrate ESG into our risk management framework, assessing:

- Physical climate risks (e.g., extreme weather);
- Transitional climate risks (CRREM stranding points);
- Energy Performance Certificate (EPC) compliance
- HIH ESG Score at asset level; and
- The cost and impact of asset-level ESG improvements.

Strong Corporate Governance Standards

Our governance structure is anchored in full alignment with German and international legal frameworks, ethical standards, and best practice industry guidelines. HIH's policies cover critical areas such as:

- Human rights, employee rights, anti-bribery and corruption;
- Cybersecurity, data privacy, whistleblowing, and fraud prevention;
- Executive remuneration, fiduciary responsibilities, and shareholder rights;
- Compliance with anti-money laundering, tax laws, environmental regulations, and labor standards.

Transparency and Accountability

We hold ourselves accountable to the highest standards of transparency, providing our investors and stakeholders with clear, consistent reporting on both financial and ESG performance, from portfolio to asset level. Our ongoing work to expand our ESG database reflects this commitment, helping us strengthen ESG KPI reporting, enhance integration with financial reporting, and meet evolving regulatory disclosure requirements.

For HIH, good governance is not a separate activity, it is the way we ensure responsible business conduct, manage risk, protect stakeholder interests, and drive sustainable, long-term performance.

8 Alignment with Industry Standards and Regulation

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.

HIH is committed to aligning its ESG practices with globally recognized frameworks that embody the principles of responsible investment and sustainable business conduct. This alignment enables us to capture the full scope of ESG, ensure our approach is both comparable and transparent to our shareholders, and serve as an external benchmark for the quality and implementation of our ESG Policy and Strategy. It also allows us to track progress systematically and report transparently to our stakeholders.

UN PRI and UN Global Compact

HIH Invest Real Estate GmbH has been a signatory to the UN PRI and UN GC.⁵ Each year, we strive to improve our performance and further develop our internal programs and processes to ensure continuous alignment with these internationally recognized standards.

UN Sustainable Development Goals

The SDGs offer a comprehensive framework that addresses the critical challenges the world faces in relation to ESG matters.⁶ At HIH, we leverage this framework to strategically align our ESG initiatives, aiming to make a meaningful and positive contribution to society.

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 Strategy 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
--	--	--

⁵ <https://www.unpri.org/> and <https://unglobalcompact.org/>

⁶ <https://sdgs.un.org/goals>

Global Real Estate Sustainability Benchmark (GRESB)

HIH participates in the GRESB Assessment at the request of our investors and uses the insights gained to continuously enhance the alignment of our fund strategies, policies, and processes.⁷ We are committed to improving our performance year over year to meet the evolving expectations of our investors.

Regulatory environment

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

- the EU Sustainable Finance Disclosure Regulation (SFDR),
- the EU Taxonomy Regulation, and
- the German Act on Corporate Due Diligence Obligations in Supply Chains.

Statement on Principal Adverse Impacts (PAI) of Investment Decisions on Sustainability Factors

In accordance with Article 4 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 and Articles 4 to 10 of Delegated Regulation (EU) 2022/1288, HIH Invest Real Estate GmbH publishes a statement on the principal adverse impacts of investment decisions on sustainability factors.

HIH Invest takes these impacts into account for both directly and indirectly held assets. This is based on internal strategies and the availability of relevant sustainability indicators, with a focus on fossil fuel exposure, energy efficiency, and energy consumption. Data collection and analysis are conducted using available information and are supported by ESG due diligence processes during acquisitions as well as by the integration of ESG strategies into fund management.

The statement also outlines the measures implemented during the reporting period and planned actions to mitigate and reduce adverse sustainability impacts.

The document is published here: [Link](#)⁸

We are committed to preparing as effectively as possible to meet today's and future regulatory requirements and to ensure that our ESG approach remains robust, forward-looking, and responsive to the expectations of our stakeholders.

⁷ <https://www.gresb.com/nl-en/>

⁸ <https://hih-invest.de/wp-content/uploads/sites/2/2024/06/Erklaerung-der-nachteiligen-Auswirkungen-von-Investitionsentscheidungen-auf-Nachhaltigkeitsfaktoren-HIH-Invest-20240628-V1.0.pdf>

9 ESG Data Management and Reporting

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.

At HIH, we believe that only what gets measured can be managed effectively. Collecting ESG data in real estate is a complex, resource-intensive task, but it is fundamental to making real progress. Regulatory requirements, internal benchmarks, industry standards, and investor expectations all generate a wide range of ESG-KPIs that must be tracked and reported.

ESG data spans multiple disciplines: from building-level performance – including tenant areas which are not under HIH's direct control - to energy sourcing, CO₂ emissions (Scopes 1–3), embodied carbon in building materials, and HR data such as employee training and diversity.

While we are still far from our long-term ambition, we are committed to year-on-year improvement. Below is an overview of our current priorities:

ESG Data Infrastructure – Strategic Framework and Current Initiatives

HIH is committed to building a robust, integrated ESG data infrastructure as the foundation for effective portfolio management, regulatory compliance, and transparent stakeholder reporting. Our overarching objective is to establish a single source of truth that aggregates all ESG-relevant data, enabling tailored analysis, benchmarking, and reporting.

We are currently working on the definition of a modular ESG data architecture, tailored to the unique requirements of our business and the complexity of ESG data in real estate. As no off-the-shelf solution currently satisfies these needs, we are partnering with multiple technology providers to develop an adaptable and future-proof platform.

1. ESG Data Infrastructure

This is HIH's overarching ESG data project which builds the core of our ESG data strategy and includes the development of an integrated platform that:

- Automates data inflows across ESG dimensions,
- Applies automated quality controls,
- Supports consistent reporting across regulatory and investor frameworks, and
- Enables flexible analytics at asset and portfolio level.

We aim to connect all ESG data streams, mostly environmental and technical asset data, into one coherent architecture to support long-term decision-making and value creation.

2. Energy Consumption Data

HIH aims to consolidate energy consumption data within a centralised system to ensure portfolio-wide transparency and enable consistent performance monitoring. While a functional system is currently in use, we are in the process of transitioning to a more advanced solution that better aligns with our evolving requirements.

We have already achieved strong data coverage in owner-managed areas and have successfully integrated this data into our ESG data infrastructure and reporting processes. However, obtaining reliable data from tenant-controlled areas remains a persistent challenge. In response, we are actively engaging with tenants and piloting practical solutions to enhance data availability while adhering strictly to German data privacy regulations.

3. Rollout of Smart Metering Technology for Energy Data Collection

To achieve our objectives in capturing and analyzing energy consumption data, a comprehensive rollout of smart meters with remote digital readout capability is essential. However, implementation is proving significantly more complex than initially anticipated:

- **Electricity and Gas Meters**

The replacement of main electricity and gas meters can be carried out through competitive metering operations, allowing us to select an independent metering service provider (MSP). We oversee the coordination, contracting, and market communication required for implementation. However, the process is frequently complicated by complex ownership structures and the involvement of multiple stakeholders.

- **District Heating and Water Meters**

Responsibility for replacing main meters for district heating and water lies exclusively with the respective network operators. These processes follow their own timelines, independent of ours, and are beyond our direct control. Nevertheless, close coordination is essential to mitigate delays and enable the process to advance.

- **Sub-Metering in Tenant Spaces (Heating/Cooling, Water)**

The installation of intelligent sub-meters within tenant areas is subject to national regulations and may only be conducted by metering and billing service providers. This conversion presents a complex challenge, further compounded by layered ownership structures and the need to align numerous parties.

Following successful implementation of remote-readable digital sub-metering across the portfolio, HIH will be positioned to automatically and compliantly capture tenant energy consumption data. Data will be collected in aggregated form only, in full adherence to German data protection regulations, ensuring no conclusions can be drawn about individual tenants. At the same time, tenants will benefit from transparent, consumption-based billing of their energy usage.

4. Automated Data Collection & Energy Monitoring

- We are developing strategies to equipping larger buildings with advanced building monitoring systems to enable continuous energy monitoring and improve operational efficiency.
- Collected data will be integrated into our ESG data system.

5. Building-Level ESG Data

- Comprehensive information on building characteristics and technical components is being collected to enable consistent analysis and external benchmarking.
- Core data points are captured through the HIH ESG Score and systematic EPC documentation.
- This data underpins our CRREM assessments, SFDR Article 8 and 9 evaluations, GRESB reporting, and broader investor disclosures.
- We are currently working to enhance integration with our core asset management platforms.

6. Tracking ESG Initiatives on Asset Level

To evaluate the effectiveness of ESG initiatives at the asset level, HIH is committed to implementing a comprehensive system that monitors both the environmental impact and financial implications of improvement measures.

- Currently, we utilize a manual internal reporting tool that tracks KPIs related to ESG initiatives, including the installation of solar panels, electric vehicle charging stations, and building automation technology.
- In pursuit of greater efficiency, we are aiming to explore structured digital solutions to automate the tracking and assessment of the impact of all ESG initiatives across our portfolio.

7. Investor ESG Reporting

Our objective is to deliver real-time, automated ESG reporting to investors:

- An initial ESG Dashboard has already been implemented, providing key ESG performance indicators and aggregation at the portfolio level.
- The current content includes but is not limited to CRREM alignment, physical climate risk assessments, EPC ratings and core ESG KPIs.
- We are committed to continuously expanding the dataset and enhancing the analytical capabilities to offer more comprehensive insights.

8. ESG and HR Management – Employee Training and Diversity

HR data also plays a central role in shaping our ESG Strategy. We are integrating ESG-related HR indicators, such as training, diversity, and employee engagement into our reporting structures:

- Relevant KPIs are embedded in HR systems and are being further refined to reflect evolving ESG topics.
- We continuously monitor societal trends and stakeholder expectations to adapt our HR focus areas accordingly.
- This approach strengthens our commitment to responsible governance and supports long-term organizational resilience.

In summary, ESG data is not just a background project, it is the foundation for responsible investment management. We are actively building the systems, partnerships, and processes needed to create robust, transparent, and actionable ESG data management across our entire portfolio.

10 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.

The content of this conceptual document is based on public data and documents as well as on information made available to HIH Invest separately by third parties. All statements, opinions and evaluations contained in this document correspond to current, partly subjective assessments and valuations and should not be construed as a permanent, unchangeable or absolute statement.

Therefore, the HIH Invest and its individual companies as well as their executive bodies, management boards, employees or other parties acting on behalf of HIH Invest accept no liability whatsoever for the statements made in this conceptual document, their completeness, correctness or usability for the reader's purposes. This document and all information disclosed herein shall be treated as confidential and shall not be disclosed to any third party without the express written consent of HIH Invest.

© HIH Invest Real Estate GmbH 2024

11 Legal notice

HIH Invest

HIH Invest Real Estate GmbH
Ericusspitze 1
20457 Hamburg
Tel: +49 40 3282-30
Fax: +49 40 3282-3260
info@hih.de

Geschäftsführer

Carsten Demmler
Alexander Eggert
Felix Meyen

Vorsitzender des Aufsichtsrates

Erik Marienfeldt

Registergericht

Handelsregister: Amtsgericht Hamburg HRB-Nr. 82406
USt.-Identifikationsnr.: DE215858737

Aufsichtsbehörde

Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)
Sektor Wertpapieraufsicht / Asset Management
Dienstszitz Frankfurt
Marie-Curie-Str. 24-28
60439 Frankfurt am Main

Alle Rechte vorbehalten. Jegliche Vervielfältigung oder Weiterverbreitung in jedem Medium als Ganzes oder in Teilen bedarf der schriftlichen Zustimmung der HIH Invest Real Estate GmbH.