

SUSTAINABILITY REPORT

2022

We are making the future
of the real estate industry
more sustainable.



ART INVEST
— REAL ESTATE —



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INTRODUCTION

Management Letter



*Dear Ladies and Gentlemen,
Business Partners and Friends of the Company,*

We are delighted to present you with the Art-Invest Real Estate Sustainability Report for the year 2022. This report should also give an account of what has already been achieved and provide an outlook on the next objectives. After all, one thing is certain: the topics of ESG and sustainability are here to stay – and they will significantly shape economic, political and social processes in the upcoming decades.

In this context, Art-Invest Real Estate is certainly in the privileged position of being able to make a sustainable contribution to the achievement of these significant goals. As one of the leading project development and investment companies in Germany's real estate sector, we gladly and actively face up to our responsibility for a shared future worth living. Now understood as an integral part of Art-Invest Real Estate's DNA, ESG approaches have driven us as a company to further develop our daily actions across levels and to achieve the

first important milestones on the way to more sustainability. The various measures and efforts in the categories of economy, ecology, social affairs and society are oriented towards different target horizons – whereby we distinguish between short-, medium- and long-term implementation scenarios. Boundaries are set by politics and global events. For example, the EU's Taxonomy Regulation came into force on 01/01/2022, which is intended to drive the reduction of environmentally harmful greenhouse gases forward. The far-reaching restructuring of our economy that this requires naturally also affects our actions – both on the corporate and the property level. What short- and medium-term milestones are already in sight? An important highlight at corporate level will certainly be the achievement of climate neutrality as a company for the year 2023. However, further positive effects are already being felt at the developer level, the portfolio holder level and the fund/investor level.

At property and portfolio level we have also opted for area-wide data analysis through smart metering and future-proof energy management systems. The implementation of these technologies is planned for 2023 and 2024 and is the next big and important step on our path.

In this report you will now find numerous further measures that we have already been able to successfully implement, and you will have the opportunity to track progress and developments in detail.

In addition to environmental and climate protection goals, our sustainability approach naturally also pursues social and leadership-related topics. Within the company our open and respectful corporate culture, which we have been living for years, is particularly important to us. The Social Days already introduced in 2021, which take place in all our branch offices, were also important building blocks in 2022 to help in a variety of ways and to strengthen the sense of unity within the company. Knowing that our employees are essential to the success, reputation and existence of Art-Invest Real Estate, we go to great lengths to create and maintain a healthy and appreciative working atmosphere. Furthermore, we want to promote our staff individually and respond to personal needs in the best possible way.

We also wish to live up to our social responsibility in society as a whole, and in the area of project development we always make sure that the buildings we realise also offer added value for users and the neighbourhood alike.

As regards our economic activities, the integrity of our company always comes first. We follow ethical principles, comply with applicable law and transparency guidelines – an orientation in the area of corporate governance that is self-evident for us and which we also expect from all our business partners.

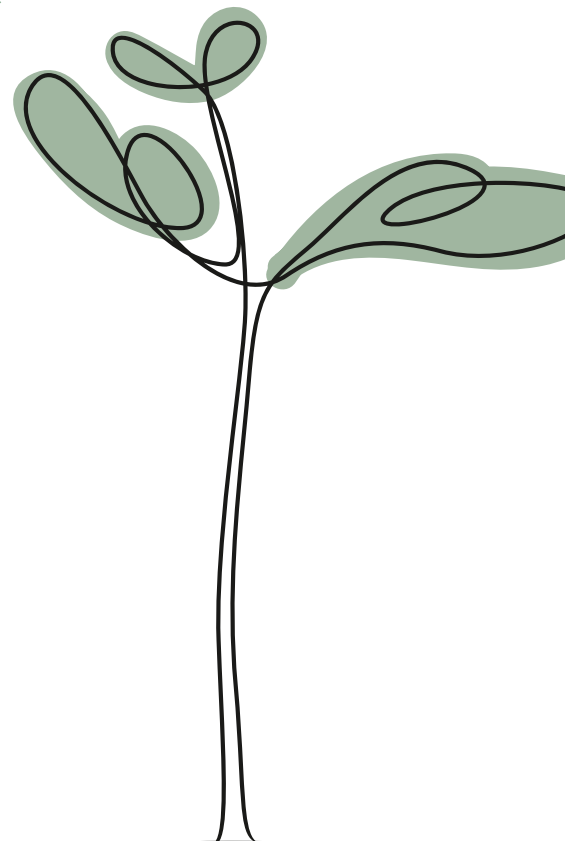
We also contribute our expertise from a wide range of areas to numerous committees. For example, at BVI Bundesverband Investment und Asset-Management e. V. or the Central Real Estate Committee (ZIA). We are also part of the ECORE

initiative, which aims to develop a sustainability benchmarking report, are actively involved as part of the Social Impact Investing Initiative organised by the Institute for Corporate Governance (ICG) in the German real estate industry and participate in the annual GRESB benchmark.

We look forward to further elaborating and documenting our multifaceted commitment in the future – and thus also letting you participate in our sustainable development.

Art-Invest Real Estate
Management Board

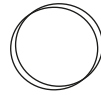
As a group of companies we have continued to develop and look to the future with confidence.



INTRODUCTION

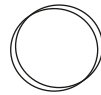
Art-Invest Real Estate Overview

Our Group in Figures.



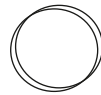
275

Staff at **10** locations



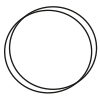
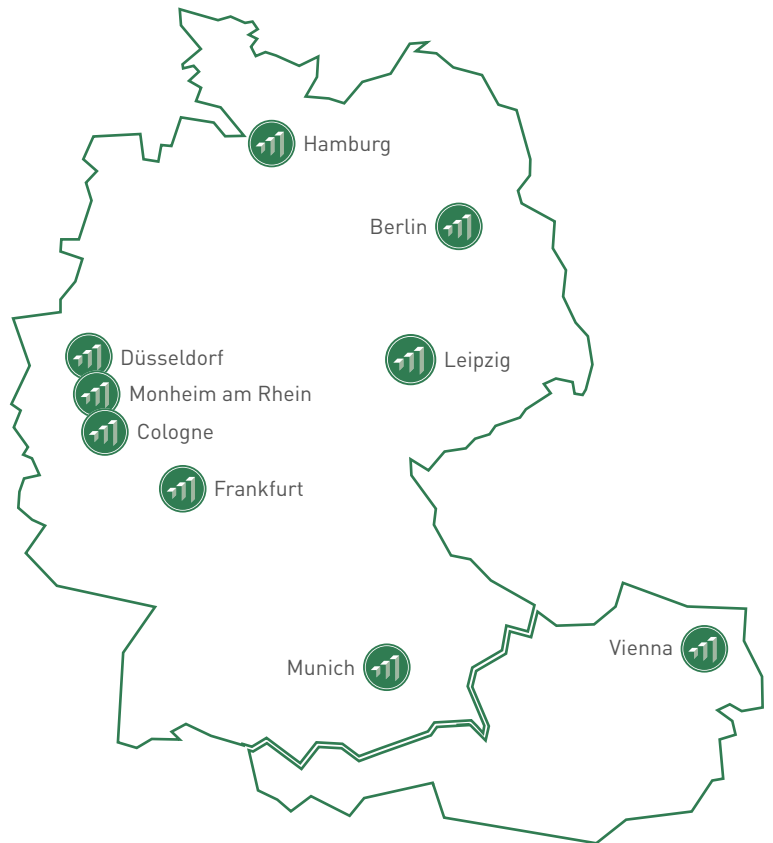
OVER 28

institutional investors as long-term partners



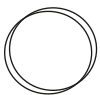
OVER €9.9 BN.

assets under management



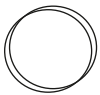
OVER 24

regulated investment funds



OVER 580,000 m²

of property development volume



OVER 2,000,000 m²

leasable area

Our Business Areas

Founded in 2010 by the managing partners and Zech Group, Art-Invest Real Estate initially pursued a “Manage to Core” investment strategy together with institutional investors, selected joint venture partners and its own capital. Against the backdrop of changes in legal and social requirements, this strategy has now been consistently further developed. With its new “Manage to Sustainability” strategy, the Company recently positioned itself for an economically and ecologically secure future. The range of investments spans the entire return and risk spectrum in the office, city centre retail, hotel, residential and data centre sectors.



ART INVEST

— REAL ESTATE —

Management

Art-Invest Real Estate Management GmbH & Co. KG (AIREM) is responsible for project development and asset management within the group of companies and maps the entire value-added process of a property.

It acts in a property-related manner in the areas of transaction management, letting, asset and property management, project development and construction responsibility. Regionally organised teams consisting of specialised individuals are the guarantee for AIREM’s management competence – which is the cornerstone for raising potentials and developing and managing sector-innovative, unique construction projects with a city-scaping character.

Funds

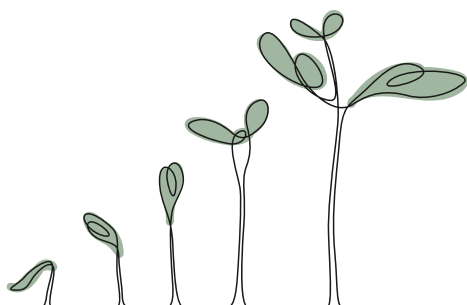
Within the group of companies, Art-Invest Real Estate Funds GmbH (AIREF) handles fund management for regulated investment funds and is a partner for institutional investors such as pension funds, insurance companies, foundations, pension funds or family offices.

In September 2012, it was granted a licence to launch and manage open-ended real estate funds by the German Federal Financial Supervisory Authority (BaFin). About two years later, in October 2014, the Company was granted authorisation as a capital management company in accordance with the KAGB (German Capital Investment Code). The interests of investors are at the centre of our actions.

Property Management

Art-Invest Real Estate Property Management GmbH (AIRE PM) operates as an independent company within the group of companies with its branches in Berlin, Düsseldorf, Hamburg, Frankfurt, Cologne and Munich.

The property management department works closely with the asset and fund management departments to manage the portfolio properties of the individual property companies and funds. The company covers the entire inventory period, from purchase to eventual sale. From an operational perspective, property management acts as the first point of contact for tenants, service providers and utilities during the utilisation phase of the property – and monitors and implements compliance with any contractual content.



INTRODUCTION

Sustainability Management

Social and ecological responsibility



Philipp Schedler,
Senior Sustainability Manager

Against the backdrop of global efforts to achieve a more sustainable economy, the real estate sector has a key role to play in achieving the Paris climate goals. Now more than ever the industry has the opportunity to make a significant contribution to curbing global warming.

Irrespective of the tightening regulatory requirements at national and European level, we should all be aware that we as a society cannot afford to stand still. Rather, we have to face the challenges and constantly question and develop ourselves.

In addition to the purely ecological aspect, we at Art-Invest Real Estate also consider all other dimensions of sustainability and always try to achieve the optimum for our stakeholders – and the environment. Our properties will have an impact on the climate for a long time to come, while at the same time shaping the lives and work of their users as a built reality. Our most important task is to develop towards leaving a positive footprint with our properties.

To ensure this, we have made the sustainability guiding principle even more prominent in our corporate DNA. The core elements remain our long-term – sustainable – value creation and our sound orientation towards the future. In a changing investment market, we are now taking responsibility for the ecological, economic and social aspects of our actions and aligning ourselves accordingly.

In order to once again emphasise the importance of the topic of sustainability for Art-Invest Real Estate, a department responsible for this topic was introduced in 2022, which directly reports to the Management Board. As a staff unit for the entire company, it implements the following topics, among others, in a holistic way:

- Developing a sustainability strategy and monitoring progress regarding targets
- Centrally coordinating all sustainability issues and improving communications on sustainability across departments
- Developing standards and requirements for property development projects and portfolio properties; implementing sustainability projects along the value chain
- Analysing and evaluating legislative and political frameworks. Ensuring compliance with regulatory requirements on sustainability as a capital management company and an investment fund

Cross-societal issues of major importance are first discussed in the ESG Committee and also steered by it.

Aim of this report

By publishing our second Sustainability Report, we want to go one step further and strengthen as well as drive the topic of sustainability at Art-Invest Real Estate forward.

The topic of sustainability affects us all and in our company encompasses the entire organisation with a wide range of topics. We see this document as an opportunity to make our sustainability criteria in project development, in the investment process and in the management of our portfolio properties even more transparent and to communicate our internal requirements externally to (potential) investors, stakeholders and generally everyone who is interested in the sustainable actions of Art-Invest Real Estate.

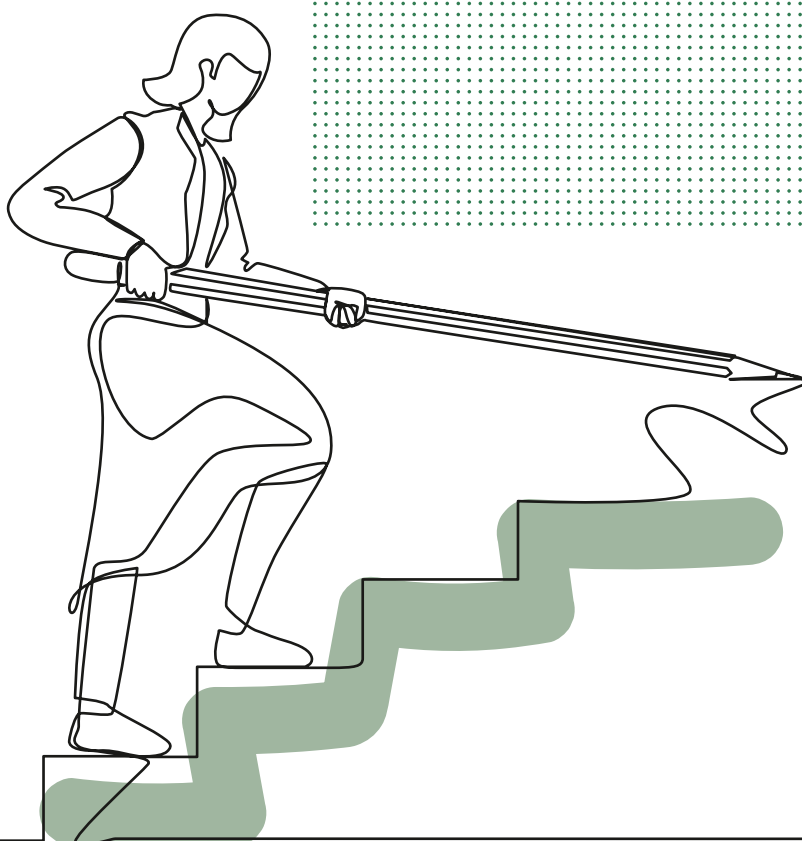
The report covers the corporate activities and values of the companies Art-Invest Real Estate Management GmbH & Co. KG (AIREM), Art-Invest Real Estate Funds GmbH (AIREF) and Art-Invest Real Estate Property Management GmbH (AIREPM). As this is our second Sustainability Report, the data basis, for example, for the portfolio properties, is still partly incomplete – and is therefore based on a conservative (critical) self-assessment on our part. Nevertheless, we have consciously decided to report these values. Not least the technical

implementation is to be seen as a progressive process in a company of our size.

In 2022 we have laid the foundations for many ground-breaking topics. To improve our data basis we have started negotiations on a framework agreement for smart meter implementation. The selection process of an ESG software was started to aggregate the data. In addition, we considered the use of an energy monitoring system for some properties in order to improve their energy efficiency.

All of that means that in 2023 we will not only work on optimising many of the described sustainability aspects, but also continue to improve the data basis.

Aggregated values are shown for the portfolio properties and the project development. This is done so as not to bias the results towards the best projects or portfolio properties. Where there are differences, for example, in personnel issues, the approach that covers the majority of employees is presented for simplification purposes.



INTRODUCTION

Our Sustainability Story

2045

Decarbonisation
of the portfolio buildings

2023

Group of companies becomes
carbon neutral

2022

Publication of first
Sustainability Report

2022

Fixed membership of Immo2.Zero

2021

Development of management process for
transferring non-sustainable buildings

2021

Pilot projects analysed according to taxonomy re-
quirements and the decarbonisation pathway

2021

Green Lease Standard

2021

Filling of newly created
Senior Sustainability Manager function

2021

Fixed membership in ECORE

2020

Further development of sustainability
guidelines and strategy

2021

Signing of UN PRI

2020

First GRESB participation

2018

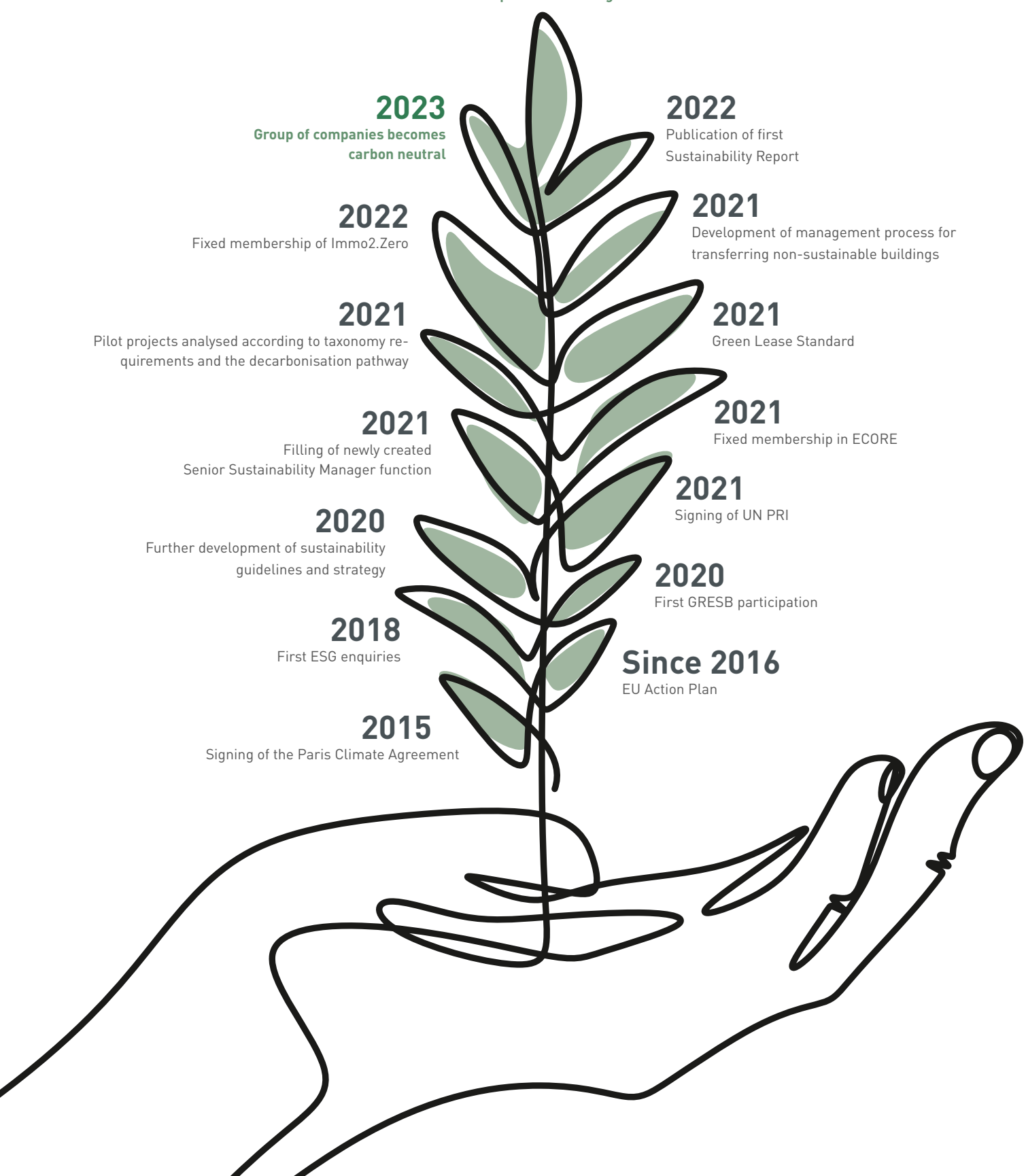
First ESG enquiries

Since 2016

EU Action Plan

2015

Signing of the Paris Climate Agreement



It comes from our DNA.

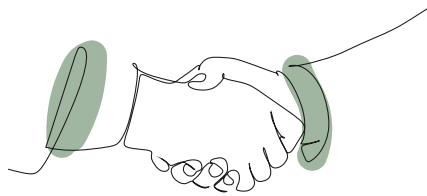
Our business has always been interconnected to the interests of various stakeholders. Understanding their expectations continues to be key to the success of our business. New regulations and changing market conditions require new solutions in many areas, yet the basic principles of our actions have always been geared towards creating long-term (and thus sustainable) value. Therefore, we as Art-Invest Real Estate did not have to fundamentally reinvent ourselves, but only to develop further.

Stakeholder interests always in view



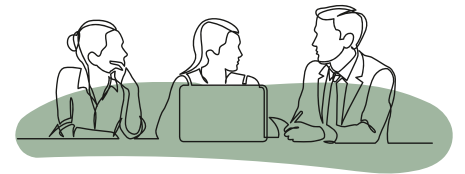
Towns and authorities

Close cooperation and communication with relevant authorities and towns/cities



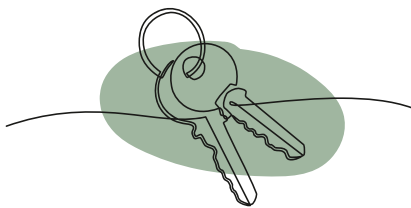
Business partners

Direct interaction with our business partners, strengthening relationships through regular meetings



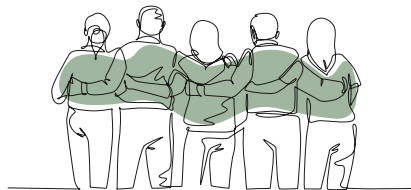
Employees

Regular workshops and further training, intranet with communication options, regular meetings



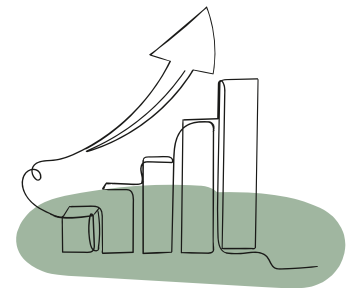
Tenants

Individual meetings with property managers, posting to social media, online tenant portals, tenant surveys



Local community

Information for and involving the community through social media, the press and local events



Investors

Roadshows, conferences and visits, visiting properties together, direct interaction in investment committee meetings

INTRODUCTION

Sustainability Strategy

Our sustainability guidelines

Art-Invest Real Estate's sustainability strategy is essentially shaped by the guidelines we have defined. Divided into four dimensions, they represent the basic framework for our daily actions and are intended to help us develop as a company economically, ecologically, socially and in social matters. Our four-pillar model at a glance:

ECONOMY

Long-term economic success based on fairness, transparency and responsibility.



ENVIRONMENT

Thinking and acting to protect the climate to reduce and compensate for negative impacts.



GUIDELINE

- Creating attractive, modern and efficient properties according to the latest standards
- Responsibly managing capital in the interests of investors
- Compliance as part of effective corporate governance

GUIDELINE

- Property development projects that actively contribute to improving environmental and carbon footprints
- Adapting active asset management – improving the efficiency of our portfolio properties
- Promoting digital technologies and innovative business models to conserve resources and increase the usefulness of our properties

COMMUNITY

Being responsible to the community and always taking its needs and expectations into consideration.



SOCIAL

Acting responsibly and respectfully with each other in a social corporate culture.



GUIDELINE

- Helping to create positive urban development with neighbourhoods and property as vibrant places for living, working, culture and leisure
- Promoting the involvement of employees in the community and actively supporting charitable projects
- Further developing trends and standards at local and national levels by involvement in associations, committees and interest groups

GUIDELINE

- Creating an inspiring, modern working environment for all employees within a corporate culture based on respect
- Supporting personal development, the health of the individual and reconciling work and family life
- Observing and upholding social standards among business partners as the basis for working together

INTRODUCTION

Sustainability Goals

ENVIRONMENTAL



Carbon-neutral

- To be climate neutral in our business operations by 2023.
- To develop property-specific decarbonisation strategies and a reduction target for all properties by 2024.

Sustainable construction

- To use the internal standards for all new buildings and core refurbishments, including the creation of taxonomy-compliant properties.*

SOCIAL



GOVERNANCE



Compliance

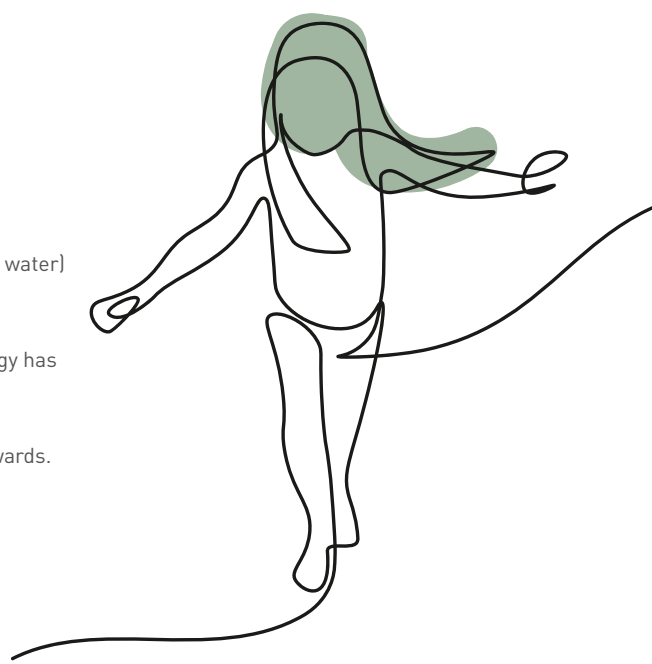
- To have zero tolerance towards any non-compliant conduct.

Transparency

- To document actions in a sustainability report.
- To regularly inform investors about sustainability issues.
- To use ESG due diligence as standard in transactions.

Sustainable operations

- To equip managed properties with smart meters (heat, cooling, electricity, water) by 2023 to create a sound information basis.
- To set targets for reducing consumption types once smart meter technology has been implemented.
- To use a Green Lease Standard for all new lettings / re-lets from 2022 onwards.
- To select an ESG tool for building analysis, optimisation and reporting and start with the connection of the first ten properties.



Human rights

- To consider human rights in all business activities.

Staff satisfaction and corporate culture

- To achieve high levels of employee satisfaction.
- To cultivate a respectful, positive and objective approach to our fellow human beings and to take on an "ambassador role", both internally and externally.
- To increase sustainability awareness in the company through various initiatives, for example, the ESG heroes.*

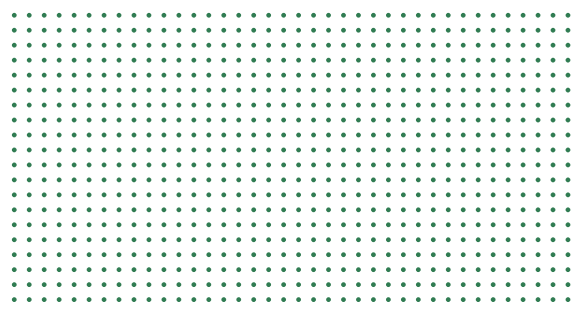
Social engagement

- To get (each and) every one of us involved in one Social Day a year.
- To include social aspects by setting up budgets in our projects and in the management companies.

Controls and management

- The ESG Committee is responsible for managing sustainability issues across the organisation. It meets at least 4 times a year.
- The Management Board is informed about sustainability issues at least 4 times a year.
- The sustainability strategy of the Art-Invest Real Estate Group undergoes annual review.
- To offer GRESB reporting to create transparency.*

*Revised or new targets.



INTRODUCTION

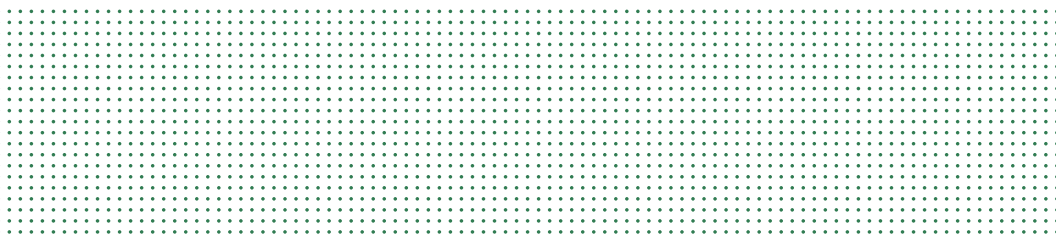
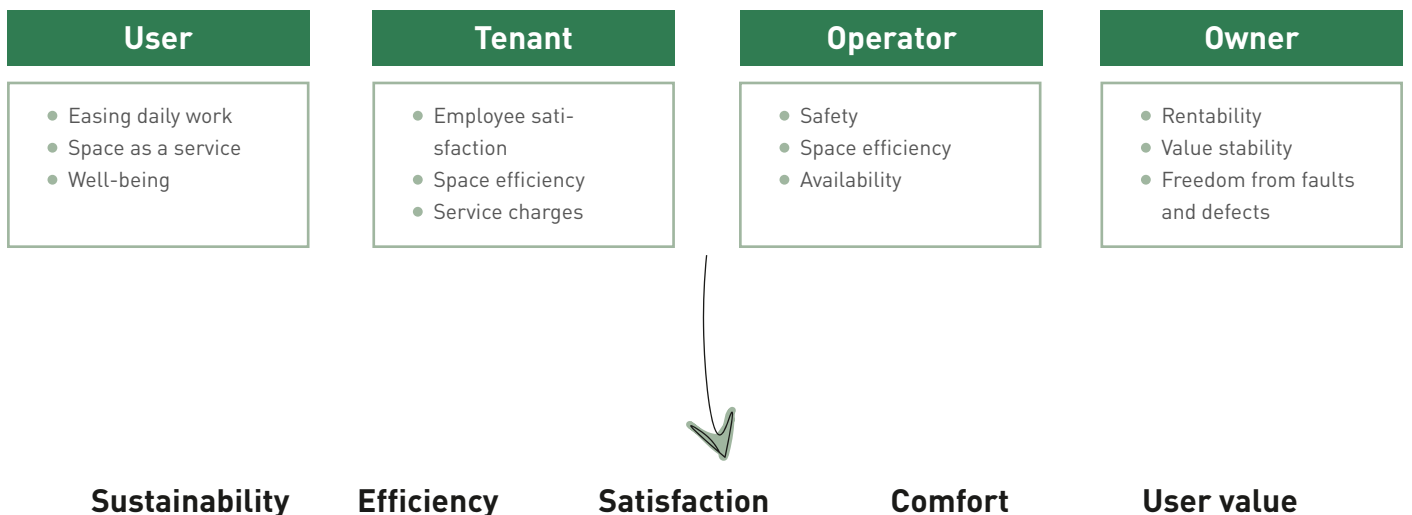
Sustainability Aspects in Processes

Sustainable value creation

Since we are subject to regulatory requirements, such as the EU Taxonomy Regulation, on the one hand and want to create successful buildings for all stakeholders in the long term, on the other we pay attention to compliance with or optimisation of ESG aspects in every phase of our value creation. The im-

plementation of these new processes went smoothly and now helps us ensuring the quality of our assets. Read more about taxonomy on page 84 of this report.

Benefits of sustainable office real estate



WE HAVE A HOLISTIC ESG APPROACH

Acquisition

A property's economic viability is no longer solely based on location but also on sustainability factors. We check potential real estate investments in advance as part of an ESG Quick Check to identify possible "red flags" at an early stage and avoid unnecessary costs. Only once this has been carried out without negative results do we proceed to a detailed ESG due diligence. This procedure is also a standard before any purchase and the basis both for transparency and for actively addressing and improving sustainability issues. It ranges from the examination of PAI factors to the incorporation of the results into acquisition templates and SWOT analyses. In this way attractive properties are acquired that, if necessary after optimisation, remain marketable in the long term.

Product Development

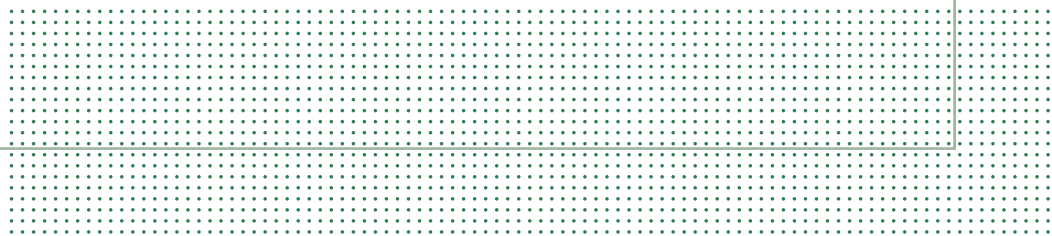
In property development projects many sustainability aspects have already been implemented by using lighthouse projects and creating new standards. The focus is on built-to-last, attractively designed properties providing high standards of quality for users. In accordance with the objective of project developments, requirements from the taxonomy are fulfilled. Particular attention is paid to the topics of sustainable materials, the reduction of resource consumption, the use of renewable energies and the creation of smart building solutions.

Fund Management

Sustainability also has a major role to play in securing value in fund management. By reviewing the properties with regard to taxonomy conformity and ESG aspects, investor wishes can be taken into account. Creating transparency is provided, for example, by a GRESB assessment, or by a fund classification according to Articles 8 or 9 of the Disclosure Regulation. In addition, the ESG aspects of the properties and funds as well as their developments are regularly discussed with investors.

Asset Management

During operational phases the focus is not just on tenant satisfaction, but also on maintaining value over the long term by being proactive. Asset management and working together with tenants is also crucial on sustainability issues. This can be achieved through various means ranging from green leases, green electricity and technologies for efficient building operation, through to sustainability discussions and the roll-out of smart meters. Using the "Manage to Sustainability" approach, we do our part to create sustainable assets.



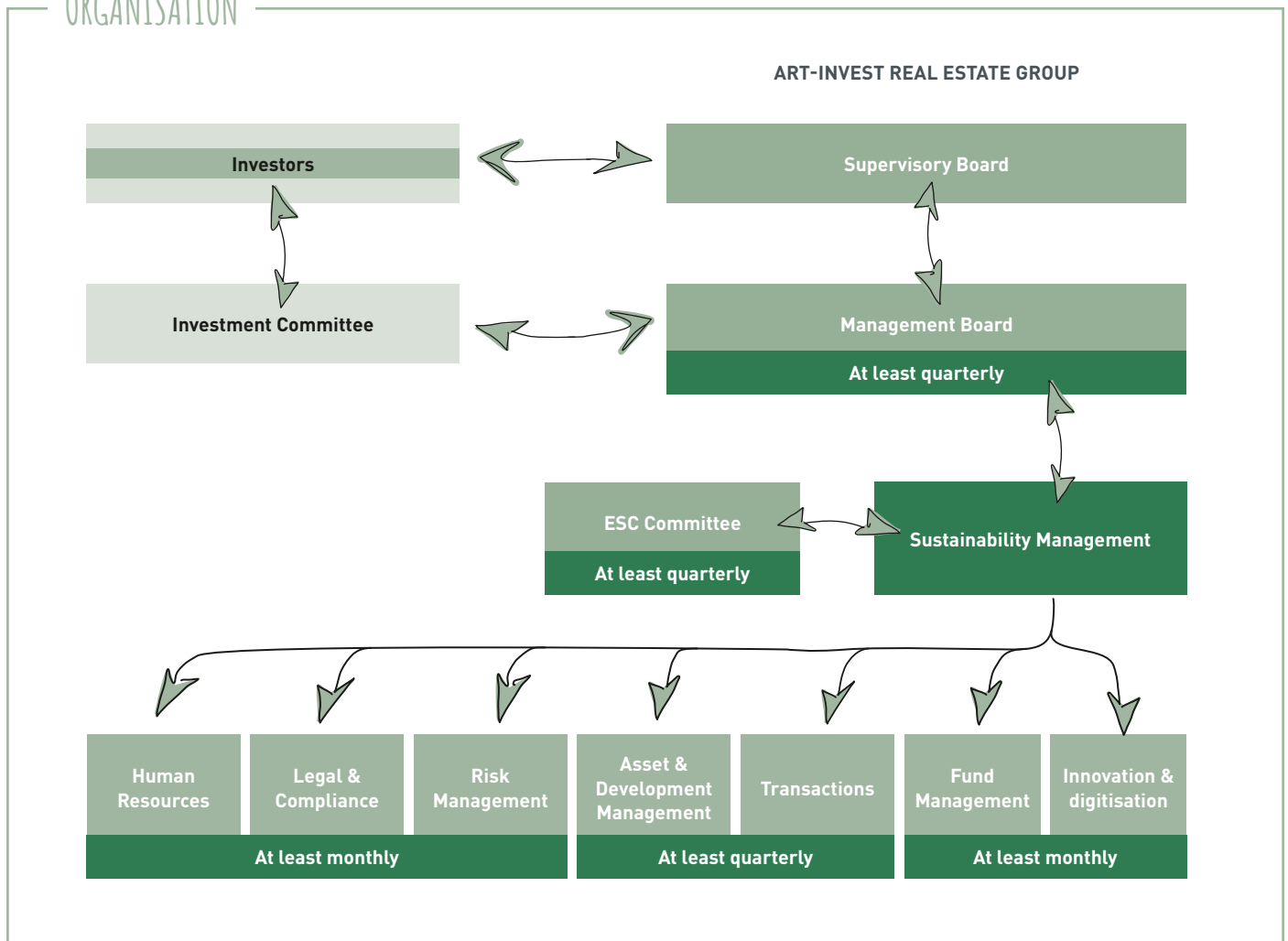
INTRODUCTION

Competences and Responsibilities

A task for all of us

For us, the topic of sustainability is a team effort in which not only every department, but every project group makes its contribution to the overall result. The implementation of the goals is coordinated centrally by the Sustainability Management, which also acts in a supporting advisory capacity and is in close contact with the ESG Committee. It also directly reports to the management, so that the management is always involved in the processes.

ORGANISATION



SUPERVISORY BOARD

As the topic of sustainability is now an integral part of the area of competence of our Management Board, the individual sustainability aspects naturally also fall under the control of the Supervisory Board.

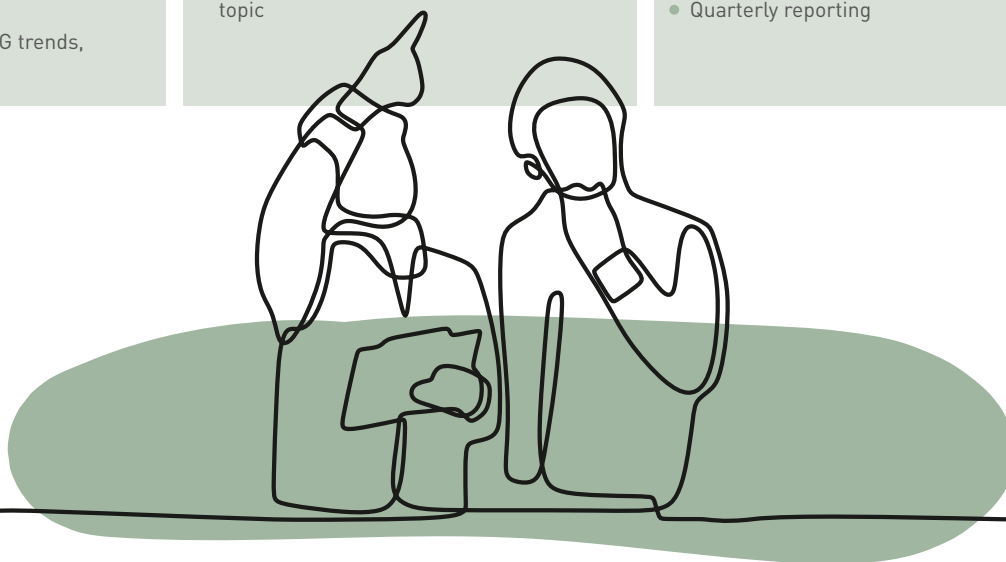
The Supervisory Board is therefore also informed about all activities of the sustainability departments and ESG topics to ensure transparency and sustainability compliance and to specify potential for improvements.

This extra control ensures continuous integration of ESG factors and continually sharpens the sustainability focus of our business operations.

ESG COMMITTEE

The ESG Committee was established in 2021 to support the Art-Invest Real Estate Group’s management in managing the various ESG issues and activities. The Committee addresses key sustainability issues affecting the group of companies and meets at least 4 times per year. It currently comprises Philipp Henkels (Managing Director of AIREF and Chair of the ESG Committee), Arne Hilbert (Managing Director of AIREM) and Philipp Schedler (Senior Sustainability Manager).

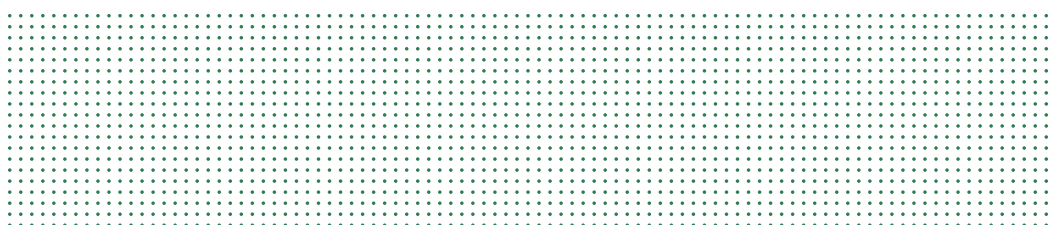
Duties and responsibilities		
Monitoring	Decision	Informing management
<ul style="list-style-type: none"> • Compliance with sustainability guidelines and development of ESG strategy • Implementation of sustainability aspects along the value chain • Sustainability reporting ESG trends, stakeholder expectations 	<ul style="list-style-type: none"> • Preparation of decision-relevant topics by Sustainability Manager • The Committee is in principle authorised to make decisions on any ESG-relevant topic 	<ul style="list-style-type: none"> • Regarding ESG issues that are of material importance to the Group: providing guidance on ESG issues that are of material importance • Quarterly reporting



SUSTAINABILITY MANAGEMENT

The Sustainability Management department centrally oversees and coordinates the topic of sustainability at company and product level. In addition to monitoring and fulfilling regulatory requirements with regard to sustainability (for example, EU Taxonomy and the Disclosure Regulation), this also involves strategy development and target control at the Group level. Our employees in this area, Philipp Schedler (Senior Sustainability Manager) and Melina Braxator (Sustainability Manager), are responsible for the following tasks in detail:

- Integrating sustainability into all aspects of the company
- Regulatory requirements and sustainability reporting
- Developing and implementing sustainability strategies, monitoring of sustainability indicators
- Identifying and evaluating opportunities to improve sustainability in all business areas of the company, such as real estate management, construction and planning process, energy efficiency, resource management
- Supporting the fund management in the acquisition process and reporting
- Working on the portfolio, supporting asset management with regard to portfolio optimisation to postpone the stranded asset timing
- Creating sustainability awareness: raising awareness for sustainability and deepening the understanding of sustainability issues.



INTRODUCTION

Examples of Implemented ESG Measures

ENVIRONMENTAL

Construction and recycling

- Reuse of construction material

MEP/HVAC

- Updating MEP and HVAC systems for better indoor climate and reduced energy consumption

Operational efficiency

- Intelligent building
- Green building certification, for example, LEED

Mobility concept

- E-charging stations for cars, bicycles and scooters
- Bicycle racks and showers

Planting

- Plants to improve ambience and air quality and reduce urban noise and heat

Stakeholder approach

- Partnerships between users, tenants, owners and stakeholders for efficient, transparent property management

GOVERNANCE

Compliance

- Uncovering of conflicts of interest, maximum transparency and arm's length contracts
- Commitment to the Code of Conduct of Zech Group SE

Fiduciary responsibility

- Commitment to the BVI Code of Conduct and signatory to the UN PRI

KYC process

- Careful checks for transactions, contract conclusions and lettings



SOCIAL

Additional services

- Offers such as free, area-wide WLAN, childcare and real-time information on public transport

Public space

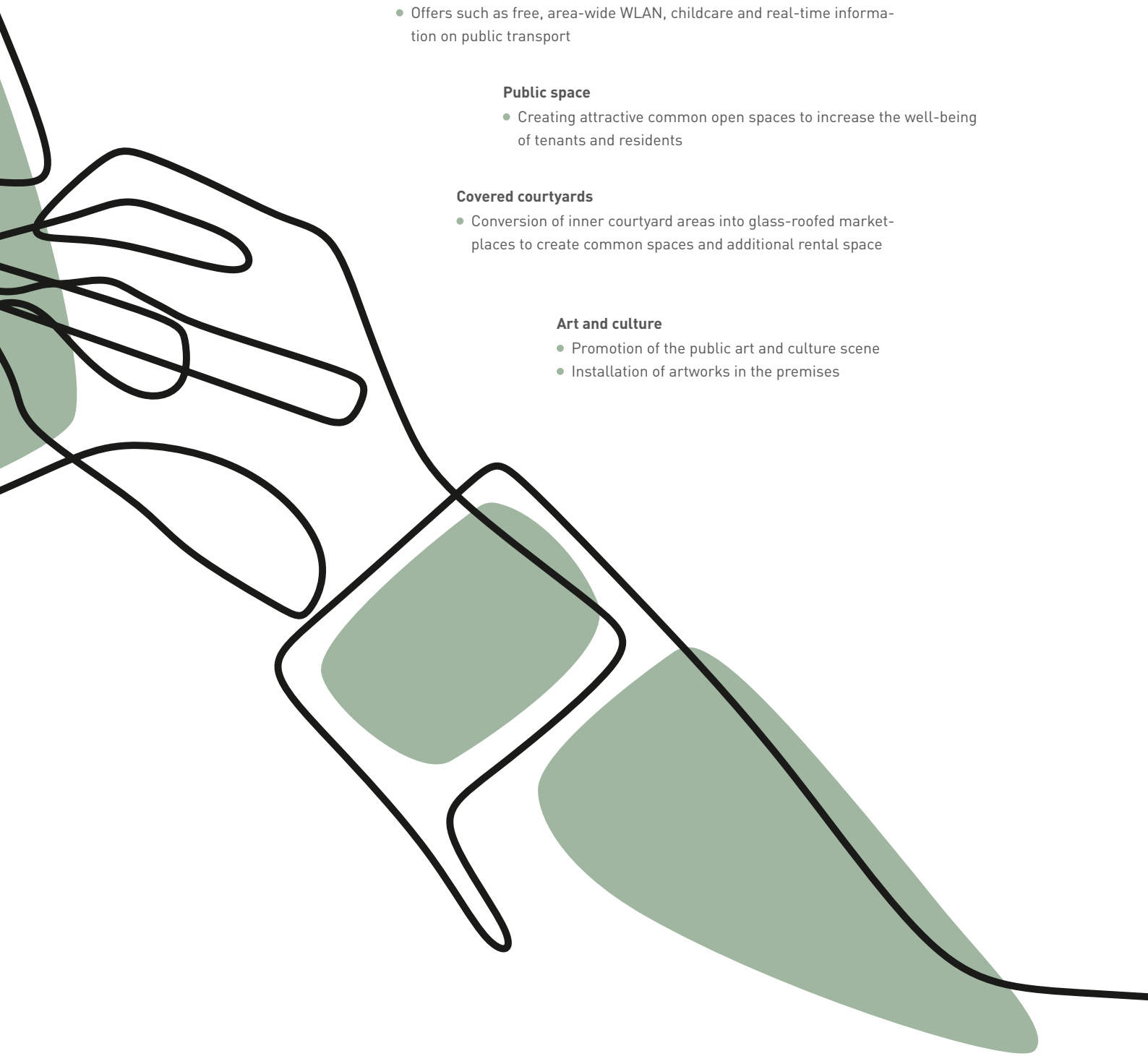
- Creating attractive common open spaces to increase the well-being of tenants and residents

Covered courtyards

- Conversion of inner courtyard areas into glass-roofed marketplaces to create common spaces and additional rental space

Art and culture

- Promotion of the public art and culture scene
- Installation of artworks in the premises



INTRODUCTION

Manage to Sustainability – MTS

From Manage to Core into the future

“Manage to Sustainability” strategy

Based on our extensive experience with sustainable construction methods and the efficient operation of buildings, we have been successfully implementing our “Manage to Core” strategy for several years now. This is now being comprehensively supplemented with sustainability measures and thus transformed into a “Manage to Sustainability” strategy.

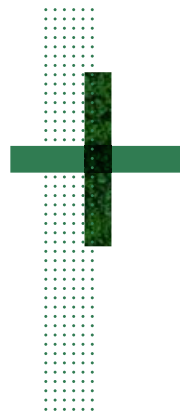
The individual measures are derived object-specifically from project experience and the requirements of the EU taxonomy, and efficient operation is realised in the most resource-saving

way possible. Social aspects are considered according to individual project requirements.

The investment process is supplemented by comprehensive ESG due diligence and, if necessary, a remediation potential analysis. In such an analysis, the corresponding measures for implementation are analysed and subsequently implemented in accordance with the investment interests or individual values and goals. Increasing energy efficiency and reducing carbon emissions are of central importance here.

MTS – Asset Level

1. Factoring in economic efficiency using the Manage to Core approach (MTC)
2. Measures for a property based on EU taxonomy requirements (Environmental 1 – Climate Protection)
3. Developing efficient operations to conserve resources
4. Active property management for its further development
5. Taking social aspects into account according to project specific requirements



MTS – Financing

1. Compliance with regulatory requirements on the capital market for taxonomy-compliant real estate
2. Compliance with the regulatory requirements for funding under the Disclosure Regulation
3. Providing regular ESG reporting
4. Providing the usual services of a capital management company (e.g. portfolio management, annual reports)

ESG APPROACHES – INTEGRATION AT DIFFERENT LEVELS

	BUYING & SELLING	LOCATION	PROPERTY	TENANT	PROVIDER
ENVIRONMENTAL	Environmental due diligence	Environmental risks	Consumption and emissions	Sustainable tenant improvement	Efficiency measures
SOCIAL	Exclusion criteria	Accessibility and infrastructure	Community engagement	Increase user comfort	Human rights and working conditions
GOVERNANCE	Compliance	Country risks	Green due diligence	Green leases	Green property management agreements

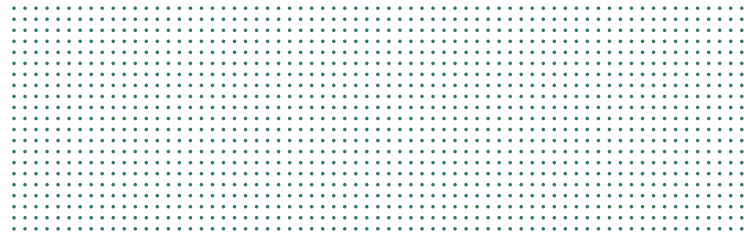
Why we apply the MTS approach

Summary

- The growing importance of the sustainability topic requires new approaches to real estate management – not only due to increasing regulation, but also based on the decisions of institutional investors. Thus, price reductions for non-sustainable buildings are to be expected in upcoming years, which is why early and forward-looking actions are recommended. These are both opportunities and a compulsory programme: approximately 75 per cent of the offices in Germany were built before the year 2000, it will thus not be possible to achieve the set climate targets without a sustainable refurbishment of this old stock.*
- However, the new targets are also associated with opportunities that we are exploiting with our investors as part of our new “Manage to Sustainability” strategy. It is a further development of our “Manage to Core” approach, supplemented by essential sustainability aspects, and has been successfully implemented in numerous projects for new and portfolio properties. The initial focus is on office properties with ESG and “Manage to Core” optimisation potential in prime locations as well as at established locations in Germany. In addition, this approach is to be used successively for other types of use managed by us. In addition to the economic goal of the “Manage to Core” strategy of generating attractive returns, the investment

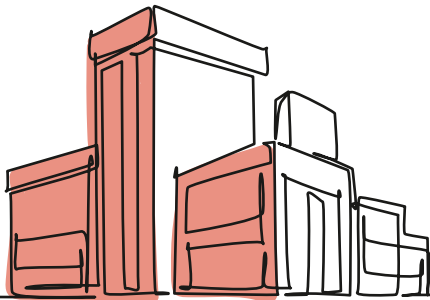
within the “Manage to Sustainability” strategy should also generate measurable as well as positive social and environmental impacts.

- At the end of the respective value creation process, is a sustainable and taxonomy-compliant property in a very good location with a high property quality and stable letting situation, which offers a secure return and is very easy to sell.
- In addition to the sustainable refurbishment of purchased properties, the focus is also on developing the direct portfolios already held by our institutional clients. These must be protected against significant loss in value, as it is mainly older portfolio properties that are at risk of becoming stranded assets.



ACQUISITION/PORTFOLIO

Assets that do not meet sustainability criteria



Manage to Sustainability process



SALE

Taxonomy compliant and sustainable asset

* Cf. own evaluation based on Bulwiengesa data, 2022

INTRODUCTION

Commitment in Associations and Organisations

Facing the challenges of the future together

Sustainability and environmental awareness are becoming increasingly more present in the real estate industry; a new type of cooperation is emerging. Arne Hilbert explains the background, challenges and opportunities of this development:

What changes are you observing in the industry with regard to sustainability?

We have thus far had very little insight into the industry's environmental protection efforts. But now, more and more players are documenting their activities. This creates a new transparency and we suddenly gain insight into the work of the protagonists, but also into the individual assets. This is a novelty.

What is the role of stakeholders in this scenario?

Our work is always triggered by stakeholders. Those from the capital and capital ground sector, such as equity partners for example, the banks that leverage real estate projects and the users themselves – sustainability is at the top of the agenda for all of them today.

Users have always had the added value of the property in mind. For instance, by asking themselves whether a property meets their requirements for a future-oriented working environment. But also monetary arguments such as the desire for the lowest possible ancillary costs are naturally important to them.

And then there is taxonomy, which aims at the sustainability of the capital flow. That is the reason why the topic is currently gaining massive relevance among equity partners and debt financiers. All these considerations are currently leading to a sudden change in thinking.

What does it take to meet today's stakeholder demands?

First and foremost we need a meaningful database. To do this you have to start at the very beginning, which means with the assets. And I believe that is one of the most essential changes in the real estate world: namely to determine the status quo in the first place.

After that we have to look at which goals we can actually achieve with which measures. The work must not only be done in the taxonomy, but also on the assets – and this in the area of tension of the shortage of skilled workers, of which the real estate industry is affected as well.

How can Art-Invest Real Estate actively shape this process?

Quite simply: by sharing our know-how. This is part of the new transparency. So instead of setting ourselves apart in the market by dominating knowledge, we should tackle the great future task ahead of us together. That is why we are very committed to being involved in associations.

We are not only interested in the exchange with other real estate companies, which naturally face similar challenges as we do. I see this above all as a strong communication channel towards the cities and building management. While the private sector can lead the way with flagship projects, it would have much more impact if the public sector also fulfilled its voluntary commitment. We at Art-Invest Real Estate are happy to provide support in this regard.

What is the greatest benefit of such cooperation in your opinion?

It creates comparability in the area of sustainability that all stakeholders can rely on. But it will only work with a cross-sector standard.

We currently lack the orientation points for this, but various initiatives are already

working on it. Art-Invest Real Estate participates in most of them – as an active member or at least as an assessor. We are particularly involved in the German ECORE initiative and at international level in GRESB and ULI. We are also very present in the ZIA. This is where we meet the most important protagonists and make a partnership contribution – always practical and close to the real estate.

What exactly is this contribution?

As a company we can contribute perspectives that many others do not have. Because we combine several roles at once: as a classic portfolio holder, i.e., as an owner, we are concerned with making the portfolio future-proof and maintaining it. Our role as a project developer is quite different. Future issues are naturally anticipated much more strongly here. In addition, our venture capital arms are committed to finding and establishing digital solutions for the real estate industry. Last but not least we are also real estate operators through our design



**Arne Hilbert, Managing Director,
Head of NRW, Member of the
Art-Invest ESG Committee**

offices and hotel companies.

We are able to provide associations with valuable and comprehensive input thanks to this broad set-up.

How do you experience the work in associations – in general and personally?

Market and industry want to cooperate. Because it is clear to everyone: this is the only way to meet the challenges of the future. Associations and initiatives provide us with the platform we need to do this. Here we can exchange ideas in a structured way.

Personally, it gives me great pleasure to be part of this change. The ULI, of which I am the Local Chair and a member of the Executive Committee, brings together architects, administrators, politicians, planners, property owners and financiers. You simply feel that everyone has the same goal: making cities better. That is great! ECORE, in which I am also active, would like to establish a sustainability certification label as soon as possible. This might perhaps be a little less holistic, but at least as exciting.



Actively shaping the turnaround.

Transforming the real estate industry towards more sustainability is an internal task for us, but also a cross-sectoral one. That is why we are very committed to the further implementation and realisation of ESG criteria in various organisations and associations. Only in this way is it possible for us to actively participate in the transformation within the real estate industry, to anticipate new trends, to stay up to date with regard to future regulatory changes and thus to exploit our maximum potential.

Our commitment includes:

- **ZIA** is a trade association that represents the interests of the entire real estate industry at national and European level.



- **INREV** (European Association for Investors in Non-Listed Real Estate Vehicles) is a non-profit organisation that aims to represent the interests of investors in non-listed real estate funds. It focusses



on increasing transparency and comparability through best practice guidelines.

- We participate in DENEFF working groups such as **IMMO2.Zero**. **DENEFF** is an independent network that brings top companies from the energy efficiency sector together to represent their common political interests for effective and ambitious energy efficiency regulation in Germany.



- As an interdisciplinary network, **ULI** brings various industry players together and promotes dialogue between the private real estate industry and the public sector. Dr Markus Wiedenmann is the Chairman and Arne Hilbert is engaged as Local Chair Cologne.

We are members of:

- **BVI** (Federal Association of Investment and Asset Management)
- **BAI** (Federal Association of Alternative Investments)
- Signature of the **UN PRI** (UN Principles for Responsible Investment)
- **ICG** (Initiative Corporate Governance der deutschen Immobilienwirtschaft e. V.)



In addition, we use industry-established rating systems to measure the sustainability performance of real estate companies and real estate funds

- We annually participate in the **GRESB benchmark**
- Are part of **ECORE** (ESG Circle of Real Estate) and are collaborating on the joint creation of a new ESG portfolio management tool as a standard for the European real estate market
- Use **Madaster** – a global online cadastre that enables the circular use of products and materials in the construction industry.





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Key Figures

Carbon

Corporate Level

Transport and Travel

Portfolio

Portfolio – Example Hamburg

Refurbishment and New Construction

Refurbishment and New Construction – Example Berlin-Kreuzberg

SOCIAL

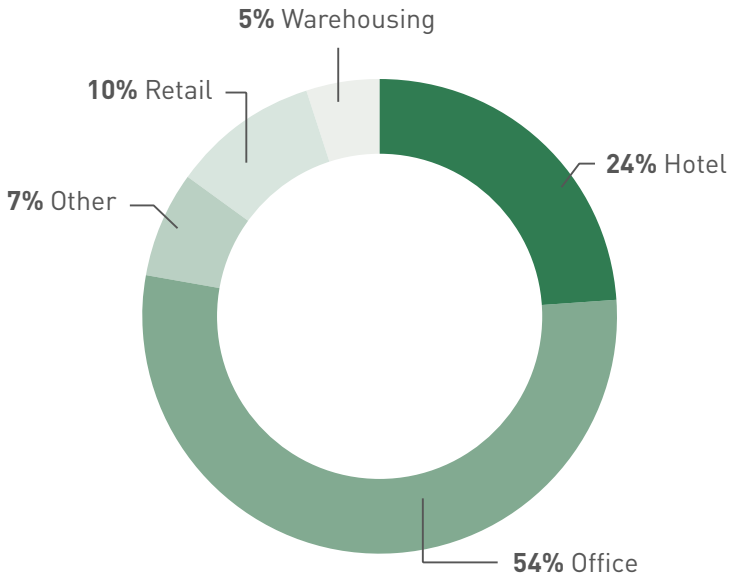
GOVERNANCE

APPENDIX

ENVIRONMENTAL

Key Figures

Our Properties



PARKING SPACES

11,605

HOTEL PARKING SPACES

658

SMART METER COVERAGE

Target 100% by 2023



Primary energy consumption: **130.69 kWh***



Average area: **approx. 9.27 m²**



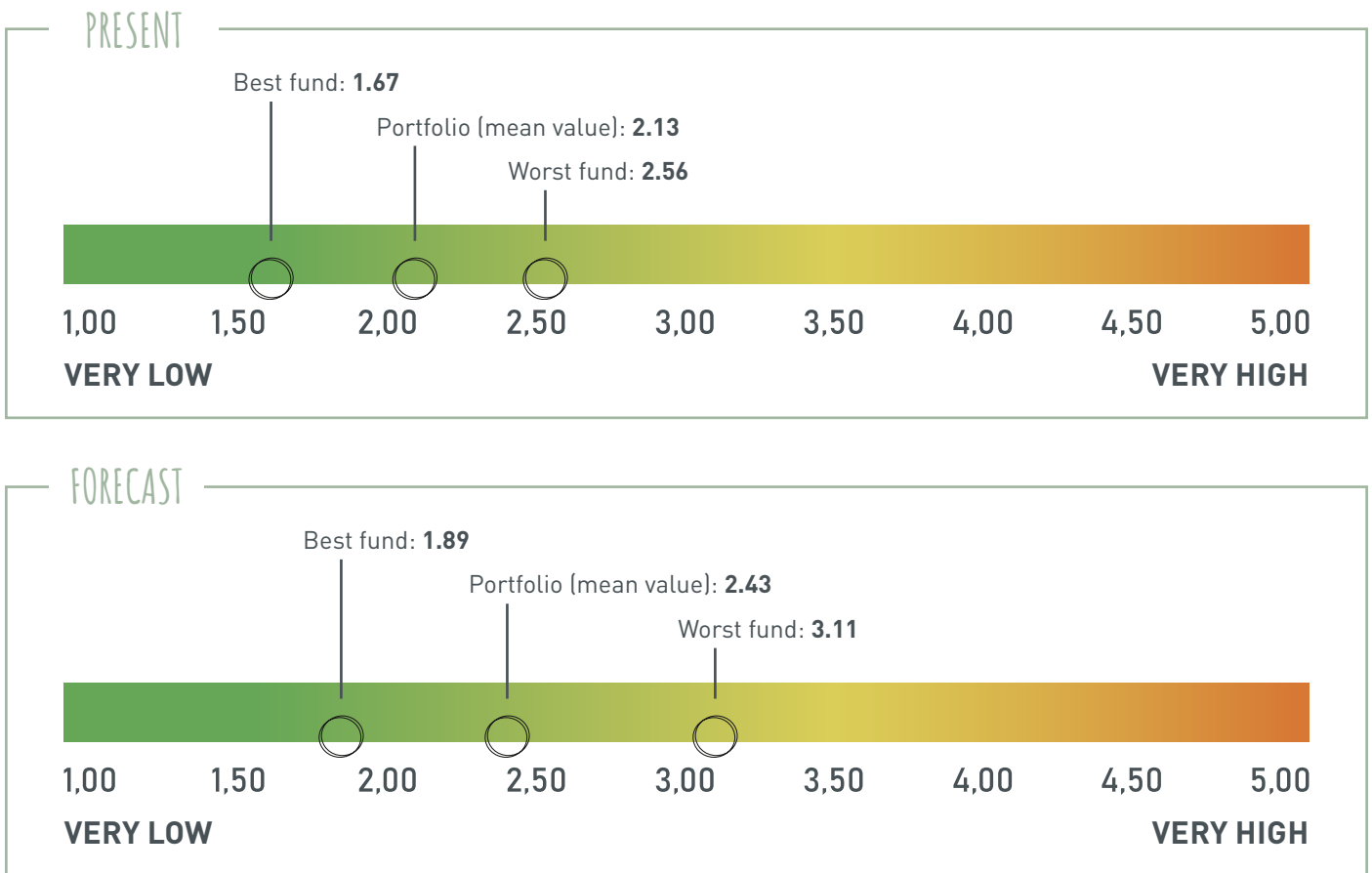
Average number of tenants: **approx. 23**



Average number of parking spaces per building: **98**

* Calculated using the latest available energy performance certificates (117) and weighted according to net floor area.

Risk Key Figure of our Funds



Assessment approach: physical risks

Art-Invest Real Estate’s real estate portfolio is exposed to extreme weather events such as floods, storms, hail and heat. Therefore, Art-Invest researches the extent to which all sites and properties have been or are being affected by natural hazards. Potential future risks can also be determined by means of projections of the Federal Institute for Research on Building, Urban Affairs and Spatial Development. A key parameter for natural hazards is determined for each property, both for the present and the future. These individual property key figures are then aggregated at portfolio level and weighted by market value.

The properties of Art-Invest Real Estate are mainly located in Germany, Austria and the United Kingdom. These areas in the temperate European latitudes are characterised by relatively low climate sensitivity. For these reasons there is currently only a low to medium physical risk across the portfolio. Nevertheless, long-term developments and temporary extreme weather events must not be disregarded, because recognised climate models show that hail, winter storms, heavy rain and heat events will tend to increase. This is likely to be accompanied by more frequent and possibly more extreme floods in the future.

Art-Invest Real Estate takes into account the physical risks associated with the location when constructing new buildings

and modernising portfolio properties with the aim of creating largely resilient buildings.

All portfolio properties are covered by insurance policies covering damage caused by fire, storm, hail, floods or force majeure. However, it must be noted that insurance premiums have risen considerably in the recent past. The primary reasons were the extreme weather events that recently occurred, the increase of construction costs and inflation. A further increase is expected.



ENVIRONMENTAL

Carbon

Our commitment to the climate

The construction and real estate industry is largely responsible for the global release of carbon and other greenhouse gases. The intra-disciplinary emissions can be divided into two areas. On the one hand there are emissions that result from the operation of the building and are also referred to as “operative carbon”, and on the

other hand the emissions that result from the production or construction of a building and are referred to as “embodied carbon”.

In order to restrict the greenhouse effect and the associated climate change, we are living up to our role as a future-oriented real estate developer and investor and are taking on the responsibility of continuously reducing the emissions of our properties.

We address the issue of emissions at corporate and at portfolio level.

Art-Invest Real Estate branch at the Morrow in Frankfurt am Main



A goal such as comprehensive climate neutrality can only be achieved through the permanent implementation of new approaches and technologies. In this context, we are already able to refer to a wide range of applications in the field of sustainable construction, which has the consequence that some of our developments could be called pioneering projects. The measures range from the creation of taxonomy-compliant assets and construction in the wood-hybrid construction method to the implementation of the circular economy and ecological revitalisation to the creation of smart buildings and the inclusion of tenants via green leases. We also use the CRREM (Carbon Risk Real Estate Monitor) tool for our portfolio, which determines when a property is likely to be subject to market discounts because it no longer meets market requirements in terms of sustainability and is therefore considered a stranded asset. To counteract this loss of

value, the decarbonisation of our existing properties is also a key point of our strategy. This means that carbon is reduced at both the portfolio and project development level, which then leads to the establishment of more sustainable real estate portfolios in the medium to long run.

While the German federal government wishes to ensure national climate neutrality by implementing the Climate Project Act until 2045, we have set the bar higher for ourselves: we will be able to present climate-neutral business operations at the corporate level in the year 2023.



ENVIRONMENTAL

Corporate Level

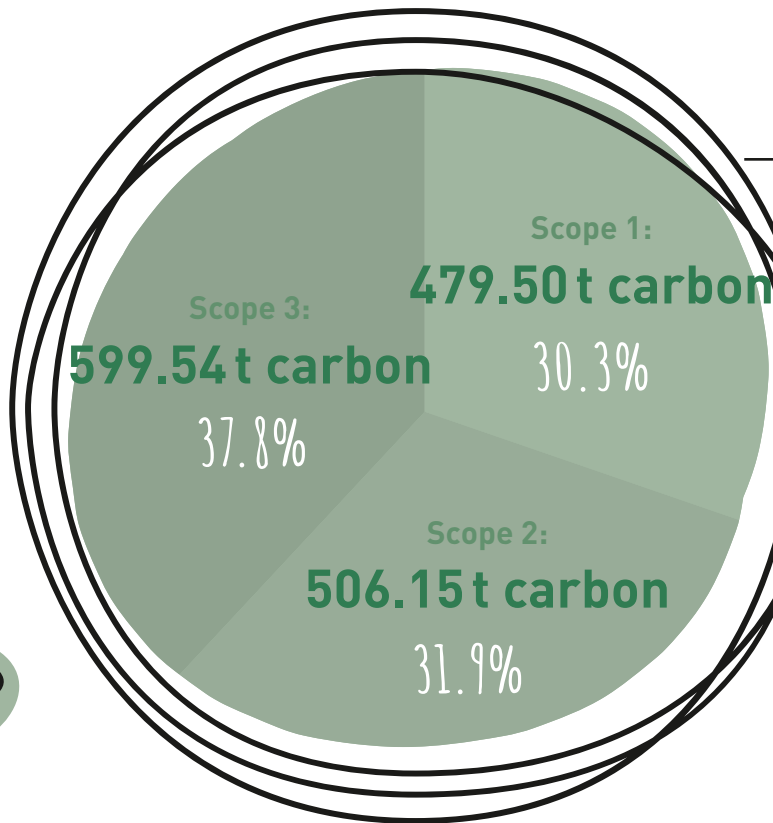
Avoid. Reduce. Compensate.

Our goal is to achieve carbon neutrality at the corporate level in the year 2023. This includes emissions from our offices for electricity, heat, company vehicles and business travel.

In this regard it can be said that carbon compensation solely at a company level is not in itself a sustainable means – but remains necessary for us in the first step until a valid database is available to determine savings potential. Using the data from the baseline year 2021, we are able to continuously measure our progress and communicate it

For us, carbon compensation is only a transitional solution on the way to climate neutrality.

Our carbon footprint
in 2021:
1,585.19 t carbon



Scope 1: direct emissions from the company vehicle fleet, direct emissions from company facilities

Scope 2: purchased heat, steam and cooling for own use, purchased electricity for own use

Scope 3: fuel and energy-related emissions (upstream chain), employee travel, business trips

CLIMATE PROTECTION PROJECT

In order to compensate for our emissions at the corporate level, we support a climate protection project called "Assisted Natural Regeneration" in Ethiopia. This initiative will protect 540 hectares of land in the northern Ethiopian highlands, saving approximately 5,530 tonnes of carbon per year. Overall, the UN SDGs 1, 8, 13 and 15

are supported by this commitment. The project standard complies with the specifications of the Plan Vivo Foundation.

In 2023, we will compensate 110 per cent of our calculated carbon footprint.

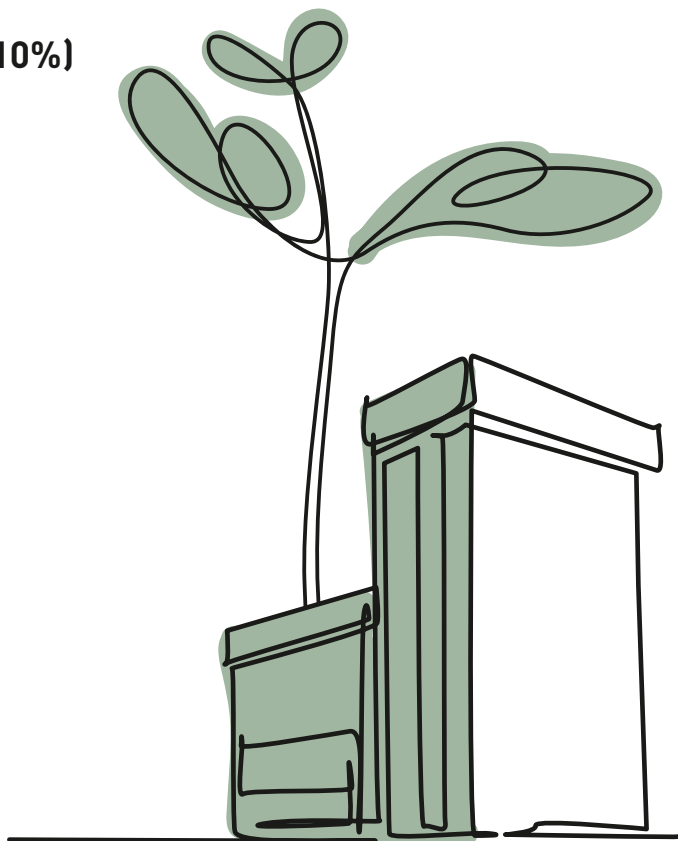
1,743.70t carbon
Compensation performance (110%)

Initial measures in business operations

To set a good example we try to question carbon emissions in our daily work and, if they cannot be completely avoided, at least reduce them. In the past financial year we were able to obtain an idea of our Corporate Carbon Footprint for the first time, which relates to all branches of AIREF, AIREM as well as AIREM Austria and AIREM UK. Data was collected on the emissions of electricity, heating and cooling, all company cars and the business-related travel and journeys of employees to the office for the (COVID-19-affected) year 2021.

In the future, further emissions will be recorded that arise in office operations, for example, through necessary printing, through indispensable orders and deliveries.

However, in order to act in an ecologically sustainable way in the office, it is generally important for us not to have to question the necessity of certain actions – because there are often adequate carbon-saving or environmentally friendly alternatives. For example, the birthday presents for our employees at the Cologne head office are already packaged sustainably; in Frankfurt, lunch is delivered to the office in jars, thus saving avoidable waste.



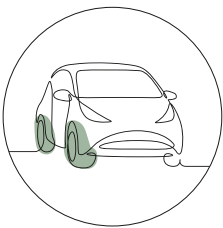
The introduction of electronic signature runs or digital controlling tools helps employees to only have to resort to the printer in exceptional cases and thus not waste paper.

ENVIRONMENTAL

Transport and Travel

Sustainably in motion

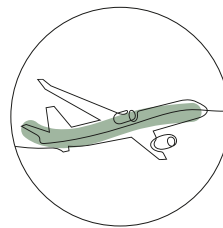
As regards business trips, all employees were made aware in 2022 not to use the private car for trips of more than 400 kilometres and to avoid air travel as far as possible. The motivation for rail travel promoted the ordering of custom-fit Business BahnCards – ranging from the Betriebs-KlimaBahnCard 25 via the popular BahnCard 50 to BahnCard 100. The reporting of our travel costs, made possible for the first time by SAP, enabled us to initiate further improvements with regard to climate protection for business travel. In future, taxi journeys should only be used in the case of a public transport alternative that is no longer running. The following applies to air travel: Less is always more, at least within Germany. The controlling staff from all branches travelled by train to the team meeting of the commercial team in Berlin in June 2022. In future, time management will be required for all appointments, meetings and company events in order to allow for travel by train, as long as physical presence is considered necessary – such as at the upcoming summer party.



COMPANY CAR		KM	CARBON*
		1,421,041	474,910
		589,525	197,019
		5,172	2,098
		28,913	33,057
		0	0
		2,044,651	707,084



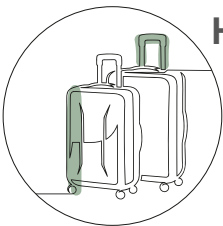
2,044,651 km correspond to about five and a half times the distance from the Earth to the Moon.



AIR TRAVEL		
NUMBER	KM	CARBON*
1,250	1,078,551	246,611
238	183,357	78,468
26	38,745	8,843
50	51,903	10,317
17	8,980	2,562
1,581	1,361,536	346,701



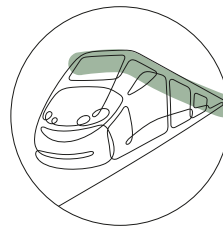
1,361,536 km is like circumnavigating the earth 34 times at the height of the equator.



HOTEL STAYS		NUMBER	CARBON*
		1,225	21,656
		306	5,409
		50	1,293
		22	466
		41	725
		1,644	29,548



29,548 kg of carbon correspond to the average emissions of 15 German single-family homes.



RAIL TRAVEL		
NUMBER	KM	CARBON*
628	258,178	18,831
295	185,485	8,075
34	12,500	912
18	3,082	193
80	400	30
1,055	459,645	28,041



459,645 km is 200 times the rail distance from Lisbon to Berlin.



TICKETS	
JOBTICKETS	BAHNCARDS
116	63
30	34
6	0
5	0
0	0
157	97

AIREM	Calculated using the data of AIREM, AIREF and AIRE PM
AIREF	
AIRE PM	
AIREM Austria	* CO ₂ in kilograms, decimal places rounded.
AIREM UK	
Total	

ENVIRONMENTAL

Portfolio

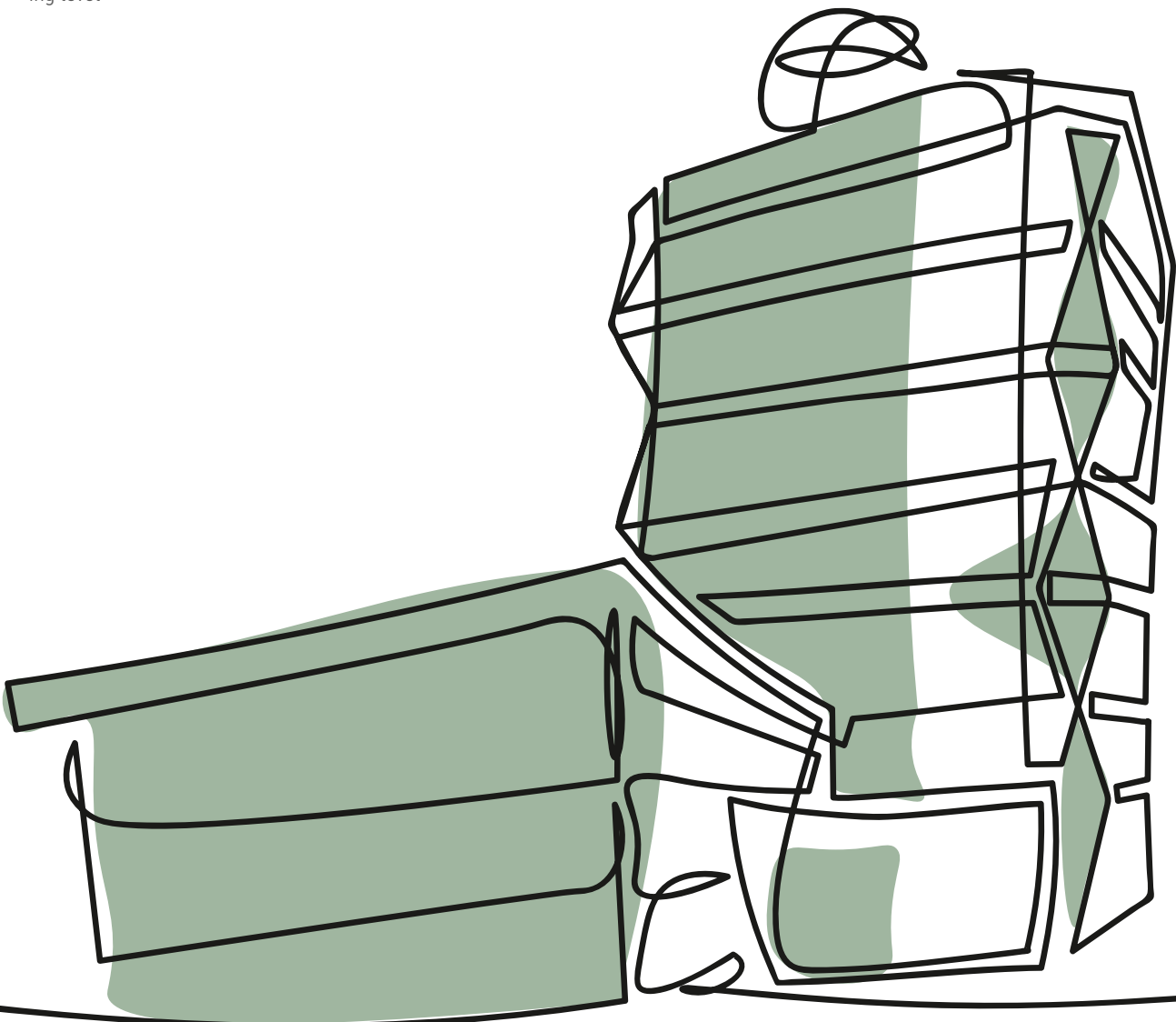
Making the portfolio fit for tomorrow.

The refurbishment and optimisation of the portfolio properties was the focus of our asset management strategy in 2022. The heterogeneity of the portfolio, in different funds with partly different objectives, represents the greatest challenge here. At portfolio level we have thus immense potential for measures that can be implemented across the board despite the great differences and thus form the lowest common denominator:

- **Manual or digital collection of consumption data** through predefined processes in facility management or the implementation of digital meter concepts
- **Structured recording of sustainability KPIs** and mapping of the climate path using the CRREM tool as part of reporting as a decision-making basis for the creation of renovation roadmaps at building level

- **Portfolio check** for the implementation of energy monitoring and energy optimisation based on data from the building automation system
- **Creation of a standard for the implementation of photovoltaic systems in portfolio properties** for sustainable energy production and optimised energy costs for tenants

In 2022 important foundations were thus laid for actively tackling the decarbonisation of the portfolio. In the coming years, it will be a matter of using this knowledge and further advancing the implementation of the measures. Another important milestone will be to improve the data situation via smart meter technology.



Data collection for climate and environment

Monitoring energy and water consumption is highly important for comparing buildings and their efficiency in operation. The more precise and complete the data, the more effectively measures for savings can be developed and implemented.

Consumption figures were naturally also checked and approved by property and facility managers in the past. An important milestone for us in this area in 2021 was the systemic recording of all consumption data upon invoice release, for properties managed by Art-Invest Real Estate Property Management.

In order to comply with the EU Disclosure Regulation, new energy performance certificates are now being applied for all properties and the data is systematically recorded in a database. Although these first steps allow for a rudimentary comparison of buildings, a detailed analysis and optimisation is not yet possible or meaningful.

Only after the nationwide implementation of smart meters and an ESG tool in 2023 will we be in a position to measure consumption in the categories of heating, cooling, electricity and drinking water in a fully comprehensible manner.

The new technology will then play a central role in creating transparency and identifying potential savings.

At the same time the new Green Lease Standards create the basis for increased access to user consumption data in the future, which can be used to optimise buildings.

Based on the collected consumption data, savings targets are then developed that can be implemented as part of the management process. Without comprehensive consumption data, it would on the other hand not be possible to set these savings targets, as target monitoring can only take place on the basis of valid data.

Once all the data has been collected, the individual measures can be evaluated using the ESG tool, which enables building or real-time portfolio analysis and serves as a basis for comparisons and further measures.

In the end, the introduced processes and technologies will lead to more than one added value: improved transparency towards our investors regarding building performance as well as a relief of the climate and the environment.

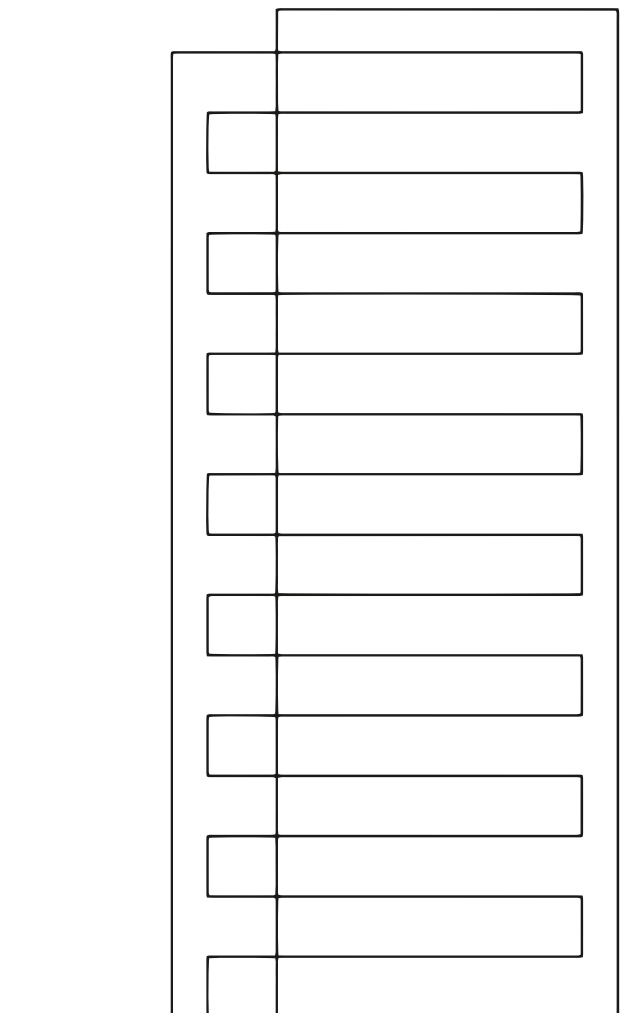
Smart Building – the building thinks for itself

For newer buildings there is an intersection between efficient and sustainable operation and smart building technologies. Intelligent building automation can be used to make operation even more efficient and feasible despite user intervention in the building. In addition to consumption savings, air quality and thermal comfort can, for example, be measured. These are two of the aspects that are an important part of user comfort in office properties.

For this purpose our smart building experts from the innova-

At the latest, the need for real-time portfolio analysis will show that smart building is an important and correct technology – not just pure gimmickry!

tion team continuously test new solutions and make the results internally accessible through a best practice database.



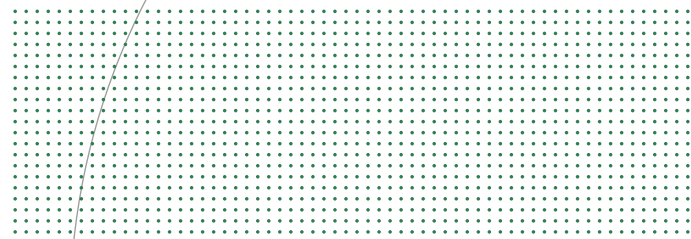
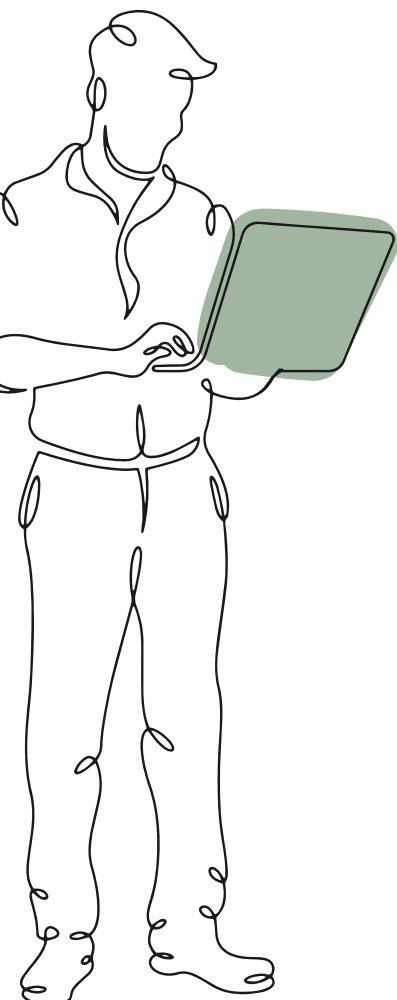
Coordinating with the tenants is the key

A property lives through its users. This is precisely why it is particularly important to include them in optimisation processes. Particularly with the increasing technologisation of buildings and the growing number of interfaces, transparency must be created between the tenant and the landlord, but also between other parties involved in the operation of the building. An open cooperation is a prerequisite for the efficient use of energy and resources in the context of modern and sustainable buildings.

Only when each party actively contributes to optimisation within the scope of its possibilities can the property as a whole become or remain sustainable. Various measures must accordingly be taken to define the obligations and ensure the interests of all contributors in order to realise the maximum potential of a building.

Examples of projects between tenants/landlords

- 1 Organisation of energy purchasing (green electricity and gas supply, optimisation of district heating connection values) for NRW assets via energy service providers
- 2 Area-wide optimisation of operational management in order to save energy sustainably and thus reduce carbon emissions
- 3 Roll out the use of digital tools to analyse plant technology and optimise plant operation (aedifion, synavision)
- 4 Pilot projects to provide energy advice to tenants in order to reduce energy consumption in individual rental areas. For example, action plans were developed for lighting installations and for demand-oriented control of room heating and cooling regarding individual rental spaces
- 5 Investigation of various properties for their potential to be equipped with PV systems for general power supply
- 6 Analysis of portfolio assets for retrofitting them with building automation systems within the rental area
- 7 Analysis of ESG key figures and mapping of the decarbonisation path in the CRREM tool for existing properties



ENVIRONMENTAL

Portfolio – Example Hamburg

The signs are green

Art-Invest Real Estate manages portfolio properties in Hamburg with a total area of around 80,000 square metres and more than 50 different users. Jörg Herbe, Head of Asset Management Hamburg at Art-Invest Real Estate explains how we consistently develop these buildings in a sustainable manner

What is the status quo of the real estate in Hamburg?

As a result of our project developments, our buildings in the Hanseatic city have a modernisation level of around 96 per cent. Around 61 per cent of the lettable space is also certified for ecological construction in accordance with LEED or DGNB.

An important indicator for the energy efficiency of our properties is the so-called stranding time. This is an assessment that quantifies the future viability of the property – in terms of limiting global warming to a maximum of 1.5°C. On the basis of the available energy performance certificates, collected consumption data and measures already initiated, for our portfolio properties in Hamburg we have determined that stranding will not be an issue for around 88 per cent of the buildings for another ten to 25 years. So we are basically well positioned here.

What concrete measures are we talking about?

On the one hand there is the monitoring of building automation – an important prerequisite for efficient use of resources. In 2022 we have identified suitable buildings for this purpose. A system upgrade was then carried out in the Alter Wall 10-32 properties together with the company aedifion GmbH. Based on the utility billing, which we expect in Q1 2023 from the utility companies, we will now evaluate the savings achieved from the undertaken measures and subsequently share the results with our users. In 2023 the aedifion upgrade will take place for two more properties, which will then already cover 75 per cent of our total portfolio in Hamburg.

On the other hand we also rely on green roofs and photovoltaics. We checked where existing plants can be expanded and whether there are previously unused areas that are also suitable for such use. The results of this audit will be available in early 2023. Then we will derive and implement concrete measures – taking into consideration the circumstances under fund laws.

Building management represents the third pillar of our activities. Regular and professional maintenance of the lift systems

reduces their susceptibility to faults and thus extends their life cycle. Carbon reduction is ensured by demand-oriented utilisation of the systems, lower consumption of material resources and, for example, efficient ventilation control of lift shafts. As early as in 2021 we have consistently placed all lift systems in Hamburg in the expert hands of the company Simplifa GmbH for this purpose.

Is this a related reaction to the Energy Saving Ordinance?

No, because we have been consciously dealing with our properties for a long time. In the run-up to the Energy Saving Ordinance we examined the consumption of the portfolio properties with our service providers and derived concrete to-dos. In order to save energy we have, for example, as a short-term measure, significantly reduced the façade lighting and optimised the lighting control of the interior common areas. In the medium term we will, among other things, completely convert the lighting systems to LED. However, a renewal of the building technology as a whole is currently not necessary due to the recent modernisations.

Incidentally, almost all of our portfolio properties have been using 100 per cent green electricity since 2022. The only exception is the Alter Wall 2-32 property, because we are still contractually bound here for about a year.

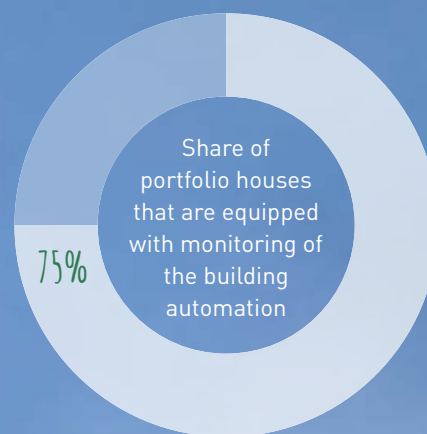
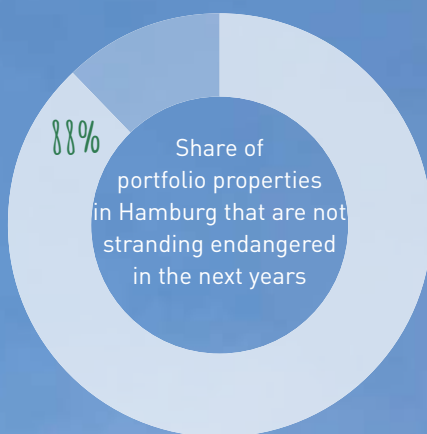
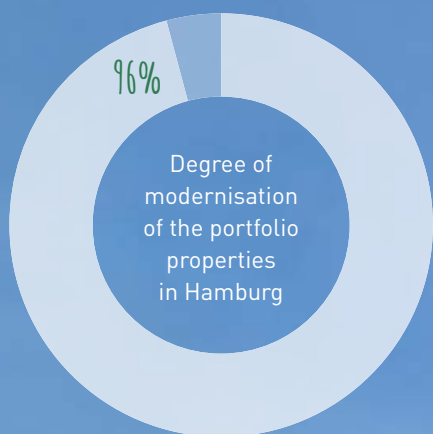
And how do you get the tenants on board?

Through dialogue and the new or re-design of contractual agreements. After all, we want to motivate our tenants to use our properties as sustainably as possible. Since 2021 we have therefore been equipping new leases with green lease agreements. We extend existing contracts, if possible, with corresponding addendums. We are confident that we will have adjusted all contracts by the end of 2023. In the ongoing use, as already mentioned, the evaluated consumptions are made transparent and further savings potentials will be discussed together.



Jörg Herbe, Head of Asset Management Hamburg

We naturally wish to also motivate our tenants to use our properties as sustainably as possible.



Alter Wall, Hamburg

ENVIRONMENTAL

Refurbishment and New Construction

Using our own guideline for the future

Art-Invest Real Estate's project developments focus on the use of sustainable and environmentally friendly materials, the reduction of resource consumption during the construction and operating phases, the use of renewable energies and the use of sensor technology and smart building solutions. We create workplaces and building spaces that meet current and future user requirements in every respect.

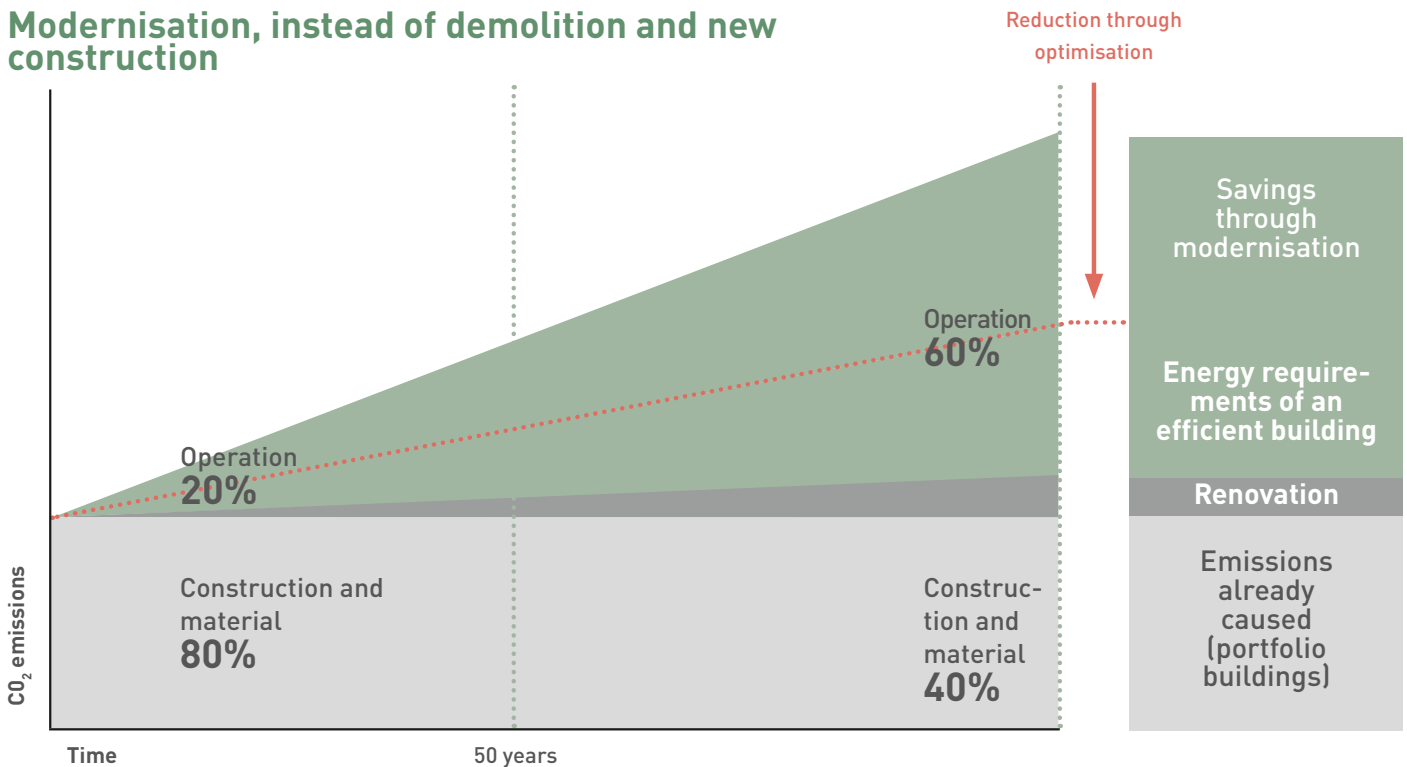
In order to further implement our sustainability goals in our project developments in a standardised manner, we have developed a guideline for sustainable construction for our construction and refurbishment projects. This guideline not

only provides an internal collection of topics for the new construction and conversion of properties, but also enables the consistent implementation of our sustainability goals in all projects through active management.

With regard to the topic of taxonomy, the aim is to achieve taxonomy conformity in environmental goal 1 – climate protection – with our project developments. In addition, the guideline promotes digital and innovative technologies within our Group.

In the context of new building planning, we rely on the BIM planning method and the early pursuit of green building certification. It goes without saying that new project developments for measuring consumption will be directly equipped with

Modernisation, instead of demolition and new construction



Source: own representation based on Federal Environment Agency, 2019



- Carbon emissions for the construction of a building ("grey energy") account for the majority of emissions in its life cycle assessment > rule of thumb:

CONSTRUCTION = 25-50 YEARS

- According to recommendations of the German Federal Environment Agency, existing buildings are to be retained and optimised for energy efficiency.

- local energy generation is another recommended measure.

- The increasing use of renewable energies will make emissions from construction an even greater factor in the life-cycle assessment of carbon emissions in the future.

smart metering. In Berlin we are realising our first project in timber hybrid construction, and in Cologne we are planning a property in solid wood construction. In collaboration with Madaster we are increasingly implementing a digital cadastre of the building materials used. We additionally attach great importance to drawing up a life cycle assessment for our project developments.

In addition to our new construction projects, the construction of portfolio properties plays an enormously important role in our company. The refurbishment of a portfolio property significantly reduces space consumption as the life cycle of the portfolio property is extended. That means that no new areas

will be sealed. The use of existing building structures and the recycling of suitable building materials also conserves val-

The industry needed to start rethinking – we were able to think ahead with our approach.

uable resources and leads to significant carbon savings. By doing so, older properties are transformed into contemporary properties in terms of energy and functionality.



Healthy, intelligent, sustainable – GIN

How do I manage to get my employees back into the office? Do I need more or less space? What tasks must my workplace of the future fulfil?

In the third year of the pandemic, companies around the world continue to face these questions and the challenges they pose.

Healthy, intelligent, sustainable – with this GIN strategy, Art-Invest Real Estate defines the new industry benchmark for the office of the future. Why the value of an office property must be assessed differently in the future and how demand in the market is visibly changing is something we have developed as a strategic annual goal in 2021. The user is in the foreground here.

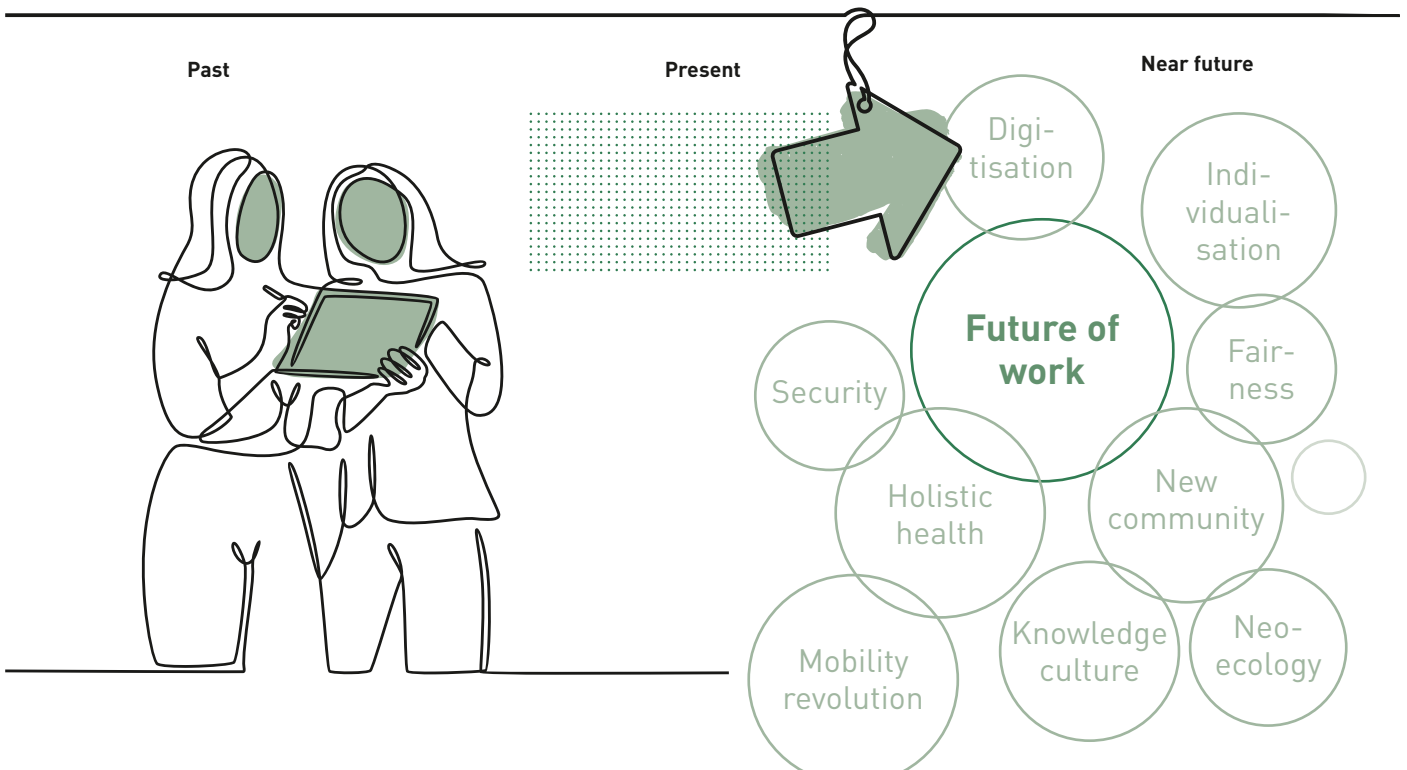
Global, collective developments are changing the world as we know it today. Trends that are having major impacts on industries, companies and individuals are emerging where they intersect.

Due to these changed needs it is also clear that a commercial prop-

Technological leaps and the new values of coming generations lead to transformations in the way we will work in the future.

erty today requires additional search parameters. The relevance of location, price and quality will of course remain, but must be supplemented by other criteria.

We believe that we must differently assess the value of an office property in the future.



New demands and challenges apply to offices of the future

1 Remote work

The home is increasingly becoming a place for efficient work. Outside of one's own four walls, the interpersonal aspects of work and collaborative togetherness come into focus.

2 Gen Z

A new generation is gradually entering working life and making completely new demands on work, place of work and employer.

3 Health in focus

Work is once again oriented towards people's needs, and holistic well-being is becoming the norm. Companies are expected to ensure physical and mental health. Workplaces must allow for this.

4 Digital empowerment Digital benefits are making their way into the office. Technology becomes the ubiquitous supporter of working people and their needs.

5 Flexibility

Instead of maximum productivity and efficiency, flexibility and adaptability are becoming the new maxims in planning and designing the workplace.

6 Holistic solutions

Workplaces of the future will become more complex and individual. Companies are therefore looking for solutions, not square metres.

7 Green office

Ecological sustainability enters all areas of life. It also becomes a hygiene factor at the workplace.



Workplaces of tomorrow must become more human. Instead of only being a place to work, they become holistically conceived places to live.

How GIN is involved in the project

Buildings of the future must all the more urgently take the needs of the environment, their tenants and users into account.

According to research more than 50 other factors influence satisfaction and productivity levels – these are measurable KPIs, with achievable actions, based on scientific evidence.

We have brought these measures together in three chapters of a guide and backed them up with clear measures, recommendations for action, empirical studies and impacts in relation to ESG.

From now on a checklist filled with more than 150 measures will form the basis of all our project developments and strategies in asset management.

Well-being, hygiene and community are the basic pillars of health. Intelligence is defined by services, efficiency and connectivity. The subject of sustainability, almost overarching, rounds off the interplay with resource consumption, social issues and flexibility. The checklist is used by our investment managers as a basis for all project developments and must fulfil a minimum percentage of measures in each category.





ENVIRONMENTAL

Refurbishment and New Construction – Example Berlin-Kreuzberg

NEIGHBOURHOOD

- Total area: approx. 31,000 m²
- Address: Hallesches Ufer 40–60, 10963 Berlin
- Pandion: approx. 3,250 m² – 86 condominiums
- Penthouse apartment: 11,250 m² – 1 day care centre and 337 urban rental apartments, 75% of which subsidised
- Art-Invest: 16,500 m² (mixed use)

M 50

- Building conserved, instead of demolished – ecological revitalisation of the 90 m high office towers
- Size: approx. 27,196 m² rental area
- Use: office, co-working space, fitness, catering, retail
- Energy concept: district heating, PV on gabled roof, roof and south façade
- Completion: Q4 2024.

M 60

- Climate neutrality in operation without purchasing green electricity and certificates
- Size: approx. 7,590 m² rental space
- Use: office, catering, retail
- Energy concept: district heating and PV on roof, including roofs of penthouse apartment
- Completion: Q1 2024.



Macherei Berlin-Kreuzberg – a sustainable neighbourhood development

Die Macherei Berlin-Kreuzberg combines forward-looking working environments with complementary uses – carbon neutral, sustainable and innovative. The three pillars of the neighbourhood:

HAPPY HEALTHINESS

A working environment that enhances personal well-being every day.

WORK LIFE FLOW

A holistically composed network of uses in the neighbourhood for the best urban experience.

PRO CLIMATE

Sustainable development along the entire life cycle

M 40

- ✓ Reduction of grey emissions through wood-hybrid construction method
- ✓ Size: approx. 25,670 m² rental space
- ✓ Use: office, catering, retail and local grocery supplier (REWE)
- ✓ Energy concept: biogas CHP and PV on roof
- ✓ Completion: Q2 2024.



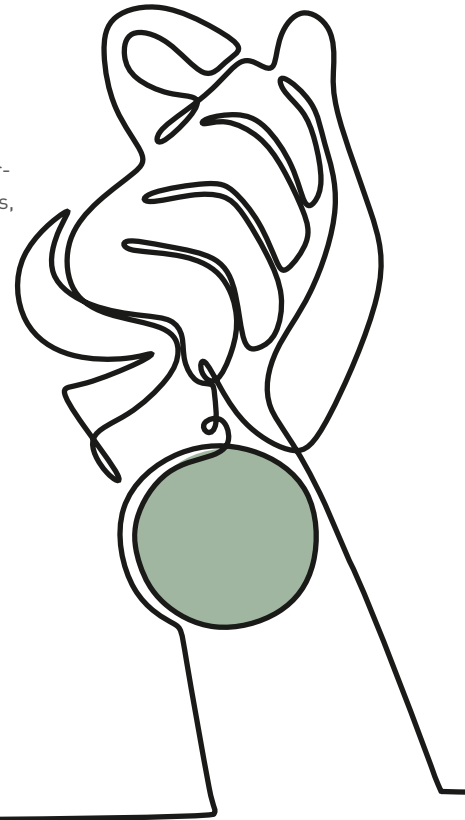
A neighbourhood – holistically rethought

With the project development of the Macherei Berlin-Kreuzberg, we are realising a future-oriented neighbourhood that will set the right impulses on both the ecological and social levels. This applies to the future tenants, the immediate users as well as the residents in the direct vicinity – the attractive and optimally connected ensemble will realise a long-term value creation.

Even though we did not primarily focus on the relevant certifications in our diverse sustainability efforts, we were able to achieve some top ratings with the Macherei Berlin-Kreuzberg:

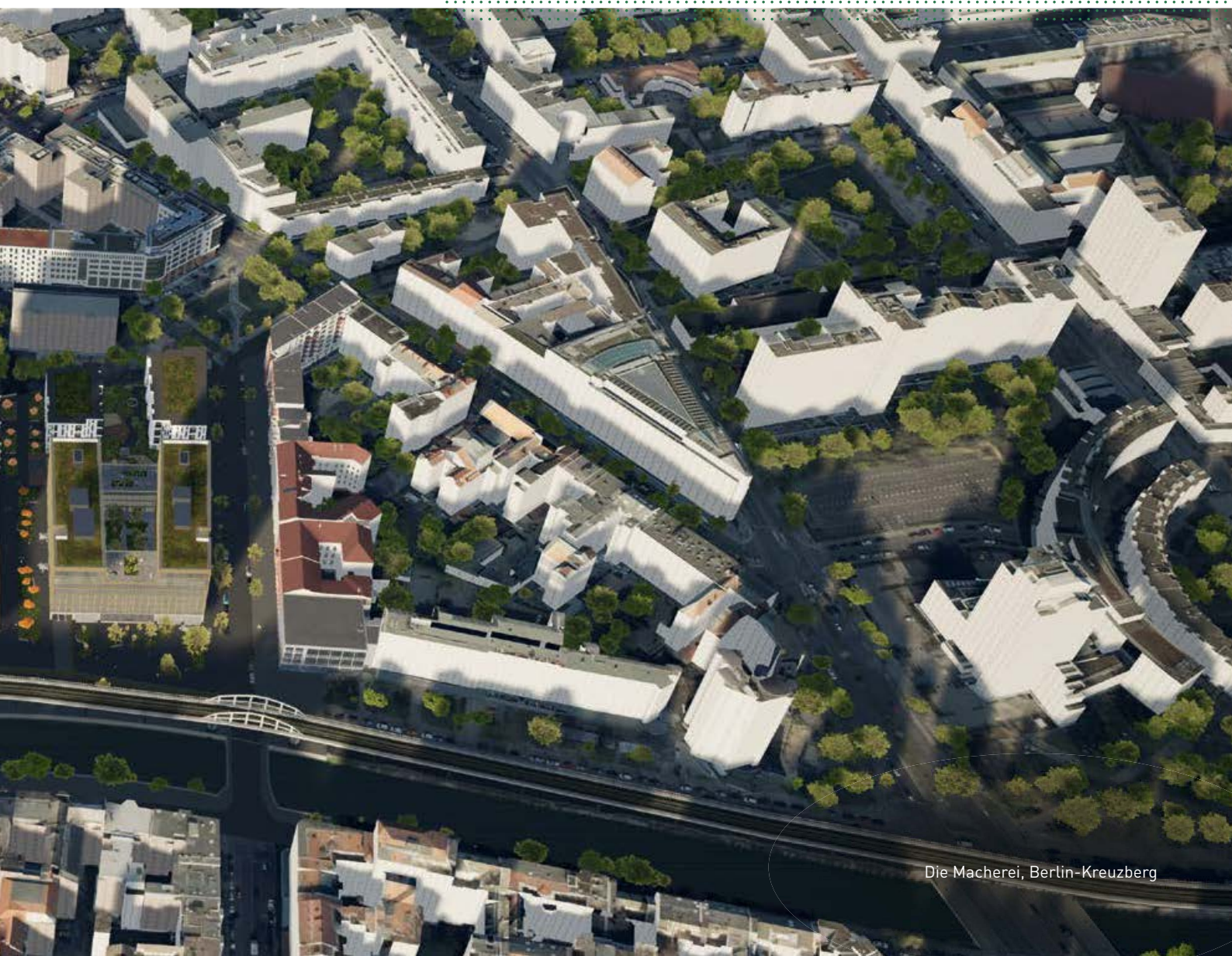


we target the LEED Platinum and WELL Community Gold awards; WELL Core Platinum and WiredScore Platinum are preliminary certificates.



Sustainability as defined by the Macherei Berlin-Kreuzberg

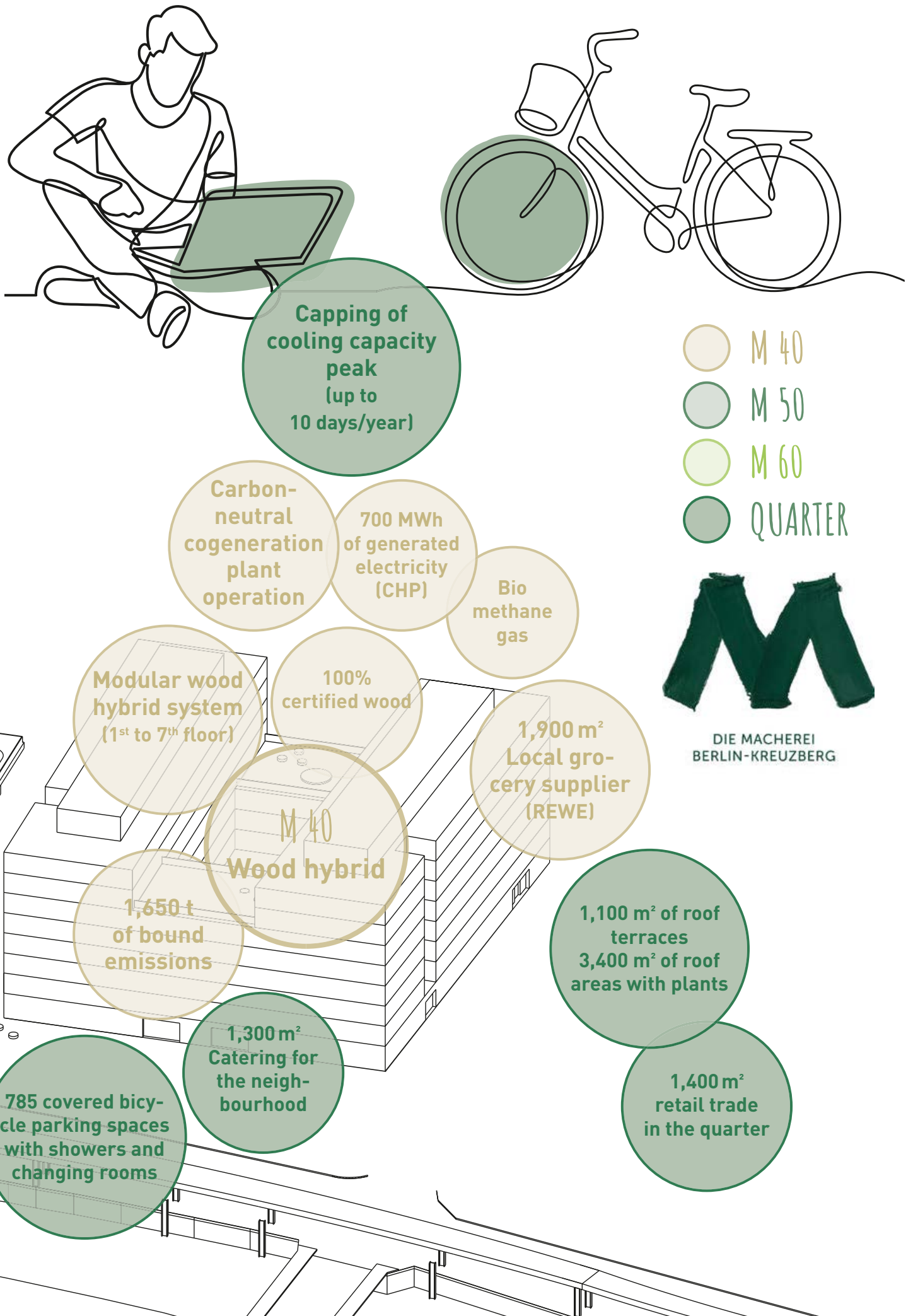
Environmental = CO ₂ emissions			Social component
Grey emissions	Operational emissions	Other emissions	Neighbourhood of short distances
Material ecology	Smart building	Mobility	Mixed use
Circular economy (via Madaster)	Biogas	Green Lease	Social diversity
Reusing existing buildings	Photovoltaics		Family friendliness
Avoiding reinforced concrete	Capping power peaks		Catering and local grocery supply
			High quality of stay



Concrete measures at a glance

In Germany, buildings are responsible for around one third of carbon emissions. The Macherei project, located directly opposite the Möckernbrücke underground station in the heart of the capital, proves that this does not have to be the case. A modern and contemporary neighbourhood development that was planned very close to the lives of the future users under is current implementation.







INTRODUCTION

ENVIRONMENT

SOCIAL

Key Figures

People – Working & Developing

Health Management

Diversity

Work-Life Balance

Social Engagement

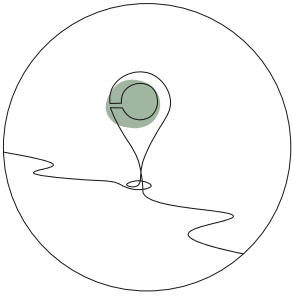
GOVERNANCE

APPENDIX

SOCIAL

Key Figures

Key figures.*



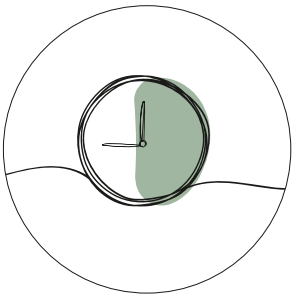
BRANCHES

10 locations in 3 countries



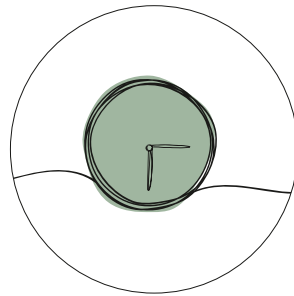
TOTAL NUMBER OF STAFF

2022: **275**
(incl. interns and placement students)



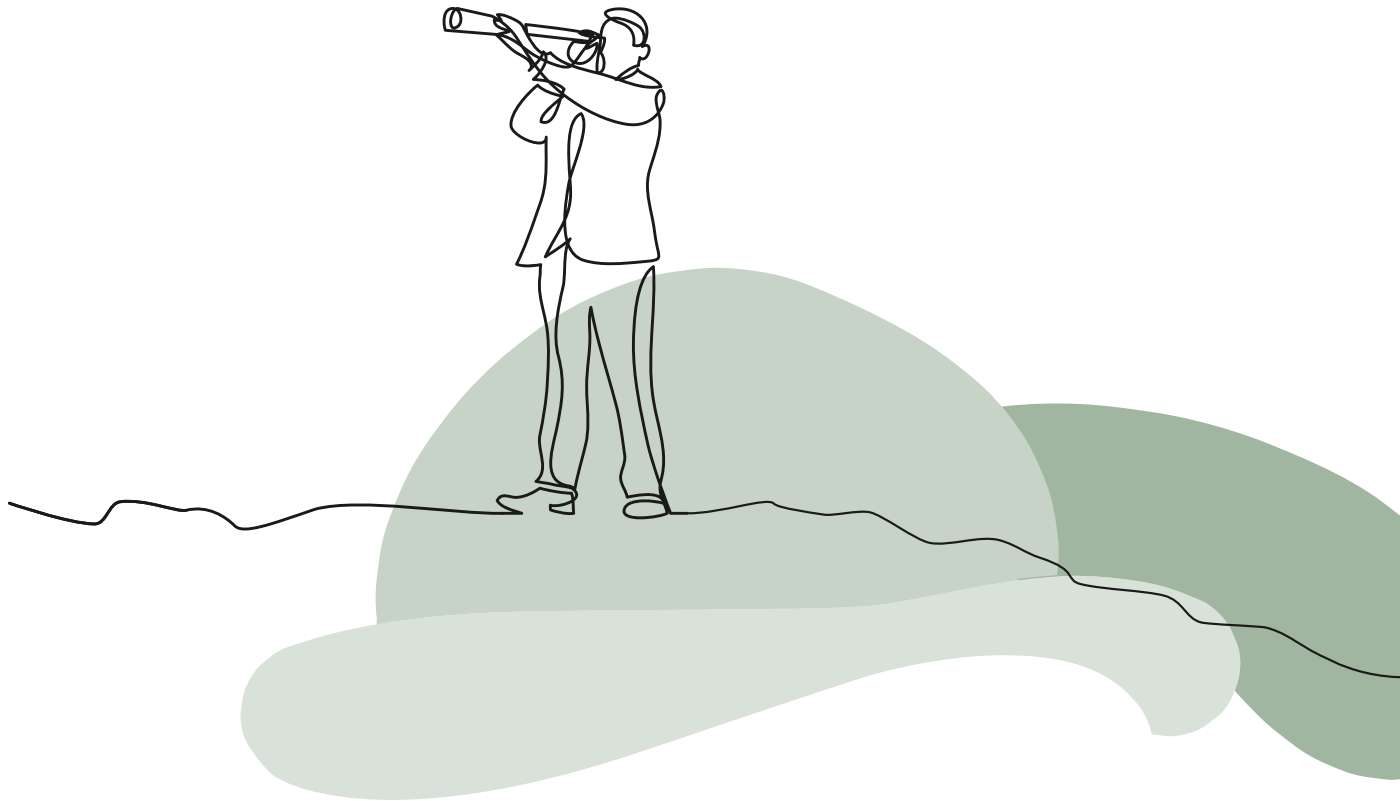
PART-TIME

2021: **51**
2022: **68**
↗ Increase:
33%



FULL-TIME STAFF

2021: **200**
2022: **207**
↗ Increase:
3.5%

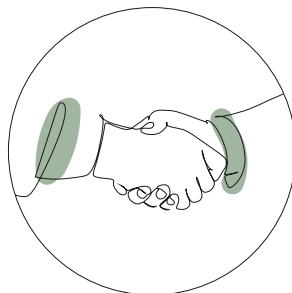


* Data collected: 01/01–31/12/2022 – calculation of staffing level averages at the end of the month divided by 12



SUPPORT STAFF

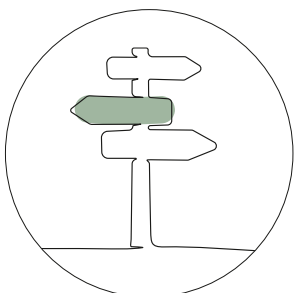
Short-term employment (interns and placement students): 17



TIME AT COMPANY

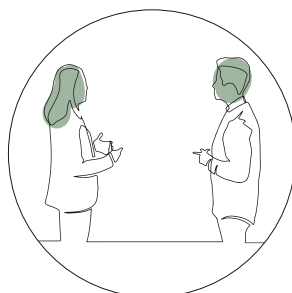
Since its foundation in 2011 (excluding interns / placement students):

- > less than 2 years: 34.4%
- > 2-5 years: 42.9%
- > 6-10 years: 21.4%
- > 11-15 years: 1.3%



STAFF TURNOVER (RETIREMENTS)

2022:
AIREF: 8
AIREM: 23



LEVEL

MA Management Level:
2022: 14.3%
MA Non-Management Level:
2022: 85.7%



SOCIAL

People – Working & Developing

We also focus on values that are not measurable in numbers

Working together in a personal and considerate way is the cornerstone of our corporate culture. To maintain our values while Art-Invest Real Estate continues strong growth requires us to exchange our values.

Team spirit, high expectations of one's own work, a sense of responsibility, shared enjoyment of a good result, objective approach, openness and transparency are the standards for the way each and every one of us acts. Fairness plays an important role in our culture, which means that first and foremost we always strive for a solution that is best for everyone involved.

Potential employees must initially convince us professionally, but then also on an interpersonal level.



Our DNA value

Our DNA is made up of different values that each of our employees should represent and practise. This is why it also represents important criteria when recruiting. When recruiting, we focus on diversity. Everyone is different and has different strengths, which enable employees to complement and support each other in the best way possible.



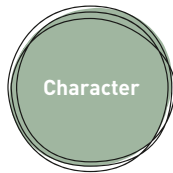
Our work is based on the trust of our stakeholders. We therefore always act with honesty and integrity.



We innovate, find creative solutions and have vision. In doing so we consider the commercial added value and are continuously developing visions and ourselves.



Ambition and desire to achieve are what drive us forward. Our commitment and expertise create lasting added value. We take initiative, get stuck in and persevere when the going gets tough.



We are an organisation that continues to learn and is not perfect. We therefore need people who are authentic, who have their own rough edges and who grow together with us.



We are a team. We are therefore open, communicate respectfully and always treat each other as equals!



Most important resource: our employees

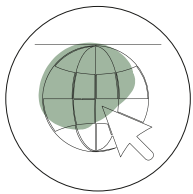
Successful recruitment is based on accurate job descriptions, prepared at Art-Invest Real Estate by the HR and technical departments, which provide all prospective candidates with a detailed overview of tasks and requirements.

To gain the widest possible reach, vacancies are published on the company’s careers webpage, job boards, digital advertisements on university webpages as well as trade journals.

Nonetheless, the number one recruiting channel remains networking. We rely on:

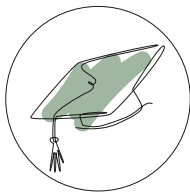
- our **employee referral programme**
- **Art-Invest Real Estate’s presentation** at graduate fairs and career days as well as on
- long-term **university collaborations.**

RECRUITMENT CHANNELS



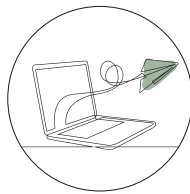
Company website

Art-Invest Real Estate jobs



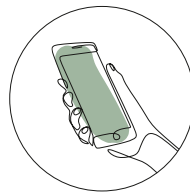
University cooperation with partner universities:

IREBS, EBS, RWTH, IU, TU Darmstadt, HAWK, HfWU



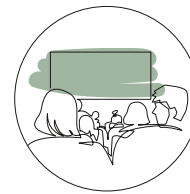
Job fairs

stepstone, stellenanzeigen.de, monster, hotelcareer, etc.



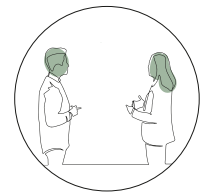
Advertisements

Publication of advertisements on Jobteaser in conjunction with German and foreign universities



Personnel fairs at universities

IZ journal



Recruiters & recruitment consultancies

For the targeted recruitment of specific key positions

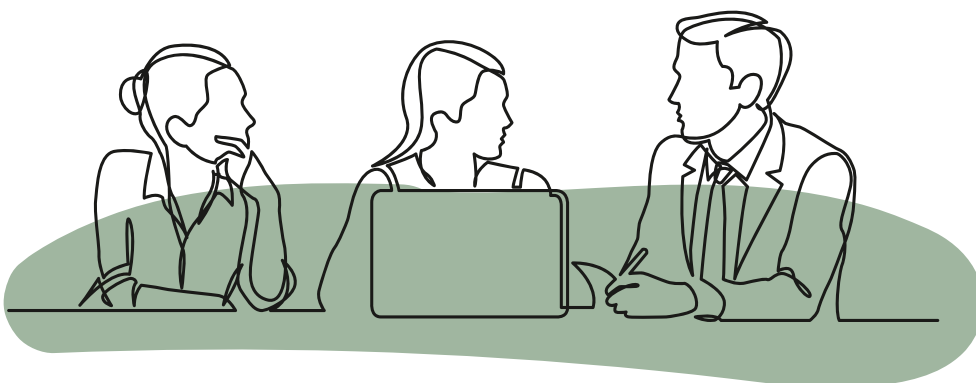
Cooperation exists with five selected partner universities and other universities, for example, in the context of trade fairs, project work, supervising master’s theses, etc. These provide us with the opportunity to present ourselves as an attractive, future-oriented company.

By supporting interns and student placements, we make a good and important contribution to the promotion of young talent, which ultimately pays off for us and the Art-Invest Real Estate brand.

When it comes to the specific vacancies to be filled, a relationship based on partnership and a high level of appreciation are of central importance to us from day one. To meet these demands we have set ourselves standards for the recruitment process. We give great importance to job

interviews taking place as dynamic, personal familiarisation interviews, which have no pre-set procedures. In addition to qualifications, we place great importance on enabling the existing team and the new recruit to gain a mutual impression of each other. This means several future team mates are brought in during the second round of interviews, depending on the post. The recruitment process is rounded off by interviews with the managing partners.

Through this process, we strive for long-term cooperation with new employees – the goal remains to maintain low turnover.



There is magic in all beginnings: onboarding

Onboarding for employees begins a few weeks before the actual start date and ends a few months afterwards. The aim is to enable the best possible start and to actively support the new employee during the initial few months.

Trainee programme

Junior positions

In property development, asset management, transactions, fund management, controlling, reception and support

ENTRY OPPORTUNITIES

Art-Invest Real Estate receives approximately 2,000 applications per year to fill existing roles, to fill newly created posts and for the rolling filling of positions for student placements, interns and trainees.

Approx. 4 weeks before the first working day

- ✓ **IT-Zech Management**
Access / account & workstation set-up incl. hardware
- ✓ **Team Assistance / Office Management (branch):** Business cards, hardware, welcome box, info folder, new member introduction, key / access card, job tickets/car/parking, workspace preparation, etc.
- ✓ **HR:** Set information, obtain staff sheet and all relevant documents

Within initial working days

- ✓ Welcome
- ✓ Organisation/introduction within the team by line manager
- ✓ Optional team lunch
- ✓ Compliance declaration

Within the first 3 months

- ✓ Induction days (2-3 days) + photo shoot
- ✓ Induction into the field of work
- ✓ Probationary period interim appraisal
- ✓ Target agreement meeting with responsible manager

After 6 months

- ✓ Employee interview at end of probationary period
- ✓ Firm anchoring in the responsible area
- ✓ Review on further training needs, capital-forming benefits

Principle: we learn for life!

FURTHER TRAINING OPPORTUNITIES

We prioritise the personal and professional training and development of our staff and, therefore, have an extensive catalogue of training courses, which are continuously reviewed and adjusted, for them to choose from. In consultation with management and HR, further training for staff is planned at the beginning of the year, with flexibility to respond to any other training needs that arise during the course of the year. This allows us to best react to current needs and developments.

To better assess the quality and effectiveness of the provider or the course and to provide specific advice to participants in the future, feedback given by participants to their manager and HR after a training measure is crucial.

In addition to numerous open, external courses, we also offer ongoing internal training courses and social skills workshops. These seminars are accompanied by an external team

The modern working world has been demanding it for a long time – we support it: lifelong learning with practical solutions

of trainers with whom we have a long-standing cooperation. This partnership enables the trainers to align the workshops with Art-Invest Real Estate's corporate and leadership culture, where this is helpful. Another great advantage of these workshops is the exchange between staff members across departments and branches. In 2020, a stress prevention workshop was firmly anchored in our offering, in 2021 the further education catalogue was expanded to include a women-only seminar, and in 2022 a training course on successful leasing, specially developed for Art-Invest Real Estate, was introduced.

The costs of extra-occupational studies, for example, are additionally covered on an individual basis within the framework of a further training contract, depending on inclination, interest and willingness.

AIRE ACADEMY



At the beginning of 2020 we launched the AIRE Academy, our internal training programme. A one-hour virtual Academy session takes place every second Friday of the month.

Any employee, regardless of department, can use the virtual podium to present an exciting topic to their colleagues and share the knowledge they have acquired. Thus, on the one hand the know-how imparted in the Academy sessions becomes added value for the listeners, and on the other hand the information about the knowledge benefits the entire company.

In this way we can identify who can be called upon as an expert for a particular topic.

Participation among staff members remains very high. In 2022 we were able to attend 26 fascinating lectures, and dates for the first quarter of 2023 are already planned. External speakers are often invited to the AIRE Academy in addition to the talks given by our staff.

We like being a Great Place toWork®

STAFF APPRAISALS

In order to identify further development perspectives, various discussions are held between employees and their managers:

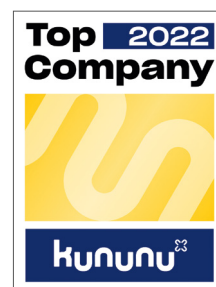
- Probationary period appraisal
 - > After 3 months: interim appraisal = gives both sides an initial assessment of working relationships
 - > After 6 months: final assessment
- Summer talk (informal) -> to take stock of and improve working relationships
- Target setting & target achievement meetings -> have targets been achieved as planned?
- Management and the management board are always accessible to staff.

EMPLOYER AWARD

As a modern employer, we regularly take part in the Great Place to Work® initiative. This serves as a pulse gauge for us to constantly develop our workplace culture. In 2022 we recorded top awards from various labels for us as an employer, building on the awards we received in previous years (2018, 2019, 2020 and 2021/22).

In the “Germany’s Best Employer 2022” competition run by Great Place to Work®, Art-Invest Real Estate placed 11th in the category of companies with 251 to 500 employees and 4th in the “Germany’s Best Employer NRW” competition. The assessment was based on a detailed anonymous survey of Art-Invest Real Estate employees on key workplace topics such as trust in the employer, quality of cooperation, appreciation, identification with the company, professional development opportunities, remuneration, health promotion and work-life balance.

Results and lessons learned from the last survey included the increase in holiday entitlement and the introduction of our internal training programme, the AIRE Academy.



SOCIAL

Health Management

Healthy growth – with healthy employees

Maintaining and promoting the health of all employees is a key factor in how we see our business. Health safety audits by a service provider consequently take place on a regular basis, creating awareness for working in a healthy way together.

We provide our staff with a range of medical options. This includes the option of an annual flu vaccination and, in light of recent developments, we provide support in obtaining COVID-19 vaccinations. Employees can also take advantage of the G37 medical check-up in accordance with the German Social Accident Insurance (DGUV) regulations. Employees can apply for financial support from us and also have the opportunity to benefit from a cooperation agreement with Fielmann. Physical fitness and mental well-being are closely linked, which is why we cooperate with a sports club. Employees can then choose from a wide range of sporting activities. Many people find it easier to exercise with others. And to help our

employees motivate each other, we launched the app-based B2Fit Challenge in 2021. Employees also organise company sports groups for their colleagues. We also want to promote the health of our staff in their daily work. We have installed ergonomic work equipment in offices, which is regularly updated in response to suggestions. Examples include height-adjustable tables and lamps that adapt to outdoor light in a healthy way.

Headsets are also available to every employee for telephoning and everybody can select the number of screens to suit their specific needs. To enable employees to be active in their daily work, showers and lockers are available so that they can exercise before work and during breaks. A first-aid kit is available on every office floor to assist, if necessary. Quiet rooms with relaxation and concentration devices are available to all employees during the working day.

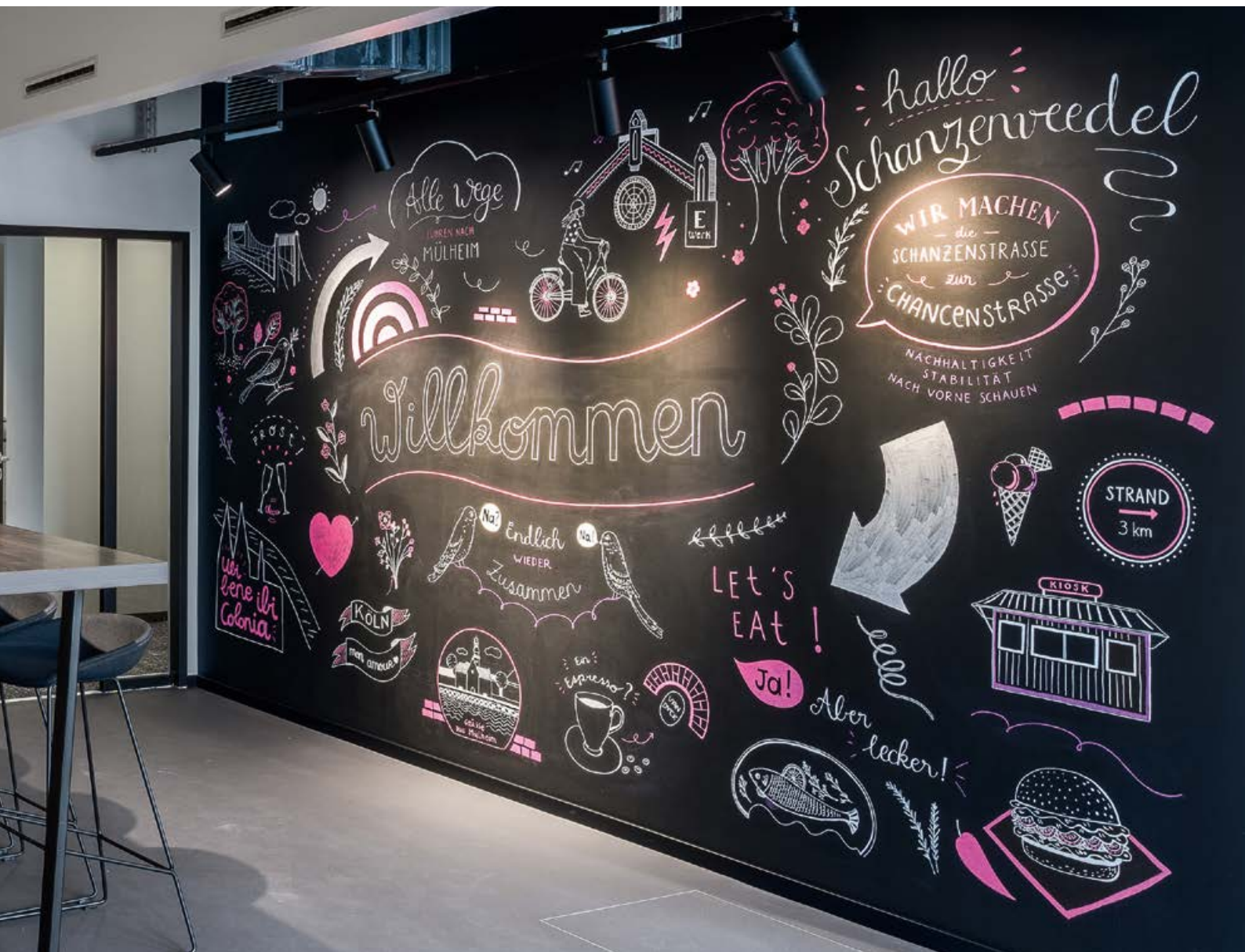


Boosting the mental health of all employees informs many processes within our company. An appreciative corporate culture that provides all colleagues with the necessary tools to work healthily is the cornerstone of good mental health.

Varied further training plans and close communications between employees, managers and HR make it possible to respond to individual needs and to ensure each employee gets the right training and development opportunities. Working hours based on trust and the flexible option of mobile working ensure that people can work at their own pace and help minimise stress. All staff members are equipped to work from any location. This ensures flexibility to meet the varying demands of people's lives. Part-time or full-time working options are available for any job position. Sabbaticals and location-independent working from abroad are also possible for a limited period of time. Children are in our corporate DNA – the needs of private life sometimes outweigh professional needs, something

everyone understands, from management to trainees. Our cooperation with pme Familienservice enables all employees to take advantage of anonymous counselling and support. Child-care services are also offered during holiday periods or when kindergarten is closed.

We make a healthy working environment a reality: from ergonomics at the workplace to practical compatibility of job and family



SOCIAL

Diversity

Diversely interested in diversity

Our working environment is very open and receptive, where respect and appreciation are values that are practised, and where diversity in our corporate culture is seen as a factor for success. This also includes helping employees to develop leadership roles, for example:

- Recruiting of junior managers from universities
- Further training / personnel development: including strengthening of skills for leadership tasks by: workshops on leadership, projecting confidence, how to negotiate, effective speaking, networking (industry-wide), etc.
- "Training on the job" by involvement in management tasks (project management, negotiation, management meetings)
- Appointing managers in the future focusing especially on internal female candidates or, when appointing external staff, considering qualified female candidates
- Enabling part-time models for all positions
- Gender-neutral remuneration system

STAFF IN FIGURES



AT MANAGEMENT LEVEL*

Upper management 2021



Upper management 2022



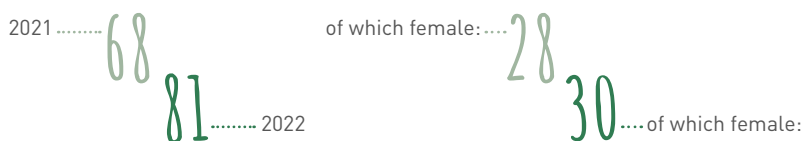
Management Board 2021



Management Board 2022

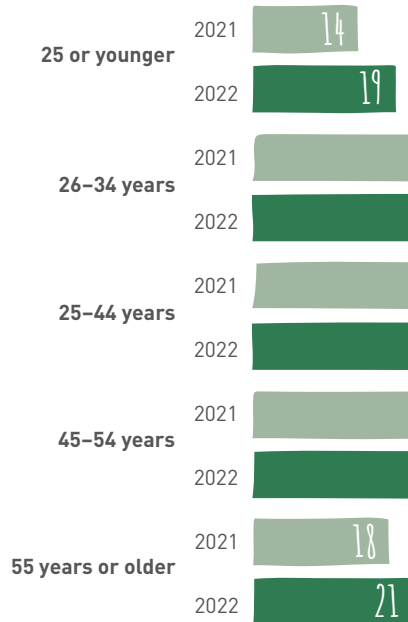


Number of persons reporting directly to the Management Board



* 1. management level: Management Board; 2. management level: Partners/"Heads of"/authorised signatories

AGE DISTRIBUTION



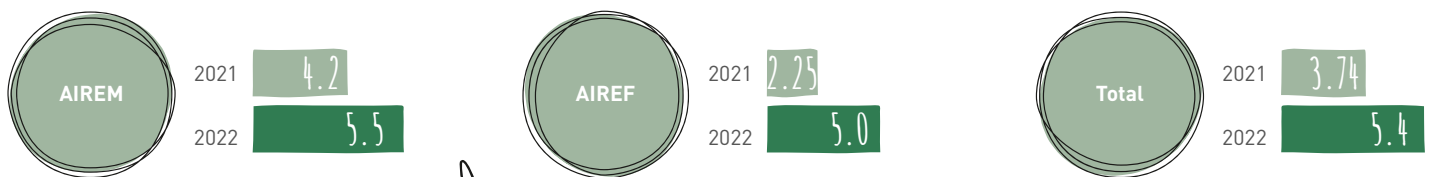
AVERAGE AGE



Our way out of the pandemic

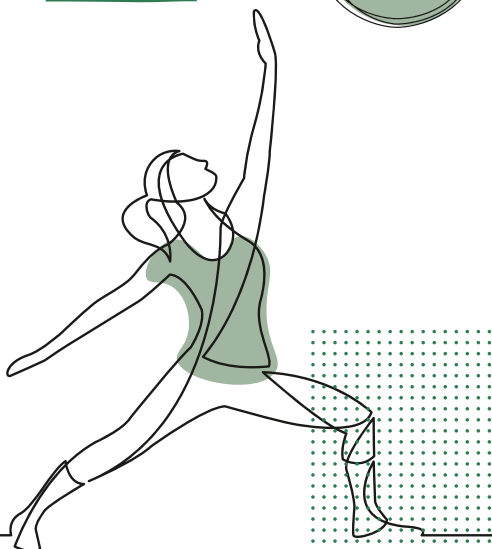
After three years with COVID-19, we can say that the measures of our pandemic concept have worked very well. There have been no known cases of contagions within our offices. Of course free tests, masks and disinfectants will continue to be available for staff and our external visitors.

After the relaxation of the legal COVID-19 regulations, many processes have been returned to normal in our company as well, and we are now happy to be able to experience meetings and events in person again. Dealing with this challenge responsibly and successfully has strengthened us as a company.



Absence rate (sickness days per employee in the period January to December: Despite the increase we are far below the industry average of 13.8 days (professions in financial services, accounting and tax consultancy, 2022)).*

* Source: Techniker Krankenkasse health insurance 2023, Gesundheitsreport 2023 – Arbeitsunfähigkeiten (2023 Health Report – Inabilities to work (our translation))



SOCIAL

Work-Life Balance

We want to be sustainably attractive for the team and applicants

In order to create a working environment in which our employees feel comfortable regardless of gender, identity and marital status, we continuously improve our framework conditions by addressing important social developments and needs.

COMMUNICATION

- Cultivating a culture of communication based on trust to address any grievances and create an environment that facilitates, for example, the entry of women into management careers

FAMILY

- Family-compatible, flexible working hours and working conditions (including openness for working from home)
- Support from pme Familienservice, which is offered to all employees and their relatives

MANAGEMENT

- Promoting an inclusive management culture, including recognising and encouraging participative management
- Examining alternative staffing models (e.g. part-time and tandem models) to check whether these can also be helpful in management tasks

GENDER JUSTICE

- Addressing and combating unconscious bias
- Focusing on gender justice, as equal opportunities is an important topic that has not only long affected women
- Conscious examination of the manager role; critical questioning of whether the role models are judged according to patriarchal value standards

MOBILITY

- Eight pillars of mobility: Job ticket, BahnCard, bike pool, BikeSharing (call a bike), e-bikes (Swapfiets), car sharing, car pool, parking spaces (regional)

WORKPLACE

- Modern workplace, terraces, meeting rooms, privacy spaces, G37 workplace medical, workplace glasses (if required)
- Meal allowance, healthy snacks, free drinks (cold and warm), fresh fruit, water, nibbles
- Trust-based working hours
- Mobile working option
- Massages (regional)
- Pinball/darts/football (regional)
- Shoe cleaning service (regional)
- Showers (regional)

OTHER BENEFITS

- 30 days of vacation per year
- Pension options from BAV and VL
- Subsidy for exercise programmes
- Corporate Benefits Zech Management: Discounts from well-known brands and providers of cars, travel, leisure, sport, etc.
- Further education and training opportunities for all employees (one training per year)
- Financial support for Master's degree courses (individual)
- Small, seasonal gifts (Easter bunnies, Father Christmases, etc.)
- Personal events are also celebrated accordingly (birthdays, weddings, births, anniversaries)
- Art-Invest Real Estate yearbook (sent to your home by post)
- Personalised, handwritten Christmas card, Christmas gift

EVENTS

- Corporate events: New year kick-off, carnival (regional), summer party, Oktoberfest (regional), barbecue events (regional), company runs (regional), Christmas party (regional)
- 2-day induction event for new employees – promoting cultural opportunities: free admission to, e.g., special exhibitions at Museum Ludwig in Cologne
- Social Days (regional)

SOCIAL

Social engagement

Recognising and acting: our heart projects

SOCIAL DAYS

All branches held Social Days in 2022. Our employees use these days for performing voluntary social activities – promoting team spirit as well as supporting good causes.

This year, for example, our employees supported the victims of the floods on the Ahr River as part of a Social Day in Dernau.

In order to cushion the wave of refugees from the Ukrainian war zone, Art-Invest Real Estate has provided the City of Hamburg with a property (former Sofitel) to house around 800 refugees. Our staff organised a summer party for the 300 refugee children on their Social Day.

CHRISTMAS TREE OF WISHES

Each year the branches support different organisations, mostly children's homes / children's hospitals or homes for the elderly. It is customary for these organisations to inform us of the children's wishes, which we then arrange. One week before Christmas presents are taken to the organisation and handed out to the children. As part of the activity the children also design Christmas cards that are displayed on Christmas trees in the offices of Art-Invest Real Estate. In 2021 the NRW branch supported several Caritas refugee homes that house children who have had to leave their home countries and families.

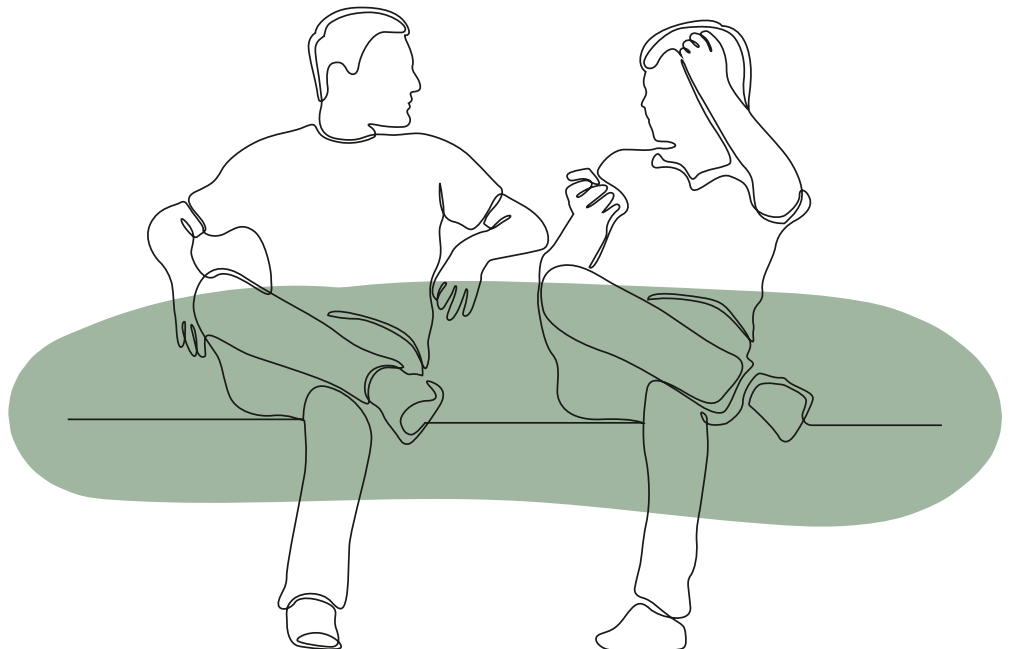
SPONSORSHIP

Every year, Art-Invest Real Estate provides a fixed amount to the Gesellschaft für Moderne Kunst e. V. The Museum Ludwig in Cologne is also supported as part of a cooperation. In return we as a company get the opportunity to spend an evening at the museum with all our colleagues and their families, enjoying finger food and drinks and viewing the latest exhibit.

Other sponsorships exist for various social organisations and institutions, as well as cooperation with universities.

We regularly exchange ideas with our employees in order to generate further ideas for the social commitment of Art-Invest Real Estate. Suggestions range from family events to hospital gift drives to donating money for meals.

We are looking forward to being able to help shape some social actions with energy again in 2023.





INTRODUCTION

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Compliance & ethical principles

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GOVERNANCE

Compliance & ethical principles

We act with integrity and responsibility

At its core it is about the integrity of Art-Invest Real Estate, protecting investors, clients and the market. Art-Invest Real Estate always acts in the best interest of its investors and clients. Art-Invest Real Estate's employees do not put their self-interest first by exploiting their better access to information. They ensure that their objectivity is not compromised by entering into speculative transactions themselves.

Art-Invest Real Estate's compliance system is organised in such a way so that:

- Art-Invest Real Estate conducts its business activities within legal requirements and regulatory provisions based on fair business practices and the highest standards of integrity.
- Art-Invest does not act or make statements aimed at creating false perceptions of value or price in the market or among clients.
- The image of Art-Invest is determined by each and every employee – no matter what their task. Everyone has a special responsibility towards the public, our customers, shareholders and colleagues.
- Violating rules permanently damages every employee and Art-Invest Real Estate as a whole. No one takes part in improper transactions or risks the reputation of Art-Invest Real Estate. Improper business practices are everyone's concern. No one turns a blind eye and instead takes responsibility.
- The efforts of all are crucial to the success of Art-Invest Real Estate. Secondary employment or other business activities that could impair work performance at Art-Invest Real Estate or loyalty to the company are not permitted. Secondary employment of any type is subject to prior approval. No one is to participate in an investment or accepts a client if there is reason to be concerned that it could jeopardise the interests of Art-Invest or its professional independence.

To honour this responsibility, the following principles of conduct apply to Art-Invest Real Estate's employees:

- Those who make a living from clients entrusting them with their financial affairs must have and demonstrate integrity. Employees therefore consistently ensure compliance with statutory and other legal provisions. Fairness and correctness characterise our conduct towards customers as well as our dealings with employees, business partners and authorities. Employees also conduct themselves in private in such a way to uphold the interests and reputation of Art-Invest Real Estate.
- All employees also undertake to adhere to the following compliance principles.

Code of Conduct (CoC)

Zech Code of Conduct

The Code of Conduct (CoC) sets out rules that the Zech Group has prescribed for itself as part of a voluntary undertaking. The CoC serves as a binding guideline for employees to help them channel desired conduct and prevent undesired actions. Art-Invest Real Estate's compliance concept accords with the Zech Group's Code of Conduct. Any legal regulations that apply specifically to Art-Invest Real Estate as a capital management company (KVG) take precedence. As an integral part of Art-Invest Real Estate's compliance framework, the CoC covers the following regulatory areas:

I. Focus on employees

- **Human rights:** We respect, protect and promote regulations in force worldwide on protecting human and children's rights as fundamental and universally applicable.
- **Equal opportunities and diversity:** We embrace diversity, actively promoting inclusion and creating an environment that fosters the individuality of each person in the interest of the company.
- **Personal rights and privacy:** Managers and employees in our company are expected to show collegiality and respect towards colleagues and business partners as well as their staff.
- **Data protection:** We only record, process, use and store personal data in accordance with current legal requirements.
- **Health and safety at work:** Health and safety at work is integral to all operational processes and is incorporated into technical, economic and social planning from the outset.
- **Protecting the environment and resources:** We are working to protect the environment within our company and, together with customers, are

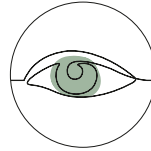
Compliance & ethical principles

These measures ensure, to the best of our ability, that business activities are conducted within legal and regulatory requirements and on the basis of fair business practices and the highest standards of integrity.



ORGANISATION

- Establishment of an independent compliance and anti-money laundering role
- Checking for other criminal actions
- Whistleblowing facility
- Annual training for employees



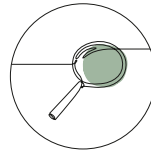
MONITORING

- Internal risk-based monitoring procedures
- Monitoring service providers
- Risk analysis
- Internal and external audits
- Monitoring by the BaFin (German Federal Financial Supervisory Authority)



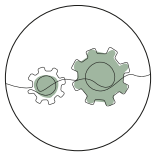
MANAGEMENT

- Dealing with conflicts of interest
- Regulating the acceptance and granting of benefits
- Regulating employee transactions
- Setting remuneration principles
- Implementation of the KYC process
- Setting procedures for transactions, contracting, leasing, etc.



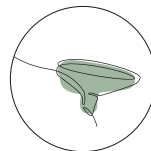
AUDITING AND REVIEW

- At least one annual audit and revision of principles
- Ad hoc audit of compliance-relevant issues / suspicious circumstances
- Attaining confirmations on employee transactions
- In-process auditing to detect (potential) conflicts of interest and other criminal acts



DOCUMENTATION

- Documentation on compliance principles specific to Art-Invest Real Estate
- Acceptance of these principles by Art-Invest Real Estate's employees



TRANSPARENCY

- Transparent processing/communication of compliance-relevant issues (e.g. disclosure of potential conflicts of interest)

developing solutions, products and buildings for which we are constantly optimising energy and resource efficiency to create sustainable value for customers and society.

II. Commitment to ethical conduct with integrity

- **We comply with the rules of fair competition.**
- **We are proactive in combating corruption.**
- **We uphold company confidentiality and safeguard company assets.**
- **We comply with anti-money laundering laws.**

Code of Conduct for Business Partners

Our Code of Conduct for Business Partners serves to also commit our contractual partners to values that are important to Art-Invest Real Estate. Especially against the background of compliance with our ESG standards, such regulations are becoming increasingly important. Art-Invest Real Estate has decided to create its own Code of Conduct to be included in (material) contracts concluded by us. The Code of Conduct is published on the Art-Invest Real Estate homepage so that it can also be viewed by third parties at any time.

Economic success and social responsibility cannot be separated from each other.

Responsible and ethical behaviour is an integral part of Art-Invest Real Estate's value system. In our actions we are always guided by the following aspects in order to be able to act ethically at all levels.

Human Rights

As an internationally active company, we have a global responsibility. Accordingly we strive to create a working environment based on mutual trust between governing bodies, managers and employees. When dealing with each other and with others involved in our business activities, we cultivate a culture characterised by openness and tolerance, respect, courtesy and fairness.

Interaction with each other is based on mutual respect and trust. Each employee therefore works to ensure that no one at Art-Invest Real Estate suffers sexual harassment or is discriminated against because of their ancestry, sexual orientation, religion, nationality, origin, political or trade union activity or beliefs.

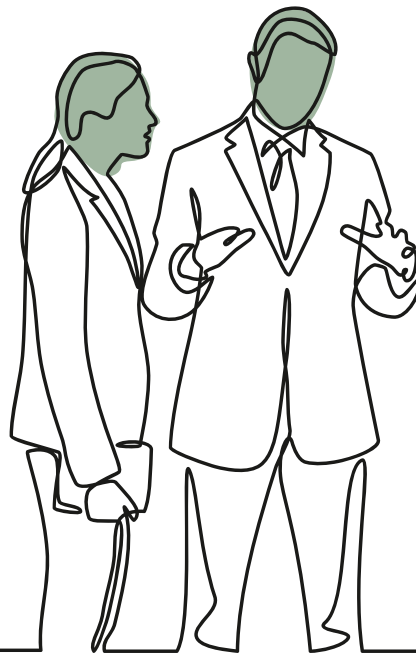
We respect, protect and promote regulations in force throughout the world on protecting human and children's rights as fundamental and universally applicable. We reject all child, forced and compulsory labour, as well as all forms of modern slavery and human trafficking. Compliance with all employment and social law regulations and standards is a matter of course in our company. This not only applies to working together within our company, but of course also to the conduct of and towards business partners.

Anti-Corruption and Bribery

Just the impression of possible corruption and bribery can cause lasting damage to the reputation of Art-Invest Real Estate. Actively combating and preventing bribery and corruption are therefore tasks of every Art-Invest Real Estate employee.

Art-Invest Real Estate's regulations on accepting and providing invitations and gifts are intended to ensure that professional independence and integrity in our decision-making are not jeopardised by accepting or providing such gifts and benefits.

Maintaining professional independence is at the root of Art-Invest Real Estate's success. Personal dependencies and obligations jeopardise proper decision-making and thus the success of Art-Invest Real Estate. No one therefore conflates their personal interests with client interests to the detriment of Art-Invest Real Estate or with any perceived interests of Art-Invest Real Estate to the detriment of Art-Invest's clients. No one seeks benefits for themselves or for third parties. No one accepts benefits for themselves or third parties that go beyond minor courtesies customary in business. No one grants or offers such benefits. Every employee avoids even the impression of being unfairly influenced or making themselves susceptible to influence.



Conflict of interests policy

Art-Invest Real Estate's procedures are designed to sensitise every employee to identifying potential conflicts of interest as early as possible and to involve the relevant bodies, in particular the Compliance Officer. Conflicts of interest are to be avoided wherever possible and, if unavoidable, must be managed in a fair and transparent manner.

Transactions by employees made on their own behalf may only be carried out in accordance with the rules for employee transactions. The rules for employee transactions prevent the interests of clients and Art-Invest Real Estate from being harmed and aim to protect our employees and Art-Invest Real Estate against accusations of insider trading or the misuse of confidential information.

Only those who conduct themselves with fairness will enjoy trust in the long run. Every employee is to avoid conflicts of interest between clients, between clients and Art-Invest Real Estate and internally within Art-Invest Real Estate. This will not always be possible. Every employee ensures that potential conflicts are promptly identified and fairly resolved. The interests of Art-Invest Real Estate's clients have priority.

Complaints management

The economic success of Art-Invest Real Estate is largely dependent on customer satisfaction. In the event that clients are dissatisfied with the service, Art-Invest Real Estate has set rules to deal with client complaints swiftly, appropriately and in compliance with the regulatory requirements applicable to a capital management company ("Kapitalverwaltungsgesellschaft").

Guidelines also exist for complaint and communications management regarding Art-Invest Real Estate's clients. Clients within the meaning of these guidelines are investors in investment assets as well as tenants of the properties held in the investment assets.

A complaint is defined as any expression of dissatisfaction that a natural person or legal entity (complainant) addresses to the investment management company in connection with its provision of a service regulated under the German Investment Code or a related transaction. The term "complaint" does not necessarily have to be used. A complaint does not require a specific form. Accordingly, Art-Invest Real Estate aims to respond to such enquiries with the appropriate level of care and to bring about appropriate solutions in a timely manner.

Anti-money laundering

To enable customers and business partners to be identified, Art-Invest Real Estate has taken the measures required as part of its implementation of the "Know Your Customer" principle to combat money laundering, the financing of terrorism and other criminal acts and to avoid risks from undesirable business relationships.

Based on a regularly updated risk analysis, Art-Invest Real Estate performs increased due diligence for higher-risk investors and other business partners (also, for example, when a company ownership structure appears unusual or excessively complicated in view of the nature of the business activity, or contractual partners or their beneficial owners qualify as politically exposed persons).

The security measures put in place include, in addition to corresponding AMLA guidelines:

- Regular training of employees to ensure that information indicating the existence of money laundering or terrorist financing and other criminal acts is forwarded and evaluated internally
- Regular employee checks for trustworthiness
- Ad hoc audits (as required)
- Auditing money laundering matters and compliance by the internal audit department
- Setting up an internal whistleblowing procedure
- Setting up a reporting procedure for suspicious activity

Information security

Art-Invest Real Estate's success is based on the trust of its clients as well as on the performance and commitment of its employees. Business activity is characterised by an almost complete dependence on data, IT systems and the connectivity between these. Information relevant to AIREF's business success is therefore a key business resource and represents a significant corporate asset.

Any threat to information and IT systems also means a threat to society. Consequently, data processing and information systems follow established principles of information security.

Information and information systems are being adequately protected by establishing and maintaining functioning data protection and information security management and cyber security systems.

Effective security organisation is based on the interplay between vigilant, well-trained employees and data protection and information security officers, and on implementing procedural and technical security arrangements. Art-Invest Real Estate also guarantees confidentiality through employee obligations equivalent to those required by banking confidentiality, internal confidentiality obligations and the observance of data privacy.

Any confidential, price-sensitive information that employees may acquire in the course of their business activities, may only be used or disclosed internally and externally within the scope of the assignment.

Remuneration policy

Extracts relating to ESG from the remuneration policy of the Art-Invest Real Estate Funds (November 2021):

Superior corporate goals, departmental goals and personal goals should be designed in such a way that there are no incentives to take risks regarding sustainability. A “sustainability risk” within the meaning of the Disclosure Regulation is defined as an environmental, social or governance event or condition, the occurrence of which could have an actual or potential material adverse effect on the value of the investment.

Sustainability aspects are taken into account in corporate goals, which must include at least one explicit sustainability target. A personal sustainability goal should also be agreed with each employee whenever possible.

Performance, as recorded in staff appraisals, is tracked and monitored. Therefore, if an employee fails to meet their personal or company-related targets, which must also include a sustainability target, the employee will suffer financial consequences in the form of their variable remuneration. Non-financial consequences, e.g., not being considered for promotion, are also applicable as sanctions.

Social and working conditions

In its Social Policy, Art-Invest Real Estate describes the following fundamental principles in its dealings with its employees, in addition to the separately listed topics of “respect for and observance of human rights” and the “remuneration policy”:

- Our basic understanding and the principle of equal treatment and diversity
- Hiring new employees in a transparent and defined process
- The support, development and promotion of employees
- The health and well-being of employees as an essential basis for a positive business development
- Reconciling work and family life
- Protecting against harassment and bullying
- Our working standards and working conditions as well as our understanding of an appreciative corporate culture
- Ensuring employee satisfaction through regularly conducted surveys



Official signatory of the UN PRI since 2021

Art-Invest Real Estate stands for long-term value creation in future-oriented real estate. As well as achieving economic success, we also strive to meet our responsibilities to our employees and business partners, to society and, of course, to the environment. We have therefore developed an all-encompassing 4-pillar model of sustainability that takes into account all relevant factors relating to economic, environmental, community and social issues.

As a signatory to the United Nations Principles for Responsible Investments (UNPRI), Art-Invest Real Estate has also committed itself to transparency in its responsibility and commitment to protecting the environment, society and fiduciary services to its clients and has established principles for incorporating ESG issues into all decision making.

UN PRI – SIX PRINCIPLES



- 1 We will incorporate ESG issues into investment analysis and decision-making processes.
- 2 We will be active owners and incorporate ESG issues into our ownership policies and practices.
- 3 We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- 4 We will promote acceptance and implementation of the Principles within the investment industry.
- 5 We will work together to enhance our effectiveness in implementing the Principles.
- 6 We will each report on our activities and progress towards implementing the Principles.*

ART-INVEST REAL ESTATE'S KEY GOALS

- **Environment:** Developing new projects in a way that conserves resources and increasing efficiency in managing existing properties. Achieving sustainable building certification as a fundamental goal for new and existing investments.
- **Social:** Developing and managing real estate with the maximum possible social benefit. Responsible handling of the capital entrusted to us and of the interests and rights of investors. Creating sustainable value for investors, tenants, partners and locations.
- **Economy:** Only investing in good locations in metropolises and economic centres, as only these enable sustainable value creation. Active management as part of the Manage to Core approach to improve the quality and value of properties
- **Sustainable corporate governance:** Ensuring continuity in personally advising investors through an owner-managed corporate structure with long-term agreed cooperation, and through having long-term staff participating in the company's success.
- **Attractive recruitment conditions:** Plenty of training opportunities and flexible working time models for all employees to enable further development and the retention of expertise as well as the reconciliation of work and family life to ensure a good work-life balance.
- **Corporate governance:** Extending internal and external control and monitoring mechanisms to include the BVI Rules of Conduct, which set a standard for proper and responsible handling of capital as well as the rights and interests of investors:

* Cf. UN PRI, 2022

Industry Benchmark

Art-Invest Real Estate undertakes to maintain high standards of corporate governance and risk management towards investors and stakeholders.



CORPORATE GOVERNANCE

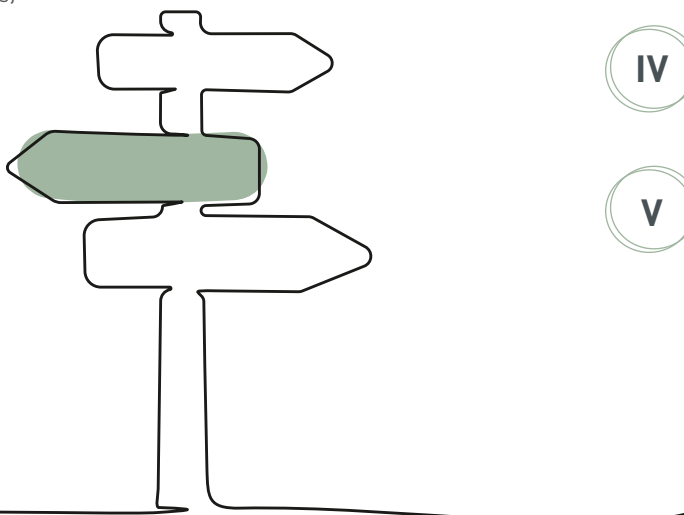
- We assign responsibilities and powers in a clear manner.
- Art-Invest Real Estate adheres to the rules of conduct of the BVI and the BAI.
- As a member of INREV, Art-Invest also has a relevant framework in place to monitor developments on ESG issues and ensure that these are incorporated into the governance of the company.
- We have transparent reporting structures to establish a framework for reporting structures on sustainability (for example GRESB), risk management of sustainability aspects.



INDUSTRY STANDARDS

Art-Invest Real Estate attaches special importance to reliable, accurate and transparent communications consistent with international standards.

- Signatory of the UN PRI (Principles of Responsible Investment)
- Participant in GRESB (Global Real Estate Sustainability Benchmark)
- Member of INREV (European Association for Investors in Non-Listed Real Estate Vehicles)
- Member of BVI (German Federal Association of Investment and Asset Management)
- Member of BAI (German Federal Association of Alternative Investments)



BVI Rules of Conduct

Art-Invest Real Estate undertakes to maintain high standards of corporate governance and risk management towards investors and stakeholders.

- I** Art-Invest does not charge inappropriate fees or commissions and does not jeopardise investor interests by using practices that constitute market abuse.
- II** Art-Invest Real Estate adheres to clear execution policies that ensure settlement in line with market conditions and equal treatment of investors.
- III** Art-Invest Real Estate will render information in a clear, comprehensive and coherent manner.
- IV** The Supervisory Board and management of Art-Invest Real Estate will work towards good corporate governance.
- V** Art-Invest acts as a responsible corporate citizen in environmental and social issues as well as corporate governance issues.

GOVERNANCE

Regulation

Taxonomy

Promoting sustainable investment to achieve the goals of the Paris Climate Agreement has been identified by the EU as a key element in its climate policy. The EU Taxonomy Regulation (Regulation (EU) 2020/825 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088) has been applicable since 01/01/2022, as an important part of the European Green Deal and as a basis for classifying sustainable economic activities. For most sectors, including real estate, it sets out precise requirements for what is meant by “taxonomy compliance” and what negative impact, “Do no significant harm”, is to be avoided.

The taxonomy addresses EU member states, as well as the EU itself, financial market participants and companies that are required to publish non-financial statements.

Article 9 of the Regulation sets out six environmental objectives:

- 1 Climate protection
- 2 Climate change adaptation
- 3 Sustainable use and protection of water and marine resources
- 4 Transition to a circular economy
- 5 Pollution prevention and control
- 6 Protection and restoration of biodiversity and ecosystems

To achieve taxonomy compliance for a company activity, the activity must satisfy at least one of these objectives and not violate any of the other environmental objectives’ criteria on “Do no significant harm”.

For new properties and portfolio properties, different requirements are specified, e.g., for operational energy efficiency through primary energy demand. To meet these objectives in property development projects (for both completed portfolio and new properties), we have created a checklist that provides transparency and a guideline for our project developers. Taxonomy has not only been addressed in property development projects. In 2021, Asset Management also conducted initial analyses regarding taxonomy compliance on portfolio properties. The findings are being used to implement measures.*

* Cf. European Union, 2020

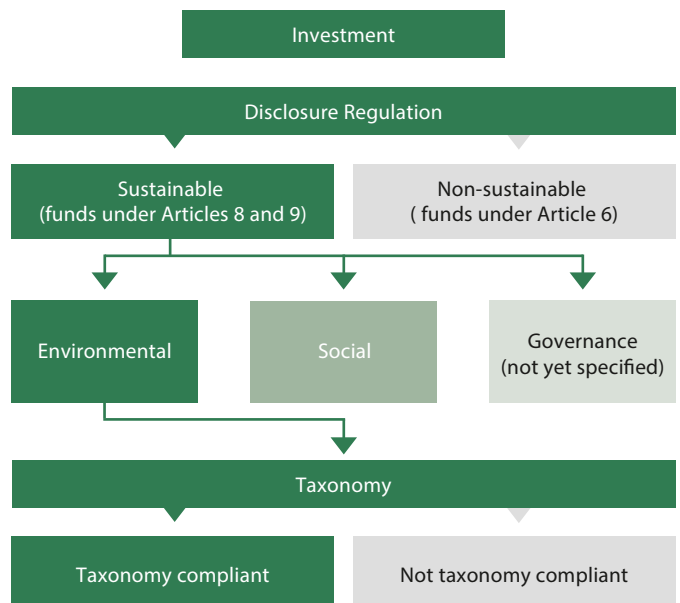
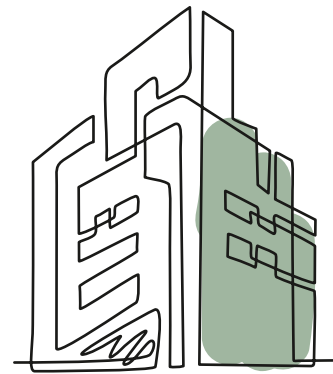
Disclosure Regulation

The Disclosure Regulation (“Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector”) regulates transparency requirements regarding sustainability aspects at entity and product levels.

Objective: increased transparency on sustainability risks and impacts via the sustainability of financial products

In conjunction with the Taxonomy Regulation, it sets standards for:

- Reporting at entity level and product level
- Managing sustainability risks (incl. PAI)
- Promoting social or environmental aspects



Entity level

Art-Invest Real Estate Funds GmbH will calculate its performance on the following sustainability indicators for adverse impacts defined in the regulatory technical standards and applicable to real estate, publish them as required from 2022 onwards as well as work towards improving its current performance.

- 1 The company generally does not invest in real estate used for the extraction, storage, transport or production of fossil fuels.
- 2 The company continuously monitors the energy efficiency of the properties it manages. It publishes the percentage of inefficient properties and actively works towards improvement. Investments in less energy-efficient properties are also expressly permitted if this is done with the aim of significantly improving these properties in terms of their energy efficiency in the short to medium term through appropriate measures.
- 3 The company will calculate the greenhouse gas emissions as well as energy consumption intensity for the properties it manages.

Product level

The Disclosure Regulation has obliged capital management companies since 2022 to classify their funds in one of three categories (Article 6 or 8 and 9). From 1 January 2023, Level II will follow with the requirement to disclose the actual adverse sustainability impacts that fund investments have in a transparent and comprehensible manner. The range starts from Article 6 funds, which do not explicitly consider sustainability aspects, via the more sustainable Article 8 funds to Article 9 funds. This distinction provides information on whether and how sustainability risks are taken into account in the investment process. If such are not taken into account, this fact must be mentioned and justified.

An Article 8 Fund promotes sustainability aspects (environmental and/or social). The promoted characteristics should be measurable and verifiable, as they also have to be disclosed in the regular reports. Funds are colloquially referred to as Article 8+, which have provided for a minimum share of sustainable investments, within the meaning of Article 2 No. 17 of the Disclosure Regulation, in their investment strategy.

An Article 9 Fund takes it a step further – because sustainable or future-proof investments are aimed for. The extent to which Article 8 funds or Article 9 funds must meet certain minimum quotas of sustainable or taxonomy-compliant investments has not yet been finally clarified.*

ARTICLE 6 FUND

No explicit sustainability goals or environmental or social features

ARTICLE 8 FUND

Promotes social and/or environmental characteristics, according to an “ESG strategy”



- Measurable
- Traceable
- Long-term commitment and monitoring

ARTICLE 8+ FUND

“ESG strategy” with a share of sustainable investments: Minimum share of sustainable investments (**environmental** or social objectives) within the meaning of Article 2 No. 17 of the SFDR as part of the investment strategy



For **environmental objective**: Article 6 Taxonomy Regulation

“ESG strategy” with a proportion of **taxonomy-compliant** investments: Minimum share of environmentally sustainable investments according to EU taxonomy as components of the investment strategy

ARTICLE 9 FUND

Pursuing a “sustainable” investment strategy, or holding sustainable assets, that positively contribute to an environmental or social objective

* Cf. European Union, 2019





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Imprint

Legal

IMPRINT

CONTACT AND RESPONSIBILITY FOR CONTENT

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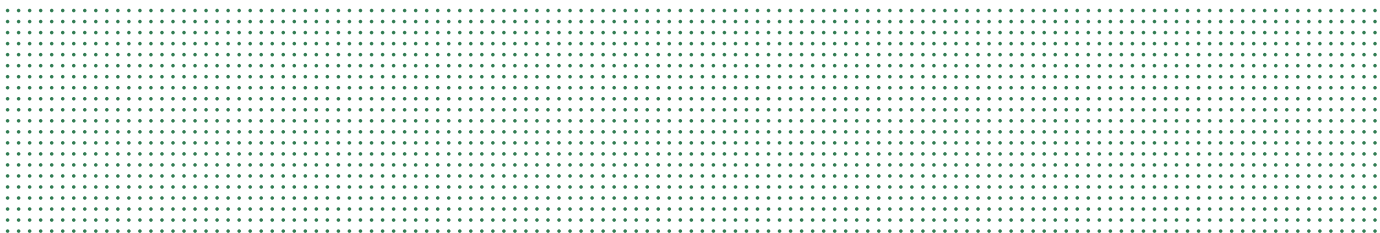
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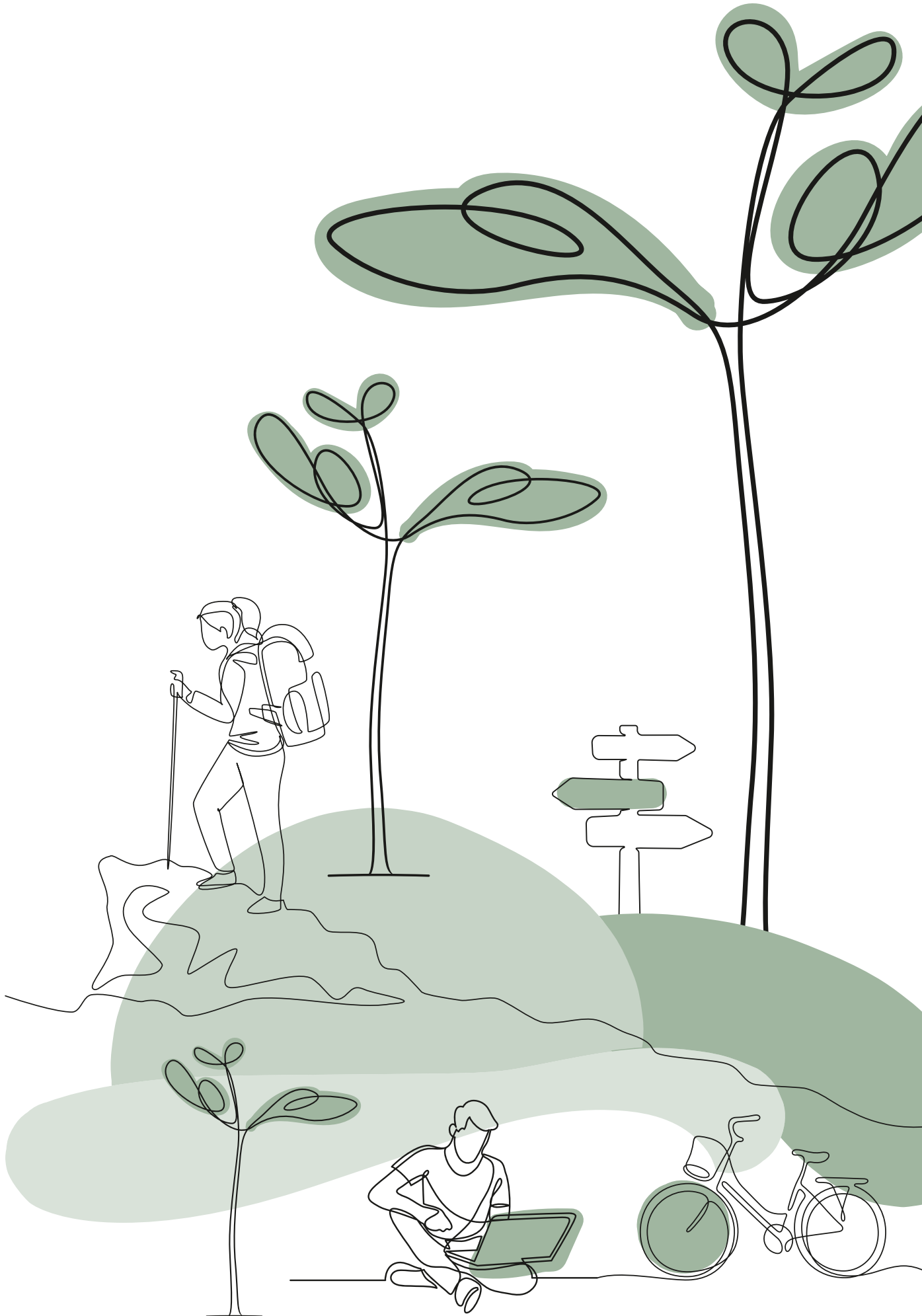
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